NCDOR
Web
12-17

GAS-1264 Instructions
Fuel Alcohol and Biodiesel Provider Return Instructions

General Instructions

Fuel alcohol and biodiesel providers are those fuel tax licensees who produce fuel alcohol or biodiesel; or import fuel alcohol or biodiesel outside the terminal transfer system into North Carolina by rail or transport truck.

Fuel Alcohol and Biodiesel Providers may:

1. Acquire fuel from, or exchange with, other suppliers and fuel alcohol or biodiesel providers;
2. Sell fuel to distributors and licensed distributors who import or resell to customers in this state;
3. Sell fuel to licensed distributors and licensed exporters where such fuel is destined to be exported;
4. Sell fuel to retail dealers or bulk end-users;
5. Sell fuel to the United States Government;
6. Sell fuel to the State of North Carolina;
7. Sell fuel to a North Carolina local board of education;
8. Sell fuel to a North Carolina county, municipal corporation, or hospital authority;
9. Sell fuel to a North Carolina charter school;
10. Sell fuel to a North Carolina community college; and
11. Blend products at the loading rack where the end product may be used to propel a vehicle, vessel, or aircraft.

The Fuel Alcohol and Biodiesel Provider Return (GAS-1264) is required to be filed by fuel alcohol and biodiesel providers who transfer, exchange, loan, sell, or blend fuel alcohol or biodiesel from the storage facility at the production location within North Carolina. This return is also required to be filed by persons selling fuel alcohol and biodiesel from bulk locations within or outside this state, when such fuel is destined for sale or use in North Carolina. This return is required to be filed by the 22nd day after the end of each month.

If the return and payment are not submitted timely, the administrative discount will be disallowed.

A failure to file penalty will be assessed when returns are not received by the due date of the return, based on the amount of tax due on the return. A five percent (5%) penalty up to twenty-five percent (25%) maximum penalty will be assessed for each month the return is late.

A failure to pay penalty of ten percent (10%) of the amount of tax due and not paid will be assessed when the payment is not received by the due date of the return.

In addition, interest will be charged at a daily rate from the date the tax is due until the date the tax is paid. The interest is subject to change every six months; therefore, the rates should be verified on the Department's website at **www.ncdor.gov**.

Electronic Mandate: The Fuel Alcohol and Biodiesel Provider Return (GAS-1264) is required to be filed and paid electronically. Taxes may be remitted by Electronic Funds Transfer (EFT) or through the Motor Fuel Tracking System at **www.ncdor.gov**.

For EFT taxpayers, the Department must receive your EFT authorization by 3:45 PM on the 21st day after the end of each month. If the 21st falls on a Saturday, Sunday, or state or bank holiday, the EFT authorization must be received by 3:45 PM on the last business day prior to the Saturday, Sunday, state or bank holiday. **Remember**: Your account is debited on the banking day following your call.

For non-EFT taxpayers, the return, supporting schedules, and payment must be received by the Department on or before the the 22nd day after the end of each month. If the 22nd falls on a Saturday, Sunday, or state holiday, the return and payment MUST BE RECEIVED by the Department on the next business day. This also applies to returns when no tax is due.

Amended Returns: Prior period adjustments are not allowed on current returns. If you must amend a previously filed fuel alcohol and biodiesel provider return, you must complete GAS-1264, Fuel Alcohol and Biodiesel Provider Return, front and back. Attach only the schedules with the required adjustments.

Line-by-Line Instructions

Part 1 - Fuel Accountability

Line 1 - Beginning physical inventory
Report the beginning physical inventory of fuel alcohol or biodiesel. The figures should agree with the prior month's ending physical inventory.

Line 2 - Receipts
The gallons required to be reported on this line should agree with the total from Part 3, Line 27. This is the detailed information provided in Schedules 1 and 2 along with the total in-state refinery production. This amount should reflect the total number of gallons of fuel alcohol or biodiesel received during the month.

