

New York State Department of Taxation and Finance
**Instructions for Preparing Form MT-1000, Return of Tax on Diesel Motor Fuel
 and Supporting Schedules**

Please keep for your records.

Diesel motor fuel is composed of two general sub-categories of product:

- 1) unenhanced diesel product, and
- 2) enhanced diesel product.

The specific fuels making up unenhanced diesel product include fuel oil, kero-jet airline fuel, and kerosene and water-white kerosene (K-1). It does not include industry-standard No. 4 diesel fuel. (See Notice N-89-63 for the definition of industry-standard No. 4 diesel fuel.)

The specific fuels making up enhanced diesel product include diesel fuel, No. 1 diesel fuel, enhanced No. 2 fuel oil (the blended product that results from mixing No. 2 fuel oil with kerosene or a cetane improver to make such fuel oil more suitable to operate in a motor vehicle diesel engine) and any product designated as diesel motor fuel.

You may reproduce (e.g., computer generate) any schedule provided the schedule is clearly identified and contains all of the information (including schedule number, distributor's name, identification number, etc.) requested on the original schedule and the information is in the same format.

Inventory and Purchases (Lines 1 through 7)

Line 1 - Indicate the total number of gallons of your diesel motor fuel on hand at the beginning of the month at storage facilities in New York State. Do **not** include:

- gallons held in filling stations (however, do include water-white kerosene (K-1) held for sale exclusively to consumers for heating purposes in containers of no more than 20 gallons), and
- gallons held in repositories equipped with a hose or other apparatus that can dispense fuel into a motor vehicle.

This figure should be the same as that reported on line 6 of the return filed for the preceding month.

Line 2 - Indicate the aggregate total number of gallons from all Schedule(e) 1, *Receipts in New York State From Sources Outside New York State*.

Schedule 1 Instructions:

For each out-of-state supplier from whom **you imported** diesel motor fuel during the month, indicate the name and address of the supplier, the code for each product type, and the total gallons of each product type that you imported.

Where diesel motor fuel has been imported from your own out-of-state facilities, indicate the name and address of each facility, the code for each product type and the total gallons of each product type that you imported during the month.

Include gallons shipped directly to any of your own facilities, including service stations, or shipped directly to your customers in New York State.

You are the importer of diesel motor fuel if you:

- 1) have ownership of the fuel at the time the fuel enters New York State's jurisdiction; or
- 2) direct or control the importation of fuel into New York State.

Line 3 - Indicate the aggregate total number of gallons (column A plus column B) from all *Schedule(s) 2, Receipts in New York State From Sources Within New York State*.

Schedule 2 Instructions:

For each supplier from whom you purchased or received diesel motor fuel in New York State, indicate the name of the supplier, the supplier's Distributor of Diesel Motor Fuel registration number, the code for each product type, the total gallons of each product type that you purchased or received untaxed and the total gallons of each product type that you purchased or received with the tax passed through to you.

Include gallons shipped directly to **any** of your own facilities, including service stations, or shipped directly to your customers in New York State.

Line 4 - Indicate the total number of gallons of nondiesel motor fuel substances such as cetane improvers which were added to and increased your overall inventory of diesel motor fuel.

Line 5 - Add lines 1 through 4 and indicate the total.

Line 6 - Indicate the total number of gallons of your diesel motor fuel on hand at the end of the month at storage facilities in New York State. Do **not** include:

- gallons held in filling stations (however, do include water-white kerosene (K-1) held for sale exclusively for heating purposes in containers of no more than 20 gallons), and
- gallons held in repositories equipped with a hose or other apparatus from which fuel can be dispensed into a motor vehicle.

Line 7 - Subtract line 6 from line 5 and indicate the result.

Nontaxable Distribution (Lines 8 through 18)

Line 8 - Indicate the aggregate total number of gallons from Part I of all Schedule(s) 3, *Sales of Unenhanced Diesel Product to Other Persons Registered under Article 12-A for Diesel Motor Fuel*.

Schedule 3 Instructions:

Indicate the name, diesel motor fuel registration number, and number of gallons of unenhanced diesel product (e.g., No. 2 fuel oil, kerosene, etc.) sold to Distributors of Diesel Motor Fuel, Retailers of Heating Oil Only or Distributors of Kero-jet Fuel Only upon which the diesel motor fuel tax was not passed through. List the Distributors of Diesel Motor Fuel and the Retailers of Heating Oil Only in Part I of the schedule and list the Distributors of Kero-jet Fuel Only in Part II of the schedule. Do not include any unenhanced diesel product delivered to a filling station (other than kero-jet fuel delivered to a Distributor of Kero-jet Fuel Only) or into any other repository equipped with a hose or other apparatus that can dispense fuel into a motor vehicle (including the bulk storage tanks of Distributors of Diesel Motor Fuel and Retailers of Heating Oil Only equipped with such a hose or other apparatus).

