



**North Dakota Office of State Tax Commissioner**  
Cory Fong, Tax Commissioner

# **Motor Fuel**

## **Instruction Manual**

### **Fuel Tax Schedules and Reports**

*Effective beginning with  
July 2005 tax reports*

**August 2005**



# North Dakota Office of State Tax Commissioner

## Fuel Tax Instruction Manual – July 2005

These instructions are for use with the fuel tax schedules and reports effective beginning with the July 2005 tax reports. The tax reports are schedule driven, meaning the majority of entries for the tax report come from a schedule. Taxpayers need to review the forms and the instructions thoroughly before attempting to complete the documents.

There are two electronic filing options available:

- 1) Electronic data interchange (EDI), and
- 2) Excel spreadsheets.

Application forms for electronic filing, trading partner profile forms, Excel spreadsheets, are available on our Internet web site at: **[www.nd.gov/tax/Fuel/Electronic Filing](http://www.nd.gov/tax/Fuel/Electronic Filing)**.

Also available on our website are PDF fill-in forms which may be used for paper reports.

The instructions are broken down into several sections. The sections covering the schedules outline what should be reported and what should not be reported and the detail required. The sections covering the tax reports provide line-by-line instructions. The last section is an “Additional Information Section” covering various issues related to information required on the schedules and tax reports.

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## DUE DATES

The due date for all tax reports and schedules and tax payments is the 25th of the month following the month covered by the report. If the 25th falls on a Saturday, Sunday, or legal holiday, the due-date is the first working day after the weekend or holiday.

To be timely:

- Paper documents and checks mailed to the Tax Commissioner must be postmarked no later than midnight of the due date;
- Electronically-filed reports must be received by the Tax Commissioner no later than midnight on the due date; and
- Taxpayers making EFT payments for electronically filed tax reports must initiate payment with the bank by the due date.

## PRODUCT CODES

The following standard uniform product codes are used for reporting fuel transactions:

### Aviation Fuel

065 Gasoline (for aircraft)  
125 Aviation Gasoline  
130 Jet Fuel  
142 Undyed Kerosene (for aircraft)

### Motor Vehicle Fuel

065 Gasoline  
079 E-85  
122 Blending Components  
124 Gasohol  
241 Ethanol-Alcohol  
243 Methanol

### Liquefied Petroleum Gas

054 Propane

### Special Fuel

072 Kerosene – Dye Added  
091 Waste Oil  
122 Blending Components  
142 Kerosene - Undyed  
160 Diesel Fuel - Undyed  
224 Compressed Natural Gas (CNG)  
228 Diesel Fuel – Dye Added  
284 Biodiesel – Undyed (B100)  
285 Soy Oil  
290 Biodiesel – Dye Added (B100)

## SCHEDULES OF GALLONS RECEIVED

Use the following schedules to report fuel refined, manufactured, purchased, or imported:

- 1 – Gallons received in North Dakota – ND tax paid
- 2 – Gallons received in North Dakota – ND tax NOT paid
- 3 – Gallons imported into North Dakota by your business – ND tax NOT paid

A separate schedule is required for each tax type; i.e. aviation fuel, liquefied petroleum gas, motor vehicle fuel, and special fuel. The instructions are the same for all tax types.

### **Schedule Type 1 – Gallons received in North Dakota – ND tax paid**

*All transactions must be detailed. All mandatory fields must have an entry.*

Entities with active fuel tax licenses from the Tax Commissioner should always purchase fuel without the ND tax charged by the selling supplier or distributor. A licensed distributor may, however, encounter occasional circumstances when the ND tax is paid to the seller. This schedule must be used to report those tax-paid purchases.

**Report the following transactions on this schedule type:**

- Gallons purchased in ND with the ND fuel tax erroneously charged and remitted by the seller.
- Gallons purchased in ND with the ND tax charged and remitted by the seller, based upon circumstances pre-approved by the Tax Commissioner.
- Gallons purchased in ND from an entity whose inventory consists only of ND tax paid fuel.
- Gallons purchased by a new business prior to obtaining a license from the Tax Commissioner.

**Do not report the following transactions on this schedule type:**

- Gallons purchased in ND without the ND fuel tax payable to the seller.
- Gallons purchased in ND with only the Federal fuel tax payable to the seller.
- Gallons imported by your business.

**Schedule Type 2 – Gallons received in North Dakota – ND tax NOT paid**

*Transactions must be detailed. Exception: transfers to aviation fuel from motor vehicle fuel or special fuel may be summarized. All mandatory fields must have an entry.*

**Report the following transactions on this schedule type:**

- Gallons purchased in ND without the ND fuel tax payable to the seller.
- Gallons manufactured or refined in ND by your business.
- Gallons sold over the rack by a supplier at a ND pipeline terminal.  
The entity listed on a bill of lading as the supplier or shipper must report gallons sold over the rack at a ND pipeline terminal as “gallons received.” This will allow accurate tracking of the fuel from a terminal operator’s Schedule of Gallons Disbursed to a supplier’s Schedule of Gallons Received.
- Gallons of regular gasoline transferred to aviation fuel from motor vehicle fuel.  
These gallons must also be reported on the motor vehicle fuel Schedule of Gallons Disbursed, schedule type 6.
- Gallons of kerosene transferred to aviation fuel from special fuel.  
These gallons must also be reported on the special fuel Schedule of Gallons Disbursed, schedule type 6.

**Do not report the following transactions on this schedule type:**

- Gallons purchased in ND with the ND fuel tax payable to the seller.
- Gallons imported by your business.
- Gallons received into a ND pipeline terminal storage facility.
- Exchanges or other above the rack pipeline terminal transactions.

**Schedule Type 3 – Gallons imported into North Dakota by your business – ND tax NOT paid**

*Transactions must be detailed. Exception: imports consisting only of direct sales to ND consumers may be summarized. All mandatory fields must have an entry.*

**Report the following transactions on this schedule type:**

- Gallons imported into ND by your business.

An “import” is fuel purchased in bulk or tanker load in another state, Canadian province, or other foreign jurisdiction, and brought into ND for sale in ND.

“Imports” include all fuel from a bulk plant, terminal, or any other storage facility, in another jurisdiction, regardless where it was purchased, brought into ND for sale in ND. It also includes fuel purchased in ND, exported, and returned to ND for sale in ND.

An “importer” takes legal possession of fuel in another state, Canadian province, or other foreign jurisdiction, and brings it into ND. “Legal possession” for purposes of these transactions, means “ownership” of the fuel.

- ▶ If the out-of-state supplier or distributor from whom the fuel was purchased owns the fuel when it crosses the border into ND, that person is the importer.
- ▶ If you, as the purchaser, own the fuel when it crosses the border into ND, you are the importer.

Whose carrier is the transporter does not of itself determine legal ownership of the fuel.

- ▶ Fuel delivered into ND by the purchaser’s own carrier, a common carrier hired by the purchaser, or a contract carrier hired by the purchaser, is most likely owned by the purchaser when it crosses the border into ND.
  - ▶ Pursuant to a written contractual agreement between the parties, fuel delivered into ND by a carrier furnished by the seller may also be owned by the purchaser when it crosses the border.
- MN/ND Exception: A MN supplier or first distributor, licensed in ND, may act as the “importer” when selling fuel in MN for export to ND, but only if the purchaser is not licensed in ND. The acting “importer” must charge the applicable ND per gallon tax and report the transaction on this schedule. These transactions must also be reported on a Schedule of Gallons Disbursed, schedule type 5 or 5A, as a ND sale.

EXAMPLE – The seller acts as the “importer”:

The fuel is sold over-the-rack at a Minnesota pipeline terminal:

- ▶ The purchaser/consignee takes legal possession of the fuel in Minnesota;
- ▶ The destination for the fuel is North Dakota; and
- ▶ The purchaser/consignee is not licensed in North Dakota.

The MN seller reports the transaction as an import into ND and as a tax-paid sale in ND.

### **Do not report the following transactions on this schedule type:**

- Gallons shipped into a ND pipeline terminal.
- Gallons acquired in another state, Canadian province, or other foreign jurisdiction, that do not come to rest in ND. These gallons should not be reported as an import into ND even though your business may have a presence in or a billing address in ND.
- Gallons destined for ND but sold by your business (in other words, your business relinquished legal possession) in another state, Canadian province, or other foreign jurisdiction.
  - ▶ The MN/ND exception noted in the instructions on what to report may, however, apply.

## **Details Required Schedules of Gallons Received**

All transactions for a specific tax type may be listed on one document, or a separate document may be completed for each schedule type.

Each transaction must be detailed, except where summaries are specifically allowed. Do not use a symbol to designate “repeat” data, and do not enter “same” for repeat data. An entry is required in each “mandatory” field. Only an “optional” field may be left blank. Schedules (and the tax reports supported by those schedules) without the mandatory detail, may be rejected.

Gallonage subtotals, by product type, per schedule type, are needed to complete the tax reports.

Follow the instructions for completing each field. Whether the field is mandatory or optional is underlined.

## **Schedule Type**

### Mandatory

- Enter the applicable schedule type number from the list provided on the form.

## **Pro. (Product) Types**

### Mandatory

- Enter the applicable 3-digit product type number from the list provided on the form. For 3-digit numbers beginning with “0,” the leading “0” is required.

NOTE: Refer to the “Additional Information Section” of these instructions for information on the use of product codes for reporting blended versus non-blended gasoline/ethanol, for reporting E-85, and for reporting blended versus non-blended diesel/biodiesel.

## **(1) Carrier Name**

### Mandatory

- Enter the business name of your own carrier, or of the common or contract carrier, that transported the fuel for you.
- Enter the name of the terminal operator if you are a supplier reporting over-the-rack pipeline terminal transactions as receipts.
- Enter your own business name, the word “carrier,” or the letters “NA” (for not applicable), to report summarized transactions where permitted on a schedule type 3.
- Enter your own business name, the word “carrier,” or the letters “NA” (for not applicable), to report a transfer to aviation fuel from motor vehicle fuel or special fuel on a schedule type 2.

## **(2) Carrier FEIN**

### Optional

- This field may be left blank; or
- Enter the Federal Employer Identification Number (FEIN) of the carrier listed in column (1); or
- Enter 999999999 (9 nines) as a generic number.

NOTE: There is no state-assigned suffix for carrier FEIN’s.

## **(3) Mode**

### Mandatory

- Enter the applicable mode code from the list provided on the form.
- Use the PL code if you are a supplier reporting over-the-rack pipeline terminal transactions as receipts.
- Use the CE code if you are an importer summarizing direct sales to consumers in ND.
- Use the CE code if you are a distributor summarizing transfers to aviation fuel from motor vehicle fuel or special fuel.

## **(4) Point of Origin**

### Mandatory

The point of origin is where the fuel was acquired. This could be, but is not limited to:

- ▶ The location of a pipeline terminal;
- ▶ The location of a bulk storage facility; or
- ▶ The location of the seller’s business.
- Enter the terminal code if received at a pipeline terminal.
- Enter the city (optional) and state (mandatory) where the fuel was acquired, If NOT received at a pipeline terminal.

- Do not enter “various” in these fields.

NOTE: If you are using Excel, there are separate fields for the city, state, and a terminal (TCN) code. Do not enter both a terminal code and the city/state information.

#### **(4) Point of Destination**

##### Mandatory

The point of destination is where the fuel technically comes to rest. This could be, but is not limited to:

- ▶ The location of a pipeline terminal;
- ▶ The location of a bulk storage facility; or
- ▶ The location of your business.
- Enter the terminal code if the destination is a pipeline terminal.
- Enter the city (optional) and state (mandatory) to which the fuel is destined for storage or delivery, if the destination is NOT a pipeline terminal.
- Do not enter “various” in these fields.

NOTE: If you are using Excel, there are separate fields for the city, state, and a terminal (TCN) code. Do not enter both a terminal code and the city/state information.

#### **(5) Purchased from – Seller Name**

##### Mandatory

- Enter the name of the supplier or distributor from whom the fuel was purchased.
- Enter your own name, or, in the alternative, the terminal operator name, if you are a supplier reporting ND over-the-rack pipeline terminal transactions as receipts.
- Enter your own business name if you are an importer reporting direct sales to consumers in ND.
- Enter the word “transfer” if you are a distributor reporting transfers to aviation fuel from motor vehicle fuel or special fuel.

#### **(6) Seller FEIN - Suffix**

##### Mandatory

- Enter the Federal Employer Identification Number (FEIN) of the seller listed in column (5).
- Enter the state-assigned two-digit suffix number.
  - ▶ If you do not know the state-assigned suffix number, contact the seller or obtain a listing from the Tax Commissioner. The suffix for terminal operators is 84. The default suffix is 70.
- Enter your own FEIN and suffix if you are an importer reporting direct sales to consumers in ND.
- Enter your own FEIN and suffix if you are a distributor reporting transfers to aviation fuel from motor vehicle fuel or special fuel. Or, you may enter 999999999 (9 nines) as a generic number, plus a generic suffix of 99 (2 nines).

#### **(7) Transaction Date**

##### Mandatory

- Enter the month, day, and year (MM/DD/YY; example 07/01/05) of purchase.

The date of purchase is the date on which you took delivery or acquired legal ownership of the fuel.

