

## **SPECIAL FUEL USER/DEALER TAX REPORTING INSTRUCTIONS**

Special Fuel, as defined under 30 Del. C c. 51 §5131(7), means and includes all combustible gases and liquids suitable for the generation of power for propulsion of motor vehicles, except that it does not include gasoline (as defined in 30 Del. C c. 51 §5101)

A tax return must be filed even if there is no Delaware activity for the month. A signed copy of the return must be filed by the due date of the return to avoid a penalty for late filing.

Complete the top portion of the tax return by recording report month, license number(s), your company's Federal Employer Identification Number or Social Security Number, name of licensee, address of licensee, and location of Special Fuel storage tank in Delaware. Check the applicable box to indicate if the return being filed is an original return, an amended return, or a final return. Round all gallon figures to the nearest whole gallon. All gallon figures must be reported at gross gallons.

**Line 1** – Show the number of gallons of special fuel on hand at the beginning of the reporting month. Opening inventory **MUST** agree with the actual ending inventory (line 8) reported for the previous month.

**Line 2** – Refer to the Motor Fuel Tax Multiple Schedule of Receipts for instructions on completing this section of the return. Enter the schedule number, product code, and gallons. Report only Special Fuel that was delivered into the licensed tank identified on the tax return. Enter the total gross gallons received into the tank from all schedule numbers in the column on the right labeled "TOTAL RECEIPTS".

**Line 3** – Enter the total number of gallons reported on Line 1 plus Line 2

**Line 4** – A. Enter the number of gallons of taxable use.

B. Enter the number of gallons of taxable sales (SPECIAL FUEL DEALER ONLY). Enter the total taxable gallons (Line 4A plus 4B)

**Line 5** – A. Enter the number of gallons of non-taxable use.

B. Enter the number of gallons of non-taxable sales (SPECIAL FUEL DEALER ONLY) Enter the total non-taxable gallons (Line 5A plus 5B)

**Line 6** – Enter total disbursements in gallons from Line 4 plus Line 5 for the reporting month.

**Line 7** – Subtract Line 6 from Line 3 to arrive at closing book inventory in gallons for the reporting month.

**Line 8** – Enter actual physical inventory gallons taken at the end of the reporting month.

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**Line 9**– If Line 7 is greater than Line 8, enter product loss.

**Line 10** – If Line 8 is greater than Line 7, enter product gain.

**NOTE: SUPPORTING DOCUMENTATION MAY BE REQUESTED TO VERIFY REPORTED GAIN/LOSS ( LINE 9 & 10) DEEMED EXCESSIVE BY THE DIVISION DURING COMPLIANCE REVIEWS AND/OR ROUTINE AUDITS. REPORTED LOSSES THAT CANNOT BE SUBSTANTIATED WILL RESULT IN THE GALLONS BEING ASSESSED.**

**Line 11** – Enter taxable gallons from Lines 4A plus Line 4B.

**Line 12** – Subtract any tax-paid gallons (Included on Schedule #1) purchased from your supplier, and delivered directly into the licensed tank.

**Line 13** – Subtract Line 12 from Line 11. Multiply the remaining gallons by the state special fuel excise tax rate of \$0.22 cents and enter the total tax due.

**Line 14** – Enter the amount of any valid credit memos approved by this office to be applied to future tax liabilities. Only valid credit memos for the same license number may be applied to the monthly tax liability. Attach a copy of the credit memo applied to the tax return filed for reference.

**Line 15** – Subtract Line 14 from Line 13. This is the total net tax due. Make checks payable to: Motor Fuel Tax Administration.

Print the name and title of the individual authorized to sign the return. The tax report **MUST** be signed and dated by an authorized signor. If a tax report is received without a signature, the tax report will be returned to the company for signature. All tax reports returned for signature and received after the due date of the tax report will be considered late filed and subject to late filing penalty.

The Special Fuel User/Dealer tax return is due on or before the 25th day of the next succeeding calendar month following the monthly period to which it relates. When the 25th day of the month falls on a weekend or state holiday, the due date of the report shall be the next following business day of the State. For each report filed late there shall be a penalty of \$5.75 per business day up to a maximum of \$28.75 for each such report. For each report filed more than 5 business days late, the penalty shall be \$28.75 or 12 percent of the tax due, whichever is greater, for each such report. Any tax due shall also bear interest at the rate of 1 percent per month, or fraction thereof.

**NOTE:** Any licensed motor fuel (gasoline) or special fuel account that has a combined monthly tax liability exceeding \$20,000 must remit tax payment via Electronic Funds Transfer (EFT). Please call the Motor Fuel Tax Administration at (302) 744-2711 should you need further instructions regarding EFT.

Please call the Motor Fuel Tax Administration at (302) 744-2711 should you have any questions regarding the rest of the instructions. Blank forms and tax reports in a Microsoft Excel spreadsheet format are available on our website at: <https://www.dmv.de.gov/services/TransServ/MFSF/index.shtml>.