Line 3 - Disbursements
The gallons required to be reported on this line should agree with the total from Part 4, Line 39, which is the total of the detailed information provided in Schedules 5A, 5C, 6F, 7, 8, 9A, 9C, 9E, 9F, and 9G. This amount should reflect the total number of gallons of fuel alcohol or biodiesel disbursed during the month.

Line 4 - Transfers
Enter the total gallons of fuel that were transferred from one product type to another. (Ex: Undyed biodiesel to dyed biodiesel)

Line 5 - Gain/(Loss)
Add Lines 1 and 2 then subtract Lines 3, 4, and 6.

Line 6 - Ending physical inventory
Enter the number of gallons for each product in storage as of 12:00 midnight on the last day of the month. Ending physical inventory should be the beginning inventory for next month's return.

Line 7 - Gross taxable gallons
The gallons required to be reported on this line should be carried forward from Part 4, Line 40. Enter the result by product type.

Line 8 - Tax-paid purchases
The gallons required to be reported on this line should be carried forward from Part 3, Line 25. Enter the result by product type.

Line 9 - Net taxable gallons before tare
Line 7 minus Line 8. Enter the result by product type.

Line 10 - Road tax tare allowance
Multiply Line 9 by one percent (1% or .01). Enter the result by product type.

Line 11 - Net gallons subject to road tax
Line 9 minus Line 10. Enter the result by product type.

Line 12 - Dyed fuel sales and sales to exempt entities
From Part 4, add Lines 30, 32, 33, 34, 35, 36, and 37. Enter the result by product type.

Line 13 - Taxable gallons subject to inspection tax before tare
Add Lines 9 and 12. Enter the result by product type.

Line 14 - Inspection tax tare allowance
Multiply Line 13 by one percent (1% or .01). Enter the result by product type.

Line 15 - Net gallons subject to inspection tax
Line 13 minus Line 14. Enter the result by product type.

Part 2 - Computation of Tax

Line 16 - Motor fuel road tax due
Multiply Part 1, Line 11 by the applicable motor fuels road tax rate. Enter the result by product type.

Line 17 - Motor fuel inspection tax due
Multiply Part 1, Line 15 by $0.0025. Enter the result by product type.

Line 18 - Administrative Discount
A fuel alcohol and biodiesel provider that files a **timely return** and remits a **timely payment** may deduct an administrative discount. To correctly compute the administrative discount, the following four steps must be analyzed. Administrative discount is computed for each product type. The total administrative discount may not exceed $8,000. To correctly calculate the administrative discount, review the following four steps:

1) If Line 8 equals zero, calculate the administrative discount by multiplying Line 29 by .001, then multiply by the applicable road and inspection tax rates, not to exceed a total of $8,000.

2) If Line 8 is greater than or equal to Line 7, enter $0.00.

3) If Line 8 is greater than zero but less than Line 7, calculate the administrative discount as follows:

   a) Compare Line 9 to Line 29. If Line 9 is less than Line 29, calculate the administrative discount by multiplying Line 9 by .001, then multiply by the applicable road and inspection tax rates, not to exceed a total of $8,000, or,

   b) Compare Line 9 to Line 29. If Line 9 is equal to Line 29, calculate the administrative discount by multiplying Line 29 by .001, then multiply by the applicable road and inspection tax rates, not to exceed a total of $8,000., or,

   c) Compare Line 9 to Line 29. If Line 9 is greater than Line 29, calculate the administrative discount by multiplying Line 29 by .001, then multiply by the applicable road and inspection tax rates, not to exceed a total of $8,000.

4) If Line 8 is less than zero, calculate the administrative discount by multiplying Line 29 by .001, then multiply by the applicable road and inspection tax rates, not to exceed a total of $8,000.

Line 19 - Adjustments
Listed below are three common adjustments that may appear on the return:

1) **10 Day Notification**
   Credit may be obtained for taxes paid by a fuel alcohol or biodiesel provider, acting in its capacity as trustee, for a licensed distributor or licensed importer if the licensed distributor or licensed importer failed to pay the fuel alcohol or biodiesel provider by the date the tax was due to the State. The fuel alcohol or biodiesel provider must submit GAS-1242, Supplier 10 Day Notification to the Excise Tax Division prior to claiming the credit. Enter the total road and inspection taxes due.