  - ▶ Do not use an invoice date if that date is different than the date of purchase.
  - ▶ The transaction date should be taken from the same document used for the document number.
  - ▶ The transaction date should coincide with the date on the seller’s disbursement schedule.
- Enter the last day of the month covered by the report if you are an importer summarizing direct consumer sale imports on schedule type 3.
- Enter the last day of the month covered by the report if you are a distributor summarizing transfers to aviation fuel from motor vehicle fuel or special fuel.

#### **(8) Document Number**

##### Mandatory

- Enter the document number of the transaction.

- ▶ Use the bill of lading number whenever possible.
- ▶ When a bill of lading number does not apply, use an invoice number or a delivery ticket number.
- ▶ The document number should be from the same document the transaction date is taken from.
- ▶ The document number you use must match the document number used by the seller on the disbursement schedule. You may need to coordinate this information with the seller.
- Enter the word “SUM” if you are an importer summarizing direct consumer sale imports on schedule type 3.
- Enter the word “SUM” if you are a distributor summarizing transfers to aviation fuel from motor vehicle fuel or special fuel.

### **(9) Net Gallons**

Mandatory – for EDI filing

Optional, if unknown, – for EXCEL or paper filing

- Enter the net (temperature adjusted) gallons received.

### **(10) Gross Gallons**

Mandatory

- Enter the gross gallons received.

### **(11) Billed Gallons**

Optional

- Enter the number of gallons for which you were billed by the seller.

## **SCHEDULES OF GALLONS DISBURSED**

The use of these schedules varies between the tax types. The following is a list of the schedule types as they are used to report fuel sold, used, or exported, for each specific tax type.

### **Aviation Fuel:**

- 5 - Gallons sold to retailers for resale – ND \$.08 per gallon taxable
- 5Q - Gallons sold to consumers, or used – ND \$.08 per gallon taxable
- 6 - Gallons sold to licensed suppliers or distributors for resale – ND non-taxable
- 7 - Gallons exported out of North Dakota by your business – ND non-taxable
- 8 - Gallons sold to agencies of the U.S. Government – ND tax-exempt (or tax credit taken)
- 10G - Gallons sold out of tax-paid inventory

### **Liquefied Petroleum Gas:**

- 5Q - Gallons sold to consumers, or used – ND \$.23 per gallon taxable
- 5X - Gallons sold to consumers, or used – ND 2% excise taxable
- 6 - Gallons sold to licensed suppliers or distributors for resale – ND non-taxable
- 7 - Gallons exported out of North Dakota by your business – ND non-taxable
- 8 - Gallons sold to agencies of the U.S. Government – ND tax-exempt (or tax credit taken)
- 10 - Gallons sold to Native Americans – ND tax-exempt

### **Motor Vehicle Fuel:**

- 5 - Gallons sold to retailers for resale – ND taxable – loss allowance passed on
- 5A - Gallons sold to retailers for resale – ND taxable – loss allowance NOT passed on
- 5Q - Gallons sold to consumers, or used – ND taxable
- 6 - Gallons sold to licensed suppliers or distributors for resale – ND non-taxable
- 7 - Gallons exported out of North Dakota by your business – ND non-taxable

- 8 - Gallons sold to agencies of the U.S. Government – ND tax-exempt (or tax credit taken)
- 10 - Gallons sold to Native Americans – ND tax-exempt
- 10G - Gallons sold from tax-paid inventory

### **Special Fuel:**

- 5 - Gallons sold to retailers for resale – ND \$.23 per gallon taxable
- 5Q - Gallons sold to consumers, or used – ND \$.23 per gallon taxable
- 5X - Gallons sold to consumers, or used – ND 2% excise taxable
- 5Y - Gallons sold to railroads – ND 2% excise taxable
- 6 - Gallons sold to licensed suppliers or distributors for resale – ND non-taxable
- 7 - Gallons exported out of North Dakota by your business – ND non-taxable
- 8 - Gallons sold to agencies of the U.S. Government – ND tax-exempt (or tax credit taken)
- 10 - Gallons sold to Native Americans – ND tax-exempt
- 10G - Gallons sold from tax-paid inventory

The following *italicized* letters are used to identify individual tax types:

- AVI* = Aviation fuel
- LPG* = Liquefied petroleum gas
- MVF* = Motor vehicle fuel
- SF* = Special fuel

### **Schedule Type 5 – Gallons sold to retailers for resale**

*Transactions must be detailed, unless an exception is specifically provided. All mandatory fields must have an entry.*

- AVI* – Gallons sold to retailers for resale – ND \$.08 per gallon taxable
- MVF* – Gallons sold to retailers for resale – ND taxable – loss allowance passed on
- SF* – Gallons sold to retailers for resale – ND \$.23 per gallon taxable

### **Report the following transactions on this schedule type:**

- *AVI*: Gallons sold in ND to retailers for resale, on which the ND \$.08 per gallon tax was applied.
- *MVF* : Gallons sold in ND to retailers for resale, on which the ND \$.23 per gallon tax was applied, but only if the one-half of one percent loss allowance was passed on to the retailer.
  - ▶ This can include gallons sold to a supplier’s or a distributor’s own retail outlets.
  - ▶ A distributor who does not carry an inventory and whose only sales are to its own retail outlets, may summarize the sales. The transactions should be summarized by location (i.e. city and state), but may be reported as a total of all sales.
- *SF*: Gallons undyed diesel fuel sold in ND to retailers for resale, on which the ND \$.23 per gallon tax was applied.
  - ▶ Special fuel retailers must be licensed with the Tax Commissioner; however, the license may be inactive if the retailer does not purchase and sell dyed diesel fuel or any other special fuel potentially subject to the 2 % excise tax. A retailer with an inactive license may purchase undyed diesel fuel with the ND \$.23 per gallon tax paid to the seller.
  - ▶ A distributor who does not carry an inventory, whose only purchasers are its own retail outlets, and whose sales to those outlets are all-inclusive on a Schedule of Gallons Received, schedule type 2, may summarize the sales to the outlets. The distributor may summarize these transactions by location (i.e. city and state), or as a total of all sales. Summaries by location are preferred.

### **Do not report the following transactions on this schedule type:**

- *MVF*: Gallons sold to retailers for resale, on which the ND \$.23 per gallon tax was applied, if the one-half of one percent loss allowance was NOT passed on to the retailer.

- *MVF*: Gallons sold to another supplier or distributor for resale.
  - ▶ Suppliers and distributors must be licensed with the Tax Commissioner and, unless pre-approved by the Tax Commissioner based upon special circumstances, must purchase fuel without the ND \$.23 per gallon tax applied by the seller.
  - ▶ If a tax-paid sale is made to a licensee, the loss allowance does not apply, and this transaction must be reported on schedule type 5A.
- *AVI/LPG/SF*: Gallons sold to another supplier or distributor for resale.
  - ▶ Suppliers and distributors must be licensed with the Tax Commissioner and must purchase fuel without the ND tax applied by the seller.
- *AVI/LPG/MVF/SF*: Gallons exported.
- *AVI/LPG/MVF/SF*: Gallons sold directly to consumers.

**Schedule 5A – Gallons sold to retailers for resale – ND taxable – loss allowance NOT passed on**

*Transactions must be detailed, unless an exception is specifically provided for a summary. All mandatory fields must have an entry.*

**Report the following transactions on this schedule type:**

- *MVF*: Gallons sold to retailers for resale, on which the ND \$.23 per gallon tax was applied, but only when the one-half of one percent loss allowance was NOT passed on to the retailer.

EXAMPLES for use of this schedule are:

- ▶ The sale is to a retailer located on the ND portion of the Standing Rock Sioux Tribe reservation. These transactions are subject to the Standing Rock Tribal tax ordinance which does not provide an up-front loss allowance to retailers.
- ▶ A loss allowance, even though passed on to the retailer, is not evident on the delivery invoice. If it is not evident that the loss allowance was passed on to the retailer, the selling supplier or distributor may not claim those gallons as a deduction from taxable gallons.
- ▶ Your business erroneously failed to pass the loss allowance on to the retailer. It is mandatory for the supplier or distributor to pass on this allowance; however, if it was not passed on, the supplier or distributor may not claim those gallons as a deduction from taxable gallons.
- ▶ Sales to your own retail outlets if the retail inventories are co-mingled with the bulk inventories on your tax report.
- ▶ Sales to your own retail outlets if you did not create a delivery ticket from your bulk operation to the retail outlet and did not document that the loss allowance was passed on to the retail outlet.

The selling supplier or distributor must charge and remit the \$.23 per gallon on the total gross gallons, without deducting a one and one-half percent per gallon loss allowance, for each of these transactions.

**Do not report the following transactions on this schedule type:**

- *MVF*: Gallons sold to retailers for resale, on which the ND \$.23 per gallon tax was applied, ***if the one-half of one percent loss allowance was passed on to the retailer.***
- *MVF*: Gallons sold to another licensed supplier or distributor for resale (except under special circumstances).
- *MVF*: Gallons exported by your business.
- *MVF*: Gallons sold to consumers.
- *AVI/LPG/SF*: Aviation fuel, liquefied petroleum gas, or special fuel transactions.

## **Schedule Type 5Q – Gallons sold to consumers, or used – ND taxable**

*Transactions may be summarized. No mandatory field may be left blank.*

- AVI – Gallons sold to consumers, or used – ND \$.08 per gallon taxable
- LPG – Gallons sold to consumers, or used – ND \$.23 per gallon taxable
- MVF – Gallons sold to consumers, or used – ND taxable
- SF – Gallons sold to consumers, or used – ND \$.23 per gallon taxable

### **Report the following transactions on this schedule type:**

- *AVI*: Gallons sold directly to consumers, and gallons disbursed for your own use.
- *LPG*: Gallons sold directly to consumers for use in licensed motor vehicles, and gallons disbursed for your own use in licensed motor vehicles.
- *MVF*: Gallons sold directly to consumers, and gallons disbursed for your own use.
- *SF*: Gallons sold directly to consumers, and gallons disbursed for your own use, of undyed diesel fuel, of undyed diesel fuel blended with biodiesel, of unblended biodiesel intended for blending with undyed diesel fuel, and of kerosene intended for use in a licensed motor vehicle.
- *AVI/LPG/MVF/SF*: Gallons, as a negative number, for previously reported tax-paid credit card sales now being reported as tax-exempt sales on schedule types 8 or 10.

### **Do not report the following transactions on this schedule type:**

- *AVI/LPG/MVF/SF*: Gallons sold to retailers for resale.
- *AVI/LPG/MVF/SF*: Gallons exported by your business.
- *AVI/LPG/MVF/SF*: Gallons sold to another supplier or distributor for resale.
- *LPG*: Gallons subject to the 2% special fuel excise tax.
- *SF*: Gallons of dyed diesel fuel, dyed diesel fuel blended with biodiesel, unblended biodiesel intended for blending with dyed diesel fuel, kerosene not intended for use in a licensed motor vehicle, and any other special fuel subject to the 2% special fuel excise tax.

## **Schedule Type 5X – Gallons sold to consumers, or used – ND 2% excise taxable**

*Transactions may be summarized. All mandatory fields must have an entry.*

### **Report the following transactions on this schedule type:**

- *LPG*: Gallons sold directly to consumers, and gallons disbursed for your own use, as heating fuel or for use in non-licensed machinery or equipment for an industrial, agricultural, or railroad purpose.
- *LPG*: Gallons sold to non-licensed retailers, and gallons sold to businesses such as convenience stores, retail stores, or campgrounds, for resale in one-pound (1 lb.) to twenty-pound (20 lb.) containers or other volumes as approved by the Tax Commissioner. These sales are treated as sales to consumers.
- *SF*: Gallons sold directly to consumers (including railroads for non-locomotive use), and gallons disbursed for your own use, of dyed diesel fuel, of dyed diesel fuel blended with biodiesel, of unblended biodiesel intended for blending with dyed diesel fuel, of heating fuels including kerosene.

### **Do not report the following transactions on this schedule type:**

- *LPG/SF*: Gallons subject to the \$.23 per gallon tax.
- *LPG/SF*: Gallons exported by your business.
- *LPG/SF*: Gallons sold to licensed retailers, or to other suppliers or distributors for resale.
- *AVI/MVF*: Aviation fuel or motor vehicle fuel transactions.

### **Schedule Type 5Y – Gallons sold to railroads – ND 2% excise taxable**

*Transactions must be detailed. Exception: Distributors may summarize bulk truck (as opposed to transport load) deliveries for each railroad company. All mandatory fields must have an entry.*

#### **Report the following transactions on this schedule type:**

- *SF*: Gallons of dyed diesel fuel, dyed diesel fuel blended with biodiesel, unblended biodiesel intended for blending with dyed diesel fuel, and kerosene, sold directly to railroads for use in locomotives.

#### **Do not report the following transactions on this schedule type:**

- *SF*: Gallons of undyed diesel fuel, undyed diesel fuel blended with biodiesel, unblended biodiesel intended for blending with undyed diesel fuel, and kerosene intended for use in a licensed motor vehicle.
- *SF*: Gallons of special fuel sold to railroads for uses other than in locomotives (see schedule type 5X).
- *AVI/LPG/MVF*: Aviation fuel, liquefied petroleum gas, or motor vehicle fuel transactions.

