

INSTRUCTIONS FOR MAINE SPECIAL FUEL SUPPLIER/RETAILER TAX RETURN Form SFS-1

- The following instructions are for the Special Fuel Supplier (Distillates) and the Retailer (Low-Energy Fuel) columns of the tax return.
- **Do not report dyed distillate inventories or receipts on this return.** If clear distillates are re-branded to dyed fuel, include the re-branded gallons in Line 10a (Total Gallons Sold and Used) and Line 18a (Dyed Fuel).
- Report inventories, receipts, sales and excise tax for distillates (diesel, kero, bio-diesel, distillate blends) on this tax return.
- Reporting for low-energy fuels (propane, methanol, ethanol, natural gas) is required if you are required to be registered with Maine Revenue as a Low-Energy Fuel Retailer or have a taxable use of low-energy fuel. Note - unblended ethanol or methanol is reported on the Gasoline Distributor Tax Return in the month the gallons are blended with gasoline. Contact Maine Revenue Services for assistance in determining which fuels must be reported by Low-Energy Fuel Retailers and for guidance in reporting low-energy fuel measured in cubic feet.
- Blank forms, schedules, instructions, fuel tax rates, a list of licensed special fuel suppliers and other tax information are available from Maine Revenue at www.maine.gov/revenue/fueltax.
- All schedules must be sent electronically to fuel.tax@maine.gov. Failure to email required electronic schedules may delay processing of your tax return.
- Maine requires distillate reporting in “gross” gallons. Reporting should be on a calendar month basis.
- Records are required to be retained for a period of at least six years.

Complete both columns of the Special Fuel Supplier return through Line 29 before completing Lines 30-33.

Special Fuel Suppliers – Complete Lines 1a through 29, using column on the left-hand side of the form with the heading Supplier-Distillates to report receipts, sales, and inventories of distillates.

Low-Energy Retailers – Complete Lines 1b through 29, using the column on the right-hand side of the form with the heading Retailer – Low-Energy Fuel to report receipts, sales, and inventories of low-energy fuels. Contact Maine Revenue Services if you have questions on which fuels low-energy fuel retailers must report or if all taxable gallons are for your own use.

Suppliers and Retailers – Finish the return by completing lines 30-33.

RECEIPTS

Line 1 – Beginning Inventory.

Distillates: Total gallons in bulk storage at the beginning of the reporting period. Do not include gallons in a retail tank. If there are multiple products, combine all inventories. Inventories cannot be negative.

Low-Energy Fuels: Total gallons in retail inventory at the beginning of the reporting period.

Line 2 – Gallons Received – Tax Paid. Gallons received from any source on which Maine excise tax has been paid. Send a **Schedule 1** electronically for each fuel type. A credit for excise tax paid is taken on line 28.

Line 3 – Gallons Received – Tax Unpaid. Gallons received from sources within Maine, tax exempt. Send a **Schedule 2** electronically for each fuel type.

Line 4 – Gallons Imported – Direct to Customer. Gallons imported to Maine, tax exempt, which were delivered directly to a customer in Maine. Send a **Schedule 3** electronically for each fuel type.

Line 5 – Gallons Imported – Bulk Storage. Gallons received from outside Maine, tax exempt, delivered into your bulk

storage. Send a **Schedule 4** electronically for each fuel type.

Line 6 – Total Receipts. Add lines 2 through 5.

Line 7 – Available Gallons. Line 1 (Beginning Inventory) plus Line 6 (Total Receipts).

Line 8 – Ending Inventory. Total gallons of fuel in inventory at the end of the month. If there are multiple products, combine all distillate inventories and all low-energy inventories in their respective columns. Inventories cannot be negative.

Line 9 – Accountable Gallons. Line 7 (Available Gallons) minus Line 8 (Ending Inventory).

