



Division of Motor Vehicles
Motor Fuel Manual
2016

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South Dakota's Fuel Tax System

South Dakota has 82,536 miles of roadway - 7,810 miles are state highways and even though it's only 9.5% of the total mileage, the state highway system carries approximately 67% of all vehicle miles traveled. South Dakota's 8,000-mile network of roads and highways and its airport facilities and runways are essential to the state's economy and its citizens' quality of life. Through the taxation of fuels, the costs of creating and maintaining this transportation infrastructure are distributed proportionately to the individuals and businesses that use our transportation system.

Tax Rates

The chart below shows the South Dakota fuel type, product code & tax rate charged for each type of fuel:

Fuel Tax Rates as of April 1, 2015

FUELTYPE	FTA PRODUCT CODE	TAXRATE
Jet Fuel	130	4 Cents per Gallon
AVGAS (Aviation Gasoline)	125	6 Cents per Gallon
100% Ethyl Alcohol	123	14 Cents per Gallon
100% Methyl Alcohol	243	14 Cents per Gallon
Compressed Natural Gas(CNG)	224	10 Cents per Gallon
Liquid Natural Gas (LNG)	225	14 Cents per Gallon
Liquid Petroleum Gas (LPG)	054	20 Cents per Gallon
*Biodiesel & Biodiesel Blends	284 & 170	28 Cents per Gallon
Gasoline	065	28Cents per Gallon
Natural Gasoline	061	28 Cents per Gallon
Undyed (Clear) Diesel (Including K1 & K2 Kerosene)	160	28 Cents per Gallon

The South Dakota 4% State Sales Tax plus applicable municipal sales tax applies to the selling price of dyed fuel. Dyed fuels subject to sales tax are:

- 072 Dyed Kerosene
- 171 Dyed Biodiesel Blends
- 228 Dyed Diesel Fuel
- 290 Dyed Biodiesel

Any other type of fuel product that is used to propel a motor vehicle is taxed at a rate of 28 Cents per Gallon. Some of these other fuel types and product codes are as follows:

- 092 Other (Undefined) Products
- 142 Undyed Kerosene

In addition to the above taxes, 2 cent per gallon Tank Inspection Fee is charged for each gallon of fuel that is sold.

* Effective in the quarter after biodiesel production facilities in South Dakota reach a name plate capacity of at least twenty million gallons per year and fully produce at least ten million gallons of biodiesel within one year as determined by the Secretary of Revenue, the tax rate for Biodiesel and Biodiesel Blends will change to 26 Cents per gallon. This rate will be in effect until the quarter after thirty-five million gallons of taxed Biodiesel and taxed Biodiesel Blend are sold. After that time the tax rate will return to 28 cents per gallon. SDCL 10-47B-4

Fuel Tax Rates Prior to April 1, 2015

FUELTYPE	FTA PRODUCT CODE	TAXRATE
Jet Fuel	130	4 Cents per Gallon
AVGAS (Aviation Gasoline)	125	6 Cents per Gallon
100% Ethyl Alcohol	123	8 Cents per Gallon
100% Methyl Alcohol	243	8 Cents per Gallon
Compressed Natural Gas(CNG)	224	10 Cents per Gallon
Liquid Natural Gas (LNG)	225	14 Cents per Gallon
Liquid Petroleum Gas (LPG)	054	20 Cents per Gallon
*Biodiesel & Biodiesel Blends	284 & 170	22 Cents per Gallon
Gasoline	065	22 Cents per Gallon
Natural Gasoline	061	22 Cents per Gallon
Undyed (Clear) Diesel (Including K1 & K2 Kerosene)	160	22 Cents per Gallon

Tank Inspection Fees

Both state and federal law require that most owners of petroleum storage tanks be able to demonstrate financial responsibility for pollution cleanup and third-party liability. The United States Environmental Protection Agency (EPA) has approved the South Dakota Petroleum Release Compensation Fund (PRCF) as an acceptable mechanism for tank owners to demonstrate financial responsibility for corrective action and third-party compensation. PRCF revenues are generated by a 2 cent per gallon tank inspection fee on petroleum products received, shipped and stored in the state. This fund is used for the clean-up of petroleum spills. Please refer to SDCL 34A-13-20 and Administrative Rule 74:32:02:01 for further information about the Tank Inspection Fee.

Taxpayers' Bill of Rights

The Taxpayers' Bill of Rights has formalized the fundamental principles that have guided the South Dakota Department of Revenue since 1986. These Rights are as follows:

- 1. You have the right to confidentiality.**
- 2. You have the right to tax information that is written in plain English.**
- 3. You have the right of appeal.**
- 4. You have the right to courteous, prompt, and accurate answers to your questions.**
- 5. You have the right to be certain that collection procedures or assessments are not influenced by performance goals or quotas.**
- 6. You have the right to rely on the written advice given to you by the Department of Revenue.**
- 7. You have the right to be notified before the Department audits your records unless the Secretary of Revenue determines that a delay will jeopardize the collection of tax.**
- 8. You have the right to clear and consistent policy regarding the deadlines for filing tax returns and making payments.**
- 9. You have the right to seek a refund of any taxes you believe you have overpaid within the last three years.**
- 10. You have the right to a process requiring that the seizure of your property for taxes be approved by a person no lower in authority than the division director.**
- 11. You have the right to expect that a good-faith effort to comply with tax laws will be given consideration in disputed cases.**
- 12. You have the right to a tax credit of interest or penalties that are determined to have been inappropriately levied.**
- 13. You have the right to the removal of a lien on your property within 30 days after you have paid all tax, penalty, and interest due.**
- 14. You have the right to have the South Dakota Department of Revenue correct the public record.**

Electronic (EPath) Tax Returns & Schedules

South Dakota is in the process of having all fuel tax licensees file their tax returns on line by using the newly implemented South Dakota EPath Tax Return System. This system will allow taxpayers to file EPath Tax Returns and Schedules, to amend previously filed tax returns and schedules (see conditions in each license section), to set up EFTs (electronic funds transfers) and to cancel fuel tax licenses. This information will be presented in detail in the sections that follow in this manual. You can log on to the Epath program at <https://apps.sd.gov/rv23epath/login.aspx>.

Points of Taxation

The point of taxation for motor fuel and special fuel, ethyl alcohol and methyl alcohol, is at the terminal rack. This means that whoever owns the fuel immediately before it is withdrawn from a rack in South Dakota must be licensed as a Supplier.

Suppliers have the major responsibility for collecting fuel tax and remitting it to the state. They are to charge fuel excise tax on any fuel that they sell, with these exceptions:

1. Dyed diesel, dyed biodiesel, and dyed kerosene; SDCL 10-47B-9 & SDCL 10-47B-19(3)
2. Fuel sold to a licensed Exporter and destined for delivery outside of South Dakota; SDCL 10-47B-9.1
3. Biodiesel sold to a licensed Blender for blending or to a licensed Exporter for export; SDCL 10-47B-10
4. Fuel sold to the U.S. Government or Defense Fuel Supply Center SDCL 10-47B-124

Taxes must also be reported and remitted on all motor or special fuel that is imported into the state if it is purchased from a unlicensed Out of State South Dakota Supplier. These purchases are reported on your Importer/Exporter Return. The unlicensed Out of State South Dakota Supplier cannot charge the purchaser South Dakota fuel tax. SDCL 10-47B-22

Fuel excise tax must also be paid by persons withdrawing ethyl alcohol at an ethanol plant in South Dakota unless they are a licensed Ethanol Broker that is purchasing the fuel for resale, or a licensed Exporter that is exporting the fuel directly to another state. Please see the section on the Ethanol Broker that lists circumstances in which they are responsible for collecting and remitting fuel tax to the state. SDCL 10-47B-9.1

Fuel Additives

A fuel excise tax is imposed on all substances blended with motor fuel or undyed special fuel unless the substance has previously been taxed. The tax imposed shall be at the rate of the dominant motor fuel or special fuel with which the substance is blended.

SDCL 10-47B-8

Dyed Diesel and Dyed Biodiesel Program

Under the dyed diesel and dyed biodiesel program, diesel or biodiesel that is to be used for off-road purposes must have dye added to it at the refinery or at the terminal. This fuel is exempt from fuel taxes; however, a 2 cent Tank Inspection Fee is due per gallon.

Dyeing diesel or biodiesel makes it easier to differentiate taxable and non-taxable fuel.

SDCL 10-47B-19(3) & SDCL 10-47B-185

Penalties for Illegal Use of Dyed Diesel or Dyed Biodiesel in Licensed Motor Vehicles

Penalties apply to anyone who uses dyed diesel or dyed biodiesel in a licensed motor vehicle operating on South Dakota roads and highways. Authorized personnel of the Department of Revenue, the Internal Revenue Service, and the Highway Patrol may withdraw fuel from licensed motor vehicles, machinery, equipment, and storage facilities in sufficient quantities to test for compliance with the law SDCL 10-47B-188. Any person who refuses to allow an inspection of equipment or fuel as authorized by SDCL 10-47B-189 is guilty of a Class 2 misdemeanor (Thirty days imprisonment in a county jail or five hundred dollar fine, or both) SDCL 22-6-2.

Persons using dyed diesel or dyed biodiesel in a qualified vehicle, such as a semi-truck and similar large truck, are subject to the following penalties:

- \$500 for the first violation
- \$1,000 for each subsequent violation

Persons using dyed diesel or dyed biodiesel in vehicles other than qualified vehicles, such as cars or pickup trucks, are subject to these penalties:

- \$250 for the first violation
- \$500 for each subsequent violation

The first violation of the dyed special fuel law is a Class 2 misdemeanor; any subsequent violation is a Class 6 felony. SDCL 10-47B-187 (13)

Required Licenses

If you act as a Biodiesel Producer, Blender, Bulk Plant Operator, CNG Vendor, Ethanol Broker, Ethanol Producer, Highway Contractor, Importer/Exporter, LNG Vendor, LPG User, LPG Vendor, Marketer, Supplier (Shipper), Terminal Operator, Transporter (Carrier), and/or Tribal Marketer you must be licensed with the state of South Dakota. A separate license is required for each type of business and for each location in the case of multiple sites. These license categories are discussed in detail later on in this manual.

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License holders that are responsible for filing tax returns and remitting fuel tax to the state are as follows: Biodiesel Producer, Blender, CNG Vendor, Ethanol Broker, Ethanol Producer, Highway Contractor, Importer/Exporter, LNG Vendor, LPG User, LPG Vendor, and Supplier (Shipper).

Terminal Operators and Tribal Marketers submit informational reports monthly. SDCL 10-47B-99

Highway Contractors must file tax returns on a quarterly basis SDCL 10-47B-114.1. LPG Users must file returns on a semi-annual calendar basis SDCL 10-47B-170.1. All other returns are filed on a monthly basis. If there is no activity during the reporting period, a zero tax return must be filed.

Informational reports are required to be submitted by Bulk Plant Operators SDCL 10-47B-103 and Transporters (Carriers) only when requested by the Department SDCL 10-47B-110.

How and Where to Apply for a License

There are different ways to obtain a motor fuel tax license. You may complete an on line application at <https://apps.sd.gov/rv23cedar/main/main.aspx> or you can log onto the web at http://dor.sd.gov/motor_vehicles/, click on “Motor Fuel”, and “Obtain a License”. You may also visit our Pierre, Rapid City, or Sioux Falls office. If you are completing a paper application form, return it to the Division of Motor Vehicles in Pierre. You will receive your license(s) approximately 10 working days after the receipt of your application. No fees are charged for fuel tax licenses and there are no bonding requirements (except for individuals who are delinquent in reporting and remitting fuel tax, and to reinstate a revoked license) SDCL 10-47B-74. Once a license card is received, it should be prominently displayed, at the place of business, within the public’s view for which it was issued. SDCL 10-47B-89

Licensees currently in good standing may send a written request to add a license using the same FEIN number.

Pierre Office

South Dakota Department of Revenue
Division of Motor Vehicles
445 East Capitol
Pierre, South Dakota 57501-3185
Phone: (605)773-8178
FAX: (605)773-4117

Rapid City Office

South Dakota Department of Revenue
Division of Motor Vehicles
1520 Haines Ave, Suite #3
Rapid City, South Dakota 57701-0710
Phone: (605)394-3397
FAX: (605)394-6076

Sioux Falls Office

South Dakota Department of Revenue
Division of Motor Vehicles
300 S Sycamore Ave, Suite #102
Sioux Falls, South Dakota 57110
Phone: (605) 367-5259
FAX: (605) 367-5830

Refusals to Issue or Reinstate a License

The Secretary of Revenue may refuse to issue or renew a license for any of the following reasons: SDCL 10-47B-73

- The application is filed by a person whose license has been canceled for cause by the Secretary;
- The applicant has made false or misleading statements in the application;
- The application is filed by a person as a subterfuge for another person whose license has been canceled for cause by the Secretary;
- At the time of application for license renewal, the person is found to have been delinquent in the filing of tax returns or the payment of taxes two or more times during the preceding license year; or
- The applicant was convicted of a crime involving fuel tax or owes fuel tax, penalty, or interest to South Dakota or another state.

If your license application is refused, you may request an administrative hearing before the Secretary to review the application. Your request must be submitted within 15 days of the date of notification of refusal.

Canceling Your License

In order to properly cancel your license, a written request must be submitted indicating the reason and the requested date of cancellation. Before your license is cancelled, all returns must be filed and taxes must be paid up to the date of cancellation. Your license card must be returned with your cancellation request. SDCL 10-47B-76

Those taxpayers that file tax returns electronically through EPath may cancel their licenses on line. You may do this by checking the box for the license(s) to be cancelled and entering the last day of business in South Dakota. You will be required to reenter your name to authorize the cancellation request, and then you will receive a confirmation page to print in EPath.

Changes in Ownership or Business Location

If your business ownership changes, for instance; from a sole proprietor to a corporation or there are changes in corporate officers, you must contact the Department. A new license will be issued in certain situations. If the business is sold, the new owner must apply for a new license. If your mailing address or business location changes, please notify us in writing immediately. SDCL 10-47B-79

Amending Paper Tax Returns

If a taxpayer discovers they have reported the incorrect amount of fuel on a previous paper return, the taxpayer will need to file an amended tax return. The correction cannot be made on a subsequent return. To file an amended paper return, make a copy of the original return that was filed, check the amended return box, cross out the incorrect figure(s), and report the correct figure(s). The return must indicate what the correct figures are, and not just the difference between what was originally reported and what is correct. Interest and/or penalty

will be due if additional tax is owed. The Uniform Schedule of Receipts and/or Disbursements must also be amended if individual transactions are changed, added, or deleted on the return. SDCL 10-47B-130, SDCL 10-59-16, SDCL 10-59-19

A Summary for Amending Motor Fuel Tax Returns (see appendix) must also be completed and sent in with each amended paper return. This Summary must explain the reason or reasons that the return is being amended. The return and Summary, along with any tax payment, must be sent to the following address (not the address indicated on the return):

Division of Motor Vehicles
Attention: Melissa Big Eagle
445 E Capitol Ave
Pierre, SD 57501-3185

Amending Electronic Tax Returns

A taxpayer is required to amend their electronic return if they have reported the fuel incorrectly on their original return.

Any needed corrections must be made on the original Epath schedule when amending the return. The amended schedule is then uploaded into the Epath program. As with the original return, the taxpayer must follow the system all the way through and submit the amended return as required. Interest and/or penalty will be due if additional tax is owed.

Suppliers may electronically amend any electronic or paper return they have previously filed. Importers/Exporters may only file amended electronic returns from the April 2013 reporting period forward, because of reporting changes that have been made to the return.

Electronic returns may only be amended one time. If additional amended returns must be submitted for the same period, an amended paper return must be submitted. Please follow the instruction listed above in the section “Amending a Paper Tax Return” to do this.

Interest and Penalties

Taxpayers who fail to remit their fuel tax payment to the state by the due date are liable for interest and/or penalties. Interest charges accrue at the rate of 1.00 percent of the tax due per month (or part of a month) or \$5, whichever is greater for the first month only. Interest is assessed at 1.00 percent of the tax due in any subsequent months.

The taxpayer, who fails to file a return or report which includes all taxable transactions within thirty days following the month the return or report is due, is assessed a penalty equal to 10 percent of the tax due or \$10 whichever is greater. For example, if a taxpayer's return and/or payment for September does not arrive by the October 31st deadline and eventually arrives on November 15th, the licensee is liable for interest for the month of November. If the payment does not arrive until December 15th, the taxpayer will be charged interest for November and December, plus a penalty equal to 10 percent of the tax liability or \$10, whichever is greater. SDCL 10-59-6, SDCL 10-59-6.1

Licensee and Compliance Reviews

There are two programs designed to both help taxpayers with the proper maintenance of fuel tax records and to ensure that the appropriate amount of taxes are being reported and paid. These programs are the Licensee Review and the Compliance Review.

The Licensee Review is an educational tool that was developed by the Department to help educate taxpayers on the proper procedures to follow in keeping and maintaining fuel tax records. This type of review can take anywhere between a half an hour and three working days to complete. This will generally depend on the size of the company being reviewed and the amount of records that are being maintained. No assessments will result from this type of review and the taxpayer is given an opportunity to correct errors, usually by amending tax returns. Penalties and interest are assessed if it is found that additional tax is owed and amended tax returns have to be filed. Recommendations are also given on how to correct any minor errors that are found. Business, company, or corporate officer and license information is also updated. If major problems are found during a licensee review, the agent has the option of recommending the business for an audit.

The Compliance Review is a tool that is used in place of an audit to correct known problems that have been discovered with a business. This type of review can take between 1 working day and a working week to complete. During the review, records are inspected in order to determine if the problem is a valid one. Again, problems can be corrected by amending tax returns but the general solution to these types of problems is to schedule the company for an audit. SDCL 10-47B-160, SDCL 10-47B-161

Audits

The Department of Revenue routinely audits taxpayers required to pay fuel taxes. The purpose of an audit is to verify the accuracy of reported fuel purchases, usage, deductions, credits, and refunds.

Notice of Intent to Audit

The audit process begins when the Department mails a “Notice of Intent to Audit” to the taxpayer. Taxpayers are normally notified at least 30 days prior to the audit date (unless the Department Secretary determines that a delay would jeopardize the collection of tax). SDCL 10-59-3, SDCL 10-59-7

At the opening conference the taxpayer must supply all records of fuel purchases and sales, including tax-unpaid sales of special fuel and sales on which sales tax was charged; all distribution records; and all fuel inventory records.

Within 60 days after the beginning of the audit, the taxpayer must provide the auditor with all records supporting deductions and exemptions. If the taxpayer fails to present documentation to the auditor within the 60-day period, the auditor may disallow the claimed exemption or deduction, resulting in an assessment of additional taxes and interest. If the taxpayer’s records are not complete enough to show the true liability, the auditor may estimate the taxable receipts.

Certificate of Assessment

If the auditor determines, after reviewing the taxpayer's records, that additional taxes are due, a "Certificate of Assessment" will be issued. The certificate shows the type and amount of tax due and the reasons for the assessment. The taxpayer has 60 days from the date of the certificate to take the following action: SDCL 10-59-4

1. Pay the assessment, including accrued interest, or
2. Request a hearing (in writing) before the Secretary of Revenue.

Appealing an Audit Assessment

A request for hearing is the taxpayer's only way of contesting an audit assessment. If a taxpayer decides to appeal the assessment, he or she must submit a "Request for Hearing" within the 60-day time limitation. The request, submitted in letter form, must specifically identify the issues being contested. If it does not, the administrative hearing could be denied. SDCL 10-59-9

The request for hearing must state:

1. The portion of the assessment being contested, and
2. The mistake of fact or error of law the taxpayer believes resulted in an invalid assessment.

Once a proper request for hearing has been filed, the matter becomes a contested case and falls within the scope of the Administrative Procedures Act (SDCL 1-26). The South Dakota Office of Hearing Examiners schedules the matter for hearing and serves the taxpayer with a "Notice of Hearing." SDCL 10-59-9

Notice of Hearing

The notice of hearing informs the taxpayer of the time and place of hearing, the name and address of the hearing examiner, and sets forth the issues to be considered. The notice of hearing must be served on the taxpayer at least 10 days prior to the hearing to allow time for "discovery proceedings," which may include a pre-hearing conference involving the Department's attorney, the taxpayer and his or her representative, and the hearing examiner.

The Administrative Hearing

The administrative hearing is conducted according to the provisions of the Administrative Procedures Act (SDCL 1-26) and the rules set forth by the Office of Hearing Examiners. The taxpayer may be represented by an attorney. Essentially, the taxpayer is a plaintiff in a civil matter. Consequently, he or she must prove that the assessment is invalid because it is based on a mistake of fact or error of law. In most cases, the administrative hearing is the taxpayer's only opportunity to present testimony and evidence.

At the conclusion of the hearing, the hearing examiner may request briefs on the legal issues. Following the submission of briefs, the hearing examiner prepares proposed findings of fact and conclusions of law for the Secretary of Revenue to consider.

Findings of Fact, Conclusions of Law, and Order

The Secretary may adopt the proposals of the hearing examiner or, after reviewing the record, may submit their own findings, conclusions, and decision. Copies of the findings of fact, the conclusions of law and the order are sent to the taxpayer. SDCL 1-26-23

If the taxpayer is ordered to pay additional fees and/or tax and desires to appeal the decision to the circuit court, they must:

1. Pay the amounts ordered to be paid, or
2. File a bond with the Department to insure payment.

The South Dakota Supreme Court has ruled that if payment is not made, or a bond posted, the circuit court cannot hear an appeal. SDCL 10-59-9

Notice of Appeal

After the taxpayer has paid the fees and/or tax or filed a bond, the appeal to the circuit court is governed by the Administrative Procedures Act. The taxpayer must serve their notice of appeal upon the Department of Revenue and file it, along with proof of service, with the clerk of courts of the appropriate county. This notice of appeal must be filed within 30 days of the date the Secretary of Revenue serves the taxpayer notice of their decision. SDCL 1-26-31

When the court hears the appeal, it will base its review of the Department Secretary's decision upon the administrative record. With regard to the questions of fact, the Secretary's findings will be upheld unless "clearly erroneous." Questions of law are fully reviewable by the court.

The decision of the circuit court may be appealed to The South Dakota Supreme Court. The Supreme Court will review the Secretary's decision on the record, under the same standards of review employed by the circuit court.

Collections

If a taxpayer fails to pay taxes, penalties and interest, the Department of Revenue may begin a civil suit against the taxpayer for recovery of the debt. If successful, the Department becomes a judgment creditor and can use the normal collection procedures open to such a creditor.

Notice of Jeopardy Assessment

In some cases, the Department may bypass the formal audit procedure in determining if taxes are due. If the Secretary of Revenue finds that the assessment or collection of any tax is jeopardized by delay, they may immediately make an assessment of the estimated tax, penalty, or interest and demand payment from the taxpayer. Thus, when confronted with an uncooperative taxpayer who fails to file required returns or report taxable transactions, the Secretary may estimate the amounts due based upon available records or sources and issue the "Notice of Jeopardy Assessment." SDCL 10-59-16

If a taxpayer fails to pay the amounts noted in the jeopardy assessment and is a resident of South Dakota, the Department will file appropriate liens and request the issuance of distress warrants. SDCL 10-59-10

Notice of Tax Lien

Any tax, penalty, or interest due from a taxpayer results in an automatic lien on their real or personal property. To preserve the state's lien priority against other creditors, the Department files a "Notice of Tax Lien" with the Register of Deeds of the county in which the taxpayer's property is located. SDCL 10-59-11, SDCL 10-59-12

Distress Warrant

If the taxpayer still fails to make payment, the Department requests the County Treasurer to issue a distress warrant to the County Sheriff. The distress warrant directs the Sheriff to proceed to collect the delinquent taxes by seizing and selling the taxpayer's property. SDCL 10-59-13

License Revocations

If you fail to file a report or remit a tax payment when due, the Secretary of Revenue may immediately schedule a license revocation hearing. If your license is revoked, you may not engage in any business activity authorized by the license. Written notice of the revocation will be given to you and all other current license holders. SDCL 10-47B-155

A Hearing Examiner conducts the revocation hearing. The Department presents evidence to prove the failure to file or pay taxes. The taxpayer then submits their evidence or testimony to show compliance with the tax statutes. Following the hearing, the Hearing Examiner prepares minutes and a decision for the Secretary of Revenue to consider. The Secretary will then issue their order, which may include an assessment of additional taxes, penalty, and interest. SDCL 1-26-D-4

The Department and the taxpayer have the right of judicial review of the Secretary's order. The procedure for judicial review is essentially the same as that described in the previous section on audit appeals.

Declaratory Rulings

If a taxpayer believes that an error has been made in determining their liability, they may ask the Secretary of Revenue to render a formal opinion regarding the application or interpretation of a tax statute. This opinion is called a declaratory ruling and is made according to specific rules and procedures set forth in SDCL 1-26-15.

A taxpayer who wants a declaratory ruling from the Department Secretary must submit a verified petition. The petition must present the specific question on which they are requesting a ruling and the factual basis for the question. Typically, the petition will include a request for a refund of taxes. If the Secretary determines that additional facts or information are needed, they may call for a hearing on the petition. The Secretary must notify the taxpayer of the hearing at least ten days prior to the hearing date.

The Secretary may decline to render a decision if it is determined that a ruling will not settle the controversy. If a ruling is made, the Secretary will include findings of fact and conclusions of law.

The Secretary's ruling is subject to appeal to the courts. The appeal is the same as an appeal of any other agency decision in a contested case.

Uniform Schedules of Receipts, Uniform Schedules of Disbursements, and EPath Schedules

All licensees that are required to file reports with the Department are also required to file Uniform Schedules of Receipts and/or Disbursements or EPath Schedules. These schedules must identify each transaction that takes place during a reporting period.

- The Uniform Schedule of Receipts is used to show fuel products that are imported into the state for sale, use, or storage. The only Schedule Types that are to be entered on this form are Schedule Type 1a, for gallons imported on a tax-paid basis and Schedule Type 2a, for gallons imported on a tax-unpaid basis.
- The Uniform Schedule of Disbursements is used to show fuel products that are pulled from a South Dakota terminal or bulk plant for sale in-state or for export from the state. There are many Schedule Types that are identified on this form. Please see a copy of the form in the appendix at the back of this manual for the various types.
- All licensees are required to file electronically except for Highway Contractors and Marketers. This is done by using a South Dakota Epath Schedule instead of the Uniform Schedule of Receipts and/or Disbursements. All transactions will now be reported electronically on this single schedule.
- All fuel that is sold, imported, or exported is to be reported using the Product Codes listed on page 3 of this manual. The mode of delivery must also be listed as type B for barge, type J for truck, type PL for pipeline and type R for railcar.

BIODIESEL PRODUCER

A Biodiesel producer is a person who engages in the business of producing biodiesel for sale, use, or distribution. Biodiesel is a fuel that is comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, designated B100 and/or a derivative of any organic material, without regard to the process used, that meets the registration requirements for fuels and chemicals established by the Environmental Protection Agency (EPA) and the American Society of Testing and Materials (ASTM), but does not include oil, natural gas, or coal (including lignite), or any products thereof.

Biodiesel blend is a blended special fuel containing a minimum of five percent by volume of biodiesel. SDCL 10-47B-3(1E), SDCL 10-47B-3(1-C)

All Biodiesel Producers that sell, use, or distribute biodiesel in South Dakota must be licensed. They are required to collect taxes and TI Fees for unblended biodiesel that they sell unless the biodiesel is sold to a licensed Blender, a licensed Supplier for resale, or a licensed Exporter for export. SDCL 10-47B-67.1, SDCL 10-47B-9

The Biodiesel Producer shall maintain records of plant capacity. Production and sales of biodiesel shall be reported monthly on the Biodiesel Producer tax return. Once biodiesel production facilities in South Dakota reach a name plate capacity of at least twenty million gallons per year and fully produce at least ten million gallons of biodiesel within one year, a 2 cent reduction on the tax rate of biodiesel will be implemented. This tax reduction will be repealed once thirty-five million gallons of taxed biodiesel and biodiesel blend are sold after the effective date of the tax rate reduction. SDCL 10-47B-4.1

Record Keeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways, the law requires Biodiesel Producers to keep detailed records of all fuel transactions and deliveries. Biodiesel Producers will need these records to accurately complete tax returns and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the business or delivery location or at a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years.

SDCL 10-47B-157

Sales and Purchase Records

Licensed Biodiesel Producers must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and the purchaser. The invoices must be serially numbered and must contain the following information:

- The seller's name and address;
- The seller's supplier's license number issued by the department, if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- The purchaser's name and address;
- The date of sale and delivery of the fuel;
- The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or not;
- The price charged per gallon of fuel;

- If charged, the amount of fuel tax or sales tax. Fuel tax must either be listed separately or as a statement by the marketer that the price per gallon required by law includes the South Dakota fuel tax; and
- The total amount of the sales invoice

Other Records Required of Biodiesel Producers

Biodiesel Producers are required to maintain inventory records that show:

- The total gallons on hand at the beginning of the month;
- The total gallons produced during the month;
- The total gallons sold during the month; and
- The total gallons remaining in storage at the end of the month.

SDCL 10-47B-159

Biodiesel Producers must keep records that show the total number of gallons blended with biodiesel and the total number of biodiesel gallons produced out of state each month.

Total gallons of ethanol and/or methanol used to produce biodiesel during the reporting period are also required.

The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. SDCL 10-47B-160

Payment and Reporting Schedule

All fuel tax due from a Biodiesel Producer must be remitted to the Department of Revenue—by electronic transfer on or before the second to the last day of the month following each monthly return period. For the purpose of remitting any tax by electronic transfer, the last day and the second to the last day of the month means the days that are not a Saturday, Sunday, legal holiday, or a day on which the Federal Reserve Bank is closed. Each Biodiesel Producer must file a monthly return with respect to information for the preceding calendar month by electronic means on an electronic reporting system furnished by the Department. The return must be submitted on or before the twenty-third day of the month following each monthly return period. If the twenty-third falls on a Saturday, Sunday, legal holiday or on a day that the Federal Reserve Bank is closed, the tax and report are due on the next day that is not a Saturday, Sunday, legal holiday, or a day the Federal Reserve Bank is closed. SDCL 10-47B-115.10, SDCL 10-47B-115.11, SDCL 10-47B-115.12, 10-47B-29

Refunds

Biodiesel Producers may obtain a refund of the taxes paid for ethanol and/or methanol that is used in the production of biodiesel. This refund can be claimed on the Biodiesel Producer tax return. SDCL 10-47B-120



Biodiesel Producer Return

Mail Remittance Center
 Return to: P.O. Box 5055
 Sioux Falls, SD 57117-5055

Report in Whole Gross Gallons Only

Check here if this is an amended report

BIODIESEL INVENTORY & SALES

		Clear Bio-Diesel	Dyed Bio-Diesel
1	Total gallons of biodiesel in producer's inventory at beginning of reporting period		
2	Total gallons of biodiesel produced during reporting period		
3	Subtotal gallons of biodiesel – Add Lines 1 and 2		
4	Total gallons of biodiesel sold to licensed purchaser during reporting period Attach Uniform Schedule of Disbursements – Type 6a, 6b, 6d		
5	Total gallons of biodiesel sold to unlicensed purchaser during reporting period Attach Uniform Schedule of Disbursements – Type 5		
6	Total gallons of biodiesel sold during reporting period – Add Lines 4 and 5		
7	Total gallons of biodiesel remaining in inventory at end of reporting period. Subtract Line 6 from Line 3		

BIODIESEL PRODUCTION

		Clear Bio-Diesel	Dyed Bio-Diesel
8	Total gallons of biodiesel sold during reporting period. (Record amount from Line 6 here)		
9	Total gallons of biodiesel produced out of state		
10	Net gallons produced (Subtract Line 9 from Line 8)		

TAXES AND FEES DUE

		Clear Bio-Diesel	Dyed Bio-Diesel
11	Total gallons of ethanol/methanol used to produce biodiesel		
12	Net credit due for gallons of ethanol/methanol used in production (Multiply Line 11 by \$0.14)		
13	Net credit due for gallons of ethanol/methanol used to produce biodiesel (Multiply Line 11 by \$0.02 TI Fee)		
14	Total credit for this reporting period (Add Lines 12 and 13)		
15	Total gallons of biodiesel sold to unlicensed purchaser during reporting period (Record amount from Line 5 here)		
16	Fuel Tax Due (Multiply Line 15 by \$0.28)		

TOTALS

17	Total Inspection Fee (Multiply Line 15 by \$0.02)		
18	Total Taxes and Fees (Add Lines 16, 17 and subtract Line 14)		
19	Interest		
20	Penalty		
21	Total Taxes and fees for this reporting period (Add Lines 18, 19, and 20)		

Biodiesel Producer Electronic Tax Return Instructions

1. Report total gallons of biodiesel in inventory. (Manual Entry)
2. Report total gallons of biodiesel produced during the reporting period. (Manual Entry)
3. Subtotal of biodiesel gallons – Add Lines 1 and 2
4. Report total gallons of biodiesel sold to licensed purchasers during the reporting period. A licensed purchaser is defined as a Supplier purchasing fuel for resale at a terminal, a Blender, or an Exporter purchasing fuel for export. **Attach Uniform Schedule of Disbursements – Type 6a, 6b, or 6d. (Product type 284 or 290)**
5. Report total gallons of biodiesel sold to unlicensed purchasers during reporting period. This includes anyone not covered on Line 4. **Attach Uniform Schedule of Disbursements – Type 5.**
6. Report total gallons of biodiesel sold during reporting period – Add Lines 4 and 5.
7. Report total gallons of biodiesel remaining in inventory – Subtract Line 6 from Line 3.
8. Report total gallons of biodiesel sold during reporting period. Record the amount from line 6.
9. Report total gallons of biodiesel produced out of state. (Manual Entry)
10. Net gallons of biodiesel produced – Subtract Line 9 from Line 8.
11. Report total gallons of ethanol/methanol used to produce biodiesel. (Manual Entry)
12. Net credit due for gallons of ethanol/methanol used to produce biodiesel – Multiply Line 11 by \$.14.
13. Net credit due for gallons of ethanol/methanol used to produce biodiesel – Multiply Line 11 by \$.02.
14. Report total credit for this reporting period – Add Lines 12 and 13.
15. Report total gallons of clear biodiesel sold to unlicensed purchasers. Record amount from Line 5.
16. Fuel tax due – Multiply Line 15 by \$.28.
17. Tank Inspection Fee due – Multiply Line 15 by \$.02.
18. Total Taxes and Fees – Add Lines 16 and 17 and subtract line 14.
19. Interest - Interest is calculated the first month at 1percent or \$5 whichever is greater and 1percent per month thereafter.
20. Penalty - The Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
21. Total Taxes and Fees for this reporting period – Add Lines 18, 19 and Line 20.