### **Schedule Type 6 – Gallons Sold to licensed suppliers or distributors for resale – ND non taxable (for SF & LPG, include non-taxable sales to licensed retailers)**

*Transactions must be detailed. Exception: transfers from motor vehicle fuel or special fuel to aviation fuel may be summarized. All mandatory fields must have an entry.*

#### **Report the following transactions on this schedule type:**

- *AVI/MVF*: Gallons sold in ND to a licensed supplier or distributor, with no ND fuel tax applied.
- *LPG/SF*: Gallons sold in ND to a licensed supplier, distributor, or retailer, with no ND fuel tax applied.
- *AVI/LPG/MVF/SF*: Gallons sold in ND to a business for use as an ingredient in the manufacture of another product not subject to fuel tax.
- *MVF*: Gallons of regular gasoline transferred from motor vehicle fuel to aviation fuel. These gallons must also be reported on the aviation fuel Schedule of Gallons Received, schedule type 2.
- *SF*: Gallons of kerosene transferred from special fuel to aviation fuel. These gallons must also be reported on the aviation fuel Schedule of Gallons Received, schedule type 2.

#### **Do not report the following transactions on this schedule type:**

- *AVI/LPG/MVF/SF*: Gallons sold in ND to a licensed supplier or distributor, on which the ND per gallon fuel tax was applied.
- *AVI/LPG/MVF/SF*: Gallons exported by your business.
- *AVI/LPG/MVF/SF*: Exchanges or other above-the-rack pipeline terminal transactions.

### **Schedule Type 7 – Gallons exported out of North Dakota by your business – ND non-taxable**

*Transaction must be detailed. Exception: direct sales to consumers may be summarized. All mandatory fields must have an entry.*

#### **Report the following transactions on this schedule type:**

- *AVI/LPG/MVF/SF*: Gallons exported out of ND by your business.

An “export” is fuel purchased in bulk or tanker load in ND and transported to another state, Canadian province, or other foreign jurisdiction, for sale in that jurisdiction.

An “exporter” relinquishes legal possession of the fuel in another state, Canadian province, or other foreign jurisdiction. “Legal possession” for purposes of these transactions, means “ownership” of the fuel.

- ▶ If the out-of-state supplier or distributor to whom the fuel was sold owns the fuel when it crosses the border going out of ND, that person is the exporter.
- ▶ If you, as the seller, own the fuel when it crosses the border going out of ND, you are the exporter.

Whose carrier is the transporter does not of itself determine legal ownership of the fuel.

- ▶ Fuel delivered out of ND by the out-of-state purchaser’s own carrier, a common carrier hired by the purchaser, or a contract carrier hired by the purchaser, is most likely owned by the purchaser when it crosses the border going out of ND.
  - ▶ Pursuant to a written contractual agreement between the parties, fuel delivered out of ND by a carrier furnished by you, as the seller, may also be owned by you when it crosses the border going out of ND.
- MN/ND Exception: A supplier licensed in both ND and MN may act as the “exporter” if the fuel is destined for MN and the purchaser/consignee is not licensed in either ND or MN. The acting “exporter” can then report the transaction to and pay the tax to MN without also having to report it as a tax-paid sale in ND.

**EXAMPLE:**

The fuel is sold over-the-rack at a North Dakota pipeline terminal:

- ▶ The purchaser/consignee takes legal possession of the fuel in North Dakota;
- ▶ The destination for the fuel is Minnesota;
- ▶ The purchaser/consignee is not licensed in North Dakota; and
- ▶ The purchaser/consignee is not licensed in Minnesota.

The ND seller reports the transaction as an export to MN and as a tax-paid sale in MN.

**Do not report the following transactions on this schedule type:**

- Gallons shipped out of ND via pipeline.
- Gallons acquired in or coming to rest in ND and not physically removed from ND may not be reported as exports.

**EXAMPLE OF INVALID TRANSACTIONS:**

A supplier or distributor has fuel storage facilities in ND:

- ▶ The supplier or distributor acquires fuel in ND or imports fuel into ND;
  - ▶ The supplier or distributor has storage facilities, a billing address, or both, in another state, Canadian province, or other foreign jurisdiction;
  - ▶ The supplier or distributor reports all or part of the ND fuel as an export to its out-of-state location but does not physically remove the fuel from ND; and
  - ▶ The supplier or distributor then reports the fuel as imported back into ND based on ND sales.
- Gallons sold in ND by your business (in other words, your business relinquished legal possession in ND), but the fuel is destined for another state, Canadian province, or other foreign jurisdiction. The purchaser is the exporter.
    - ▶ The MN/ND exception noted in the instructions on what to report may, however, apply.

## **Schedule Type 8 – Gallons sold to agencies of the U.S. Government – ND tax-exempt (or tax credit taken)**

*Transactions must be detailed, unless indicated as an exception. All mandatory fields must have an entry.*

### **Report the following transactions on this schedule type:**

- *AVI/LPG/MVF/SF*: Gallons sold directly by your business to an agency of the United States government, on which a ND fuel tax was not applied.
- *AVI/LPG/MVF/SF*: Gallons on which tax credits are claimed for previously reported tax-paid credit card sales to an agency of the United States government.
  - ▶ These transactions may be summarized; however, the detail must be provided to the Tax Commissioner upon request.
  - ▶ A negative adjusting entry for these same transactions must also be reported on the applicable schedule 5Q or 5X.
- *AVI/LPG/MVF/SF*: Gallons sold directly by your business to an agency of the United States government, on which you deducted the ND fuel tax from the agency's bill after remitting the tax to the Tax Commissioner. These transactions cover gallons previously reported as taxable on which you are now claiming exemptions for purposes of obtaining a credit on previously remitted taxes.

NOTE: The Bureau of Indian Affairs (BIA), and the United States Postal Service are agencies of the Federal government, and gallons of ND tax-exempt fuel sold directly to those agencies must be reported on this schedule.

### **Do not report the following transactions on this schedule type:**

- *AVI/LPG/MVF/SF*: Gallons sold to an agency of the United States government, on which a ND fuel tax was applied.
- *AVI/LPG/MVF/SF*: Gallons sold to a consumer who will receive all or partial reimbursement for the cost from an agency of the United States government.
- *AVI/LPG/MVF/SF*: Gallons sold to the ND National Guard when the cost is not billed directly to an agency of the United States government.

## **Schedule Type 10 – Gallons sold to Native Americans – ND tax-exempt**

*Transactions may be summarized. All mandatory fields must have an entry.*

### **Report the following transactions on this schedule type:**

- *LPG/MVF/SF*: Gallons sold directly to a Native American tribal agency on which a ND fuel tax was not applied.
- *LPG/MVF/SF*: Gallons sold directly to an exempt Tribal school. (See the “Additional Information Section” of these instructions for a list of tax-exempt and non-tax-exempt schools located in ND.)
- *LPG/MVF/SF*: Gallons of bulk delivery sold to Native American individuals on a North Dakota Indian Reservation, on which a ND fuel tax was not applied.

NOTE: To be exempt from the ND tax, the individual must be an enrolled member of the Tribe on whose reservation the sale is made and must reside on the reservation where the sale was made.

### **Do not report the following transactions on this schedule type:**

- Gallons sold to a Native American tribal agency, if a ND fuel tax was applied.
- Gallons sold to Native American individuals, if a ND fuel tax was applied.
- Gallons sold to Native American individuals who are not enrolled members of the Tribe on whose Reservation the sale was made.
- Gallons sold to Native American individuals who do not reside on the Reservation where the sale was made.
- Gallons sold to the Bureau of Indian Affairs (BIA) (see schedule type 8).

- Gallons sold to non-tribal agencies or businesses who receive reimbursement from the Tribe or an agency of the United States government.
- Gallons sold to public schools located on a ND Indian Reservation for use as heating fuel, in school buses, or for any other use, even though the school may receive reimbursement from the Bureau of Indian Affairs (BIA). (See the listing of schools on the last page of these instructions.)

### **Schedule Type 10G – Gallons sold from tax-paid inventory**

*Transactions must be summarized. All mandatory fields must have an entry.*

Entities licensed by the Tax Commissioner should purchase fuel without the ND tax paid to the selling supplier or distributor. A licensed distributor may, however, encounter occasional circumstances when the selling supplier or distributor charges the ND per gallon tax. If that occurs, this schedule must be used to report the sale of the tax-paid gallons.

#### **Report the following transactions on this schedule type:**

- Gallons sold or used out of an inventory on which the ND per gallon tax was payable to the supplier or distributor from whom you purchased the fuel.  
NOTE: The gallons sold or used out of your tax-paid inventory must be included in one of the other applicable disbursement schedules. This schedule is used as a tool to apply the tax credit on tax-paid purchases against total sales.

#### **Do not report the following transactions on this schedule type:**

- Gallons sold or used out of tax-free inventories.

## **Details or Summaries Required Schedules of Gallons Disbursed**

All transactions for a specific tax type may be listed on one document, or a separate document may be completed for each schedule type.

Gallage subtotals, by product type, per schedule type, are needed to complete the tax reports.

**Transactions must be detailed, except where summaries are specifically allowed.** Do not use a symbol to designate “repeat” data, and do not enter “same” for repeat data. An entry is required in each “mandatory” field. Only an “optional” field may be left blank. **Schedules (and the tax reports supported by those schedules) without the mandatory detail, may be rejected.**

Follow the instructions for completing each field. Whether the field is mandatory or optional is underlined.

### **Schedule Type**

#### **Mandatory**

- Enter the applicable schedule type number from the list provided on the form.

### **Pro. (Product) Types**

#### **Mandatory**

- Enter the applicable 3-digit product type number from the list provided on the form. For 3-digit numbers beginning with “0,” the leading “0” is required.

NOTE: Refer to the “Additional Information Section” of these instructions for information on the use of product codes for reporting blended versus non-blended gasoline/ethanol, for reporting E-85, and for reporting blended versus non-blended diesel/biodiesel.

## **(1) Carrier Name**

### Mandatory

- Enter the business name of your own carrier, or of the common or contract carrier, that transported the fuel.
- Enter your own business name, the word “carrier,” or the letters “NA” (for not applicable), to report summarized transactions where permitted.
- Enter your own business name, the word “carrier,” or the letters “NA” (for not applicable), to report a transfer from motor vehicle fuel or special fuel to aviation fuel on a schedule type 6.

## **(2) Carrier FEIN**

### Optional

- This field may be left blank; or
- Enter the Federal Employer Identification Number (FEIN) of the carrier listed in column (1); or
- Enter 999999999 (9 nines) as a generic number.

NOTE: There is no state-assigned suffix for carrier FEIN's.

## **(3) Mode**

### Mandatory

- For detailed transactions, enter the applicable code from the first five on the list provided on the form.
- For summarized transactions, enter the applicable **CE** for “summary” or **GS** for “gas station.”

NOTE: The GS code should be used only to report your retail pump sales. It is preferable to have you report the retail pump sales as a separate line item; however, those sales may be added to the CE “summary” transactions.

## **(4) Point of Origin**

### Mandatory

The point of origin is where the fuel was acquired. This could be, but is not limited to:

- ▶ The location of a pipeline terminal;
- ▶ The location of a bulk storage facility; or
- ▶ The location of the seller's business.
- Enter the terminal code if disbursed at a pipeline terminal.
- Enter the city (optional) and state (mandatory) where the fuel was disbursed, If NOT disbursed at a pipeline terminal.
- Enter the city of your business (optional) and ND for the state (mandatory) for summarized transactions.

NOTE: If you are using Excel, note that there are separate fields for the city, state, and a terminal (TCN) code. Do not enter both a terminal code and the city/state information.

## **(4) Point of Destination**

### Mandatory

The point of destination is where the fuel technically comes to rest. This could be, but is not limited to:

- ▶ The location of a pipeline terminal;
- ▶ The location of a bulk storage facility; or
- ▶ The location of the purchaser.
- Enter the terminal code if the destination is a pipeline terminal.
- Enter the city (optional) and state (mandatory) to which the fuel is destined for storage or delivery if the destination is NOT a pipeline terminal.
- Enter the city of your business (optional) and ND for the state (mandatory) for summarized transactions.
- Do not enter “various” in this field.

NOTE: If you are using Excel, note that there are separate fields for the city, state, and a terminal (TCN) code. Do not enter both a terminal code and the city/state information.

## **(5) Sold to - Purchaser Name**

### Mandatory

- Enter the name the purchaser for detailed transactions.
- Enter the word “consumer” for summarized transactions.
- Enter the name of the railroad for schedule 5Y transactions.
- Enter the term “Federal agency” for summarized transactions on schedule 8.
- Enter the term “Native American” for summarized transactions on schedule 10.
- Enter the term “tax-paid inventory” for schedule type 10G transactions.

