

Figure: 34 TAC §3.438(b)(4)

Example:

Transactions			
Date	Buyer A	Buyer B	Buyer C
July 5	5,000 gal.	10,000 gal.	10,000 gal.
July 10	2,500 gal.	10,000 gal.	10,000 gal.
July 15	2,500 gal.		2,500 gal.
July 20	3,000 gal.		

The sale to Buyer A on July 20 is not taxable because it is the sale that caused the 10,000 gallon limit to be exceeded. The sale on July 10 to Buyer B is not taxable because it is the sale that caused the 10,000 gallon limit to be exceeded. The sale to Buyer C on July 15 is taxable because the 10,000 gallon limit was exceeded with the purchase on July 10.