

General Instructions

A retailer of alternative fuel maintains storage facilities for alternative fuel and who sell the fuel at retail or dispense the fuel at a retail location to operate a highway vehicle.

Retailers of alternative fuel may:

1. Acquire alternative fuel from an alternative fuel provider either tax-paid or tax-free; and
2. Sell or dispense alternative fuel at retail for highway use.

A retailer of alternative fuel is authorized to purchase tax-free alternative fuel, place the tax-free fuel in common storage at a retail location, and collect state taxes as the fuel is removed from storage through a separate fuel pump identified for highway use. Retailers 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 sell or dispense the tax-paid fuel for use in a highway vehicle.

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

The Retailer of Alternative Fuel Return is required to be filed by retailers of alternative fuel who store and sell/dispense 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 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.

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 Retailer of Alternative Fuel Return, you must complete GAS-1258 Retailer 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-1258.

Electronic Mandate: At this time the Retailer of Alternative Fuel Return (GAS-1258) is not required to be filed electronically.

Line-by-Line Instructions

Part 1 - Fuel Accountability

Line 1 - Beginning physical 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 totals from Part 4, 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 - Gallons sold or used for highway use

This amount should reflect the total number of gallons of propane, natural gas, compressed natural gas (CNG) or other alternative fuel sold from tax-paid and tax-free storage used in a highway vehicle during the quarter. Also included in this amount are the gallons listed in Part 5.

Line 4 - 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 5 - Gain or (Loss)

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

Line 6 - Ending physical inventory of gallons of alternative fuel on hand on the last day 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 7 - Alternative fuel road tax due

From Column B, multiply Line 3 by the applicable motor fuels road tax rate.

Line 8 - Alternative fuel inspection tax due

From Column B, multiply Line 3 by \$0.0025.

Line 9 - 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 10 - Net road and inspection taxes due

Add Lines 7, 8, and 9.

Line 11 - 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 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.

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 12 - 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 13 - Total Amount Due

Add the amounts from Lines 10, 11, and 12 and enter the total. This is the amount due to be paid with the return. Your payment should equal the amount on Line 13 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 - Alternative Fuel Pump Meter Readings

Record the beginning and ending meter readings for alternative fuel pumps for tax-paid and common storage facilities only. Subtract the beginning meter reading from the ending meter reading and record the difference in the Total Alternative Fuel Thru-put column. Include gallons pumped in a pump test and other adjustments in the Adjustments column. Subtract the adjustments from the thru-put and enter the results in the Net Alternative Fuel Sold column. Note: If a meter breaks, record the meter reading at the time of the break and install a working meter. Attach an explanation for the change.

Part 4 - 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 correspond 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 5 - 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.

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