## **(6) Purchaser FEIN - Suffix**

### Mandatory

- On schedule type 6, enter the Federal Employer Identification Number (FEIN) of the purchaser listed in column (5).
- On schedule type 6, enter the state-assigned two-digit suffix number.
  - ▶ If you do not know the state-assigned suffix number, contact the seller or obtain a listing from the Tax Commissioner. The default suffix number is 70.
- For schedules 5, 5A and 7 transactions, enter the purchaser’s actual FEIN if known, and enter the default suffix of 70. If the actual FEIN is unknown, enter 999999999 (9 nines) as a generic FEIN, and enter 99 (2 nines) as a generic suffix.
- For summarized transactions, enter 999999999 (9 nines) as a generic FEIN, and 99 (2 nines) as a generic suffix.
- Do not enter “various” in this field.

## **(7) Transaction Date**

### Mandatory

- Enter the month, day, and year (**MM/DD/YY; example 07/01/05**) the fuel was sold.

The date of sale is the date on which you delivered or relinquished legal ownership of the fuel.

  - ▶ Do not use an invoice date if that date is different than the date of sale.
  - ▶ The transaction date should be taken from the same document used for the document number.
  - ▶ The date used should coincide with the date on the purchaser’s receipt schedule.
- Enter the last date of the month covered by the report for summarized transactions.
- Do not enter “various” in this field.

## **(8) Document Number**

### Mandatory

- Enter the document number of the transaction.
  - ▶ Use the bill of lading number whenever possible.
  - ▶ When a bill of lading number does not apply, use an invoice number or a delivery ticket number.
  - ▶ The document number should be from the same document the transaction date is taken from.
  - ▶ This document number must be identical to the document number used by the purchaser on the receipts schedule. You may need to coordinate this information with the purchaser.
- Enter the word “SUM” for summarized transactions.
- Enter the word “SUM” if you are a distributor summarizing transfers from motor vehicle fuel or special fuel to aviation fuel.
- Do not enter “various” in this field.

## **(9) Net Gallons**

### Mandatory – for EDI filing

### Optional, if unknown, – for EXCEL or paper filing

- Enter the net (temperature adjusted) gallons disbursed.

## **(10) Gross Gallons**

### Mandatory

- Enter the gross gallons disbursed.

## **(11) Billed Gallons**

### Optional

- Enter the number of gallons for which you billed the purchaser.

## **LINE-BY-LINE INSTRUCTIONS FOR TAX REPORTS**

### **For all tax reports, complete all header information:**

- For the month and year covered by the report, enter in numeric as **YYYYMM**; example 200507.
- For Excel (and in the EDI header), enter the applicable filing code:
  - O = Original return (this must be an alpha O, not a numeric 0)**
  - A = Amended return
  - T = Test file
  - P = Production file
- For paper filing, place a check mark in the applicable box when submitting an amended report.
- For your business name, enter the name as it appears on the license issued by the Tax Commissioner.
- Remember to include the two-digit state-assigned suffix in the field following your Federal Employer Identification Number (FEIN).
- To cancel your license, complete the information in the box provided for that purpose.

## **Aviation Fuel Tax Report – Tax Type 53 – Form H01**

All gallonage information, except inventories, must come from the supporting schedules.

- Gallons must be “gross” gallons.
- Complete the applicable Columns A, B, C, and D.
- Add Columns A, B, C, and D across, and enter the total in Column E, for each line.

**Line 1:** Inventory forward = last month’s line 10 entries.

This is your closing *physical inventory* from the prior month brought forward to the current month.

- Enter the gallons from line 10 of your report for the prior month.

**Line 2:** Gal. mfg., purchased, imported = Schs. 1+2+3.

Use received schedule types 1, 2, and 3 to complete this line.

Report the total number of gallons of fuel acquired during the period covered by the report.

- Enter, in the applicable columns, the total gallons, by product code, from schedules 1, 2, and 3.

**Line 3:** Gal. taxable at \$.08 per gal. = Schs. 5+5Q.

Use disbursed schedule types 5 and 5Q to complete this line.

Report the total gallons sold, and total gallons disbursed for your own use, subject to the ND \$.08 per gallon fuel tax.

- Enter, in the applicable columns, the total gallons, by product code, from schedules 5 and 5Q.

**Line 4:** Gal. from \$.08 per gal. tax-pd inven. = Sch. 10G.

Use disbursed schedule type 10G to complete this line.

Report the gallons sold, and the gallons disbursed for your own use, out of your tax-paid inventory.

- Enter, in the applicable columns, the total gallons, by product code, from schedule 10G.

**Line 5:** Net taxable gal. aviation gasoline = Col. A & B, lines 3-4.

Compute the gallons of taxable aviation gasoline (including regular gasoline) by subtracting the gallons on which tax was paid to the supplier or distributor from whom the fuel was purchased.

- For Columns A and B, subtract line 4 from line 3, and enter the difference.

**Line 6:** Net taxable gal. jet fuel = Col. C & D, lines 3-4.

Compute the gallons of taxable jet fuel (including kerosene) by subtracting the gallons on which tax was paid to the supplier or distributor from whom the fuel was purchased.

- For Columns C and D, subtract line 4 from line 3, and enter the difference.

**Line 7:** Gal. ND non-taxable = Schs. 6+7.

Use disbursed schedule types 6 and 7 to complete this line.

Report the total non-taxable gallons sold for resale and your exports.

- Enter, in the applicable columns, the total gallons, by product code, from schedules 6 and 7.

**Line 8:** Gal. ND tax-exempt = Sch. 8.

Use disbursed schedule type 8 to complete this line.

Report the total gallons sold to tax-exempt agencies of the U. S. Government. Also, report the total gallons on which you are claiming credit for previously remitted taxes on sales to tax-exempt agencies of the U. S. Government.

- Enter, in the applicable columns, the total gallons, by product code, from schedule 8.

**Line 9:** Book inventory = lines 1+2-3-7-8.

Compute your ending book inventory, by product type.

- Add lines 1 and 2, and subtract lines 3, 7, and 8, and enter in the applicable columns.

**Line 10:** Ending physical inventory.

Report your actual physical inventory, by product type, at the end of the period reported. This is not a restatement of line 9.

- Enter the correct physical inventory readings for each applicable column. This is NOT OPTIONAL.

**Line 11:** Gains: IF line 9 is less than line 10, enter dif.

If the book inventory on line 9 is less than the physical inventory on line 10, you have a gain.

- Compute the gain by subtracting line 9 from line 10, for each column, and enter the difference.

**Line 12:** Losses: IF line 9 is greater than line 10, enter dif.

If the book inventory on line 9 greater than the physical inventory on line 10, you have a loss.

- Compute the loss by subtracting line 10 from line 9, for each column, and enter the difference.

**Line 13:** Tax due on aviation gasoline = \$.08 x line 5.

Compute the total tax on aviation gasoline, before deducting a collection allowance.

- Multiply \$.08 times Columns A and B, line 5.

**Line 14:** Tax due on jet fuel = \$.08 x line 6.

Compute the total tax due on jet fuel, before deducting a collection allowance.

- Multiply \$.08 times Columns C and D, line 6.

**Line 15:** Tax subject to allowance = lines 13+14.

Compute the gross tax due, before deducting a collection allowance.

- Add Column E, lines 13 and 14.

**Line 16:** Collection allowance = .01 x line 15 (max. \$300.00).

Compute the allowance provided to licensees for collecting and remitting the tax.

- Multiply .01 (1%) times Column E, line 15.  
If the answer is greater than \$300.00, enter \$300.00.

**Line 17:** Total tax due = lines 15-16.

Compute the net tax payable, after deducting a collection allowance.

- Subtract line 16 from line 15.

**Line 18:** Penalty = .05 x line 17 (min. \$5.00).

A penalty applies when the tax report is not filed on or before the due date.

A penalty also applies when there is additional tax due on an amended tax report.

- For a late-filed original report, compute the penalty by multiplying .05 (5%) times the tax on line 17.  
If the computation is less than \$5.00, enter \$5.00.
- If there is additional tax due on an amended report, compute the penalty by multiplying .05 (5%) times the additional tax due on line 17. The additional tax due is the difference between the tax reported on line 17 of the original report and the tax reported on line 17 of the amended report.

**Line 19:** Interest = .01 per month x line 17.

Interest applies when the tax report is not filed on or before the due date.

Interest also applies when there is additional tax due on an amended tax report.

- ▶ Interest is 1% per month for each month the tax payment is late, beginning with the 1st of the month after the due date.

#### EXAMPLE FOR COMPUTING INTEREST:

For taxes due July 25, 2005 and not paid until October 15, 2005 interest applies at 1% beginning August 1, 2005, 2% on September 1, 2005, 3% on October 1, 2005, and so on.

- For a late-filed original report, compute the interest by multiplying the tax due on line 17 by the applicable interest rate.
- When there is additional tax due on an amended report, compute the interest by multiplying the additional tax due on line 17 by the applicable interest rate. The additional tax due is the difference between the tax reported on line 17 of the original report and the tax reported on line 17 of the amended report.

NOTE: An Excel worksheet programmed to compute interest can be E-mailed to you upon request.

**Line 20:** Tax credits available from prior months or audit.

Tax credits may result from overpayments in prior months, amended reports, adjustments made by the Tax Commissioner, or from audit adjustments.

- Enter the amount of available tax credit you want to use to cover the liabilities on this report.
- Do not enter an amount greater than the liabilities due on this report.
- When submitting an amended report, do not enter payments made with the original report or with a previous amendment. Previous payments for the same report do not constitute prior month credits.

**Line 21:** Total Due = lines 17+18+19-20.

Compute the total tax, penalty, and interest due and payable.

- Add lines 17, 18, and 19, and subtract line 20.
- Make the remittance payable to the State Tax Commissioner.
  - ▶ For paper reports, the remittance must be by check, bank draft, or money order.
  - ▶ For electronically filed reports paid by check, bank draft, or money order, a voucher must accompany the remittance. Voucher forms are available on the web site at:  
[www.nd.gov/tax/Fuel/Electronic Filing](http://www.nd.gov/tax/Fuel/Electronic Filing)
  - ▶ For electronically filed reports, ACH credits are an option.

# Liquefied Petroleum Tax Report – Tax Type 60 – Form J11

All gallonage information, except inventories, must come from the supporting schedules.

- Gallons must be “gross” gallons.

**Line 1:** Inventory forward = last month’s line 8 entry.

This is your closing physical inventory from the prior month brought forward to the current month.

- Enter the gallons from line 8 of your report for the prior month.

**Line 2:** Gal. mfg., purchased, imported = Schs. 2+3.

Use received schedule types 2 and 3 to complete this line.

Report the total gallons of fuel acquired during the period covered by the report.

- Enter the total gallons from schedules 2 and 3.

**Line 3:** Gal. taxable at \$.23 per gal. = Sch. 5Q.

Use disbursed schedule type 5Q to complete this line.

Report the total gallons sold to consumers, and the total gallons disbursed for your own use, subject to the ND \$.23 per gallon tax.

- Enter the total gallons from schedule 5Q.

**Line 4:** Gal taxable at 2% excise = Sch. 5X.

Use disbursed schedule type 5X to complete this line.

Report the total gallons sold to consumers, and the total gallons disbursed for your own use, subject to the ND 2% excise tax.

- Enter the total gallons from schedule 5X.

**Line 5:** Gal. ND non-taxable = Schs. 6+7.

Use disbursed schedule types 6 and 7 to complete this line.

Report the total non-taxable gallons sold for resale and your exports.

- Enter the total gallons from schedules 6 and 7.

**Line 6:** Gal. ND tax-exempt = Schs. 8+10.

Use disbursed schedule types 8 and 10 to complete this line.

Report the total gallons claimed as tax-exempt sales on schedule types 8 and 10.

- Enter the total gallons from schedules 8 and 10.

**Line 7:** Book inventory = lines 1+2-3-4-5-6.

Compute your ending “book” inventory.

- Add lines 1 and 2, and subtract lines 3, 4, 5, and 6.

**Line 8:** Ending physical inventory.

Report your actual physical inventory at the end of the period covered by your report.

- Enter the correct physical inventory reading.

NOTE: If it is not possible to obtain an accurate physical reading each month, enter your line 7 book inventory here. However, an accurate physical reading is required at least once in every 12-month period.

**Line 9:** Gains: IF line 7 is less than line 8, enter dif.

If the book inventory on line 7 is less than the physical inventory on line 8, you have a gain.

- To compute the gain, subtract line 7 from line 8, and enter the difference.

**Line 10:** Losses: IF line 7 is greater than line 8, enter dif.

If the book inventory on line 7 greater than the physical inventory on line 8, you have a loss.

- To compute the loss, subtract line 8 from line 7, and enter the difference.

**Line 11:** Tax due at \$.23 per gal. = \$.23 x line 3.

This equals the total \$.23 per gallon tax due, before deducting a collection allowance.

- To compute the tax, multiply \$.23 times the gallons on line 3.

**Line 12:** Sales price for line 4 gal.

Report your selling price (including freight and related charges) minus Federal or state taxes, of the gallons on line 4.

- Enter the total sales dollar amount of the line 4 gallons.

**Line 13:** Tax due at 2% excise = .02 x line 12.

Compute the total 2% excise tax, before deducting a collection allowance.

- Multiply .02 (2%) times the dollar amount on line 12.

**Line 14:** Tax subject to allowance = lines 11+13.

Compute the total gross \$.23 per gallon and 2% excise tax due, before deducting a collection allowance.

