

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.

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.

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 \$.02 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 This tax reduction will be repealed once thirty-five million gallons of taxed biodiesel and biodiesel blend are sold after the effective date of the tax rate reduction.

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.

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.

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.

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.

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.



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 5 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. (Schedule type 284 or 290)
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.
5. Report total gallons of biodiesel sold during reporting period – Add Lines 4 and 5.
6. Report total gallons of biodiesel remaining in inventory – Subtract Line 6 from Line 3.
7. Report total gallons of biodiesel sold during reporting period. Record the amount from line 6.
8. Report total gallons of biodiesel produced out of state. (Manual Entry)
9. Net gallons of biodiesel produced – Subtract Line 9 from Line 8.
10. Report total gallons of ethanol/methanol used to produce biodiesel. (Manual Entry)
11. Net credit due for gallons of ethanol/methanol used to produce biodiesel – Multiply Line 11 by \$.14.
12. Net credit due for gallons of ethanol/methanol used to produce biodiesel – Multiply Line 11 by \$.02.
13. Report total credit for this reporting period – Add Lines 12 and 13.
14. Report total gallons of biodiesel sold to unlicensed purchasers. Record amount from Line 5.
15. Fuel tax due – Multiply Line 15 by \$.28.
16. Tank Inspection Fee due – Multiply Line 15 by \$.02.
17. Total Taxes and Fees – Add Lines 16 and 17 and subtract line 14.
18. Interest and Penalty. Interest is calculated the first month at 1% or \$5 whichever is greater and 1percent per month thereafter. The Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
19. Balance Due or Credit from prior reporting periods (See computer notice).
20. Total Taxes and Fees for this reporting period – Add Lines 18, 19 and add or subtract Line 20 (depending on balance due or credit).