



# Motor Fuels Tax Newsletter

News and developments

A publication of the Motor Fuels Tax Section

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*Tax Commissioner*

## New Schedules and Tax Reports - Instructions

Recently you should have received your supply of revised fuel tax schedules and reports. You are required to use these beginning with the July 2004 reports (due August 25, 2004). If you prepare your July 2004 reports in Excel, you will still need to file paper returns for July 2004.

The schedules created in Excel may be printed and attached to a paper tax report. The July 2004 Excel files should be saved for use as test files. PDF fill-in forms for paper filers are available on our Web site at: [www.ndtaxdepartment.com\Fuels\Forms](http://www.ndtaxdepartment.com\Fuels\Forms).

A draft of our new instruction booklet is also available at the same site, or may be requested by calling 701-328-3139. To ensure we are providing useful and understandable instructions for completing the fuel tax documents, we would welcome your comments and input. 

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## Electronic Filing - Testing - File Transfer

The following steps will be necessary to file schedules and tax reports electronically:

### Electronic Filing (E-File)

To submit tax files and receive acknowledgements:

- Complete and file an E-file secure web application;
- Create a state Login ID and Password;
- Receive an authorization code from the Tax Commissioner; and
- Complete the registration process using your Federal ID number with state assigned suffix and the authorization code.

### Electronic data interchange (EDI) and Excel spreadsheet files

- Submit a completed Registration Application for Electronic Filing.
- Submit a completed Trading Partner Profile if you intend to use EDI.
- Following an acknowledgement from our office, you will be scheduled for testing of the filing process.
- Upon completion of successful testing, you will be notified that you can begin filing your schedules and tax reports electronically.



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An important point to remember is you must first prepare all schedules and provide the information in all of the required fields. The information from the schedules is then used to prepare the tax reports. Information required to complete the tax reports that does not come from schedules is the inventories, transfers between product types, penalties, interest, and the reconciliations on page two of the tax reports. 

***The 2% tax rate applies to the selling price, plus freight and related charges if they are billed as separate items, without consideration of discounts.***

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## **Motor Vehicle Fuel – Shrinkage Allowances on Sales for Resale**

Suppliers and distributors selling motor vehicle fuel to retailers for resale (except those retailers located on the Standing Rock Indian Reservation) are reminded that they are required to pass on a one-half of one percent (.5%) allowance to those retailers. This allowance should be evident on the delivery or sales invoice provided by the supplier or distributor. This allowance does not apply on tax-paid sales to licensed distributors. 

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## **Special Fuel Taxed at 2% of the Selling Price – Discounts**

The 2% tax rate applies to the selling price, plus freight and related charges if they are billed as separate items, without consideration of discounts. Tax may be based on the price before discount or the price after discount. In either case, please be consistent in the method used to insure that you are treating all customers the same. 

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## **Disbursement Schedules Required for Sales to Consumers**

Tax-paid sales to consumers now need to be reported on a Schedule of Gallons Disbursed, schedule type 5Q, 5X, or 5Y. The transactions may be summarized on those schedules as outlined in the instructions. 

***Disbursement schedules required for sales to consumers.***

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## **Tax Payment Methods**

Paper filers must continue to submit payments by check, money order, or bank draft.

You have the option to make payments through ACH credits if you are filing schedules and tax reports electronically. If you instead elect to make payments by check, money order, or bank draft, you will need to complete and submit payment vouchers with your remittance. The payment voucher forms are Excel forms and are available on our Web site at: [www.ndtaxdepartment.com\Fuels\Forms](http://www.ndtaxdepartment.com\Fuels\Forms), or you may request a paper supply from the Motor Fuel Tax Section. 

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## Inventories

The majority of licensees reconciled their book inventories to their actual physical inventories at the end of June 2004, as requested by us. We thank you for your cooperation. Those who did not reconcile from their book inventory to their physical inventory at the end of June 2004 should do so on their July 2004 reports, unless they were granted permission not to reconcile due to a special circumstance. ☺

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## Fuel Sales to School Districts

Public and private school districts are not exempt from the state's motor vehicle fuel or special fuel taxes. Schools purchasing dyed fuel for heating purposes are subject to the 2% excise tax. Schools purchasing fuel for use in licensed vehicles, including buses, owned or leased by the schools are subject to the \$.21 per gallon tax and must purchase undyed diesel fuel for this purpose. Suppliers and distributors who have contracts to provide school districts with fuel for their buses, need to make sure that all extended or new contracts are for undyed diesel fuel. ☺

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## Workshops

The workshops held throughout the state in May 2004 to discuss the new forms and electronic filing options were well-attended. And, we have been asked whether we intend to do another workshop this fall. If you missed the May workshops and would be interested in attending a workshop this fall dealing with new forms and available electronic filing options, please contact us by calling 701-328-3139. ☺

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## Taxpayer Assistance

If you have questions regarding motor fuel tax or questions regarding correspondence received from our office, the following information will be helpful in ensuring that your call or visit to our office is completed in a speedy and efficient manner:

- To call our office with general motor fuel tax questions, you can call our Motor Fuels Tax Section at (701) 328-3139.
- If calling our office in regards to correspondence you have received, please call the number that is listed on the correspondence, and have a copy of the correspondence available when you call.
- When calling our office, note the name of the person assisting with your question in the event you will have any follow-up questions later.
- Instead of calling or visiting our office, you may also e-mail us at [motorfuelstax@state.nd.us](mailto:motorfuelstax@state.nd.us). ☺

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***You have the option to make payments through ACH credits if you are filing schedules and tax reports electronically.***