

FUELS TAX COMPLIANCE GUIDE FOR USE FUEL SELLERS

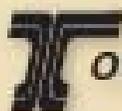


Table of Contents

| | |
|---|-----------|
| Introduction to Fuel Tax in the State of Oregon | 2 |
| Use Fuel Sellers | 3 |
| Why do I have to become licensed as a Use Fuel Seller? | 3 |
| How do I become licensed as a Use Fuel Seller? | 3 |
| Once I am licensed, what do I need to do? | 4 |
| Tax forgiveness for B20 derived from Used Cooking Oil | 4 |
| What if I add or close locations? | 4 |
| What is involved in an audit | 5 |
| What are the penalties for non-compliance? | 5 |
| How often will the Fuels Tax Group be in contact with me? | 5 |
| How do I cancel my Use Fuel Sellers license? | 5 |
| Once I am filing reports, may I change the filing frequency? | 6 |
| Application and Form Instructions | 7 |
| Completing the Application | 7 |
| Completing the Use Fuel Seller Bond form | 7 |
| Deposits in Lieu of Bond | 7 |
| Tax Report and Schedule Instructions | 8 |
| Use Fuel Seller Tax Report | 8 |
| Use Fuel Handled | 12 |
| Use Fuel Purchases | 14 |
| Retail Operations (Pump Meter Readings) | 15 |
| Retail Operations Summary | 17 |
| Schedule 6RTL – Disbursements: Retail Ex-Tax Sales | 18 |
| Schedule 10G – Disbursements: B20 Tax Forgiven Sales (B20 or greater derived from Used Cooking Oil) | 19 |
| Frequently Asked Questions: B20 or greater derived from Used Cooking Oil | 20 |
| Cardlock (Non-Retail) Operations | 21 |
| On-Site Fleet Fueling Operations | 26 |
| Schedule 5 - Bulk and Other Use Fuel Sales | 29 |
| Recordkeeping Requirements | 33 |
| Basic Recordkeeping | 33 |
| Retail Operations Recordkeeping | 33 |
| Invoice Requirements | 34 |
| Non-Retail Operations | 34 |
| Customer Billings | 35 |
| On-Site Fleet Fueling | 35 |
| Customer Billings | 36 |
| Bulk Fuel | 36 |
| Ex-Tax Sales and Documentation | 37 |
| Examples of Ex-Tax Sales Invoices | 37 |
| Exemption Certificates | 40 |
| Terminology and Definitions | 43 |
| Contact Information | 45 |

Introduction to Fuel Tax in the State of Oregon

Whether we travel by train, plane, car, bus, bicycle or on foot, we all depend in one way or another on a safe and reliable transportation system. A multi-billion dollar investment in our people, our environment and our state, Oregon's transportation system plays a role in nearly every aspect of life – we buy food that is trucked into a grocery store, our children ride to school on buses, tourists fly in, drive around the state and then fly out, fishermen earn a living with their boats, and goods are shipped in and out along rivers and the ocean – just to name a few.

A sound multimodal transportation system supports our existing economy, facilitates desired growth, reduces the costs of congestion and inefficiency, and links us together to promote success in all regions of the state.

The money that pays to preserve, improve and operate Oregon's road system comes from state, federal, county and city sources. Oregon funds its road system through "road user fees" based on these principles:

- *Those who use the roads pay for them;*
- *Road users pay in proportion to the road costs for which they are responsible; and*
- *Road user fees are used for constructing, improving and maintaining roads.*

(Excerpted from Oregon Department of Transportation Key Facts - 2008)

This publication discusses one of those "road user fees" - Fuel Tax. Fuel Tax is applied to all fuels used to propel motor vehicles on Oregon's roads and highways. The Fuel Tax program is governed by Oregon Revised Statute 319 which divides fuel into two categories:

- *Motor Vehicle Fuel and Aircraft Fuel Taxes (gasoline, gasoline blends, and aviation fuel) – A Motor Vehicle Fuel Dealer is defined as any person who imports, exports, produces, refines, manufactures, blends or compounds motor vehicle fuel or aircraft fuel.*
 - Motor Vehicle Fuel is taxed at 30¢/gallon
 - Aviation Gas is taxed at 9¢/gallon
 - Jet Fuel is taxed at 1¢/gallon
- *Use Fuel Taxes (diesel, bio-diesel, propane, compressed natural gas, etc.) – A Use Fuel Seller is defined as any person or business who sells Use Fuel to a user by placing these fuels into a receptacle on a motor vehicle, from which receptacle the fuel supplied is used to propel the motor vehicle on the roads of this state.*
 - Use Fuel is taxed at 30¢/gallon

Use Fuel is broken down further into three categories:

- **Use Fuel Seller** - as described above
- **Use Fuel User** - any person who receives fuels, other than gasoline or gasoline blends, into any receptacle on a motor vehicle with the fuel used to propel the motor vehicle on the highways of this state.
- **Registered Bulk Distributor** - is defined as any person who sells bulk Use Fuel to a Use Fuel User, collects the tax and is not otherwise qualified as a Use Fuel Seller, as defined by ORS 319.520 (9)), and is therefore not licensed with the state of Oregon.

This publication continues by outlining the responsibilities and requirements of **Use Fuel Sellers**. Responsibilities and requirements of Use Fuel Users, Registered Bulk Distributors and Motor Vehicle Fuel Dealers are outlined in separate publications.

Use Fuel Sellers

Use Fuel is taxed at the point it is dispensed into the fuel tank of a motor vehicle. This results in two types of Use Fuel licensees, Sellers and Users. There are some instances where a company may need to be licensed as both a Seller and a User.

A Use Fuel Seller is further defined as a person or business who:

- operates a retail gas station supplying Use Fuel,
- operates a cardlock facility,
- issues cardlock cards used in the State of Oregon,
- issues fleet cards which can be used at cardlock facilities in Oregon,
- provides fleet fueling; and/or
- collects Use Fuel tax on bulk fuel deliveries (if this operation is in addition to sales into vehicles).

NOTE: Fuel sales to companies that re-sell the fuel are not taxable sales.