Biodiesel Producer Laws

10-47B-3(1B) "Biodiesel," a fuel that is comprised of:

(a) Mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, designated B100, and meeting the requirements of the American Society of Testing and Materials D 6751 as of January 1, 2008;

(b) A derivative of any organic material, without regard to the process used, that meets the registration requirements for fuels and chemicals established by the Environmental Protection Agency under section 211 of the Clean Air Act (42 U.S.C. 7545) as of January 1, 2008, and the American Society of Testing and Materials (ASTM) D975 or D396 as of January 1, 2008, but does not include oil, natural gas, or coal (including lignite), or any products thereof; or

(c) Both;

(1C) "Biodiesel blend," a blended special fuel containing a minimum of five percent by volume of biodiesel;

10-47B-4. Fuel excise tax rates. The fuel excise tax rates for the tax imposed by this chapter are as follows:

(1) Motor fuel (except ethyl alcohol, methyl alcohol, biodiesel, biodiesel blends, and aviation gasoline)-- as provided pursuant to § 10-47B-4.2;

(2) Special fuel (except jet fuel)-- as provided pursuant to § 10-47B-4.2;

(3) Aviation gasoline--\$.06 per gallon;

(4) Jet fuel--\$.04 per gallon;

(5) Liquid petroleum gas--\$.20 per gallon;

(6) Compressed natural gas--\$.10 per gallon;

(7) Ethyl alcohol and methyl alcohol-- as provided pursuant to § 10-47B-4.3;

(8) Liquid natural gas--\$.14 per gallon; and

(9) Biodiesel and biodiesel blends--as provided pursuant to § 10-47B-4.2, except when the conditions as provided in § 10-47B-4.4 are met.

10-47B-4.2. Motor fuel and special fuel excise tax rate. The fuel excise tax rate for motor fuel and special fuel is \$.28 per gallon.

10-47B-4.3. Ethyl alcohol and methyl alcohol fuel excise tax rate. The fuel excise tax rate for ethyl alcohol and methyl alcohol fuel is \$.14 per gallon.

10-47B-4.4. Tax on biodiesel and biodiesel blends after production facilities reach certain name plate capacity and production level. The tax imposed by § 10-47B-4 on biodiesel or biodiesel blends shall be reduced by two cents per gallon in the quarter after biodiesel production facilities in South Dakota reach a name plate capacity of at least twenty million gallons per year and fully produce at least ten million gallons of biodiesel within one year as determined by the secretary of revenue. The secretary shall file a certification of the determination with the secretary of state and the Legislative Research Council as the means of determining the rate of tax applied by § 10-47B-4. The provisions of this section are repealed in the quarter after thirty-five million gallons of taxed biodiesel and biodiesel blended fuel are sold as determined by the secretary of revenue. The secretary shall file a certification of the determination with the secretary of state and the Legislative Research Council as the means of determining the effective date of the repeal of this section.

10-47B-5. Excise tax on motor fuel and special fuel removed from terminal or used at terminal--Exceptions. A fuel excise tax is imposed on all motor fuel and special fuel that is removed from a terminal in this state at the rack or used at the terminal. This tax is not imposed if the fuel is withdrawn from a terminal for export by the consignee, if the consignee is specifically licensed to export fuel from this state, into the state which is indicated as the destination state on the bill of lading which was issued by the terminal operator for the fuel. This tax is not imposed if the fuel removed is biodiesel which has been removed by a licensed blender or supplier, for resale over a terminal rack and is not sold as a biodiesel blend. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-9. Excise tax on unblended biodiesel--Exceptions. A fuel excise tax is imposed on unblended biodiesel sold by a licensed producer, supplier, importer, or blender unless the sale is made to a licensed supplier for resale, to a licensed blender, or to a licensed exporter for export to another state who is specifically licensed to export to that state. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-10. Excise tax on fuel destined for another state but diverted or transferred in-state--Exceptions. A fuel excise tax is imposed on all motor fuel or special fuel which has been removed from a terminal in this state at the rack, or removed from an ethanol producer's plant in this state, by a licensed exporter for which the bill of lading issued for the fuel by the terminal operator or ethanol producer indicates a destination state other than South Dakota, and the fuel is later diverted by the exporter to a destination within this state for off-loading or is transferred or sold to another person within this state prior to off-loading in any destination state. This tax is not imposed if the fuel is biodiesel and the exporter is also licensed as a blender or supplier. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-25.1. Remittance of tax on unblended biodiesel. The tax imposed on unblended biodiesel pursuant to § 10-47B-9 and not exempted by § 10-47B-19 shall be remitted by the biodiesel producer, supplier, importer, or blender.

10-47B-67.1. Biodiesel producer's license required. Any person who is engaged in the production of biodiesel shall be licensed as a biodiesel producer.

10-47B-113. Necessary information reported by blender. The blender report required pursuant to § 10-47B-111 shall contain the following information, if deemed necessary by the secretary:

- (1) The number of gallons of any substances blended with motor fuel or special fuel;
- (2) A schedule of the names and addresses of all sales of blends in quantities of twenty-five gallons or more;
- (3) The number of gallons of biodiesel, the number of gallons of biodiesel blend, and the number of gallons of special fuel used to make a biodiesel blend; and
- (4) The number of gallons of unblended biodiesel sold, including the tax exempt sales made to licensed blenders, to licensed suppliers for resale, and to licensed exports for export to a state for which the exporter is specifically licensed to export.

10-47B-115.10. Monthly report required from biodiesel producer. For the purpose of determining the amount of motor fuel tax due, each biodiesel producer shall file with the department a monthly report by electronic means on an electronic reporting system furnished by the department. In addition to the information required pursuant to § 10-47B-115.12, the department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-115.11. Time for filing biodiesel producer's report. Any report required by § 10-47B-115.10 shall be filed with respect to information for the preceding calendar month by electronic means on or before the twenty-third day of the month following each monthly period. If the twenty-third day of the month falls on a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed, the report is due on the next succeeding day that is not a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed.

10-47B-115.12. Necessary information reported by biodiesel producer. The biodiesel producer shall report pursuant to § 10-47B-115.10, if deemed necessary by the secretary:

- (1) All biodiesel sold to a licensed exporter for export;
- (2) All biodiesel sold with fuel tax due; and
- (3) Copies of all bills of lading issued by the biodiesel producer for biodiesel produced by the biodiesel producer's plant.

10-47B-120.1. Tax refund for methanol used to produce biodiesel. A biodiesel producer may apply for and obtain a refund of fuel taxes paid to this state for methanol used to produce biodiesel.

10-47B-121.1. Tax report credit allowed to blender for special fuel blended with biodiesel. A tax report credit for special fuel blended with biodiesel to create biodiesel blend shall be allowed to the licensed blender who performs the blending activity. The tax report credit shall be granted on a per gallon basis in the amount that the rate for special fuel exceeds the rate for biodiesel blend. The credit shall be used to off-set any tax liability resulting from the blending of previously untaxed biodiesel.

This credit is extended only for special fuel which is blended with biodiesel and for no other fuel product. The further blending of additional fuel products with a motor fuel, special fuel, or biodiesel blend as defined under this chapter shall cause this credit to be cancelled and the blended product shall be taxed at the rate of tax for motor fuel and special fuel provided for in § 10-47B-4.

10-47B-136.1. Tax report credit for special fuel blended with biodiesel to create biodiesel blend. A tax report credit for special fuel blended with biodiesel to create biodiesel blend shall be allowed to the licensed blender who performs the blending activity. The tax report credit shall be granted on a per gallon basis in the amount that the rate for special fuel exceeds the rate for biodiesel blend. The credit shall be used to off-set any tax liability resulting from the blending of previously untaxed biodiesel.

This credit is extended only for special fuel which is blended with biodiesel and for no other fuel product. The further blending of additional fuel products with a motor fuel, special fuel, or biodiesel blend as defined under this chapter shall cause this credit to be cancelled and the blended product shall be taxed at the rate of tax for motor fuel and special fuel provided for in § 10-47B-4.

10-47B-157. Record keeping required of licensee. Each person issued a license pursuant to this chapter shall keep and preserve for the current and the three preceding calendar years an accurate record of all sales receipts, disbursement records, sales/purchase invoices, bills-of-lading, diversion tickets, partial load tickets, alcohol denaturing records, monthly inventory, and weekly pump meter readings and other pertinent records and papers considered necessary for the enforcement of this chapter by the secretary, including all ledgers and checking accounts.

10-47B-159. Fuel transactions to be supported by sales/purchase invoice—Invoice paper specification—Copies—Required information. Each fuel transaction in this state or between an out-of-state supplier and importer shall be supported by a sales/purchase invoice. All invoices shall be prepared on NCR (no carbon required) paper or with double-faced carbon so that the back of the invoice bears a carbon impression of the data that is on the face of the invoice. A copy of the invoice shall be maintained in the records of both the seller and the purchaser. The invoices shall be serially numbered and shall contain the following information:

- (1) The seller's name and address, which shall be machine-printed or rubber-stamped;
- (2) The seller's supplier's license number issued by the department if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- (3) The purchaser's name and address;
- (4) The date of sale and delivery of the fuel;
- (5) The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it is dyed or not;
- (6) The price charged per gallon of fuel;
- (7) If charged, the amount of fuel or sales tax. Fuel tax shall either be listed separately or as a statement by the marketer that the price per gallon required under subdivision (6) of this section includes the South Dakota fuel tax; and
- (8) **The total amount of the sales invoice.**

BLENDER

A Blender is a person engaged in the activity of making blends. A person need not be a blender to mix two or more substances which have previously been subject to the fuel excise tax. A person need not be a blender to mix two or more substances which have not been subject to the fuel excise tax if the mixed product does not result in producing a motor fuel or special fuel.

SDCL 10-47B-3(2)

Who Needs a Blenders License

A person producing a biodiesel blend is required to be licensed as a Blender. A biodiesel blend is a blended special fuel containing a minimum of five percent by volume of biodiesel. Licensed Blenders are permitted to purchase undyed (clear) biodiesel on a tax exempt basis. Once the biodiesel is blended with another product to make a motor or special fuel, taxes and tank inspection fees that are due on the product must be reported on and submitted with the Blender's tax return. SDCL 10-47B-3(1B)(a)(b), 10-47B-9

Ethanol Blends

A person producing an ethanol blend or methanol blend is no longer required to be licensed as a Blender.

Record Keeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways, the law requires Blenders to keep detailed records of all fuel transactions and deliveries. Blenders will need these records to accurately complete tax returns and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years. SDCL 10-47B-47, SDCL 10-47B-113, SDCL 10-47B-157

Sales and Purchase Records

Licensed Blenders must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and the purchaser. The invoices must be serially numbered and must contain the following information:

- The seller's name and address;
- The seller's supplier's license number issued by the department, if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- The purchaser's name and address;
- The date of sale and delivery of the fuel;
- The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or not;
- The price charged per gallon of fuel;
- If charged, the amount of fuel tax or sales tax. Fuel tax must either be listed separately or as a statement by the marketer that the price per gallon required by law includes the South Dakota fuel tax; and
- The total amount of the sales invoice

Other Records Required of Blenders

Blenders are required to maintain records that show the total gallons of each type of previously taxed and previously untaxed fuel blended during the month. They must also maintain records on the gallons of other fuels that are blended during the month and records of biodiesel that is sold to unlicensed parties. SDCL 10-47B-159

The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. SDCL 10-47B-160

Electronic Payment and Reporting Schedule

All fuel tax due from a Blender must be remitted to the Department of Revenue by electronic transfer on or before the second to the last day of the month following each monthly return period. The last day and the second to the last day of the month means the last day and second to the last day of the month which are not a Saturday, Sunday, legal holiday or on a day that the Federal Reserve Bank is closed.

A monthly tax return must be submitted with respect to information for the preceding calendar month by electronic means on or before the twenty-third day of the month. For example, a Blender would submit the September tax return on or before October 23rd. If October 23rd falls on a Saturday, Sunday, legal holiday or on a day that the Federal Reserve Bank is closed, the return is due on the next day that is not a Saturday, Sunday, legal holiday, or a day the Federal Reserve Bank is closed. SDCL 10-47B-112

Blender's Electronic Tax Return Instructions

Line 1: Biodiesel Blend – Enter gallons in columns B and D or E.

Line 2: Dyed Biodiesel Blend – Enter gallons in columns C and D or E.

Line 3: Other Blends – Enter gallons in applicable Columns A – F.

Line 4: Enter gallons sold to unlicensed purchaser during the reporting period.

***Lines 5 through 15 are automatically calculated by the Epath program.**

Confirmation No: Not Submitted
 Confirmation Date:

South Dakota Blender's Tax Return

Check here if this is an amended return

Report in Gross Gallons	Column A Gasoline	Column B Diesel	Column C Dyed Diesel	Column D Biodiesel	Column E Other Additive in Blend	Column F Total Gallons Add Columns A-E	Column G Blended Tax Rate	Column H Blended Tax Liability
1 Biodiesel Blend	0	0	0	0	0	0	X \$0.28	= \$0.00
2 Dyed Biodiesel Blend	0	0	0	0	0	0	X \$0.00	= \$0.00
3 Other Blends	0	0	0	0	0	0	X \$0.28	= \$0.00
4 Biodiesel Sold To Unlicensed	0	0	0	0	0	0	X \$0.28	= \$0.00
5 Total Gallons	0	0	0	0	0	0	6	Total Tax Liability = \$0.00

7 Tank Inspection Fee Due on Blended Fuels (Line 5 in Col. F X \$0.02)	\$0.00	11 Subtotal: Taxes and Tank Inspection Fee Previously Paid (Add Lines 9a + 9b and Line 10)	\$0.00	11	\$0.00
8 Total Tax and Tank Inspection Fee Due (Add Lines 6 & 7)	\$0.00	12 Tax Due (Subtract Line 11 From Line 8)	\$0.00	12	\$0.00
9a Total Taxes Previously Paid for Gas (Line 5 Col. A X \$0.28)	\$0.00	13 Interest (If filed after due date) Penalty (If filed after due date)	\$0.00	13	\$0.00
9b Taxes Paid for Diesel (Line 5 Col. B X \$0.28)	\$0.00	14 Balance or Credit	\$0.00	14	\$0.00
10 Tank Inspection Fee on Previously Taxed Fuel (Line 5 Col. A, B + C X \$0.02)	\$0.00	15 Total Remittance (Add Lines 12, 13, & 14)	\$0.00	15	\$0.00

Printed Name: _____ Phone: (_____) _____ ext. _____ Date: _____ Title: _____

MV-594 (4/15) I declare and affirm under penalty of perjury that this report has been examined by me, and to the best of my knowledge and belief is in all things true and correct. Signature _____

BLENDER LICENSE LAWS

10-47B-3(2) "Blender," a person engaged in the activity of making blends. A person need not be a blender to mix two or more substances which have previously been subject to the fuel excise tax imposed by this chapter. A person need not be a blender to mix two or more substances which have not been subject to the fuel excise tax imposed by this chapter, if the mixed product does not result in producing a motor fuel or special fuel;

10-47B-3(3) "Blends," one or more petroleum product, mixed with or without another product, regardless of the original character of the product blended, if the product obtained by the blending is capable of use in the generation of power for the propulsion of a motor vehicle, an airplane, or a motorboat. The term does not include those blends that occur in the process of refining by the original refiner of crude petroleum or by the blending of products known as lubricating oil and greases. The term does not apply to fuel additives which have been subject to sales or use tax imposed by chapters 10-45 and 10-46, or to dye;

10-47B-3(10) "Ethanol blend," a blended motor fuel containing ethyl alcohol of at least ninety-nine percent purity typically derived from agricultural products which is blended exclusively with a product commonly or commercially known or sold as gasoline;

10-47B-8. Excise tax on substances blended with motor fuel or undyed special fuel

A fuel excise tax is imposed on all substances blended with motor fuel or undyed special fuel unless the substance has previously been taxed by the provisions of this chapter. The tax imposed shall be at the rate provided for in § 10-47B-4 of the dominant motor fuel or undyed special fuel with which the substance is blended.

10-47B-9. Excise tax on unblended biodiesel--Exceptions. A fuel excise tax is imposed on unblended biodiesel sold by a licensed producer, supplier, importer, or blender unless the sale is made to a licensed supplier for resale, to a licensed blender, or to a licensed exporter for export to another state who is specifically licensed to export to that state. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-24. Remittance of tax on ethyl alcohol and other substances blended with fuel or undyed special fuel. The tax imposed by § 10-47B-8 and not exempted by § 10-47B-19 shall be remitted by the blender.

10-47B-25.1. Remittance of tax on unblended biodiesel. The tax imposed on unblended biodiesel pursuant to § 10-47B-9 and not exempted by § 10-47B-19 shall be remitted by the biodiesel producer, supplier, importer, or blender.

10-47B-62. Blender's license required. Any person acting in this state as a blender shall be licensed as a blender.

10-47B-111. Monthly report required from blender. For the purpose of determining the amount of motor fuel and special fuel tax due, each licensed blender shall file with the department on forms prescribed and furnished by the department a monthly report. In addition to the information required pursuant to § 10-47B-113, the department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-112. Time for filing blender's report. Any report required by § 10-47B-111 shall be filed with respect to information for the preceding calendar month on or before the last day of each month unless the last day of the month falls on a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day the Federal Reserve Bank is closed.

10-47B-113. Necessary information reported by blender. The blender report required pursuant to § 10-47B-111 shall contain the following information, if deemed necessary by the secretary:

- (1) The number of gallons of any substances blended with motor fuel or special fuel;
- (2) A schedule of the names and addresses of all sales of blends in quantities of twenty-five gallons or more;
- (3) The number of gallons of biodiesel, the number of gallons of biodiesel blend, and the number of gallons of special fuel used to make a biodiesel blend; and
- (4) The number of gallons of unblended biodiesel sold, including the tax exempt sales made to licensed blenders, to licensed suppliers for resale, and to licensed exports for export to a state for which the exporter is specifically licensed to export.

10-47B-121. Tax report credit available to blender—No refund. A licensed blender may apply for and obtain a tax report credit in accordance with the provisions of § 10-47B-133. No refund to a blender is authorized.

10-47B-121.1. Tax report credit allowed to blender for special fuel blended with biodiesel. A tax report credit for special fuel blended with biodiesel to create biodiesel blend shall be allowed to the licensed blender who performs the blending activity. The tax report credit shall be granted on a per gallon basis in the amount that the rate for special fuel exceeds the rate for biodiesel blend. The credit shall be used to off-set any tax liability resulting from the blending of previously untaxed biodiesel.

This credit is extended only for special fuel which is blended with biodiesel and for no other fuel product. The further blending of additional fuel products with a motor fuel, special fuel, or biodiesel blend as defined under this chapter shall cause this credit to be cancelled and the blended product shall be taxed at the rate of tax for motor fuel and special fuel provided for in § 10-47B-4.

10-47B-136.1. Tax report credit for special fuel blended with biodiesel to create biodiesel blend. A tax report credit for special fuel blended with biodiesel to create biodiesel blend shall be allowed to the licensed blender who performs the blending activity. The tax report credit shall be granted on a per gallon basis in the amount that the rate for special fuel exceeds the rate for biodiesel blend. The credit shall be used to off-set any tax liability resulting from the blending of previously untaxed biodiesel.

This credit is extended only for special fuel which is blended with biodiesel and for no other fuel product. The further blending of additional fuel products with a motor fuel, special fuel, or biodiesel blend as defined under this chapter shall cause this credit to be cancelled and the blended product shall be taxed at the rate of tax for motor fuel and special fuel provided for in § 10-47B-4.

BULK PLANT OPERATORS

A Bulk Plant Operator is a person who has responsibility and physical control over the operation of a bulk plant. Any person in this state who operates a bulk plant as defined by law must first obtain a bulk plant operator's license for each bulk plant. A bulk plant is a fuel storage facility, other than a terminal, that is primarily used for the redistribution of fuel by transport truck, tank wagon, or rail car. SDCL 10-47B-3(5)(5A), SDCL 10-47B-68

Selling Ethanol Blends and Methanol Blends

Ethyl Alcohol and Methyl Alcohol are taxed at the rate of 14 cents per gallon plus the 2 cents per gallon Tank Inspection Fee. These products are now taxed because of the various levels of ethanol blends now being seen in the industry. **If a Bulk Plant Operator sells an ethanol blend or methanol blend, the bill of lading and the invoice must list the alcohol gallons and gasoline gallons separately.** SDCL 10-47B-4.3, SDCL 10-47B-6

Additional Responsibilities

Bulk Plant Operators must prepare and provide a bill of lading to the driver of every transport truck or railcar removing motor fuel or special fuel from the bulk plant. The bill of lading must clearly show the destination state named by the Shipper or the Shipper's agent. Tank wagons removing fuel for delivery to an end consumer need not be issued a bill of lading. SDCL 10-47B-43

In addition, Bulk Plant Operators may not accept delivery of fuel products into their storage facilities if that delivery is not accompanied by a bill of lading, a diversion ticket, or a drop load ticket that clearly names South Dakota as the destination state of the fuel. SDCL 10-47B-48

Sales and Purchase Records

Licensed Bulk Plant Operators must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and the purchaser. The invoices must be serially numbered and must contain the following information:

- The seller's name and address;
- The seller's supplier's license number issued by the department, if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- The purchaser's name and address;
- The date of sale and delivery of the fuel;
- The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or not;
- The price charged per gallon of fuel;
- If charged, the amount of fuel tax or sales tax. Fuel tax must either be listed separately or as a statement by the marketer that the price per gallon required by law includes the South Dakota fuel tax; and
- The total amount of the sales invoice

Record Keeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways, the law requires Bulk Plant Operator to keep detailed records of all

fuel transactions and deliveries, and in some cases, of fuel usage. Bulk Plant Operators will need these records to accurately complete tax returns and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years. SDCL 10-47B-47

Fuel Shipping Records

Licensed Bulk Plant Operators must maintain all fuel delivery documents in their records, including bills of lading, diversion tickets, and drop load tickets.

1. Copies of the bill of lading. The bill of lading must contain the following: SDCL 10-47B-53

- The terminal or bulk plant name and address;
- The date the fuel was withdrawn from the terminal;
- The name and address of the Supplier, Shipper, or owner of fuel within a bulk plant if withdrawn from a bulk plant;
- The name of the Transporter or Carrier;
- The destination state. A petroex or similar number does not fulfill this requirement;
- The bill of lading number;
- The number of gross gallons of each type of fuel;
- The type of fuel product transported;
- If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein;
- The name and address of the Consignee; and
- Any other information which the Secretary deems necessary for the administration and enforcement of this chapter.

2. Drop load tickets for product delivered within South Dakota. The drop load ticket must contain the following: SDCL 10-47B-55

- The Transporter's or Carrier's name and address;
- The date of delivery of the fuel;
- The drop load ticket number;
- The destination state on the original bill of lading, or diversion ticket, if issued;
- The original bill of lading, and if available, the diversion ticket number;
- The destination state of each location at which the fuel was off-loaded;
- The number of gross gallons off-loaded at each location;
- The type of fuel off-loaded at each location;
- If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained

- therein;
 - Any other information which the Secretary deems necessary
3. Diversion tickets must be issued when the actual destination state differs from the destination indicated on the bill of lading. A diversion ticket must contain the following: SDCL 10-47B-54
- The Transporter's or Carrier's name and address;
 - The date and time the fuel was withdrawn from the terminal;
 - The diversion ticket number;
 - The name and address of the Supplier or Shipper indicated on the original bill of lading or the owner of fuel within the bulk plant if withdrawn from a bulk plant;
 - The destination state;
 - The bill of lading number;
 - The terminal or bulk plant from which the product was withdrawn;
 - The number of gross gallons for each fuel type being diverted;
 - The type of fuel being diverted;
 - If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein;
 - Any other information which the Secretary deems necessary for the administration and enforcement of this chapter.

Other Records Required of Bulk Plant Operators

Licensed Bulk Plant Operators are required to keep fuel receipt and disbursement records in addition to those already discussed. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including inventory records, storage tank measurements, meter reading, journals, ledgers, payment records and banking records. SDCL 10-47B-160

Reporting Schedule

Bulk Plant Operators are required to file a monthly report only if transport trucks or railcars are loaded at the facility. In that case, copies of all bills of lading issued by the bulk plant, or computer-generated bill of lading information approved by the Department must be included. SDCL 10-47B-103

Bulk Plant Operators' reports must be filed on or before the last day of the month following the month in which the transactions took place. For example, a Bulk Plant Operator would submit a report detailing all transactions conducted in September by October 31st. If October 31st falls on a Saturday, Sunday, legal holiday or on a day that the Federal Reserve Bank is closed, the tax and report are due on the next day that is not a Saturday, Sunday, legal holiday, or a day the Federal Reserve Bank is closed. SDCL 10-47B-101, SDCL 10-47B-102



Bulk Plant Operator's Report Transport Load Reporting

Company Name: _____ License Number: _____ Reporting Period: _____
 Mail Report to: South Dakota Department of Revenue & Regulation
 445 E Capitol Ave
 Pierre, SD 57501-3100

Check Here if this is an amended report

Attach bills of lading for each transport load of 4,200 gallons or more

Report in whole gross gallons only

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J
Gasoline	100% Ethyl Alcohol	AVGAS	Dyed Diesel & Kerosene	Undyed Diesel & Kerosene	Dyed Biodiesel	Clear Biodiesel	Jet Fuel	LPG	Other

1 Customer Name: _____ Customer License No. (if applicable): _____

- a Gallons withdrawn by this customer with a destination in SD
- b Gallons withdrawn by this customer with a destination outside SD
- c Total gallons withdrawn by this customer (add lines 1a & 1b)

Customer Name: _____ Customer License No. (if applicable): _____

- a Gallons withdrawn by this customer with a destination in SD
- b Gallons withdrawn by this customer with a destination outside SD
- c Total gallons withdrawn by this customer (add lines 2a & 2b)

Customer Name: _____ Customer License No. (if applicable): _____

- a Gallons withdrawn by this customer with a destination in SD
- b Gallons withdrawn by this customer with a destination outside SD
- c Total gallons withdrawn by this customer (add lines 3a & 3b)

Customer Name: _____ Customer License No. (if applicable): _____

- a Gallons withdrawn by this customer with a destination in SD
- b Gallons withdrawn by this customer with a destination outside SD
- c Total gallons withdrawn by this customer (add lines 4a & 4b)

Customer Name: _____ Customer License No. (if applicable): _____

- a Gallons withdrawn by this customer with a destination in SD
- b Gallons withdrawn by this customer with a destination outside SD
- c Total gallons withdrawn by this customer (add lines 5a & 5b)

Attach additional sheets if necessary

6 Totals

- a Total gallons withdrawn by all customers with a destination in SD (add lines 1a, 2a, 3a, etc. and, if necessary, information from additional sheets)
- b Total gallons withdrawn by all customers with a destination outside SD (add lines 1b, 2b, 3b, etc. and, if necessary, information from additional sheets)
- c Grand total gallons withdrawn by all customers for this reporting period (add lines 6a and 6b)

I declare and affirm under penalty of perjury that this report has been examined by me, and to the best of my knowledge and belief is in all true and correct

Printed Name: _____ Signature: _____ Date: _____

BULK PLANT OPERATOR

Laws

10-47B-3(4) “Bulk container” or “bulk cargo area,” any tank, vessel, or container used to store or transport fuel. This term does not include a supply tank which is mounted on a motor vehicle and connected to the engine of that motor vehicle;

10-47B-3(5) “Bulk plant,” a motor fuel or special fuel storage facility, other than a terminal, that is primarily used for redistribution of motor fuel or special fuel by a transport truck, tank wagon, or rail car;

10-47B-3(7A) “Consignee,” the first person to hold title to fuel after it is withdrawn at a terminal rack or bulk plant and delivered into a bulk cargo area of a transport truck or railcar. The name of the consignee shall be identified and prominently displayed on the bill of lading;

10-47B-43. Preparation and delivery of bill-of-lading setting out fuel destination. Any person operating a refinery, terminal, bulk plant, or as an ethanol producer in this state shall prepare and provide to the driver of every vehicle removing motor fuel or special fuel from the facility a bill-of-lading, setting out on its face the destination state as represented to the facility operator by the transporter or the transporter's agent.

10-47B-47. Required time period for retention of shipping papers by receiver of fuel. Any bulk plant operator, wholesale distributor, retail dealer, or end consumer taking delivery of motor fuel or special fuel shall receive, examine, and retain for a period of thirty days at the delivery location or a location approved by the secretary, the bill-of-lading along with any drop load tickets and diversion tickets received from the transporter for every shipment of motor fuel or special fuel that is delivered to that location, with record retention of the shipping papers of three years required off-site.

10-47B-48. Acceptance of fuel without bill-of-lading, drop load ticket, or diversion ticket prohibited—Inadvertent acceptance. No bulk plant operator, wholesale distributor, retail dealer, or end consumer may knowingly accept delivery of motor fuel or special fuel into storage facilities in this state if that delivery is not accompanied by a bill of lading, drop load ticket, and any diversion ticket issued by the terminal operator, bulk plant operator, or transporter, that sets out on its face South Dakota as the destination state of the fuel. If acceptance of a shipment was inadvertent, the bulk plant operator, wholesale distributor, retail dealer, or end user shall notify the department within twenty-four hours of the delivery and make arrangements for the proper payment of the tax.

10-47B-52. Exemptions for bulk plant operator delivering fuel into tank wagon. An operator of a bulk plant in this state delivering motor fuel or special fuel into a tank wagon for subsequent delivery to an end consumer is exempt from the requirements of §§ 10-47B-43 to 10-47B-46, inclusive, and 10-47B-49 to 10-47B-51, inclusive.

10-47B-53. Information required on bill-of-lading. The bill of lading issued by a terminal operator, bulk plant operator, transporter, or ethanol producer as dictated by this chapter shall

contain the following information:

- (1) The terminal, bulk plant, or ethanol producer's plant name and address;
- (2) The date the fuel was withdrawn from the terminal or ethanol producer's plant;
- (3) The name and address of the supplier, shipper, or owner of fuel within a bulk plant if withdrawn from a bulk plant;
- (4) The name of the transporter or carrier;
- (5) The destination state. A petroex or similar number does not fulfill this requirement;
- (6) The bill-of-lading number;
- (7) The number of gross gallons of each type of fuel;
- (8) The type of fuel product transported;
- (9) If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline, or the number of gallons of any other motor fuel that are contained therein;
- (10) The name and address of the consignee; and
- (11) Any other information which the secretary deems necessary for the administration and enforcement of this chapter.

10-47B-54. Information required on diversion ticket. The diversion ticket issued by a transporter shall contain the following information:

- (1) The transporters or carrier's name and address;
- (2) The date and time the fuel was withdrawn from the terminal;
- (3) The diversion ticket number;
- (4) The name and address of the supplier or shipper indicated on the original bill of lading or the owner of fuel within a bulk plant if withdrawn from a bulk plant;
- (5) The destination state;
- (6) The original bill-of-lading number;
- (7) The terminal or bulk plant from which the product was withdrawn;
- (8) The number of gross gallons of each fuel type being diverted;
- (9) The type of fuel being diverted; and
- (10) Any other information which the secretary deems necessary for the administration and enforcement of this chapter.

10-47B-55. Information required on drop load ticket. The drop load ticket issued by a transporter shall contain the following information:

- (1) The transporters or carrier's name and address;
- (2) The date of delivery of the fuel;
- (3) The drop load ticket number;
- (4) The destination state on the original bill-of-lading, or diversion ticket, if issued;
- (5) The original bill of lading, and if available the diversion ticket number;
- (6) The destination state of each location at which the fuel was off-loaded;
- (7) The number of gross gallons off-loaded at each location;
- (8) The type of fuel off-loaded at each location; and
- (9) Any other information which the secretary deems necessary for the administration and enforcement of this chapter.

10-47B-68. Bulk plant operator's license required. Any person in this state who operates a bulk plant as defined by this chapter shall first obtain a bulk plant operator's license for each terminal site.

10-47B-101. Monthly report required from bulk plant operator. For the purpose of determining the amount of motor fuel and special fuel tax due, each bulk plant operator shall file with the department on forms prescribed and furnished by the department a monthly report. In addition to the information required pursuant to § 10-47B-103, the department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-102. Time for filing bulk plant operator's report. Any report required by § 10-47B-101 shall be filed with respect to information for the preceding calendar month on or before the last day of each month unless the last day of the month falls on a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day the Federal Reserve Bank is closed.

10-47B-103. Necessary information to be reported by bulk plant operator. The bulk plant operator shall report pursuant to § 10-47B-101, if deemed necessary by the secretary:

- (1) All motor fuel and special fuel received into storage; and
- (2) Copies of all bills-of-lading issued by the bulk plant for motor fuel or special fuel withdrawn from storage into transport trucks or railcars.

10-47B-132. Refund for taxes paid when undyed diesel fuel accidentally mixed with dyed diesel fuel – Conditions for refund

Any person may apply for and obtain a refund of taxes paid by the person to this state when undyed diesel is accidentally mixed with dyed diesel fuel if the following conditions are met:

1. The amount of undyed diesel fuel accidentally mixed with dyed diesel fuel equals five hundred gallons or more;
2. The claimant notifies the department of the accidental mixing within five days of the incident;
3. The department can determine with reasonable certainty the amount of dyed and undyed diesel fuel involved in the accidental mixing; and
4. The mixed fuel is dyed by the department to the specifications set forth in this chapter if deemed necessary by the secretary.

No interest may be paid to a claimant applying for a refund under this section.

10-47B-181. Supplier or bulk plant operator penalized for authorizing sales for export to unlicensed person. A supplier or bulk plant operator who authorizes motor fuel or special fuel sales for export to a person who does not have an appropriate export license which allows the person to export to the destination state indicated on the bill-of-lading issued by the terminal operator shall be assessed up to twice the amount of the tax due.

CNG (COMPRESSED NATURAL GAS) VENDOR

A CNG Vendor is a person engaged in the business of selling compressed natural gas for use in the engine fuel supply tanks of motor vehicles. For purposes of taxation, CNG must be converted into equivalent liquid gallons of gasoline at the rate of 126.67 cubic feet of natural gas at its natural service delivery line pressure to one volumetric gross gallon of gasoline. SDCL 10-47B-3(6)(7), SDCL 10-47B-64

In South Dakota only utility companies may operate as CNG Vendors. These companies must be regulated by the Public Utilities Commission and must also be licensed by the Department of Revenue. CNG Vendors are to collect and remit fuel tax on all CNG sold for use in motor vehicles. SDCL 10-47B-11, SDCL 10-47B-4

Record Keeping/Acceptable Records

The law requires CNG Vendors to keep detailed records of all fuel transactions and deliveries to ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways. CNG Vendors will need these records to accurately complete tax returns and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years.

SDCL 10-47B-47, SDCL-10B-157, SDCL 10-47B-168, SDCL 10-47B-169, SDCL 10-47B-170

Sales and Purchase Records

Licensed CNG Vendors must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and the purchaser. The invoices must be serially numbered and must contain the following information:

- The seller's name and address;
- The seller's supplier's license number issued by the department, if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- The purchaser's name and address;
- The date of sale and delivery of the fuel;
- The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or not;
- The price charged per gallon of fuel;
- If charged, the amount of fuel tax or sales tax. Fuel tax must either be listed separately or as a statement by the marketer that the price per gallon required by law includes the South Dakota fuel tax; and
- The total amount of the sales invoice

Other Records Required of CNG Vendors

Licensed CNG Vendors are required to keep fuel receipt and disbursement records in addition to those already discussed. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. SDCL 10-47B-160

Payment and Reporting Schedule

All fuel tax due from a CNG Vendor must be sent to the Department of Revenue on or before the last day of the month following the month in which the CNG was sold. For example, a CNG Vendor would remit all tax collected in September by October 31st. A monthly tax return providing all information requested by the Department must be submitted at the same time. If October 31st falls on a Saturday, Sunday, legal holiday or on a day that the Federal Reserve Bank is closed, the tax and report are due on the next day that is not a Saturday, Sunday, legal holiday, or a day the Federal Reserve Bank is closed. SDCL 10-47B-169, SDCL 10-47-170

CNG Vendor Tax Return Instructions

1. Report gallons sold tax-exempt to US Government agencies for use in motor vehicles – Attach Uniform Schedule of Disbursements – Type 8
2. Report gallons on which South Dakota fuel tax is due.
3. Total gallons used or sold for use in motor vehicles – Add Lines 1 and 2
4. Fuel taxable gallons – Record amount from Line 2.
5. Fuel Tax rate
6. Fuel tax due – Multiply Line 4 by Line 5.
7. Interest and/or Penalty. Interest is calculated at 1 percent per month. First month is \$5 or 1 percent, whichever is greater. Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
8. Balance Due or Credit from prior reporting periods (See computer notice).
9. Total Taxes and Fees for this reporting period – Add Lines 6, 7 and add or subtract Line 8 (depending on balance due or credit).



