

## 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.

### 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 Terminal Operator releases an ethanol or methanol blend, the bill of lading must list the alcohol gallons and gasoline gallons separately.**

### 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:

- 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.

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.

If the destination state is not prominently 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 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.

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.

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.

### 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 31s. 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.



# Terminal Operator's Report Pipeline Reporting

|              |                |                  |
|--------------|----------------|------------------|
| Company Name | License Number | Reporting Period |
|--------------|----------------|------------------|

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| Mail Report to: South Dakota Department of Revenue<br>445 E Capitol Ave<br>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    |

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|          | a             | Gallons withdrawn by this supplier with a destination in SD      | a |  |  |  |  |  |  |  |
|          | b             | Gallons withdrawn by this supplier with a destination outside SD | b |  |  |  |  |  |  |  |
|          | c             | Total gallons withdrawn by this supplier (add lines 1a & 1b)     | c |  |  |  |  |  |  |  |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|          | a             | Gallons withdrawn by this supplier with a destination in SD      | a |  |  |  |  |  |  |  |
|          | b             | Gallons withdrawn by this supplier with a destination outside SD | b |  |  |  |  |  |  |  |
|          | c             | Total gallons withdrawn by this supplier (add lines 2a & 2b)     | c |  |  |  |  |  |  |  |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|          | a             | Gallons withdrawn by this supplier with a destination in SD      | a |  |  |  |  |  |  |  |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

**Attach additional sheets if necessary**

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

|   |           |       |      |
|---|-----------|-------|------|
| 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 | Title | Date |