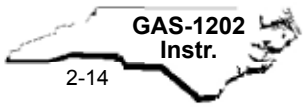

Motor Fuel Supplier Return Instructions

North Carolina Department of Revenue

General Instructions

Suppliers are those fuel tax licensees who import gasoline (including gasohol, alcohol, ethanol, and methanol), diesel, kerosene, jet fuel, or aviation gasoline into North Carolina by pipeline, ship, or barge; who place motor fuel products into storage at a terminal registered under Section 4101 of the Internal Revenue Code; and sell fuel to their customers through the loading rack at such terminal.

Suppliers may:

1. Acquire fuel from, or exchange with, other suppliers above the rack;
2. Sell fuel to suppliers, distributors and licensed distributors who import for resale to customers in this state;
3. Sell fuel to licensed distributors and licensed exporters where such fuel is destined to be exported;
4. Export fuel directly from their terminal;
5. Sell fuel to retail dealers or end-users;
6. Sell fuel to the United States Government;
7. Sell fuel to the State of North Carolina or its agencies;
8. Sell fuel to North Carolina local boards of education;
9. Sell fuel to North Carolina counties and municipal corporations;
10. Sell fuel to North Carolina Charter Schools;
11. Sell fuel to North Carolina Community Colleges; and
12. Blend products at the loading rack where the end product may be used to propel a vehicle, vessel, or aircraft.

Suppliers are authorized to import tax-free gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, and aviation gasoline by pipeline, ship, or barge, place the tax-free fuel in storage at a terminal, and collect state taxes as the fuel is removed through the loading rack.

The supplier return is required to be filed by suppliers who transfer, exchange, loan, sell, or blend gasoline, gasohol, diesel, kerosene, jet fuel, or aviation gasoline from a terminal facility located within North Carolina. This return is also required to be filed by persons selling fuel from terminals located outside this state, when such fuel is destined for sale or use in North Carolina.

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 of 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 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, you should verify the rates on the Department's website at **www.dornc.com**.

Electronic Mandate: The Supplier Return (Gas-1202) is required to be filed electronically. You may access the Department's website at **www.dornc.com** to file your returns by EDI or by web through the Motor Fuel Tracking System.

Electronic Funds Transfer (EFT): Any taxpayer who is required to file a return electronically must also pay electronically. To meet this requirement you may remit taxes by EFT or through the Motor Fuel Tracking System at **www.dornc.com**. For additional information regarding EFT requirements, please contact the Electronic Funds Transfer Program, P.O. Box 25000, Raleigh, North Carolina 27640-0001, or call 877-308-9103.

For EFT taxpayers, the Department must receive your EFT authorization by 3:45 PM on the 21st day of the month following the month in which transfer, exchange, loan, sale, use, or blending transactions occur. 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. Please mail your return to the address listed on the last page of the instructions.

For non-EFT taxpayers, the return, supporting schedules, and payment (if applicable) must be received by the Department or postmarked on or before the 22nd day of the month following the month in which transfer, exchange, loan, sale, use, or blending transactions occur. If the 22nd falls on a Saturday, Sunday, or state holiday, the return and payment MUST BE RECEIVED by the Department or MUST BE POSTMARKED on the next business day. This also applies to returns when no tax is due. Please mail your return to the address listed on the last page of the instructions.

Amended Returns: Prior period adjustments are not allowed on current returns. If you must amend a previously filed supplier return, you must complete Gas 1202 Motor Fuel Supplier Return, front and back. Attach only the schedules with the required adjustments.

Line-by-Line Instructions

Part 1 - Computation of Tax

Note: Lines 1 through 6 are reserved for future use. Instructions for Part 2, Lines 24 through 35 are included with the Schedule Instructions. Do not make entries in shaded areas.

Line 7 - Gross taxable gallons
The gallons required to be reported on this line should be carried forward from Part 2, Line 37 of this return by product type.

Line 8 - Tax-paid purchases
The gallons required to be reported on this line should be carried forward from Gas 1202TR - Supplier Schedule of Tax-Paid Receipts, Column 11, 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 2, add Lines 27, 30, 31, 32, 33, 34, and 35. Enter the result by product type.

Line 13 - Net 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.

Line 16 - Motor fuel road tax due
Multiply Line 11 by the applicable motor fuels road tax rate. The rate is published on the Department's web site at **www.dornc.com.** Enter the result by product type.

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

Line 18 - Administrative Discount
To correctly compute the administrative discount the following 4 steps must be analyzed. Administrative discount is computed for each product type. The total administrative discount may not exceed $8,000. Use the combined road and inspection tax rates to compute the discount for gasoline, diesel, and undyed kerosene. Use the inspection tax rate to compute the discount for dyed kerosene, jet fuel, and aviation gasoline.