- Add lines 11 and 13.

**Line 15:** Collection allowance = .01 x line 14 (max. \$300.00).

Compute the allowance provided to licensees for collecting and remitting the tax.

- Multiply .01 (1%) times the tax on line 14.  
If the answer is greater than \$300.00, enter \$300.00.

**Line 16:** Taxable losses \$.23 per gal. = p.2, line 37.

Report the tax due on excess losses subject to the \$.23 per gallon tax.

Complete this line only when reconciling your inventory to determine if there is tax due on excess losses.

- When applicable, enter the tax amount from page 2, line 37.

**Line 17:** Taxable losses 2% excise = p.2, line 40.

Report the tax due on excess losses subject to the 2% excise tax.

Complete this line only when reconciling your inventory to determine if there is tax due on excess losses.

- When applicable, enter the tax amount from page 2, line 40.

**Line 18:** Total tax due = lines 14-15+16+17.

Compute the net tax payable, after deducting a collection allowance.

- Subtract line 15 from line 14, and add lines 16 and 17.

**Line 19:** Penalty = .05 x line 18 (min. \$5.00).

A penalty applies when the tax report is not filed on or before the due date.

A penalty also applies when there is additional tax due on an amended tax report.

- For a late-filed original report, compute the penalty by multiplying .05 (5%) times line 18.  
If the computation is less than \$5.00, enter \$5.00.
- If there is additional tax due on an amended report, compute the penalty by multiplying .05 (5%) times the additional tax due on line 18. The additional tax due is the difference between the tax reported on line 18 of the original report and the tax reported on line 18 of the amended report.

**Line 20:** Interest = .01 per month x line 18.

Interest applies when the tax report is not filed on or before the due date.

Interest also applies when there is additional tax due on an amended tax report.

- ▶ Interest is 1% per month for each month the tax payment is late, beginning with the 1st of the month after the due date.

#### EXAMPLE FOR COMPUTING INTEREST:

For taxes due July 25, 2005 and not paid until October 15, 2005 interest applies at 1% beginning August 1, 2005, 2% on September 1, 2005, 3% on October 1, 2005, and so on.

- For a late-filed original report, compute the interest by multiplying the tax due on line 18 by the applicable interest rate.
- If there is additional tax due on an amended report, compute the interest by multiplying the additional tax due on line 18 by the applicable interest rate. The additional tax due is the difference between the tax reported on line 18 of the original report and the tax reported on line 18 of the amended report.

NOTE: An Excel worksheet programmed to compute interest can be E-mailed to you upon request.

#### Line 21: Tax credits available from prior months or audit.

Tax credits may result from overpayments in prior months, amended tax reports, adjustments made by the Tax Commissioner, or from audit adjustments.

- Enter the amount of available tax credit you want to use to cover the liabilities on this report.
- Do not enter an amount greater than the liabilities due on this report.
- When submitting an amended report, do not enter payments made with the original report or with a previous amendment. Previous payments for the same report do not constitute prior month credits.

#### Line 22: Total Due = lines 18+19+20-21.

Compute the total tax, penalty, and interest due and payable.

- Add lines 18, 19, and 20 and subtract line 21.
- **Make the remittance payable to the Office of State Tax Commissioner.**
  - ▶ For paper reports, the remittance must be by check, bank draft, or money order.
  - ▶ For electronically filed reports paid by check, bank draft, or money order, a voucher must accompany the remittance. Voucher forms are available at our Internet web site at: [www.nd.gov/tax/Fuel/Electronic Filing](http://www.nd.gov/tax/Fuel/Electronic Filing).
  - ▶ For electronically filed reports, ACH credits are an option.

#### **Complete the following lines on the back of the tax report when reconciling your inventory to determine if there is tax due on excess losses. (This must be done at least once in a 12-month period.)**

- All header information.
- For a reconciliation covering only the current month, complete only lines 31 through 40.
- For a reconciliation covering more than one month, complete lines 23 through 40.

**Line 23:** Physical inven. = transfer entry from p. 1, line 1 (from report for the first month in reconciliation period).

This is the beginning physical inventory used as the starting point for this reconciliation.

- Enter the gallons from p. 1, line 1, of the first report covered by the reconciliation period.

#### EXAMPLE:

- ▶ The period covered by the reconciliation is July 2005 through October 2005.
- ▶ The first report covered by the reconciliation period is July 2005.
- ▶ Enter the gallons from p. 1, line 1 of the report for July 2005.

**Line 24:** Gal. mfg., purchased, imported = sum. of p.1, line 2.

Report the total gallons fuel acquired during the months covered by the reconciliation.

- Add the page 1, line 2, gallons from each month covered by this reconciliation, and enter that total.

**Line 25:** Gal. of \$.23 taxable fuel = sum. of p. 1, line 3.

Report the total gallons fuel sold or used subject to the ND \$.23 per gallon tax during the months covered by the reconciliation.

- Add the page 1, line 3, gallons from each month covered by this reconciliation, and enter that total.

**Line 26:** Gal. of 2% taxable fuel = sum. of p. 1, line 4.

Report the total gallons of fuel sold or used subject to the ND 2% excise tax during the months covered by the reconciliation.

- Add the page 1, line 4 gallons from each month covered by this reconciliation, and enter that total.

**Line 27:** Gal. ND non-taxable = sum. of p. 1, line 5.

Report the total gallons of fuel sold or used during the period covered by this reconciliation not subject to a ND fuel tax.

- Add the page 1, line 5 gallons from each month covered by this reconciliation, and enter that total.

**Line 28:** Gal. ND tax-exempt = sum. of p. 1, line 6.

Report the total gallons of tax-exempt sales to consumers during the period covered by this reconciliation.

- Add the page 1, line 6 gallons for each month covered by this reconciliation, and enter that total.

**Line 29:** Book inven. = lines 23+24-25-26-27-28.

Compute the book inventory for the entire period covered by this reconciliation.

- Add lines 23 and 24 and subtract lines 25, 26, 27, and 28.

**Line 30:** Physical inven. = transfer entry from p. 1, line 8.

Report the ending physical inventory of the current report month.

- Enter the physical inventory entry from page 1, line 8, of the current report.

**Line 31:** Gains: IF line 29 is less than line 30, enter dif.

If the book inventory on line 29 is less than the physical inventory on line 30, you have a gain.

- To compute the gain, subtract line 29 from line 30, and enter the difference.
- If reconciling the current month only, enter the gallons from page 1, line 9.
  - ▶ If you have a gain, enter the gain and STOP HERE.

**Line 32:** Losses: IF line 29 is greater than line 30, enter dif.

If the book inventory on line 29 is greater than the physical inventory on line 30, you have a loss.

- To compute the loss, subtract line 30 from line 29, and enter the difference.
- If reconciling the current month only, enter the gallons from page 1, line 10.

**Line 33:** Loss allowance = .02 x line 24.

Compute the total gallons on which you may claim a loss allowance for the period covered by the reconciliation.

- If reconciling multiple months, multiply .02 (2%) times the gallons on line 24.
- If reconciling the current month only, multiply .02 (2%) times the gallons on page 1, line 2.
  - ▶ If the loss allowance is equal to or greater than the loss on line 32, enter the loss allowance and STOP HERE.

**Line 34:** Documented casualty losses.

- Enter the number of gallons of fuel lost due to fire, theft, leakage, spills, or acts of nature.
  - ▶ When claiming documented losses, you must also provide the Tax Commissioner with written reports by law enforcement officials, fire fighters, inspectors, and similar persons. Without this documentation, losses claimed on this line will be rejected.

- ▶ If the loss allowance on line 33 was less than the loss on line 32, and if the documented casualty loss for this line is greater than the difference, enter the documented casualty loss and STOP HERE.

**Line 35:** Taxable excess losses = lines 32-33-34.

Compute the total excess gallons lost and subject to a ND fuel tax.

- Subtract lines 33 and 34 from line 32.

NOTE: These gallons need to be prorated between \$.23 per gallon taxable gallons and 2% excise taxable gallons for the entries on lines 36 and 28.

**Line 36:** Gal. taxable at \$.23 per gal. = line 25 divided by (lines 25+26) x line 35.

Report the excess loss gallons subject to the ND \$.23 per gallon tax.

- To compute:
  - Add lines 25 and 26 to arrive at total taxable gallons.
  - Divide line 25 by the sum of lines 25 plus 26 to arrive at the percentage of \$.23 taxable gallons.
  - Multiply the “b” percentage times the gallons on line 35, and enter that total on this line.
- If reconciling the current month only, use page 1, lines 3 and 4 to compute this line.

**Line 37:** Tax at \$.23 per gal. = \$.23 x line 36 (enter here and on p 1, line 16).

Compute the total ND \$.23 tax due on excess losses.

- Multiply \$.23 times line 36.
- Transfer this entry to page 1, line 16.

**Line 38:** Gal. taxable at 2% excise = lines 35-36

Compute the excess loss gallons subject to the ND 2% excise tax.

- Subtract line 36 from line 35, and enter the difference.

**Line 39:** Value of 2% fuel = avg. price per gal. for period x line 38.

Report the total dollar value of excess losses subject to the ND 2% excise tax.

- To compute:
  - Add the page 1, line 12, dollars for each month covered by this reconciliation.
  - Divide the dollar value in “a” by line 38 to arrive at an average price per gallon for the reconciliation period.
  - Multiply the “b” price per gallon times line 38, and enter that total on this line.

**Line 40:** Tax at 2% excise = .02 x line 39 (enter here and on p. 1, line 17).

Compute the total ND 2% excise tax due on excess losses.

- Multiply .02 (2%) times line 39.
- Transfer this entry to page 1, line 17.

## Motor Vehicle Fuel Tax Report – Tax Type 61 – Form S01

All gallonage information, except inventories, must come from the supporting schedules.

- Gallons must be in “gross” gallons.
- Complete the applicable Columns A, B, C, D, and E.
- Add Columns A, B, C, D, and E across, and enter the total in column F for each line.

**Line 1:** Inventory forward = last month’s line 13 entries.

This is your closing physical inventory from the prior month brought forward to the current month.

- Enter the gallons from line 13 of your report for the prior month.

**Line 2:** Gal. mfg., purchased, imported = Schs. 1+2+3.

Use received schedule types 1, 2, and 3 to complete this line.

Report the total gallons of fuel acquired during the period covered by the report.

- Enter the total gallons in the applicable columns, by product code, from schedules 1, 2, and 3.

**Line 3:** Product transfers (+ or -) within tax type 61.

Report the gallons shifted from one product code to another to report the blending of product types.

- Use the following guideline for the entries on this line:
  - a. Enter as a minus in Column A, the number of gallons of gasoline you blended with ethanol, or methanol.
  - b. Enter as a minus in the applicable Column C or D, the number of gallons of ethanol, or methanol, you blended with gasoline.
  - c. Add the Column A, C, and D entries, and enter that total as a plus in Column B for gasohol.
  - d. Enter as a minus in Column E, the number of gallons of blending components you blended with gasoline or gasohol.
  - e. Enter as a plus in the applicable Columns A or B, the gallons deducted from Column E.
  - f. Column F should always be zero as the entries in the other columns must balance each other out.

**Line 4:** Gal. taxable at \$.23 per gal. = Sch. 5.

Use disbursed schedule type 5 to complete this line.

Report the total gallons sold to retailers for resale, subject to the ND \$.23 per gallon tax, **on which you passed on a one-half-of one percent shrinkage allowance.**

- Enter the total gallons in the applicable columns, by product code, from schedule 5.

**Line 5:** Gal. allowance on Sch. 5 sales = .005 x line 4.

Compute the number of untaxed gallons allowed on schedule 5 sales to retailers.

- Multiply .005 (1/2 of 1%) times line 4.

**Line 6:** Gal. taxable at \$.23 per gal. = Schs. 5A+5Q.

Use disbursed schedule types 5A and 5Q to complete this line.

- ▶ The schedule 5A totals are gallons sold to retailers for resale, subject to the ND \$.23 per gallon tax, **on which you did NOT pass on a one-half-of one percent shrinkage allowance.**
- ▶ The schedule 5Q totals are gallons sold to consumers and gallons disbursed for your own use.
- Enter the total gallons in the applicable columns, by product code, from schedules 5A and 5Q.

**Line 7:** Gal. from \$.23 per gal. tax-pd inven. = Sch. 10G.

Use disbursed schedule type 10G to complete this line.

Report the gallons sold, and gallons disbursed for your own use, out of your tax-paid inventory.

- Enter the total gallons in the applicable columns, by product code, from schedule 10G.

**Line 8:** Net gal. taxable at \$.23 per gal. = lines 4-5+6-7.

Compute the total gallons of taxable gasoline, unblended ethanol, unblended methanol, and blending components, before deducting a collection allowance.

- For Columns A, C, D and E, subtract line 5 from line 4, add line 6, subtract line 7.

**Line 9:** Net gal. gasohol taxable at \$.23 per gal. = lines 4-5+6-7.

Compute the total gallons of taxable gasohol, before deducting a collection allowance.

- For Column B, subtract line 5 from line 4, add line 6, and subtract line 7.

**Line 10:** Gal. ND non-taxable = Schs. 6+7.

Use disbursed schedule types 6 and 7 to complete this line.