2) **Credit Card Sales**
   If you have exempt credit card sales originating from the supplier-issued credit card, enter total for exempt credit card sales.

3) **Payments made on original return**
   If you are filing an amended return you must recalculate the total taxes due. Enter the total amount paid on the original return.

Line 20 - Net road and inspection taxes due
Add Lines 16, 17, and 19; then subtract Line 18. Enter the results by product type.

Line 21 - Penalty
Payment of the Failure to File Penalty is required with any return filed after the date the return is due. If this return is late, the penalty is 5% per month or any fraction thereof, with a maximum of 25% of the tax that is due.

Payment of the Failure to Pay Penalty is required for any payment received after the date the return is due. If the payment is late, the penalty is 10% of the tax due.

Line 22 - Interest
Payment of interest is required when payment on any return, with tax due, is late. The interest rate is subject to change every six months; therefore, the rates should be verified on the Department's website at **www.ncdor.gov**.

Line 23 - Total amount due
Add Lines 20, 21, and 22, and enter the total. This is the amount due to be paid with the return. Your payment should equal

the amount on Line 23 on the return. **Any payment must be drawn on a U.S. (domestic) bank and payable in U.S. dollars.**

Schedule Instructions

The supporting schedules are uniform documents designed in the same format as those approved by the Federation of Tax Administrators Uniformity Committee. **All required data must be presented in the same format and order as the schedules provided by this Department.** A separate schedule is required to be filed for each product type.

Schedule of Receipts

The following schedule types will provide detail in support of the amounts shown as purchases on the return. The fuel alcohol or biodiesel provider is required to report each receipt of fuel alcohol or biodiesel on a transaction-by-transaction basis.

1 Gallons received tax-paid
2 Gallons received tax unpaid

Identifying Information

Legal Name, Account Number, Schedule Type, Product Type, and Month/Year of Return
Complete the information at the top of each schedule showing the fuel alcohol or biodiesel provider's legal name as shown on the front page of the return, fuel alcohol or biodiesel provider's account number, schedule type, product type and month/year of the return.

Column Instructions

Columns 1 & 2: **Carrier** - Enter the name and account number of the company that transported the product.
Column 3: **Mode** - Enter the mode of transport. Use one of the following:

J = Truck	R = Rail	B = Barge	PL = Pipeline
S = Ship	BA = Book Adjustment	ST = Stationary Transfer	CE = Summary

Column 4: **Point of Origin/Destination** - Enter the location the product was transported from/to. Use the standard state abbreviation to identify the point of origin or destination, as appropriate.
Columns 5 & 6: **Seller** - Enter the name and account number of the company from which the product was acquired.
Column 7: **Date Received** - Enter the date the product was received.
Column 8: **Document Number** - Enter the identifying number from the manifest or bill of lading issued when the product was removed.
Column 9: **Net Gallons** - Enter the net gallons received. Provide a grand total for Column 9.
Column 10: **Gross Gallons** - Enter the gross gallons received. Provide a grand total for Column 10.
Column 11: **Billed Gallons** - Enter the number of gallons that were billed on the invoice and for which you paid tax. Provide a grand total for Column 11.

Schedule 1 - Gallons Received Tax-Paid
This schedule provides detailed transaction information on receipts from distributors and suppliers of tax-paid fuel alcohol or biodiesel. Fuel alcohol or biodiesel providers are required to report each purchase of North Carolina tax-paid product on a transaction-by-transaction basis. Complete the requested information for every column on this schedule summarizing the information by the seller name. Complete a separate schedule for each product type.

The total from Column 11 of this schedule is carried to Part 3, Line 25 of the GAS-1264 return.

