



<https://dor.sd.gov/> 1-800-829-9188

# Blender

The purpose of this Tax Fact is to explain how South Dakota motor fuel taxes apply to motor fuel transactions. It is not intended to answer all questions that may arise. The information contained in this fact sheet is current as of the date of publication.

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## Who Needs an Blender License?

A person engaged in the activity of making blends of motor fuel and/or additives that have not been previously motor fuel taxed. The term *fuel additive* does not apply to additives added by the motor fuel users. A blender license is not required if the mixed product does not result in the production of motor fuel.

### Examples:

1. *Slow Stop Shop, a convenience store and gas station, purchases barrels of motor fuel additive. They add this additive to their motor fuel in the winter to keep it from freezing or gelling. No motor fuel tax was previously charged on the fuel additive.*
  - Slow Stop Shop will be required to obtain a Blender License to remit motor fuel taxes and tank inspection fees on the fuel additive.
2. *Tom Smith purchases a fuel additive to prevent his motor fuel from freezing and adds this to the fuel in his vehicle.*
  - Since this additive is added by the motor fuel user in their own fuel tank, a blender license is not required.

## South Dakota Motor Fuel Tax Rates

<b>Gasoline</b>	<b>.28</b>
<b>Undyed Diesel (including biodiesel)</b>	<b>.28</b>
<b>Ethanol</b>	<b>.14</b>

Visit <https://dor.sd.gov/individuals/taxes/motor-fuel/> for a complete list of motor fuel tax rates.

**Blender tax returns should be filed electronically monthly using Epath.**

## Biodiesel

If producing biodiesel blends, a Blender License may be required. Blenders are allowed to purchase undyed biodiesel tax exempt. Once the biodiesel is blended with another product to make motor fuel, taxes and tank inspection fees are due. Additionally, any other fuel additives will be required to be motor fuel taxed.

Biodiesel is a fuel that is derived from vegetable oils or animal fats. To be considered biodiesel it must meet the requirements of the American Society of Testing and Materials D6751.

A biodiesel blend is a blend of special fuel containing a minimum of 5% by volume of biodiesel.

If all fuel and additives in the biodiesel blend have been previously motor fuel taxed, a [Blender Affidavit](#) can be signed in lieu of a Blender License.

### Example:

*Joe Fuel, a service station, has special pumps at their station that allow the customers to choose their blend. This station purchases their clear diesel, biodiesel, and fuel additives from a supplier with motor fuel taxes and tank inspection fees already included.*

- If Joe Fuel service station has a signed Blender Affidavit on file with the Department of Revenue, no Blender License is required.

## Record Keeping

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Detailed records must be kept of all fuel transactions. Records must be kept for the current year plus the three preceding years.

Required records to keep include, but may not be limited to:

- Sales and purchase invoices
- Bills of lading
- Drop load tickets
- Inventory records
  - ⇒ Total gallons of each type of previously taxed fuel blended during the month
  - ⇒ Total gallons of previously untaxed fuel blended during the month
  - ⇒ Total gallons of other fuel (including additives) blended during the month.

Go online to <https://dor.sd.gov/businesses/taxes/motor-fuel/> for tax information that applies to your business.

Please visit <https://dor.sd.gov/businesses/taxes/motor-fuel/#dates> if you would like assistance filling out online returns.

### **Contact Us**

If you have any questions, please contact the **South Dakota Department of Revenue.**

**Call toll-free:** 1-800-829-9188

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**Website:** <https://dor.sd.gov/>

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