

SPECIAL FUEL SUPPLIER 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).

Special Fuel Suppliers are required to report all receipts and distribution of low sulfur clear diesel (Product Code 167) and undyed biodiesel (Product Code 170). No receipt schedule is required to be completed for other special fuel product types (Ex: propane, compressed natural gas, dyed biodiesel, & low sulfur dyed diesel) that are sold to customers tax-paid (Only a Schedule 5 Disbursement form required to be completed for these other special fuel product types). The non-taxable receipts and distribution of special fuels delivered to customers that are for off-highway use (received into unlicensed equipment), heating/cooking purposes, etc. (i.e. heating oil, dyed diesel, kerosene) are not required to be reported. Please call the Motor Fuel Tax Administration at (302) 744-2711 if you have any questions.

A tax return must be filed even if there is no Delaware activity for the month. Check the applicable box to indicate the return is being filed with no activity. 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, your company's Federal Employer Identification Number or Social Security Number, name of licensee, and address of licensee. 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 – Tax Paid & Tax Free Special Fuel Purchases: Include all tax paid and tax free special fuel purchases for the month on these lines. A separate schedule must be filed for each product type (See Paragraph 2 Above). Complete a separate form for each schedule required, and record the type of schedule, type of product, and total gallons in the space provided.

SCHEDULE 1 – Report special fuel gallons received tax paid (Tax paid to supplier at time of purchase) from locations within Delaware.

SCHEDULE 2 – Report special fuel gallons received tax-free from locations within Delaware.

SCHEDULE 3 – Report special fuel gallons imported from another state direct to customers.

SCHEDULE 4 – Report special fuel gallons imported from another state into Delaware tax-free storage.

You must complete the Multiple Schedule of Receipts, and enter summary totals for each schedule in the space provided. Please follow the receipt instruction sheet provided. On each Multiple Schedule of Receipts form, you must report monthly receipt gallons totals, broken down on a per supplier basis, and further broken down by carrier. All requested information must be reported.

Line 2 – Taxable Sales/Use: Include special fuel taxable gross gallons delivered to Delaware retail stations and unlicensed Special Fuel Supplier, Dealer, and/or User tanks. Also, include any taxable use in your own vehicles and any taxable sales of special fuel into the supply tanks of licensed motor vehicles not owned or controlled by you. Sales of clear diesel fuel must be taxed, unless those sales are made to licensed Special Fuel Suppliers, Users or Dealers, in accordance with the Delaware Special Fuel Tax Law, and the Policy Directive on the “Taxation of Low Sulfur Clear Diesel Fuel”, which became effective as of October 15, 1995. Enter total taxable sales/use gallons on line number 2. You must complete the Multiple Schedule of Disbursements, and enter summary totals for each schedule in the space provided, by product type. Please follow the disbursement instruction sheet provided.

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Line 3 – Non-Taxable Sales/Use/Exports: Include all non-taxable sales or use (except for credit card sales to authorized exempt entities, which are reported on Line 6), using the appropriate disbursement schedule (Schedule #6, #8, #9, and/or #10 as applicable). Tax free exports must also be reported by using the appropriate schedule number (Schedule #7). All non-taxed sales/use and exports must be in compliance with Delaware Special Fuel Law & Policy Directive on the “Taxation of Low Sulfur Clear Diesel Fuel”, which became effective October 15, 1995. You must complete the Multiple Schedule of Disbursements, and enter summary totals for each schedule in the space provided. Please follow the disbursement instruction sheet provided.

Line 4 – Total Taxable Sales/Use Disbursements: Enter the total gallons from line 2.

Line 5 – Less: Tax Paid Special Fuel Purchases: Please enter the number of tax paid Special Fuel gross gallons your company purchased for resale or company bulk storage during the month (Line 1 - Per receipt schedule #1).

Line 6 – Less: Credit Card Sales to Authorized Exempt Entities: Special Fuel Suppliers may deduct gallons of Low Sulfur Clear Diesel and/or Undyed Biodiesel sold via credit cards to authorized exempt entities, through Delaware retail outlets owned/operated or supplied by them. In order to claim the deduction, you must insure that each exempt purchaser is the holder of a valid Delaware Motor Fuel Tax Exemption certificate. You must complete the Motor Fuel Tax Schedule of Disbursements, Schedule 11, and enter the summary total for this schedule on Line 6 of the tax return, in the space provided.

Line 7 – TAX – Net Taxable Sales/Use Due: Subtract line 5 and line 6 from line 4 to arrive at the Total Net Taxable Sales/Use gallons for the month.

Line 8 – Total Tax Due: Multiply the line 7 gallon amount by \$0.22, the state excise tax rate on special fuels.

Line 9 – 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 10 – Subtract Line 9 from Line 8. 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 Supplier 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 questions regarding the rest of the instructions. Blank forms and tax returns in a Microsoft Excel spreadsheet format are available on our website at <https://www.dmv.de.gov/services/TransServ/MFSF/index.shtml>.