Compressed Natural Gas (CNG) Vendor Tax Return

Mail Remittance Center
 Return To: P.O. Box 5055
 Sioux Falls, SD 57117-5055

Check here if this is an amended return

SALES SUMMARY

Report in Whole Gross Gallons Only

Column A Compressed Natural Gas (CNG)

1 Gallons sold tax-exempt to U.S. government agencies for use in motor vehicles (Attach Uniform Schedule of Disbursements - Type 8)	
2 Gallons on which South Dakota fuel tax is due	
3 Total gallons used or sold for use in motor vehicles -- Add Lines 1 and 2	

TAX CALCULATION AND REMITTANCE

4 Fuel Taxable Gallons -- Record Amount from Line 2 here	
5 Fuel Tax Rate	\$0.10
6 Fuel Tax Liability for this reporting period -- Multiply amount on Line 4 by tax rate on Line 5	\$
7 Interest and/or Penalty (If filing after due date)	\$
8 Balance Due or Credit from prior records (See Computer Notice)	\$
9 Total Remittance -- Add Lines 6 and 7, and add or subtract Line 8 (Depending on balance due or credit)	\$

I declare and affirm under the penalty of perjury that this report has been examined by me, and to the best of my knowledge and belief is in all things true and correct.

Signature	Title	Date
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CNG Vendor Laws

10-47B-3(6) “Compressed natural gas,” natural gas which has been compressed, but not to a liquid state, for use as a motor vehicle fuel and which for purposes of taxation as a motor vehicle fuel, shall be converted to equivalent liquid gallons of gasoline at the rate of one hundred twenty cubic feet of natural gas as its natural service delivery line pressure to equal one volumetric gross gallon of gasoline;

10-47B-3(7) “Compressed natural gas vendor,” a person engaged in the business of selling compressed natural gas for use in the engine fuel supply tanks of motor vehicles and is regulated by the Public Utilities Commission;

10-47B-3(39) “Special fuel,” all combustible gases and liquids that are:

- (a) Suitable for the generation of power in an internal combustion engine or motor; or
- (b) Used exclusively for heating, industrial, or farm purposes other than for the operation of a motor vehicle.

The term includes diesel fuel, fuel oil, heating fuel, biodiesel, all special fuel blends, and all kerosene products except K-1. The term does not include motor fuel, liquid petroleum gas, compressed natural gas, or natural gas which is not compressed natural gas. The term, special use fuel, is synonymous with the term, special fuel;

10-47B-4. Fuel excise tax rates. The fuel excise tax rates for the tax imposed by this chapter are as follows: (6) Compressed natural gas--\$.10 per gallon;

10-47B-11. Excise tax on liquid petroleum gas, compressed natural gas, and liquid natural gas--Exception. A fuel excise tax is imposed on liquid petroleum gas, compressed natural gas, and liquid natural gas sold or used by licensed vendors in this state for use in motor vehicles unless liquid petroleum gas is sold to a licensed liquid petroleum gas user. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-27. Remittance of tax on liquid petroleum gas, compressed natural gas, and liquid natural gas. The tax imposed by § 10-47B-11 shall be remitted by the liquid petroleum gas vendor, compressed natural gas vendor, or liquid natural gas vendor.

10-47B-64. Compressed natural gas vendor’s license required. Any person acting in this state as a compressed natural gas vendor shall be licensed as a compressed natural gas vendor.

10-47B-113. Necessary information reported by blender. The blender report required pursuant to § 10-47B-111 shall contain the following information, if deemed necessary by the secretary: **(Also applies to CNG Vendor)**

- (1) The number of gallons of any substances blended with motor fuel or special fuel;
- (2) A schedule of the names and addresses of all sales of blends in quantities of twenty-five gallons or more;
- (3) The number of gallons of biodiesel, the number of gallons of biodiesel blend, and the

number of gallons of special fuel used to make a biodiesel blend; and

(4) The number of gallons of unblended biodiesel sold, including the tax exempt sales made to licensed blenders, to licensed suppliers for resale, and to licensed exports for export to a state for which the exporter is specifically licensed to export.

10-47B-157. Record keeping required of licensee. Each person issued a license pursuant to this chapter shall keep and preserve for the current and the three preceding calendar years an accurate record of all sales receipts, disbursement records, sales/purchase invoices, bills-of-lading, diversion tickets, partial load tickets, alcohol denaturing records, monthly inventory, and weekly pump meter readings and other pertinent records and papers considered necessary for the enforcement of this chapter by the secretary, including all ledgers and checking accounts.

10-47B-168. Monthly report by liquid petroleum gas and natural gas vendor required. For the purpose of determining the amount of liquid petroleum gas and compressed natural gas tax due, each liquid petroleum gas and natural gas vendor shall file with the department on forms prescribed and furnished by the department a monthly report. Each liquid petroleum user shall file with the department on forms prescribed and furnished by the department a semi-annual report. In addition to the information required pursuant to §§ 10-47B-170 and 10-47B-171, the department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-169. Time for filing liquid petroleum gas and natural gas vendor's report. The reports required by § 10-47B-168 shall be filed with respect to information for the preceding reporting period on or before the last day of each reporting period unless the last day of the month falls on a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day the Federal Reserve Bank is closed in which case it is due on the next day that is not a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day the Federal Reserve Bank is closed.

Source: SL 1995, ch 71, § 166; SL 2011, ch 64, § 18.

10-47B-170. Information required in report of liquid petroleum gas and natural gas vendors. The vendors shall report pursuant to § 10-47B-168:

- (1) The number of gallons of liquid petroleum gas sold upon which fuel tax was charged;
 - (2) The number of gallons of liquid petroleum gas sold upon which sales tax was charged;
- and
- (3) The number of gallons of compressed natural gas sold upon which fuel tax was charged.
- Compressed natural gas sold for use in motor vehicles shall be metered separately from other sales.

ETHANOL BROKER

An Ethanol Broker is any person who engages in the business of marketing ethyl alcohol produced by Ethanol Producers located in South Dakota. Ethyl alcohol is a motor fuel typically derived from agricultural products that has been denatured. SDCL 10-47B-3(10A)

All Ethanol Brokers that sell, use, or distribute ethyl alcohol in South Dakota must be licensed. SDCL 10-47B-68.1

They are required to collect and remit taxes and TI Fees for ethyl alcohol that they sell unless the ethyl alcohol is sold to a licensed Exporter for export, to the U.S. Government, or to another licensed Ethanol Broker for resale.

An ethanol blend is defined as a blended motor fuel containing ethyl alcohol of at least ninety-nine percent purity, typically derived from agricultural products which are blended exclusively with a product commonly or commercially known or sold as gasoline. SDCL 10-47B-3(10)

The blending of casinghead or natural gasoline is not permitted in an ethanol blend fuel product in quantities larger than required to denature the alcohol. Notwithstanding this prohibition, a natural gasoline blended product can be made by blending natural gasoline and ethyl alcohol. The natural gasoline blended product shall contain no more than twenty-five percent of natural gasoline and shall contain a minimum of seventy-five percent ethyl alcohol. The natural gasoline blended product may only be further blended using gasoline. SDCL 10-47B-3.1

Record Keeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways, the laws require Ethanol Brokers to keep detailed records of all fuel transactions and deliveries. SDCL 10-47B-157

Ethanol Brokers will need these records to accurately complete tax returns and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years. SDCL 10-47B-47

Fuel Sales, Purchase, and Shipping Records

Licensed Ethanol Brokers must keep all sales and purchase invoices in either their original format, through film retrieval or electronic media. They must also maintain shipping records that indicate the destination state for all products sold. The Consignee must also be identified

on all bills of lading. The titles “Unlisted” and/or “Unknown” are not acceptable names for the Consignee listed on the bill of lading, since the Ethanol Broker should know who is purchasing the fuel. If a shipment is going to multiple locations in a state, the title “Various” may be used on the bill of lading to identify destination cities, but the titles “Unlisted” and/or “Unknown” are not acceptable. Bills of lading must be retained in their original format, film retrieval, or electronic media. SDCL 10-47B-115.6

The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. SDCL 10-47B-160

Sales and Purchase Records

Licensed Ethanol Brokers must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and the purchaser. The invoices must be serially numbered and must contain the following information: SDCL 10-47B-159

- The seller’s name and address;
- The seller’s supplier’s license number issued by the department, if the fuel was sold at the pipeline or the seller’s marketer’s number if not sold at a pipeline;
- The purchaser’s name and address;
- The date of sale and delivery of the fuel;
- The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or not;
- The price charged per gallon of fuel;
- If charged, the amount of fuel tax or sales tax. Fuel tax must either be listed separately or as a statement by the marketer that the price per gallon required by law includes the South Dakota fuel tax; and
- The total amount of the sales invoice

Other Records Required of Ethanol Brokers

The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. SDCL 10-47B-157

Ethanol Broker Electronic Uniform Schedules of Disbursements

An electronic Uniform Schedules of Disbursement is required to be filed by Ethanol Brokers with each monthly electronic tax return. This schedule must show each individual transaction that takes place during the month. The FEIN number of the purchaser is entered on the schedule and must match the number that is authorized for purchaser. The correct schedule type must also be entered for each transaction. The fuel type is to be identified by the FTA Product Code that is listed for it in the chart at the beginning of this manual. SDCL 10-47B-157

Allowances

Ethanol Brokers who properly remit tax as discussed earlier are allowed to retain an amount

equal to two and one-fourth percent (2.25 percent) of the tax due on each gallon of fuel withdrawn from the rack. The Ethanol Broker may keep one-third of this amount (.75 percent) to help offset the administrative expenses involved in reporting and remitting taxes. The remaining two-thirds (1.5 percent) is passed on to the customer who withdrew the fuel. SDCL 10-47B-34

If an Ethanol Broker is late in submitting the monthly tax return or remitting the taxes due, the Ethanol Broker may not retain any of the 2.25 percent allowance. If a customer is late in paying the fuel tax owed, the Ethanol Broker may retain the entire 2.25 percent allowance. SDCL 10-47B-36

Payment and Reporting Schedule

All fuel tax due from an Ethanol Broker must be remitted to the Department of by electronic transfer on or before the second to the last day of the month following each monthly return period. The last day and the second to the last day of the month means the last day and second to the last day of the month which are not a Saturday, Sunday, legal holiday or on a day that the Federal Reserve Bank is closed. SDCL 10-47B-29

A monthly tax return must be submitted with respect to information for the preceding calendar month by electronic means on or before the twenty-third day of the month. For example, an Ethanol Broker would submit the September tax return on or before the 23rd of October. If October 23rd falls on a Saturday, Sunday, legal holiday or on a day that the Federal Reserve Bank is closed, the return is due on the next day that is not a Saturday, Sunday, legal holiday, or a day the Federal Reserve Bank is closed. SDCL 10-47B-115.5

Bulk Transfers of Alcohol into or Within a SD Terminal

Ethyl alcohol or methyl alcohol transferred in bulk by transport truck and railcar into a terminal or in bulk within a terminal will NOT be exempt from South Dakota taxes and TI fees. Ethanol Producers however, may sell ethyl alcohol; tax free, to an Ethanol Broker. SDCL 10-47B-9.1

Once this fuel is transferred from the Ethanol Broker to a licensed South Dakota Supplier, taxes and TI fees need to be collected from the Supplier by the Ethanol Broker and remitted on the Ethanol Broker's tax return. SDCL 10-47B-19(7)

Ethanol Broker Electronic Tax Return Instructions

1. Report total gallons of ethyl alcohol received from an Ethanol producer and/or licensed Ethanol Broker for resale during the reporting period. – Report as a Type 2b on the Epath Schedule.
2. Report total gallons of ethyl alcohol sold to a licensed Exporter for export during reporting period.– Report as a Type 6a on the Epath Schedule.
3. Report total gallons of ethyl alcohol sold to the U.S. Government during reporting period. Report as a Type 8 on the Epath Schedule.
4. Report total gallons of ethyl alcohol sold to a licensed Ethanol Broker for resale during reporting period. Report as a Type 10 on the Epath Schedule.
5. Subtotal taxable gallons of ethyl alcohol received & sold – Subtract Lines 2, 3 and 4 from Line 1.
6. Subtotal taxable gallons of ethyl alcohol Report as a Type 5 on the Epath Schedule.
7. Allowance (If filing on time) on gallons of ethyl alcohol sold – Multiply Line 6 by 2.25%.
8. Total taxable gallons of ethyl alcohol – Subtract Line 7 from Line 6.
9. Tax Rate
10. Taxes due – Multiply Line 8 by Line 9.
11. Tank Inspection Fee – Multiply Line 6 by \$.02
12. Total Taxes and Fees due – Add Lines 10 and 11.
13. Interest is calculated at 1.00 percent per month. First month is \$5 or 1.00 percent, whichever is greater.
14. Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
15. Total Taxes and Fees for this reporting period – Add Lines 12, 13, and 14.



Ethanol Broker Return

South Dakota Department of Revenue Reporting Period: Return Due:

Confirmation Number:

Confirmation Date:

ETHYL ALCOHOL RECEIPTS & SALES

Report in Whole Gross Gallons Only

1	Total gallons of ethyl alcohol received from the Ethanol Producer and/or licensed Ethanol Broker for resale (Schedule Type 2b)	1	
2	Total gallons of ethyl alcohol sold to a licensed exporter for export. Attach Uniform Schedule of Disbursements - Type 6a	2	
3	Total gallons of ethyl alcohol sold to U.S. government. Attach Uniform Schedule of Disbursements -- Type 8	3	
4	Total gallons of ethyl alcohol sold to a licensed Ethanol Broker for resale. Attach Uniform Schedule of Disbursements -- Type 10	4	
5	Total taxable gallons --(Subtract Lines 2, 3, and 4 from Line 1)	5	

TAXES AND FEES DUE

6	Subtotal taxable gallons of ethyl alcohol -- Attach Uniform Schedule of Disbursements -- Type 5	6	
7	Allowance (if filing on time) -- Multiply Line 6 by 0.0225	7	
8	Total taxable gallons -- Subtract Line 7 from Line 6	8	
9	Tax Rate	9	\$0.14
10	Taxes Due -- Multiply Line 8 by Line 9	10	
11	Tank Inspection Fee -- Multiply Line 6 by 0.0200	11	
12	Total Taxes and Fees Due -- Add Lines 10 and 11	12	
13	Interest (if filing after due date)	13	
14	Penalty (If filing after due date)	14	
15	Grand Total -- Add Lines 12, 13, and 14	15	

SIGNATURE

I, _____, for the ethanol broker named on the front of this tax return, do hereby certify under penalty of perjury that I have examined this tax return, and, to the best of my knowledge and belief, it is correct and complete.

Signature

Title

Date

Ethanol Broker Laws

10-47B-3(10) "Ethanol blend," a blended motor fuel containing ethyl alcohol of at least ninety-nine percent purity typically derived from agricultural products which is blended exclusively with a product commonly or commercially known or sold as gasoline;

10-47B-3(10A) "Ethanol broker," any person who engages in the business of marketing ethyl alcohol produced by ethanol producers located in South Dakota;

10-47B-3.1 Blending of casinghead or natural gasoline with ethyl alcohol prohibited in quantities larger than required for denaturing – Natural gasoline blended products.

The blending of casinghead or natural gasoline is not permitted in an ethanol blend fuel product in quantities larger than required to denature the ethyl alcohol. Notwithstanding this prohibition, a natural gasoline blended product can be made by blending natural gasoline and ethyl alcohol. The natural gasoline blended product shall contain no more than twenty-five percent of natural gasoline and shall contain no less than seventy-five percent of ethyl alcohol. The natural gasoline blended product may only be further blended using gasoline.

10-47B-9.1. Excise tax on ethyl alcohol or methyl alcohol--Exceptions. A fuel excise tax is imposed on ethyl alcohol or methyl alcohol sold by an ethanol producer, methanol producer, supplier, importer, or ethanol broker, unless the sale is made to a licensed exporter for export to another state who is specifically licensed to export to that state. Notwithstanding this provision, no fuel excise tax is imposed on ethyl alcohol that is sold by an ethanol producer to a licensed ethanol broker. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-19(7) Exemptions from fuel excise tax. Motor fuel or special fuel transfers in bulk by pipeline into a terminal or in bulk by pipeline within a terminal. This subdivision does not apply to any transfers of ethyl alcohol or methyl alcohol into a terminal or within a terminal. The subsequent removal of the fuel from the terminal is not exempt from tax. **Source:** SL 1995, ch 71, § 19; SL 1996, ch 90, § 7; SL 1999, ch 58, § 6; SL 2010, ch 66, § 6; SL 2011, ch 60, § 1.

10-47B-25. Remittance of tax on ethyl alcohol and methyl alcohol. The tax imposed on ethyl alcohol and methyl alcohol by § 10-47B-9.1 and not exempted by § 10-47B-19 shall be remitted by the selling ethanol producer, methanol producer, supplier, importer, or ethanol broker.

10-47B-34. Percentage allowed to be retained to off-set administrative expenses of timely reporting. Any supplier, out-of-state supplier, ethanol producer, or ethanol broker who properly remits tax under this chapter shall be allowed to retain an amount not to exceed two and one-fourth percent of the tax required to be paid on each gallon of fuel to this state. The amount to be retained is to help off-set the administrative expenses of timely reporting and payment of tax.

10-47B-35. Distribution of amount retained for administrative expenses. The amount that the supplier, ethanol producer, or ethanol broker is permitted to retain under § 10-47B-34 shall be distributed by the supplier, out-of-state supplier, ethanol producer, or ethanol broker as follows:

- (1) One-third retained by the supplier, out-of-state supplier, ethanol producer, or ethanol broker to help off-set the administrative expense of timely reporting and remitting of tax;
- (2) Two-thirds to the wholesale distributor, retail dealer, or end user who withdraws fuel from the terminal at the rack to help off-set the cost of fuel lost due to shrinkage caused by evaporation or temperature change.

10-47B-36. Retention of administrative expenses not allowed for late reporting or remittance of tax. If a monthly report is filed or the amount due is remitted later than the time required by this chapter, the supplier, out-of-state supplier, importer, ethanol producer, or ethanol broker may retain none of the money authorized by § 10-47B-34 or 10-47B-38.

10-47B-37. Percentage supplier allowed to retain if payment is late from wholesale distributor, retail dealer, or end user. If the purchasing wholesale distributor, retail dealer, or end user pays the amount authorized to be delayed by § 10-47B-32 to the supplier later than allowed by this chapter, the supplier may retain the entire two and one-fourth percent allowed by § 10-47B-34.

10-47B-47. Required time period for retention of shipping papers by receiver of fuel. Any bulk plant operator, wholesale distributor, retail dealer, or end consumer taking delivery of motor fuel or special fuel shall receive, examine, and retain for a period of thirty days at the delivery location or a location approved by the secretary, the bill-of-lading along with any drop load tickets and diversion tickets received from the transporter for every shipment of motor fuel or special fuel that is delivered to that location, with record retention of the shipping papers of three years required off-site.

10-47B-68.1. Ethanol broker's license required. Any person acting in this state as an ethanol broker shall be licensed as an ethanol broker.

10-47B-115.4. Monthly report required from ethanol broker. For the purpose of determining the amount of motor fuel tax due, each ethanol broker shall file with the department on forms prescribed and furnished by the department a monthly report. In addition to the information required pursuant to § 10-47B-115.6, the department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-115.5. Time for filing ethanol broker's report. Any report required by § 10-47B-115.4 shall be filed with respect to information for the preceding calendar month on or before the last day of each month unless the last day of the month falls on a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day the Federal Reserve Bank is closed in which case it is due on the next day that is not a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day the Federal Reserve Bank is closed.

Source: SL 2010, ch 66, § 20; SL 2011, ch 64, § 17.

10-47B-115.6. Necessary information reported by ethanol broker. The ethanol broker shall report pursuant to § 10-47B-115.4, if deemed necessary by the secretary:

- (1) All ethyl alcohol sold to a licensed exporter for export;
- (2) All ethyl alcohol sold with fuel tax due; and

(3) Copies of all bills of lading issued by the ethanol producer for ethyl alcohol produced by the ethanol producer's plant.

10-47B-157. Record keeping required of licensee. Each person issued a license pursuant to this chapter shall keep and preserve for the current and the three preceding calendar years an accurate record of all sales receipts, disbursement records, sales/purchase invoices, bills-of-lading, diversion tickets, partial load tickets, alcohol denaturing records, monthly inventory, and weekly pump meter readings and other pertinent records and papers considered necessary for the enforcement of this chapter by the secretary, including all ledgers and checking accounts.
Source: SL 1995, ch 71, § 154.

10-47B-159. Fuel transactions to be supported by sales/purchase invoice—Invoice paper specification—Copies—Required information. Each fuel transaction in this state or between an out-of-state supplier and importer shall be supported by a sales/purchase invoice. All invoices shall be prepared on NCR (no carbon required) paper or with double-faced carbon so that the back of the invoice bears a carbon impression of the data that is on the face of the invoice. A copy of the invoice shall be maintained in the records of both the seller and the purchaser. The invoices shall be serially numbered and shall contain the following information:

- (1) The seller's name and address, which shall be machine-printed or rubber-stamped;
- (2) The seller's supplier's license number issued by the department if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- (3) The purchaser's name and address;
- (4) The date of sale and delivery of the fuel;
- (5) The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it is dyed or not;
- (6) The price charged per gallon of fuel;
- (7) If charged, the amount of fuel or sales tax. Fuel tax shall either be listed separately or as a statement by the marketer that the price per gallon required under subdivision (6) of this section includes the South Dakota fuel tax; and
- (8) The total amount of the sales invoice.

ETHANOL PRODUCER

An Ethanol Producer is any person who engages in the business of producing ethyl alcohol for sale, use, or distribution. SDCL 10-47B-3(12)

Ethyl alcohol is a motor fuel typically derived from agricultural products that has been denatured. SDCL 10-47B-3(12A)

Uniform EPath Schedule

An Ethanol Producer is to report “Gallons of fuel-grade alcohol that stay in South Dakota when sold to licensed brokers” as a Schedule Type 10, “Gallons of fuel-grade alcohol sold to exporters” as Schedule Type 6a, and “Gallons of taxable fuel-grade alcohol sold to non-licensed brokers and exporters as a Schedule Type 5 on the Uniform EPath Schedule. The EPath schedule must be used to create your monthly tax return. A sample of the schedule is in the template section located in the back of this manual. The EPath schedule can be created in Microsoft Excel and saved as a .csv or .txt file. The file must be saved in one of these formats for the EPath program to recognize the data when the file is uploaded. Data may also be entered manually and saved before submitting the tax return. Follow the prompts given to create the schedule.

All Ethanol Producers that sell, use, or distribute ethyl alcohol in South Dakota must be licensed. SDCL 10-47B-67

They are required to collect taxes and TI Fees for ethyl alcohol that they sell unless the ethyl alcohol is sold to a licensed Ethanol Broker or to a licensed Exporter for export.

Ethanol blend is defined as a blended motor fuel containing ethyl alcohol of at least ninety-nine percent purity, typically derived from agricultural products which are blended exclusively with a product commonly or commercially known or sold as gasoline. SDCL 10-47B-3(10)

The blending of casinghead is not permitted in an ethanol blend fuel product in quantities larger than required to denature the alcohol. SDCL 10-47B-3.1

Marketing Companies

The majority of Ethanol Producers in South Dakota have a company that also markets the ethyl alcohol. The marketing company purchases the ethyl alcohol from the Ethanol Producer and resells it. This company will need to obtain an Ethanol Broker license. SDCL 10-47B-3(10A)

Selling Ethanol Blends and Methanol Blends

Ethyl Alcohol and Methyl Alcohol are taxed at the rate of 14 cents per gallon plus the \$.02 cents per gallon Tank Inspection Fee. SDCL 10-47B-4. These products are now taxed because of the various levels of ethanol blends now being seen in the industry. **If an Ethanol Producer sells an ethanol blend or methanol blend, the bill of lading and the invoice must list the alcohol gallons and gasoline gallons separately.** SDCL 10-47B-53.9

Record Keeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways, the laws require Ethanol Producers to keep detailed records of all fuel transactions and deliveries. SDCL 10-47B-47 Ethanol Producers will need these records to accurately complete tax returns and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years. SDCL 10-47B-157

Fuel Sales, Purchase, and Shipping Records

Licensed Ethanol Producers must keep all sales and purchase invoices in either their original format, through film retrieval or electronic media. They must also maintain shipping records that indicate the destination state for all products sold. The Consignee must also be identified on all bills of lading. The titles “Unlisted” and/or “Unknown” are not acceptable names for the Consignee listed on the bill of lading, since the Supplier should know who is purchasing the fuel. If a shipment is going to multiple locations in a state, the title “Various” may be used on the bill of lading to identify destination cities, but the titles “Unlisted” and/or “Unknown” are not acceptable. Bills of lading will also be retained in their original format, film retrieval, or electronic media. SDCL 10-47B-115.1, SDCL 10-47B-115.2, SDCL 10-47B-115.3

The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. SDCL 10-47B-160

Sales and Purchase Records

Licensed Ethanol Producers must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and the purchaser. The invoices must be serially numbered and must contain the following information: SDCL 10-47B-159

- The seller’s name and address;
- The seller’s supplier’s license number issued by the department, if the fuel was sold at the pipeline or the seller’s marketer’s number if not sold at a pipeline;
- The purchaser’s name and address;
- The date of sale and delivery of the fuel;
- The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or not;
- The price charged per gallon of fuel;
- If charged, the amount of fuel tax or sales tax. Fuel tax must either be listed separately or as a statement by the marketer that the price per gallon required by law includes the South Dakota fuel tax; and
- The total amount of the sales invoice

Other Records Required of Ethanol Producers

Ethanol Producers are required to maintain inventory records that show the total gallons on hand at the beginning of the month, the total gallons produced during the month, the total

gallons sold during the month, and the total gallons remaining in storage at the end of the month. Ethanol Producers must keep records that show the total number of ethyl alcohol gallons produced out of state each month. Total gallons of natural gasoline and/or gasoline used to denature the alcohol during the reporting period are also required.

Ethanol Producers are required to keep all alcohol denaturing records. The Ethanol Producer may denature alcohol by adding gasoline or natural gasoline to it in amounts equal to at least 5 gallons of gasoline for each 95 gallons of alcohol. SDCL 10-47B-166 The alcohol may also be denatured by any other method common in the industry. All alcohol for in-state sale or distribution must be denatured **prior** to being delivered into a delivery vehicle. Splash blending is not an acceptable means for denaturing alcohol. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records.

Ethanol Producer Electronic Uniform Schedules of Disbursements

An electronic Uniform Schedules of Disbursement is required to be filed by Ethanol Producers with each monthly electronic tax return. This schedule must show each individual transaction that takes place during the month. The FEIN number of the purchaser is entered on the schedule must match the number that is authorized for the purchaser. The correct schedule type must also be entered for each transaction. The fuel type is to be identified by the FTA Product Code that is listed for it in the chart at the beginning of this manual. SDCL 10-47B-190

Allowances

Ethanol Producers who properly remit tax as discussed earlier are allowed to retain an amount equal to two and one-fourth percent (2.25 percent) of the tax due on each gallon of fuel withdrawn from the rack. The Ethanol Producer may keep one-third of this amount (.75 percent) to help offset the administrative expenses involved in reporting and remitting taxes. The remaining two-thirds (1.5 percent) is passed on to the customer who withdrew the fuel. SDCL 10-47B-34

If an Ethanol Producer is late in submitting the monthly return or remitting the taxes due, the Ethanol Producer may not retain any of the 2.25 percent allowance. If a customer is late in paying the fuel tax owed, the Ethanol Producer may retain the entire 2.25 percent allowance. SDCL 10-47B-36

Payment and Reporting Schedule

All fuel tax due from an Ethanol Producer must be remitted to the Department of Revenue by electronic transfer on or before the second to the last day of the month following each monthly return period. The last day and the second to the last day of the month means the last day and second to the last day of the month which are not a Saturday, Sunday, legal holiday or on a day that the Federal Reserve Bank is closed. The tax is due on the next day that is not a Saturday, Sunday, legal holiday or a day that the Federal Reserve Bank is closed. SDCL 47B-115.2

A monthly tax return must be submitted with respect to information for the preceding calendar month by electronic means on or before the twenty-third day of the month For example, an Ethanol Producer would submit the September tax return on or before October 23rd. If October 23rd falls on a Saturday, Sunday, legal holiday or on a day that the Federal Reserve Bank is closed, the return is due on the next day that is not a Saturday, Sunday, legal holiday, or a day the Federal Reserve Bank is closed. SDCL 10-47B-115.1

Ethanol Incentive Payments

A production incentive payment (based on available funding) of 20 cents per gallon is available to ethanol producers for ethyl alcohol that is fully distilled and produced in South Dakota and to qualified biobutanol producers for biobutanol fully produced in South Dakota. The ethyl alcohol must be ninety-nine percent pure and must be distilled from cereal grains. If ethyl alcohol is to be shipped outside of the United States, it does not need to meet these provisions to qualify for the ethanol production incentive payment. SDCL 47B-162

Annual production incentive payments for any facility may not exceed \$1 million. An ethanol production facility is eligible for a production incentive payment only if the facility has produced qualifying ethyl alcohol on or before December 31, 2006. No facility may receive any production incentive payments in an amount greater than \$9,682,000 dollars. SDCL 10-47B-162

Refunds

Ethanol Producers may obtain a refund of the taxes paid for natural gasoline and or gasoline that is used to denature alcohol. This refund can be claimed on the Ethanol Producer tax return. SDCL 10-47B-120

Bulk Transfers of Alcohol into or Within a SD Terminal

As of July 1, 2011, ethyl alcohol or methyl alcohol transferred in bulk by pipeline into a terminal or in bulk by pipeline within a terminal will NOT be exempt from South Dakota taxes and TI fees. Ethanol Brokers may however obtain ethyl alcohol tax free from an Ethanol Producer. Once this fuel is transferred from the Ethanol Broker to a licensed South Dakota Supplier, taxes and TI fees need to be collected from the Supplier by the Ethanol Broker and remitted on the Ethanol Broker's tax return. SDCL 10-47B-19(7)

Ethanol Producer Electronic Tax Return Instructions

1. Report total gallons of fuel-grade alcohol in Producer's inventory at beginning of reporting period. (Manual Entry).
2. Report total gallons of fuel-grade alcohol produced or upgraded during reporting period. (Manual Entry).
3. Subtotal gallons of fuel-grade alcohol (Add Lines 1 and 2).
4. Report total gallons of fuel-grade alcohol sold to licensed ethanol brokers and exporters. Attach Uniform Schedule of Disbursements (Type 6a or 10).
5. Report total gallons of fuel-grade alcohol sold to non-licensed ethanol brokers. (Type 5).
6. Total gallons of fuel-grade alcohol sold during reporting period (Add Lines 4 and 5).
7. Total gallons of fuel-grade alcohol remaining in inventory at end of reporting period (Subtract Line 6 from Line 3).
8. Total gallons of biobutanol produced. (Manual Entry).
9. Total gallons of ethyl alcohol shipped out of the United States of America. (Ethyl alcohol shipped outside of the United States, does not need to be denatured to qualify for the ethanol production incentive payment) (Manual Entry).
10. Report total gallons of fuel-grade alcohol sold during reporting period (Record amount from Line 6 here).
11. Total gallons of fuel-grade alcohol produced out-of-state. (Enter Manually).
12. Net gallons eligible for production payment (Subtract Line 11 from Line 10 and add Line 8 and Line 9).
13. Production payment rate.
14. Production payment allowance for this reporting period (Multiply Line 12 by rate on Line 13).
15. Allowance (If filing on time) (Multiply Line 5 by 0.0225).
16. Fuel Tax due (Subtract line 15 from Line 5 and multiply by \$.14).
17. Tank Inspection Fee due (Multiply Line 5 by \$.02).
18. Report total gallons of natural gasoline used for denaturing alcohol (Determine from your records) (Enter Manually).
19. Report total gallons of gasoline used for denaturing alcohol (Determine from your records) (Enter Manually).
20. Net tax credit due for gallons of gasoline and/or natural gasoline used as denaturant (Multiply Lines 18 & 19 by \$.28- tax rate).
21. Tank Inspection Fee (Multiply Lines 18 & 19 by \$.02).
22. Total credit for this reporting period (Add Lines 20 and 21).
23. Total taxes and fees for this reporting period (Add Lines 16, 17, and subtract Line 22).
24. Interest Due (Interest is calculated at 1.00 percent per month. First month is \$5 or 1.00 percent, whichever is greater).
25. Penalty Due (Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due).
26. Total Due (Add Lines 23, 24 and Line 25).

ETHANOL PRODUCER

10-47B-3(10) “Ethanol blend,” a blended motor fuel, commonly referred to as gasohol, containing a minimum of ten percent by volume of ethyl alcohol of at least ninety-nine percent purity derived from cereal grain which is blended exclusively with a product commonly or commercially known or sold as gasoline. The blending of casinghead or natural gasoline is not permitted in an ethanol blend fuel product in quantities larger than required to denature the ethyl alcohol;

10-47B-3(12) “Ethanol producer,” any person who for the purpose of making ethanol blend engages in the business of producing ethyl alcohol for sale, use, or distribution;

10-47B-3(12A) “Ethyl alcohol,” a fuel that has been denatured as prescribed in § 10-47B-166. This definition does not apply to § 10-47B-162 or 10-47B-166;

10-47B-9.1. Excise tax on ethyl alcohol or methyl alcohol--Exceptions. A fuel excise tax is imposed on ethyl alcohol or methyl alcohol sold by an ethanol producer, methanol producer, supplier, importer, or ethanol broker, unless the sale is made to a licensed exporter for export to another state who is specifically licensed to export to that state. Notwithstanding this provision, no fuel excise tax is imposed on ethyl alcohol that is sold by an ethanol producer to a licensed ethanol broker. The tax imposed shall be at the rate provided for in § 10-47B-4.

Source: SL 2009, ch 55, § 17; SL 2010, ch 66, § 4.

10-47B-25. Remittance of tax on unblended ethyl alcohol. The tax imposed on unblended ethyl alcohol in § 10-47B-9 and not exempted by § 10-47B-19 shall be remitted by the selling ethanol producer, supplier, importer, or blender.

10-47B-34. Percentage allowed to be retained to off-set administrative expenses of timely reporting. Any supplier, out-of-state supplier, ethanol producer, or ethanol broker who properly remits tax under this chapter shall be allowed to retain an amount not to exceed two and one-fourth percent of the tax required to be paid on each gallon of fuel to this state. The amount to be retained is to help off-set the administrative expenses of timely reporting and payment of tax.

Source: SL 1995, ch 71, § 34; SL 2010, ch 66, § 8.