1) If Part 1, Line 8 equals 0, compute the administrative discount as (.001 times Part 2, Line 25) times applicable tax rate), not to exceed a total of $8,000.

2) If Part 1, Line 8 is greater than or equal to Part 1, Line 7, enter $0.00.
3) If Part 1, Line 8 is greater than 0 but less than Part 1, Line 7, compute the administrative discount as follows:

   a) Compare Part 1, Line 9 to Part 2, Line 25. If Part 1, Line 9 is less than Part 2, Line 25, the computation for Administrative Discount is (.001 times (Part 1, Line 9) times applicable tax rate), not to exceed a total of $8,000, or,

   b) Compare Part 1, Line 9 to Part 2, Line 25. If Part 1, Line 9 is equal to Part 2, Line 25, the computation for Administrative Discount is (.001 times (Part 2, Line 25) times applicable tax rate), not to exceed a total of $8,000, or,

   c) Compare Part 1, Line 9 to Part 2, Line 25. If Part 1, Line 9 is greater than Part 2, Line 25, the computation for Administrative Discount is (.001 times (Part 2, Line 25) times applicable tax rate), not to exceed a total of $8,000.

4) If Part 1, Line 8 is less than 0, compute the administrative discount as (.001 times (Part 2, Line 25) times applicable tax rate),

not to exceed a total of $8,000.

Line 19 - Adjustments
Attach an explanation for the adjustments made on this line. Listed below are three common adjustments that may appear on the return.

10 Day Notification
Credit may be obtained for taxes paid by a supplier, acting in its capacity as trustee, for a licensed distributor or licensed importer if the licensed distributor or licensed importer failed to pay the supplier by the date the tax was due to the State. The supplier must submit **Gas-1242 - 10 Day Notification** to the Motor Fuels Tax Division prior to claiming the credit. Enter the total road and inspection taxes due.

Credit Card Sales
If you have exempt credit card sales originating from the supplier credit card, enter total for exempt credit card sales.

Payments made on original return
If you are filing an amended return you must completely recalculate the total taxes due. Enter on Line 19 the total amount paid on the original return.

Line 20 - Total road and inspection taxes due
Add Lines 16, 17, and 19 then subtract Line 18. Enter the total road and inspection taxes that are due in the total column.

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 that is 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, you should verify the rate on the Department's web site at **www.dornc.com**.

Line 23 - Total Amount Due
Add the amounts from Lines 20, 21, and 22, and enter the total. This is the amount due to be paid with the return. If you are required to pay electronically, your payment should equal the amount on Line 23 on the return. If paying by check, make checks payable to North Carolina Department of Revenue. **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.

GAS-1202TR Motor Fuel Schedule of Tax-Paid Receipts

Identifying Information

Legal Name, Account Number, Product Type, and Month/Year of Return
Complete the information at the top of each schedule showing the supplier legal name as shown on the face of the return, supplier account number, product type and month/year of the return.

Schedule 1 - Supplier Schedule of Tax-Paid Receipts will provide detail in support of the amounts shown as tax-paid purchases on the return. The supplier is required to report each purchase of North Carolina tax-paid product on a transaction by transaction basis.
If tax-paid gallons exceed the taxable gallons, there is no provision for credits or refunds.

The total from Column 11 of this schedule is carried to Part 1, Line 8 of the Gas 1202 return.

Column Instructions

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

Column 3: **Mode of Transport -** 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 Shipped -** Enter the date the product was shipped.
Column 8: **Document Number -** Enter the identifying number from the manifest issued at the terminal when product is removed over the rack. In the case of bulk plant removals, it is the withdrawal invoice number.
Column 9: **Net Gallons -** Enter the net gallons received. Provide a grand total for Column 9 for each product type.
Column 10: **Gross Gallons -** Enter the gross gallons received. Provide a grand total for Column 10 for each product type.
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 for each product type. Carry the total of tax-paid purchases in Column 11 forward to Page 1, Part 1, Line 8, and enter on the line matching the appropriate product type total.

GAS 1202DS Motor Fuel 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. Please 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 stations
5C	Gallons sold to licensed suppliers, importers, and distributors
5F	Dyed diesel and dyed kerosene gallons sold for taxable purposes
6F	Dyed diesel and dyed kerosene gallons sold for non-taxable purposes
6X	Gallons exchanged between licensed suppliers
7	Gallons sold for export
8	Gallons sold to the U.S. Government
9A	Gallons sold to the State of North Carolina
9C	Gallons sold to N.C. local boards of education
9E	Gallons sold to N.C. counties and municipal corporations
9F	Gallons sold to N.C. charter schools
9G	Gallons sold to N.C. community colleges

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 supplier legal name as shown on the face of the return, supplier 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 of Transport -** 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.
Column 5: **Terminal Control Number -** The number assigned by the Internal Revenue Service to each motor fuel terminal storing accountable products.
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 issued at the terminal when product is removed over the rack. In the case of bulk plant removals, it is the withdrawal invoice number.
Column 10: **Net Gallons -** Enter the net gallons disbursed. Provide a grand total for Column 10 for each product type.
Column 11: **Gross Gallons -** Enter the gross gallons disbursed. Provide a grand total for Column 11 for each product type.
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 for each product type.

