



Motor Fuel Claim for Refund Licensed Distributor/Importer Hold Harmless Return Instructions

North Carolina Department of Revenue

General Instructions

G. S. 105-449.105B allows licensed distributors and importers to file for the discount allowance that was afforded licensees based on General Statutes prior to January 1, 1996. If a licensed distributor or licensed importer purchases motor fuel from a licensed supplier during a month and the discount the distributor or importer receives under G.S. 105-449.93(b) on the motor fuel is less than the amount the distributor or importer would have received during that month if the distributor or importer had been allowed a discount on taxable gasoline purchased by the distributor or importer from a supplier under the following schedule, the distributor or importer is allowed a monthly refund of the difference:

Amount of Gasoline Purchased Each Month	Percentage Discount
First 150,000 gallons	2%
Next 100,000 gallons	1 1/2%
Amount over 250,000 gallons	1%

The hold harmless refund return may be filed by licensed distributors and importers who purchase gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline from a North Carolina licensed supplier.

The licensed distributor/importer hold harmless refund and supporting schedules are due on or before the 22nd day of the month following the month in which the fuel was purchased.

Amended Returns: If you need to amend a previously filed Licensed Distributor/Importer Hold Harmless Return, you must complete Gas-1241, Licensed Distributor/Importer Hold Harmless Return. Attach only the schedules with the required corrections.

Line-by-Line Instructions

Part 1 - Computation of Hold Harmless Refund

Line 1 - Net gallons subject to the road tax based on law effective 1/1/96

Enter the gallons from Line 29, Total Column from Gas-1241, page 2.

Line 2 - Road tax discount allowance gallons based on law effective 1/1/96

Multiply Line 1 by 1% (0.01).

Line 3 - Road tax discount allowance received from suppliers and returns filed

Multiply Line 2 by the applicable road tax rate. The applicable tax rate is the motor fuel excise tax rate for the month for which the refund is claimed. The rate is published on the Department's website at www.dornc.com.

Line 4 - Net gallons subject to the inspection tax based on law effective 1/1/96

Enter the gallons from Line 30, Total Column from Gas-1241, page 2.

Line 5 - Inspection tax discount allowance gallons based on law effective 1/1/96

Multiply Line 4 by 1% (0.01).

Line 6 - Inspection tax discount allowance received from suppliers and returns filed

Multiply Line 5 by \$0.0025.

Line 7 - Net road and inspection tax discount allowance received from suppliers and returns filed

Add Line 3 and Line 6.

Line 8 - Net gallons subject to the road tax discount allowance based on law prior to 1/1/96

Enter the gallons from Line 31, Total Column from Gas-1241, page 2.

Line 9 - Computation of road tax gallons subject to the discount allowance based on law prior to 1/1/96

Line 9a. Compare Line 8 to 150,000 gallons. If Line 8 is greater than 150,000 enter 3,000; otherwise, multiply Line 8 by 2% (0.02) and enter result.

Line 9b. Compare Line 8 to 250,000 gallons. If Line 8 is greater than 250,000 enter 1,500; otherwise, subtract 150,000 from Line 8 and multiply the result by 1.5% (0.015).

Line 9c. Compare Line 8 to 250,000 gallons. If Line 8 is greater than 250,000, then subtract 250,000 from Line 8 and multiply the result by 1% (0.01).

Line 9d - Total road tax gallons subject to the discount allowance based on law prior to 1/1/96

Add Lines 9a, 9b, and 9c.

Line 10 - Road tax discount allowance based on law prior to 1/1/96

Multiply Line 9d by the applicable road tax rate. The applicable tax rate is the motor fuel excise tax rate for the month for which the refund is claimed. The rate is published on the Department's website at www.dornc.com.

Line 11 - Net gallons subject to the inspection tax discount allowance based on law prior to 1/1/96

Enter the gallons from Line 32, Total Column from Gas-1241, page 2.

Line 12 - Computation of inspection tax gallons subject to the discount allowance based on law prior to 1/1/96

Line 12a. Compare Line 11 to 150,000 gallons. If Line 11 is greater than 150,000 enter 3,000; otherwise, multiply Line 11 by 2% (0.02) and enter result.

Line 12b. Compare Line 11 to 250,000 gallons. If Line 11 is greater than 250,000 enter 1,500; otherwise, subtract 150,000 from Line 11 and multiply the result by 1.5% (0.015).

Line 12c. Compare Line 11 to 250,000 gallons. If Line 11 is greater than 250,000, then subtract 250,000 from Line 11 and multiply the result by 1% (0.01).