Report the total non-taxable gallons sold for resale and your exports.

- Enter the total gallons in the applicable columns, by product code, from schedules 6 and 7.

**Line 11:** Gal. ND tax-exempt = Sch. 8+10.

Use disbursed schedule types 8 and 10 to complete this line.

Report the total gallons claimed as tax-exempt sales on schedule types 8 and 10..

- Enter the total gallons in the applicable columns, by product code, from schedules 8 and 10.

**Line 12:** Book inventory = lines 1+2+3-4-6-10-11.

Compute your ending “book” inventories.

- Add lines 1, 2, and 3, and subtract lines 4, 6, 10, and 11.

**Line 13:** Ending physical inventory.

Report your actual physical inventory, by product type, at the end of the period covered by your report.

This is not a restatement of line 12.

- Enter the correct physical inventory readings for each applicable column. This is NOT OPTIONAL.

**Line 14:** Gains: IF line 12 is less than line 13, enter dif.

If the book inventory on line 12 is less than the actual physical inventory on line 13, you have a gain.

- Compute the gain by subtracting line 12 from line 13, for each column, and enter the difference.

**Line 15:** Losses: IF line 12 is greater than line 13, enter dif.

If the book inventory on line 12 greater than the actual physical inventory on line 13, you have a loss.

- Compute the loss by subtracting line 13 from line 12, for each column, and enter the difference.

**Line 16:** Tax due at \$.23 per gal. = \$.23 x line 8.

Compute the total tax on gasoline, unblended ethanol, unblended methanol, and other blending components, before deducting a collection allowance.

- Multiply \$.23 times Columns A, C, D, and E, line 8.

**Line 17:** Tax due at \$.23 per gal. on gasohol = \$.23 x line 9.

Compute the total tax on gasohol, before deducting a collection allowance.

- Multiply \$.23 times Column B, line 9.

**Line 18:** Tax subject to allowance = lines 16+17.

Compute the gross tax due, before deducting a collection allowance.

- Add Column F, lines 16 and 17.

**Line 19:** Collection allowance = .02 x line 18.

Compute the allowance provided to licensees for collecting and remitting the tax.

- Multiply .02 (2%) times Column F, line 18.

**Line 20:** Tax due on excess loss = p. 2, line 40.

Report the tax due on excess losses subject to the \$.23 per gallon tax.

Complete this line only when reconciling your inventory to determine if there is tax due on excess losses.

- When applicable, enter the tax amount from page 2, line 40.

**Line 21:** Total tax due = lines 18-19+20.

Compute the net tax payable, after deducting a collection allowance.

- Subtract line 19 from line 18, and add line 20.

**Line 22:** Penalty = .05 x line 21 (min. \$5.00).

A penalty applies when the tax report is not filed on or before the due date.

A penalty also applies when there is additional tax due on an amended tax report.

- For a late-filed original report, compute the penalty by multiplying .05 (5%) times the tax on line 21. If the computation is less than \$5.00, enter \$5.00.
- If there is additional tax due on an amended report, compute the penalty by multiplying .05 (5%) times the additional tax due on line 21. The additional tax due is the difference between the tax reported on line 21 of the original report and the tax reported on line 21 of the amended report.

**Line 23:** Interest = .01 per month x line 21.

Interest applies when the tax report is not filed on or before the due date.

Interest also applies when there is additional tax due on an amended tax report.

- ▶ Interest is 1% per month for each month the tax payment is late, beginning with the 1st of the month after the due date.

#### EXAMPLE FOR COMPUTING INTEREST:

For taxes due July 25, 2005 and not paid until October 15, 2005 interest applies at 1% beginning August 1, 2005, 2% on September 1, 2005, 3% on October 1, 2005, and so on.

- For a late-filed original report, compute the interest by multiplying the tax due on line 21 by the applicable interest rate.
- If there is additional tax due on an amended report, compute the interest by multiplying the additional tax due on line 21 by the applicable interest rate. The additional tax due is the difference between the tax reported on line 21 of the original report and the tax reported on line 21 of the amended report.

NOTE: An Excel worksheet programmed to compute interest can be E-mailed to you upon request.

**Line 24:** Insp. Fees = total of Col. F (lines 8+9+11) x .00025.

Compute inspections fees imposed for the state Health and Consolidated Laboratories.

- Add lines 8, 9, and 11, and multiply that total by .00025 (1/40 of 1%).

**Line 25:** Tax credits available from prior months or audit.

Tax credits may result from overpayments in prior months, amended tax reports, adjustments made by the Tax Commissioner, or from audit adjustments.

- Enter the amount of available tax credit you want to use to cover the liabilities on this report.
- Do not enter an amount greater than the liabilities due on this report.
- When submitting an amended report, do not enter payments made with the original report or with a previous amendment. Previous payments for the same report do not constitute prior month credits.

**Line 26:** Total Due = lines 21+22+23+24-25.

Compute the total tax, penalty, interest, and inspection fees due and payable.

- Add lines 21, 22, 23, and 24, and subtract line 25.
- **Make the remittance payable to the Office of State Tax Commissioner.**
  - ▶ For paper reports, the remittance must be by check, bank draft, or money order.
  - ▶ For electronically filed reports paid by check, bank draft, or money order, a voucher must accompany the remittance. Voucher forms are available at our Internet website at: [www.nd.gov/tax/Fuel/Electronic Filing](http://www.nd.gov/tax/Fuel/Electronic Filing).
  - ▶ For electronically filed reports, ACH credits are an option.

**Complete the following lines on the back of the tax report when reconciling your inventory to determine if there is tax due on excess losses. (This must be done at least once in a 12-month period.)**

- All header information.
- For a reconciliation covering only the current month, complete only lines 35 through 40.
- For a reconciliation covering more than one month, complete lines 27 through 40.

**Line 27:** Physical inven. = transfer entry from p. 1, Col. F, line 1 (from report for first month in reconciliation period).

This is the beginning physical inventory used as the starting point for this reconciliation.

- Enter the gallons from page 1, Column F, line 1, of the first report covered by the reconciliation period.

**EXAMPLE:**

- ▶ The period covered by the reconciliation is July 2005 through October 2005.
- ▶ The first report covered by the reconciliation period is July 2005.
- ▶ Enter the gallons from p. 1, Column F, line 1 of the report for July 2005.

**Line 28:** Gal. mfg., purchased, imported = sum. of p.1, Col. F, line 2.

Report the total gallons fuel acquired during the months covered by the reconciliation.

- Add the page 1, Column F, line 2, gallons from each month covered by this reconciliation, and enter that total.

**Line 29:** Gal. taxable at \$.23 per gal. = sum. of p. 1, Col. F, line 4.

Report the total gallons motor vehicle fuel sold or used subject to the ND \$.23 per gallon tax during the months covered by the reconciliation.

- Add the page 1, Column F, line 4, gallons from each month covered by this reconciliation, and enter that total.

**Line 30:** Gal. taxable at \$.23 per gal. = sum. of p. 1, Col. F, line 6.

Report the total gallons motor vehicle fuel sold or used subject to the ND \$.23 per gallon tax during the months covered by the reconciliation.

- Add the page 1, Column F, line 6, gallons from each month covered by this reconciliation, and enter that total.

**Line 31:** Gal. ND non-taxable = sum. of p. 1, Col. F, line 10.

Report the total gallons of fuel sold or used during the period covered by this reconciliation not subject to the ND \$.23 per gallon tax.

- Add the page 1, Column F, line 10, gallons from each month covered by this reconciliation, and enter the total on this line.

**Line 32:** Gal. ND tax-exempt = sum. of p. 1, Col. F, line 11.

Report the total gallons of tax-exempt sales to consumers during the period covered by this reconciliation.

- Add the page 1, Column F, line 11, gallons for each month covered by this reconciliation, and enter that total.

**Line 33:** Book inven. = lines 27+28-29-30-31-32.

Compute the book inventory for the entire period covered by this reconciliation.

- Add lines 27 and 28 and subtract lines 29, 30, 31, and 32.

**Line 34:** Physical inven. = transfer entry from p. 1, Col. F, line 13.

Report the physical inventory at the end of the current report month.

- Enter the physical inventory entry from page 1, Column F, line 13, of the current report.

**If your reconciliation is for the current month only, line 35 is your starting point. Note the specific instructions for this purpose for lines 35 and 36.**

**Line 35:** Gains: IF line 33 is less than line 34, enter dif.

If the book inventory on line 33 is less than the physical inventory on line 34, you have a gain.

- To compute the gain, subtract line 33 from line 34, and enter the difference.
- If reconciling the current month only, balance your gains and losses. If the gain on page 1, Column F, line 14, is greater than the loss on page 1, Column F, line 15, enter the difference on this line. Your reconciliation is complete. Do not complete lines 36 through 40.
  - ▶ If you have a gains, enter the gain and STOP HERE.

**Line 36:** Losses: IF line 33 is greater than line 34, enter dif.

If the book inventory on line 33 is greater than the physical inventory on line 34, you have a loss.

- To compute the loss, subtract line 34 from line 33, and enter the difference.
- If reconciling the current month only, balance your losses and gains. If the loss on page 1, Column F, line 15, is greater than the gain on page 1, Column F, line 14, enter the difference on this line and complete lines 37 through 40.

**Line 37:** Loss allowance =  $.005 \times$  line 28.

Compute the total gallons on which you may claim a loss allowance for the period covered by the reconciliation.

- If reconciling multiple months, multiply  $.005$  (1/2 of 1%) times the gallons on line 28.
- If reconciling the current month only, multiply  $.005$  (1/2 of 1%) times the gallons on page 1, Column F, line 2.
  - ▶ If the loss allowance is equal to or greater than the loss on line 36, enter the loss allowance and STOP HERE.

**Line 38:** Documented casualty losses.

- Enter the number of gallons of fuel lost due to fire, theft, leakage, spills, or acts of nature.
  - ▶ When claiming documented losses, you must provide the Tax Commissioner with written reports by law enforcement officials, fire fighters, inspectors, and similar persons. Without this documentation, losses claimed on this line will be rejected.
  - ▶ If the loss allowance on line 37 was less than the loss on line 36, and if the documented casualty loss for this line is greater than the difference, enter the documented casualty loss and STOP HERE.

**Line 39:** Taxable excess losses = lines 36-37-38.

Compute the excess loss gallons subject to the ND \$.23 per gallon tax.

- Subtract lines 37 and 38 from line 36.

**Line 40:** Tax at \$.23 per gal. =  $$.23 \times$  line 39 (enter here, and on p. 1, Col. F. line 20).

Compute the total ND \$.23 tax due on excess losses.

- Multiply \$.23 times line 39.
- Transfer this entry to page 1, Column F, line 20.

## Special Fuel Tax Report – Tax Type 62 – Form J01

All gallonage information, except inventories, must come from the supporting schedules.

- Gallons must be in “gross” gallons.
- Complete the applicable Columns A, B, C, D, E, and F.
- Add Columns A, B, C, D, E, and F across, and enter the total in Column G, for each line.

**Line 1:** Inventory forward = last month’s line 11 entries.

This is your closing physical inventory from the prior month brought forward to the current month.

- Enter the gallons from line 11 of your report for the prior month, in the applicable columns.

**Line 2:** Gal. mfg., purchased, imported = Schs. 1+2+3.

Use received schedule types 1, 2, and 3 to complete this line.

Report the total gallons of fuel acquired during the period covered by the report.

- Enter the total gallons in the applicable columns, by product code, from schedules 1, 2, and 3.

**Line 3:** Product transfers (+ or -) within tax type 62.

Report the gallons shifted from one column to another due to blending of the product types.

- Use the following guideline for the entries on this line:
  - a. Enter as a minus in Column E, the number of gallons of biodiesel you blended with undyed or dyed diesel fuel.
  - b. Enter as a plus in the applicable Column B or C, the number of gallons biodiesel blended with undyed or dyed diesel fuel.
  - c. Enter as a minus in Column F, the number of gallons of blending components you blended with the fuels listed under Columns B, C, and D.
  - d. Enter the gallons deducted from Column F, as a plus in the applicable Columns B, C, and D.
  - e. Column G should always be zero as the entries in the other columns must balance each other out.

**Line 4:** Gal. taxable at \$.23 per gal. = Schs. 5+5Q.

Use disbursed schedule types 5 and 5Q to complete this line.

Report the total gallons sold to consumers, and the total gallons disbursed for your own use, subject to the ND \$.23 per gallon fuel tax.

- Enter the total gallons in the applicable columns, by product code, from schedules 5 and 5Q.

**Line 5:** Gal. from \$.23 per gal. tax-pd inven. = Sch. 10G.

Use disbursed schedule type 10G to complete this line.

Report the gallons sold, and the gallons disbursed for your own use, out of your tax-paid inventory.

- Enter the total gallons, in the applicable columns by product code, from schedule 10G.

**Line 6:** Net gal. taxable at \$.23 per gal. = lines 4-5.

Compute the total gallons of taxable fuel at \$.23 per gallon.

- Subtract line 5 from line 4.

**Line 7:** Gal taxable at 2% excise = Schs. 5X+5Y.

Use disbursed schedule types 5X and 5Y to complete this line.

