

General Instructions

Suppliers are those fuel tax licensees who import gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline into North Carolina by pipeline, ship, or barge; who place motor fuel products into storage at a terminal registered under Section 4101 of the Internal Revenue Code; and sell fuel to their customers through the loading rack at such terminal.

Suppliers may:

1. Acquire fuel from, or exchange with, other suppliers above the rack;
2. Sell fuel to suppliers, distributors and licensed distributors who import for resale to customers in this state;
3. Sell fuel to licensed distributors and licensed exporters where such fuel is destined to be exported;
4. Export fuel directly from their terminal;
5. Sell fuel to retail dealers or bulk end-users;
6. Sell fuel to the United States Government;
7. Sell fuel to the State of North Carolina;
8. Sell fuel to a North Carolina local board of education;
9. Sell fuel to a North Carolina county, municipal corporation, hospital authority, or joint agency services;
10. Sell fuel to a North Carolina charter school;
11. Sell fuel to a North Carolina community college; and
12. Blend products at the loading rack where the end product may be used to propel a vehicle, vessel, or aircraft.

Suppliers are authorized to import tax-free gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, and aviation gasoline by pipeline, ship, or barge; place the tax-free fuel in storage at a terminal, and collect state taxes as the fuel is removed through the loading rack.

The Motor Fuel Supplier Return (GAS-1202) is required to be filed by suppliers who transfer, exchange, loan, sell, or blend gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline from a terminal facility located within North Carolina. This return is also required to be filed by persons selling fuel from terminals located outside this state, when such fuel is destined for sale or use in North Carolina. This return is required to be filed by the 22nd day after the end of each month.

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 on 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.

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, the rates should be verified on the Department's website at www.ncdor.gov.

Electronic Mandate: The Motor Fuel Supplier Return (GAS-1202) is required to be filed electronically. Access the Department's website at www.ncdor.gov to file your returns by EDI or web through the Motor Fuel Tracking System.

For EFT taxpayers, the Department must receive your EFT authorization by 3:45 PM on the the 21st day after the end of each month. 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.

For non-EFT taxpayers, the return, supporting schedules, and payment must be received by the Department on or before the 22nd day after the end of each month. If the 22nd falls on a Saturday, Sunday, or state holiday, the return and payment **MUST BE RECEIVED** by the Department 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 supplier return, you must complete GAS-1202, Motor Fuel Supplier Return, front and back. Attach only the schedules with the required adjustments.

Line-by-Line Instructions

Part 1 - Computation of Tax

Note: Lines 1 through 6 are reserved for future use. Instructions for Part 2, Lines 24 through 35 are included with the Schedule Instructions. Do not make entries in shaded areas.

Line 7 - Gross taxable gallons

Enter the totals from Line 37 of this return by product type.

Line 8 - Tax-paid receipts

Enter the totals from GAS-1202TR - Motor Fuel Supplier Schedule of Tax-Paid Receipts, Column 11, by product type.

Line 9 - Net taxable gallons before tare

Line 7 minus Line 8. Enter the result by product type. For dyed diesel and dyed kerosene columns, enter amount on Line 7.

Line 10 - Road tax tare 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

Add Lines 27 and 30-35 for all product types. For dyed diesel and dyed kerosene columns, subtract Line 8.

Line 13 - Net gallons subject to inspection tax before tare

Add Lines 9 and 12. Enter the result by product type.

Line 14 - Inspection tax tare 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.

Line 16 - Motor fuel road tax due

Multiply Line 11 by the applicable motor fuel road tax rate. The rate is published on the Department's web site at www.ncdor.gov. Enter the result by product type.

Line 17 - Motor fuel inspection tax due

Multiply Line 15 by \$0.0025. Enter the result by product type.

Line 18 - Administrative Discount

A supplier that files a **timely return** and remits a **timely payment** may deduct an administrative discount. The administrative discount is calculated for each product type. The total administrative discount may not exceed \$8,000. The combined road and inspection tax rates apply to gasoline, undyed diesel, and undyed kerosene. Only the inspection tax rate applies to dyed kerosene, dyed diesel, jet fuel and aviation gasoline. To correctly calculate the administrative discount review the following four steps:

