NCDOR
Web
9-21

GAS-1207 Instructions
Refiner Return Instructions

General Instructions

Refiners are those fuel tax licensees who produce, on average, more than 500,000 gallons of ethanol or biodiesel per month

Refiners may:

1. Produce, acquire fuel from, or exchange with, other suppliers and fuel alcohol or biodiesel providers above the rack;
2. Sell fuel to distributors and licensed distributors who 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 end-users;
5. Sell fuel to the United States Government;
6. Sell fuel to the State of North Carolina or its agencies;
7. Sell fuel to North Carolina local boards of education;
8. Sell fuel to a North Carolina county, municipal corporation, hospital authority, or joint agency services;
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.

Refiners are authorized to produce ethanol or biodiesel and collect state taxes as the fuel is removed from the refinery.

The refiner return is required to be filed by all refiners who produce, transfer, exchange, loan, sell, or blend ethanol or biodiesel from a refinery facility located within 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.ncdor.gov**.

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.

Amended Returns: Prior period adjustments are not allowed on current returns. If you must amend a previously filed refiner return, you must complete Gas-1207 Refiner Return, front and back. Attach only the schedules with the required adjustments.

Electronic Mandate: At this time the Refiner Return (Gas-1207) may not be filed electronically. It must be filed by paper.

Line-by-Line Instructions

Part 1 - Fuel Accountability

Line 1 - Beginning Physical Inventory
Report the actual beginning inventory of ethanol and/or biodiesel. The figures should agree with the prior month's ending inventory. Attach a statement of explanation if they do not agree.

Line 2 - Receipts
The gallons required to be reported on this line should agree with the total from Part 3, Line 29. This is the detailed information provided in Schedules 1, 2, 3, and 4 along with the total in-state refinery production. This amount should reflect the total number of gallons of tax-paid gasoline, ethanol, undyed diesel, dyed diesel, undyed biodiesel, or dyed 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 41, which is the total of the detailed information provided in Schedules 5A, 5C, 6D, 6F, 7, 8, 9A, 9C, 9E, 9F, and 9G. This amount should reflect the total number of gallons of ethanol 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 or (Loss)
Add Lines 1 and 2 then subtract Lines 3, 4, and 6.

Line 6 - Ending physical inventory
Enter the number of gallons of ethanol or biodiesel in storage as of 12:00 midnight on the last day of the month. Ending 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, Lines 43 and 44, 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, by product type.

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

Line 10 - Road tax discount 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 33, 35, 36, 37, 38, 39, and 40. Enter the result by product type.

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

Line 14 - Inspection tax discount 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
To correctly compute the administrative discount, the following three steps must be analyzed. Administrative discount is computed for each product type. The total administrative discount may not exceed $8,000.

1) If Part 1, Line 8 equals zero, compute the administrative discount as (.001 times (Part 4, Line 31) times the road and inspection tax rates), 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 zero but less than Part 1, Line 7, compute the administrative discount as follows:

   a) Compare Part 1, Line 9 to Part 4, Line 31. If Part 1, Line 9 is less than Part 4, Line 31, the computation for Administrative Discount is (.001 times (Part 1, Line 9) times the road and inspection tax rates), not to exceed a total of $8,000, or,

   b) Compare Part 1, Line 9 to Part 4, Line 31. If Part 1, Line 9 is greater than or equal to Part 4, Line 31, the computation for Administrative Discount is (.001 times (Part 4, Line 31) times the road and inspection tax rates), not to exceed a total of $8,000.

4) If Part 1, Line 8 is less than zero, compute the administrative discount as (.001 times (Part 4, Line 31) times the road and inspection tax rates), not to exceed a total of $8,000.

Line 19 - Adjustments

10 Day Notification
Credit may be obtained for taxes paid by a refiner, acting in its capacity as trustee, for a licensed distributor or licensed importer if the licensed distributor or licensed importer failed to pay the refiner by the date the tax was due to the State. The refiner 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-issued credit card, enter total for exempt credit card sales.

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 with 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 website at **www.ncdor.gov**.

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. Your payment should equal the amount on Line 23, Total column, on the return. Make checks payable to the North Carolina Department of Revenue and include your account number on your check. **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 schedule number and product type.