You must have Form FT-1001, *Certificate of Sales Tax and Diesel Motor Fuel Tax Exemption for Interdistributor Transaction*, on file for each such customer.

Line 9 - Indicate the aggregate total number of gallons from all Schedule(s) 4, *Sales to United States, New York State and Municipalities*.

Schedule 4 instructions:

Indicate (1) the name of the governmental entity to which you sold diesel motor fuel without passing through the diesel motor fuel tax, (2) the contract number or approval number, (3) the code for each type of product and (4) the number of gallons of each type of product sold.

The United States government and its agencies, and New York State, its agencies and municipalities are the only governmental entities that may purchase diesel motor fuel without paying the diesel motor fuel tax.

Line 10 - Indicate the aggregate total number of gallons from line(s) d of all Schedule(s) 5, *Transfers Out of New York State*, prepared for each state(s) and Canadian province(s).

Schedule 5 Instructions:

Prepare a separate Schedule 5 for each state and Canadian province.

Complete Schedule 5 as follows:

- 1) List the name and address of:
 - a) each purchaser (other than a governmental entity) that is a distributor, wholesaler, service station, truck stop or other reseller of the diesel motor fuel in the other state or province,
 - b) each purchaser (other than a governmental entity) that has acquired diesel motor fuel for purposes other than heating, production or farming, and
 - c) your own facilities or facilities under your control outside New York State to which you transferred diesel motor fuel,and the number of gallons of diesel motor fuel that you shipped or sold to each purchaser for purposes other than heating, production or farming.
- 2) Add the number of gallons in the Gallons column of Schedule 5 and indicate the total on line a of Schedule 5.
- 3) Indicate on line b of Schedule 5 the number of gallons of diesel motor fuel that you shipped out of New York State and that you sold to governmental entities.
- 4) Indicate on line c of Schedule 5 the number of gallons of diesel motor fuel that you shipped out of New York State for sale to consumers for heating, farming or production purposes. Do not include gallons sold to governmental entities.
- 5) Add lines a, b and c and indicate the total on line d of Schedule 5.

Submit two copies of each Schedule 5 with your tax return.

Line 11 - Indicate the aggregate total number of gallons from all Schedule(s) 6, *Sales in New York State for Immediate Export*, that was prepared for each state(s) and Canadian province(s).

Schedule 6 Instructions:

Prepare a separate Schedule 6 for each state and Canadian province.

For each transaction where you sell diesel motor fuel within New York State to a distributor or dealer registered or authorized to conduct business in the other state or province for immediate export to that state or province upon which the tax has not been passed through and for which you received a properly completed Form FT-1003, *Statement of Exportation of Diesel Motor Fuel by Purchaser*, indicate (1) the name of the out-of-state distributor or dealer, (2) the date shipped, (3) the name of the transporter, (4) the loading point in New York State, (5) the code for each product type and (6) the number of gallons of each product type.

Submit two copies of each Schedule 6 with your tax return.

Line 12 - Indicate the total number of gallons of diesel motor fuel sold in New York State to farmers upon which you did not pass through the tax. You must have Form FT-1004, *Farmer's Exemption Certificate for Purchases of Diesel Motor Fuel*, on file to cover all such sales. Also, if you are a farmer, include gallons you used for farming.

Line 13 - Indicate the total number of gallons of water-white kerosene (K-1) upon which the tax has not been passed through to the purchaser which was A) delivered to filling stations (other than your own) where the water-white kerosene (K-1) is for sale exclusively to consumers for heating purposes in containers of no more than 20 gallons, or B) sold at your own filling stations to consumers for heating purposes in containers of no more than 20 gallons.

Line 14 - Indicate on line a the aggregate total number of gallons from Part II of all Schedule(s) 3, *Sales of Unenhanced Diesel Product to Persons Registered Under Article 12-A for Diesel Motor Fuel*. (The instructions for completing Schedule 3 are on page 1 of these instructions.) Indicate on line b the total number of gallons of kero-jet fuel sold to airlines upon which the tax has not been passed through. Airlines registered as distributors should also report kero-jet fuel taken from inventory that was used in their airplanes during the reporting period.

(Note: - Do not include sales of kero-jet fuel sold to nonairline operators. See instructions for line 22, *Adjustments*, if you sell kero-jet fuel to nonairline aircraft operators that have chosen the refund assignment policy described in Notice N-88-56.)

Add lines a and b and indicate the total on line 14.

