



## DEPARTMENT OF ECONOMIC DEVELOPMENT

Isiah Leggett  
*County Executive*

Steven A. Silverman  
*Director*

### **Frequently Asked Questions concerning the Fuel-Energy Tax Program for Certified Agricultural Producers**

*How will the Fuel-Energy Tax Program help me?*

Montgomery County imposes a tax on all fuel-energy that is used on your property. All sources of fuel-energy that are delivered to a farm and used as part of an agricultural operation are normally taxed at a higher non-residential rate as compared to fuel energy provided for residential use. If you are a Certified Agricultural Producer, the lower residential tax rate can be charged on your farm fuel-energy needs.

*How do I know if I am being charged the correct tax rate for the fuel-energy that I use?*

In May of 2005, the County Council adopted the Fuel-Energy Tax rates (see attached) for the fiscal year 2006, which ends June 30, 2006. Check your monthly fuel-energy billing statement to see if you are being charged the residential rates for your fuel-energy.

*What kinds of energy are eligible for the Certified Agricultural Producers Program?*

- Electricity used for agricultural purposes that is metered separately from the meter on your house
- Dyed diesel fuel that is delivered to your farm for off-road use
- Liquid petroleum (LP) gas that is delivered to the farm for nonresidential use

*Fuel-Energy Taxes that are charged at a residential rate represent a 37% savings from the non-residential tax rate.*

*Will the Certified Agricultural Producer designation affect the base kilowatt-hour rate charged by my power company?*

No. It is important to note that the base kilowatt-hour rate charged is independent of the tax that is levied. The Certified Agricultural Producers Program will only affect the *tax* rate you are charged per kilowatt hour, and can not be used to alter the base rate you are charged per kilowatt hour.

*If I have only one electric meter on my property, and it is attached to my house, will this program help me?*

No. Electric meters that are attached to a residential structure are already taxed at a residential rate. If you have another electric meter attached to an outbuilding that is used for agricultural purposes, check your fuel-energy billing statement for the tax rate charged on the second electric meter. If the second meter is charged at the higher nonresidential rate, the Certified Agricultural Producers program can help you.

*If I have fuel oil delivered to my property, will this program help me?*

Maybe. Fuel oil that is used for heating your home should already be taxed at the residential rate. This type of fuel is dyed diesel fuel that can be used for off-road vehicles and farm equipment. If you have fuel oil delivered for off-road vehicles and farm equipment, check your fuel-energy billing statement for the tax rate you are being charged. You will only realize a savings on fuel oil for agricultural use that is charged at a non-residential rate.

*I operate an equestrian facility. Is my facility eligible for consideration in this program?*

Yes. Based on changes in County law that occurred after the first certification period was complete, an equestrian facility is now eligible for consideration as a Certified Agricultural Producer. Note that your facility must still meet at least one of the seven application criteria to be certified.

*The cover letter mentions a "bone fide agricultural operation." What does that mean?*

In order to prove that your property supports a bone fide agricultural operation, the County determines whether or not you are enrolled with one of the following programs or agencies: the Montgomery Soil Conservation District, the Maryland Nutrient Management Program, the United States Department of Agriculture's Farm Service Agency, the Maryland Cooperative Extension Service, or the Montgomery County Farmers Market Association. Maryland Department of Agriculture Certified Organic Growers are also eligible for the program, as are most AEP, MALPF, RLP and MET (farmland preservation) properties. If you do not fall into any of these categories but feel that you run a bone fide farming operation, please contact Jeremy Criss at 301-590-2830. Your operation may be given individual consideration depending on the circumstances.

*If I am approved as a Certified Agricultural Producer, will my fuel- energy suppliers be notified?*

Yes. The County will provide the suppliers with a list of Certified Agricultural Producers. However, it is in your best interest to contact your fuel-energy supplier(s) and inform them of your certification status.

Resolution No.: 17-1123  
Introduced: April 1, 2014  
Adopted: May 22, 2014

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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By: Councilmembers Berliner and Andrews

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**SUBJECT:** Fuel/energy Tax - Rates

**Background**

1. Section 52-14 of the County Code levies a tax on persons transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel, oil, or liquefied petroleum gas in the County.
2. Section 52-14 also provides that the County Council may amend the fuel/energy tax rates by resolution, after a public hearing advertised as required by Section 52-17. A public hearing was held on this resolution on April 22, 2014
3. The Council finds that it is fair and equitable to continue different rates for fuels and energy transmitted, distributed, manufactured, produced, or supplied for residential and agricultural purposes and for non-residential purposes.

**Action**

The County Council for Montgomery County, Maryland approves the following resolution:

1. On and after July 1, 2014, the fuel/energy tax rates levied under Section 52-14 of the County Code are specified on Schedule A, attached to this resolution.
2. This Resolution supersedes Resolution 17-774.

This is a correct copy of Council action.

  
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Linda M. Lauer, Clerk of the Council

## SCHEDULE A (effective July 1, 2014)

- (a) For fuel-energy transmitted, distributed, manufactured, produced, or supplied for residential and agricultural purposes:

<b>FUEL-ENERGY</b>	<b>TAX RATE</b>
Electricity (per kilowatt hr)	\$0.01106
Natural Gas (per therm)	\$0.09515
Steam (per therm)	\$0.12428
Coal (per ton)	\$28.14231
Fuel oil (per gallon)	
No. 1	\$0.13637
No. 2	\$0.14146
No. 3	\$0.14146
No. 4	\$0.14478
No. 5	\$0.14758
No. 6	\$0.15090
Liquefied petroleum gas (per pound)	\$0.02056

- (b) For fuel-energy transmitted, distributed, manufactured, produced, or supplied for non-residential purposes:

<b>FUEL-ENERGY</b>	<b>TAX RATE</b>
Electricity (per kilowatt hr)	\$0.01978
Natural Gas (per therm)	\$0.17026
Steam (per therm)	\$0.22324
Coal (per ton)	\$50.54516
Fuel oil (per gallon)	
No. 1	\$0.24399
No. 2	\$0.25311
No. 3	\$0.25311
No. 4	\$0.25905
No. 5	\$0.26406
No. 6	\$0.26999
Liquefied petroleum gas (per pound)	\$0.03679