

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.

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.

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.

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.

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.



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

Column A
Compressed
Natural Gas (CNG)

Report in Whole **Gross** Gallons Only

SALES SUMMARY

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

TAX CALCULATION AND REMITTANCE

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

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 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 1.25% per month. First month is \$5 or 1.25%, whichever is greater. Penalty is calculated at 10% 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).