

Terminal Operator

Gasoline

Ethanol

tax rates.

Undyed Diesel

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

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.

June 2021

South Dakota Motor Fuel Tax Rates

Visit https://dor.sd.gov/individuals/taxes/

motor-fuel/ for a complete list of motor fuel

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Who Needs a Terminal Operator License?

The Terminal Operator license is required if a business is operating as a motor fuel pipeline terminal in the state. A separate license is required for each location but a business can file a consolidated report. To operate as a pipeline terminal the business must be registered as a qualified terminal by the Internal Revenue Service for receipt of taxable fuels free from federal fuel taxes.

A Terminal Operator is the person, who by ownership or contractual agreement, is charged with the responsibility and physical control over the operation of the terminal.

Terminal operators are responsible for:

- Providing all the bills of lading for fuel pulled from pipeline terminals in South Dakota
- Adding dyes to special fuel before it leaves the facility
- Verifying that all transporters and suppliers operating inside a terminal are licensed

Tax Remitting Responsibilities

No taxes are remitted by a Terminal Operator, but separate licenses may be required if the terminal owns fuel.

Reports and Bills of Lading (BOL)

The terminal operator report and bills of lading should include:

- Terminal name and address the fuel was pulled from
- Product code
- Carrier and their FEIN
- Mode it was transported (truck or railcar)
- Consignee
- Destination city
- Destination state

- Original supplier and their FEIN
- Bill of lading (BOL) date
- BOL number
- Gross gallons
- Net gallons
- South Dakota supplier and their FEIN

Terminal Operator returns should be filed electronically monthly using <u>Epath</u>.

Record Keeping

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

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

- Bills of lading
- Monthly fuel inventories
- Journals/Ledgers
- Fuel usage records
- Specific storage tank measurements

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

Please go to our website at <u>https://dor.sd.gov/</u> and search for our filing guides 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 **Motor Vehicle Division Email:** <u>sdmotorfuel@state.sd.us</u> **Website:** <u>https://dor.sd.gov/</u> **Mailing address and office location:** South Dakota Department of Revenue 445 East Capitol Ave

Pierre, SD 57501