

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.

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. Exporters must be licensed to do business in South Dakota. In 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. 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.

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.

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 \$.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. **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.** 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.

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:

- 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:

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:
 - 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:
 - 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.

All invoices involving customer transactions must contain the customer's name and address.

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.

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.

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.

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.

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:

- 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.

South Dakota Importer and Exporter Tax Return

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

Report in Whole Gross Gallons Only

Check here if this is an amended return

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

TAX COMPUTATION	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
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	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
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	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
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 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).