Schedule 2 - Gallons Received Tax Unpaid
This schedule provides detailed transaction information on in-state receipts of fuel alcohol or biodiesel from suppliers. Fuel alcohol or biodiesel providers are required to report each receipt of product on a transaction-by-transaction basis. Complete the requested information for every column on this schedule summarizing the information by the seller name. Complete a separate schedule for each product type.

The total from Column 11 of this schedule is carried to Part 3, Line 26 of the GAS-1264 return.

Schedule of Disbursements

The following schedule types provide detail in support of the amounts shown as disbursements on the return. The requirement for reporting each disbursement of motor fuel product is dependent on the disbursement schedule type. Review the disbursement

schedule types defined below for information on the level of transaction reporting detail required for motor fuel products.

Schedule Type

Enter one of the following disbursement schedule type numbers together with the appropriate product type. A separate schedule is required for each product type being reported.

5A	Gallons sold to retailers, bulk end-users, unlicensed distributors, and company-owned/company-operated stations
5C	Gallons sold to licensed suppliers, distributors, and importers
6F	Dyed biodiesel gallons sold for nonhighway purposes
7	Gallons sold for export - destination state taxes collected
8	Gallons sold to the U.S. Government
9A	Gallons sold to the State of North Carolina
9C	Gallons sold to a N.C. local board of education
9E	Gallons sold to a N.C. county, municipal corporation, or hospital authority
9F	Gallons sold to a N.C. charter school
9G	Gallons sold to a N.C. community college

Identifying Information

Legal Name, Account Number, Schedule Type, Product Type, and Month/Year of Return
Complete the information at the top of each schedule showing the fuel alcohol or biodiesel provider's legal name as shown on the front page of the return, fuel alcohol or biodiesel provider's account number, schedule type, product type and month/year of the return.

Column Instructions

Columns 1 & 2: **Carrier** - Enter the name and account number of the company that transported the product.

Column 3: **Mode** - Enter the mode of transport. Use one of the following:

J = Truck	R = Rail	B = Barge	PL = Pipeline
S = Ship	BA = Book Adjustment	ST = Stationary Transfer	CE = Summary

Column 4: **Point of Origin/Destination** - Enter the location the product was transported from/to. Use the standard state abbreviation to identify the point of origin or destination, as appropriate.

Columns 6 & 7: **Purchaser** - Enter the name and account number of the company to which the product was sold.

Column 8: **Date Shipped** - Enter the date the product was shipped.

Column 9: **Document Number** - Enter the identifying number from the manifest or bill of lading issued when the product was removed.

Column 10: **Net Gallons** - Enter the net gallons disbursed. Provide a grand total for Column 10.

Column 11: **Gross Gallons** - Enter the gross gallons disbursed. Provide a grand total for Column 11.

Column 12: **Billed Gallons** - Enter the number of gallons that were billed on the invoice to the customer. Provide a grand total for Column 12.

Schedule 5A - Gallons sold to retailers, bulk end-users, unlicensed distributors, and company-owned/company-operated stations
Fuel alcohol or biodiesel providers who sell fuel alcohol or biodiesel to unlicensed distributors, retailers, bulk end-users, and company-owned/company-operated stations are required to complete and include this schedule with their Fuel Alcohol and Biodiesel Provider Tax Return. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 4, Line 28 of the GAS-1264 return.

Schedule 5C - Gallons sold to licensed suppliers, distributors, and importers
Fuel alcohol or biodiesel providers who sell fuel alcohol or biodiesel to all licensed suppliers, distributors, or importers are required to complete and include this schedule with their Fuel Alcohol and Biodiesel Provider Tax Return.

Complete and include this schedule, listing in detail, each disbursement transaction for fuel alcohol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 4, Line 29 of the GAS-1264 return.

Schedule 6F - Dyed biodiesel gallons sold for nonhighway purposes
Biodiesel providers who sell dyed biodiesel for off-highway use are required to complete and include this schedule with their Fuel

Alcohol and Biodiesel Provider Tax Return.

