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.

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.

Ethanol Blends

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

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.

Selling Ethanol Blends and Methanol Blends

Ethyl Alcohol and Methyl Alcohol are taxed at the rate of $.08 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.

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.

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.

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.

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.

South Dakota Blender's Tax Return

Previously Taxed Fuel   **Previously Untaxed Fuel**

☐ 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	X	$0.28	=	$0.00
2	Dyed Biodiesel Blend	■	■	0	0	0	0	X	$0.00	=	■
3	Other Blends	0	0	0	0	0	0	X	$0.28	=	$0.00
4	Biodiesel Sold To Unlicensed	■	■	■	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)	**7** $0.00	**11** Subtotal: Taxes and Tank Inspection Fee Previously Paid (Add Lines 9a + 9b and Line 10) **11** $0.00
8 Total Tax and Tank Inspection Fee Due (Add Lines 6 & 7)	**8** $0.00	**12** Tax Due(Subtract Line 11 From Line 8) **12** $0.00
9a Total Taxes Previously Paid for Gas (Line 5 Col. A X $0.28)	**9a** $0.00	**13** Interest (If filed after due date) **13** $0.00 Penalty (If filed after due date) $0.00
9b Taxes Paid for Diesel (Line 5 Col. B X $0.28)	**9b** $0.00	**14** Balance or Credit **14** $0.00
10 Tank Inspection Fee on Previously Taxed Fuel (Line 5 Col. A, B + C X $0.02)	**10** $0.00	**15** Total Remittance (Add Lines 12, 13, & 14) **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'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.

Definitions

Biodiesel Blend
A blended of special fuel containing a minimum of five percent by volume of biodiesel.