Report the total gallons sold to consumers, and the total gallons disbursed for your own use, subject to the ND 2% excise tax.

- Enter the total gallons in the applicable columns, by product code, from schedules 5X and 5Y.

**Line 8:** Gal. ND non-taxable = Schs. 6+7.

Use disbursed schedule types 6 and 7 to complete this line.

Report the total non-taxable gallons sold for resale and your exports.

- Enter the total gallons in the applicable columns, by product code, from schedules 6 and 7.

**Line 9:** Gal. ND tax-exempt = Sch. 8+10.

Use disbursed schedule types 8 and 10 to complete this line.

Report the total gallons claimed tax-exempt sales on schedule types 8 and 10.

- Enter the total gallons in the applicable columns, by product code, from schedules 8 and 10.

**Line 10:** Book inventory = lines 1+2+3-4-7-8-9.

Compute your ending “book” inventory.

- Add lines 1, 2, and 3, and subtract lines 4, 7, 8, and 9.

**Line 11:** Ending physical inventory.

This entry is your actual physical inventory, by product type, at the end of the period reported. This is not a restatement of line 10. This is NOT OPTIONAL.

- Enter the correct physical inventory reading for the fuel in each applicable column.

**Line 12:** Gains: IF line 10 is less than line 11, enter dif.

If the book inventory on line 10 is less than the physical inventory on line 11, you have a gain.

- Compute the gain by subtracting line 10 from line 11, for each column, and enter the difference.

**Line 13:** Losses: IF line 10 is greater than line 11, enter dif.

If the book inventory on line 10 greater than the physical inventory on line 11, you have a loss.

- Compute the loss by subtracting line 11 from line 10, for each column, and enter the difference.

**Line 14:** Tax due at \$.23 per gal. = \$.23 x line 6.

Compute the total \$.23 per gallon tax due, before deducting a collection allowance.

- Multiply \$.23 times line 6.

**Line 15:** Sales price for line 7 gal.

Report your selling price (including freight and related charges) minus Federal or state taxes, of the gallons on line 7.

- Enter the total sales dollar amounts of the line 7 gallons.

**Line 16:** Tax due at 2% excise = .02 x line 15.

Compute the total 2% excise tax due, before deducting a collection allowance.

- Multiply .02 (2%) times the dollar amount on line 15.

**Line 17:** Tax subject to allowance = lines 14+16.

Compute the gross tax due, before deducting a collection allowance.

- Add Column G, lines 14 and 16.

**Line 18:** Collection allowance = .01 x line 17 (max. \$300.00).

Compute the allowance provided to licensees for collecting and remitting the tax.

- Multiply .01 (1%) times the tax in Column G, line 17.

If the answer is greater than \$300.00, enter \$300.00.

**Line 19:** Taxable losses \$.23 per gal. = p.2, Col. G, line 41.

Report the tax due on excess losses subject to the \$.23 per gallon tax.

Complete this line only when reconciling your inventory to determine if there is tax due on excess losses.

- When applicable, enter the tax amount from page 2, Column G, line 41.

**Line 20:** Taxable losses 2% excise = p.2, Col. G, line 43.

Report the tax due on excess losses subject to the 2% excise tax.

Complete this line only when reconciling your inventory to determine if there is tax due on excess losses.

- When applicable, enter the tax amount from page 2, Column G, line 43.

**Line 21:** Total tax due = lines 17-18+19+20.

Compute the net tax payable, after deducting a collection allowance.

- Subtract line 18 from line 17 and add lines 19 and 20.

**Line 22:** Penalty = .05 x line 21 (min. \$5.00).

A penalty applies when the tax report is not filed on or before the due date.

A penalty also applies when there is additional tax due on an amended tax report.

- For a late-filed original report, compute the penalty by multiplying .05 (5%) times the tax on line 21. If the computation is less than \$5.00, enter \$5.00.
- If there is additional tax due on an amended report, compute the penalty by multiplying .05 (5%) times the additional tax due on line 21. The additional tax due is the difference between the tax reported on line 21 of the original report and the tax reported on line 21 of the amended report.

**Line 23:** Interest = .01 per month x line 21.

Interest applies when the tax report is not filed on or before the due date.

Interest also applies when there is additional tax due on an amended tax report.

- ▶ Interest is 1% per month for each month the tax payment is late, beginning with the 1st of the month after the due date.

#### EXAMPLE FOR COMPUTING INTEREST:

For taxes due July 25, 2005 and not paid until October 15, 2005 interest applies at 1% beginning

August 1, 2005, 2% on September 1, 2005, 3% on October 1, 2005, and so on.

- For a late-filed original report, compute the interest by multiplying the tax due on line 21 by the applicable interest rate.
- If there is additional tax due on an amended report, compute the interest by multiplying the additional tax due on line 21 by the applicable interest rate. The additional tax due is the difference between the tax reported on line 21 of the original report and the tax reported on line 21 of the amended report.

NOTE: An Excel worksheet programmed to compute interest can be E-mailed to you upon request.

**Line 24:** Insp. Fees = total of Col. G (lines 6+7+9) x .00025.

Compute inspection fees imposed for the state Health and Consolidated Laboratories.

- Add Column G, lines 6, 7, and 9, and multiply that total by .00025 (1/40 of 1%).

**Line 25:** Tax credits available from prior months or audit.

Tax credits may result from overpayments in prior months, amended tax reports, adjustments made by the Tax Commissioner, or from audit adjustments.

- Enter the amount of available tax credit you want to use to cover the liabilities on this report.
- Do not enter an amount greater than the liabilities due on this report.
- When submitting an amended report, do not enter payments made with the original report or with a previous amendment. Previous payments for the same report do not constitute prior month credits.

**Line 26:** Total Due = lines 21+22+23+24-25.

Compute the total tax, penalty, interest, and inspection fees due and payable.

- Add lines 21, 22, 23, and 24, and subtract line 25.
- **Make the remittance payable to the Office of State Tax Commissioner.**
  - ▶ For paper reports, the remittance must be by check, bank draft, or money order.
  - ▶ For electronically filed reports paid by check, bank draft, or money order, a voucher must accompany the remittance. Voucher forms are available at our Internet website at: [www.nd.gov/tax/Fuel/Electronic Filing](http://www.nd.gov/tax/Fuel/Electronic Filing).

**Complete the following lines on the back of the tax report when reconciling your inventory to determine if there is tax due on excess losses. (This must be done at least once in a 12-month period.)**

- All header information.
- For a reconciliation covering the current month only, complete only lines 36 through 43.
- For a reconciliation covering more than one month, complete lines 27 through 43.

**Line 27:** Physical inven. = transfer entries from p. 1, line 1 (from report for first month in reconciliation period).

This equals the beginning physical inventories used as the starting point for this reconciliation.

- Enter the gallons from p. 1, line 1, of the first report covered by the reconciliation period.

**EXAMPLE:**

- ▶ The period covered by the reconciliation is July 2005 through October 2005.
- ▶ The first report covered by the reconciliation period is July 2005.
- ▶ Enter the gallons from p. 1, line 1 of the report for July 2005.

**Line 28:** Gal. mfg., purchased, imported = sum. of p.1, line 2.

Report the total gallons fuel acquired during the months covered by the reconciliation.

- Add the page 1, line 2 gallons from each month covered by this reconciliation, and enter the totals.

**Line 29:** Product transfer = sum of p. 1, line 3.

Report the total gallons transferred between product types during the months covered by the reconciliation.

- Compute the net gallons added or subtracted by summarizing the entries for the applicable columns on page 1, line 3 from each month covered by this reconciliation, and enter the totals.

**Line 30:** Gal. of \$.23 taxable fuel = sum. of p. 1, line 4.

Report the total gallons fuel sold or used subject to the ND \$.23 per gallon tax during the months covered by the reconciliation.

- Add the page 1, line 4 gallons from each month covered by this reconciliation, and enter the totals.

**Line 31:** Gal. of 2% taxable fuel = sum. of p. 1, line 7.

This equals the total gallons of fuel sold or used subject to the ND 2% excise tax during the months covered by the reconciliation.

- Add the page 1, line 7 gallons from each month covered by this reconciliation, and enter the totals.

**Line 32:** Gal. ND non-taxable = sum. of p. 1, line 8.

Report the total gallons of fuel sold or used during the period covered by this reconciliation not subject to a ND fuel tax.

- Add the page 1, line 8 gallons from each month covered by this reconciliation, and enter the totals.

**Line 33:** Gal. ND tax-exempt = sum. of p. 1, line 9.

Report the total gallons of tax-exempt sales to consumers during the period covered by this reconciliation.

- Add the page 1, line 9 gallons for each month covered by this reconciliation, and enter the totals.

**Line 34:** Book inven. = lines 27+28+29-30-31-32-33.

Compute the book inventories, by product code, for each column, for the entire period covered by this reconciliation.

- Add lines 27, 28, and 29, and subtract lines 30, 31, 32, and 33.

**Line 35:** Physical inven. = transfer entry from p. 1, line 11.

Report the physical inventories at the end of the current month.

- Enter the physical inventory entries from page 1, line 11, of the current report.

**Line 36:** Gains: IF line 34 is less than line 35, enter dif.

If the book inventory on line 34 is less than the physical inventory on line 35, you have a gain.

- To compute the gain, subtract line 34 from line 35, and enter the difference.
- If reconciling the current month only, enter the gallons from page 1, line 12.
  - ▶ For the columns with gains, enter those gains on this line and STOP HERE.
  - ▶ For the columns with losses, CONTINUE TO LINE 37.

**Line 37:** Losses: IF line 34 is greater than line 35, enter dif.

If the book inventory on line 34 is greater than the physical inventory on line 35, you have a loss.

- To compute the loss, subtract line 35 from line 34, and enter the difference.
- If reconciling the current month only, enter the gallons from page 1, line 13.

**Line 38:** Loss allowance = .005 x the total of lines 28+29.

Compute the total gallons on which you may claim a loss allowance for the period covered by the reconciliation.

- If reconciling multiple months, add lines 28 and 29, and multiply .005 (1/2 of 1%) times the total.
- If reconciling the current month only, multiply .005 (1/2 of 1%) times the sum of line 2 plus line 3 gallons on page 1.
  - ▶ For columns with loss allowances equal to or greater than the losses on line 37, enter the loss allowances and STOP HERE.
  - ▶ For columns with loss allowances less than the losses on line 37, CONTINUE TO LINE 39.

**Line 39:** Documented casualty losses.

- Enter the number of gallons of fuel lost due to fire, theft, leakage, spills, or acts of nature.
  - ▶ When claiming documented losses, you must also provide the Tax Commissioner with written reports by law enforcement officials, fire fighters, inspectors, and similar persons. Without this documentation, losses claimed on this line will be rejected.
  - ▶ For columns where the documented casualty losses are equal to or greater than the remaining losses, enter the documented casualty losses and STOP HERE.
  - ▶ For columns where the documented casualty losses are less than the remaining losses, enter the documented losses and CONTINUE TO LINE 40.

**Line 40:** Taxable excess losses = lines 37-38-39.

Compute the total excess gallons lost and subject to a ND fuel tax.

- Subtract lines 38 and 39 from line 37.

**Line 41:** Tax at \$.23 per gal. = \$.23 x line 40 (enter here and on p.1, line 19).

Compute the total ND \$.23 tax due on excess losses.

- Multiply \$.23 times line 40.
- Transfer the line 41 total to page 1, Column G, line 19.

**Line 42:** Value of 2% fuel = avg. price per gal. x line 40.

Report the total dollar value of excess losses subject to the ND 2% excise tax.

- To compute:
  - a. Add the page 1, Columns C and D, line 15, dollars for each month covered by this reconciliation.
  - b. Divide the dollar value in “a” by line 31 to arrive at an average price per gallon for the reconciliation period.
  - c. Multiply the “b” price per gallon times line 40, and enter those totals on this line.

**Line 43:** Tax at 2% excise = .02 x line 42 (enter here and on p. 1, line 20).

Compute the total ND 2% excise tax due on excess losses.

- Multiply .02 (2%) times line 42, and enter the total on this line.
- Transfer this entry to page 1, Column G, line 20.

## ADDITIONAL INFORMATION SECTION

### Blending

#### Gasoline and Ethanol/Alcohol Blending – Product Codes

Product code 065 = gasoline which has not been blended with ethanol/alcohol.

Product code 079 = E-85 60-85% ethanol/alcohol blended with gasoline.

Product code 241 = ethanol/alcohol which has not been blended with gasoline.

Product code 124 = gasohol which is gasoline blended with ethanol/alcohol.

#### For Schedule of Gallons Received

##### Use product code 124 to report:

- Gallons purchased at a terminal rack if the fuel is identified as a blended product (except if it is E-85) on the bill of lading.
- Gallons purchased from a seller who was the blender and who reports the transaction as a blended product on a disbursed schedule.
- Gallons already blended (except E-85) when purchased below the rack.

##### Use product code 079 to report:

- Gallons purchased at a terminal rack if the fuel is identified as gasoline blended with 60% to 85% ethanol/alcohol.
- Gallons purchased from a seller who was the blender and who reports the transaction as an E-85 blend on a disbursed schedule.
- Gallons already blended with 60% to 85% ethanol/alcohol when purchased below the rack.