DISTRIBUTIONS

Line 10 – Total Gallons Sold and Used. Distillates: Total gallons sold and used during the reporting period. Gallons delivered into a retail tank are considered sold at the time the gallons are delivered into the retail tank. Gallons re-branded from clear to dyed fuel should be reported on lines 10a and 18a.

Low-Energy Fuels: Total gallons of low-energy fuel sold and used during the reporting period. This includes retail sales which are taxed as gallons are sold.

Total Gallons Sold and Used may vary from Accountable Gallons. Do not include adjustments for gains or losses on this return. Any gains or losses will be reported on the annual Shrinkage Return.

Line 11 – Sales for Heating and Cooking. Total gallons sold exempt from Maine excise tax for use by the customer for heating or cooking.

Line 12 – Sales to U. S. Government. Gallons sold in bulk, excise tax exempt to the United States Government. Send a **Schedule 8** electronically for each product type.

Line 13 – Sales to Other Suppliers. Gallons sold in bulk, excise tax exempt, to other licensed special fuel suppliers (distillates) or low-energy retailers (low-energy fuels). Send a **Schedule 6** electronically for each product type.

Line 14 – Power Generation for Resale. Gallons sold in bulk, excise tax exempt, for the generation of power for resale or manufacturing. Send a **Schedule 10** electronically for each product type.

Line 15 – Exports. Gallons sold and exported by your company to a destination outside of Maine. Send a **Schedule 7** electronically for each fuel type. Exports should be sold excise tax exempt. If the sale is to another supplier or retailer with title passing in Maine and the customer exports the product outside of Maine, report the gallons on Schedule 6.

Line 16 – Sales to this State or Political Subs. Gallons sold in bulk, excise tax exempt, to the State of Maine or to political subdivisions of this State. Send a **Schedule 9** electronically for each fuel type.

Line 17a – Kerosene for Retail Sale. Total gallons of kerosene sold exempt and delivered to a retailer for retail sale. A Special Fuel Users Affidavit of Exemption should be kept on file for each customer to support exempt sales of clear kerosene.

Line 18a – Dyed Fuel. Use this line only if line 10a (Total Gallons Sold and Used) includes dyed fuel. Although no schedule is required, proper documentation for re-branded or clear fuel dyed after being received must be kept in your files. Additional documentation must be provided with the tax return if clear fuel was accidentally contaminated.

Line 19 – Total Exempt Sales. Add lines 11 through 18 for each column.

TAX COMPUTATION (Page 2/Back of Tax Return)

Note to Special Fuel Suppliers: Excise tax rates of blends containing 90% or more biodiesel will vary from the standard rates listed on the return. If the product sold is unblended (additives are included) or a distillate blend containing less than 90% biodiesel, the full diesel tax rate applies. See the instructions for Lines 25 and 26 for blended fuels.

Note to Low-Energy Retailers: If the taxable product you sell is not propane or you sell more than one low-energy fuel subject to Maine excise tax, include a worksheet showing the type of product, total taxable gallons of that product, the excise tax rate and the excise tax you computed. Report total taxable gallons on Line 20b and total excise tax on Line 27b. Tax rates for other low-energy fuels are available by calling Maine Revenue or from the list on the Maine Revenue website: www.maine.gov/revenue/fueltax/fueltaxrates.

Line 20 – Taxable Gallons. Line 10 (Total Gallons Sold and Used) minus Line 19 (Total Exempt Sales).

Lines 21 and 22 - Diesel Gallons. List the number of taxable diesel gallons on Line 21. Multiply taxable gallons by the diesel excise tax rate and enter the tax amount on Line 22. Electronically send a separate **Schedule 5** for each product type listing taxable sales to licensed suppliers.

Lines 23 and 24 – B20 Gallons. List the number of taxable B20 gallons on Line 23. Multiply taxable gallons by the B20 excise tax rate and enter the amount on Line 24. Electronically send a separate **Schedule 5** for each product type listing taxable sales to licensed suppliers.

