

GAS-1259 Instructions

Motor Fuel Backup Tax Instructions

General Instructions

This return is required to be completed to report fuel for which the North Carolina road and inspection taxes have not been charged and to report fuel that was diverted from the destination state as recorded on the shipping document. This would include, but not be limited to, the following types of transactions:

1. Dyed diesel or dyed kerosene gallons delivered to a local or intercity bus company;
2. Dyed diesel or dyed kerosene gallons delivered to an educational organization that is not a public school;
3. Gallons of motor fuel that were allowed an exemption but used for a taxable purpose;
4. Gallons of motor fuel for which a refund has been received but used to operate a highway vehicle; and,
5. Gallons of motor fuel that were diverted from the destination state recorded on the shipping document.

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 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 Backup Tax Return (GAS-1259) is required to be filed and paid electronically. Taxes may be remitted by Electronic Funds Transfer (EFT) or through the Motor Fuel Tracking System at www.ncdor.gov.

For EFT taxpayers, the Department must receive your EFT authorization by 3:45 PM on 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 backup tax return, you must complete GAS-1259, Motor Fuel Backup Tax Return for that period.

Line-by-Line Instructions

Part 1 - Computation of Tax

Line 1 - Motor fuel road tax due

Multiply Part 2, Line 12 by the applicable motor fuel road tax rate. Enter the result by product type.

Line 2 - Motor fuel inspection tax due

Multiply Part 2, Line 13 by \$0.0025. Enter the result by product type.

Line 3 - Adjustments

Payments made or credits received on original return

If you are filing an amended return you must recalculate the total taxes due. Enter the total amount paid or amount refunded on the original return.

Line 4 - Total road and inspection taxes due

Add Lines 1, 2, and 3. Enter the result by product type.

Line 5 - 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 that is due.

Payment of the Failure to Pay Penalty is required with any payment received after the date the return is due. If this return is late, the penalty is 10% of the tax that is due.

Line 6 - 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, the rates should be verified on the Department's website at www.ncdor.gov.

Line 7 - Total amount due

Add Lines 4, 5, and 6, and enter the total. This is the amount due to be paid with the return. Your payment should equal the amount on Line 7 on the return. **Any payment must be drawn on a U.S. (domestic) bank and payable in U.S. dollars.**

If the amount on the Total Amount Due line reflects a credit of \$20.00 or more, the amount will be refunded to you. A credit memorandum will not be issued. Credits less than \$20.00 will be refunded upon written request.

Part 2 - Gallonage Summary

Line 8 - Dyed diesel or dyed kerosene gallons sold for taxable purposes

The gallons required to be reported on this line should be carried from the totals on GAS-1259DS, Schedules 5R and 5S. Enter the result by product type.

Line 9 - Gallons claimed as exempt or refunded but used for taxable purposes

The gallons required to be reported on this line should be carried from the totals on GAS-1259DS, Schedules 5U and 5V. Enter the result by product type.

Line 10 - Gallons diverted from the destination state recorded on the shipping document

The gallons required to be reported on this line should be carried from the totals on GAS-1259DS, Schedule 5W. Enter the results by product type. **Do not include dyed diesel or dyed kerosene. Dyed diesel or dyed kerosene diverted from the destination state recorded on the shipping document must be reported on Part 2, Line 11.**

Line 11 - Dyed diesel or dyed kerosene gallons diverted from the destination state recorded on the shipping document

The gallons required to be reported on this line should be carried from the totals on GAS-1259DS, Schedule 5W. Enter the result by product type.

Line 12 - Gallons subject to road tax

Add Lines 8, 9, and 10. Enter the result by product type.

Line 13 - Gallons subject to inspection tax

Add Lines 8, and 10, and 11. Enter the result by product type.

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 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 types together with the appropriate product type. A separate schedule type is required for each product type being reported.

- 5R Dyed diesel or dyed kerosene gallons delivered to a local or intercity bus company
- 5S Dyed diesel or dyed kerosene gallons delivered to an educational organization that is not a public school
- 5U Gallons of motor fuel that were allowed an exemption but used for taxable purpose
- 5V Gallons of motor fuel for which a refund has been received but used to operate a highway vehicle
- 5W Gallons of motor fuel that were diverted from the destination state recorded on the shipping document

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 legal name as shown on the front of the return, 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: Not Required for North Carolina Reporting Purposes**
- Column 4: Point of Destination** - Enter the location the product was transported to. Use the standard state abbreviation to identify the point of destination.
- Column 5: Not Required for North Carolina Reporting Purposes**
- 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 at the terminal when the product is removed. In the case of bulk plant removals, use the withdrawal invoice number.
- Column 10: Not Required for North Carolina Reporting Purposes**
- Column 11: Not Required for North Carolina Reporting Purposes**
- 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.
- Column 13: Diversion Number** - Enter the number issued by the diversion reporting system that authorizes the diversion of the product from the destination state that is on the original shipping document. (Only required for Schedule 5W)

Schedule 5R - Dyed diesel or dyed kerosene gallons delivered to a local or intercity bus company

Licensees who sell dyed diesel or dyed kerosene to a local bus or an intercity bus company for use in a highway vehicle are required to complete this schedule with their Motor Fuel Backup Tax Return. Complete the requested information for every column on this schedule summarizing the information by the purchaser name. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 8 of the GAS-1259 return.

Schedule 5S - Dyed diesel or dyed kerosene gallons delivered to an educational organization that is not a public school

Licensees who sell dyed diesel or dyed kerosene to an educational organization that is not a public school for use in a highway vehicle are required to complete this schedule with their Motor Fuel Backup Tax Return. Complete the requested information for every column on this schedule summarizing the information by the purchaser name. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 8 of the GAS-1259 return.

Schedule 5U - Gallons of motor fuel that were allowed an exemption but used for a taxable purpose

Licensees who purchase motor fuel originally for exempt purposes but the fuel was subsequently used for a taxable purposes are required to complete this schedule with their Motor Fuel Backup Tax Return. Complete the requested information for every column on this schedule summarizing the information by the purchaser name. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 9 of the GAS-1259 return.

Schedule 5V - Gallons of motor fuel for which a refund has been received but used to operate a highway vehicle

Licensees who obtain a refund of motor fuel tax on product that is then used in a highway vehicle are required to complete this schedule with their Motor Fuel Backup Tax Return. Complete the requested information for every column on this schedule. This information must be submitted in detail. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Line 9 of the GAS-1259 return.

Schedule 5W - Gallons of motor fuel that were diverted from the destination state recorded on the shipping document

Distributors, Importers, or Exporters who divert motor fuel from the original state of destination as it appears on the bill of lading to a different state of destination are required to complete this schedule with their Motor Fuel Backup Tax Return. In order to report a diversion to this State, a diversion number must be obtained by accessing the website at www.fueltrac.us. Complete the requested information for every column on this schedule. This information must be submitted in detail. Complete a separate schedule for each product type.

The total from Column 12 of this schedule is carried to Part 2, Lines 10 and 11 of the GAS-1259 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) 250-7898