

**Prepaid Sales Tax on
Motor Fuel/Diesel Motor Fuel Return**

(Including instructions for Form FT-945/1045-W)

New

Beginning December 1, 2016, certain businesses that purchase or sell motor fuel in the Metropolitan Commuter Transportation District (MCTD) must be registered with the Tax Department as MCTD motor fuel wholesalers and meet certain reporting requirements. The MCTD is divided into two regions:

- **Region 1** – New York City (Bronx, Kings (Brooklyn), New York (Manhattan), Richmond (Staten Island) and Queens counties), Dutchess County, Orange County, Putnam County, Rockland County, and Westchester County
- **Region 2** – Nassau County and Suffolk County

Note: Region 3 consists of all counties in New York State not mentioned above.

The new requirements apply to businesses that:

- make purchases of motor fuel within the MCTD for resale, or
- make sales (other than retail sales not in bulk) of motor fuel within the MCTD.

The new requirements do not apply to businesses that **only** make retail sales of motor fuel delivered directly into a motor vehicle for use in operating the vehicle (retail service stations).

For more information, see TSB-M-16(9)S, *Registration and Reporting Requirements for Wholesalers of Motor Fuel in the Metropolitan Commuter Transportation District*.

New reporting requirements**Form FT-945/1045-W, Prepaid Sales Tax – Motor Fuel Wholesaler's Detail Report**

In addition to the existing inventory reconciliation required for all wholesalers, MCTD motor fuel wholesalers must report additional detailed information regarding their purchases and sales of motor fuel in New York State during the month.

Motor fuel regional tax adjustment – MCTD wholesalers

At times, MCTD motor fuel wholesalers may need to move inventory in bulk from one region to another. The bulk transfer of motor fuel from one region to another region requires an adjustment of the sales tax previously prepaid to the seller on the transferred fuel to reflect the rate in effect in the destination region.

If the motor fuel is sold in a region that has a higher prepaid sales tax rate than the region in which the wholesaler purchased the fuel, the wholesaler must pay the difference in rates for the gallons sold.

If the motor fuel is sold in a region that has a lower prepaid sales tax rate than the region in which the wholesaler purchased the fuel, the wholesaler is entitled to a credit or refund for the difference in rates for the gallons sold.

Claiming credits

Wholesalers may now report credits on Form FT-945/1045 for prepaid sales tax paid on sales of fuel to exempt purchasers or on fuel that is exported. MCTD wholesalers may claim this credit against tax owed from regional adjustments.

Highlights

- **Mandate to use Sales Tax Web File** – The Tax Department requires most fuel distributors to Web File their prepaid sales tax returns. You **must** Web File your prepaid sales tax returns if you:
 - do not use a tax preparer to file,
 - use a computer to prepare, document, or calculate your tax forms, and
 - have broadband Internet access.

Beginning with the return for December 2016, MCTD motor fuel wholesalers are also required to Web File their returns.

You must have an *Online Services* account to Web File. Visit our website (see *Need help?*) to learn more and to create an account.

- **Paid preparer exclusion code requirement** – If as a paid preparer you are not required to have a NYTPRIN, you must provide a NYTPRIN exclusion code. See *Paid preparer's responsibilities*.
- **Important reminder to file all pages:** Include all pages of all the forms you completed when you file with the Tax Department, even if you did not make entries on some of the pages.

General instructions**Who must file this return**

- Motor fuel distributors registered under Tax Law Article 12-A.
- Diesel motor fuel distributors registered under Tax Law Article 12-A, other than a distributor who is registered as a retailer of non-highway diesel motor fuel only.
- Motor fuel wholesalers, jobbers, and others who sell motor fuel, unless sold exclusively at retail service stations.

Definitions

Diesel motor fuel is motor fuel suitable for operating a diesel engine such as No. 1 diesel fuel, No. 2 diesel fuel, biodiesel, kerosene, crude oil, fuel oil, or other middle distillate (excluding any product specifically designated *No. 4 diesel fuel* and not suitable for operating a motor vehicle engine).

Highway diesel motor fuel is any diesel motor fuel which is not non-highway diesel motor fuel.

Non-highway diesel motor fuel is any diesel motor fuel that is designated for use other than on a public highway (except for the use of the public highway by farmers to reach adjacent lands), and is dyed diesel motor fuel.

Dyed diesel motor fuel is diesel motor fuel which has been dyed in accordance with and for the purpose of complying with 26 USC 4082(a).