Lines 25 and 26. Blended Fuels. Excise tax rate computation is required for any diesel blend that contains 90% or more biodiesel. The excise tax rate is the weighted average of the two fuels as shown in the example below. % of 100% biodiesel in the blend multiplied by the B100 rate, plus the % of diesel in the blend multiplied by the diesel rate.

Provide a description for the fuel blend, such as B90. Line 25 is only used for biodiesel blends of at least 90% biodiesel. Report the number of taxable gallons for the fuel blend on Line 25. Clearly write the excise tax rate for the fuel blend. Multiply taxable gallons by the excise tax rate for the blend and enter the tax amount on Line 26. **See the example below.**

Example: .90 (90%) Biodiesel X Biodiesel excise tax rate of \$.287 =	\$.2583
.10 (10%) Diesel X Diesel tax rate of \$.312 =	<u>\$.0312</u>
	<u><u>\$.2895</u></u>

Round the tax rate to three decimal places.

A blend of 90% Biodiesel plus 10% Diesel has an excise tax rate of \$.290.

Line 27 – Excise Tax Due.

Distillates: Total the **tax** amounts listed on Lines 22, 24 and 26 under “Supplier-Distillates”.

Low-Energy Fuels: The tax rate printed on the return is for propane. If all taxable gallons are propane, multiply taxable propane gallons from Line 20b by the excise tax rate. If the taxable product you sell is not propane or you sell more than one low-energy fuel subject to Maine excise tax, include a worksheet showing the type of product, total taxable gallons of that product, the excise tax rate and the excise tax you computed. Report total taxable gallons on Line 20b and total excise tax on Line 27b. Tax rates for other low-energy fuels are available by calling Maine Revenue or from the list on the Maine Revenue website: www.maine.gov/revenue/fueltax/fueltaxrates.

Line 28 – Excise Tax Paid Purchases. The excise tax amount claimed for tax paid purchases listed on Line 2 of the tax return. List excise tax paid on purchases as a positive number.

Line 29 – Net Excise Tax Due. Line 27 minus Line 28.

Line 30 – Total Due with this Return. Add the amounts from both columns on Line 29 together.

Line 31 – Credit from Prior Period. If you have a tax credit from a prior reporting period and received a credit notice from Maine Revenue instructing you to take the credit on your Special Fuel Supplier or Low-Energy Fuel Retailer return, put the amount on this line. Line 31 cannot be used to make other adjustments. Changes to prior returns must be made on an Amended Return. See below for instructions for filing Amended returns.

Line 32 – Amount Due or Line 33 – Credit Due. Line 30 less Line 31. If the amount is a positive number, enter the amount due on this line. If the amount is a credit, enter the amount on Line 33 as a positive number.

If you are due a credit and would like a refund, check the box below Line 33. If you do not check the box requesting a refund, the credit will be carried forward to the next reporting period.

To file an **Amended Return**, obtain a blank Supplier/Retailer Tax return from Maine Revenue Services visiting our web page at <http://maine.gov/revenue/fueltax> or calling the number below. Write “Amended” at the top of the return. Fill in your company information as it appears on the pre-printed return. Fully complete the return with correct figures. Attach an explanation and email new schedules for any figures that have changed from the original return. Maine Revenue Services will compute additional taxes owed or the credit due your company. If the result of the amended return is a credit and you want to request a refund, check the box on line 33.

Do not forget to include payment with your return. Maine Revenue Services has mandated electronic payments for many taxpayers, and these options are also available for all taxpayers. Payment by check or money order should be made payable to: Treasurer, State of Maine. Include your registration number on the check or money order. The mailing address is Maine Revenue Services, P. O. Box 1065, Augusta, ME 04332-1065. Failure to file or pay this return on or before the due date will result in applicable interest and penalty charges. For assistance with returns and electronic schedules, please call 207.624.9609. For information about electronic payment options, please call 207.624.5625.