Use Fuel Bulk Distributor: any person who sells bulk Use Fuel to a Use Fuel User, collects the tax and is not otherwise qualified as a Use Fuel Seller, as defined by ORS 319.520 (9)), and is therefore not licensed with the state of Oregon. Bulk Distributors register with the Fuels Tax Group to remit use fuel taxes on bulk fuel sold to end users. If an operation has sales into vehicles as well as bulk sales, they may report all activity on their Use Fuel Seller license.

Why do I have to become licensed as a Use Fuel Seller?

The law generally places the liability for this tax on one of the following (exceptions apply):

The Seller - a retail gas station, cardlock, keylock, etc. **IF** the taxes are collected at the time of the sale (or billing); or

The User - the person or business receiving Use Fuel placed into the fuel tank of the motor vehicle **IF** taxes are **NOT** collected at the time of sale by the Seller.

The exceptions, as listed in the paragraph prior to this section, will require a Seller to be licensed even if the tax is not collected. There are many situations that allow a licensed Use Fuel User to purchase fuel without the tax (ex-tax transactions).

Some companies who sell fuel and also have a fleet of use fuel-powered vehicles may need both a Use Fuel Seller and Use Fuel User license. User licensing and reporting are discussed in a separate publication.

How do I become licensed as a Use Fuel Seller?

The process begins with completing an application (available online) and providing a Surety Bond. Once these documents are provided and the information is verified, a license is issued containing a unique license number which is used in all reporting and correspondence. Additional license details include:

- No licensing fees.
- Use Fuel Seller licenses are valid until cancelled and are *not* transferrable.
- A change in legal entity may require re-licensing (contact the Fuels Tax Group for further assistance).
- Seller licenses are valid for all locations operated by the business entity.

See the section entitled "Application and Form Instructions" subsection "Completing the Application".

Once I am licensed, what do I need to do?

Compliance with Fuel Tax law consists of several things:

- Record keeping
 - Tank inventory readings (at least monthly)
 - Pump meter readings (at least monthly)
 - Customer invoices (ex-tax sales) or billing records (cardlock, fleet fueling, bulk)
 - Sale of B20 made with used cooking oil (to document sales qualifying for tax forgiveness)
- Reporting
 - Submission of Use Fuel Seller Tax Report - summary of activity resulting in a potential tax liability
 - Supporting schedules - detail that is summarized on the tax report
 - Submission of payment of the tax liability (if applicable)
 - Report due dates - based on average tax liability
 - At least \$300 per month - Monthly reporting due on 20th of the next calendar month
 - Less than \$300 per month but more than \$100 per year - Quarterly reporting due on the 20th of the next calendar month
 - 1st Quarter due April 20th
 - 2nd Quarter due July 20th
 - 3rd Quarter due October 20th
 - 4th Quarter due January 20th
 - Less than \$100 per year - Annually on January 20th of the following year
- Compliance
 - Participation in and cooperation with periodic audits.
 - Required records must be made available upon request during normal business hours.
 - In the event the auditor for the state is, at any time, required to be outside of Oregon in order to examine such records, the licensee will be required to reimburse the state for travel expenses, including transportation, meals, and lodging costs incurred by the auditor.

Tax Forgiveness for B20 from Used Cooking Oil

During the 2013 Regular Session, the Oregon Legislature passed House Bill 2435. In part, HB 2435 amends Oregon Revised Statute 319.530 by exempting diesel fuel that is blended with a minimum of 20 percent biodiesel that is derived from used cooking oil from the state excise tax. This exemption applies to fuel sold between January 1, 2014, and December 31, 2019, and only applies to fuel:

- Used in motor vehicles with a gross vehicle weight of 26,000 pounds or less,
- That is sold in retail operations only,
- That is not sold in seller operations involving cardlock, fleet fueling, or bulk sales.

Because of this legislation, ODOT has updated the Use Fuel Seller tax report and accompanying schedules. The updated report will become effective for the January 2014 reporting period, which is due February 20, 2014. The updated forms are available at <http://fuelstax.oregon.gov>. The changes to the report include:

- Use Fuel Sellers must track fuel types (see instructions)
- Sellers of B20 (derived from used cooking oil) or higher biodiesel blends must track tax “forgiven” sales (similar to current rules for “ex-tax” sales).

What if I add or close locations?

If you obtain a new location, you may add additional locations to your seller reports, as long as the ownership is the same. If you sell or close one location in a multi-location operation, report the ending fuel inventory and meter readings as of the date of the sale. Include a notation that the location was sold/closed, and if sold, the name and contact information of the purchaser.

What is involved in an audit?

Audits are reviews of tax reports and supporting documentation that verify the accuracy of information reported. Audits may be conducted from our office or at the licensee's location.

Supporting documentation may be any or all of the items listed in the "Recordkeeping" section of this guide. Once the audit is completed, assessments of additional taxes due must be disputed or paid within thirty (30) days of the date of the assessment otherwise the assessment becomes final and collection action may be taken.

Oregon Revised Statute Chapter 319 places a three year statute of limitations on making additional tax assessments. However, if sufficient evidence proves intent to defraud, neglect to comply, or refusal to comply, assessments may be made past the three year limitation. It is current policy to go an additional three years past the limitation (six years total) but the Fuels Tax Group may extend this further depending on the circumstances.

What are the penalties for non-compliance?

Penalties and interest are applied based on the area of non-compliance.

- Late reports and/or payments = 10% of the tax liability.
 - Reports and payments are considered to be filed timely if received on or before the due date or if a valid, legible United States Postal Service postmark/cancellation stamp or other third party evidence indicates the report/payment was remitted on the due date (postage meter machine dates are not considered valid evidence of timely filing as they may be changed by the user).
 - Late penalties apply to audit assessments as well.
- The interest applied to late payments of tax is .0329% (.000329) daily which is approximately 1% per month or 12% per year.

How often will the Fuels Tax Group be in contact with me?

The Fuels Tax Group is available Monday through Friday, 8:00am to 5:00pm to assist the public in complying with Fuels Tax law. We may also contact current licensees with recently revised information or reporting requirements, changes in application of Fuels Tax law or changes in industry that affect compliance.