Part 3 - Receipts

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

1 Gallons received tax-paid
2 Gallons received from licensed suppliers tax unpaid
3 Gallons imported from another state direct to customer tax unpaid
4 Gallons imported from another state direct to bulk storage

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 refiner legal name as shown on the face of the return, refiner 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.
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 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.

Line 24 - In-State Refinery Production
Enter the total gallons of ethanol, undyed diodiesel, and dyed biodiesel produced during the month from a refinery located within North Carolina.

Schedule 1 - Gallons Received Tax-Paid
This schedule provides detailed transaction information on over-the-rack receipts from distributors and suppliers of tax-paid gasoline, ethanol, diesel, or biodiesel. Refiners 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. **List all sellers in alphabetical order.**

The total from Column 11 of this schedule is carried to Part 3, Line 25 of the Gas-1207 return. Enter gasoline and ethanol tax-paid receipts under the **Ethanol** column. Enter undyed diesel and undyed biodiesel receipts under the **Undyed Biodiesel** column. Enter dyed diesel and dyed biodiesel under the **Dyed Biodiesel** column.

Schedule 2 - Gallons Received from Licensed Suppliers - Tax Not Paid
This schedule provides detailed transaction information on in-state receipts of ethanol or biodiesel from suppliers. Refiners 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. **List all sellers in alphabetical order.**

The total from Column 11 of this schedule is carried to Part 3, Line 26 of the Gas-1207 return.

Schedule 3 - Gallons Imported from Another State Direct to Customer - Tax Not Paid
This schedule provides detailed transaction information on imports of ethanol or biodiesel from suppliers with sales directly to the customer and consignment sales. Refiners 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. **List all sellers in alphabetical order.**

The total from Column 11 of this schedule is carried to Part 3, Line 27 of the Gas-1207 return.

Schedule 4 - Gallons Imported from Another State Direct to Tax-Free Storage - Tax Not Paid
This schedule provides detailed transaction information on imports of ethanol or biodiesel from suppliers for delivery directly to the provider's bulk storage. Refiners 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. **List all sellers in alphabetical order.**

The total from Column 11 of this schedule is carried to Part 3, Line 28 of the Gas-1207 return.

Part 4 - Disbursements

Schedule of Disbursements
The following schedule types provide detail in support of the amounts shown as disbursements on the return. The refiner is required to report each disbursement of ethanol or biodiesel on a transaction-by-transaction basis. 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.

5A	Gallons sold to retailers, bulk end-users, unlicensed distributors, and company-operated stations
5C	Gallons sold to licensed suppliers, distributors, and importers
6D	Gallons sold to licensed distributors and licensed importers untaxed
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, hospital authority, or joint agency services

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 refiner legal name as shown on the face of the return, refiner 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.

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-operated stations

Refiners who sell ethanol or biodiesel to unlicensed distributors, retailers, bulk end-users, and company operated stations are required to complete and include this schedule with their Refiner 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.**

The total from Column 12 of this schedule is carried to Part 4, Line 30 of the Gas-1207 return.

Schedule 5C - Gallons sold to licensed suppliers, distributors, fuel alcohol/biodiesel providers, and importers

Refiners who sell ethanol or biodiesel to all licensed suppliers, distributors, fuel alcohol/biodiesel providers, or importers are required to complete and include this schedule with their Refiner Return. **Note:** Refiners who hold inventory of ethanol or biodiesel below the terminal rack (on consignment in retail service stations or in company-operated stations) must report the fuel as a disbursement when it is removed from the terminal.

Complete and include this schedule, listing in detail, each disbursement transaction for ethanol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.**

The total from Column 12 of this schedule is carried to Part 4, Line 31 of the Gas-1207 return.

Schedule 6D - Gallons sold to licensed biodiesel providers - untaxed

Refiners who sell unblended biodiesel to licensed biodiesel providers are required to complete and include this schedule with their Refiner Return.

Complete and include this schedule listing in detail each disbursement transaction for biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.**

The total from this schedule is carried to Part 4, Line 32 of the Gas-1207 return.

Schedule 6F - Dyed biodiesel gallons sold for exempt purposes

Refiners who sell dyed biodiesel for off-highway use are required to complete and include this schedule with their Refiner 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. **List all purchasers in alphabetical order.**

The total from Column 12 of this schedule is carried to Part 4, Line 33 of the Gas-1207 return.