- 1) If Line 8 equals zero, calculate the administrative discount by multiplying Line 25 by .001, then multiply by the applicable road and inspection tax rates, not to exceed a total of \$8,000.
- 2) If Line 8 is greater than or equal to Line 7, enter \$0.00.
- 3) If Line 8 is greater than zero but less than Line 7, calculate the administrative discount as follows:
 - a) Compare Line 9 to Line 25. If Line 9 is less than Line 25, calculate the administrative discount by multiplying Line 9 by .001, then multiply by the applicable road and inspection tax rates, not to exceed a total of \$8,000, or,
 - b) Compare Line 9 to Line 25. If Line 9 is equal to Line 25, calculate the administrative discount by multiplying Line 25 by .001, then multiply by the applicable road and inspection tax rates, not to exceed a total of \$8,000., or,
 - c) Compare Line 9 to Line 25. If Line 9 is greater than Line 25, calculate the administrative discount by multiplying Line 25 by .001, then multiply by the applicable road and inspection tax rates, not to exceed a total of \$8,000.
- 4) If Line 8 is less than zero, calculate the administrative discount by multiplying Line 25 by .001, then multiply by the applicable road and inspection tax rates, not to exceed a total of \$8,000.

Line 19 - Adjustments

Listed below are three common adjustments that may appear on the return.

1) **10 Day Notification**

Credit may be obtained for taxes paid by a supplier, acting in its capacity as trustee, for a licensed distributor or licensed importer if the licensed distributor or licensed importer failed to pay the supplier by the date the tax was due to the State. The supplier must submit **GAS-1242, Supplier 10 Day Notification** to the Excise Tax Division prior to claiming the credit. Enter the total road and inspection taxes due.

2) **Credit Card Sales**

If you have exempt credit card sales originating from the supplier-issued credit card, enter total for exempt credit card sales.

3) **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 - Total road and inspection taxes due

Add Lines 16, 17, and 19 then subtract Line 18. Enter the total road and inspection taxes that are due in the total column.

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 due.

Payment of the Failure to Pay Penalty is required for any payment received after the date the return is due. If the payment is late, the penalty is 5% of the tax due.

Line 22 - Interest

Payment of interest is required when payment on any return is late. The interest rate is subject to change every six months; therefore, the rates should be verified on the Department's website at www.ncdor.gov.

Line 23 - Total Amount Due

Add 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 of the return. **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 as the schedules provided by this Department.** A separate schedule is required to be filed for each product type.

Schedule of Tax-Paid Receipts

Identifying Information

Legal Name, Account Number, Product Type, and Month/Year of Return

Complete the information at the top of each schedule showing the supplier legal name as shown on the face of the return, supplier account number, product type and month/year of the return.

Schedule 1 - Supplier Schedule of Tax-Paid Receipts will provide detail in support of the amounts shown as tax-paid purchases on the return. The supplier is required to report each purchase of North Carolina tax-paid product on a transaction by transaction basis.

If tax-paid gallons exceed the taxable gallons, there is no provision for credits or refunds.

The total from Column 11 of this schedule is carried to Part 1, Line 8 of the GAS-1202 return.

Column Instructions

Columns 1 & 2: Carrier - Enter the name and account number of the company that transported the product.

Column 3: Mode - 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 terminal number or city and 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 Shipped - Enter the date the product was shipped.

Column 8: Document Number - Enter the identifying number from the manifest or bill of lading issued when product is removed. 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.

Column 10: Gross Gallons - Enter the gross gallons received. Provide a grand total for Column 10.

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. Carry the total of tax-paid purchases in Column 11 to Part 1, Line 8, and enter on the line matching the appropriate product type total.

Schedule of Disbursements

The following schedule types provide detail in support of the amounts shown as disbursements on the return. The requirement for reporting each disbursement of motor fuel product is dependent on the disbursement schedule type. Please review the disbursement schedule types defined below for information on the level of transaction reporting detail required for motor fuel products.

Schedule Type

Enter one of the following disbursement schedule type numbers together with the appropriate product type. A separate schedule is required for each product type being reported.

5A	Gallons sold to retailers, bulk end-users, unlicensed distributors, and company-owned/company-operated stations
5C	Gallons sold to licensed suppliers, distributors, and importers
5F	Dyed diesel and dyed kerosene gallons sold for taxable purposes
6F	Dyed diesel and dyed kerosene gallons sold for non-taxable purposes
6X	Gallons exchanged between licensed suppliers
7	Gallons sold for export
8	Gallons sold to the U.S. Government
9A	Gallons sold to the State of North Carolina
9C	Gallons sold to a North Carolina 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 North Carolina charter school
9G	Gallons sold to a North Carolina 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 supplier legal name as shown on the front of the return, 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 - 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 terminal number or city and 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 or bill of lading issued when product is removed.

Column 10: Net Gallons - Enter the net gallons disbursed. Provide a grand total for Column 10.