The Fuels Tax Group will also contact licensees in writing for the following reasons:

- Reports/payments not received (Trace Letters)
- Errors in tax reports resulting in additional tax liability
- Errors in tax reports resulting in credits to the licensee
- Errors/omissions of required information
- Any other issue requiring the licensees attention

How do I cancel my Use Fuel Seller license?

Once the conditions that required licensing are no longer present, you may request (in writing) that your license be canceled. You may use the cancellation form available on our website, or write a letter which includes the following information:

- Licensee information
- Date of last fuel sale
- Disposition of business (closed, sold, no longer selling Use Fuel, etc.)
- Name and contact information of new owner (if applicable)

The Fuels Tax Group may also contact you if we find reason to believe you no longer need to be licensed.

You are responsible for filing Use Fuel Seller tax report forms through the date of sale or closure. When you file your last report form, be sure to include meter readings and tank meter readings taken at the close of business on the last day you owned/operated the site.

NOTE: Writing “final report” or similar verbiage on a Use Fuel Seller tax report may not result in your license being cancelled timely. These comments do not provide sufficient information to cancel the license and may not be observed until your report has completed processing.

Once I am filing reports, may I change the filing frequency?

Report filing due dates are based on the average tax liability of the licensee’s operations. If the tax liability decreases, the licensee may contact us (in writing) and request a change in their filing frequency. Additionally, the Fuels Tax Group periodically reviews licensee filing history and will advise those licensees who must change reporting frequency of their new filing requirements.

Application Instructions

Once the Fuels Tax Group receives the license application, it is reviewed for completeness. If additional information is needed, we will attempt to make contact by phone, email or postal mail to obtain the information. If all the required information is provided, the license will be issued along with the following information:

- License - card displaying license number and licensee information.
- Reporting frequency – Use Fuel Sellers generally report on a calendar month; quarterly reporting may be authorized when the sales volume meets the qualifications.
- Use Fuel Seller tax report forms and this Compliance Guide - also available on-line.

Completing the Application

The application to obtain a Use Fuel Seller license is available by mail or on the Fuels Tax Group website at: <http://fuelstax.Oregon.gov>

The last page of the application contains instructions for its completion. Please make sure to provide:

- how fuel is sold and locations;
- ownership information including a copy of:
 - Articles of Incorporation
 - LLC Operating Agreement
 - Partnership Agreement
 - Charter or Certificate of Authority To Do Business
 - any other document showing owners of the business; and
- date of first sale of fuel.

Power of Attorney forms are also available and required if the licensee is using a person or entity to act on their behalf. The Fuels Tax Group will not provide information to anyone who is not duly authorized by the licensee.

Completing the Use Fuel Seller Bond form

The bond provides the department a means of recovering revenue in the case of default by the licensee. The form must be signed by the licensee and the bond company as evidence that a bond was secured and is in force at the time of licensing. If the bonding company provides a similar form that is acceptable to the department, it may be used in lieu of the form provided with the license application or obtained from our website.

Bonds will be for an amount that is twice the estimated monthly tax liability. If the estimated monthly tax liability cannot be determined based on existing information, the minimum bond amount is \$1,000.

Based on average tax liability, bond amounts may be increased or decreased either at the request of the licensee (in writing) or during the Fuels Tax Group's annual review of bonds.

DEPOSITS IN LIEU OF BOND

In lieu of providing a surety bond, the licensee may elect to place funds or securities on deposit with the department. This requires the completion of the Deposit in Lieu of Bond form which is available by mail or on the Fuels Tax Group website at: <http://fuelstax.Oregon.gov>. The form must be signed by the depositor.

Tax Report and Schedule Instructions

The Use Fuel Seller Tax Report and supporting schedules are designed to meet the statutory reporting and record keeping requirements while at the same time providing the necessary information for the Fuels Tax Group to verify the accuracy and validity of the information being reported. These forms have also been designed to accommodate the various types of Use Fuel Seller operations in use today.

Rather than leave a licensee in the dark as to how to properly report their fuel sales and remit the applicable taxes, this guide was created to provide step by step detailed instructions. Licensees may also contact the Fuels Tax Group at any time and receive one-on-one assistance from an experienced staff member.

Licensees may use the forms supplied by the Fuels Tax Group or may provide similar forms/reporting methods that have been reviewed and approved by the Department. Contact us if you would like an Excel workbook with the report form and schedules. You may use the Excel version to complete the report and print them or provide your report by e-mail. If you e-mail your forms and supporting schedules, you will still need to print and sign the report form ("front page") and include it with your remittance

Line By Line Instructions

TAX REPORT (form 735-1334)

What to Include In This Report:

The Use Fuel Seller Tax Report and supporting schedules are used to report all Use Fuel handled and to calculate tax due on Use Fuel transactions subject to tax. The most common Use Fuel is clear diesel, but also includes propane, compressed natural gas (CNG), liquid natural gas (LNG), biodiesel, and any other combustible gas, liquid, or material (not gasoline) used to generate power to propel a motor vehicle on public roads.

NOTE: *Generally, dyed diesel is not reported as Use Fuel under Oregon laws because Federal law prohibits the use of dyed diesel to propel vehicles on highways. Dyed diesel should not be included in this report unless the dyed diesel is being used to propel vehicles on the highways, in spite of the Federal prohibition.*

Products to report:

160 – Undyed Diesel

170 – Biodiesel

B20 – B20 or greater made with Used Cooking Oil

224 – Compressed Natural Gas (CNG)

225 – Liquefied Natural Gas (LNG)

054 – Propane

The following products should be reported if blended with the above products or if dispensed into a motor vehicle: Kerosene (142), Blending Components (122), Natural Gasoline (061), Dyed Diesel Fuel (228), Dyed Biodiesel (171), Dyed D20 or greater made with Used Cooking Oil (D20), Dyed Kerosene (072), Residual Fuel Oil (175), and Transmix (100).