Filing requirements

You must file Form FT-945/1045 even if no tax is due. **Do not** include the amount of tax paid with this return on any other return or schedule.

This return is due within 20 days after the end of the month covered by the return. When the due date falls on a Saturday, Sunday, or legal holiday, the return is due on the next business day.

Failure to file this return, filing a false return, or failure to pay the tax due, if any, may subject you to criminal or civil penalties, or both, under the New York State Tax Law.

Has your address or business information changed?

If you need to update your mailing address, you can do so online. Visit our website and look for the *Change my address* option for further instructions; otherwise, call the Sales Tax Information Center (see *Need help?*) or enter your correct address on Form FT-945/1045. You may also use Form DTF-96, *Report of Address Change for Business Tax Accounts*, to update your mailing address, physical address, or designated preparer or filing service address. If you need to change additional information such as the name, ID number, physical address, owner/officer information, business activity, or paid preparer address (as well as your address), complete and send in Form DTF-95, *Business Tax Account Update*. You can get these forms from our website or by phone (see *Need help?*).

Specific instructions

Complete the identification number, business telephone number, daytime telephone number (if different), legal name, doing business as (DBA) name, and address boxes on page 1 of the return. If you are filing single pages (for example, printed from our website), please also enter your sales tax identification number at the top of page 2.

Making numerical entries

Write your numbers like this:



Which parts of the form to complete

- **Registered distributors** of motor fuel or diesel motor fuel are not required to report inventory on this return; therefore, they must complete only Parts 1, 2, and 5.
- **MCTD motor fuel wholesalers** must complete Parts 3, 4, 5, and 6, and Form FT-945/1045-W.
- **All other motor fuel wholesalers**, jobbers, etc., must complete Parts 4, 5, and 6, and Form FT-945/1045-W.

No activity?

You must file by the due date even if no tax is due. There is a \$50 penalty for late filing a no-tax-due return.

Motor fuel distributors: enter **0** on lines 4, 13, 32c, and 33.

Diesel motor fuel distributors: enter **0** on lines 17, 22, 32c, and 33.

Motor fuel wholesalers: enter **0** on lines 28, 32c, and 33. Also enter **0** in the applicable column totals on Form FT-945/1045-W, Parts 1 and 2 or Part 3 (see *Instructions for Form FT-945/1045-W*, Prepaid Sales Tax-Motor Fuel Wholesaler's Detail Report).

Part 1 – Registered motor fuel distributors only

Only motor fuel distributors registered under Article 12-A can remit the initial prepaid sales tax on motor fuel to the Tax Department. No other person can acquire motor fuel without the required prepaid sales tax included in the purchase price.

To compute the prepaid sales tax due on motor fuel in each region, combine the number of gallons of motor fuel subject to tax in each region. Multiply the total by the sales tax per-gallon rate shown for that region.

Lines 5a, 5b, and 5c – Enter the amount of prepaid sales tax on motor fuel for which you are claiming a credit. These credits must be separated into Region 1, Region 2, and Region 3. **Note:** You must attach substantiation when you claim credits.

Credits are limited to:

- motor fuel sold to exempt purchasers;
- motor fuel taken out of inventory and delivered out of state by you, either to your own facility or to your customer's facility; or
- motor fuel lost due to:
 - shrinkage, evaporation, and handling (not to exceed 2% of the fuel stored), or
 - casualty losses (see *Casualty losses*).

These amounts may include:

- the prepaid sales tax computed on the fuel for this period;
- prepaid sales tax paid to your supplier on fuel purchased in this or a prior period; or
- prepaid sales tax remitted directly to the Tax Department for a prior period.

Casualty losses

An adjustment to the number of gallons of motor fuel or diesel motor fuel subject to prepaid sales tax is allowed for any motor fuel or diesel motor fuel lost or destroyed due to an accident (such as a fire) that occurs while the motor fuel or diesel motor fuel is being held or transported for sale other than at retail.

You must submit a detailed report of the casualty loss, and a request to take a credit for the tax paid on product lost, to the address below within 24 hours of the occurrence. The adjustment is reportable on the Form FT-945/1045 covering the month in which the loss occurs. The adjustment for motor fuel or diesel motor fuel must be separated into regions and reported in Part 1, lines 5a, 5b, and 5c for motor fuel and Part 2, lines 18a, 18b, and 18c for diesel motor fuel.