10-47B-35. Distribution of amount retained for administrative expenses. The amount that the supplier is permitted to retain under § 10-47B-34 shall be distributed by the supplier or out-of-state supplier as follows:

- (1) One-third retained by the supplier or out-of-state supplier to help off-set the administrative expense of timely reporting and remitting of tax;
- (2) Two-thirds to the wholesale distributor, retail dealer, or end user who withdraws fuel from the terminal at the rack to help off-set the cost of fuel lost due to shrinkage caused by evaporation or temperature change.

10-47B-36. Retention of administrative expenses not allowed for late reporting or

remittance of tax. If a monthly report is filed or the amount due is remitted later than the time required by this chapter, the supplier, out-of-state supplier, or importer may retain none of the money authorized by § 10-47B-34 or 10-47B-38.

10-47B-43. Preparation of bill-of-lading by operators of refinery, terminal, or bulk plant.

Any person operating a refinery, terminal, or bulk plant in this state shall prepare and provide to the driver of every vehicle removing motor fuel or special fuel from the facility a bill-of-lading, setting out on its face the destination state as represented to the facility operator by the transporter or the transporter's agent.

10-47B-48. Acceptance of fuel without bill-of-lading, drop load ticket, or diversion ticket prohibited—Inadvertent acceptance. No bulk plant operator, wholesale distributor, retail dealer, or end consumer may knowingly accept delivery of motor fuel or special fuel into storage facilities in this state if that delivery is not accompanied by a bill of lading, drop load ticket, and any diversion ticket issued by the terminal operator, bulk plant operator, or transporter, that sets out on its face South Dakota as the destination state of the fuel. If acceptance of a shipment was inadvertent, the bulk plant operator, wholesale distributor, retail dealer, or end user shall notify the department within twenty-four hours of the delivery and make arrangements for the proper payment of the tax.

10-47B-53. Information required on bill-of-lading. The bill of lading issued by a terminal operator, bulk plant operator, transporter, or ethanol producer as dictated by this chapter shall contain the following information:

- (1) The terminal, bulk plant, or ethanol producer's plant name and address;
- (2) The date the fuel was withdrawn from the terminal or ethanol producer's plant;
- (3) The name and address of the supplier, shipper, or owner of fuel within a bulk plant if withdrawn from a bulk plant;
- (4) The name of the transporter or carrier;
- (5) The destination state. A petroex or similar number does not fulfill this requirement;
- (6) The bill-of-lading number;
- (7) The number of gross gallons of each type of fuel;
- (8) The type of fuel product transported;
- (9) If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline, or the number of gallons of any other motor fuel that are contained therein;
- (10) The name and address of the consignee; and
- (11) Any other information which the secretary deems necessary for the administration and enforcement of this chapter.

10-47b-67. Ethanol producer's license required. Any person who is engaged in the production of ethanol in this state shall be licensed as an ethanol producer.

10-47B-115.1. Monthly report required from ethanol producer. For the purpose of determining the amount of motor fuel tax due, each ethanol producer shall file with the department a monthly report by electronic means on an electronic reporting system furnished by the department. In addition to the information required pursuant to § 10-47B-115.3, the

department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-115.2. Time for filing ethanol producer's report. Any report required by § 10-47B-115.1 shall be filed with respect to information for the preceding calendar month by electronic means on or before the twenty-third day of the month following each monthly period. If the twenty-third day of the month falls on a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed, the report is due on the next succeeding day that is not a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed.

10-47B-115.3. Necessary information reported by ethanol producer. The ethanol producer shall report pursuant to § 10-47B-115.1, if deemed necessary by the secretary:

- (1) All ethyl alcohol sold to a licensed exporter for export or to a licensed ethanol broker;
- (2) All ethyl alcohol sold with fuel tax due; and
- (3) Copies of all bills of lading issued by the ethanol producer for ethyl alcohol produced by the ethanol producer's plant.

10-47B-120. Tax refund for gasoline used to denature ethyl alcohol. A licensed ethanol producer may apply for and obtain a refund of fuel taxes paid to this state, for gasoline and natural gasoline used to denature ethyl alcohol.

10-47B-125. Tax refund available to licensed exporter. A licensed exporter may apply for and obtain a refund for taxes paid to this state on motor fuel and undyed special fuel under the following conditions:

- (4) Ethyl alcohol loaded at an ethanol producer's plant in this state for which a bill of lading was issued indicating South Dakota as the destination state, if the fuel or a portion thereof is diverted to another state and if a diversion ticket is issued indicating the export state as the destination state; and the exporter is specifically licensed to import fuel into that state

10-47B-157. Record keeping required of licensee. Each person issued a license pursuant to this chapter shall keep and preserve for the current and the three preceding calendar years an accurate record of all sales receipts, disbursement records, sales/purchase invoices, bills-of-lading, diversion tickets, partial load tickets, alcohol denaturing records, monthly inventory, and weekly pump meter readings and other pertinent records and papers considered necessary for the enforcement of this chapter by the secretary, including all ledgers and checking accounts.

10-47B-162. Production incentive payments to ethanol producers for ethyl alcohol and to qualified biobutanol producers for biobutanol--Eligibility--Proration. A production incentive payment of twenty cents per gallon is available to ethanol producers for ethyl alcohol which is fully distilled and produced in South Dakota and to qualified biobutanol producers for biobutanol fully produced in South Dakota. The ethyl alcohol shall be ninety-nine percent pure and shall be distilled from cereal grains. Annual production incentive payments for any facility may not exceed one million dollars. An ethanol production facility is eligible for a production incentive payment under this section only if the facility has produced qualifying ethyl alcohol on

or before December 31, 2006. No facility may receive any production incentive payments in an amount greater than nine million six hundred eighty-two thousand dollars. The cumulative annual production incentive payments made under this section may not exceed four million dollars for fiscal year 2003, five million dollars for fiscal year 2004, six million dollars for fiscal year 2005, seven million dollars for fiscal year 2006, seven million dollars for fiscal year 2007, seven million dollars for fiscal year 2008, seven million dollars for fiscal year 2009, seven million dollars for fiscal year 2010, seven million dollars for fiscal year 2011, four million dollars for fiscal year 2012, four million dollars for fiscal year 2013, four million five hundred thousand dollars for fiscal year 2014, four million five hundred thousand dollars for fiscal year 2015, four million five hundred thousand dollars for fiscal year 2016, and seven million dollars per fiscal year thereafter. Payments from the ethanol fuel fund shall be prorated equally to all of the facilities each month based on claims submitted for that month and the amount of funds available for that month. No facility may receive payment for more than four hundred sixteen thousand six hundred sixty-seven gallons per month. If excess funds are available in the fund in any given month, payment may be made to facilities for previous months when funds were not sufficient to pay the claims from the previous months. All moneys available in the ethanol fuel fund at the end of the fiscal year shall be prorated equally to the facilities based upon all unpaid claims received through the end of that fiscal year.

10-47B-163. Application for ethanol production incentive payment. Any ethanol producer who intends to file for an ethanol production incentive payment shall first apply to the secretary on prescribed forms and obtain an ethanol producer license issued by the department. Any person licensed pursuant to this chapter shall obtain a license, maintain records, submit claims, and conduct taxable fuel transactions in accordance with the provisions of this chapter.

10-47B-164. Appropriation of money in ethanol fuel fund--Transfers of funds. Any money in the ethanol fuel fund is continuously appropriated for purposes of providing ethanol production payments to qualified ethanol producers for purposes of making deposits into the ethanol infrastructure incentive fund, and for purposes of making deposits into the revolving economic development and initiative fund. The department may receive and approve ethanol production incentive payment claims and authorize the issuance of payment warrants to licensed ethanol producer claimants based on claims presented by the licensees. At the end of each fiscal year, any unobligated cash in excess of one hundred thousand dollars in the ethanol fuel fund shall be transferred to the state highway fund.

There shall be a transfer from the ethanol fuel fund to the ethanol infrastructure incentive fund in fiscal year 2012 of one million dollars, a transfer from the ethanol fuel fund to the ethanol infrastructure incentive fund in fiscal year 2013 of one million dollars, a transfer from the ethanol fuel fund to the ethanol infrastructure incentive fund in fiscal year 2014 of five hundred thousand dollars, a transfer from the ethanol fuel fund to the ethanol infrastructure incentive fund in fiscal year 2015 of five hundred thousand dollars, and a transfer from the ethanol fuel fund to the ethanol infrastructure incentive fund in fiscal year 2016 of five hundred thousand dollars.

There shall be a transfer from the ethanol fuel fund to the revolving economic development and initiative fund in fiscal year 2012 of two million dollars, a transfer from the ethanol fuel fund to the revolving economic development and initiative fund in fiscal year 2013 of two million

dollars, a transfer from the ethanol fuel fund to the revolving economic development and initiative fund in fiscal year 2014 of two million dollars, a transfer from the ethanol fuel fund to the revolving economic development and initiative fund in fiscal year 2015 of two million dollars, and a transfer from the ethanol fuel fund to the revolving economic development and initiative fund in fiscal year 2016 of two million dollars.

The transfers from the ethanol fuel fund to the ethanol infrastructure incentive fund and the revolving economic development and initiative fund in each fiscal year shall be made before any production incentive payment is made pursuant to § 10-47B-162 in the fiscal year.

No production incentive payment may be made pursuant to § 10-47B-162 unless the ethanol fuel fund has a balance of at least nine hundred fifty thousand dollars.

10-47B-164.1. Ethanol infrastructure incentive fund established. There is hereby established the ethanol infrastructure incentive fund to receive funds transferred from the ethanol fuel fund pursuant to § 10-47B-164. Any money in the ethanol infrastructure incentive fund is continuously appropriated for the following purposes:

(1) To award incentive grants to motor fuel retail dealers as defined in § 10-47B-3 for the purpose of entering into contracts for the purchase or installation, or for the purchase and installation, of ethanol blender pumps and associated piping and storage systems and related equipment to be used at facilities operated by the motor fuel retail dealers for the sale of motor fuel to the public;

(2) To award incentive grants to motor fuel retail dealers as defined in § 10-47B-3 for the purpose of entering into contracts for the purchase, or the purchase, of pumps and pump equipment authorized to dispense gasoline containing up to and including eighty-five percent ethanol;

(3) To award incentive grants to encourage the purchase of flex fuel vehicles;

(4) To encourage the increased use of ethanol in South Dakota; and

(5) To otherwise encourage the installation of infrastructure related to sale and distribution of ethanol.

The Governor's Office of Economic Development shall establish, by rules promulgated pursuant to chapter 1-26, such regulations and procedures as are necessary to implement this section. For the purposes of this section, the term, ethanol blender pump, refers to a mechanism provided by the retail dealer for the dispensing at retail as defined in § 10-47B-3 of ethanol blend so that the end user may choose a particular grade of ethanol to gasoline to be dispensed. The Governor's Office of Economic Development may use up to five percent of any amount appropriated to the ethanol infrastructure incentive fund for administration of the fund or any incentive programs established by this section.

10-47B-164.2. Promulgation of rules concerning the ethanol infrastructure incentive fund. The Governor's Office of Economic Development may promulgate rules pursuant to chapter 1-26 concerning the ethanol infrastructure incentive fund as follows:

(1) The submission of grant applications for the ethanol infrastructure incentive fund;

- (2) Eligibility criteria for grants from the ethanol infrastructure incentive fund;
- (3) Application procedures for grants from the ethanol infrastructure incentive fund;
- (4) Criteria for determining which applicants will receive grants from the ethanol infrastructure incentive fund; and
- (5) Follow-up reporting to the Governor's Office of Economic Development by grant recipients.

10-47B-165. Information required on ethanol production payment claim form. The ethanol production payment claim form shall contain the following elements for each eligible ethanol production facility:

- (1) The licensee's name and license number and the ethanol production period for which payment is being claimed;
- (2) An inventory summary which identifies any unblended, but qualified, ethanol on hand at the beginning of the claim period, plus any ethanol refined during the claim period, less any ethanol sold during the period which results in the inventory on hand at the end of the claim period;
- (3) Information specifying the amount of ethanol sold and blended during the claim period;
- (4) A production payment calculation section which identifies the amount of production payment being claimed on qualified ethanol for the claim period; and
- (5) The claimant's signature on a certification statement which affirms that the ethanol was produced from cereal grain at a facility located in this state and that the information contained on the claim form is accurate and complete.

10-47B-166. Denaturing of ethyl alcohol required for production incentive payment--Methods of denaturing. Ethyl alcohol shall be denatured before it qualifies for the ethanol production incentive payment. A producer may denature the alcohol by adding gasoline or natural gasoline to it in amounts equal to at least two gallons of gasoline or natural gasoline for each ninety-eight gallons of alcohol. The alcohol may also be denatured by any other method common in the industry if the secretary is notified in writing of the method of denaturing before the denaturing occurs. If the ethyl alcohol is to be shipped outside of the United States of America, the ethyl alcohol does not need to meet the provisions of this section to qualify for the ethanol production incentive payment.



Ethanol Producer Return

South Dakota
Department of Revenue
Reporting Period:
Return Due:

DENATURED FUEL-GRADE ALCOHOL INVENTORY SALES		
1	Total gallons of fuel-grade alcohol in inventory at beginning of reporting period	
2	Total gallons of fuel-grade alcohol produced or upgraded during reporting period	
3	Subtotal gallons of fuel-grade alcohol (Add Lines 1 and 2)	
4	Total gallons of fuel-grade alcohol sold to licensed brokers and exporters	
5	Total gallons of taxable fuel-grade alcohol sold to non-licensed brokers and exporters	
6	Total gallons of fuel-grade alcohol sold during reporting period (Add Lines 4 and 5)	
7	Total gallons of fuel-grade alcohol in inventory at end of reporting period (Subtract Line 6 from Line 3)	
ETHANOL PRODUCTION INCENTIVE		
8	Total gallons biobutanol produced	
9	Total gallons ethyl alcohol shipped out of the United States of America	
10	Total gallons fuel-grade sold during reporting period (record amount from Line 6 here)	
11	Total gallons fuel-grade alcohol produced out-of-state	
12	Total gallons eligible for production payment (Subtract Line 11 from Line 10 and add Line 8 + Line 9)	
13	Production Payment Rate	\$0.20
14	Production payments allowance for this reporting period (Multiply Line 12 by rate on Line 13)	
TAXES AND FEES DUE		
15	Allowance (If Filing on Time) (Multiply Line 5 by 0.0225)	
16	Fuel Tax Due (Subtract Line 15 from Line 5 and multiply by \$0.14)	
17	Tank Inspection Fee (Multiply Line 5 by \$0.02)	
18	Total gallons of natural gasoline used for denaturing alcohol	
19	Total gallons of gasoline used for denaturing alcohol	
20	Net Credit Due for gallons used as a denaturant (Multiply Lines 18 & 19 by \$0.28 tax rate)	
21	Tank Inspection Fee (Multiply Lines 18 & 19 by \$0.02)	
22	Total credit for this reporting period (Add Lines 20 & 21)	
23	Total taxes and fees for this reporting period (Add Lines 16, 17, and subtract Line 22)	
24	Interest	
25	Penalty	
26	Total Due (Add Lines 25, 24, 23)	

HIGHWAY CONTRACTOR

A Highway Contractor is any person engaged in the activity of highway construction work in this state. The term does not include any person who only owns and operates motor vehicles within the right-of-way hauling gravel or concrete and does not own or operate off-road machinery in the highway construction work. SDCL 10-47B-3(18A)

Public Roads & Highways are defined as any way or place of whatever nature, including waterways and snowmobile trails, which are open to the use of the public as a matter of right for the purpose of vehicular, snowmobile, or watercraft travel, even if the way or place is temporarily closed for the purpose of construction, reconstruction, maintenance, or repair. SDCL 10-47B-3(33)

The Road Right-of-Way is defined as a strip of land over which a public road is built. The boundaries for public highways and township roads are from fence post to fence post, while city streets are from curb to curb. Storm sewers, ditches, and gutters are included within the road right-of-way.

Highway Construction Work is defined as all work which is performed in any capacity to propel vehicles, machinery, or equipment within the right-of-way in the construction, reconstruction, repair, or maintenance of public roads & highways. SDCL 10-47B-3(18)

No state, county, township, or municipality may award a public highway or street contract to a contractor who has not been issued a highway contractor fuel tax license. SDCL 10-47B-69

For further information regarding the Highway Contractor license, please refer to the Highway Contractor's Fuel Tax Manual.

Highway Contractor's Tax Return



Mail
Remittance Center
Return to: P.O. Box 5055
Sioux Falls, SD 57117-5055

License Number:
Return Period:
Return Due Date:

STOP Complete Reverse Side of this Return First.

TAX COMPUTATIONS (continued from reverse side)

20	Total Fuel Tax Due -- Record amount from Line 19 on reverse here		20 \$
21	Do you have an excise tax license? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes", Record License number here		
22	Total Sales Tax Due -- Complete Sales Tax Worksheet below (Lines 27 through 33) and record amount on Line 33 here (NOTE: Sales tax may be remitted on your excise tax license return or on this return. If city sales taxes are due, they must be reported on your excise tax return.)		22 \$
23	Total Fuel and Sales Tax Liability -- Add Lines 20 and 22		23 \$
24	Interest and Penalty (If filing after due date)		24 \$
25	Balance Due or Credit from Prior Reporting Period (See Computer Notice)		25 \$
26	Total Remittance -- Add Lines 23 and 24, and add or subtract Line 25 (Depending on balance due or credit)		26 \$
I declare and affirm under the penalty of perjury that this report has been examined by me, and to the best of my knowledge and belief is in all things true and correct.			
Signature		Date	

Sales Tax Worksheet			
Report in Whole Gross Gallons Only			
	Column A Dyed Diesel	Column B LPG	Column C Dyed Biodiesel Blend
27	Gallons used on which South Dakota Sales Tax has been paid -- Do not include gallons still in inventory		
28	Gallons subject to sales tax -- Record amounts from Line 2 on reverse		
29	Net Gallons subject to sales tax (Credit or Debit) -- Subtract Line 27 from Line 28		
30	Average Fuel Cost per Gallon (Determine this from your records -- Federal Taxes, if charged at time of purchase, must be included here)	\$	\$
31	Total Fuel Cost -- Multiply Line 29 by Line 30	\$	\$
32	Total Fuel Cost--Beginning June 1, 2016 (Line 31 divided by 3)	\$	\$
33	Total Fuel Cost--May 31, 2016 and before (Line 31 minus Line 32)	\$	\$
34	Net Sales Tax due beginning June 1, 2016 (Multiply each column in Line 32 by \$0.045)	\$	\$
35	Net Sales Tax due May 31, 2015 and before (Multiply each column in Line 33 by \$0.04)	\$	\$
36	Total Sales Tax Due (Add lines A through C on lines 34 and 35)	\$	\$

Complete This Side First

Check here if this is an amended return

Report in Whole Gross Gallons Only

	Column A Dyed Diesel	Column B Undyed Diesel	Column C LPG	Column D Gasoline	Column E 100% Ethyl Alcohol	Column F Dyed Biodiesel Blend	Column G Undyed Biodiesel Blend
1							
2							
3							

FUEL INVENTORY RECONCILIATION

4	Beginning Fuel Inventory (from your records)
5	Total gallons brought into South Dakota from another state during this reporting period upon which South Dakota fuel taxes have been paid -- Attach Uniform Schedule of Receipts - Type 1a (but only if gallons imported in bulk)
6	Total gallons brought into South Dakota from another state during this reporting period upon which South Dakota fuel taxes have not been paid -- Attach Uniform Schedule of Receipts - Type 2a (but only if gallons imported in bulk)
7	Total gallons purchased in South Dakota during this reporting period
8	Subtotal Fuel Inventory -- Add Lines 4, 5, 6, and 7
9	Total gallons used during this reporting period -- Record Amounts from Line 3 here
10	Total gallons exported from SD during this reporting period -- Attach Uniform Schedule of Disbursements-Type 7 (but only if gallons exported in bulk)
11	Total gallons used and exported during this period -- Add Lines 9 and 10
12	Ending Fuel Inventory -- Subtract Line 11 from Line 8

TAX COMPUTATIONS

13	Total Gallons Reported on Line 1 for Columns A,C and F -- (Only subject to tax upon use)	
14	Total Gallons Reported on Line 6 for Columns B, D, E, and G -- (Only subject to tax upon import)	
15	Total Gallons Reported on Line 10 (Bulk Gallons Exported)	
16	Total Gallons Subject to Tax -- Add Lines 13 and 14 and subtract Line 15	
17	Tax Rates	
18	Fuel Tax Due (Debit or Credit) -- Multiply Amounts in Line 16 by Tax Rate in Line 17	
19	Total Fuel Tax Due -- Combine Columns A through G on Line 18	\$ 19

Continue Return on Front

IMPORTER/EXPORTER

An Importer is any person who purchases or owns motor fuel or special fuel in another state or country and transports or delivers or causes the fuel to be transported or delivered into South Dakota. Importers must be licensed in South Dakota and are responsible for paying fuel tax to South Dakota on any fuel that enters the state by any means other than a pipeline, unless the South Dakota tax has already been collected and paid to the State by a licensed Supplier or licensed Out of State Supplier. SDCL 10-47B-3(20)

Uniform EPath Schedule

An Importer is to report “Gallons that have been imported into South Dakota on a tax-paid basis” as Schedule Type 1a and “Gallons that have been imported into South Dakota on a tax-unpaid basis” as Schedule Type 2a on the Uniform EPath Schedule. The EPath schedule must be used to create your monthly tax return. A sample of the schedule is in the template section located in the back of this manual. The EPath schedule can be created in Microsoft Excel and saved as a .csv or .txt file. The file must be saved in one of these formats for the EPath program to recognize the data when the file is uploaded. Data may also be entered manually and saved before submitting the tax return. Follow the prompts given to create the schedule.

An Exporter is any person that purchases or owns motor fuel or special fuel in South Dakota and transports or delivers or causes the fuel to be transported or delivered to another state or country. SDCL 10-47B-3(14) Exporters must be licensed to do business in South Dakota. SDCL 10-47B-59In order to obtain a South Dakota license, the Exporter must first be licensed to collect and remit taxes or deal in tax-exempt fuel in the state which they intend to export the fuel. By law, certain penalties may be assessed on persons who export fuel from South Dakota without a valid Exporter license. Penalties will also be assessed on Ethanol Brokers, Ethanol Producers, Suppliers and Bulk Plant Operators that fail to collect and remit fuel excise tax and tank inspection fees on fuel products that they sell to a person who does not have a valid Exporters license.

If an Exporter purchases or acquires fuel at a South Dakota terminal and the bill of lading indicates a destination outside of South Dakota, no fuel tax is charged. However, if the Exporter later diverts the fuel back into South Dakota, the Exporter is required to remit fuel tax on that diversion. SDCL 10-47B-10 However If an Exporter withdraws fuel from their bulk storage for export, upon which South Dakota fuel tax has been paid, they will qualify for a credit of South Dakota fuel excise tax that has been paid on that fuel. SDCL 10-47B-39

South Dakota relies on the information that is printed on the bill of lading to determine the taxability of fuel products. The Supplier must bill the customer in accordance with the destination information that is presented on the bill of lading, and their involvement with the transaction is to end there. If the load is to be diverted, the Importer/Exporter must prepare or have the Transporter prepare a proper diversion ticket. If a credit of taxes paid or a refund is due on a diverted load, the Importer/Exporter (not the Supplier) must apply for it. A copy of all diversion tickets and bills of lading prepared by the transporter must be provided to the department in a manner required by the department before the fuel is imported. SDCL 10-47B-44, SDCL 10-47B-45, SDCL 10-47B-51

In short, the following responsibilities apply:

- **SUPPLIER** – remits taxes to South Dakota based on the destination state information printed out on the bill of lading.
- **IMPORTER/EXPORTER** – responsible for paying taxes or applying for a refund of taxes that is caused by the diversion of fuel from the original destination listed on the bill of lading.

Ethanol Blends and Methanol Blends

Ethyl Alcohol and Methyl Alcohol are taxed at the rate of 14 cents per gallon plus the 2 cents per gallon Tank Inspection Fee. SDCL 10-47B-4 (7) These products are now taxed because of the various levels of ethanol blends now being seen in the industry. **If an Importer transports an ethanol or methanol blend into South Dakota, the drop load ticket and/or diversion ticket must list the alcohol gallons and gasoline gallons separately. If an Exporter transports an ethanol or methanol blend out of South Dakota, the bill of lading, drop load ticket, and/or diversion ticket must also list the alcohol gallons and gasoline gallons separately. SDCL 10-47B-53(9)** The components of ethanol blends are also to be listed separately on the Importer/Exporter tax-return and Uniform EPath Schedules.

Record Keeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways, the law requires Importers/Exporters to keep detailed records of all fuel transactions and deliveries. Importers/Exporters will need these records to accurately complete tax returns and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years. SDCL 10-47B-47

Sales and Purchase Records

Licensed Importers/Exporters must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and the purchaser. The invoices must be serially numbered and must contain the following information: SDCL 10-47B-159

- The seller's name and address;
- The seller's supplier's license number issued by the department, if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- The purchaser's name and address;
- The date of sale and delivery of the fuel;
- The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or not;
- The price charged per gallon of fuel;
- If charged, the amount of fuel tax or sales tax. Fuel tax must either be listed separately or as a statement by the marketer that the price per gallon required by law includes the South Dakota fuel tax; and
- The total amount of the sales invoice

Other Records Required of Importers/Exporters

Licensed Importers/Exporters must maintain shipping records that indicate the ultimate destination for all products. These records must contain: SDCL 10-47B-53

1. Copies of the bill of lading. The bill of lading must contain the following:
 - The terminal or bulk plant name and address;
 - The date the fuel was withdrawn from the terminal;
 - The name and address of the Supplier, Shipper, or owner of fuel within a bulk plant if withdrawn from a bulk plant bulk plant;
 - The name of the Transporter or Carrier;
 - The destination state. A petroex or similar number does not fulfill this requirement;
 - The bill of lading number;
 - The number of gross gallons of each type of fuel;
 - The type of fuel product transported;
 - If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein;
 - The name and address of the Consignee; and
 - Any other information which the Secretary deems necessary for the administration and enforcement of this chapter.

2. Drop load tickets for product delivered within South Dakota. The drop load ticket must contain the following: SDCL 10-47B-55
 - The Transporter's or Carrier's name and address;
 - The date of delivery of the fuel;
 - The drop load ticket number;
 - The destination state on the original bill of lading, or diversion ticket, if issued;
 - The original bill of lading, and if available, the diversion ticket number;
 - The destination state of each location at which the fuel was off-loaded;
 - The number of gross gallons off-loaded at each location;
 - The type of fuel off-loaded at each location;
 - If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein;
 - Any other information which the Secretary deems necessary for the administration and enforcement of this chapter.

3. Diversion tickets must be issued when the actual destination state differs from the destination indicated on the bill of lading. A diversion ticket must contain the following: SDCL 10-47B-54

- The Transporter's or Carrier's name and address;
- The date and time the fuel was withdrawn from the terminal;
- The diversion ticket number;
- The name and address of the Supplier or Shipper indicated on the original bill of lading or the owner of fuel within the bulk plant if withdrawn from a bulk plant;
- The destination state;
- The bill of lading number;
- The terminal or bulk plant from which the product was withdrawn;
- The number of gross gallons for each fuel type being diverted;
- The type of fuel being diverted;
- If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein;
- Any other information which the Secretary deems necessary for the administration and enforcement of this chapter.

4. Invoices when delivered by Tank wagon loads.

The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. The Department may also require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

SDCL 10-47B-160

Payment and Reporting Schedule

All fuel tax due from an Importer/Exporter must be remitted to the Department of Revenue and is due and payable by electronic transfer on or before the second to the last day of the month following each monthly period. For the purpose of remitting any tax by electronic transfer, the last day and the second to the last day of the month means the last day and the second to the last day of the month which are not a Saturday, Sunday, legal holiday, or a day on which the Federal Reserve Bank is closed.

SDCL 10-47B-96 & SDCL 10-47B-105

Monthly reports are required to be filed for the preceding calendar month on an electronic reporting system furnished by the Department. SDCL 10-47B-95 & SDCL 10-47B-104 The report must be filed by electronic means on or before the twenty-third day of the month following each monthly period. If the twenty-third day of the month falls on a Saturday, Sunday, legal holiday, or a day on which the Federal Reserve Bank is closed, the report is due on the next succeeding day that is not a Saturday, Sunday, legal holiday, or a day on which the Federal Reserve Bank is closed.

Allowances

A licensed Importer/Exporter who reports and pays taxes on time may retain 1.5 percent of the fuel tax due on each gallon. No allowance will be paid for fuel exported from South Dakota. SDCL 10-47B-34 & SDCL 10-47B-38

Refunds

A licensed Importer/Exporter may apply for and obtain a refund for taxes paid to this state on motor fuel and undyed special fuel under the following conditions: SDCL 10-47B-125

- Fuel which was loaded at a bulk plant in this state and exported;
- Fuel that is loaded at a terminal in this state indicating South Dakota as the destination state and then diverted to another state;
- Fuel that is withdrawn from an out-of-state terminal, and purchased from a licensed Supplier, with a South Dakota destination, and is then diverted to another state; and
- Fuel purchased from a licensed Supplier indicating South Dakota as the destination state and then diverted to another state.

Importer Exporter Tax Return Instructions

1. Report total gallons of fuel imported by means other than a pipeline into South Dakota –Enter transactions into the EPath Schedule for upload into EPath, Type 1a or 2a.
2. Report total gallons of fuel pulled from a South Dakota pipeline with an original destination outside South Dakota but then diverted back into South Dakota, Type 2c.
3. Total gallons – Add Lines 1 and 2.
4. Report total gallons of fuel imported that were purchased from a licensed South Dakota Supplier at an out of state terminal, with South Dakota taxes already paid – Attach Uniform Schedule of Receipts, Type 1a.
5. Report total gallons of fuel withdrawn from your bulk storage and exported out of South Dakota by means other than pipeline – Enter transaction into the Uniform EPath Schedule for upload into EPath, Type 7B.
6. Report total gallons of K-1 kerosene sold for non-taxable purposes – Enter transaction into the EPath Schedule for upload into EPath, Type 10.
7. Report total gallons of dyed or undyed Biodiesel purchased by a licensed blender, tax unpaid. Type 2B
8. Report total gallons of fuel pulled from a pipeline in South Dakota or purchased from a licensed South Dakota Supplier at an out of state terminal, with South Dakota taxes paid which were directed to a state other than South Dakota. Type 5.
9. Total Credits – Add lines 4, 5, 6, 7, & 8.
10. Enter all Tax Unpaid Exports. Type 7.
11. Tax Computation Subtotal Taxable Gallons – Subtract Line 9 from Line 3.
12. Allowance of 1.5% (if filing on time) Multiply Line 11 by 0.015.
13. Total Taxable Gallons – Subtract Line 12 from Line 11.
14. Tax Rates.
15. Taxes Due – Multiply Line 13 by Line 14.
16. Total Taxes Due – Add A-J on Line 15.
17. Total gallons – Line 11 Columns A-J and Line 6 Column E.
18. Tank Inspection Fee – Multiply Line 17 by \$0.02.
19. Grand Total of taxes and TI Fees due (Add Lines 16 & 18).
20. Interest & Penalty if filing after due date.
21. Balance Due or Credit From Prior Reporting Period.
22. Grand total – Add Lines 19 & 20, and add or subtract Line 21 (Depending on balance or credit).

South Dakota Importer and Exporter Tax Return

License Number:
 Owner Name:
 Return Period:
 Return Due Date:

Check here if this is an amended return

Report in Whole Gross Gallons Only

TAX LIABILITY	Column A Gasoline	Column B 100% Ethyl Alcohol	Column C AVGAS	Column D Dyed Diesel & Kerosene	Column E Undyed Diesel & Kerosene	Column F Jet Fuel	Column G Dyed Bio-Diesel Blend	Column H Undyed Bio-Diesel Blend	Column I 100% Methyl Alcohol	Column J Other / Natural Gasoline
1 Imports										
2 Fuel Diverted to SD										
3 Total Gallons - Add Lines 1 and 2										

CREDITS

4 Tax Paid Imports										
5 Exports from Bulk Storage										
6 Undyed K-1 Kerosene										
7 Tax Unpaid Biodiesel Tax paid fuel diverted out of South Dakota / Tax paid on exports										
8 Total Credits										
9 Add lines 4, 5, 6, 7, and 8										
10 Tax unpaid exports										

TAX COMPUTATION

11 Subtotal Taxable Gallons Subtract Line 9 from Line 3										
12 Allowance of 1.5%										
13 Total Taxable Gallons Subtract Line 12 from Line 11										
14 Tax Rates	\$0.28	\$0.14	\$0.06	\$0.00	\$0.28	\$0.04	\$0.00	\$0.28	\$0.14	\$0.28
15 Taxes Due Multiply Line 13 by Line 14										
16 Total Taxes Due - Add A-J on Line 15										

TANK INSPECTION FEE

17 Total Gallons - Line 11 Columns A-J and Line 6 Column E	
18 Tank Inspection Fee - Multiply Line 17 by 0.02	
19 Total Taxes and Fees Due - Add Lines 16 and 18	

TAXES AND FEES DUE

20 Interest and Penalty (if filing after due date)	
21 Balance Due or Credit From Prior Reporting Period (See Computer Notice)	
22 Grand Total - Add Lines 19 and 20, and add or subtract line 21 (Depending on balance due or credit)	

IMPORTER/EXPORTER LICENSE

10-47b-3 (13) "Export," with respect:

- (a) To a seller, when the seller's motor fuel or special fuel is delivered out-of-state by or for the seller; and
- (b) To a purchaser, when the purchaser's motor fuel or special fuel is delivered out-of-state by or for the purchaser;

10-47B-3 (14) "Exporter," any person, who purchases or owns motor fuel or special fuel in this state and transports or delivers or causes the fuel to be transported or delivered to another state or country by any means other than pipeline;

10-47B-3(19) "Import," with respect:

- (a) To a seller, when the seller's motor fuel or special fuel is delivered into South Dakota from out-of-state by or for the seller; and
- (b) To a purchaser, when the purchaser's motor fuel or special fuel is delivered into South Dakota from out-of-state by or for the purchaser;

10-47B-3(20) "Importer," any person who purchases or owns motor fuel or special fuel in another state or country and transports or delivers or causes the fuel to be transported or delivered into this state by any means other than pipeline;

10-47B-6. Excise tax on certain imported fuel. A fuel excise tax is imposed on all motor fuel or special fuel, except unblended biodiesel, imported into this state in the bulk cargo area of any motor vehicle, vessel rail car, or trailer by any means other than through a terminal located in this state, upon its entry into this state. The tax imposed shall be at the rate provided for in § 10-47B-4.

If the motor fuel imported into this state contains ethyl alcohol or methyl alcohol, the importer shall provide documentation as required by the secretary of the number of gallons that are ethyl alcohol, the number of gallons that are methyl alcohol, the number of gallons that are gasoline, or the number of gallons of any other motor fuel that are contained therein.

10-47B-9 Excise tax on unblended biodiesel-Exceptions A fuel excise tax is imposed on unblended biodiesel sold by a licensed producer, supplier, importer, or blender unless the sale is made to a licensed supplier for resale, to a licensed blender, or to a licensed exporter for export to another state who is specifically licensed to export to that state. The tax imposed shall be at the rate provided for in 10-47B-4.