Line 15 - Indicate the total number of gallons of untaxed diesel motor fuel sold to consumers for heating or production purposes upon which the tax was not passed through. Also include the total gallons you used for heating and production. Do not include sales made from filling stations.

Line 16 - Add lines 8 through 15 and indicate the total.

Line 17 - Indicate the total number of gallons of diesel motor fuel that were lost due to evaporation, shrinkage and handling at bulk storage facilities (other than retail service stations). You must maintain records to substantiate such a loss. In addition you may include on line 17 the total gallons of diesel motor fuel lost due to a casualty, provided such loss has been approved by the Tax Department. You must submit a report of casualty loss within 24 hours to the Transaction and Transfer Tax Bureau, FACCTS, Desk Audit Section, W. A. Harriman Campus, Albany, NY 12227 and request that you be allowed to include the loss on your tax return.

Line 18 - Add lines 16 and 17 and indicate the total.

Computation of Tax (Lines 19 through 31)

Line 19 - Subtract line 18 from line 7 and indicate the result.

Line 20 - Indicate the total number of gallons of diesel motor fuel included on lines 1, 2 or 3 that you purchased with the diesel motor fuel tax passed through to you and which:

- you sold or used during the reporting period (other than gallons sold from your own filling stations during the reporting period), or
- you or your supplier delivered during the reporting period to your filling stations or your repositories equipped with a hose or other apparatus that can dispense fuel into a motor vehicle.

Line 21 - Subtract line 20 from line 19 and indicate the result.

Line 22 - Indicate the net number of gallons of diesel motor fuel from the following:

- diesel motor fuel sold at your filling station(s) to consumers in containers of 10 gallons or less for heating purposes upon which you have not passed through the tax. This figure should be subtracted from line 21 when computing line 23. Do not include sales of water-white kerosene (K-1) that are reportable on line 13.
- diesel motor fuel that you withdrew from your diesel motor fuel inventory during the month to compound or blend with any product to produce No. 4 diesel fuel or any nondiesel product (e.g., No. 2 fuel oil used to blend with No. 6 residual fuel oil to produce No. 4 diesel fuel). This figure should be subtracted from line 21 when computing line 23. You must keep records of any disposition of No. 4 diesel fuel or any nondiesel product that you blended using diesel product that you withdrew from your inventory. In addition, you must indicate whether the gallons so compounded or blended were for sale or for self-use.
- bulk inventory gains of diesel motor fuel sold or used. This figure should be added to line 21 when computing line 23.

- kero-jet fuel sold to nonairline aircraft operators or marine diesel fuel sold to vessel operators in accordance with the refund assignment policy described in Notice N-88-56. This figure should be subtracted from line 21 when computing line 23. When filing your return, attach a statement indicating that a refund assignment form has been received for all such sales, that the forms are on file and available for inspection by the Tax Department, and that the fuel was delivered into the tank of the aircraft or vessel. You must attach copies of the sales invoices.
- adjustments (in gallons) from prior periods. Subtract a credit or add a debit to line 21 when computing line 23.

In lieu of claiming a refund on Form FT-1046, *Diesel Motor Fuel Tax Refund Application*, you may include the following (These adjustments should be subtracted from line 21 when computing line 23.):

- gallons of diesel motor fuel used by you in any manner except to operate a motor vehicle on the public highways of New York State or to operate a pleasure or recreational motor boat on the waterways of New York State or on the waterways bordering New York State. Include gallons consumed by you off highway and in power take-off units. No credit is allowed for diesel motor fuel taken out of New York State.
- gallons of diesel motor fuel consumed by you exclusively in educational related activities, if you are **both** a distributor **and** a nonpublic school operator.
- gallons of diesel motor fuel consumed by you in a motor vehicle owned and operated by you **and** used exclusively for your purposes, if you are **both** a distributor **and** any of the following: a) a hospital (indicate the sales tax exempt number shown on your Exempt Organization Certificate (Form ST-119) in the explanation portion of line 22), b) a governmental entity, c) a fire company or fire department as defined in section 3 of the Volunteer Firefighter's Benefit Law, or d) a volunteer rescue squad supported in whole or in part by tax money.

Explain all adjustments in detail on line 22 of the tax return. Attach additional sheets, if necessary, to explain the adjustments.

Line 23 - Add or subtract line 22 from line 21 and indicate the result.

Line 24 - Multiply the gallons on line 23 by \$.10 and indicate the result.

Line 25 - Indicate the amount of credit applied from prior months as reported on prior months' Form MT-1000, line 31. Indicate the month(s) from which this credit is taken.

Line 26 - Subtract line 25 from line 24 and indicate the result.