Amended Reports

If this report corrects a prior period report, check the box indicating that this is a revised report. Complete the report, reflecting only the adjustments, and attach all schedules that have been revised. If you have underpaid, make your payment for the additional amounts due. If you have overpaid, the corrections will be reviewed. Approved credits will be refunded.

Seller Information:

Complete the seller name, address, Federal Employer Identification Number (FEIN) and license number fields in the header section of the report.

Tax Report Period:

Write in the period and year for which this report is being prepared.

NOTE: Complete the supporting schedules before continuing with the calculation of tax and any other amounts due. Depending on the licensee's operations, at least one of the supporting schedules must be completed. Most licensees will complete Use Fuel Handled, and other supporting schedules depending on their operations.

Line 1. Total Use Fuel Handled (Inventory) Schedule

Forward the total from line 7 of the Use Fuel Handled (Inventory) schedule. This schedule is to be prepared by all sellers of use fuel with Oregon operations. Complete Schedule 2 – Schedule of Receipts. Include all purchases of use fuel in the tax reporting period.

Line 2. Retail Operations Summary (meter readings less allowable deductions) Schedule

Forward the total of taxable gallons sold from column 6 of the retail operations summary schedule. You must complete the retail operations detail schedule (pump meter readings) before completing the summary. You may also need to complete ex-tax disbursements (6RTL) and B-20 used cooking oil (10G) if either situation applies to your operations. Detailed instructions for these schedules follow.

Line 3. Non-Retail Operations (from Schedule 5CRD)

Forward the total of taxable gallons sold from Schedule 5CRD. Transactions that are ex-tax must be reported on Schedule 6CRD. This amount is not forwarded to Line 3. The non-retail seller who owns the account of the user must have a valid exemption certificate at the time of sale (these must be maintained and available for review by ODOT upon request).

Line 4. On-site Fleet Fueling Operations (from Schedule 5FLT)

Forward the total of taxable gallons sold from Schedule 5FLT. Transactions that are ex-tax must be reported on Schedule 6FLT. This amount is not forwarded to Line 4. Sellers are required to document the reason for ex-tax sales in fleet fueling operations (schedule 6FLT).

Line 5. Taxable Propane Gallons

Total the liquid gallons of taxable propane sold into vehicles. Enter the liquid gallons of propane in the box to the immediate right of the line description. Sales of propane into vehicles are not recorded on a separate schedule. Divide propane gallons by 1.3 and enter the result in the box under the 'gallons' column heading.

Line 6. Taxable Natural Gas Gallons

Total the cubic feet of taxable natural gas sold into vehicles. Enter the cubic feet of natural gas in the box to the immediate right of the line description. Sales of natural gas into vehicles are not recorded on a separate schedule. Divide cubic feet of natural gas by 1.2 and enter the result in the box under the 'gallons' column heading.

Line 7. Schedule of Credits - Cardlock Sales at Retail (Schedule 13)

Forward the total from Schedule 13, column 9, which shows the individual transactions. Sort the detail displayed in the schedule by facility location and date. If the vehicle is exempt from fuel tax at the retail location, it typically will not qualify for this deduction. Audit adjustments to this amount will result in assessment of tax, interest, penalty, and reduction of the 4% discount.

Line 8. Subtotal

Total of the taxable Use Fuel gallons entered on lines 2 through 6, Subtract line 7.

Rules for Rounding (Lines 1 through 8, line 12)

If your schedule includes fractional gallons, round up or down to the nearest whole gallon. For example, 12,915.502 gallons rounds up to 12,916 gallons while 43,258.398 gallons rounds down to 43,258 gallons.

Line 9. Use Fuel Tax

Multiply the gallons on line 8 by the current tax rate shown on line 9. Enter the result on line 9, using both dollars and cents.

Line 10. Four Percent Credit

Multiply the total tax on line 9 by 0.04 (four percent). Round to two decimal places and enter the result on line 10. This amount is the credit allowed to sellers for collection of the Use Fuel tax with a complete, timely filed report. If your report and/or payment are late, the 4% credit may be denied.

Line 11. Net Use Fuel Tax

Subtract line 10 from line 9; enter the result on line 11. This is the net tax due after the 4% collection credit.

Line 12. Bulk Use Fuel Sales

Total Taxable Gallons Sold from Schedule 5BLK. These sales are not subject to the four percent seller collection credit. Transactions that are ex-tax must be reported on Schedule 6BLK. This amount is not forwarded to Line 12.

Line 13. Use Fuel Tax

Multiply the gallons on line 12 by the current tax rate shown on line 13. Enter the result on line 13, using both dollars and cents.

Line 14. Total Use Fuel Tax Due

Total line 11 and line 13; enter the result on line 14. This is the total tax due from retail, non-retail, and bulk operations.

Line 15. Interest

Interest is due when your report is filed **and/or** payment is made after the due date. Interest is computed on the Use Fuel tax due as shown on line 14. The interest rate is 12% per year, or 0.0329% per day (0.000329).

How to Compute Interest:

On line 15 enter the number of days late in the "Number of Days" box. This is the difference from the due date of the tax report (20th of the month following the date in which the tax report was due) and the date the tax report is considered received (the postmark date).

Multiply the tax on line 14 by the number of days late by 0.000329 (the daily interest rate), and enter the result on line 15. For example, if you owed \$3500 in tax, and were 10 days late with your payment, the interest due would be \$11.52 (3500 x 10 x 0.000329).

Line 16. Late Payment Penalty

The 10% late payment penalty is due whenever your payment is not received by the due date. To calculate the penalty, multiply the Use Fuel Tax due on line 14 by 0.1 (ten percent); enter the result on line 16.

In the example above, the \$3,500 in tax that was paid 10 days late would result in a late payment penalty of \$350 (3500 x 0.1).

You may request, in writing, a waiver of the late payment penalty. In your request, explain why the payment was late. Once the request is received, it will be reviewed to determine whether you meet the criteria for a penalty waiver.

If your payment is late and you do not include the appropriate penalty and interest on lines 15 and 16 with your remittance, the Fuels Tax Group will compute the additional amount owed and send a letter showing the balance due along with instructions for payment.