10-47B-9.1 Excise tax on ethyl alcohol or methyl alcohol – Exceptions A fuel excise tax is imposed on ethyl alcohol or methyl alcohol sold by an ethanol producer, methanol producer, supplier, importer, or ethanol broker, unless the sale is made to a licensed exporter for export to another state who is specifically licensed to export to that state. Notwithstanding this provision, no fuel excise tax is imposed on ethyl alcohol that is sold by an ethanol producer to a licensed ethanol broker. The tax imposed shall be at the rate provided for in 10-47B-4.

10-47B-10 Excise tax on fuel destined for another state but diverted or transferred in-state – Exceptions A fuel excise tax is imposed on all motor fuel or special fuel which has been removed from a terminal in this state at the rack, or removed from an ethanol producer's plant in this state, by a licensed exporter for which the bill of lading issued for the fuel by the terminal operator or ethanol producer indicates a destination state other than South Dakota, and the fuel is later diverted by the exporter to a destination within this state for off-loading or is transferred or sold to another person within this state prior to off-loading in any destination state. This tax is not imposed if the fuel is biodiesel and the exporter is also licensed as a blender or supplier. The tax imposed shall be at the rate provided for in 10-47B-4.

10-47B-22. Remittance by importer of certain imported fuel--Exception. The tax imposed on motor fuel and special fuel by § 10-47B-6 and not exempted by § 10-47B-19 shall be remitted by the importer. The importer does not need to remit this tax if the importer demonstrates that the fuel was acquired by the importer from an out-of-state supplier licensed in accordance with the provisions of this chapter at an out-of-state terminal and that South Dakota will be paid the tax by the out-of-state supplier. This may be evidenced with a bill of lading indicating South Dakota as the destination state and an invoice indicating that South Dakota tax was charged by the out-of-state supplier. An importer is not responsible for payment of the tax if the tax is being paid to this state by another jurisdiction with whom this state has entered into an interstate pre-collection agreement.

10-47B-25. Remittance of tax on ethyl alcohol and methyl alcohol. The tax imposed on ethyl alcohol and methyl alcohol by § 10-47B-9.1 and not exempted by § 10-47B-19 shall be remitted by the selling ethanol producer, methanol producer, supplier, importer, or ethanol broker.

10-47B-25.1. Remittance of tax on unblended biodiesel. The tax imposed on unblended biodiesel pursuant to § 10-47B-9 and not exempted by § 10-47B-19 shall be remitted by the biodiesel producer, supplier, importer, or blender.

10-47B-26. Remittance of tax on fuel destined for another state but diverted or transferred in-state. The tax imposed by § 10-47B-10 and not exempted by § 10-47B-19 shall be remitted by the exporter who diverts the fuel to a destination within this state. The party who withdrew the fuel from the terminal at the rack shall pay the tax if the fuel is transferred or sold to another person within this state prior to off-loading in any destination state.

10-47B-36. Retention of administrative expenses not allowed for late reporting or remittance of tax. If a monthly report is filed or the amount due is remitted later than the time required by this chapter, the supplier, out-of-state supplier, importer, ethanol producer, or ethanol broker may retain none of the money authorized by § 10-47B-34 or 10-47B-38.

10-47B-38. Amount importer allowed to retain for timely remittance. A licensed importer may retain an amount equal to two-thirds of the allowance provided for in § 10-47B-34 for the tax timely reported and remitted by the importer to the state.

10-47B-39. Payment by exporter of administrative cost allowance on refunded tax for fuel diverted to out-of-state location. An exporter of fuel shall pay to this state an amount equal to

two-thirds of the allowance provided for in § 10-47B-34 or the entire amount allowed for in § 10-47B-38 on the tax that the exporter is entitled to be refunded by § 10-47B-125 for motor fuel or undyed special fuel exported from this state which was withdrawn from a bulk plant in this state, from a terminal in this state, or from an ethanol producer's plant in this state for which a bill of lading was issued with a South Dakota destination which was later diverted to a location outside of this state.

10-47B-44. Transportation of motor fuel or special fuel to carry bill-of-lading--Diversion tickets or drop load tickets also required. Any person transporting motor fuel or special fuel in vehicles upon the public highways of this state shall carry on board a bill of lading issued by the terminal operator or the bulk plant operator of the facility where the motor fuel or special fuel was obtained. The bill of lading shall set out on its face the destination state of the motor fuel or special fuel transported in the vehicle. The transporter shall also carry on board any diversion tickets or drop load tickets issued for the shipment.

10-47B-45. Required documentation for importing motor fuel or special fuel. Any person transporting motor fuel or special fuel in a vehicle, rail car, or vessel into this state from another state or country, as or for an importer, shall insure that a bill of lading has been issued by the terminal or bulk plant from which the fuel was removed indicating South Dakota as the destination. If the bill of lading is issued by the out-of-state terminal or the bulk plant indicates a destination other than South Dakota, the transporter shall issue a diversion ticket indicating South Dakota as the destination state. If a bill of lading was not issued by the terminal or bulk plant, the transporter shall issue for each shipment, a bill of lading indicating South Dakota as the destination state. A copy of all diversion tickets and bills of lading prepared by the transporter shall be provided to the department in a manner required by the department before the fuel is imported.

10-47B-46. Bill-of-lading, drop load tickets, or diversion tickets provided to receiver of fuel. Any person transporting motor fuel or special fuel in vehicles upon the public highways of this state shall provide a copy of the bill-of-lading accompanying the shipment or a drop load ticket, along with any diversion tickets issued for the delivered fuel to the bulk plant operator, wholesale distributor, retail dealer, or end consumer to which delivery of the shipment was made.

10-47B-47. Required time period for retention of shipping papers by receiver of fuel. Any bulk plant operator, wholesale distributor, retail dealer, or end consumer taking delivery of motor fuel or special fuel shall receive, examine, and retain for a period of thirty days at the delivery location or a location approved by the secretary, the bill-of-lading along with any drop load tickets and diversion tickets received from the transporter for every shipment of motor fuel or special fuel that is delivered to that location, with record retention of the shipping papers of three years required off-site.

10-47B-51. Reliance on transporter's intended destination state--Joint and several liability for fuel tax. The supplier and the terminal operator are entitled to rely for all purposes of this chapter on the representation made by the transporter or transporter's agent as to the destination

state the terminal operator prints on the bill of lading. A petroex or similar number may not be relied upon by the terminal operator or supplier as a representation of a destination state. In all cases, the importer, the exporter, the transporter, the transporter's agent, and any purchaser are jointly and severally liable for any fuel tax due to this state. A defense available to one party to an action for the collection of the fuel tax imposed by this chapter is not available to the other parties. Each party's tax liability arises separately and shall be defended separately.

10-47B-53. Information required on bill-of-lading. The bill of lading issued by a terminal operator, bulk plant operator, transporter, or ethanol producer as dictated by this chapter shall contain the following information:

- (1) The terminal, bulk plant, or ethanol producer's plant name and address;
- (2) The date the fuel was withdrawn from the terminal or ethanol producer's plant;
- (3) The name and address of the supplier, shipper, or owner of fuel within a bulk plant if withdrawn from a bulk plant;
- (4) The name of the transporter or carrier;
- (5) The destination state. A petroex or similar number does not fulfill this requirement;
- (6) The bill-of-lading number;
- (7) The number of gross gallons of each type of fuel;
- (8) The type of fuel product transported;
- (9) If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline, or the number of gallons of any other motor fuel that are contained therein;
- (10) The name and address of the consignee; and
- (11) Any other information which the secretary deems necessary for the administration and enforcement of this chapter.

10-47B-54. Information required on diversion ticket. The diversion ticket issued by a transporter shall contain the following information:

- (1) The transporter's or carrier's name and address;
- (2) The date and time the fuel was withdrawn from the terminal or the ethanol producer's plant;
- (3) The diversion ticket number;
- (4) The name and address of the supplier or shipper indicated on the original bill of lading or the owner of fuel within a bulk plant if withdrawn from a bulk plant;
- (5) The destination state;
- (6) The original bill-of-lading number;
- (7) The terminal, bulk plant, or ethanol producer's plant from which the product was withdrawn;
- (8) The number of gross gallons of each fuel type being diverted;
- (9) The type of fuel being diverted;
- (10) If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline, or the number of gallons of any other motor fuel that are contained therein; and
- (11) Any other information which the secretary deems necessary for the administration and enforcement of this chapter.

10-47B-55. Information required on drop load ticket. The drop load ticket issued by a transporter shall contain the following information:

- (1) The transporter's or carrier's name and address;
- (2) The date of delivery of the fuel;
- (3) The drop load ticket number;
- (4) The destination state on the original bill-of-lading, or diversion ticket, if issued;
- (5) The original bill of lading, and if available the diversion ticket number;
- (6) The destination state of each location at which the fuel was off-loaded;
- (7) The number of gross gallons off-loaded at each location;
- (8) The type of fuel off-loaded at each location;
- (9) If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline, or the number of gallons of any other motor fuel that are contained therein; and
- (10) Any other information which the secretary deems necessary for the administration and enforcement of this chapter.

10-47B-59. Exporter's license required--Licensure in destination state required. Any person acting in this state as an exporter shall first obtain an exporter's license. However, to obtain a license to export motor fuel or special fuel from South Dakota to another specified state, a person shall be licensed either to collect and remit fuel taxes or be licensed to deal in tax free fuel in the other specified destination state to which the fuel is exported.

10-47B-61. Importer's license required. Any person acting in this state as an importer shall be licensed as an importer.

10-47B-95. Monthly report required from importer. . For the purpose of determining the amount of motor fuel and special fuel tax due, each importer shall file with the department a monthly report by electronic means on an electronic reporting system furnished by the department. In addition to the information required pursuant to § 10-47B-97, the department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-96. Time for filing importer's report. Any report required by § 10-47B-95 shall be filed with respect to information for the preceding calendar month by electronic means on or before the twenty-third day of the month following each monthly period. If the twenty-third day of the month falls on a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed, the report is due on the next succeeding day that is not a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed.

10-47B-97. Necessary information reported by importer. The importer shall report pursuant to § 10-47B-95, if deemed necessary by the secretary:

- (1) All motor fuel and special fuel acquired from an out-of-state supplier imported into South Dakota for which the terminal operator has issued a bill-of-lading indicating South Dakota as the destination state;
- (2) The out-of-state supplier's license number if acquired from an out-of-state supplier; and

(3) A schedule of all imports delivered into this state including the names and addresses of all customers or off-loading locations.

10-47B-104. Monthly report required from exporter. For the purpose of determining the amount of motor fuel and special fuel tax due, each licensed exporter shall file with the department a monthly report by electronic means on an electronic reporting system furnished by the department. In addition to the information required pursuant to § 10-47B-106, the department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-105. Time for filing exporter's report. Any report required by § 10-47B-104 shall be filed with respect to information for the preceding calendar month by electronic means on or before the twenty-third day of the month following each monthly period. If the twenty-third day of the month falls on a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed, the report is due on the next succeeding day that is not a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed.

10-47B-106. Necessary information reported by exporter. The exporter report required pursuant to § 10-47B-104 shall contain the following information, if deemed necessary by the secretary:

- (1) The motor fuel and special fuel loaded in South Dakota from a location other than a terminal for delivery outside of this state;
- (2) The motor fuel and special fuel acquired from a supplier at a terminal in this state and delivered into another state or country;
- (3) The name, address, and federal employer identification or social security number of the receiver of the exported special fuel. If the fuel is delivered to an end consumer, only the name and address is required;
- (4) Motor fuel and special fuel that a terminal operator in this state issued a bill-of-lading indicating a state other than South Dakota as the destination state which was later diverted to and off-loaded in South Dakota; and
- (5) Motor fuel and special fuel that a terminal operator in this state issued a bill-of-lading indicating South Dakota as the destination state which was later diverted to another state for off-loading.

10-47B-118. Importing, selling, using, delivering or storing fuel in bulk prohibited if no dye added or taxes unpaid--Penalty. No person may import, sell, use, deliver, or store in this state motor fuel or special fuel in bulk as to which dye has not been added in accordance with this chapter, or as to which the tax imposed by this chapter has not been paid unless specifically exempted by this chapter. A violation of this section may result in an assessment by the secretary of not more than twice the tax rate imposed by this chapter.

10-47B-125. Tax refund available to licensed exporter. A licensed exporter may apply for and obtain a refund for taxes paid to this state on motor fuel and undyed special fuel under the following conditions:

- (1) Fuel which was loaded at a bulk plant in this state and exported to another state or

country for which the exporter was specifically licensed and for which a bill of lading or diversion ticket was issued indicating a destination state other than South Dakota, and the fuel was reported to the export state;

(2) Fuel that is loaded at a terminal in this state for which a bill of lading was issued indicating South Dakota as the destination state, if the fuel or a portion thereof is diverted to another state and if a diverted load ticket is issued indicating the export state as the destination state; and the exporter is specifically licensed to import fuel into that state;

(3) Fuel that is withdrawn from an out-of-state terminal, and purchased from a licensed out-of-state supplier, with a South Dakota destination, and is then diverted to another state; and

(4) Ethyl alcohol loaded at an ethanol producer's plant in this state for which a bill of lading was issued indicating South Dakota as the destination state, if the fuel or a portion thereof is diverted to another state and if a diverted load ticket is issued indicating the export state as the destination state; and the exporter is specifically licensed to import fuel into that state.

The claimant shall submit a copy of the original bill of lading, and a copy of the diversion.

10-47B-126. Credit for taxes paid on fuel acquired by importer from out-of-state supplier.

A licensed importer may apply for and obtain a credit for taxes paid to this state on fuel which was acquired from a licensed out-of-state supplier for which the terminal operator issued a bill-of-lading indicating South Dakota as the destination state which was later diverted to a destination outside of this state. If the credit is not used by the person in the normal course of business within a two-month period a refund shall be paid to the person. The claimant shall submit a copy of the original bill-of-lading, a copy of the diversion ticket, and evidence that the fuel was reported to the other state.

10-47B-159. Fuel transactions to be supported by sales/purchase invoice—Invoice paper specification—Copies—Required information. Each fuel transaction in this state or between an out-of-state supplier and importer shall be supported by a sales/purchase invoice. All invoices shall be prepared on NCR (no carbon required) paper or with double-faced carbon so that the back of the invoice bears a carbon impression of the data that is on the face of the invoice. A copy of the invoice shall be maintained in the records of both the seller and the purchaser. The invoices shall be serially numbered and shall contain the following information:

- (1) The seller's name and address, which shall be machine-printed or rubber-stamped;
- (2) The seller's supplier's license number issued by the department if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- (3) The purchaser's name and address;
- (4) The date of sale and delivery of the fuel;
- (5) The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it is dyed or not;
- (6) The price charged per gallon of fuel;
- (7) If charged, the amount of fuel or sales tax. Fuel tax shall either be listed separately or as a statement by the marketer that the price per gallon required under subdivision (6) of this section includes the South Dakota fuel tax; and
- (8) The total amount of the sales invoice.

10-47B-183. Civil penalty against importer or transporter for importation or sale without

valid documents—Request for hearing. Each importer or transporter who knowingly imports or delivers motor fuel or special fuel without a valid importer or transporter license or a bill of lading or diversion ticket showing South Dakota as the destination state is subject to a civil penalty of up to ten thousand dollars for each occurrence described in this section. If the person believes that the assessment arose from a mistake of fact or error of law, the person may request a hearing in accordance with § 10-59-9.

LNG (LIQUID NATURAL GAS) VENDOR

An LNG Vendor is any person engaged in the business of selling liquid natural gas in South Dakota, wholesale or retail, for use in the engine fuel supply tanks of motor vehicles. LNG Vendors are required to be licensed in this state as an LNG Vendor. LNG Vendors are required to collect and remit fuel tax on all LNG sold for use in motor vehicles in South Dakota. They are also required to report any other LNG sales made in the state and any LNG that is imported or exported. For purposes of taxation, LNG which has been cooled to approximately -260 degrees Fahrenheit and is in a liquid state that is used as a motor fuel must be converted to equivalent liquid gallons of gasoline at the rate of 1.5536 gallons of liquid natural gas to equal one volumetric gross gallon of gasoline. SDCL 10-47B-6, SDCL 10-47B-11, SDCL 10-47B-27

Record Keeping/Acceptable Records

The law requires LNG Vendors to keep detailed records of all fuel transactions and deliveries to ensure the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways. LNG Vendors will need these records to accurately complete tax returns and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years. SDCL 10-47B-47 & SDCL 10-47B-170

Sales and Purchase Records

Licensed LNG Vendors must keep all sales and or purchase invoices. Liquid natural gas sold for use in motor vehicles must be metered separately from other sales. A copy of the invoice must be maintained in the records of both the seller and the purchaser. The invoices must be serially numbered and must contain the following information: SDCL 10-47B-159

- The seller's name and address;
- The seller's supplier's license number issued by the department, if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- The purchaser's name and address;
- The date of sale and delivery of the fuel;
- The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or not;
- The price charged per gallon of fuel;
- If charged, the amount of fuel tax or sales tax. Fuel tax must either be listed separately or as a statement by the marketer that the price per gallon required by law includes the South Dakota fuel tax; and
- The total amount of the sales invoice

Other Records Required of LNG Vendors

Licensed LNG Vendors are also required to keep disbursement records and copies of bills of lading received for LNG purchases and issued for LNG sales in addition to those already discussed. SDCL 10-47B-47

The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. SDCL 10-47B-160

Payment and Reporting Schedule

An LNG Vendor must submit a monthly tax return and all fuel tax due to the Department of Revenue on or before the last day of the month following the month in which the LNG was sold. For example, an LNG Vendor would remit all tax collected in September by October 31st. If October 31st falls on a Saturday, Sunday, legal holiday, or on a day that the Federal Reserve Bank is closed, the tax and report are due on the next day that is not a Saturday, Sunday, legal holiday, or a day the Federal Reserve Bank is closed.

SDCL 10-47B-29, SDCL 10-47B-168, SDCL 10-47B-169

LNG Vendor Tax Return Instructions

1. Report gallons sold tax-unpaid to other licensed LNG Vendors – Attach Uniform Schedule of Disbursements Type 6d.
2. Report gallons sold tax-unpaid for agricultural (exempt) use.
3. Report gallons sold tax-unpaid to exempt government agencies – Attach Uniform Schedule of Disbursements Type 8.
4. Report gallons exported from South Dakota – Attach Uniform Schedule of Disbursements Type 7.
5. Report gallons sold on which South Dakota sales tax is due and will be reported and remitted on your sales tax return.
6. Report gallons sold for use or used in licensed vehicles upon which fuel tax is due
7. Total LNG gallons sold or exported – Add Lines 1, 2, 3, 4, 5, and 6.
8. Report your beginning LNG inventory.
9. Report total gallons received during reporting period or brought into South Dakota.
10. Report total gallons to be accounted for – Add Lines 8 and 9.
11. Report total gallons sold or exported – Record amount from Line 7.
12. Report your ending LNG inventory – Subtract Line 11 from Line 10.
13. Report Fuel Taxable sales – Record amount from Line 6.
14. Fuel Tax rate
15. Fuel Tax liability – Multiply Line 13 by Line 14.
16. Interest and/or Penalty. Interest is calculated at 1.00 percent per month. First month is \$5 or 1.00 percent, whichever is greater. Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
17. Balance Due or Credit from prior reporting periods (See computer notice).
18. Total Taxes and Fees for this reporting period – Add Lines 15 and 16, and add or subtract Line 17 (depending on balance due or credit).



Liquefied Natural Gas (LNG) Vendor Tax Return

Mail Remittance Center
 Return to: P.O. Box 5055
 Sioux Falls, SD 57117-5055

Check here if this is an amended return

SALES SUMMARY

Report in Whole Gross Gallons Only	Column A Liquefied Natural Gas
1 Gallons sold tax-unpaid to other licensed LNG Vendors -- Attach Uniform Schedule of Disbursements - Type 6d	1
2 Gallons sold tax-unpaid for agricultural (exempt) use -- Type 10a	2
3 Gallons sold tax-unpaid to exempt government agencies -- Attach Uniform Schedule of Disbursements - Type 8	3
4 Gallons exported from South Dakota -- Attach Uniform Schedule of Disbursements - Type 7	4
5 Gallons sold on which South Dakota sales tax is due and will be reported and remitted on your sales tax return	5
6 Gallons sold for use or used in licensed vehicles upon which fuel tax is due -- Type 5	6
7 Total LNG Gallons Sold or Exported -- Add Lines 1, 2, 3, 4, 5, and 6	7

INVENTORY RECONCILIATION

8 Beginning LNG Inventory	8
9 Total gallons received during the month or brought into South Dakota	9
10 Total gallons to be accounted for -- Add Lines 8 and 9	10
11 Total gallons sold or exported -- Record amount from Line 7 here	11
12 Ending LNG Inventory -- Subtract Line 11 from Line 10	12

TAX CALCULATION AND REMITTANCE

13 Fuel Taxable Sales -- Record Amount from Line 6 here	13
14 Fuel Tax Rate	14 \$0.14
15 Fuel Tax Liability for this reporting period -- Multiply amount on Line 13 by tax rate on Line 14	15 \$
16 Interest and/or Penalty (If filing after due date)	16 \$
17 Balance Due or Credit from prior records (See Computer Notice)	17 \$
18 Total Remittance -- Add lines 15 and 16, and add or subtract Line 17 (Depending on balance due or credit)	18 \$

I declare and affirm under the penalty of perjury that this report has been examined by me, and to the best of my knowledge and belief is in all things true and correct.

Signature

Title

Date

LNG Vendor Laws

10-47B 3(22A) "Liquid natural gas," natural gas which has been cooled to approximately -260 degrees Fahrenheit and is in a liquid state, for use as a motor vehicle fuel and which for purposes of taxation as a motor vehicle fuel, shall be converted to equivalent liquid gallons of gasoline at the rate of 1.5536 gallons of liquid natural gas to equal one volumetric gross gallon of gasoline;

10-47B-3(22B) "Liquid natural gas vendor," any person engaged in the business of selling liquid natural gas for use in the engine fuel supply tanks of motor vehicles;

10-47B-3(39) "Special fuel," all combustible gases and liquids that are:

- (a) Suitable for the generation of power in an internal combustion engine or motor; or
- (b) Used exclusively for heating, industrial, or farm purposes other than for the operation of a motor vehicle.

The term includes diesel fuel, fuel oil, heating fuel, biodiesel, all special fuel blends, and all kerosene products except K-1. The term does not include motor fuel, liquid petroleum gas, liquid natural gas, compressed natural gas, or natural gas which is not compressed natural gas. The term, special use fuel, is synonymous with the term, special fuel;

10-47B-4.2. Motor fuel and special fuel excise tax rate. The fuel excise tax rate for motor fuel and special fuel is \$.28 per gallon.

10-47B-11. Excise tax on liquid petroleum gas, compressed natural gas, and liquid natural gas-- Exception. A fuel excise tax is imposed on liquid petroleum gas, compressed natural gas, and liquid natural gas sold or used by licensed vendors in this state for use in motor vehicles unless liquid petroleum gas is sold to a licensed liquid petroleum gas user. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-13. Excise tax on motor fuel, special fuel, and liquid petroleum gas used in certain self-propelled highway construction machinery or vehicles. A fuel excise tax is imposed on all motor fuel, special fuel, and liquid petroleum gas used in the engine fuel supply tank of self-propelled machinery, equipment, or vehicles used in highway construction or repair work done in this state within the right-of-way, unless the self-propelled machinery, equipment, and vehicles are owned by this state or a county or municipality of this state. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-27. Remittance of tax on liquid petroleum gas and compressed natural gas sold or used by licensed vendors. The tax imposed by § 10-47B-11 shall be remitted by the liquid petroleum gas vendor or compressed natural gas vendor.

10-47B-29. Due date for remittance of excise taxes. All tax required to be remitted by §§ 10-47B-21 to 10-47B-27, inclusive, is due and payable by electronic transfer on or before the second to the last day of the month following each monthly period. For the purpose of remitting any tax by electronic transfer pursuant to this section, the last day and the second to the last day of the month means the last day and the second to the last day of the month which are not a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed.

10-47B-134. Refund for taxes paid on fuel sold to customer whose accounts are worthless— Sufficient evidence and testimony. Any wholesale distributor or retail dealer licensed as a marketer in this state may apply for and obtain a refund for taxes paid to this state on any gallons of motor fuel, undyed special fuel, or liquid petroleum gas sold to customers whose accounts are found to be worthless. Accounts may not be deemed to be worthless unless they have been claimed as uncollectible and

deducted as an expense on the licensee's federal income tax return. Upon application of this refund, the department shall have cause and authority to make an assessment and take collection action against the purchaser of the fuel in accordance with the provisions of chapter 10-59. A refund claimant shall only be eligible for a refund for the taxes not paid by a customer once every three years. The department shall notify all licensed suppliers, out-of-state suppliers, and marketers that the party has been delinquent in the payment of tax and that no further refunds will be paid for sales made to the party during the next three-year period. To qualify for a refund a marketer shall supply the department sufficient evidence and testimony to enforce any tax collection action by the department.

10-47B-157. Record keeping required of licensee. Each person issued a license pursuant to this chapter shall keep and preserve for the current and the three preceding calendar years an accurate record of all sales receipts, disbursement records, sales/purchase invoices, bills-of-lading, diversion tickets, partial load tickets, alcohol denaturing records, monthly inventory, and weekly pump meter readings and other pertinent records and papers considered necessary for the enforcement of this chapter by the secretary, including all ledgers and checking accounts.

10-47B-168. Monthly report by liquid petroleum gas and natural gas vendors required. For the purpose of determining the amount of liquid petroleum gas, compressed natural gas, and liquid natural gas tax due, each liquid petroleum gas, natural gas, and liquid natural gas vendor shall file with the department a monthly report by electronic means on an electronic reporting system furnished by the department. In addition to the information required pursuant to § 10-47B-170, the department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-169. Time for filing liquid petroleum gas and natural gas vendor's report. Any report required by § 10-47B-168 shall be filed with respect to information for the preceding calendar month by electronic means on or before the twenty-third day of the month following each monthly period. If the twenty-third day of the month falls on a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed, the report is due on the next succeeding day that is not a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed.

10-47B-170. Information required in report of liquid petroleum gas and natural gas vendors. The vendors shall report pursuant to § 10-47B-168:

- (1) The number of gallons of liquid petroleum gas sold upon which fuel tax was charged;
- (2) The number of gallons of liquid petroleum gas sold upon which sales tax was charged;
- (3) The number of gallons of compressed natural gas sold upon which fuel tax was charged.

Compressed natural gas sold for use in motor vehicles shall be metered separately from other sales; and

- (4) The number of gallons of liquid natural gas sold upon which fuel tax was charged. Liquid natural gas sold for use in motor vehicles shall be metered separately from other sales.

LPG (LIQUID PETROLEUM GAS) USER

An LPG User is a person who uses liquid petroleum gas in the engine fuel supply tank of a motor vehicle and wishes to purchase LPG in bulk, into a storage tank which has a delivery hose attached thereto on a tax unpaid basis. A licensed LPG User is required to pay fuel excise taxes on any LPG transferred from their bulk storage and used in licensed vehicles on the public roads and highways in this state. SDCL 10-47B-66

Record Keeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways, the law requires LPG Users to keep detailed records of all fuel transactions and deliveries, and in some cases, of fuel usage. LPG Users will need these records to accurately complete tax returns and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years. SDCL 10-47B-47 & SDCL 10-47B-157

Sales and Purchase Records

Licensed LPG Users must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and the purchaser. The invoices must be serially numbered and must contain the following information: SDCL 10-47B-159

- The seller's name and address;
- The seller's supplier's license number issued by the department, if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- The purchaser's name and address;
- The date of sale and delivery of the fuel;
- The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or not;
- The price charged per gallon of fuel;
- If charged, the amount of fuel tax or sales tax. Fuel tax must either be listed separately or as a statement by the marketer that the price per gallon required by law includes the South Dakota fuel tax; and
- The total amount of the sales invoice

Other Records Required of LPG Users

LPG Users must also keep accurate records of the following: SCL 10-47B-158

- Individual vehicle and machinery fuel-consumption records or log books
- Motor vehicle odometer readings
- Machinery hour readings
- Monthly fuel use and odometer summaries

The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. SDCL 10-47B-160

Payment and Reporting Schedule

All fuel tax due from an LPG User must be remitted to the Department of Revenue on a semiannual basis. The tax is due on the last day of the month following the end of the semiannual period. Taxes due for the period January through June are due July 31st. Taxes due for the period July through December are due on January 31st. If July 31st or January 31st fall on a Saturday, Sunday, legal holiday or on a day that the Federal Reserve Bank is closed, the tax and report are due on the next day that is not a Saturday, Sunday, legal holiday, or a day the Federal Reserve Bank is closed. SDCL 10-47B-28 & SDCL 10-47B-168

LPG User Tax Return Instructions

1. Record the odometer readings from the last day of the prior reporting period.
2. Record the odometer readings from the last day of the current reporting period.
3. Miles driven – Subtract Line 1 from Line 2.
4. Miles driven off of roads and highways.
5. Highway use miles – Subtract Line 4 from Line 3.
6. Vehicles average miles per gallon – Determine from your records.
7. Gallons consumed during reporting period – Divide Line 5 by Line 6.
8. Tax-paid gallons of LPG purchased during the current reporting period. Your records must contain copies of sales tickets for all tax-paid fuel purchases claimed on this form.
9. Gallons consumed with no tax paid – Subtract Line 8 from Line 7.
10. Total gallons consumed with no tax paid – Add Columns A through D on Line 9
11. Tax rate
12. Fuel Tax due – Multiply Line 10 by Line 11
13. Report total gallons of LPG received from all sources during this reporting period.
14. Total cost of fuel – excluding all state and federal taxes – listed on Line 13.
15. Average cost per gallon, excluding state taxes – Divide Line 14 by Line 13.
16. Report total gallons used for off road commercial purposes or for heating purposes.
17. Report total gallons on which sales tax was paid at the time of purchase.
18. Net gallons subject to sales tax – Subtract Line 17 from Line 16
19. Total cost of gallons subject to sales tax – Multiply Line 18 by Line 15.
20. Sales Tax due beginning June 1, 2016 -- Multiply Line 19 by 4.5%
21. Total tax liability – Add Lines 12 and 20.
22. Interest and/or Penalty. Interest is calculated at 1.00 percent per month. First month is \$5 or 1.00 percent, whichever is greater. Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
23. Balance Due or Credit from prior reporting periods (See computer notice).
24. Total Taxes and Fees for this reporting period – Add Lines 21, 22, and add or subtract Line 23 (depending on balance due or credit).



Liquefied Petroleum Gas (LPG) User Tax Return

Mail Remittance Center
 Return to: P.O. Box 5055
 Sioux Falls, SD 57117-5055

Check here if this is an amended return

When Applicable, Report in Whole Gross Gallons Only.

VEHICLE INFORMATION

		Column A Vehicle #1	Column B Vehicle #2	Column C Vehicle #3	Column D Vehicle #4
1	Odometer reading from last day of prior reporting period				
2	Odometer reading from last day of current reporting period				
3	Miles driven during current reporting period Subtract Line 1 from Line 2				
4	Miles driven off of roads and highways				
5	Highway use miles -- Subtract Line 4 from Line 3				
6	Vehicle's Average Miles Per Gallon (MPG) -- Determine from your records				
7	Gallons consumed during period -- Divide Line 5 by Line 6				
8	Tax-paid gallons of LPG purchased during the current reporting period -- (Your records must contain copies of sales tickets for all tax-paid fuel purchases claimed on this line)				
9	Gallons consumed with no tax paid -- Subtract Line 8 from Line 7				
10	Total gallons consumed with no tax paid -- Add Columns A through D on Line 9				10
11	Tax Rate				11 \$0.20
12	Total Fuel Tax Due -- Multiply Line 10 by Line 11				12 \$

SALES TAX WORKSHEET

13	Total gallons LPG received from all sources during this reporting period	13	
14	Total cost of all fuel (excluding all state and federal taxes) listed on Line 13	14	\$
15	Average cost per gallon, excluding state taxes -- Divide Line 14 by Line 13	15	\$
16	Total gallons used for off-road commercial purposes or for heating purposes	16	
17	Total gallons on which sales tax was paid at the time of purchase	17	
18	Net gallons subject to sales tax -- Subtract Line 17 from Line 16	18	
19	Total cost of gallons subject to sales tax -- Multiply Line 18 by Line 15	19	
20	Sales Tax Due -- Multiply Line 19 by \$0.04	20	\$

TAX COMPUTATION

21	Total Tax Liability -- Add Line 12 and Line 20	21	
22	Interest and/or Penalty (If filing after due date)	22	
23	Balance Due or Credit from prior records (See Computer Notice)	23	\$
24	Total Remittance -- Add Lines 21 and 22, and add or subtract Line 23 (Depending on balance due or credit)	24	\$

I declare and affirm under the penalty of perjury that this report has been examined by me, and to the best of my knowledge and belief is in all things true and correct.

Signature	Title	Date
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LPG USER

10-47B-3(24) “Liquid petroleum gas user” a person who uses liquid petroleum gas in the engine fuel supply tank of a motor vehicle and wishes to purchase liquid petroleum gas in bulk into a storage tank which has a delivery hose attached thereto on a tax unpaid basis in this state;

10-47-3(39) “Special fuel,” all combustible gases and liquids that are:

- (a) Suitable for the generation of power in an internal combustion engine or motor; or
- (b) Used exclusively for heating, industrial, or farm purposes other than for the operation of a motor vehicle.

The term includes diesel fuel, fuel oil, heating fuel, biodiesel, all special fuel blends, and all kerosene products except K-1. The term does not include motor fuel, liquid petroleum gas, compressed natural gas, or natural gas which is not compressed natural gas. The term, special use fuel, is synonymous with the term, special fuel;

10-47B-11. Excise tax on liquid petroleum gas, compressed natural gas, and liquid natural gas--Exception. A fuel excise tax is imposed on liquid petroleum gas, compressed natural gas, and liquid natural gas sold or used by licensed vendors in this state for use in motor vehicles unless liquid petroleum gas is sold to a licensed liquid petroleum gas user. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-12. Excise tax on liquid petroleum gas in tank of vehicle used on public roads. A fuel excise tax is imposed on liquid petroleum gas used in the engine fuel supply tank of a motor vehicle owned or operated by a liquid petroleum user which is used on the public highways or roads of this state. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-13. Excise tax on motor fuel, special fuel, and liquid petroleum gas used in certain self-propelled highway construction machinery or vehicles. A fuel excise tax is imposed on all motor fuel, special fuel, and liquid petroleum gas used in the engine fuel supply tank of self-propelled machinery, equipment, or vehicles used in highway construction or repair work done in this state within the right-of-way, unless the self-propelled machinery, equipment, and vehicles are owned by this state or a county or municipality of this state. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-28. Remittance of tax on liquid petroleum gas in vehicle used on public roads. The tax imposed by § 10-47B-12 shall be remitted by the liquid petroleum user and is due on a semi-annual calendar basis. The tax is due on the last day of the month following the end of the semi-annual period. If the last day of the month falls on a Sunday or holiday, the tax is due on the next working day.

10-47B-66. Liquid petroleum gas user’s license required. Any person acting in this state as a liquid petroleum gas user shall be licensed as a liquid petroleum gas user.

10-47B-69. Highway contractor fuel tax license required. Any person acting as a highway contractor in this state as defined by this chapter shall obtain a highway contractor fuel tax

license. No state, county, township, or municipality may award a public highway or street contract to a contractor who has not been issued a highway contractor fuel tax license. A highway contractor, with a highway contractor fuel tax license, may also operate as a licensed liquid petroleum gas user.