Complete and include this schedule listing in detail each disbursement transaction for dyed biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 4, Line 30 of the GAS-1264 return.

Schedule 7 - Gallons sold for export - destination state taxes collected
Fuel alcohol or biodiesel providers who sell fuel alcohol or biodiesel to licensed distributors or licensed exporters for export are required to complete and include this schedule with their Fuel Alcohol and Biodiesel Provider Tax Return. Fuel alcohol and biodiesel providers may not sell gallons for export to an unlicensed distributor or unlicensed exporter. In the event the sale does occur, the transaction must be reported as a N.C. sale and reported on Schedule 5A also.

Complete and include this schedule, listing in detail, each disbursement transaction for fuel alcohol or biodiesel. A separate schedule is required for each state of destination. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 4, Line 31 of the GAS-1264 return.

Schedule 8 - Gallons sold to the U.S. Government
Fuel alcohol or biodiesel providers who sell fuel alcohol or biodiesel directly to the U.S. Government are required to complete and include this schedule with their Fuel Alcohol and Biodiesel Provider Tax Return. **Do not include sales made to the U.S. Government or to foreign diplomats by means of a credit card at a retail location. These types of transactions should be included on Part, 2, Line 19 of the GAS-1264 return.**

Complete and include this schedule, listing in detail, each disbursement transaction for fuel alcohol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 4, Line 32 of the GAS-1264 return.

Schedule 9A - Gallons sold to the State of North Carolina
Fuel alcohol or biodiesel providers who sell fuel alcohol or biodiesel directly to the State of North Carolina are required to complete and include this schedule with their Fuel Alcohol and Biodiesel Provider Tax Return. **Do not include sales made to a county, municipal corporation, or hospital authority. Counties, municipal corporations, and hospital authorities are reported on Schedule 9E.**

Complete and include this schedule, listing in detail, each disbursement transaction for fuel alcohol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 4, Line 33 of the GAS-1264 return.

Schedule 9C - Gallons sold to a N.C. local board of education
Fuel alcohol or biodiesel providers who sell fuel alcohol or biodiesel directly to a N.C. local board of education are required to complete and include this schedule with their Fuel Alcohol and Biodiesel Provider Tax Return. **Do not include sales made directly to a city or county school. The sale must be made directly to the local board of education and must be invoiced in the same manner.**

Complete and include this schedule, listing in detail, each disbursement transaction for fuel alcohol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 4, Line 34 of the GAS-1264 return.

Schedule 9E - Gallons sold to a N.C. county, municipal corporation, or hospital authority
Fuel alcohol or biodiesel providers who sell fuel alcohol or biodiesel directly to a N.C. county, municipal corporation, or hospital authority are required to complete and include this schedule with their Fuel Alcohol and Biodiesel Provider Tax Return.

Complete and include this schedule, listing in detail, each disbursement transaction for fuel alcohol or biodiesel.
Complete the requested information for every column on this schedule summarizing the information by the terminal control

number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 4, Line 35 of the GAS-1264 return.

Schedule 9F - Gallons sold to a N.C. charter school
Fuel alcohol or biodiesel providers who sell fuel alcohol or biodiesel directly to a N.C. charter school for charter school use are required to complete and include this schedule with their Fuel Alcohol and Biodiesel Provider Tax Return.

Complete and include this schedule, listing in detail, each disbursement transaction for fuel alcohol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 4, Line 36 of the GAS-1264 return.

Schedule 9G - Gallons sold to a N.C. community college
Fuel alcohol or biodiesel providers who sell fuel alcohol or biodiesel directly to a N.C. community college for community college use are required to complete and include this schedule with their Fuel Alcohol and Biodiesel Provider Tax Return.

Complete and include this schedule, listing in detail, each disbursement transaction for fuel alcohol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 4, Line 37 of the GAS-1264 return.

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

QUESTIONS:
Contact the Excise Tax Division at:
Telephone Number (919) 707-7500
Toll Free Number (877) 308-9092
Fax Number (919) 733-8654