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NORTH
CAROLINA
DEPARTMENT
OF REVENUE

Excise Tax Division
North Carolina Department of Revenue
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Important Notice:
Legislative Updates to the Duties of a Tank Wagon Operator
and the Receiving Party

Pursuant to Session Law 2021-180, the General Assembly amended G.S. 105-449.115A to clarify the duties of a tank wagon operator and the receiving party. These updates are effective January 1, 2022.

Duties of a Tank Wagon Operator

In addition to the previous responsibilities¹ of a tank wagon operator, the operator must comply with motor fuel diversion reporting requirements.² Specifically, a tank wagon operator must deliver motor fuel described in the shipping document to the state designated on it unless the person does all of the following:

1. Notifies the Secretary before transporting the motor fuel into a state other than the state designated on the shipping document.
2. Receives from the Secretary a diversion number, authorizing the shipment of fuel to a state other than the state designated on the shipping document.
3. Contemporaneously writes on the shipping document the change in destination state and the diversion number received from the Secretary.

¹ See G.S. 105-449.115A(b).

² A diversion is the movement of motor fuel to a state other than the destination state indicated on the original bill of lading.

The tank wagon operator must notify the Secretary of the diversion of motor fuel through North Carolina's third-party diversion registry by reporting the diversion through the vendor's web application at www.fueltrac.us.³ The web application will provide the diversion number to be recorded on the shipping document.

In addition to the diversion reporting requirements, a tank wagon operator must provide a copy of the shipping document upon delivery to the person receiving shipment.

Duties of a Party Receiving Motor Fuel from a Tank Wagon Operator

The party receiving motor fuel from a tank wagon operator may only accept delivery of the motor fuel if:

1. The destination state on the shipping document is North Carolina;
or
2. The destination state on the shipping document was changed to North Carolina and the diversion number was recorded on the shipping document.

If the shipping document fails to meet the above requirements, the person who accepts delivery of motor fuel is jointly and severally liable for any tax due on the fuel.

The party receiving motor fuel must maintain a copy of the shipping document at the site of the delivery for 90 days from the date of the delivery and must maintain the shipping document for three years from the date of the delivery.

Questions regarding this notice should be directed to the Excise Tax Division at (919) 707-7500 or toll free (877) 308-9092.

³ See the previous Notice issued in April 2011 by the Department regarding the submission of diversions. It can be located at <https://www.ncdor.gov/notice-regarding-new-destination-state-diversion-number-and-updated-system-effective-may-1-2011>.