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NOTICE TO SELLERS

This notice is to clarify some issues regarding retail and non-retail (cardlock) reporting. Oregon law recognizes two types of sellers – retail and non-retail. Non-retail facility, as defined by law, is: (a) an unattended facility accessible only by cardlock card and not associated with a retail facility or (b) an unattended portion of a retail facility separate from the retail operations and accessible only by cardlock card. Any facility that does not meet the definition of a non-retail facility is taxed as a retail facility. Retail sales facilities include traditional ‘service stations’, truck stops, fleet fueling operations, and keylock facilities if they cannot produce an invoice for each individual sale.

Now that your customers may use cardlock cards as payment cards at selected retail facilities, we want to clarify the reporting requirements for these situations.

RETAIL FACILITIES: Acceptance of cardlock or fleet cards at your location does not change the nature of the transaction. This is still a retail sale, regardless of the method of payment. You are required to charge the tax on diesel or complete an ex-tax sales document if the vehicle or container qualifies for ex-tax fuel purchases. On its own, use of a “cardlock card” for payment does not qualify the sale as an ex-tax sale. Retailers still need to document the weight receipt, plate, emblem or container that qualifies for ex-tax sales treatment.

NON-RETAIL SELLERS: This includes those companies who operate non-retail facilities in Oregon and companies who issue cards that can be used at those facilities. Report only sales at non-retail facilities as defined above. If your cards can be used at retail facilities, the retailer will report those sales, and remit the tax or document the ex-tax sale. Non-retail sellers are also required to collect the tax on sales unless they obtain an exemption certificate from the customer, designating the reason for the ex-tax sale. Cards designated for ex-tax fuel should be issued to a specific vehicle that qualifies for ex-tax sales.

Some network reports may include both non-retail (cardlock sites) and retail sales. You are only required to report non-retail sales on your schedule 5CRD (taxable sales) or schedule 6CRD (ex-tax sales). The retail facility operators will report the retail transactions on their respective schedules.

In the past, we have allowed non-retail card issuers to include retail facility transactions with their cardlock activity, and claim a credit for those gallons. Beginning January 1, 2015, non-retail sellers will report only non-retail sales (cardlock locations), and there will be no credit for retail sales.

If the network statement includes a ‘credit’ or ‘charge’ for taxes paid to retail facility operators, this is an internal billing detail, and is not allowed as a credit against use fuel taxes due. Because the non-retail operator will report only non-retail sales (and tax where applicable), any retail cost or tax noted in the settlement statement will not affect the seller report. Reimbursement agreements between card issuers, the networks, and retail facilities are business arrangements that do not supersede Oregon fuel tax laws.

If you have any questions, please contact:

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