Send your request to: **NYS TAX DEPARTMENT
TDAB FACCTS
W A HARRIMAN CAMPUS
ALBANY NY 12227-5501**

Line 7 – Enter the amount of refunds of prepaid sales tax on motor fuel you requested on Form AU-629, *Application for Refund/Reimbursement of Taxes Paid on Fuel Sold to Governmental Entities by Registered Distributors*, for this month. This figure should be the **total** of all refunds you claimed on all Forms AU-629 that cover the month reported on this return.

Line 9 – Subtract line 8 from line 4 and enter the result. If the amount on line 8 is greater than the amount on line 4, show the negative using a minus sign (-).

Motor fuel regional tax adjustment worksheet

When motor fuel distributors import fuel into New York State, they are required to remit the prepaid tax based on the region where it initially enters the state. At times, a distributor may need to move inventory in bulk from one terminal to another, or sell it in bulk for delivery to another terminal, and in either case the destination terminal may be located in a different region than the one in which the prepaid tax was initially calculated and remitted.

Part 2 – Registered diesel motor fuel distributors only

To compute the prepaid sales tax due on diesel motor fuel in each region, multiply the number of gallons of diesel motor fuel subject to tax by the sales tax per-gallon rate shown for that region.

Transactions subject to prepaid sales tax reported on lines 14, 15, and 16 include:

- The first sale of highway diesel motor fuel to a distributor.
- The sale of previously untaxed diesel motor fuel, whether highway or non-highway, when delivered to a filling station or into a repository equipped with a hose or apparatus for dispensing fuel into the tank of a motor vehicle.
- The delivery of previously untaxed diesel motor fuel, whether highway or non-highway, to your own filling station.

The requirement to prepay sales tax on diesel motor fuel does **not** apply to the delivery of water-white kerosene at a filling station or other retail vendor if the vendor sells the water-white kerosene exclusively for heating purposes in containers of no more than 20 gallons. The kerosene must be dyed and meet the appropriate standards for K-1 kerosene.

Do not include any prepaid tax passed through to you by your supplier. Report **only** the prepaid sales tax that you are responsible for paying directly to the Tax Department.

Once the prepaid sales tax has been reported and paid for one region, whether by you or your supplier, do not adjust the tax for any subsequent sale in another region except for certain interdistributor sales (see *Interdistributor sales*).

Interdistributor sales

Sales of previously untaxed highway diesel motor fuel by a person registered as a distributor of diesel motor fuel to another person registered as a distributor of diesel motor fuel are exempt from the excise tax (Article 12-A), petroleum business tax (Article 13-A), and prepaid sales tax (Article 28) if the fuel is:

- delivered by pipeline, railcar, barge, tanker or other marine vessel to a terminal of a licensed/registered operator, or
- sold within a diesel fuel terminal where it was delivered.

For more information, see TSB-M-13(5)S, *Exemption for Interdistributor Sales of Highway Diesel Motor Fuel*.

Lines 18a, 18b, and 18c – Enter the amount of prepaid sales tax on diesel motor fuel for which you are claiming a credit. These credits must be separated into Region 1, Region 2, and Region 3. **Note:** You must attach substantiation when you claim credits.

Credits are limited to:

- sales that are exempt from both the prepaid tax and the tax at retail (for example, sales to government agencies or for use in farming);
- sales that are subject to the tax at retail only (for example, sales of fuel used for heating), but excluding sales made through a retail filling station where the appropriate credit must be claimed on Schedule FR (Form ST-100.10, ST-810.10, or ST-101.10);
- fuel taken out of inventory and delivered out of state by you either to your own facility or to your customer; or
- casualty losses (see *Casualty losses*).

These amounts may include:

- the prepaid sales tax computed on the fuel for this period;
- prepaid sales tax paid to your supplier on fuel purchased in this or a prior period; or
- prepaid sales tax remitted directly to the Tax Department for a prior period.

Line 22 – Subtract line 21 from line 17 and enter the result. This is the total prepaid sales tax due on diesel motor fuel. If the amount on line 21 is greater than the amount on line 17, show the negative using a minus sign (-).

Part 3 – Metropolitan Commuter Transportation District (MCTD) motor fuel wholesalers only

Motor fuel regional tax adjustment worksheet

The bulk transfer of motor fuel from one region to a different region requires an adjustment of the sales tax previously prepaid to the seller on the transferred fuel to reflect the rate in effect in the destination region.

We have computed the differential rate for each regional transfer. Some transfers will result in additional tax due; others result in a credit amount.

