

GAS-1288 Instructions

Motor Fuel Kerosene Supplier Return Instructions

General Instructions

Kerosene suppliers are those fuel tax licensees who import kerosene, jet fuel, and aviation gasoline into North Carolina by pipeline, rail, marine vessel, or transport truck.

Kerosene Suppliers may:

1. Acquire fuel from other suppliers above the rack, and
2. Import and sell fuel at airport terminal facilities located within this State.

Kerosene suppliers are authorized to import tax-free kerosene, jet fuel, and aviation gasoline by pipeline, rail, marine vessel, or transport truck, place the tax-free fuel in storage at a terminal, and collect state taxes as the fuel is removed through the loading rack or upon importation into the state.

The kerosene supplier return is required to be filed by kerosene suppliers who import or sell kerosene, jet fuel, and aviation gasoline from an airport terminal 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 and not paid 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 Kerosene Supplier Return (Gas-1288) is required to be filed electronically.

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 Kerosene Supplier return, you must complete Gas 1288 Motor Fuel Kerosene Supplier Return, front and back. Attach only the schedules with the required corrections.

Line-by-Line Instructions

Part 1 - Fuel Accountability

Line 1 - Beginning Physical Inventory

Report the actual beginning inventory of kerosene, jet fuel, and aviation gasoline. 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 be the summary of the detail information provided in Schedules 1 and 4 along with the total in-state refinery production. This amount should reflect the total number of gallons of kerosene, jet fuel, and aviation gasoline received during the month.

Line 3 - Disbursements

The gallons required to be reported on this line should be the summary of the detail information provided in Schedule 5. This amount should reflect the total number of gallons of kerosene, jet fuel, and aviation gasoline disbursed during the month.

Line 4 - Transfers

Enter the total gallons of fuel that were transferred from one product type to another.

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

Line 7 - Gross taxable gallons

The gallons required to be reported on this line should be carried forward from Line 2. Enter the results by product type.

Line 8 - Tax-paid Purchases

The gallons required to be reported on this line should be carried forward from Schedule 1. Enter the result by product type.

Line 9 - Net gallons subject to inspection tax

Line 7 minus Line 8. Enter the result by product type.

Part 2 - Computation of Tax

Line 10 - Motor fuel inspection tax due

Multiply Part 1, Line 9 by \$0.0025. Enter the result by product type.

Line 11 - 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 12 - Total inspection tax due

Add lines 10 and 11. Enter the results by product type.

Line 13 - 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 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 due.

Line 14 - 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.dornc.com.

Line 15 - Total Amount Due

Add the amounts from Lines 12, 13, and 14, and enter the total. This is the amount due to be paid with the return. Your

payment should equal the amount on Line 15 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 product type.

Schedule of Receipts

The following schedule types will provide detail in support of the amounts shown as purchases on the return. The kerosene supplier is required to report each receipt of kerosene, jet fuel, and aviation gasoline on a transaction by transaction basis.

- 1 Gallons received tax-paid
- 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 kerosene supplier legal name as shown on the face of the return, kerosene 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.

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.

Schedule 1 - Gallons Received Tax-Paid

This schedule provides detailed transaction information on over the rack receipts from distributors and suppliers of tax-paid kerosene, jet fuel, and aviation gasoline. Kerosene suppliers 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.

List all sellers in alphabetical order. Complete a separate schedule for each product type.

The total from Column 11 this schedule is carried to Part 1, Lines 2 and 8 of the Gas 1288 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 kerosene, jet fuel, and aviation gasoline from suppliers for delivery directly to the supplier's bulk storage. Kerosene suppliers 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.** Complete a separate schedule for each product type.

The total from Column 11 of this schedule is carried to Part 1, Line 2 of the Gas 1288 return.

Schedule of Disbursements

Schedule 5 provides in detail gallons sold and delivered to airports in support of the amounts shown as disbursements on the return. All columns must be completed on the disbursement schedule.

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 kerosene supplier legal name as shown on the face of the return, kerosene 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 5 - Gallons sold - N.C. tax collected

Kerosene suppliers who sell kerosene, jet fuel, and aviation gasoline to airlines are required to complete and include this schedule with their Motor Fuel Kerosene Supplier 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 1, Line 3 of the Gas 1288 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