Line 17. Total Due

Add the amounts on lines, 14, 15, and 16, and enter the total on line 17.

CERTIFICATION OF SELLER:

Sign and date the completed form on the lines provided, and legibly print the name of the person signing the form, and their title. This is the owner of the business if a sole proprietorship, or an authorized signature for other business entities.

Print the name, title, and phone number of the report preparer on the lines indicated, if other than the person signing the report.

If this report is made by a sole proprietor, the owner is required to sign their own report. If this report is made by a corporation, partnership, limited liability company, association, or other business organization, it must be signed by one of the principal officers, owners, or partners.

AMENDED REPORTS:

Amended reports should only include the corrections to the tax report and schedules. These corrections will be reviewed. If the revised report results in additional tax due, remit the tax, and any penalty and interest due if the revised report is filed after the due date for the report period. Penalty and interest are calculated on the additional tax. If the revised report results in a credit, the Fuels Tax Group will review the amended report and issue a determination.

Example of the Use Fuel Seller Tax Report



Use Fuel Seller Tax Report

FUELS TAX GROUP
 odotfuelstax@odot.state.or.us
 (503) 378-8150
 (888)753-2525

Amendment

| | | | | |
|--|----------------------|---------------------------|------------------------------------|-------------------------------|
| Company Name FTG SAMPLE SELLER | | FEIN 12-3456789 | Tax Report Period Jan-14 | |
| Street Address 355 CAPITOL ST NE | City SALEM | State OR | Zip Code 97301 | License Number 9876 |

USE FUEL REPORTING

- 1 Total Use Fuel Handled (total from page 2)
- 2 Retail Station Operations (total taxable from page 4)
- 3 Non-Retail Operations (total taxable from Schedule 5CRD)
- 4 Fleet Fueling Operations (total taxable from Schedule 5FLT)
- 5 TAXABLE PROPANE GALLONS (sold into vehicles): ÷ 1.3 =
- 6 TAXABLE NATURAL GAS GALLONS (sold into vehicles): ÷ 1.2 =
- 7 Cardlock credit taken at retail (from schedule 13)
- 8 Subtotal (add Lines 2 through 6, subtract line 7)
- 9 USE FUEL TAX (multiply gallons on line 8 by the current tax rate of 0.30)
- 10 LESS: 4% CREDIT: (multiply amount on line 9 by 0.04)
- 11 NET USE FUEL TAX DUE (subtract line 10 from line 9)
- 12 Bulk Fuel and Other Sales (total taxable from Schedule 5BLK)
- 13 USE FUEL TAX (multiply gallons on line 12 by the current tax rate of 0.30)
- 14 TOTAL USE FUEL TAX DUE (add line 11 and line 13)
- 15 INTEREST (Multiply tax on Line 14 by number of days late by 0.000329)
- 16 10% LATE PAYMENT PENALTY (when applicable) (multiply line 14 by 0.1)
- 17 TOTAL DUE (add lines 14, 15 and 16)

| GALLONS | DOLLARS |
|---------|--------------|
| 48,563 | |
| 43,022 | |
| | |
| | |
| | |
| | |
| 43,022 | |
| | \$ 12,906.60 |
| | \$ 516.26 |
| | \$ 12,390.34 |
| | |
| | \$ - |
| | \$ 12,390.34 |
| | |
| | \$ - |
| | \$ - |
| | \$ 12,390.34 |

MAKE CHECKS PAYABLE TO OREGON DEPARTMENT OF TRANSPORTATION (ODOT)

CERTIFICATION OF SELLER: I hereby certify that this report, including the accompanying schedules and statements, is a full, true, and complete report of the number of gallons of "fuel" as defined by ORS 319.520 handled during the report period.

| | | |
|---|--|---------------|
| _____ SIGNATURE | _____ TITLE | _____ DATE |
| _____ PRINTED NAME OF SIGNER (SEE STATEMENT BELOW) | _____ PRINTED NAME AND TITLE OF REPORT PREPARER | |

NOTE: THIS REPORT MUST BE SIGNED BY A PRINCIPAL OFFICER OR BY AN AUTHORIZED AGENT WHEN MADE BY A CORPORATION, AND BY THE MANAGING AGENT OR OWNER WHEN MADE BY A FIRM OR ASSOCIATION. AN INDIVIDUAL IS REQUIRED TO SIGN HIS OR HER OWN REPORT.

Note that the 'Total Fuel Handled' on line 1 is different from the taxable sales reported on line 2 (retail operations). The taxable sales figure is taken from the Retail Summary, which combines sales from all locations minus the ex-tax sales and tax forgiven sales reported.

USE FUEL HANDLED

The Use Fuel Handled schedule is required for all Use Fuel Sellers with operations in Oregon. This schedule provides an overview of the Use Fuel handled during the reporting period as required by Oregon law. All tanks at all locations, regardless of type of operation, must be included on this schedule.

In the spaces provided, write in the seller name, license number, FEIN, and the report period for this schedule.

Line 1. Facility ID

For each site, enter the site name, location, or identification. Use one column for each site. Check the type of operation for that site. If more than one operation is serviced by the location, mark all types of fueling done from that tank (bulk and retail, retail and cardlock, etc). If you have more than one use fuel tank at a site, use one column for each tank and indicate the type of product (low sulfur diesel and bio-diesel would each have their own column).

If you have more than five tanks for use fuel storage, use additional copies of this schedule or add columns to the Excel version.

Line 2. Beginning Inventory

Enter the beginning physical inventory (number of gallons) of use fuel at each site in Oregon. The beginning inventory is the total gallons of use fuel on hand for that site at the beginning of the reporting period. You may report whole gallons, or round to one or two decimal places; be consistent each month. The beginning inventory **MUST** agree with the ending inventory for the previous reporting period.

Line 3. Purchases

Enter the gallons of use fuel purchased during the reporting period for each site. Total purchases shown will match the gallons purchased on schedule 2.

Line 4. Fuel Available for Sale

Enter the sum of line 2 plus line 3 for each site.