10-47B-158. Additional records to be kept by liquid petroleum gas user or consumer refund claimant. In addition to the requirement set forth in § 10-47B-157, a liquid petroleum gas user or a consumer refund claimant shall keep individual vehicle and machinery consumption records, motor vehicle odometer readings, machinery hour readings, monthly consumption and odometer summaries, and individual vehicle and machinery off-road log books.

10-47B-159. Fuel transactions to be supported by sales/purchase invoice—Invoice paper specification—Copies—Required information. Each fuel transaction in this state or between an out-of-state supplier and importer shall be supported by a sales/purchase invoice. All invoices shall be prepared on NCR (no carbon required) paper or with double-faced carbon so that the back of the invoice bears a carbon impression of the data that is on the face of the invoice. A copy of the invoice shall be maintained in the records of both the seller and the purchaser. The invoices shall be serially numbered and shall contain the following information:

- (1) The seller's name and address, which shall be machine-printed or rubber-stamped;
- (2) The seller's supplier's license number issued by the department if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- (3) The purchaser's name and address;
- (4) The date of sale and delivery of the fuel;
- (5) The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it is dyed or not;
- (6) The price charged per gallon of fuel;
- (7) If charged, the amount of fuel or sales tax. Fuel tax shall either be listed separately or as a statement by the marketer that the price per gallon required under subdivision (6) of this section includes the South Dakota fuel tax; and
- (8) The total amount of the sales invoice.

10-47B-167. Exemption from fuel tax for certain sales of liquefied petroleum gas—Conditions. A licensed liquid petroleum gas vendor may sell liquefied petroleum gas exempt from the fuel tax imposed by this chapter, to a licensed liquid petroleum gas user or to a purchaser who owns a motor vehicle propelled by liquefied petroleum gas if the vendor delivers the gas into a bulk storage tank which has no liquid transfer line which could be used to deliver fuel into the fuel supply tank of a motor vehicle. The vendor shall certify that the vendor has inspected the bulk storage tank and that no liquid transfer line existed on the tank at the time of inspection. A purchaser shall obtain a propane user license before receiving liquefied petroleum gas into a bulk storage tank which has a liquid transfer line which could be used to deliver fuel into the fuel supply tank of a motor vehicle.

10-47B-168. Monthly report by liquid petroleum gas and natural gas vendor required. For the purpose of determining the amount of liquid petroleum gas and compressed natural gas tax due, each **liquid petroleum gas and natural gas vendor** shall file with the department on forms prescribed and furnished by the department a **monthly report**. Each **liquid petroleum user** shall

file with the department on forms prescribed and furnished by the department a **semi-annual report**. In addition to the information required pursuant to §§ 10-47B-170 and 10-47B-171, the department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-171. Report required of liquid petroleum gas users. The liquid petroleum gas users shall report pursuant to § 10-47B-168 the number of gallons used in motor vehicles.

LPG (LIQUID PETROLEUM GAS) VENDOR

An LPG Vendor is a person engaged in the business of selling liquid petroleum gas, wholesale or retail, for use in the engine fuel supply tank of a motor vehicle in South Dakota. LPG Vendors are required to collect and remit fuel tax on all LPG sold for use in motor vehicles in South Dakota. They are also required to report any other LPG sales made in the state and any LPG that is imported or exported. For purposes of taxation, LPG that is used as a motor fuel must be converted from pounds to the equivalent liquid gross gallons using the conversion factor of 4.24 pounds per gallon of liquid at 60 degrees Fahrenheit. SDCL 10-47B-6, SDCL 10-47B-11, SDCL 10-47B-27

Instances in which LPG Vendors are not required to collect taxes are as follows: SDCL 10-47B-167

- Sales made to licensed LPG Users.
- LPG delivered into a bulk storage tank which has no liquid transfer line attached to it. If an LPG customer has a licensed LPG-powered vehicle, the LPG Vendor must inspect the bulk storage tank and certify that no liquid transfer line existed at the time of the inspection.
- Sales made to a customer that does not own or operate an LPG powered vehicle

Record Keeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways, the law requires LPG Vendors to keep detailed records of all fuel transactions and deliveries. LPG Vendors will need these records to accurately complete tax returns and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years. SDCL 10-47B-47, SDCL 10-47B-157, SDCL 10-47B-170

Sales and Purchase Records

Licensed LPG Vendors must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and the purchaser. The invoices must be serially numbered and must contain the following information: SDCL 10-47B-159

- The seller's name and address;
- The seller's supplier's license number issued by the department, if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- The purchaser's name and address;
- The date of sale and delivery of the fuel;
- The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or not;
- The price charged per gallon of fuel;
- If charged, the amount of fuel tax or sales tax. Fuel tax must either be listed separately or as a statement by the marketer that the price per gallon required by law includes the South Dakota fuel tax; and
- The total amount of the sales invoice

Other Records Required of LPG Vendors

Licensed LPG Vendors are also required to keep disbursement records and copies of bills of lading received for LPG purchases and issued for LPG sales in addition to those already discussed. SDCL 10-47B-47

The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. SDCL 10-47B-160

Payment and Reporting Schedule

All fuel tax due from a LPG Vendor must be remitted to the Department of Revenue by electronic transfer on or before the second to the last day of the month following the month in which the fuel was sold. For the purpose of remitting any tax by electronic transfer, the last day and the second to the last day of the month means the last day and the second to the last day of the month which are not a Saturday, Sunday, legal holiday, or a day on which the Federal Reserve Bank is closed. SDCL 10-47B-168

Monthly reports are required to be filed for the preceding calendar month on an electronic reporting system furnished by the Department. The report must be filed by electronic means on or before the twenty-third day of the month following each monthly period. If the twenty-third day of the month falls on a Saturday, Sunday, legal holiday, or a day on which the Federal Reserve Bank is closed, the report is due on the next succeeding day that is not a Saturday, Sunday, legal holiday, or a day on which the Federal Reserve Bank is closed. SDCL 10-47B-169

Allowances

LPG Vendors who properly report and remit tax may reduce the amount of fuel subject to fuel tax and retain the fuel tax collected on these deducted gallons. Amounts that can be deducted are: SDCL 10-47B-40

- 2 percent of the first 25,000 gallons taxed each month
- 1 percent of the gallons taxed in excess of 25,000 gallons each month

The maximum amount of tax that can be retained each month is \$500.

LPG Vendor Tax Return Instructions

1. Report gallons sold tax-unpaid to other licensed LPG Vendors – Attach Uniform Schedule of Disbursements Type 6e.
2. Report gallons sold tax-unpaid for agricultural (exempt) use.
3. Report gallons sold tax-unpaid to exempt government agencies – Attach Uniform Schedule of Disbursements Type 8.
4. Report gallons sold tax-unpaid to licensed LPG Users or Highway Contractors.
5. Report gallons exported from South Dakota – Attach Uniform Schedule of Disbursements Type 7.
6. Report gallons sold on which South Dakota sales tax is due and will be reported and remitted on your sales tax return.
7. Report gallons sold for use or used in licensed vehicles upon which fuel tax is due (unless sold to a licensed LPG User or Highway Contractor).
8. Total LPG gallons sold or exported – Add Lines 1, 2, 3, 4, 5, 6 and 7.
9. Report your beginning LPG inventory.
10. Report total gallons received during reporting period or brought into South Dakota.

The following lines are calculated by the Epath program

11. Report total gallons to be accounted for – Add Lines 9 and 10.
12. Report total gallons sold or exported – Record amount from Line 8.
13. Report your ending LPG inventory – Subtract Line 12 from Line 11.
14. Report Fuel Taxable sales – Record amount from Line 7.
15. Fuel Tax rate
16. Fuel Tax liability – Multiply Line 14 by Line 15.
17. Allowance – Multiply first 25,000 gallons on Line 14 by 2% and the excess gallons by 1%. Add amounts and multiply by \$-20 cents. Maximum amount that can be claimed is \$500.
18. Net Fuel Tax liability – Subtract Line 17 from Line 16.
19. Interest and Penalty. Interest is calculated at 1.00 percent per month. First month is \$5 or 1.00 percent, whichever is greater. Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
20. Balance Due or Credit from prior reporting periods (See computer notice).
21. Total Taxes and Fees for this reporting period – Add Lines 18, 19 and add or subtract Line 20 (depending on balance due or credit).



Liquefied Petroleum Gas (LPG) Vendor Tax Return

Mail Remittance Center
Return to: P.O. Box 5055
Sioux Falls, SD 57117-5055

Check here if this is an amended return

SALES SUMMARY		Column A Liquefied Petroleum Gas
Report in Whole Gross Gallons Only		
1	Gallons sold tax-surplus to other licensed LPG Vendors -- Attach Uniform Schedule of Disbursements - Type 6e	1
2	Gallons sold tax-surplus for agricultural (exempt) use	2
3	Gallons sold tax-surplus to exempt government agencies -- Attach Uniform Schedule of Disbursements - Type 8	3
4	Gallons sold tax-surplus to licensed LPG Users or Highway Contractors	4
5	Gallons reported from South Dakota -- Attach Uniform Schedule of Disbursements - Type 7	5
6	Gallons sold on which South Dakota sales tax is due and will be reported and remitted on your sales tax return	6
7	Gallons sold for or used in licensed vehicles upon which fuel tax is due (unless sold to a licensed LPG User or Highway Contractor)	7
8	Total LPG Gallons Sold or Exported -- Add Lines 1, 2, 3, 4, 5, 6, and 7	8

INVENTORY RECONCILIATION

9	Beginning LPG Inventory	
10	Total gallons received during the month or brought into South Dakota	10
11	Total gallons to be accounted for -- Add Lines 9 and 10	11
12	Total gallons sold or exported -- Record amount from Line 8 here	12
13	Ending LPG Inventory -- Subtract Line 12 from Line 11	13

TAX CALCULATION AND REMITTANCE

14	Fuel Taxable Sales -- Record Amount from Line 7 here	14
15	Fuel Tax Rate	15 \$0.20
16	Fuel Tax Liability for this reporting period -- Multiply amount on Line 14 by tax rate on Line 15	16 \$
17	Allowance -- Multiply first 25,000 gallons on Line 14 by 0.02 and excess gallons by 0.01. Add amounts and multiply by \$0.20. Record amount here (\$500 maximum)	17
18	Net Fuel Tax Liability -- Subtract Line 17 from Line 16	18 \$
19	Interest and/or Penalty (If filing after due date)	19 \$
20	Balance Due or Credit from prior records (See Computer Notice)	20 \$
21	Total Remittance -- Add lines 18 and 19, and add or subtract Line 20 (Depending on balance due or credit)	21 \$

I declare and affirm under the penalty of perjury that this report has been examined by me, and to the best of my knowledge and belief is in all things true and correct.

Signature

Title

Date

LPG Vendor Laws

10-47B-3(23) "Liquid petroleum gas," liquid petroleum gas (LPG) when used as a motor vehicle fuel shall be converted for purposes of taxation to equivalent liquid gross gallons using the conversion factor of 4.24 pounds per gallon of liquid at sixty degrees Fahrenheit;

10-47B-3(25) "Liquid petroleum gas vendor," a person engaged in the business of selling liquid petroleum gas, wholesale or retail, for use in the engine fuel supply tank of a motor vehicle in this state or has the capability of selling liquid petroleum gas for use in the engine fuel supply tank of a motor vehicle. The term applies to any vendor who uses LPG in a motor vehicle;

10-47B-3(39) "Special fuel," all combustible gases and liquids that are:

- (a) Suitable for the generation of power in an internal combustion engine or motor; or
- (b) Used exclusively for heating, industrial, or farm purposes other than for the operation of a motor vehicle.

The term includes diesel fuel, fuel oil, heating fuel, biodiesel, all special fuel blends, and all kerosene products except K-1. The term does not include motor fuel, liquid petroleum gas, compressed natural gas, or natural gas which is not compressed natural gas. The term, special use fuel, is synonymous with the term, special fuel;

10-47B-4.2. Motor fuel and special fuel excise tax rate. The fuel excise tax rate for motor fuel and special fuel is \$.28 per gallon.

10-47B-11. 10-47B-12. Excise tax on liquid petroleum gas in tank of vehicle used on public roads. A fuel excise tax is imposed on liquid petroleum gas used in the engine fuel supply tank of a motor vehicle owned or operated by a liquid petroleum user which is used on the public highways or roads of this state. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-12. Excise tax on liquid petroleum gas in tank of vehicle used on public roads. A fuel excise tax is imposed on liquid petroleum gas used in the engine fuel supply tank of a motor vehicle owned or operated by a liquid petroleum user which is used on the public highways or roads of this state. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-13. Excise tax on motor fuel, special fuel, and liquid petroleum gas used in certain self-propelled highway construction machinery or vehicles. A fuel excise tax is imposed on all motor fuel, special fuel, and liquid petroleum gas used in the engine fuel supply tank of self-propelled machinery, equipment, or vehicles used in highway construction or repair work done in this state within the right-of-way, unless the self-propelled machinery, equipment, and vehicles are owned by this state or a county or municipality of this state. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-27. Remittance of tax on liquid petroleum gas and compressed natural gas sold or used by licensed vendors. The tax imposed by § 10-47B-11 shall be remitted by the liquid petroleum gas vendor or compressed natural gas vendor.

10-47B-29. Due date for remittance of excise taxes. All tax required to be remitted by §§ 10-47B-21 to 10-47B-27, inclusive, is due and payable by electronic transfer on or before the second to the last day of the month following each monthly period. For the purpose of remitting any tax by electronic transfer pursuant to this section, the last day and the second to the last day of the month means the last day and the second to the last day of the month which are not a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed.

10-47B-40. Percent of remitted tax liquid petroleum vendor allowed to retain. Any liquid petroleum vendor who properly remits tax under this chapter may retain an amount equal to the percentage of tax remitted as follows:

- (1) Two percent of the first twenty-five thousand gallons taxed each month;
- (2) One percent on the gallons taxed in excess of twenty-five thousand each month;
- (3) The maximum amount retained each month shall be five hundred dollars.

10-47B-63. Liquid petroleum gas vendor's license required. Any person acting in this state as a liquid petroleum gas vendor shall be licensed as a liquid petroleum gas vendor.

10-47B-134. Refund for taxes paid on fuel sold to customer whose accounts are worthless—Sufficient evidence and testimony. Any wholesale distributor or retail dealer licensed as a marketer in this state may apply for and obtain a refund for taxes paid to this state on any gallons of motor fuel, undyed special fuel, or liquid petroleum gas sold to customers whose accounts are found to be worthless. Accounts may not be deemed to be worthless unless they have been claimed as uncollectible and deducted as an expense on the licensee's federal income tax return. Upon application of this refund, the department shall have cause and authority to make an assessment and take collection action against the purchaser of the fuel in accordance with the provisions of chapter 10-59. A refund claimant shall only be eligible for a refund for the taxes not paid by a customer once every three years. The department shall notify all licensed suppliers, out-of-state suppliers, and marketers that the party has been delinquent in the payment of tax and that no further refunds will be paid for sales made to the party during the next three-year period. To qualify for a refund a marketer shall supply the department sufficient evidence and testimony to enforce any tax collection action by the department.

10-47B-157. Record keeping required of licensee. Each person issued a license pursuant to this chapter shall keep and preserve for the current and the three preceding calendar years an accurate record of all sales receipts, disbursement records, sales/purchase invoices, bills-of-lading, diversion tickets, partial load tickets, alcohol denaturing records, monthly inventory, and weekly pump meter readings and other pertinent records and papers considered necessary for the enforcement of this chapter by the secretary, including all ledgers and checking accounts.

10-47B-167. Exemption from fuel tax for certain sales of liquefied petroleum gas—

Conditions. A licensed liquid petroleum gas vendor may sell liquefied petroleum gas exempt from the fuel tax imposed by this chapter, to a licensed liquid petroleum gas user or to a purchaser who owns a motor vehicle propelled by liquefied petroleum gas if the vendor delivers the gas into a bulk storage tank which has no liquid transfer line which could be used to deliver fuel into the fuel supply tank of a motor vehicle. The vendor shall certify that the vendor has inspected the bulk storage tank and that no liquid transfer line existed on the tank at the time of inspection. A purchaser shall obtain a propane user license before receiving liquefied petroleum gas into a bulk storage tank which has a liquid transfer line which could be used to deliver fuel into the fuel supply tank of a motor vehicle.

10-47B-168. Monthly report by liquid petroleum gas and natural gas vendors required.

For the purpose of determining the amount of liquid petroleum gas, compressed natural gas, and liquid natural gas tax due, each liquid petroleum gas, natural gas, and liquid natural gas vendor shall file with the department a monthly report by electronic means on an electronic reporting system furnished by the department. In addition to the information required pursuant to § 10-47B-170, the department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-169. Time for filing liquid petroleum gas and natural gas vendor's report. Any report required by § 10-47B-168 shall be filed with respect to information for the preceding calendar month by electronic means on or before the twenty-third day of the month following each monthly period. If the twenty-third day of the month falls on a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed, the report is due on the next succeeding day that is not a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed.

10-47B-170. Information required in report of liquid petroleum gas and natural gas vendors. The vendors shall report pursuant to § 10-47B-168:

- (1) The number of gallons of liquid petroleum gas sold upon which fuel tax was charged;
- (2) The number of gallons of liquid petroleum gas sold upon which sales tax was charged;
- (3) The number of gallons of compressed natural gas sold upon which fuel tax was charged. Compressed natural gas sold for use in motor vehicles shall be metered separately from other sales; and
- (4) The number of gallons of liquid natural gas sold upon which fuel tax was charged. Liquid natural gas sold for use in motor vehicles shall be metered separately from other sales.

MARKETER

A Marketer is a person who is engaged in the wholesale or retail sale of motor fuel or special fuel. Marketers must be licensed to do business in South Dakota. A separate license is required for each business location within the state. SDCL 10-47B-65

Selling Dyed Diesel and Dyed Biodiesel

Marketers may sell dyed diesel and dyed biodiesel untaxed to customers that use it for agricultural purposes. In addition, dyed diesel or dyed biodiesel may be sold untaxed to the state or its political subdivisions for use in their vehicles, machinery, and equipment that are used in highway construction. All diesel or biodiesel sold to the state, political subdivisions, and school systems for vehicular use, including that used in buses, must be undyed. SDCL 10-47B-19

Marketers are required to charge and collect sales tax on sales of dyed diesel and dyed biodiesel to licensed highway contractors. These sales are to be reported on the Marketer's sales tax return. SDCL 10-47B-20 & SDCL 10-47B-135(2)

Selling Ethanol Blends and Methanol Blends

Ethyl Alcohol and Methyl Alcohol are taxed at the rate of \$.14 per gallon plus the \$.02 per gallon Tank Inspection Fee. SDCL 10-47B-4 These products are now taxed because of the various levels of ethanol blends now being seen in the industry. **If a Marketer sells an ethanol blend or methanol blend, the sales invoice must indicate what type of ethanol blend or methanol blend was sold (for example, E10, E20, E30 etc.).**

Record Keeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways, the law requires Marketers to keep detailed records of all fuel transactions and deliveries. Marketers will need these records to accurately complete Marketer Refund Claims and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years. SDCL 10-47B-47

Sales and Purchase Records

Licensed Marketers must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and the purchaser. The invoices must be serially numbered and must contain the following information: SDCL 10-47B-159

- The seller's name and address;
- The seller's supplier's license number issued by the department, if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- The purchaser's name and address;
- The date of sale and delivery of the fuel;
- The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or not;

- The price charged per gallon of fuel;
- If charged, the amount of fuel tax or sales tax. Fuel tax must either be listed separately or as a statement by the marketer that the price per gallon required by law includes the South Dakota fuel tax; and
- The total amount of the sales invoice

Fuel Shipping Records

Licensed Marketers must maintain in their records all fuel shipping documents they receive, including bills of lading, drop load tickets, and diversion tickets. Marketers are responsible for inspecting any shipping document to insure that it indicates South Dakota as the destination state. SDCL 10-47B-157

Other Records Required of Marketers

Licensed Marketers are also required to keep these records in addition to those already discussed:

- Fuel disbursement records;
- Monthly fuel inventories; and
- Weekly pump meter readings
- Daily storage tank measurements

The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. SDCL 10-47B-160

Payment and Reporting Schedule

Because Marketers purchase only tax paid motor fuel, tax paid clear special fuel and tax-exempt dyed special fuel; they have no fuel tax reporting or remitting responsibilities to the state.

Refunds

There are several situations in which Marketers are entitled to refunds:

- For fuel taxes paid on all fuel that is later sold in bulk to an approved Indian Tribal School holding an exempt-user number. These refunds can only be claimed for deliveries made into bulk storage at the tribal school. SDCL 10-47B-122
- For fuel taxes paid on all fuel that is later sold to the Federal Government or Defense Supply Center for its consumption. SDCL 10-47B-124
- For undyed diesel or undyed biodiesel delivered into a motor carrier refrigeration unit which is not attached to the engine supply fuel tank of the vehicle. Sales tax is charged on the product and “reefer” must be noted on the sales invoice. SDCL 10-47B-131
- For fuel sold to an enrolled tribal member purchasing fuel in Indian country controlled by the member’s tribe, or an Indian tribe purchasing motor fuel or special fuel in Indian country controlled by the Indian tribe. SDCL 10-47B-131.2
- For fuel taxes paid on all fuel sold to customers whose accounts are uncollectible and have been deducted as an expense on the Marketer's federal income tax return. A Marketer may claim a refund of a customer's delinquent taxes only once every three

years and must furnish sufficient evidence and testimony to support any tax collection effort made by the Department. A Marketer must submit a separate claim form to support each bad debt loss. SDCL 10-47B-133 & SDCL 10-47B-134

- For fuel taxes paid on all fuel lost because of leakage or theft, or a single incident of loss or destruction caused by fire, flood, tornado, windstorm, or explosion in excess of 100 gallons. SDCL 10-47B-137

The Marketer will be refunded the amount of tax on the lost gallons upon compliance with the following requirements: SDCL 10-47B-123

- A Marketer must submit an Affidavit of Loss of Taxable Fuel, by registered or certified mail, to the Department of Revenue, within 10 days of the loss in order to collect any refund.
- Provide copies of police reports in cases of theft and insurance reports must accompany all claims;
- Claims for refunds must be filed with the department within thirty days after the loss is discovered, or the claim is thereafter barred;
- No claims for a refund for a loss by leakage or theft of less than five hundred gallons may be considered or allowed. Such loss is presumed to be shrinkage; and
- The books and records of the claimant must be available for inspection by the department.

If a claim for refund is allowed and approved by the department, the state auditor must issue a warrant for the amount allowed, upon the presentation of a claim bearing the approval of the department.

Marketer Refund Claim Form Instructions

1. Report total gallons of motor fuel or special fuel sold in bulk to a location on a licensed Indian school's premises. The school must be licensed by the Department of Revenue to purchase fuel that is exempt from state taxation. List school names and license numbers.
2. Report total gallons of motor fuel or special fuel sold in bulk to a location on a licensed Indian school's premises – Add Lines 1a, 1b, 1c, and 1d.
3. Report total gallons lost in accordance with SDCL 10-47B-137. The loss of motor fuel or special fuel by leakage or theft must exceed 500 gallons. The loss of motor fuel or special fuel by a natural disaster must exceed 100 gallons. An Affidavit of Loss of Taxable Fuel and required documents must be attached to support this claim.
4. Report total gallons sold to the US Government or the Defense Supply Center – Attach Uniform Schedule of Disbursements Type 8.
5. Report total gallons of undyed special fuel dispensed into a separate reefer storage unit for refrigeration use only – Complete Reefer Storage Undyed Fuel Worksheet on the back of this form.
6. Report total gallons of motor fuel or special fuel sold to an enrolled tribal member purchasing fuel in Indian country that is controlled by the member's tribe, or an Indian tribe purchasing motor fuel or special fuel in Indian country that is controlled by the Indian tribe – Attach Tribal Sales Schedule.
7. Subtotal all gallons – Add Lines 2, 3, 4, 5, and 6.
8. Tax rates.
9. Total taxes eligible for refund – Multiply Line 7 by Line 8.
10. Total Refund Claim amount – Add Columns A through G on Line 9.



Marketer Refund

Mail Remittance Center
 Refund P.O. Box 5055
 Form To: Sioux Falls, SD 57117-5055

Claim Period From to Check here if this is an amended report

REFUNDABLE SALES

Report in Whole Gross Gallons Only

1 Gallons of Motor Fuel and Special Fuel sold in bulk to a location on a licensed Indian school's premises. (The school must be licensed by the Department of Revenue to purchase fuel exempt from state taxation. List school names and license numbers below.)

Column A	Column B	Column C	Column D	Column E	Column F	Column G
Gasoline	100% Ethyl alcohol	AVGAS	Undyed Diesel Fuel	Jet Fuel	100% Methyl Alcohol	Undyed Biodiesel

a School Name	Indian School License No.	a					
b School Name	Indian School License No.	b					
c School Name	Indian School License No.	c					
d School Name	Indian School License No.	d					

2 Total gallons of motor fuel and special fuel sold in bulk to a location on a licensed Indian school's premises -- Add Lines 1a, 1b, 1c, and 1d

3 Total gallons lost in accordance with Section 137 -- Attach completed affidavit and required documents to support this claim

4 Total gallons sold to the U.S. Government -- Attach Uniform Schedule of Disbursements - Type 8

5 Total gallons of taxed undyed diesel fuel dispensed into separate reefer storage for refrigeration use only -- Complete Reefer Storage Diesel Worksheet on reverse

6 Total gallons of motor fuel or special fuel sold to an enrolled tribal member purchasing fuel in Indian country controlled by the member's tribe, or an Indian tribe purchasing motor fuel or special fuel in Indian country controlled by the Indian tribe -- Attach Tribal Sales Schedule

REFUND CALCULATION

7 Subtotal all gallons -- Add Lines 2, 3, 4, 5, and 6	7							
8 Tax rates	8	X \$0.28	X \$0.14	X \$0.06	X \$0.28	X \$0.04	X \$0.14	X \$0.28
9 Total taxes eligible for refund -- Multiply Line 7 by Line 8	9	\$	\$	\$	\$	\$	\$	
10 Total Refund Claim Amount -- Add Columns A through E on Line 9	10	\$						

I declare and affirm under the penalty of perjury that this report has been examined by me, and to the best of my knowledge and belief is in all things true and correct.

Signature	Title	Date
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NOTE: Refunds are limited to a period within 15 months of transaction date

Reefer Storage Undyed Fuel Worksheet

On the worksheet below, list the gallons of reefer fuel sold for each date and indicate the amount of sales tax you reported and remitted on your previous sales tax return.

Your total gallons for sales tax remitted should equal the amount recored on Line 5 on the front of the refund form

Record your sales tax license number here:

1	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>
2	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>
3	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>
4	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>
5	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>
6	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>
7	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>
8	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>
9	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>
10	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>
11	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>
12	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>
13	Date (MM-YY):	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	Gallons Undyed Fuel:	<input type="text"/>	Sales Tax Remitted:	\$ <input type="text"/>

Total Gallons Undyed Fuel:

SUPPLIER (SHIPPER)

A Supplier is a person that owns motor fuel or special fuel in the pipeline and terminal distribution system in this state or makes sales or authorizes the removal of this fuel from the terminal at the rack. A Supplier is also the person who owns fuel in the pipeline immediately before it is withdrawn at the terminal rack. Anyone selling fuel from the rack must have a valid South Dakota Supplier's license. The Supplier is to apply fuel excise tax and the tank inspection fee to undyed (clear) fuel at the time of sale and is then responsible for remitting these taxes and fees to the state. The Supplier also collects and remits the tank inspection fee for any dyed fuel that they sell. SDCL 10-47B-56

Any person meeting the definition of a Supplier as listed above and operating from a terminal located outside of South Dakota may voluntarily become licensed as a Supplier. These Suppliers are required to remit tax and TI fees to South Dakota on any fuel removed from an out-of-state terminal if the bill of lading issued by the Terminal Operator indicates South Dakota as the destination state. SDCL 10-47B-22, SDCL 10-47B-23, SDCL 10-47B-33, SDCL 10-47B-57

Selling Ethanol Blends and Methanol Blends

Ethyl Alcohol and Methyl Alcohol are taxed at the rate of \$.14 per gallon plus the \$.02 per gallon Tank Inspection Fee. SDCL 10-47B-4 & SDCL10-47B-6 These products are now taxed because of the various levels of ethanol blends now being seen in the industry. **If a Supplier sells an ethanol blend or methanol blend, the invoice must list the alcohol gallons and gasoline gallons separately.**

Natural Gasoline Sales

Suppliers selling natural gasoline from South Dakota terminals are required to collect and remit \$0.28 per gallon fuel excise tax, as well as the \$.02 per gallon Tank Inspection Fee. SDCL 10-47B-4

Exceptions for the Collection of Fuel Taxes

The Supplier is not obligated to collect the South Dakota fuel tax in the following instances: SDCL 10-47B-32, SDCL 10-47B-5, SDCL 10-47B-6.9, SDCL 10-47B-9, SDCL 10-47B-9.1, SDCL 10-47B-21, SDCL 10-47B-23, SDCL 10-47B-32

- Sales made to a licensed Exporter when the sale is made from a South Dakota terminal and the destination listed on the bill of lading indicates a state other than South Dakota;
- Sales of dyed diesel or dyed biodiesel (The Supplier is required to collect and remit the \$.02 per gallon Tank Inspection fee in these instances);
- Product authorizations, two party exchanges or book transfers of product with other licensed South Dakota Suppliers within the terminal (In these instances the receiving Supplier or Authorization Partner is responsible for collecting and remitting the taxes and TI fees to South Dakota);

- Ethyl alcohol or methyl alcohol transferred in bulk into a terminal or in bulk within a terminal will NOT be exempt from South Dakota taxes and TI fees. Ethanol Brokers however, may obtain ethyl alcohol tax free from an Ethanol Producer. Once this fuel transfers from the Ethanol Broker to a licensed South Dakota Supplier, taxes and TI fees need to be collected from the Supplier and remitted on the Ethanol Broker's tax return;
- Sales made at the rack to the U.S. Government and the Defense Fuel Supply Center;
- Sales of unblended biodiesel to a licensed Blender or a licensed Supplier for resale over the terminal rack; SDCL 10-47B-19.1
- Sales of unblended biodiesel to a licensed importer when South Dakota is listed as the destination state on the bill of lading (The Importer must also be licensed as a Blender).

Certain penalties may be assessed on any licensed Supplier that authorizes sales of motor fuel or special fuel for export from a South Dakota terminal to a person who does not have a valid South Dakota Exporter's license. SDCL 10-47B-181

Diversion Tickets

South Dakota relies on the information that is printed on the bill of lading to determine taxability of fuel products. The Supplier must bill the customer in accordance with the destination information that is presented on the bill of lading, and their involvement with the transaction is to end there. The person who causes the diversion reports the diversion. SDCL 10-47B-46

If a shipment of motor fuel or special fuel needs to be legitimately diverted from the represented destination state after the bill of lading has been issued by the Terminal Operator, Bulk Plant Operator or Transporter, or where the issuer failed to cause proper information to be printed on the document, the Transporter shall issue a diversion ticket for the shipment, or partial shipment, and the Consignee is to report the diversion, pay any additional taxes due or file for any refunds or credits due on their tax return. SDCL 10-47B-45 & SDCL 10-47B-48

Prior Period Adjustments

All fuel transactions must be reported, and taxes paid to South Dakota or credits claimed during the period in which they occur. Prior period adjustments are not allowed. For example: if a sale of fuel takes place on July 31st the Supplier is not allowed to delay the reporting of that transaction until the August or September reporting period. The transaction must be reported on the July tax return. If a transaction occurs at the end of the month and is not reported on that month's tax return, the Supplier is to amend the tax return, report the additional transaction on it, and fill out the Summary for Amending Tax Returns form (see appendix) for that reporting period. SDCL 10-47B-130

Ethyl Alcohol and Methyl Alcohol

Each licensed supplier and out-of-state supplier who sells 100 percent ethyl alcohol (ethanol) and/or 100 percent methyl alcohol (methanol) are required to collect and remit .14 cents per gallon fuel excise tax, plus .02 cents per gallon tank inspection fee on all sales of these products. Suppliers must file, with the department, a monthly report by electronic means using the South Dakota EPath filing system. SDCL 10-47B-4, SDCL 10-47B-5

Record Keeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways, the law requires Suppliers to keep detailed records of all fuel transactions and deliveries. Suppliers will need these records to accurately complete tax returns and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years. SDCL 10-47B-160 & SDCL 10-47B-157

Fuel Sales, Purchase, and Shipping Records

Licensed Suppliers must keep all sales and purchase invoices in either their original format, through film retrieval or electronic media. They must also maintain shipping records that indicate the destination state for all products sold. SDCL 10-47B-47, SDCL 10-47B-159

Bills of lading will also be retained in their original format, film retrieval, or electronic media. If a shipment is going to multiple locations in a state, the title "Various" may be used on the bill of lading to identify destination cities, but the titles "Unlisted" and/or "Unknown" are not acceptable.

The Supplier and the Terminal Operator are entitled to rely on the truthfulness of the representation made by the Transporter or the Transporter's agent as to the destination state the Terminal Operator prints on the bill of lading. A petroex or similar number may not be relied upon by the Terminal Operator or Supplier as a representation of a destination state. SDCL 10-47B-51

Other Records Required of Suppliers

Licensed Suppliers must maintain bills of lading that contain: SDCL 10-47B-53

- The terminal or bulk plant name and address;
- The date the fuel was withdrawn from the terminal;
- The name and address of the Supplier, Shipper, or owner of fuel within a bulk plant if withdrawn from a bulk plant;
- The name of the Transporter or Carrier;
- The destination state. A petroex or similar number does not fulfill this requirement;
- The bill of lading number;
- The number of gross gallons of each type of fuel;
- The type of fuel product transported;

- If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein;
- The name and address of the Consignee; and
- Any other information which the Secretary deems necessary for the administration and enforcement of this chapter.

The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. SDCL 10-47B-160

Payment and Reporting Schedule

All fuel tax due from a Supplier is required to be remitted to the Department of Revenue by electronic transfer on or before the second to the last day of the month following each month in which the fuel was sold. The last day and the second to the last day of the month means the last day and the second to the last day of the month which are not a Saturday, Sunday, legal holiday, or a day on which the Federal Reserve Bank is closed. SDCL 10-47B-92

A monthly tax return must be filed by electronic means on the EPath system using a Uniform EPath schedule. The return must be filed on or before the twenty-third day of the month following each monthly period. If the twenty third day of the month falls on a Saturday, Sunday, legal holiday or on a day that the Federal Reserve Bank is closed, the report is due on the next day that is not a Saturday, Sunday, legal holiday, or a day the Federal Reserve Bank is closed. SDCL 10-47B-91

Uniform EPath Schedule (Electronic Filing)

All gallons that have been released or authorized to be released from a South Dakota terminal must be reported on the Uniform EPath Schedule. In addition, all gallons that are sold by a Supplier that is licensed to collect and remit South Dakota taxes and Tank Inspection fees from an out-of-state terminal are to be reported on this schedule. The Uniform EPath Schedule will be used to compile Supplier tax returns. The monthly tax return is compiled based on the information that is entered on the schedule. A sample of the schedule is in the template section located in the back of this manual. The EPath schedule can be created in Microsoft Excel and saved as a .csv or .txt file. The file must be saved in one of these formats for the EPath program to recognize the data when the file is uploaded. Data may also be entered manually and saved before submitting the tax return. Follow the prompts given to create the schedule.