NOTE: *See separate instructions for reporting E-85 transactions.*

##### Use separate product codes 065 and 241 to report:

- Gallons gasoline for blending and ethanol/alcohol for blending purchased at a terminal rack from separate sellers.
- Gallons gasoline for blending and ethanol/alcohol for blending purchased at a terminal rack from the same seller, and blended in the carrier's tanker at the terminal, when the products are listed as separate transactions on a bill of lading.
- Gallons gasoline and ethanol/alcohol to be blended below the rack by the purchaser.

#### For Schedule of Gallons Disbursed

##### Use Product code 124 to report:

- Gallons disbursed at a terminal rack if the fuel is identified as a blended product on the bill of lading.
- Gallons already blended when sold below the rack.

##### Use product code 079 to report:

- Gallons disbursed at a terminal rack if the fuel is identified as gasoline blended with 60% to 85% ethanol/alcohol.
- Gallons already blended with 60% to 85% ethanol/alcohol when sold below the rack.

NOTE: *See separate instructions for reporting E-85 transactions.*

**Use separate product codes 065 and 241 to report:**

- Gallons unblended gasoline sold either at or below the rack if the purchaser is the blender.
- Gallons unblended ethanol/alcohol sold either at or below the rack if the purchaser is the blender or if the purchaser is going to use the product without blending it.
- Gallons gasoline for blending and ethanol/alcohol for blending sold at a terminal rack by the same seller, and blended in the carrier's tanker at the terminal, when the products are listed as separate transactions on a bill of lading.

**Clear or Dyed Diesel and Biodiesel Blending – Product Codes**

For current reporting methods, “biodiesel” is used as a generic term for a special fuel produced from animal fats or plants, for blending with diesel fuel. “Soy oil” is a “biodiesel” produced from soybeans. Either product code can be used.

Use product code 284 - undyed biodiesel.

Use product code 290 - dyed biodiesel.

Use product code 285 - soy oil.

Use product code 160 - undyed diesel fuel blended with undyed biodiesel or soy oil.

Use product code 228 - dyed diesel fuel blended with dyed biodiesel or soy oil.

**For Schedule of Gallons Received**

**Use product codes 284, 290, and 285 to report:**

- Gallons of unblended, undyed or dyed biodiesel or soy oil purchased at a terminal rack.
- Gallons of unblended, undyed or dyed biodiesel or soy oil purchased below the rack.

**Use product codes 160 and 228 to report:**

- Gallons of blended products purchased at a terminal rack if the fuel is identified as a blended product on the bill of lading.
- Gallons of blended products purchased from a seller who was the blender and who reports the transactions as blended products on a disbursed schedule.
- Gallons already blended when purchased below the rack.

**For Schedule of Gallons Disbursed**

**Use product codes 284, 290, and 285 to report:**

- Gallons of unblended, undyed or dyed biodiesel or soy oil sold at a terminal rack to a supplier, distributor, or retailer for resale.
- Gallons of unblended, undyed or dyed biodiesel or soy oil sold below the rack to a supplier, distributor, or retailer for resale.

**Use product codes 160 and 228 to report:**

- Gallons of blended products sold at a terminal rack if the fuel is identified as a blended product on the bill of lading.
- Gallons of blended products sold to a purchaser who is the blender and who reports the transactions as blended products on a received schedule.
- Gallons already blended when sold below the rack.
- Gallons sold to a consumer for blending.

## **Delivery Errors – Buy-Backs – Adjustments**

Delivery errors and buy-backs will be considered on a case-by-case basis. Written documentation covering the delivery error is required within a reasonable time following the occurrence. Adjusting entries may be needed on applicable schedules. Or, amended schedules and reports may be needed.

- When adjustments are made to a specific transaction during the month of the original transaction, only the corrected transaction should be reported.
- When adjustments are made one or more months after the original transaction was reported, adjusting entries reversing the original transaction should be reported on the applicable schedule whenever possible. This needs to coincide with the month during which the correction between buyer and seller was actually made.

## **Pre-Sold Fuel to Consumers Partial Delivery or No Delivery Made**

Sellers need to be consistent in reporting these transactions. Choose one of the two options referred to in the example below and use that option for all pre-sold gallonage transactions.

### **OPTION #1:**

Your business pre-sold 5,000 gallons of fuel to consumer ABC on July 5, 2005 for delivery in increments as needed. No delivery is made in July 2005.

- Report the entire 5,000-gallon sale on the applicable schedule type for July 2005.
  - ▶ When you use this method, you will have an inventory discrepancy.
  - ▶ Written documentation covering tracking of the discrepancy must be traceable for audit purposes and must be retained for a period of not less than three years.

### **OPTION #2:**

Your business pre-sold 5,000 gallons of fuel to consumer ABC on July 5, 2005 for delivery in increments as needed. Deliveries are made as follows: 2,000 gallons in July 2005, 1,000 gallons in August 2005, 1,000 gallons in September 2005, and 1,000 gallons in October 2005.

- Report the 2,000-gallon delivery made in July 2005 as a sale in July 2005.
- Report the 1,000-gallon delivery made in August 2005 as a sale in August 2005.
- Report the 1,000-gallon delivery made in September 2005 as a sale in September 2005.
- Report the 1,000-gallon delivery made in October 2005 as a sale in October 2005.
  - ▶ When you use this method, your inventories will be accurate; however, you may lose track of the transactions for purposes of reporting gallons and remitting taxes.
  - ▶ If using this method, you will need an accurate tracking system to assure that the sales are reported and taxes remitted when delivery is made.
  - ▶ These transactions based on delivery must be journalized in an accurate manner to assure proper reporting and to be traceable for audit purposes.
  - ▶ This documentation must be retained for a period of not less than three years.

## **Inventories**

### **Physical inventory readings:**

All licensees are required by law to report their actual physical inventory readings for each product for each month.

“Physical inventory reading” means a measurement of fuel available for distribution in a terminal, an underground storage tank, an aboveground storage tank, or in a tank wagon, bulk delivery vehicle, railcar, barrel, drum, or other receptacle.

Written records of physical inventory readings must be kept and must be retained for not less than three years and made available to the Tax Commissioner upon request.

**Book inventories:**

Book inventories are used to determine gains and losses for each month. This is a computed inventory number only and does not reflect the actual gallons of fuel remaining at the end of a report period.

**Gains and losses:**

Gains and losses are the differences between computed book inventories and the actual physical inventories.

- ▶ The gains and losses must be reported for each month; however, you do not need to reconcile those gains and losses to determine if there is excess loss on which tax is payable.
- ▶ A reconciliation of the inventories and gains and losses may be done each month or at intervals but not less than once during every 12-month period. The reconciliation form for this purpose is on the back of each applicable tax report.

**Reconciliations for determination of excess losses:**

Each month, or no less than once during every 12-month period, you are required to reconcile your inventories to determine if there are excess losses and if so whether there is tax due on those excess losses.

**New licensees purchasing remaining inventories from prior owner:**

- Do not enter a beginning inventory on line 1 of the tax report.
- Report the gallons as purchases on the applicable Schedule of Gallons Received.

**Business close-outs selling remaining inventories:**

- Report the gallons as sales on the applicable Schedule of Gallons Disbursed.
- Advise the Tax Commissioner in writing of any other disposal of remaining inventories or of sludge left in storage tanks.

## **Other Issues**

**Hose flushing when switching from dyed diesel fuel to clear diesel fuel for deliveries:**

- No allowances or inventory adjustments may be made for clear diesel fuel flushed out of hoses.
- No allowances or inventory adjustments may be made for dyed fuel flushed out of hoses.  
NOTE: There is no established standard for the number of gallons normally required for this purpose, and there is no accurate tracking system of the number of gallons actually transferred between products for this purpose.

**Accidental mixing of fuel and spills:**

- Report the gallons as sales on the applicable Schedule of Gallons Disbursed, schedule type 6. In the “purchaser/sold to field, enter “accidental mix,” “spill,” or similar applicable language. This will remove the product from your inventory.
- Provide the Tax Commissioner with written documentation covering investigation of spills.
- Provide the Tax Commissioner with a written explanation covering the accidental mixing of fuels and of the disposition of those fuels.

**Intentional mixing of dyed diesel fuel with clear diesel fuel:**

- No allowances or inventory transfers or adjustments may be made for clear fuel intentionally mixed with dyed fuel. The product resulting from an intentional mix will remain subject to the \$.23 per gallon tax.

**Sales of dyed diesel fuel to the state or local governments:**

Dyed diesel fuel sold to the state, counties, cities, or local governments for use in licensed vehicles, used exclusively for construction, reconstruction, or maintenance of streets, roads, or highways, **must be low sulfur fuel in accordance with EPA standards.**

**Fuel transactions with entities not licensed in North Dakota:**

North Dakota law requires suppliers, distributors, importers, and exporters to be licensed with the Office of State Tax Commissioner PRIOR TO doing business in the state. This means that **no licensed entity should enter into any type of fuel transaction in North Dakota with a business not licensed in this state. This applies to all fuel types; i.e. motor vehicle fuel, special fuels, liquefied petroleum gas, and aviation fuels.**

In the event that fuel is sold in North Dakota to a nonlicensed entity in error, the applicable per gallon tax rate for the specific product must be charged and remitted. *The 2% special fuel excise tax does not apply to these transactions because the fuel is being sold directly to a reseller rather than directly to an end user. That means, the per-gallon tax must be charged on all special fuel tax otherwise subject to the 2% excise tax.* **The nonlicensed entity will not be able to obtain a tax refund or create a tax credit for future use on any taxes incurred prior to obtaining a license in North Dakota.**

The only exception will be a nonlicensed entity from another state making an occasional purchase in North Dakota, for export only, due to unavailability of the fuel in that entity's state. The selling supplier or distributor must charge and remit the applicable North Dakota per gallon tax unless prior arrangements have been made with the Tax Commissioner for the seller to act as the exporter, as in situations involving exports into Minnesota. In situations where the seller was not approved to act as the exporter of the fuel, the purchaser will be granted a refund of the North Dakota tax based upon proof that the exported fuel was reported to the state of import.

**Documentation requirements for consumer refunds:**

Suppliers and distributors should be aware of the documentation requirements established by law for individuals or businesses seeking refunds of fuel taxes. Retailers not licensed by the Tax Commissioner may not be aware of these requirements and are not always providing the refund applicants with invoices or sales tickets that can be accepted as valid documentation. That being the case, we are asking licensed suppliers and distributors for their assistance in passing on this information to their own retail outlets and to independent retailers with whom you do business. The invoices or sales tickets must include the following:

- The seller's name and address (machine printed or rubber-stamped thereon).
- The date the fuel was purchased (month, day, year).
- The type of product (clearly identified).
- The number of gallons purchased.
- The state tax as a separate item, or a statement that the state tax is included in the price.
- The name of the person or business purchasing the fuel and claiming a refund.

None of the above items are negotiable. Histories of the transactions, in lieu of invoices or sales tickets, may be provided. The histories must be prepared and certified by the sellers of the fuel and must include all of the information required on an invoice or sales ticket.

# Schools Located on North Dakota Indian Reservations Taxable/Nontaxable for Fuel Tax Purposes

## Standing Rock Sioux Tribe

### Indian Schools – Nontaxable

Standing Rock Community Elementary, Ft. Yates  
Standing Rock Community Grant HS, Ft. Yates  
Sitting Bull College, Ft. Yates

### Public/Nonpublic Schools – Taxable

Cannon Ball Elementary  
Solen Public  
Fort Yates Public  
Selfridge Public  
St. Bernard Mission, Ft. Yates (nonpublic)

## Three Affiliated Tribes – Fort Berthold

### Indian Schools – Nontaxable

Fort Berthold Community College, New Town

### Public/Nonpublic Schools – Taxable

Twin Buttes Elementary, Halliday  
Mandaree Public  
White Schield Public, Roseglen  
Edwin Loe Elementary, New Town  
New Town High School  
Parshall Elementary  
Parshall High School

## Turtle Mountain Tribe

### Indian Schools – Nontaxable

Ojibwa Indian, Belcourt (nonpublic)

### Public/Nonpublic Schools – Taxable

Turtle Mt. Community Elementary, Belcourt  
Turtle Mt. Community Middle, Belcourt  
Turtle Mt. Community High School, Belcourt  
St. Ann’s Catholic, Belcourt (nonpublic)  
Turtle Mt. Special Education Unit, Belcourt

## Spirit Lake Tribe (Devils Lake Sioux)

### Indian Schools – Nontaxable

Tate Topa Tribal, Ft. Totten  
Cankdeska Cikana Community College, Ft. Totten  
(previous name for college was Little Hoop)

### Public/Nonpublic Schools – Taxable

Oberon Elementary  
Warwick Public  
Four Winds Community High School, Ft. Totten  
Ft. Totten Special Education Unit, Ft. Totten

## Indian Schools not Located on Reservations

### Indian Schools – Nontaxable

Theodore Jamerson Elem School, Bismarck  
Circle of Nations School (Wahpeton Indian), Wah.  
Dunseith Day Elem. School, Dunseith  
United Tribes Technical College, Bismarck