Line 5. Ending Inventory

Enter the ending physical inventory (number of gallons) of use fuel for each site. The ending physical inventory is the total gallons of use fuel on hand at that site at the close of business on the last day of the reporting period. Obtain total gallons on hand by actual physical measurement (for example, manual stick readings or electronic tank monitor readings). The ending inventory will be used as the beginning inventory for the next reporting period.

Line 6. Fuel Handled

Enter the result of line 4 minus line 5 for each site.

Line 7. Sub-Total Fuel Handled

Add line 6 Fuel Handled for all sites and enter the total on line 7. The totals of line 7 for all copies of 'Fuel Handled' will be entered on line 1 of the seller tax report.

Example of Fuel Handled

Use Fuel Seller Tax Report Use Fuel Handled

FUELS TAX GROUP
 odoofuelstax@odot.state.or.us
 (503) 378-8150
 (888)753-2525

Use this schedule to report Use Fuel handled at all locations with a storage tank.
 Use one column for each location and product code. The total on line 6 for each column should reflect the fuel handled FOR THAT LOCATION.
 To report taxable sales from each location, complete and attach schedule 2, 3, 4, or 5 as required.

| | | | |
|--|---------------------------|----------------------------|------------------------------------|
| Company Name FTG SAMPLE SELLER | License #: 9876 | FEIN: 12-3456789 | Tax Report Period Jan-14 |
|--|---------------------------|----------------------------|------------------------------------|

| Line 1 Facility ID | Type of Operation | Product Code | AVE 1 | AVE 1 | BLVD | | |
|--------------------|---|--------------------|--|--|--|---|---|
| | | | <input checked="" type="checkbox"/> retail <input type="checkbox"/> cardlock <input type="checkbox"/> fleet fueling <input type="checkbox"/> bulk | <input checked="" type="checkbox"/> retail <input type="checkbox"/> cardlock <input type="checkbox"/> fleet fueling <input type="checkbox"/> bulk | <input checked="" type="checkbox"/> retail <input type="checkbox"/> cardlock <input type="checkbox"/> fleet fueling <input type="checkbox"/> bulk | <input type="checkbox"/> retail <input type="checkbox"/> cardlock <input type="checkbox"/> fleet fueling <input type="checkbox"/> bulk | <input type="checkbox"/> retail <input type="checkbox"/> cardlock <input type="checkbox"/> fleet fueling <input type="checkbox"/> bulk |
| | | | B20 | 170 | 170 | | |
| Line 2 | BEGINNING INVENTORY | | 2,563 | 5,698 | 8,128 | | |
| Line 3 | PURCHASES (Schedule 2) FUEL AVAILABLE FOR SALE | | 5,302 | 15,000 | 20,389 | | |
| Line 4 | (LINE 2 PLUS LINE 3) | | 7,865 | 20,698 | 28,517 | 0 | 0 |
| Line 5 | ENDING INVENTORY FUEL HANDLED | | 4,358 | 1,269 | 2,890 | | |
| Line 6 | (LINE 4 MINUS LINE 5) | | 3,507 | 19,429 | 25,627 | 0 | 0 |
| Line 7 | SUB-TOTAL FUEL HANDLED Forward to Use Fuel Seller Tax Report, Page 1, Line 1 | (totals of line 6) | | | | | 48,563 |

In this example, location “A” has two tanks, one with B5 biodiesel, the other with B20 made from used cooking oil; location “B” has one tank, and makes some ex-tax sales. Invoices for ex-tax sales are retained by the Seller, and are also used to complete schedule 6RTL. Sales of B20 may also be sold without the tax when qualifying fuel is placed into a qualifying vehicle or container. See the instructions for schedules 6 RTL and 10G. Examples of ex-tax or tax forgiven sales documentation follow the sample reports.

The Use Fuel Handled must be completed for all Oregon locations, regardless of the type of operation. This example shows three tanks at retail locations, but could also include cardlock, fleet fueling, and/or bulk sales in addition to the retail locations shown.

The fuel handled figures generally will not match the metered gallons exactly, but will be within a few gallons of the total metered sales.

SCHEDULE 2 – USE FUEL PURCHASES

The Use Fuel Purchases (schedule 2) is required for all Use Fuel Sellers with operations in Oregon. This schedule provides detail of the use fuel purchased during the reporting period.

In the spaces provided, write in the seller name, license number, FEIN, and the report period for this schedule.

A separate schedule should be completed for each product type. All blends of bio-diesel (with the exception of B-20 made with at least 20% used cooking oil) are reported under product 170.

- Include: The carrier name and FEIN if known,
 Mode of transport
 Origin
 Destination (specify which of your locations)
 Supplier Name and FEIN (if known)
 Date received
 Bill of Lading or Invoice number
 Gallons Delivered

