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GAS-1254 Instr.
Bulk End-User of Alternative Fuel Return Instructions

General Instructions

A bulk end-user of alternative fuel is a fuel tax licensee who maintains storage facilities for alternative fuel and uses part or all of the stored fuel to operate a highway vehicle.

Bulk end-users of alternative fuel may:

1. Acquire alternative fuel from an alternative fuel provider either tax-paid or tax-free;
2. Use alternative fuel for highway and non-highway use from a common storage facility; and
3. Sell alternative fuel to others for highway use.

Bulk end-users of alternative fuel are authorized to purchase tax-free alternative fuel, place the tax-free fuel in storage at a bulk tank, and collect state taxes on the fuel as it is removed from storage through a separate fuel pump identified for highway use. Bulk end-users of alternative fuel are also authorized to purchase tax-paid alternative fuel, place the tax-paid fuel in storage facilities identified for highway use, and withdraw the tax-paid fuel for use in a highway vehicle.

Common storage is defined as a storage facility that contains non-taxpaid alternative fuel from which fuel is dispensed for highway and non-highway purposes. Separate metering devices must be maintained on this storage facility.

The bulk end-user of alternative fuel return is required to be filed by bulk end-users of alternative fuel who store and use alternative fuel for a highway purpose within North Carolina.

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 five percent (5%) 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.

If the return is not submitted timely when filing an informational return, a penalty of fifty dollars ($50.00) for each day the return is filed late, up to a maximum of one thousand dollars ($1,000.00), will be assessed if the return is late.

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 and payment (if applicable) must be received by the Department or postmarked on or before the last day of the month following the quarter in which purchase, sale, or use transactions occur. If the last day of the month 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: If you must amend a previously filed bulk end-user of alternative fuel return, you must complete GAS-1254 Bulk End-User of Alternative Fuel Return, front and back, with the corrected information. Be sure to fill in the "Amended Return" circle on the top right-hand corner of the GAS-1254.

Electronic Mandate: At this time the Bulk End-User of Alternative Fuel Return (GAS-1254) is not required to be filed electronically.

Line-by-Line Instructions

Part 1 - Fuel Accountability

Line 1 - Beginning inventory of gallons of alternative fuel on hand on the first day of the quarter

Report the actual beginning inventory of propane, natural gas, compressed natural gas (CNG) or other alternative fuel. The figures should agree with the prior quarter's ending inventory. Attach a statement of explanation if they do not agree.

Line 2 - Total bulk gallons of alternative fuel purchased during the quarter
The gallons required to be reported on this line should agree with the total from Part 3 - Total tax-paid purchases and Total tax-free purchases. This amount should reflect the total number of gallons of propane, natural gas, compressed natural gas (CNG) or other alternative fuel received in bulk during the quarter.

Line 3 - Total receipts of alternative fuel from other than bulk

The gallons required to be reported on this line should be from sources other than bulk. This amount should reflect the total number of gallons of propane, natural gas, compressed natural gas (CNG) or other alternative fuel received from retail locations or from other bulk end-users of alternative fuel during the quarter.

Line 4 - Alternative fuel gallons withdrawn from bulk storage and used in a highway vehicle

The gallons required to be reported on this line should agree with the total from Page 2, Part 4. This amount should reflect the total number of gallons of propane, natural gas, compressed natural gas (CNG) or other alternative fuel used in a highway vehicle during the quarter.

Line 5 - Gallons sold to others for highway use

Enter the total gallons of alternative fuel that were sold to others during the quarter.

Line 6 - Gallons sold or used for non-highway use

Enter the total gallons of alternative fuel that were sold or used for non-highway use during the quarter.

Line 7 - Gain or (Loss)

Add Lines 1, 2, and 3 then subtract Lines 4, 5, 6, and 8.

Line 8 - Ending inventory of alternative fuel on hand at end of the quarter

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

Part 2 - Computation of Tax

Line 9 - Total gallons subject to road and inspection taxes

From Column B, add Lines 4, and 5.

Line 10 - Alternative fuel road tax due

Multiply Line 9 by the applicable motor fuels road tax rate.

Line 11 - Alternative fuel inspection tax due

Multiply Line 9 by $0.0025.

Line 12 - Adjustments

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 13 - Net road and inspection taxes due

Add Lines 10, 11, and 12.

Line 14 - Penalty

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 five percent (5%) 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.

If the return is not submitted timely when filing an informational return, a penalty of fifty dollars ($50.00) for each day the return is filed late, up to a maximum of one thousand dollars ($1,000.00), will be assessed if the return is late.

Line 15 - 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 16 - Total Amount Due

Add the amounts from Lines 13, 14, and 15, and enter the total. This is the amount due to be paid with the return. Your payment should equal the amount on Line 16 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.**

Part 3 - Bulk Receipts of Alternative Fuel

List all tax-paid bulk receipts of alternative fuel delivered to a highway storage facility and list all tax-free bulk receipts of alternative fuel that is delivered to a common storage facility. Be sure to record the alternative fuel provider name, address, and account number that corresponds to the gallons purchased. The account number is available on the yearly licensee bulletin which is mailed to all licensed taxpayers each January. Do not list tax-free bulk receipts of alternative fuel delivered to a non-highway storage facility.

Part 4 - Alternative Fuel Used in Interstate and Intrastate Operations

A qualified vehicle is defined as a motor vehicle used, designed, or maintained for the transportation of persons or property and:

1. having 2 axles and a gross vehicle weight or a registered gross vehicle weight exceeding 26,000 pounds;
2. having 3 or more axles regardless of weight; or,
3. used in combination when the weight of such combination exceeds 26,000 pounds gross vehicle weight.

Line 1 - Vehicles with gross vehicle weight of 26,000 lbs. or under

Enter the number of nonqualified vehicles operated, the number of miles driven, and the gallons withdrawn from tax-paid and tax-free storage to operate the nonqualified vehicles.

Line 2 - Vehicles that operate only within North Carolina and have either a gross vehicle weight over 26,000 lbs. or 3 axles

Enter the number of qualified vehicles operated, the total miles operated intrastate, and the gallons withdrawn from tax-paid and tax-free storage to operate the qualified intrastate vehicles.

Line 3 - Vehicles that operate within and outside of North Carolina and have either a gross vehicle weight over 26,000 lbs. or 3 axles

Enter the number of qualified vehicles operated, the total miles operated interstate, and the gallons withdrawn from tax-paid and tax-free storage to operate the qualified interstate vehicles.

Line 4 - Total gallons withdrawn from bulk storage for highway use

Add Lines 1, 2, and 3. Enter the totals on Part 1, Line 4.

MAIL TO:
North Carolina Department of Revenue
Excise Tax Division
3301 Terminal Drive, Suite 125
Raleigh, North Carolina 27604

QUESTIONS:
Contact the Excise Tax Division at:
Telephone Number (919) 707-7500
Toll Free Number (877) 308-9092
Fax Number (919) 250-7898