Computing the adjustment

1. Choose the applicable region-to-region line. Enter in column A the number of gallons transferred.
2. Multiply the number of gallons transferred (column A) by the differential rate listed in column B. Enter the result in column C.
3. Add the amounts as instructed. Subtract subtotal 2 from subtotal 1 and enter the result on line 25. If the net amount is a credit, be sure to enter it as a negative number using a minus sign (-).

Part 4 – MCTD and non-MCTD motor fuel wholesalers – credits

Lines 26a through 26c – Enter the amount of prepaid sales tax on motor fuel for which you are claiming a credit. These credits must be separated into Region 1, 2, and 3 credits. **Note:** You must attach substantiation when you claim credits.

Credits are limited to:

- motor fuel sold to exempt purchasers, and
- motor fuel taken out of inventory and delivered out of state by you, either to your own facility or to your customer's facility.

Part 5 – Distributors, MCTD and non-MCTD motor fuel wholesalers – computation of prepaid sales tax or credit due

Line 30 – Only vendors enrolled in the PromptTax program may use this line. Enter on this line the PromptTax payment made during the month covered by this return and attach your Form FT-945/1045-A, *Monthly Schedule FT*.

Line 32b – Penalty and interest

If you are filing your return late or not paying the full amount due, or both, you owe penalty and interest. Penalty and interest are calculated on the amount on line 32a, *Net balance due*. The minimum penalty for late filing is \$50. For penalty information, see *Penalty computation*. Interest is due on any late payment or underpayment and accrues from the due date of the return to the date the tax is paid. Interest rates are compounded daily and adjusted quarterly.

You can estimate your penalty and interest by using our online *Penalty and interest calculator*, or you may call the Sales Tax Information Center to have a Tax Department representative estimate your penalty and interest for you (see *Need help?*).

Penalty computation

- For failure to file a return on time with no tax due, the penalty is \$50.
- For failure to file a return on time with tax due, the penalty is:
 - For 1-60 days late**, 10% (.1) of the tax due for the first month plus 1% (.01) of the tax due for each month thereafter, but in no instance less than \$50.
 - For 61 or more days late**, the greater of:
 - 10% (.1) of the tax due for the first month plus 1% (.01) of the tax due for each month thereafter, not to exceed 30% (.3); or
 - the lesser of \$100 or 100% (1.0) of the tax due, but not less than \$50.
- For failure to pay tax, even though the return is filed on time, the penalty is 10% (.1) of the tax due for the first month, plus 1% (.01) of the tax due for each additional month, up to a maximum of 30% (.3).

Line 33 – Amount paid – Enter your payment amount on this line and in the *Payment enclosed* box near the top of page 1 of your return. This amount should match the balance due on line 32c. Penalty and interest will be due if the total amount due is not paid. Send your payment with your return and any required attachments to the applicable address (see *Where to file* for payment information).

Part 6 – MCTD and non-MCTD motor fuel wholesalers – inventory reconciliation (in gallons)

Report motor fuel held in New York State for sale other than at retail service stations. Report motor fuel held in New York State for sale at retail service stations on Form FT-943, *Quarterly Inventory Report by Retail Service Stations and Fixed Base Operators*.

Line 34 – Enter the number of gallons of motor fuel on hand at the beginning of the month. The current month's opening inventory should be the same as the previous month's closing inventory; attach an explanation if these amounts are not equal.

Lines 35 through 40 – Adjustments to motor fuel inventory

Complete Form FT-945/1045-W before completing lines 35 through 40; see *Instructions for Form FT-945/1045-W*, Prepaid Sales Tax – Motor Fuel Wholesaler's Detail Report, below.

Line 36 – Report any gain or loss to inventory due to expansion, evaporation, etc. Attach an explanation for all gains, losses, and credits claimed on this line. If the net adjustment on line 36 is a loss, show the negative by using a minus sign (-).

Line 39b – Non-MCTD wholesalers – Enter the total number of gallons:

- sold (both taxable and nontaxable); including exchanges, consignments, and commission sales;
- used;
- transferred out of New York State by you during the month; or
- placed in inventory at a retail service station owned or operated by you.

Signature

- **Web File** – Your return will be considered electronically signed once the Web File process has been completed.
- **Paper return** (if you are not required to Web File) – If you are a sole proprietor, you must sign the return and print your title, email address, telephone number, and date.

If you are filing this return for a corporation, partnership, or other type of entity, an officer, employee, or partner must sign the return on behalf of the business, and print his or her title, email address, telephone number, and date.