Sample of Schedule 2 – Use Fuel Purchases

| | | | | | | | | | | | |
|--|--|--|---|--------------------------------|-------------------------|-------------------------|-------------------------|---------------------------|------------------------|--------------------------|---------------------------|
|  | OREGON DEPARTMENT OF TRANSPORTATION FUELS TAX GROUP, MS 21 355 CAPITOL ST NE SALEM, OR 97301-3871 PH: (503) 378-8150 OR (888)753-2525 FAX: (503) 378-3060 | USE FUEL SELLER TAX REPORT SCHEDULE OF RECEIPTS SCHEDULE 2 | Website: http://fueltax.oregon.gov email: ODOTFuelTax@odot.state.or.us | | | | | | | | |
| COMPANY INFORMATION | | | | | | | | | | | |
| COMPANY NAME | FEIN | LICENSE NUMBER | TAX REPORT PERIOD | PRODUCT CODE | | | | | | | |
| FTG SAMPLE SELLER | 12-3456789 | 9876 | Jan-14 | 170 | | | | | | | |
| (1) CARRIER NAME | (2) CARRIER FEIN | (3) MODE | (4) POINT OF ORIGIN | (5) POINT OF DESTINATION | (6) SUPPLIER NAME | (7) SUPPLIER FEIN | (8) DATE RECEIVED | (9) DOCUMENT NUMBER | (10) NET GALLONS | (11) GROSS GALLONS | (12) BILLED GALLONS |
| My Carrier | 56-7891234 | J-Truck | Portland | Ave 1 | Supplier Inc | 98-7654321 | 1/5/2014 | 10514 | 5,000.0 | 4,988.0 | 5,000.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Ave 2 | Supplier Inc | 98-7654321 | 1/20/2014 | 12014 | 10,000.0 | 10,010.0 | 10,000.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | BLVD | Supplier Inc | 98-7654321 | 1/5/2014 | 10514 | 5,000.0 | 4,988.0 | 5,000.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | BLVD | Supplier Inc | 98-7654321 | 1/15/2014 | 11514 | 8,000.0 | 8,005.0 | 8,000.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | BLVD | Supplier Inc | 98-7654321 | 1/25/2014 | 12514 | 7,389.0 | 7,400.0 | 7,389.0 |
| Product B20 or greater made with used cooking oil is normally reported on a separate schedule. | | | | | | | | | | | |
| My Carrier | 56-7891234 | J-Truck | Portland | Ave 1 | UCO Specials | 65-4321987 | 1/15/2014 | 111514 | 5,302.0 | 5,295.0 | 5,302.0 |
| TOTAL | | | | | | | | | 40,691.0 | 40,686.0 | 40,691.0 |

This example demonstrates a simple retail operation with two locations. Normally the B20 made with used cooking oil would be reported on a separate schedule. It is included here to match the purchases in the earlier example.

RETAIL OPERATIONS DETAIL (Pump Meter Readings)

Retail operations detail is used to report pump meter readings from retail operations (attended 'service' stations, truck stops, and similar operations). It also includes keylocks, which do not qualify for non-retail reporting unless they are capable of creating an electronic invoice. Fleet fueling, a special-case retail operation, is reported on Schedule 5FLT for taxable sales or schedule 6FLT for ex-tax sales.

In the spaces provided, write in the seller name, license number, FEIN, and the report period for this schedule.

Facility ID

For each retail site, enter the site name or identification. Use a separate sheet for each location or clearly show the location information for each set of pump meter readings reported. This ID should be the same as the ID used in completing the Use Fuel Handled schedule.

Line 1 (6, 11). Pump #

Enter the pump number or identification for each use fuel pump at the location shown on line 1. This form contains space to record fifteen (15) pumps.

Note: *If your pump or meter is reset or replaced, report both the old and new readings in separate columns.*

Line 2 (7, 12). Product Code

Enter the product code sold through each meter

Line 3 (8, 13). Closing Meter Readings

Note: *Do not use resettable 'totalizer' readings.*

Enter the closing gallon meter reading for each pump. Obtain the gallon meter reading at the close of business on the last day of the reporting period. You may round your gallon meter readings to whole gallons, or report up to two decimal places. However, you must be consistent in your rounding. Use the closing gallon meter reading as the opening gallon meter reading for the next reporting period. Computerized summaries that accrue the sales by product ('totalizer' readings) may NOT be substituted for individual pump readings.

Line 4 (9, 14). Opening Meter Readings

Enter the closing gallon meter reading from the previous reporting period. See 'closing readings' above for reporting information.

Line 5 (10, 15). Gallons Sold

Enter the result of line 3 minus line 4 for each pump.

Enter the total sales for each location and product on the Retail Operations Summary (page 4). This schedule will summarize all retail operations for inclusion on line 2 of the tax report form.

Example of Retail Operations Detail

The pump meter readings for this example are as follows:

**Use Fuel Seller Tax Report
Retail Operations - Detail**
(Pump Meter Readings)

FUELS TAX GROUP
odotfuelstax@odot.state.or.us
(503) 378-8150
(888)753-2525

USE ONE PAGE FOR EACH FACILITY ID

| | | | | | | |
|---|--|---------------------------|----------------------------|------------------------------------|---------------------|---------------------|
| Company Name FTG SAMPLE SELLER | | License #: 9876 | FEIN: 12-3456789 | Tax Report Period Jan-14 | | |
| Facility ID / Description AVE 1 | | | | | | |
| Line 1 | | PUMP # 1 | PUMP # 3 | PUMP # 5 | PUMP # 7 | PUMP # 9 |
| Line 2 Product Code | | 170 | 170 | 170 | 170 | 170 |
| Line 3 CLOSING READING | | 213040 | 252318 | 869133 | 179879 | 224146 |
| Line 4 OPENING READING | | 210357 | 249870 | 867859 | 179809 | 219954 |
| Line 5 GALLONS SOLD | | 2683 | 2448 | 1274 | 70 | 4192 |
| Line 6 | | PUMP # 11 | PUMP # 13 | PUMP # 15 | PUMP # 20 | PUMP # 21 |
| Line 7 Product Code | | 170 | 170 | 170 | B20 | B20 |
| Line 8 CLOSING READING | | 52400 | 516007 | 92407 | 251087 | 157488 |
| Line 9 OPENING READING | | 51350 | 511687 | 89019 | 250065 | 154993 |
| Line 10 GALLONS SOLD | | 1050 | 4320 | 3388 | 1022 | 2495 |

**Use Fuel Seller Tax Report
Retail Operations - Detail**
(Pump Meter Readings)

FUELS TAX GROUP
odotfuelstax@odot.state.or.us
(503) 378-8150
(888)753-2525

USE ONE PAGE FOR EACH FACILITY ID

| | | | | | | |
|--|--|---------------------------|----------------------------|------------------------------------|--------------------|---------------------|
| Company Name FTG SAMPLE SELLER | | License #: 9876 | FEIN: 12-3456789 | Tax Report Period Jan-14 | | |
| Facility ID / Description BLVD | | | | | | |
| Line 1 | | PUMP # 2 | PUMP # 4 | PUMP # 6 | PUMP # 8 | PUMP # 10 |
| Line 2 Product Code | | 170 | 170 | 170 | 170 | 170 |
| Line 3 CLOSING READING | | 357891 | 455943 | 1670691 | 1517017 | |
| Line 4 OPENING READING | | 352154 | 448223 | 1665130 | 1510479 | |
| Line 5 GALLONS SOLD | | 5737 | 7720 | 5561 | 6538 | 0 |

RETAIL OPERATIONS SUMMARY

Retail Operations Summary is used to summarize sales from retail operations (attended 'service' stations, truck stops, and similar operations). It also includes keylocks, which do not qualify for non-retail reporting unless they are capable of creating an electronic invoice. Fleet fueling, a special-case retail operation, is reported on Schedule 5FLT for taxable sales or schedule 6FLT for ex-tax sales.