Supplier Uniform Schedules of Disbursements (Paper Return Only) Uniform Schedules of Disbursements are required to be filed by Suppliers with each monthly tax return for those Suppliers that are authorized to file paper tax returns. This schedule must show each individual transaction that takes place during the month. State "Postal Abbreviations" are to be used when reporting Points of Origin and Destination. Neither the titles "Unlisted" and/or "Unknown," nor the numbers "999999999" for Federal Identification Numbers (FEINs) are acceptable for identifying the Consignee listed on the

Uniform Schedule of Disbursements (USOD) since the Supplier should know who is purchasing the fuel. The fuel types are to be identified by the FTA Product Codes that are listed on Pages 3 & 4 of this manual. SDCL 10-47B-157

Delayed Payment of Taxes

Customers who purchase fuel from a licensed Supplier at the terminal rack may delay payment to the Supplier in an amount equal to the tax and the tank inspection fee. The tax liability must be made to the Supplier by the 28th day of the month following the month in which the transaction took place, except the month of February which will be due on the 27th day of the month in which the tax is due and payable by the Supplier. The Supplier may not require payment before that date. (Example: a customer who purchases fuel in September must pay the fuel tax due to the Supplier by October 28th.) SDCL 10-47B-32

Allowances

Suppliers who properly remit tax as discussed earlier are allowed to retain an amount equal to two and one-fourth percent (2.25 percent) of the tax due on each gallon of fuel withdrawn from the rack. The Supplier may keep one-third of this amount (.75 percent) to help offset the administrative expenses involved in reporting and remitting taxes. The Supplier is to pass the remaining two-thirds (1.5 percent) on to the customer who withdrew the fuel from the terminal rack. SDCL 10-47B-34, SDCL 10-47B-35

If a Supplier is late in submitting the monthly return or remitting the taxes due, the Supplier may not retain any of the 2.25 percent allowance. If customers are late in paying the fuel tax owed to the Supplier, the Supplier may retain the entire 2.25 percent allowance. SDCL 10-47B-36

Refunds

If a licensed Supplier sells fuel to a customer who fails to pay the required fuel tax, the Supplier may apply for a refund of those taxes from the state by filing an Affidavit for Bad Debt Loss. The state will then make an assessment and seek to collect the taxes from the

Supplier's delinquent customer. A Supplier is eligible for a refund of the taxes not paid by a particular customer only once every three years. The Supplier must then collect all taxes due from that customer, on any subsequent sales made to them, for the next three years.

The Department will notify all Suppliers that a customer has been delinquent and is not entitled to delayed payment of fuel tax and TI fees for the next three years. The Department will also advise Suppliers that no further refunds of delinquent taxes will be made on any sales to this customer during the three-year period. SDCL 10-47B-133

Supplier Tax Return Instructions

1. Report total gallons withdrawn from pipeline(s) located within South Dakota – Schedule Type 5.
2. Licensed Suppliers making sales from out of state terminals report total gallons of fuel withdrawn from pipeline(s) outside South Dakota with a South Dakota destination on the bill of lading –Schedule Type 5.
3. Total sales – Add Lines 1 and 2.
4. Report total gallons withdrawn and sold to a U.S. Government entity directly from the pipeline(s) – Schedule Type 8.
5. Report total gallons withdrawn from pipeline(s) located in South Dakota and sold to licensed Exporters for an out of state destination – Schedule Type 6a.
6. Report total gallons of 100 percent ethyl alcohol and 100 percent methyl alcohol previously taxed – Schedule Type 5.
7. Report total gallons of K-1 kerosene sold for non-taxable purposes – Schedule Type 10.
8. Total credits – Add Lines 4, 5, 6 and 7.
9. Subtotal taxable gallons – Subtract Line 8 from Line 3.
10. Supplier Allowance – Multiply Line 9 by 2.25 percent if filing on time.
11. Total taxable gallons – Subtract Line 10 from Line 9.
12. Tax rates.
13. Taxes due – Multiply Line 11 by Line 12.
14. Total taxes due – Add Columns A through J on Line 13.
15. Total gallons – Add Columns A through J on Line 9.
16. Total gallons sold to U.S. government entities – Add Columns A through J on Line 4.
17. Total gallons of Undyed K-1 kerosene – Column E Line 7.
18. Subtotal Tank Inspection Fee gallons – Add Lines 15, 16 and 17.
19. Tank Inspection Fee – Multiply Line 18 by \$.02.
20. Total Taxes and Fees due – Add Lines 14 and 19.
21. Interest and Penalty. Interest is calculated at 1.00 percent per month. First month is \$5 or 1.00 percent, whichever is greater. Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
22. Balance Due or Credit from prior reporting periods (See computer notice).
23. Total Taxes and Fees for this reporting period – Add Lines 20, 21 and add or subtract Line 22 (depending on balance due or credit).



Fuel Supplier Tax Return (In-State and Out-of-State)

Pipeline Reporting

Mail
Remittance Center
Return to: P.O. Box 5055
Sioux Falls, SD 57117-5055

Check here if this is an amended return

Report in Whole Gross Gallons Only

(Pipeline reporting only. This return is not for reporting own truck transports or rail movement.)

SALES	*Instructions on Back of Return	Column A Gasoline	Column B 100% Ethyl Alcohol	Column C AVGAS	Column D Dyed Diesel & Kerosene	Column E Undyed Diesel & Kerosene	Column F Jet Fuel	Column G Dyed Bio-Diesel Blend	Column H Undyed Bio-Diesel Blend	Column I 100% Methyl Alcohol	Column J Other/Natural Gasoline
1	Withdrawn from SD Pipeline										
2	Withdrawn from Out-of-state Pipeline										
3	Total Sales -- Add Lines 1 and 2										

CREDITS

4	Sold to US Government										
5	Sold to Licensed Exporter										
6	Ethyl Alcohol & Methyl Alcohol										
7	Undyed K-1 Kerosene										
8	Total Credits -- Add lines 4, 5, 6, and 7										

TAX COMPUTATION

9	Subtotal Taxable Gallons -- Subtract Line 8 from Line 3										
10	Allowance (If filing on time) -- Multiply Line 9 by 0.0225										
11	Total Taxable Gallons -- Subtract Line 10 from Line 9										
12	Tax Rates	X \$0.28	X \$0.14	X \$0.06	X \$0.00	X \$0.28	X \$0.04	X \$0.00	X \$0.28	X \$0.14	X \$0.28
13	Taxes Due -- Multiply Line 11 by Line 12	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
14	Total All Taxes Due -- Add Columns A through J on Line 13										

TANK INSPECTION FEE

15	Total Gallons -- Add Columns A through J on Line 9										
16	Total Gallons Sold to Governmental Entities -- Add Columns A through J on Line 4										
17	Total Gallons of Undyed K-1 Kerosene -- Column E on Line 7										
18	Subtotal Tank Inspection Fee Gallons -- Add Line 15, 16, and 17										
19	Tank Inspection Fee -- Multiply Line 18 by \$0.02										

TAXES AND FEES DUE

20	Total Taxes and Fees Due -- Add Line 14 and 19	\$									
21	Interest and Penalty (If filing after due date)	\$									
22	Balance Due or Credit From Prior Reporting Period (See Computer Notice)	\$									
23	Grand Total -- Add Lines 20 and 21, and add or subtract line 22 (Depending on balance due or credit)	\$									

I declare and affirm under penalty of perjury that this report has been examined by me, and to the best of my knowledge and belief is in all things true and correct.

Check if final return and license is to be cancelled Signature _____ Title _____ Date _____ (7-09)

SUPPLIER Laws

10-47B-3 (40) Supplier or shipper, a person that imports or acquires upon import into this state motor fuel or special fuel by pipeline or marine vessel from another state, territory, or possession of the United States into a terminal within this state, or that imports motor fuel or special fuel into this state from a foreign country or that produces, manufactures, or refines motor fuel or special fuel, except ethyl alcohol, within this state, or that owns motor fuel or special fuel in the pipeline and terminal distribution system in this state and makes sales or authorizes removal of motor fuel or special fuel from a terminal in this state at the rack or is the receiving exchange partner in a two party exchange or the final transferee in a book transfer, and is subject to the general taxing or police jurisdiction of this state, or is required to be registered under Section 4101 of the Internal Revenue Code for transactions in taxable fuels in the bulk distribution system. The person need not be required to be registered under Section 4101 of the Internal Revenue Code if operating as a railroad company or utility company. A terminal operator may not be considered a supplier merely because the terminal operator handles motor fuel or special fuel consigned to it within a terminal. The name of the supplier or shipper shall be identified and prominently displayed on the bill of lading;

10-47B-23. Remittance of tax when out-of-state supplier owns title to fuel. The tax imposed on motor fuel and special fuel by § 10-47B-6 and not exempted by § 10-47B-19 shall be remitted by the out-of-state supplier who owns title to the fuel immediately before it is removed from a terminal located outside of this state if the bill-of-lading issued for the fuel by the terminal operator indicates South Dakota as the destination state unless the fuel is removed by the federal government or defense fuel supply center. If a two party exchange has taken place, the receiving exchange partner shall remit the tax upon the subsequent removal of the fuel from the terminal. If a book transfer has taken place, the transferee shall remit the tax upon the subsequent removal of the fuel from the terminal.

10-47B-37. Percentage supplier allowed to retain if payment is late from wholesale distributor, retail dealer, or end user. If the purchasing wholesale distributor, retail dealer, or end user pays the amount authorized to be delayed by § 10-47B-32 to the supplier later than allowed by this chapter, the supplier may retain the entire two and one-fourth percent allowed by § 10-47B-34.

10-47B-56. Supplier's license required. Any person acting in South Dakota as a supplier shall first obtain a supplier's license.

10-47B-57. Application for out-of-state supplier's license. Any person who desires to collect the tax imposed by this chapter as a supplier and who meets the definition of an out-of-state supplier may obtain an out-of-state supplier's license. Application for or possession of an out-of-state supplier's license is voluntary. However, application for the license constitutes a surrender of jurisdiction to this state and its courts for purposes of the collection and administration of the fuel excise tax imposed by this chapter.

10-47B-91. Monthly report by supplier--Information required. For the purpose of determining the amount of motor fuel and special fuel tax due, each licensed supplier and out-of-state supplier shall file with the department a monthly report by electronic means on an electronic reporting system furnished by the department. In addition to the information required pursuant to §§ 10-47B-93 and 10-47B-94, the department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-92. Time for filing supplier's report. Any report required by § 10-47B-91 shall be filed with respect to information for the preceding calendar month by electronic means on or before the twenty-third day of the month following each monthly period. If the twenty-third day of the month falls on a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed, the report is due on the next succeeding day that is not a Saturday, Sunday, legal holiday enumerated in § 1-5-1, or a day on which the Federal Reserve Bank is closed.

10-47B-93. Necessary information reported by supplier. The supplier shall report pursuant to § 10-47B-91, if deemed necessary by the secretary:

(1) All motor fuel and special fuel that the supplier owned title to immediately before it was removed from the terminal at the rack which the transporter indicated would be exported from this state and for which the terminal operator issued a bill of lading indicating a destination state other than South Dakota;

(2) If removed by an exporter, the exporter's license number; and

(3) All motor fuel and special fuel that the supplier owned title to immediately before it was removed from the terminal at the rack which the transporter indicated would be delivered to a destination within this state and for which the terminal operator issued a bill of lading indicating South Dakota as the destination state.

10-47B-94. All fuel destined for South Dakota to be reported monthly by out-of-state supplier. If deemed necessary by the secretary, each out-of-state supplier shall report pursuant to § 10-47B-91 all motor fuel and special fuel that the supplier owned title to immediately before it was removed from the terminal at the rack which the transporter indicated would be delivered to a destination within this state and for which the terminal operator issued a bill-of-lading indicating South Dakota as the destination state and any other information reasonably necessary to determine the amount of fuel tax due.10-47B-

10-47B-126. Credit for taxes paid on fuel acquired by importer from out-of-state supplier. A licensed importer may apply for and obtain a credit for taxes paid to this state on fuel which was acquired from a licensed out-of-state supplier for which the terminal operator issued a bill-of-lading indicating South Dakota as the destination state which was later diverted to a destination outside of this state. If the credit is not used by the person in the normal course of business within a two-month period a refund shall be paid to the person. The claimant shall submit a copy of the original bill-of-lading, a copy of the diversion ticket, and evidence that the fuel was reported to the other state.

10-47B-133. Tax refund to supplier if purchaser fails to pay for product and taxes--

Application--Limitations. Any licensed supplier or out-of-state supplier may apply for and obtain a refund for taxes paid to this state on any gallons of motor fuel or undyed special fuel withdrawn from a terminal at the rack and sold to a party who fails to pay the supplier or out-of-state supplier for the product and the taxes owed to this state. Application for this refund shall be made within sixty days of the occurrence of the delinquency. Upon application, all unpaid taxes of the delinquent party become due and owing. The application for refund may include all taxes credited to the delinquent party since the occurrence of the delinquency. To qualify for a refund, a supplier or out-of-state supplier shall supply the department sufficient evidence and testimony to enforce any tax collection action by the department. Upon application of this refund, the department may make an assessment and take collection action against the purchaser of the fuel in accordance with the provisions of chapter 10-59. The supplier or out-of-state supplier is only eligible for a refund for the taxes not paid by a customer once every three years. The supplier or out-of-state supplier is responsible for the tax on all sales that take place after the application for refund is made and are not eligible for further refunds. Upon application for a refund under this provision, a delinquent purchaser is no longer entitled to delay the payment of tax to a supplier or out-of-state supplier as set forth in § 10-47B-32 for a period of three years. The department shall notify all licensed suppliers, out-of-state suppliers, and marketers that the party has been delinquent in the payment of tax and is not entitled to the delayed payment of tax as set forth in § 10-47B-32 for a three-year period and that no further refunds will be paid for sales made to the party during the next three-year period. Once notified of a delinquent purchaser, no supplier, out-of-state supplier, or marketer may make a refund for tax under this section arising from a sale to the party during the three-year period.

10-47B-181. Supplier or bulk plant operator penalized for authorizing sales for export to unlicensed person. A supplier or bulk plant operator who authorizes motor fuel or special fuel sales for export to a person who does not have an appropriate export license which allows the person to export to the destination state indicated on the bill-of-lading issued by the terminal operator shall be assessed up to twice the amount of the tax due.

TERMINAL OPERATOR

A Terminal Operator is a person who by ownership or contractual agreement is charged with the responsibility and physical control over the operation of a terminal. A terminal is a fuel refinery or storage and distribution facility that is supplied by pipeline or marine vessel, from which motor fuel or special fuel may be removed at a rack and that, has been registered as a qualified terminal by the Internal Revenue Service. Terminal Operators must be licensed to do business in South Dakota. A separate license is required for each terminal site operated within South Dakota. SDCL 10-47B-58

Ethanol Blends and Methanol Blends

Ethyl Alcohol and Methyl Alcohol are taxed at the rate of \$.14 cents per gallon plus the \$.02 cents per gallon Tank Inspection Fee. These products are now taxed because of the various levels of ethanol blends now being seen in the industry. **If a Terminal Operator releases an ethanol or methanol blend, the bill of lading must list the alcohol gallons and gasoline gallons separately.** SDCL 10-47B-4, SDCL 10-47B-6

Dyeing Tax-Exempt Fuel

Terminal Operators are responsible for dyeing special fuel before it can be sold tax-exempt from the terminal. At the Supplier's discretion dye may be added: SDCL 10-47B-20

- In accordance with United States Environmental Protection Agency (EPA) requirements; or
- In accordance with the specifications and amounts required by the Internal Revenue Service (IRS).

Additional Responsibilities

Terminal Operators are to ensure that carriers wanting to do business in a South Dakota terminal are licensed as a Transporter. This license will allow the carrier to load and transport fuel from the terminal. SDCL 10-47B-60

Terminal Operators must prepare and provide a bill of lading to the driver of every vehicle removing fuel products from the terminal. The bill of lading must clearly show the actual destination state indicated by the Transporter or the Transporter's agent. The business address of the Supplier is not to appear as the destination for the fuel unless that is where it was actually shipped. SDCL 10-47B-53

If the destination state is not displayed on the bill of lading, it will be assumed that South Dakota is the destination state and South Dakota fuel excise taxes and TI fees will be due to the state. If an error in the destination state printed on the bill of lading is due to negligence on the Terminal Operator's part, the Terminal Operator may be subject to an assessment of up to twice the tax rate due on all fuel involved.

The Supplier and the Terminal Operator are entitled to rely on the truthfulness of the representation made by the Transporter or their agent as to the destination state the Terminal Operator prints on the bill of lading. A petroex or similar number may not be relied upon by the Terminal Operator or Supplier as a representation of a destination state. SDCL 10-47B-51

Terminal Operators are also responsible for ensuring that the actual Consignee (customer) is identified on the bill of lading. The titles “Unlisted or Unknown” are not acceptable names for the consignee on any bill of lading. Likewise, Federal ID Numbers (FEINs), must be accurate and the number “999999999” must not be used as such. The destination city on bills of lading may be identified as “Various or Various Locations”, but an “Unknown, Unidentified or Unlisted” destination is also not acceptable. SDCL 10-47B-100

Transporters (Carriers) are not to be listed as “Common Carrier” on the bill of lading. The actual name must be used when identifying them.

Recordkeeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota's roads and highways, the law requires Terminal Operators to keep detailed records of all fuel transactions and deliveries, and in some cases, of fuel usage. Since the gross gallons sold from the terminal determine the amount of taxes the Supplier is to collect, report and remit to the state, these gallons (when reported by the Terminal Operator) must be a true representation of the gallons that are released from the terminal by all Suppliers licensed to do business from that terminal within this state. Terminal Operators must present these records to Department personnel if they are audited or have their license reviewed.

Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years. SDCL 10-47B-47 & SDCL 10-47B-157

Fuel Shipping Records

Licensed Terminal Operators must maintain all bills of lading in either their original format, through film retrieval, or electronic media. The bill of lading must contain the following:

- The terminal or bulk plant name and address;
- The date the fuel was withdrawn from the terminal;
- The name and address of the Supplier, Shipper, or owner of fuel within a bulk plant if withdrawn from a bulk plant bulk plant;
- The name of the Transporter or Carrier;
- The destination state. A petroex or similar number does not fulfill this requirement;
- The bill of lading number;
- The number of gross gallons of each type of fuel;
- The type of fuel product transported;
- If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein;
- The name and address of the Consignee; and
- Any other information which the Secretary deems necessary for the administration and enforcement of this chapter.

Reporting Schedule

While they do not remit fuel tax, for the purpose of determining the amount of motor fuel and special fuel tax due, Terminal Operators are required to file a summarized monthly report providing:

- The name and address of all Suppliers;
- All gallons pulled by each Supplier during the month; and
- Copies of all bills of lading that have been issued by the terminal or computer-generated bill of lading information which has been approved by the Department.

This report is compared to Supplier Uniform Schedules of Disbursements to ensure that fuel has been reported correctly. Duplicate entries are not to be entered on the report.

Terminal Operator reports must be filed on or before the last day of each month following the month in which the transactions took place. For example, a Terminal Operator would submit a report detailing all transactions conducted in September by October 31st. If October 31st falls on a Saturday, Sunday, legal holiday or on a day that the Federal Reserve Bank is closed, the tax and report are due on the next day that is not a Saturday, Sunday, legal holiday, or a day the Federal Reserve Bank is closed. SDCL 10-47B-99



Terminal Operator's Report Pipeline Reporting

Company Name	License Number	Reporting Period	Mail Report to: South Dakota Department of Revenue 445 E Capitol Ave Pierre, SD 57501-3100
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Check Here if this is an amended report Report in whole gross gallons only

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J
Gasoline	100% Ethyl Alcohol	AVGAS	Dyed Diesel & Kerosene	Undyed Diesel & Kerosene	Dyed Biodiesel	Clear Biodiesel	Jet Fuel	LPG	Other

1	Supplier Name	Supplier License Number									
	a. Gallons withdrawn by this supplier with a destination in SD										
	b. Gallons withdrawn by this supplier with a destination outside SD										
	c. Total gallons withdrawn by this supplier (add lines 1a & 1b)										
2	Supplier Name	Supplier License Number									
	a. Gallons withdrawn by this supplier with a destination in SD										
	b. Gallons withdrawn by this supplier with a destination outside SD										
	c. Total gallons withdrawn by this supplier (add lines 2a & 2b)										
3	Supplier Name	Supplier License Number									
	a. Gallons withdrawn by this supplier with a destination in SD										
	b. Gallons withdrawn by this supplier with a destination outside SD										
	c. Total gallons withdrawn by this supplier (add lines 3a & 3b)										
4	Supplier Name	Supplier License Number									
	a. Gallons withdrawn by this supplier with a destination in SD										
	b. Gallons withdrawn by this supplier with a destination outside SD										
	c. Total gallons withdrawn by this supplier (add lines 4a & 4b)										
5	Supplier Name	Supplier License Number									
	a. Gallons withdrawn by this supplier with a destination in SD										
	b. Gallons withdrawn by this supplier with a destination outside SD										
	c. Total gallons withdrawn by this supplier (add lines 5a & 5b)										

Attach additional sheets if necessary

6	Supplier Name	Supplier License Number									
	a. Total gallons withdrawn by all suppliers with a destination in SD (add lines 1a, 2a, 3a, etc. and F necessary, information from additional sheets)										
	b. Total gallons withdrawn by all suppliers with a destination outside SD (add lines 1b, 2b, 3b, etc. and F necessary, information from additional sheets)										
	c. Grand total gallons withdrawn by all suppliers for the reporting period (add lines 6a and 6b)										

I declare and affirm under penalty of perjury that this report has been examined by me, and to the best of my knowledge and belief is in all true and correct.

Printed Name _____ Title _____ Date _____

Signature _____

TERMINAL OPERATOR LAWS

10-47B-3(42) “Terminal,” a fuel refinery or storage and distribution facility that is supplied by pipeline or marine vessel, from which motor fuel or special fuel may be removed at a rack and that has been registered as a qualified terminal by the Internal Revenue Service for receipt of taxable fuels free of federal fuel taxes;

10-47B-3(43) “Terminal operator,” the person who by ownership or contractual agreement is charged with the responsibility and physical control over the operation of the terminal;

10-47B-3(44) “Transfer in bulk into or within a terminal” includes the following:

- (a) A marine barge movement of fuel from a refinery or terminal to a terminal;
- (b) Pipeline movements of fuel from a refinery or terminal to terminal;
- (c) Book transfers of product within a terminal between suppliers, out-of-state suppliers, or positionholders before completion of the removal of the fuel across the terminal rack;
- (d) Two-party exchanges between licensed suppliers and out-of-state suppliers or position holders;

10-47B-3(45) “Transmix,” the buffer between two different products in a pipeline shipment, or a mix of two different products within a refinery or terminal that results in an off-grade mixture;

10-47B-3(48) “Two-party exchange,” a transaction in which a product is transferred from one supplier or out-of-state supplier or position holder to another in exchange for other product, sometimes located at a different location, if:

- (a) The transaction includes a transfer from the person who holds the original inventory position for motor fuel or special fuel in the terminal as indicated in the records of the terminal operator; and
- (b) The exchange transaction is completed before removal from the terminal by the receiving exchange partner. The bill of lading issued by the terminal operator shall indicate the receiving exchange partner as the supplier or shipper;

10-47B-5. Excise tax on motor fuel and special fuel removed from terminal or used at terminal--Exceptions. A fuel excise tax is imposed on all motor fuel and special fuel that is removed from a terminal in this state at the rack or used at the terminal. This tax is not imposed if the fuel is withdrawn from a terminal for export by the consignee, if the consignee is specifically licensed to export fuel from this state, into the state which is indicated as the destination state on the bill of lading which was issued by the terminal operator for the fuel. This tax is not imposed if the fuel removed is biodiesel which has been removed by a licensed blender or supplier, for resale over a terminal rack and is not sold as a biodiesel blend. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-10. Excise tax on fuel destined for another state but diverted or transferred in-state--Exceptions. A fuel excise tax is imposed on all motor fuel or special fuel which has been removed from a terminal in this state at the rack, or removed from an ethanol producer's plant in

this state, by a licensed exporter for which the bill of lading issued for the fuel by the terminal operator or ethanol producer indicates a destination state other than South Dakota, and the fuel is later diverted by the exporter to a destination within this state for off-loading

or is transferred or sold to another person within this state prior to off-loading in any destination state. This tax is not imposed if the fuel is biodiesel and the exporter is also licensed as a blender or supplier. The tax imposed shall be at the rate provided for in § 10-47B-4.

10-47B-19. Exemptions from fuel excise tax. The following are exempt from fuel excise tax imposed by this chapter:

- (1) Motor fuel or undyed special fuel removed from a terminal in this state at the rack by the federal government or defense fuel supply center for consumption in any federal government motor vehicle, machinery, equipment, or aircraft;
- (2) Motor fuel or undyed special fuel imported into this state by the federal government or defense fuel supply center for consumption in any federal government motor vehicle, machinery, equipment, or aircraft;
- (3) Special fuel that has been dyed in accordance with this chapter. The tax liability is reestablished if the dyed special fuel is used in the engine fuel supply tank of self-propelled machinery and equipment for use in highway construction or repair work within the right-of-way within this state;
- (4) Transmix removed from a terminal in this state at the rack by the terminal operator and transferred to another terminal, or to a licensed supplier for refinement and re-introduction into the pipeline system;
- (5) Undyed special fuel removed from a terminal in this state at the rack and delivered directly into a railroad locomotive if the railroad company is also the supplier. Undyed special fuel transported from the terminal to the locomotive fueling site by truck or railcar is not exempt from the tax;
- (6) Motor fuel or undyed special fuel removed from a terminal in this state by an electrical power company or cooperative and directly used for the generation of electricity. Motor fuel or undyed diesel fuel transported from the terminal to an electrical generation plant by truck or railcar is not exempt from the tax; or
- (7) Motor fuel or special fuel transfers in bulk into or within a terminal, except for ethyl alcohol or methyl alcohol. The subsequent removal of the fuel from the terminal is not exempt from tax.

10-47B-20. Dye added to exempted special fuel. Special fuel exempted under subdivision 10-47B-19(3) shall have dye added to it at or before the time of withdrawal at a terminal or refinery rack. At the option of the supplier, the dye added may be either:

- (1) Dye required to be added pursuant to United States Environmental Protection Agency requirements; or
- (2) Dye with specifications and amounts as required by the Internal Revenue Service.

10-47B-21. Remittance of excise tax on fuels imposed by § 10-47B-5. The fuel excise tax imposed on motor fuel and special fuel by § 10-47B-5 and not exempted by § 10-47B-19 shall be

remitted to the state by the supplier who owns title to the fuel immediately before it is removed from a terminal in this state at the rack or used at the terminal. If a two party exchange has taken place, the receiving exchange partner shall remit the tax upon the subsequent removal of the fuel from the terminal. If a book transfer has taken place, the transferee shall remit the tax upon the subsequent removal of the fuel from the terminal. If the destination state is not clearly indicated on the face of the bill of lading as required by § 10-47B-53, South Dakota taxes shall be remitted by the supplier.

10-47B-23. Remittance of tax when out-of-state supplier owns title to fuel. The tax imposed on motor fuel and special fuel by § 10-47B-6 and not exempted by § 10-47B-19 shall be remitted by the out-of-state supplier who owns title to the fuel immediately before it is removed from a terminal located outside of this state if the bill-of-lading issued for the fuel by the terminal operator indicates South Dakota as the destination state unless the fuel is removed by the federal government or defense fuel supply center. If a two party exchange has taken place, the receiving exchange partner shall remit the tax upon the subsequent removal of the fuel from the terminal. If a book transfer has taken place, the transferee shall remit the tax upon the subsequent removal of the fuel from the terminal.

10-47B-26. Remittance of tax on fuel destined for another state but diverted or transferred in-state. The tax imposed by § 10-47B-10 and not exempted by § 10-47B-19 shall be remitted by the exporter who diverts the fuel to a destination within this state. The party who withdrew the fuel from the terminal at the rack shall pay the tax if the fuel is transferred or sold to another person within this state prior to off-loading in any destination state.

10-47B-43. Preparation and delivery of bill-of-lading setting out fuel destination. Any person operating a refinery, terminal, bulk plant, or as an ethanol producer in this state shall prepare and provide to the driver of every vehicle removing motor fuel or special fuel from the facility a bill-of-lading, setting out on its face the destination state as represented to the facility operator by the transporter or the transporter's agent.

10-47B-44. Transportation of motor fuel or special fuel to carry bill-of-lading—Diversion tickets or drop load tickets also required. Any person transporting motor fuel or special fuel in vehicles upon the public highways of this state shall carry on board a bill of lading issued by the terminal operator or the bulk plant operator of the facility where the motor fuel or special fuel was obtained. The bill of lading shall set out on its face the destination state of the motor fuel or special fuel transported in the vehicle. The transporter shall also carry on board any diversion tickets or drop load tickets issued for the shipment.

10-47B-45. Required documentation for importing motor fuel or special fuel. Any person transporting motor fuel or special fuel in a vehicle, rail car, or vessel into this state from another state or country, as or for an importer, shall insure that a bill of lading has been issued by the terminal or bulk plant from which the fuel was removed indicating South Dakota as the destination. If the bill of lading is issued by the out-of-state terminal or the bulk plant indicates a destination other than South Dakota, the transporter shall issue a diversion ticket indicating South Dakota as the destination state. If a bill of lading was not issued by the terminal or bulk plant, the transporter shall issue for each shipment, a bill of lading indicating South Dakota as the

destination state. A copy of all diversion tickets and bills of lading prepared by the transporter shall be provided to the department in a manner required by the department before the fuel is imported.

10-47B-48. Acceptance of fuel without bill-of-lading, drop load ticket, or diversion ticket prohibited—Inadvertent acceptance. No bulk plant operator, wholesale distributor, retail dealer, or end consumer may knowingly accept delivery of motor fuel or special fuel into storage facilities in this state if that delivery is not accompanied by a bill of lading, drop load ticket, and any diversion ticket issued by the terminal operator, bulk plant operator, or transporter, that sets out on its face South Dakota as the destination state of the fuel. If acceptance of a shipment was inadvertent, the bulk plant operator, wholesale distributor, retail dealer, or end user shall notify the department within twenty-four hours of the delivery and make arrangements for the proper payment of the tax.

10-47B-49. Circumstances requiring issuance of diversion ticket. If a shipment or partial shipment of motor fuel or special fuel needs to be legitimately diverted from the represented destination state after the bill of lading has been issued by the terminal operator, bulk plant operator, or transporter, or where the issuer failed to cause proper information to be printed on the document, the transporter shall issue a diversion ticket for the shipment, or partial shipment. The diversion ticket shall be provided to the department in a manner required by the department before the shipment is diverted and a copy of the diversion ticket shall accompany the bill of lading or copy thereof that is given to the bulk plant operator, wholesale distributor, retail dealer, or end consumer taking delivery of the fuel.

10-47B-51. Reliance on transporter's intended destination state—Joint and several liability for fuel tax. The supplier and the terminal operator are entitled to rely for all purposes of this chapter on the representation made by the transporter or transporter's agent as to the destination state the terminal operator prints on the bill of lading. A petroex or similar number may not be relied upon by the terminal operator or supplier as a representation of a destination state. In all cases, the importer, the exporter, the transporter, the transporter's agent, and any purchaser are jointly and severally liable for any fuel tax due to this state. A defense available to one party to an action for the collection of the fuel tax imposed by this chapter is not available to the other parties. Each party's tax liability arises separately and shall be defended separately.

10-47B-53. Information required on bill-of-lading. The bill of lading issued by a terminal operator, bulk plant operator, transporter, or ethanol producer as dictated by this chapter shall contain the following information:

- (1) The terminal, bulk plant, or ethanol producer's plant name and address;
- (2) The date the fuel was withdrawn from the terminal or ethanol producer's plant;
- (3) The name and address of the supplier, shipper, or owner of fuel within a bulk plant if withdrawn from a bulk plant;
- (4) The name of the transporter or carrier;
- (5) The destination state. A petroex or similar number does not fulfill this requirement;
- (6) The bill-of-lading number;
- (7) The number of gross gallons of each type of fuel;
- (8) The type of fuel product transported;

- (9) If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline, or the number of gallons of any other motor fuel that are contained therein;
- (10) The name and address of the consignee; and
- (11) Any other information which the secretary deems necessary for the administration and enforcement of this chapter.

10-47B-58. Terminal operator's license required. Any person engaged in business in this state as a terminal operator shall first obtain a terminal operator's license for each terminal site operated within this state.

10-47B-93. Necessary information reported by supplier. The supplier shall report pursuant to § 10-47B-91, if deemed necessary by the secretary:

- (1) All motor fuel and special fuel that the supplier owned title to immediately before it was removed from the terminal at the rack which the transporter indicated would be exported from this state and for which the terminal operator issued a bill of lading indicating a destination state other than South Dakota;

- (2) If removed by an exporter, the exporter's license number; and

- (3) All motor fuel and special fuel that the supplier owned title to immediately before it was removed from the terminal at the rack which the transporter indicated would be delivered to a destination within this state and for which the terminal operator issued a bill of lading indicating South Dakota as the destination state.

10-47B-94. All fuel destined for South Dakota to be reported monthly by out-of-state supplier. If deemed necessary by the secretary, each out-of-state supplier shall report pursuant to § 10-47B-91 all motor fuel and special fuel that the supplier owned title to immediately before it was removed from the terminal at the rack which the transporter indicated would be delivered to a destination within this state and for which the terminal operator issued a bill-of-lading indicating South Dakota as the destination state and any other information reasonably necessary to determine the amount of fuel tax due.

10-47B-97. Necessary information reported by importer. The importer shall report pursuant to § 10-47B-95, if deemed necessary by the secretary:

- (1) All motor fuel and special fuel acquired from an out-of-state supplier imported into South Dakota for which the terminal operator has issued a bill-of-lading indicating South Dakota as the destination state;

- (2) The out-of-state supplier's license number if acquired from an out-of-state supplier; and

- (3) A schedule of all imports delivered into this state including the names and addresses of all customers or off-loading locations.

10-47B-98. Monthly report required from terminal operator. For the purpose of determining the amount of motor fuel and special fuel tax due, each terminal operator shall file with the department on forms a monthly report. In addition to the information required pursuant to § 10-47B-100, the department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-99. Time for filing terminal operator's report. Any report required by § 10-47B-98 shall be filed with respect to information for the preceding calendar month on or before the last day of each month unless the last day of the month falls on a Sunday or legal holiday in which case it is due on the next working day.

10-47B-100. Necessary information reported by terminal operator. The terminal operator shall report pursuant to § 10-47B-98, if deemed necessary by the secretary:

- (1) The names and addresses of all suppliers; and
- (2) Copies of all bills-of-lading issued by the terminal or computer generated bill-of-lading information approved by the department.

10-47B-106. Necessary information reported by exporter. The exporter report required pursuant to § 10-47B-104 shall contain the following information, if deemed necessary by the secretary:

- (1) The motor fuel and special fuel loaded in South Dakota from a location other than a terminal for delivery outside of this state;
- (2) The motor fuel and special fuel acquired from a supplier at a terminal in this state and delivered into another state or country;
- (3) The name, address, and federal employer identification or social security number of the receiver of the exported special fuel. If the fuel is delivered to an end consumer, only the name and address is required;
- (4) Motor fuel and special fuel that a terminal operator in this state issued a bill-of-lading indicating a state other than South Dakota as the destination state which was later diverted to and off-loaded in South Dakota; and
- (5) Motor fuel and special fuel that a terminal operator in this state issued a bill-of-lading indicating South Dakota as the destination state which was later diverted to another state for off-loading.