Line 12d - Total inspection tax gallons subject to the discount allowance based on law prior to 1/1/96

Add Lines 12a, 12b, and 12c.

Line 13 - Inspection tax discount allowance based on law prior to 1/1/96

Multiply Line 12d by \$0.0025.

Line 14 - Net road and inspection tax discount allowance based on law prior to 1/1/96

Add Line 10 and Line 13.

Line 15 - Net discount allowance refund due

Compare Line 7 and Line 14. If Line 7 is greater than Line 14, enter 0. If Line 7 is less than Line 14, subtract Line 7 from Line 14 and enter the result.

Part 2 - Computation of Gallons

Line 16 - Tax-paid gallons purchased from a licensed supplier

Gas-1241RS, Schedule 1 - Schedule of Tax-Paid Receipts will provide supplier summary data in support of the amounts shown as tax-paid purchases on Line 16 of the return. The distributor/importer must provide a summary of purchases of North Carolina tax-paid product by supplier. A separate schedule is required to be filed for each product type. Complete the information at the top of each schedule showing the distributor/importer legal name as shown on the face of the return, distributor/importer account number, product type and month/year of the return.

- Columns 6:** **Seller Name** - Enter the name of the company from which the product was acquired.
- Column 7:** **Seller FEIN** - Enter the account number of the company from which the product was acquired.
- Column 12:** **Billed Gallons** - Enter the number of gallons that were billed on the invoice for which you paid tax. Provide a grand total for Column 12 for each product type. Carry the total of tax-paid purchases in Column 12 forward to Page 2, Part 2, Line 16 and enter on the line matching the appropriate product type total.

Line 17 - Gallons reported on Gas-1219, Schedule 3

Enter the gallons, by product type, as reported on Schedule 3 of the Gas-1219 return.

Line 18 - Gallons reported on Gas-1219, Schedule 5F

Enter the gallons, by product type, as reported on Schedule 5F of the Gas-1219 return.

Line 19 - Gallons reported on Gas-1219, Schedule 6F

Enter the gallons, by product type, as reported on Schedule 6F of the Gas-1219 return.

Line 20 - Gallons reported on Gas-1219, Schedule 11

Enter the gallons, by product type, as reported on Schedule 11 of the Gas-1219 return.

Line 21 - Gallons reported on Gas-1259, Schedule 5W

Enter the gallons, by product type, as reported on Schedule 5W of the Gas-1259 return.

Line 22 - Gallons reported on Gas-1260, Line 1

Enter the gallons, by product type, as reported on Line 1 of the Gas-1260 return.

Line 23 - Gallons reported on Gas-1264, Schedule 5C

Enter the gallons, by product type, as reported on Schedule 5C of the Gas-1264 return.

Line 24- Gallons reported on Gas-1264, Schedule 6F

Enter the gallons, by product type, as reported on Schedule 6F of the Gas-1264 return.

Line 25 - Gallons reported on Gas-1264, Schedule 11

Enter the gallons, by product type, as reported on Schedule 11 of the Gas-1264 return.

Line 26 - Gallons reported on Gas-1206, Line 3

Enter the gallons as reported on Line 3 of the Gas-1206 return. **Note:** The Gas-1206 refund return does not separate the gasoline, diesel, and kerosene gallons that were taxed for road and inspection taxes therefore all gallons reported on Line 3 of the Gas-1206 should be reported under the gasoline column.

Line 27 - Gallons reported on Gas-1210, Line 1

Enter the gallons, by product type, as reported on Line 1 of the Gas-1210 return.

Line 28 - Gallons reported on Gas-1239, Line 1

Enter the gallons, by product type, as reported on Line 1 of the Gas-1239 return.

Line 29 - Net gallons subject to the road tax discount allowance effective 1/1/96

Add Lines 16, 21, 22, 23, and 25, then subtract Lines 26, 27, and 28.

Line 30 - Net gallons subject to the inspection tax discount allowance effective 1/1/96

Add Lines 16, 21, 22, 23, 24, and 25, then subtract Lines 26, 27, and 28.

Line 31 - Net gallons subject to the road tax discount allowance prior to 1/1/96

Add Lines 16, 17, 20, 21, 22, 23, and 25, then subtract Lines 26 and 28.

Line 32 - Net gallons subject to the inspection tax discount allowance prior to 1/1/96

Add Lines 16 through 23, and Line 25, then subtract Lines 26, 27, and 28.

MAIL TO:

North Carolina Department of Revenue
Excise Tax Division
Post Office Box 25000
Raleigh, North Carolina 27640-0950

QUESTIONS:

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