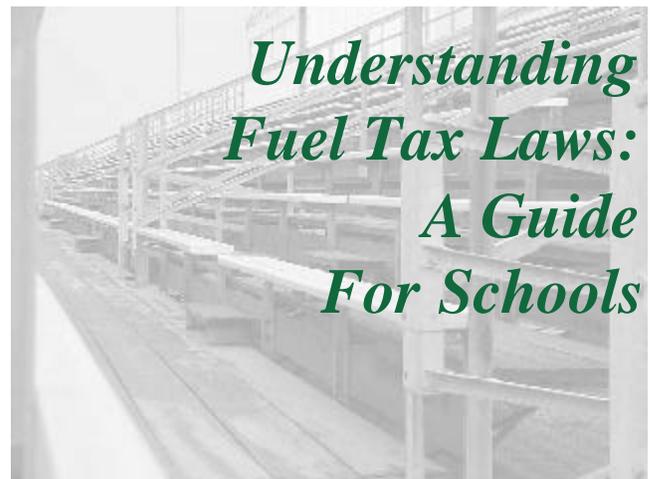


If you have further questions about South Dakota's fuel taxes, contact the Division of Motor Vehicles at the address below:

South Dakota
Department of Revenue & Regulation
Division of Motor Vehicles
445 East Capitol Avenue
Pierre, SD 57501-3185
(605) 773-3541

State (SDCL 20-13) and federal (Title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1973 as amended, and the Americans with Disabilities Act of 1990) laws require that the Department of Revenue & Regulation provide services to all persons without regard to race, color, creed, religion, sex, disability, ancestry or national origin.





Fuel Tax Laws: A Guide for Schools

Schools may use large quantities of fuel in their vehicles. This pamphlet is intended to clarify how the fuel should be purchased and what uses are subject to tax.

Diesel fuel used in licensed vehicles

Although schools are exempt from paying federal fuel tax, South Dakota law does not exempt schools from the state fuel tax. Therefore, vehicles operated by the school must use the undyed, taxed diesel fuel. With both the federal and state fuel taxes imposed on undyed diesel fuel, it is necessary for the retailer or marketer who sells the fuel to the school to seek a refund of the federal fuel tax.

Diesel fuel used for heating purposes or in unlicensed equipment

Diesel fuel used for heating purposes or in unlicensed equipment to maintain school properties must buy the dyed (untaxed) diesel fuel. This fuel is also exempt from sales tax. A refund of state fuel tax is not

available for undyed (taxed) diesel fuel purchased and used for heating purposes or in unlicensed equipment, so it is up to you to make sure you buy the right fuel. If an *emergency shortage* of the dyed (untaxed) diesel fuel would occur and you *had* to use the undyed (taxed) diesel fuel, a refund procedure is available. Certain requirements must be met when the undyed (taxed) diesel has been used for heating purposes. Contact our office if this occurs.

Gasoline and Gasohol

Gasoline or gasohol powered vehicles are not exempt from state fuel tax. The appropriate taxes will be assessed by your supplier at the time of the sale.

The one exception would be the sale of motor fuel (gasoline or gasohol) in bulk to a licensed tribal Indian School. The school must apply for and obtain a special license from the Department of Revenue & Regulation. BIA schools are part of the U.S. Government and are exempt from state fuel tax on both gasoline and diesel fuel. The supplier can sell this fuel exempt from state tax and apply for a refund of the state fuel tax through the Marketer's License. This type of sale is considered a sale made to the U.S. Government.