Column 11: Gross Gallons - Enter the gross gallons disbursed. Provide a grand total for Column 11.

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.

Schedule 5A - Gallons sold to retailers, bulk end-users, unlicensed distributors, and company-owned/company-operated stations - N.C. tax collected

Suppliers who sell gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline to retailers, bulk end-users, unlicensed distributors, and company-owned/company-operated stations are required to complete this schedule with their Supplier Tax Return. Complete the requested information for every column on this schedule, summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 24 of the GAS-1202 return.

Schedule 5C - Gallons sold to licensed suppliers, distributors, and importers - N.C. tax collected

Suppliers who sell gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline to licensed suppliers, distributors, and importers are required to complete this schedule with their Supplier Tax Return. Note: Suppliers who hold inventory of gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline below the terminal rack (on consignment in retail service stations or in company-owned/company-operated stations) must report this fuel as a disbursement when it is removed from the terminal.

Complete this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by distributor and then by terminal control number. Complete a separate schedule for each product type.

The total from Column 11 of this schedule is carried to Part 2, Line 25 of the GAS-1202 return.

Schedule 5F - Dyed diesel and dyed kerosene gallons sold for taxable purposes

Suppliers who sell dyed diesel (including biodiesel) or dyed kerosene for highway use are required to complete this schedule with their Supplier Tax Return. These gallons include sales to intercity bus companies, local governments, the American Red Cross and educational organizations that are not public schools.

Complete this schedule listing, in detail, each disbursement transaction for dyed diesel (including biodiesel) or dyed kerosene. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 26 of the GAS-1202 return.

Schedule 6F - Dyed diesel and dyed kerosene gallons sold for non-taxable purposes

Suppliers who sell dyed diesel (including biodiesel) or dyed kerosene for off-highway use are required to complete this schedule with their Supplier Tax Return. These gallons do not include sales to intercity bus companies and educational organizations that are not public schools.

Complete this schedule listing, in detail, each disbursement transaction for dyed diesel (including biodiesel) or dyed kerosene. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 27 of the GAS-1202 return.

Schedule 6X - Gallons exchanged between licensed suppliers

Suppliers who exchange gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline with another licensed supplier are required to complete this schedule with their Supplier Tax Return.

Complete this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 28 of the GAS-1202 return.

Schedule 7 - Gallons sold for export

Suppliers who sell gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline to licensed distributors or licensed exporters for export are required to complete this schedule with their Supplier Tax Return. Suppliers may not sell gallons for export to an unlicensed distributor or unlicensed exporter. In the event the sale does occur, the transaction must be reported as a N.C. sale and reported on Schedule 5A also.

Complete this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. 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. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 29 of the GAS-1202 return.

Schedule 8 - Gallons sold to the U.S. Government

Suppliers who sell gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline directly to the U.S. Government or its agencies are required to complete this schedule with their Supplier Tax Return.

Complete this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total Column 12 of from this schedule is carried to Part 2, Line 30 of the GAS-1202 return.

Schedule 9A - Gallons sold to the State of North Carolina

Suppliers who sell gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), jet fuel, or aviation gasoline directly to the State of North Carolina or its agencies are required to complete this schedule with their Supplier Tax Return.

Complete this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 31 of the GAS-1202 return.

Schedule 9C - Gallons sold to a N.C. local board of education

Suppliers who sell gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or

aviation gasoline directly to a N.C. local board of education are required to complete this schedule with their Supplier Tax Return.

Complete this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 32 of the GAS-1202 return.

Schedule 9E - Gallons sold to a N.C. county, municipal corporation, hospital authority, or joint agency services

Suppliers who sell gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline directly to a N.C. county, municipal corporation, hospital authority, or joint agency services are required to complete this schedule with their Supplier Tax Return.

Complete this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 33 of the GAS-1202 return.

Schedule 9F - Gallons sold to a N.C. charter school

Suppliers who sell gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline directly to a N.C. charter school for charter school use are required to complete this schedule with their Supplier Tax Return.

Complete this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 34 of the GAS-1202 return.

Schedule 9G - Gallons sold to a N.C. community college

Suppliers who sell gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline directly to a N.C. community college for community college use are required to complete this schedule with their Supplier Tax Return.

Complete this schedule listing, in detail, each disbursement transaction for gasoline (including gasohol, fuel alcohol, and blending components), diesel (including biodiesel), kerosene, jet fuel, or aviation gasoline. Complete the requested information for every column on this schedule summarizing the information by the terminal control number. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 35 of the GAS-1202 return.

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