Schedule 7 - Gallons sold for export - destination state taxes collected
Refiners who sell ethanol or biodiesel to licensed distributors or licensed exporters for export are required to complete and include this schedule with their Refiner Return. Refiners may not sell gallons for export to an unlicensed distributor or unlicensed exporter; however, if the sale does occur the transaction must be reported as a N.C. sale and reported on Schedule 5A.

Complete and include this schedule, listing in detail, each disbursement transaction for ethanol 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. **List all purchasers in alphabetical order.**

The total from Column 12 of this schedule is carried to Part 4, Line 34 of the Gas-1207 return.

Schedule 8 - Gallons sold to the U.S. Government
Refiners who sell ethanol or biodiesel directly to the U.S. Government or its agencies are required to complete and include this schedule with their Refiner 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 the Adjustment Line on Page 1, Part 2, Line 19 of the return.**

Complete and include this schedule, listing in detail, each disbursement transaction for ethanol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.**

The total from Column 12 of this schedule is carried to Part 4, Line 35 of the Gas-1207 return.

Schedule 9A - Gallons sold to the State of North Carolina
Refiners who sell ethanol or biodiesel directly to the State of North Carolina or its agencies are required to complete and include this schedule with their Refiner Return. **Do not include sales made to the counties or local governments. Counties and local governments are reported on Schedule 9E.**

Complete and include this schedule, listing in detail, each disbursement transaction for ethanol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.**

The total from Column 12 of this schedule is carried to Part 4, Line 36 of the Gas-1207 return.

Schedule 9C - Gallons sold to a N.C. local board of education
Refiners who sell ethanol or biodiesel directly to a N.C. local board of education are required to complete and include this schedule with their Refiner 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 ethanol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.**

The total from Column 12 of this schedule is carried to Part 4, Line 37 of the Gas-1207 return.

Schedule 9E - Gallons sold to a N.C. county, municipal corporation, hospital authority, or joint agency services
Refiners who sell alcohol, ethanol, methanol, or biodiesel directly to a N.C. county, municipal corporation, hospital authority, or joint agency services are required to complete and include this schedule with their Refiner Return.

Complete and include this schedule, listing in detail, each disbursement transaction for ethanol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.**

The total from Column 12 of this schedule is carried to Part 4, Line 38 of the Gas-1207 return.

Schedule 9F - Gallons sold to a N.C. charter school
Refiners who sell ethanol or biodiesel directly to a N.C. charter school for charter school use are required to complete and include this schedule with their Refiner Return.

Complete and include this schedule, listing in detail, each disbursement transaction for ethanol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.**

The total from Column 12 of this schedule is carried to Part 4, Line 39 of the Gas-1207 return.

Schedule 9G - Gallons sold to a N.C. community college
Refiners who sell ethanol or biodiesel directly to a N.C. community college for community college use are required to complete and include this schedule with their Refiner Return.

Complete and include this schedule, listing in detail, each disbursement transaction for ethanol or biodiesel. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. **List all purchasers in alphabetical order.**

The total from Column 12 of this schedule is carried to Part 4, Line 40 of the Gas-1207 return.

Schedule of Diversion Corrections
Schedule 11 - Refiner Schedule of State Diversion Corrections - Provide detail to support the amounts shown as diversion corrections on the refiner return. List each diversion on a separate line with a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 4, Line 42 of the Gas-1207 return.

Identifying Information
Legal Name, Account Number, Product Type, and Month/Year of Return
Complete the information at the top of each schedule showing the refiner legal name as shown on the face of the return, refiner account number, 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: **Not Required for North Carolina Reporting Purposes**
Column 4: **Original/Revised Destination State** - Enter the name of the destination state as it originally appeared on the shipping document. Enter the name of the revised destination state as reported to the diversion system.
Column 5: **Not Required for North Carolina Reporting Purposes**
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: **Not Required for North Carolina Reporting Purposes**
Column 11: **Not Required for North Carolina Reporting Purposes**
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.
Column 13: **Diversion Number** - Enter the number issued by the diversion reporting system that authorizes the diversion of the product from the destination state that is on the original shipping document.

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) 250-7898