Line 27 - Penalty is imposed at the rate of ten percent of the tax due for the first month or fraction of a month, and

one percent for each subsequent month or fraction of a month in which the tax remains unpaid, up to a maximum penalty of thirty percent.

If a return is not filed within sixty days of the due date, a minimum penalty of the lesser of the tax due or \$100 is imposed. This maximum penalty may not be less than the penalty computed pursuant to the preceding paragraph.

Line 28 - Interest is computed at the rate set by the Commissioner of Taxation and Finance and is compounded daily. It is computed from the day the tax was due until the day the tax is paid. Interest is a charge for the use of money and may not be waived. If you need help figuring interest, contact the Taxpayer Services Division for information. The phone numbers and address are shown on the tax return.

Line 29 - Add lines 26, 27 and 28 and indicate the total. Make remittance payable to the Commissioner of Taxation and Finance. Indicate on the check or money order your identification number and monthly period. A credit amount on line 29 may be applied to line 30 or line 31.

Lines 30 and 31 - If line 29 is an overpayment, indicate the amount you want refunded to you on line 30 or indicate on line 31 the amount you want to take as a credit on your next month's tax return.

In addition to completing lines 1 through 31 of this tax return and any required schedules, you must complete the *Summary of Taxable Sales* and the *Certification* section on the back of this tax return.

Summary of Taxable Sales

On the *Summary of Taxable Sales* you must account for all sales in the state that require the imposition or pass through of the tax as follows:

- 1) List each registered Distributor of Diesel Motor Fuel, Retailer of Heating Oil Only and Distributor of Kero-jet Fuel Only to whom you sold diesel motor fuel where the diesel motor fuel excise tax is required to be imposed or passed through. Enter the name and diesel motor fuel registration number of each such registered person and number of gallons sold to each during the month. You do not have to enter the address of such registered persons.
- 2) Indicate as a separate item ("direct fueling of customers' vehicles") the total gallons you delivered into customers' vehicles for use in the operation of such vehicles other than those delivered at filling stations whose gallons are not included in your inventory. You do not have to list a customer if you only pump fuel directly into the customer's vehicle(s). If you also deliver 500 gallons or more of diesel motor fuel other than directly into a customer's vehicle(s), you must list that customer and only report gallons of diesel motor fuel delivered to that customer other than those delivered directly into a customer's vehicle(s) for use in the operation of such vehicle(s).

- 3) Indicate as a separate item ("customers under 500 gallons") the total gallons sold to customers who purchased less than 500 gallons during the month. You do not have to list individually a customer to whom you sold less than 500 gallons of diesel motor fuel during the entire month.
- 4) List all other customers not registered under the Diesel Motor Fuel Tax Law to whom you made taxable sales or sales where the diesel motor fuel excise tax is required to be passed through. Indicate the customer's name and the number of gallons of diesel motor fuel that you sold to each during the month. If the customer is a reseller of the diesel motor fuel, other than a registered Distributor of Diesel Motor Fuel, a Retailer of Heating Oil Only or a Distributor of Kero-jet Fuel Only, indicate the customer's sales tax or federal identification number, otherwise indicate the customer's address.
- 5) Add the number of gallons in the Gallons column.

The total number of gallons shown on this summary is not to be indicated on any line of the tax return.

Certification

The return must be signed and dated, and must show the title of the person signing.

The certification must be signed by the owner if an individual, a partner if a partnership, or the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other officer authorized to act in that capacity, if a corporation. The fact that an individual's name is signed on the certification of the report shall be prima facie evidence that such individual is authorized to sign and certify the report on behalf of the distributor.

Additionally, if anyone other than the employee, owner, partner or officer of the distributor is paid to prepare the return, the preparer is required to complete the preparer's signature line.

Privacy Notification

Our authority to require this personal information, including identifying numbers (e.g., social security numbers) is found in Article 12-A, sections 282-a, 282-b, 282-c and 287 of the Tax Law, as well as in Article 2 of Subchapter F of the Miscellaneous Tax Regulations, published in Title 20 NYCRR.

We will use this information to administer the state diesel motor fuel taxes under Article 12 A of the Tax Law and for any other purpose authorized by law.

Your failure to provide the required information may result in civil or criminal penalties, or both, under Articles 12-A and 37 of the Tax Law and Part 420 of the Miscellaneous Tax Regulations.

Our authority to maintain this information is found in subdivisions First and Fourteenth of section 171 and in section 286 of the Tax Law. This information will be maintained by the Director, Data Management Services Bureau, New York State Tax Department, Building 8, Room 905, W.A. Harriman Campus, Albany, NY 12227; telephone (from New York State only) 1 800 CALL TAX (1 800 225-5829); from outside New York State, call (518) 438-8581.