

Directions for determining if you are being charged the correct tax rate for Agricultural energy usage.

STEP 1: Look at your tax bill

Figure out the tax rate by dividing the Montgomery County Tax Amount Charged by the actual KWH amount.

Example below from a Potomac Edison bill:

Divide the MC Tax rate being charged (\$81.08) by the actual KWH amount (5062) = .016017384 (tax rate)

State Sales Tax	20.54
Montgomery County Tax	81.08
Current Consumption Bill Charges	444.52

Usage Information for Meter Number XXXXXXXX

Jan 15, 2022 KWH Reading (Actual)	33,048
Dec 17, 2021 KWH Reading (ESTIMATE)	28,971
Kilowatt Hours Metered	4,077
KILOWATT HOURS BILLED	4,008
Jan 15, 2022 KWH Reading (Actual)	5,062
Dec 17, 2021 KWH Reading (ESTIMATE)	4,993
Kilowatt Hours Out	69
Dec 17, 2021 Banked KWH Credit	0
Jan 15, 2022 Banked KWH Credit	0

STEP 2:

Compare this amount (.016017384) with the amount shown in the resolution (.01106)

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

FUEL-ENERGY	TAX RATE
Electricity (per kilowatt hr)	\$0.01106

Actual KWH (5062) x .01106 = \$55.98

STEP 3:

Contact Utility Company and provide them with the Certification Letter, copy of resolution and ask them to correct the billing.

In the example above the agricultural operation was charged \$81.08 and should contact the utility company to request a credit of \$25.10 from the utility company.

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

FUEL-ENERGY	TAX RATE
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