10-47B-126. Credit for taxes paid on fuel acquired by importer from out-of-state supplier. A licensed importer may apply for and obtain a credit for taxes paid to this state on fuel which was acquired from a licensed out-of-state supplier for which the terminal operator issued a bill-of-lading indicating South Dakota as the destination state which was later diverted to a destination outside of this state. If the credit is not used by the person in the normal course of business within a two-month period a refund shall be paid to the person. The claimant shall submit a copy of the original bill-of-lading, a copy of the diversion ticket, and evidence that the fuel was reported to the other state.

10-47B-181. Supplier or bulk plant operator penalized for authorizing sales for export to unlicensed person. A supplier or bulk plant operator who authorizes motor fuel or special fuel sales for export to a person who does not have an appropriate export license which allows the person to export to the destination state indicated on the bill-of-lading issued by the terminal operator shall be assessed up to twice the amount of the tax due.

TRANSPORTER (CARRIER)

A Transporter is a person who engages in the activity of interstate or intrastate movement of fuel by transport truck, rail car, or other means in quantities greater than 4,200 gallons. Transport trucks are defined as vehicles or rail cars designed to transport bulk fuel shipments in excess of 4,200 gallons. Any person desiring to perform the duties of a Transporter within this state must become licensed as a Transporter. Transporters do not include those who transport fuel by pipeline or barge. SDCL 10-47B-60

Tank wagons are vehicles designed to transport bulk fuel shipments of 4,200 gallons or less. Tank wagon operators are not required to be licensed as Transporters.

Responsibilities

While Transporters do not have tax-remitting responsibilities, they are responsible for the proper documentation of fuel destination and delivery. They must submit a report upon request to the Department listing all fuel shipments involving South Dakota as the origin or destination state.

Transporters must maintain a log of all fuel deliveries. While transporting fuel, Transporters must maintain on board their trucks a bill of lading, drop load ticket, and/or diversion ticket showing the destination for each load of fuel. SDCL 10-47B-44 They must also provide a copy of these documents to the person that takes delivery of the fuel. SDCL 10-47B-46

Recordkeeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota's roads and highways, the law requires Transporters to keep detailed records of all fuel transactions and deliveries, and in some cases, of fuel usage. Transporters must present these records to Department personnel if they are audited or have their license reviewed. Records are to be maintained for a period of at least 30 days at their place of business or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years. SDCL 10-47B-47 & SDCL 10-47B-157

Fuel Shipping Records

1. In order to document any product's ultimate destination, licensed Transporters must maintain all fuel shipping documents in their records, including bills of lading, drop load tickets, and diversion tickets. The bill of lading must contain the following: SDCL 10-47B-53
 - The terminal or bulk plant name and address;
 - The date the fuel was withdrawn from the terminal or bulk plant;
 - The name and address of the Supplier, Shipper, or owner of fuel within a bulk plant if withdrawn from a bulk plant bulk plant;
 - The name of the Transporter or Carrier;
 - The destination state. A petroex or similar number does not fulfill this requirement;
 - The bill of lading number;

- The number of gross gallons of each type of fuel;
- The type of fuel product transported;
- If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein;
- The name and address of the Consignee; and
- Any other information which the Secretary deems necessary for the administration and enforcement of this chapter.

2. If a Transporter must deliver partial loads of fuel to several customers, the Transporter is required to issue a drop load ticket for each customer delivery. The drop load ticket must contain the following information: SDCL 10-47B-55

- The Transporter's or Carrier's name and address;
- The date of delivery of the fuel;
- The drop load ticket number;
- The destination state on the original bill of lading, or diversion ticket, if issued;
- The original bill of lading, and if available, the diversion ticket number;
- The destination state of each location at which the fuel was off-loaded;
- The number of gross gallons off-loaded at each location;
- The type of fuel off-loaded at each location;
- If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein; and
- Any other information which the Secretary deems necessary for the administration and enforcement of this chapter.

3. If a Transporter is required to divert a load of fuel to another state not specified as the destination state on the bill of lading, the Transporter must issue a diversion. The diversion ticket must contain the following information: SDCL 10-47B-54

- The Transporter's or Carrier's name and address;
- The date and time the fuel was withdrawn from the terminal;
- The diversion ticket number;
- The name and address of the Supplier or Shipper indicated on the original bill of lading or the owner of fuel within the bulk plant;
- The destination state;
- The bill of lading number;
- The terminal or bulk plant from which the product was withdrawn;
- The number of gross gallons for each fuel type being diverted;
- The type of fuel being diverted;
- If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of

ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein;

- Any other information which the Secretary deems necessary for the administration and enforcement of this chapter.

The diversion ticket or a copy thereof must be provided to the Department in a manner required by the department before the shipment is diverted. The diversion ticket or copy thereof must also accompany the bill of lading that is given to the bulk plant operator, wholesale distributor, retail dealer, or end consumer taking delivery of the fuel. SDCL 10-47B-49

Transporter Laws

10-47B-3(33) "**Petroex number**," a string of alpha or numeric characters that are used to communicate transactional information between a transporter or consignee and a supplier;

10-47B-3(41) "**Tank wagon**," a vehicle designed to transport motor fuel or special fuel in bulk, in lots of four thousand two hundred gallons or less;

10-47B-3(44) "**Transfer in bulk into or within a terminal**" includes the following:

- (a) A marine barge movement of fuel from a refinery or terminal to a terminal;
- (b) Pipeline movements of fuel from a refinery or terminal to terminal;
- (c) Book transfers of product within a terminal between suppliers, out-of-state suppliers, or positionholders before completion of the removal of the fuel across the terminal rack;
- (d) Two-party exchanges between licensed suppliers and out-of-state suppliers or position holders;

10-47B-3(46) "**Transporter or carrier**," any person who engages in the activity of interstate or intrastate movement of fuel within this state by transport truck, rail car, or by any other means in quantities of over four thousand two hundred gallons. The term does not include persons who transport fuel by pipeline or barge. The name of the transporter or carrier shall be identified and prominently displayed on the bill of lading;

10-47B-3(47) "**Transport truck**," a vehicle, combination of vehicles, or railcar designed to transport motor fuel or special fuel in bulk, in lots greater than four thousand two hundred gallons;

10-47B-43. Preparation and delivery of bill-of-lading setting out fuel destination. Any person operating a refinery, terminal, bulk plant, or as an ethanol producer in this state shall prepare and provide to the driver of every vehicle removing motor fuel or special fuel from the facility a bill-of-lading, setting out on its face the destination state as represented to the facility operator by the transporter or the transporter's agent.

10-47B-44. Transportation of motor fuel or special fuel to carry bill-of-lading—Diversion tickets or drop load tickets also required. Any person transporting motor fuel or special fuel in vehicles upon the public highways of this state shall carry on board a bill of lading issued by the terminal operator or the bulk plant operator of the facility where the motor fuel or special fuel was obtained. The bill of lading shall set out on its face the destination state of the motor fuel or special fuel transported in the vehicle. The transporter shall also carry on board any diversion tickets or drop load tickets issued for the shipment.

10-47B-45. Required documentation for importing motor fuel or special fuel. Any person transporting motor fuel or special fuel in a vehicle, rail car, or vessel into this state from another state or country, as or for an importer, shall insure that a bill of lading has been issued by the terminal or bulk plant from which the fuel was removed indicating South Dakota as the

destination. If the bill of lading is issued by the out-of-state terminal or the bulk plant indicates a destination other than South Dakota, the transporter shall issue a diversion ticket indicating South Dakota as the destination state. If a bill of lading was not issued by the terminal or bulk plant, the transporter shall issue for each shipment, a bill of lading indicating South Dakota as the destination state. A copy of all diversion tickets and bills of lading prepared by the transporter shall be provided to the department in a manner required by the department before the fuel is imported.

10-47B-46. Bill-of-lading, drop load tickets, or diversion tickets provided to receiver of fuel.

Any person transporting motor fuel or special fuel in vehicles upon the public highways of this state shall provide a copy of the bill-of-lading accompanying the shipment or a drop load ticket, along with any diversion tickets issued for the delivered fuel to the bulk plant operator, wholesale distributor, retail dealer, or end consumer to which delivery of the shipment was made.

10-47B-47. Required time period for retention of shipping papers by receiver of fuel. Any bulk plant operator, wholesale distributor, retail dealer, or end consumer taking delivery of motor fuel or special fuel shall receive, examine, and retain for a period of thirty days at the delivery location or a location approved by the secretary, the bill-of-lading along with any drop load tickets and diversion tickets received from the transporter for every shipment of motor fuel or special fuel that is delivered to that location, with record retention of the shipping papers of three years required off-site.

10-47B-48. Acceptance of fuel without bill-of-lading, drop load ticket, or diversion ticket prohibited—Inadvertent acceptance. No bulk plant operator, wholesale distributor, retail dealer, or end consumer may knowingly accept delivery of motor fuel or special fuel into storage facilities in this state if that delivery is not accompanied by a bill of lading, drop load ticket, and any diversion ticket issued by the terminal operator, bulk plant operator, or transporter, that sets out on its face South Dakota as the destination state of the fuel. If acceptance of a shipment was inadvertent, the bulk plant operator, wholesale distributor, retail dealer, or end user shall notify the department within twenty-four hours of the delivery and make arrangements for the proper payment of the tax.

10-47B-49. Circumstances requiring issuance of diversion ticket. If a shipment or partial shipment of motor fuel or special fuel needs to be legitimately diverted from the represented destination state after the bill-of-lading has been issued by the terminal operator, bulk plant operator, or transporter, or where the issuer failed to cause proper information to be printed on the document, the transporter shall issue a diversion ticket for the shipment, or partial shipment. The diversion ticket shall be mailed or faxed to the department before the shipment is diverted and a copy of the diversion ticket shall accompany the bill-of-lading or copy thereof that is given to the bulk plant operator, wholesale distributor, retail dealer, or end consumer taking delivery of the fuel.

10-47B-50. Issuance of drop load ticket—Copy of ticket. If a person transporting motor fuel or special fuel in this state unloads only a portion of a shipment at more than one location, the transporter shall issue a drop load ticket for each location. A copy of the ticket shall be provided

to the bulk plant operator, wholesale distributor, retail dealer, or end consumer which takes delivery of the fuel. A copy of the bill-of-lading may also be provided.

10-47B-51. Reliance on transporter's intended destination state—Joint and several liability for fuel tax. The supplier and the terminal operator are entitled to rely for all purposes of this chapter on the representation made by the transporter or transporter's agent as to the destination state the terminal operator prints on the bill of lading. A petroex or similar number may not be relied upon by the terminal operator or supplier as a representation of a destination state. In all cases, the importer, the exporter, the transporter, the transporter's agent, and any purchaser are jointly and severally liable for any fuel tax due to this state. A defense available to one party to an action for the collection of the fuel tax imposed by this chapter is not available to the other parties. Each party's tax liability arises separately and shall be defended separately.

10-47B-52. Exemptions for bulk plant operator delivering fuel into tank wagon. An operator of a bulk plant in this state delivering motor fuel or special fuel into a tank wagon for subsequent delivery to an end consumer is exempt from the requirements of §§ 10-47B-43 to 10-47B-46, inclusive, and 10-47B-49 to 10-47B-51, inclusive.

10-47B-53. Information required on bill-of-lading. The bill of lading issued by a terminal operator, bulk plant operator, transporter, or ethanol producer as dictated by this chapter shall contain the following information:

- (1) The terminal, bulk plant, or ethanol producer's plant name and address;
- (2) The date the fuel was withdrawn from the terminal or ethanol producer's plant;
- (3) The name and address of the supplier, shipper, or owner of fuel within a bulk plant if withdrawn from a bulk plant;
- (4) The name of the transporter or carrier;
- (5) The destination state. A petroex or similar number does not fulfill this requirement;
- (6) The bill-of-lading number;
- (7) The number of gross gallons of each type of fuel;
- (8) The type of fuel product transported;
- (9) If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline, or the number of gallons of any other motor fuel that are contained therein;
- (10) The name and address of the consignee; and
- (11) Any other information which the secretary deems necessary for the administration and enforcement of this chapter.

10-47B-54. Information required on diversion ticket. The diversion ticket issued by a transporter shall contain the following information:

- (1) The transporter's or carrier's name and address;
- (2) The date and time the fuel was withdrawn from the terminal or the ethanol producer's plant;
- (3) The diversion ticket number;
- (4) The name and address of the supplier or shipper indicated on the original bill of lading or the owner of fuel within a bulk plant if withdrawn from a bulk plant;
- (5) The destination state;

- (6) The original bill-of-lading number;
- (7) The terminal, bulk plant, or ethanol producer's plant from which the product was withdrawn;
- (8) The number of gross gallons of each fuel type being diverted;
- (9) The type of fuel being diverted;
- (10) If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline, or the number of gallons of any other motor fuel that are contained therein; and
- (11) Any other information which the secretary deems necessary for the administration and enforcement of this chapter.

10-47B-55. Information required on drop load ticket. The drop load ticket issued by a transporter shall contain the following information:

- (1) The transporter's or carrier's name and address;
- (2) The date of delivery of the fuel;
- (3) The drop load ticket number;
- (4) The destination state on the original bill-of-lading, or diversion ticket, if issued;
- (5) The original bill of lading, and if available the diversion ticket number;
- (6) The destination state of each location at which the fuel was off-loaded;
- (7) The number of gross gallons off-loaded at each location;
- (8) The type of fuel off-loaded at each location;
- (9) If the fuel contains ethyl alcohol or methyl alcohol, the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline, or the number of gallons of any other motor fuel that are contained therein; and
- (10) Any other information which the secretary deems necessary for the administration and enforcement of this chapter.

10-47B-60. Transporter's license required. Any person acting in this state as a transporter shall be licensed as a transporter.

10-47B-93. Necessary information reported by supplier. The supplier shall report pursuant to § 10-47B-96, if deemed necessary by the secretary:

- (1) All motor fuel and special fuel that the supplier owned title to immediately before it was removed from the terminal at the rack which the transporter indicated would be exported from this state and for which the terminal operator issued a bill-of-lading indicating a destination state other than South Dakota;
 - (2) If removed by an exporter, the exporter's license number; and
- All motor fuel and special fuel that the supplier owned title to immediately before it was removed from the terminal at the rack which the transporter indicated would be delivered to a destination within this state and for which the terminal operator issued a bill-of-lading indicating South Dakota as the destination state.

10-47B-94. All fuel destined for South Dakota to be reported monthly by out-of-state supplier. If deemed necessary by the secretary, each out-of-state supplier shall report pursuant to § 10-47B-91 all motor fuel and special fuel that the supplier owned title to immediately before it was removed from the terminal at the rack which the transporter indicated would be delivered to

a destination within this state and for which the terminal operator issued a bill-of-lading indicating South Dakota as the destination state and any other information reasonably necessary to determine the amount of fuel tax due.

10-47B-107. Monthly report required from transporter. For the purpose of determining the amount of motor fuel and special fuel tax due, each licensed transporter shall file with the department on forms prescribed and furnished by the department a monthly report. The department may require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due.

10-47B-108. Time for filing transporter's report—Request for specific information authorized. Any report required by § 10-47B-107 shall be filed with respect to information for the preceding calendar month on or before the last day of each month unless the last day of the month falls on a Sunday or legal holiday in which case it is due on the next working day. The secretary may also request specific information regarding shipments of fuel delivered in this state or exported at any time after the shipment is made including the address or location of the delivery site.

10-47B-109. Penalty for transporter's failure to report—Hearing. If a transporter fails to provide the information required by §§ 10-47B-107 and 10-47B-108, the person is subject to a civil penalty of one thousand dollars for each violation. If the person believes that the assessment arose from a mistake of fact or error of law, the person may request a hearing in accordance with § 10-59-9.

10-47B-110. Waiver of transporter's monthly reporting requirement. Any report required by §§ 10-47B-107 and 10-47B-108 are for information purposes only and the secretary may waive the filing of the report if the report is unnecessary for the proper administration of this chapter.

10-47B-183. Civil penalty against importer or transporter for importation or sale without valid documents—Request for hearing. Each importer or transporter who knowingly imports or delivers motor fuel or special fuel without a valid importer or transporter license or a bill of lading or diversion ticket showing South Dakota as the destination state is subject to a civil penalty of up to ten thousand dollars for each occurrence described in this section. If the person believes that the assessment arose from a mistake of fact or error of law, the person may request a hearing in accordance with § 10-59-9.

10-47B-186. Penalty for inadequate records of bills-of-lading, diversion tickets, or drop load tickets. Any person who fails to provide, inspect, or maintain in the person's records bills-of-lading, diversion tickets, or drop load tickets as required by this chapter or fails to provide, inspect, or maintain bills-of-lading and diversion tickets that indicate South Dakota as the destination state may be subject to an assessment by the department of up to twice the tax rate on all fuel involved.

TRIBAL MARKETER

A Tribal Marketer is a person that engages in the wholesale or retail sale of motor fuel or special fuel on Indian reservations and/or in Indian country that have tax agreements with the State of South Dakota and the Department of Revenue. Tribal Marketers must be licensed to do business in South Dakota. A separate license is required for each business location within the state.

Selling Dyed Diesel and Dyed Biodiesel

Tribal Marketers may sell dyed diesel and dyed biodiesel untaxed to customers that use it for agricultural purposes. In addition, dyed diesel or dyed biodiesel may be sold untaxed to the state or its political subdivisions for use in their vehicles, machinery, and equipment that are used in highway construction. All diesel or biodiesel sold to the state, political subdivisions, and school systems for vehicular use, including that used in buses, must be undyed.

Tribal Marketers are required to charge and collect sales tax on sales of dyed diesel and dyed biodiesel to licensed Highway Contractors. These sales are to be reported on the Marketer's sales tax return.

Selling Ethanol Blends and Methanol Blends

Ethyl Alcohol and Methyl Alcohol are taxed at the rate of \$.14 per gallon plus the \$.02 per gallon Tank Inspection Fee. These products are now taxed because of the various levels of ethanol blends now being seen in the industry. **If a Tribal Marketer sells an ethanol blend or methanol blend, the sales invoice must indicate what type of ethanol blend or methanol blend was sold (for example, E10, E20, E30 etc.).**

Record Keeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways, the law requires Tribal Marketers to keep detailed records of all fuel transactions and deliveries. Tribal Marketers will need these records to accurately complete the Marketer Schedule of Fuel Sales on Indian Reservations and Indian Country and must present them to Department personnel if they have their licenses reviewed.

Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years.

Inventory Records

Tribal Marketers must keep monthly inventory records that contain the following:

- Total gallons of each type of fuel in storage at the beginning of the month;
- Total gallons of each type of fuel received during the month;
- Total gallons of each type of fuel sold during the month; and
- Total gallons of each type of fuel in storage at the end of the month.

Sales and Purchase Records

Licensed Tribal Marketers must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and the purchaser. The invoices must be serially numbered and must contain the following information:

- The seller's name and address;
- The seller's supplier's license number issued by the department, if the fuel was sold at the pipeline or the seller's marketer's number if not sold at a pipeline;
- The purchaser's name and address;
- The date of sale and delivery of the fuel;
- The number of gallons of fuel sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or not;
- The price charged per gallon of fuel;
- If charged, the amount of fuel tax or sales tax. Fuel tax must either be listed separately or as a statement by the marketer that the price per gallon required by law includes the South Dakota fuel tax; and
- The total amount of the sales invoice

These records are necessary and will be used to complete the Marketer Schedule of Fuel Sales on Indian Reservations and in Indian Country.

Fuel Shipping Records

Licensed Tribal Marketers must maintain in their records all fuel shipping documents they receive, including bills of lading, drop load tickets, and diversion tickets. Tribal Marketers are responsible for inspecting any shipping document to insure that it indicates South Dakota as the destination state.

Other Records Required of Tribal Marketers

Licensed Tribal Marketers are required to keep these records in addition to those already discussed:

- Fuel disbursement records
- Weekly pump meter readings

The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records.

Reporting Schedule

Because Tribal Marketers purchase only tax paid motor fuel, tax paid clear special fuel and tax-exempt dyed special fuel; they have no fuel tax reporting or remitting responsibilities to the state.

Tribal Marketer Manual schedule Instructions

1. Report total gross gallons of each type of fuel sold to the end consumer for the report period.
2. Report gallons in whole numbers only.
3. Enter gross gallons under the jurisdiction of the customer the gallons were sold.
4. Do not include gallons sold outside of the special jurisdictions listed on the Marketer Schedule. (Federal Government, bulk sales to Licensed Indian Schools and Reefer Sales)

Marketer Epath Schedule for Fuel Sales within Defined Special Jurisdictions Instructions

1. Determine the jurisdiction of your end customer.
2. Report individual types of fuel sold to the end customer under their jurisdictions.
3. Enter total gallons on each line for each type of fuel that was sold.



**MARKETER SCHEDULE OF FUEL SALES
WITHIN DEFINED SPECIAL JURISDICTIONS**

License Number:

Reporting Period:

Name:

Mail	Remittance Center
Refund	P.O. Box 5055
Form To:	Sioux Falls, SD 57117-5055

For sales during the reporting period please report below the total gross gallons **Sold** to the end consumer for highway or aircraft use within each of the following special jurisdictions. For clarification on areas included within each of the special jurisdiction please see the Department's tribal special jurisdiction tax fact.

Do not include gallons sold outside of the special jurisdictions, to the Federal Government, bulk sales to Licensed Indian Schools and Reefer Sales in the totals.

	Cheyenne River	Crow Creek	Oglala (Pine Ridge)	Rosebud	Standing Rock
Gasoline					
Clear Diesel					
100% Ethyl					
LPG					
Clear Soy Diesel					
Avgas					
Jet Fuel					
100% Methly Alcohol					
CNG					
Other					

I declare and affirm under the penalty of perjury that this report has been examined by me, and to the best of my knowledge and belief is in all things true and correct

Signature	Title	Date
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APPENDIX - FORMS

The following pages contain Summary for Amending Tax Returns worksheet, Affidavits frequently used, Schedule of Disbursements, and Schedule of Receipts.



Department of Revenue
Motor Fuel Tax
445 East Capitol Avenue
Pierre, SD 57501-3100

**SUMMARY FOR AMENDING
MOTOR FUEL TAX RETURNS**

Please Type or Print:

1. License Number:

2. Federal ID or Social Security Number:

3. Business Name:

4. Mailing Address:

5. City: State: Zip

6. Amount overpaid/underpaid:\$

7. For the period(s) of:

8. State full and complete reasons for the error(s) in reporting which resulted in the above listed over/under payment:

These figures are provided to the best of my knowledge and I understand that this form does not restrict the Department of Revenue from performing an audit of my records.

Name (Please Print):

Signature: _____ Date:

Title: Telephone Number:

(For Department Use Only)

DOR Comments: _____

Postmark: _____

Reviewed By: _____ Date: _____

MF056 07/11

All amended returns covering the periods indicated above must accompany this form



Affidavit of Accidental Mixing of Undyed Fuel With Dyed Fuel

Reference SDCL 10-47B-132

Explanation

Any business or person may collect a refund of fuel taxes on undyed fuel that is accidentally mixed with dyed fuel. However, to qualify for this refund, the amount of undyed fuel accidentally mixed must exceed 500 gallons and the claimant must notify the Department of Revenue within 5 days of the accidental mixture.

Claimant Information

Claimant Name	License Number (if Applicable)
Address	Phone Number

Attach copies of all fuel invoices related to this accidental mixture.

1 Total gallons of undyed diesel fuel accidentally mixed with dyed diesel fuel – Obtain from sales invoice	1	
2 Fuel Tax Rate	2	\$0.28
3 Total Fuel Tax Due – Multiply Line 1 by Line 2	3	\$
4 Total Fuel Cost – Obtain from invoice	4	
5 Net Fuel Cost – Subtract Line 3 from Line 4	5	\$
6 Sales Tax Due – Multiply amount on Line 5 by \$0.04	6	\$
7 Refund Amount – Subtract Line 6 from Line 3	7	\$

Claimant and/or Marketer/Retailer Signature

I/we declare and affirm under the penalty of perjury that _____ gallons of undyed (taxed) fuel were accidentally mixed with _____ gallons of dyed fuel on _____, 20____. I/we understand that the mixed fuel may be dyed by the Department of Revenue to the specifications set forth by law if deemed necessary by the Secretary of Revenue. I/we further declare that this dyed fuel will be used for the purpose stated below.

Explain Purpose for Dyed Fuel

Claimant Signature	Title	Date
Marketer/Retailer Signature	Title	Date

Notarization

Affix Seal Here	<p style="text-align: center;">Subscribed and sworn before me this _____ day of _____, 20_____.</p> <p style="text-align: center;">_____ Notary Public</p> <p style="text-align: center;">My commission expires on _____</p>
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Affidavit of Sale of Undyed Diesel Fuel As Heating Oil

Reference SDCL 10-47B-128

Explanation

In the event that a customer is unable to purchase dyed diesel fuel for use as heating oil, a marketer or retailer may sell undyed diesel fuel in its place. The marketer or retailer must then testify through affidavit that he or she was unable to obtain dyed diesel fuel and had to substitute undyed diesel fuel. With this affidavit, the customer can then apply for a refund of fuel taxes, but must pay sales tax on the cost of the fuel minus fuel tax.

Marketer/Retailer Information

Marketer/Retailer Name	License Number
Address	

Customer Information (Refund Claimant)

Customer Name	
Customer Address	Phone Number

Attach a copy of the original sales invoice and complete refund claim information below.

1 Total gallons of undyed diesel fuel purchased for use as heating fuel – Obtain from sales invoice	1	
2 Fuel Tax Rate	2	\$.28
3 Total Fuel Tax Paid – Multiply Line 1 by Line 2	3	\$
4 Total Fuel Cost (including tax) – Obtain from sales invoice	4	\$
5 Net Fuel Cost – Subtract Line 3 from Line 4	5	\$
6 Sales Tax Due – Multiply amount on Line 5 by \$0.04	6	\$
7 Refund Amount – Subtract Line 6 from Line 3	7	\$

Marketer/Retailer Signature

I declare and affirm under the penalty of perjury that on _____, 20_____, I sold _____ gallons of undyed (taxed) diesel fuel to the customer listed above because I was unable to obtain dyed diesel fuel from any of my regular sources. I have informed the customer that sales tax due on the fuel will be deducted from the customer's refund of fuel taxes.

Signature	Title	Date
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Notarization

Affix Seal Here	<p>Subscribed and sworn before me this _____ day of _____, 20_____.</p> <p>_____ Notary Public</p> <p>My commission expires on _____</p>
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Affidavit of Loss of Taxable Fuel

Reference SDCL 10-47B-137

Explanation

Any person or business licensed in the sale of fuels may collect a refund of fuel taxes paid on fuel lost by leakage or theft, or fuel lost or destroyed by fire, flood, tornado, windstorm or explosion. For a refund of taxes on fuel lost by leakage or theft, the total gallons lost must exceed 500 gallons. For a refund of taxes on fuel lost or destroyed by fire, flood, tornado, windstorm or explosion, the total gallons must exceed 100 gallons.

All claims must be filed with the Department of Revenue within 30 days after the loss is discovered.

Attach this completed affidavit to the Marketer Refund Form. Be sure that you have completed Line 3 of the form.

Claimant Information

Claimant Name	License Number
Address	Phone Number

Loss Information

Casualty Loss Caused By - Check One

Fire Lightning Flood Tornado Windstorm Explosion Other (Explain):

Note: Casualty loss must exceed 100 gallons. Attach copies of insurance report.

Loss Form - Check One

Theft Tank Leakage

Note: Loss by theft or leakage must exceed 500 gallons. If fuel is lost by theft, attach copies of police and insurance reports.

Type of product Lost	Gallons Lost	X	Tax Rate \$	=	Claim Amount \$
Date of Loss	Location of Loss				
Explanation of circumstances surrounding loss					

Signature

I declare and affirm under the penalty of perjury that this report has been examined by me, and to the best of my knowledge and belief is in all things true and correct. I understand that upon request, my books and records will be made available for inspection by the Department. I also understand that if the loss was not reported to the Department of Revenue by registered or certified mail within 10 days of the discovery of the loss, I am not entitled to a refund of any tax paid on the claimed fuel.

Signature	Title	Date
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Notarization Affix Seal Here	Subscribed and sworn before me this _____ day
	of _____, 20_____.
	_____ Notary Public
	My commission expires on _____



Affidavit of Inspection of LPG Bulk Tank

Reference SDCL 10-47B-167

Explanation

In order to sell LPG tax-unpaid to a purchaser who owns a licensed LPG-powered motor vehicle, the LPG vendor must inspect the purchaser's bulk storage tank to determine if it has a liquid transfer line.

LPG Vendor Information

LPG Vendor	License Number
Address	

Customer Information

Customer Name
Customer Address
The customer listed above owns a licensed, LPG-powered vehicle.

Signature

I declare and affirm under the penalty of perjury that on _____, 20_____, I inspected the liquefied petroleum gas bulk storage tank belonging to the customer identified above, and on that date, the tank had no liquid transfer line that could be used to fill the supply tank of an LPG-powered vehicle.

Signature	Title	Date
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Retain this affidavit in your files for audit purposes.

Notarization

Affix Seal Here	Subscribed and sworn before me this _____ day of _____, 20_____. _____ Notary Public My commission expires on _____
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Uniform Schedule of Disbursement Instructions

***Sellers of fuel are to enter the following information on the Uniform Schedule of Disbursements for each transaction that occurred during the reporting period):**

1. Line 1 - Check the box to identify the type of transaction that is being entered on the schedule (Original, Modified or Added). Modified and Added transactions are only filed for Amended Tax Returns;
2. Line 2 - Enter your Seller's or Exporter's Company Name, South Dakota License Number and the Reporting Period at the top of the form;
3. First Column - Schedule Type, enter the type that applies:
 - Schedule Type 5 - Gallons of fuel delivered with the South Dakota fuel excise tax collected;
 - Schedule Type 6a through 6e - Various types of tax-exempt sales as indicated on the form;
 - Schedule Type 7 - Gallons exported from the state;
 - Schedule Type 8 - Gallons sold to the U S Government and the Defense Supply Center; and
 - Schedule Type 10 - Gallons sold to other tax-exempt entities.
4. Column 1 - Enter the Carrier Name;
5. Column 2 - Enter the Carrier FEIN;
6. Column 3 - Enter the Mode of Transportation;
7. Column 4 - Enter the Point of Origin and the Point of Destination for the fuel;
8. Column 5 - Enter the party that you sold the fuel to (Purchaser);
9. Column 6 - Enter the Purchaser's FEIN;
10. Column 7 - Enter the date that the fuel was sold/shipped by you;
11. Column 8- Enter the Manifest (BOL) Number;
12. Column 9 - Enter the Gross Gallons sold; and
13. Last Column - Enter the Product Type (each type is located on Page 3 of this manual);
14. Last Line - Enter the total number of gross gallons that were sold and/or exported.

Uniform Schedule of Receipts Instructions

***(Importers are to enter the following information on the Uniform Schedule of Receipts for each transaction that occurred during the reporting period):**

1. Line 1 - Check the box to identify the type of transaction that is being entered on the schedule (Original, Modified or Added). Modified and Added transactions are only filed for Amended Tax Returns;
2. Line 2 - Enter your Company Name, South Dakota License Number and the Reporting Period at the top of this form;
3. First Column - Schedule Type: (These are the only schedule types to be entered on this form):
 - Schedule Type 1a - Gallons imported into South Dakota on a tax-paid basis;
 - Schedule Type 2a - Gallons imported into South Dakota on a tax-unpaid basis.
4. Column 1 - Enter the Carrier Name;
5. Column 2 - Enter the Carrier FEIN;
6. Column 3 - Enter the Mode of Transportation;
7. Column 4 - Enter the Point of Origin and the Point of Destination for the fuel;
8. Column 5 - Enter the party that the fuel was acquired from (Seller);
9. Column 6 - Enter the Seller's FEIN;
10. Column 7 - Enter the date the fuel was received or loaded by you;
11. Column 8 - Enter the Manifest (BOL) Number;
12. Column 10 - Enter the Gross Gallons; and
13. Last Column - Enter the Product Type (located on Page 3 of this manual);
14. Last Line - Enter the total number of gross gallons that were imported into South Dakota.

EPath Schedule Instructions

* (Enter the following information on the EPath Schedule for each transaction that occurred during the reporting period).

1. Column 1 - Enter the Schedule Type;
2. Column 2 - Enter the Carrier Name;
3. Column 3 - Enter the Carrier FEIN #;
4. Column 4 – Enter Mode;
5. Column 5 - Enter the Point of Origin (Two digits, SD)
6. Column 6 - Enter the Point of Destination for the fuel (Two digits, MN);
7. Column 7 - Enter the Company or individuals name the fuel was sold to or purchased from;
8. Column 8 – Enter Purchaser’s or Seller’s FEIN;
9. Column 9- Enter the date the fuel was received or loaded by you (BOL Date)
10. Column 10- Enter the Manifest (BOL) Number
11. Column 11- Enter the Gross Gallons
12. Column 12- Enter the Product Type

Schedule Types by Licensee

Ethanol Producer

1. 5- Gallons Delivered with the tax collected
2. 6a- Gallons sold exempt of taxes because customer is a licensed exporter
3. 10- Gallons sold to other tax exempt entities

Importer/Exporter

1. 1A-Gallons received, originating state tax paid
2. 2A- Gallons received from terminals, refineries, or distributors, origin tax-unpaid
3. 2B- Gallons received tax-unpaid, bendable stock
4. 2C- Gallons received imported, tax-unpaid diversion
5. 5- Gallons delivered with the tax collected
6. 7- Gallons exported out of state to the state of _____
7. 7B- Gallons sold for export, originating state tax paid
8. 10- Gallons sold to other tax exempt entities

Supplier

1. 5- Gallons delivered with tax collected
2. 6a- Gallons sold exempt of taxes because customer is a licensed exporter
3. 8- Gallons sold to US Government tax exempt
4. 10- Gallons sold to other tax exempt entities

LPG Vendor

1. 6e- Gallons sold tax-unpaid to other licensed LPG Vendors
2. 8- Gallons sold tax- unpaid to exempt Government agencies
3. 7- Gallons exported from South Dakota
4. 2- Gallons purchased during the month or brought into South Dakota
5. 10g- Gallons sold tax-unpaid to licensed LPG Users or Highway Contractors

Product Types

- 054 Propane
- 061 Natural Gasoline
- 065 Gasoline
- 072 Kerosene (Dye added)
- 073 Kerosene High Sulfur (Dye added)
- 074 Kerosene High Sulfur (Dye added)
- 092 Other- Undefined Products
- 123 Alcohol
- 125 Aviation Gasoline (AVGAS)
- 130 Jet Fuel
- 142 Kerosene (Undyed-Clear)
- 145 Kerosene Low Sulfur (Undyed- Clear)
- 147 Kerosene High Sulfur (Undyed-Clear)
- 160 Diesel Fuel (Undyed)
- 170 Clear Biodiesel Blend
- 171 Dyed Biodiesel Blend
- 224 Compressed Natural Gas
- 228 Dyed Diesel Fuel
- 243 Methanol
- 284 Clear Biodiesel
- 290 Dyed Biodiesel