Schedule 5A - Gallons sold to retailers, bulk end-users, unlicensed distributors, and company-owned stations - N.C. tax collected
Suppliers who sell gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation

gasoline to retailers, bulk end-users, unlicensed distributors, and company-owned stations are required to complete and include this schedule with their Supplier Tax Return. Complete the requested information for every column on this schedule, summarizing the information by the terminal control number. **List all purchasers in alphabetical order.** Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 24 of the Gas 1202 return.

Schedule 5C - Gallons sold to licensed suppliers, importers, and distributors - N.C. tax collected
Suppliers who sell gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline to licensed suppliers, importers, and distributors are required to complete and include this schedule with their Supplier Tax Return. **Note:** Suppliers who hold inventory of gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline below the terminal rack (on consignment in retail service stations or in company-operated stations) must report this fuel as a disbursement when it is removed from the terminal.

Complete and include this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by distributor and then by terminal control number. **List all purchasers in alphabetical order.** Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 25 of the Gas 1202 return.

Schedule 5F - Dyed diesel and dyed kerosene gallons sold for taxable purposes
Suppliers who sell dyed diesel (including biodiesel) or dyed kerosene for highway use are required to complete and include this schedule with their Supplier Tax Return. These gallons include sales to intercity bus companies, local governments, the American Red Cross and educational organizations that are not public schools.

Complete and include this schedule listing, in detail, each disbursement transaction for dyed diesel (including biodiesel) or dyed kerosene. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.** Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 26 of the Gas 1202 return.

Schedule 6F - Dyed diesel and dyed kerosene gallons sold for non-taxable purposes
Suppliers who sell dyed diesel (including biodiesel) or dyed kerosene for off-highway use are required to complete and include this schedule with their Supplier Tax Return. These gallons do not include sales to intercity bus companies and educational organizations that are not public schools.

Complete and include this schedule listing, in detail, each disbursement transaction for dyed diesel (including biodiesel) or dyed kerosene. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.** Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 27 of the Gas 1202 return.

Schedule 6X - Gallons exchanged between licensed suppliers
Suppliers who exchange gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline with another licensed supplier are required to complete and include this schedule with their Supplier Tax Return.

Complete and include this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.** Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 28 of the Gas 1202 return.

Schedule 7 - Gallons sold for export
Suppliers who sell gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline to licensed distributors or licensed exporters for export are required to complete and include this schedule with their Supplier Tax Return. Suppliers may not sell gallons for export to an unlicensed distributor or unlicensed exporter; however, if the sale does occur the supplier must attach a statement that includes the name, address, and telephone number of the unlicensed distributor or unlicensed exporter.

Complete and include this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. 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. **List all purchasers in alphabetical order.** Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 29 of the Gas 1202 return.

Schedule 8 - Gallons sold to U.S. Government
Suppliers who sell gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline directly to the U.S. Government or its agencies are required to complete and include this schedule with their Supplier Tax Return.

Complete and include this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.** Complete a separate schedule for each product type.

The total Column 12 of from this schedule is carried to Part 2, Line 30 of the Gas 1202 return.

Schedule 9A - Gallons sold to the State of North Carolina
Suppliers who sell gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline directly to the State of North Carolina or its agencies are required to complete and include this schedule with their Supplier Tax Return.

Complete and include this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.** Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 31 of the Gas 1202 return.

Schedule 9C - Gallons sold to N.C. local boards of education
Suppliers who sell gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline directly to N.C. local boards of education are required to complete and include this schedule with their Supplier Tax Return.

Complete and include this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.** Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 32 of the Gas 1202 return.

Schedule 9E - Gallons sold to N.C. counties and municipal corporations
Suppliers who sell gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline directly to N.C. counties and municipal corporations are required to complete and include this schedule with their Supplier Tax Return.

Complete and include this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.** Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 33 of the Gas 1202 return.

Schedule 9F - Gallons sold to N.C. charter schools
Suppliers who sell gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline directly to N.C. charter schools for charter school use are required to complete and include this schedule with their Supplier Tax Return.

Complete and include this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.** Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 34 of the Gas 1202 return.

Schedule 9G - Gallons sold to N.C. community colleges
Suppliers who sell gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline directly to N.C. community colleges for community college use are required to complete and include this schedule with their Supplier Tax Return.

Complete and include this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, alcohol, ethanol, and methanol), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.** Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 35 of the Gas 1202 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