If you pay someone to prepare your return, sign, date, and provide the requested authorized person information. The paid preparer must also print his, her, or the firm's name, sign the return, and provide the requested preparer information (see below).

Keep a copy of your completed return for your records.

Paid preparer's responsibilities – Under the law, all paid preparers must sign and complete the paid preparer section of the form. Paid preparers may be subject to civil and/or criminal sanctions if they fail to complete this section in full.

When completing this section, enter your New York tax preparer registration identification number (NYTPRIN) if you are required to have one. If you are not required to have a NYTPRIN, enter in the *NYTPRIN excl. code* box one of the specified 2-digit codes listed below that indicates why you are exempt from the registration requirement. You **must** enter a NYTPRIN or an exclusion code. Also, you must enter your federal preparer tax identification number (PTIN) if you have one; if not, you must enter your social security number.

Code	Exemption type	Code	Exemption type
01	Attorney	02	Employee of attorney
03	CPA	04	Employee of CPA
05	PA (Public Accountant)	06	Employee of PA
07	Enrolled agent	08	Employee of enrolled agent
09	Volunteer tax preparer	10	Employee of business preparing that business' return

See our website for more information about the tax preparer registration requirements.

Where to file

If you are not required to use Sales Tax Web File, make the check or money order payable in U.S. funds to **New York State Sales Tax**. Write on the check or money order your sales tax vendor identification number, **FT-945/1045**, and the filing period shown on the front of this return.

Fee for payments returned by banks – The law allows the Tax Department to charge a \$50 fee when a check, money order, or electronic payment is returned by a bank for nonpayment. However, if an electronic payment is returned as a result of an error by the bank or the department, the department won't charge the fee. If your payment is returned, we will send a separate bill for \$50 for each tax document associated with the returned payment.

All vendors, including those enrolled in the **PromptTax Program**, mail completed returns and payments to:

NYS SALES TAX PROCESSING
PO BOX 15176
ALBANY NY 12212-5176

Private delivery services – If you are not using U.S. Mail, see Publication 55, *Designated Private Delivery Services*.

Instructions for Form FT-945/1045-W, Prepaid Sales Tax – Motor Fuel Wholesaler's Detail Report

All motor fuel wholesalers must complete Form FT-945/1045-W and attach it to your return.

The information reported on this form should correspond with information from Form(s) FT-970, *Uniform Manifest for Intrastate Movements of Motor Fuel and Diesel Motor Fuel*, Form FT-935, *Certification of Taxes Paid on Motor Fuel (Prepayment of Sales Tax and*

Payment of the Motor Fuel Tax and the Petroleum Business Tax), or other documents such as invoices, where applicable.

Additional sheets – If you have more entries than will fit on the lines provided in Parts 1, 2, or 3, complete additional sheets in the same format. Include your name and sales tax vendor identification number on each sheet and place them behind Form FT-945/1045-W and submit them with your return.

No activity?

MCTD wholesalers: enter **0** in the *Total gallons purchased* column total for Part 1 and the *Total gallons sold* column total for Part 2.

Non-MCTD wholesalers: enter **0** in the *Total gallons purchased* column total for Part 3.

Definitions

The *loading site* is the terminal or location where the transporter received the motor fuel.

The *bill of lading number* on the delivery document issued in conjunction with the sale, transfer, or transport of motor fuel, identifies the shipment.

The *DEC bulk storage site number* is the seven-digit New York State Department of Environmental Conservation (NYSDEC) registration number.

Part 1 – MCTD wholesalers – Purchase information

Enter the information for each purchase made during the month.

If the product was loaded at a terminal registered with the IRS, you must enter the IRS terminal control number (TCN) assigned to that terminal.

Part 2 – MCTD wholesalers – Sale information

Enter the information for each sale made during the month. Include retail sales made in bulk.

Part 3 – Non-MCTD wholesalers – Purchase information

Enter the information regarding your purchases for the month, for each seller and product type purchased.

Enter each seller's name, the loading site, the seller's employer identification number (EIN), the product type purchased, and the total number of gallons of that product purchased from that seller.

Need help?



Visit our website at **www.tax.ny.gov**

- get information and manage your taxes online
- check for new online services and features



Sales Tax Information Center: (518) 485-2889

To order forms and publications: (518) 457-5431



Text Telephone (TTY) Hotline
 (for persons with hearing and speech disabilities using a TTY): (518) 485-5082

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request for personal information, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.