In the spaces provided, write in the seller name, license number, FEIN, and the report period for this schedule.

SUMMARY INFORMATION:

Facility ID: Include the facility ID used in completing the Retail Operations Detail and Use Fuel Handled.

Product Code: From retail operations detail (pump meter readings)

Total Gallons Sold: Sum the gallons sold (lines 5, 10, 15 of the retail operations detail) at each pump for each product. Enter the total gallons sold, subtotaled by product type

Ex-Tax Sales: Enter any gallons sold without the Oregon tax, as detailed on schedule 6RTL. This is the detail of ex-tax sales made at each retail location

B-20 Used Cooking Oil: Enter any gallons sold with the Oregon tax forgiven, as detailed on schedule 10G. This is the detail of tax-forgiven sales made at each retail location.

Use Fuel Seller Tax Report Retail Operations - Summary

FUELS TAX GROUP
odotfuelstax@odot.state.or.us
(503) 378-8150
(888) 753-2525

USE ONE PAGE FOR EACH FACILITY ID

| | | | |
|---|--|---|---|
| <small>Company Name</small> FTG SAMPLE SELLER | <small>License #:</small> 9876 | <small>FEIN:</small> 12-3456789 | <small>Tax Report Period</small> Jan-14 |
|---|--|---|---|

Facility ID / Description

| SUMMARY | FACILITY ID | PRODUCT CODE | TOTAL GALLONS SOLD | RETAIL EX-TAX SALES | USED COOKING OIL B20 TAX FORGIVEN SALES | TAXABLE SALES |
|---------|-------------|--------------|--------------------|---------------------|---|---------------|
| | AVE 1 | 170 | 19,425 | 0 | | 19,425 |
| | AVE 1 | B20 | 3,517 | 0 | 3,452 | 65 |
| | BLVD | 170 | 25,556 | 2,024 | | 23,532 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | TOTAL | 43,022 |

DISBURSEMENTS – USED COOKING OIL

B-20 Used Cooking Oil Disbursements (schedule 10G) is used to detail sales from retail operations when biodiesel that is at least 20% used cooking oil does not include the Oregon tax. This schedule recaps the individual invoices written to document “tax forgiven” sales at retail operations. All sales of B-20 made with used cooking oil must be documented to qualify for tax forgiveness. Vehicles over 26,000 GVWR who do not pay weight-mile taxes (generally F-plates) do NOT qualify for tax forgiveness.

In the spaces provided, write in the seller name, license number, FEIN, and the report period for this schedule. Complete a separate schedule if you have more than one product location.

For each sale of B-20 made from at least 20% used cooking oil, document the date of sale, vehicle license plate or container description, and gallons sold. Gallons cannot be claimed as tax forgiven unless the fuel is certified as containing at least 20% used cooking oil.

EXAMPLE OF USED COOKING OIL DISBURSEMENT

| | | | | |
|---|---|---|---|--------------------------|
|  | OREGON DEPARTMENT OF TRANSPORTATION FUEL TAX GROUP, MS 21 355 CAPITOL ST NE SALEM, OR 97301-3871 PH: (503) 378-8150 OR (888)753-2525 FAX: (503) 378-3060 | USE FUEL SELLER TAX REPORT SCHEDULE OF DISBURSEMENTS - RETAIL EX-TAX | Website: http://fuelstax.oregon.gov email: ODOTFuelTax@odot.state.or.us | |
| USED COOKING OIL B20 TAX FORGIVEN SALES SCHEDULE 10G PRODUCT CODE - B20 | | | | |
| COMPANY INFORMATION | | | | |
| COMPANY NAME | FEIN | LICENSE NUMBER | TAX REPORT PERIOD | |
| FTG SAMPLE SELLER | 12-3456789 | 9876 | Jan-14 | |
| (1) FACILITY ID OR DESCRIPTION | (2) PURCHASE DATE | (3) PLATE NUMBER | (4) PLATE STATE | (5) BILLED GALLONS |
| AVE 1 | 1/3/2014 | QQQ 333 | OR | 23.0 |
| AVE 1 | 1/4/2014 | T999999 | OR | 10.0 |
| AVE 1 | 1/4/2014 | T888888 | OR | 45.8 |
| AVE 1 | 1/5/2014 | 123 ABC | OR | 21.8 |
| AVE 1 | 1/6/2014 | T999999 | OR | 5.0 |
| AVE 1 | 1/10/2014 | F999999 | OR | 17.2 |
| AVE 1 | 1/10/2014 | 444 FTG | OR | 26.4 |
| AVE 1 | 1/11/2014 | 1H99999 | CA | 23.0 |
| AVE 1 | 1/12/2014 | 99999RP | WA | 53.1 |
| | | | | |
| AVE 1 | 1/28/2014 | QQQ 333 | OR | 18.6 |
| AVE 1 | 1/30/2014 | T999999 | OR | 10.0 |
| AVE 1 | 1/31/2014 | 123 ABC | OR | 35.8 |
| | | | | |
| | | | TOTAL | 3,452.2 |

This is an excerpt of a completed schedule to show the documentation required. Gallons entered on this schedule are totaled and claimed in the “B20” column of the retail operations summary schedule.

HB 2435 Frequently Asked Questions

What is Biodiesel?

Biodiesel is defined as mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats which conform to ASTM D6751 specifications for use in diesel engines. Biodiesel refers to the pure fuel before blending with petroleum diesel fuel. Biodiesel blends are denoted as, "BXX" with "XX" representing the percentage of biodiesel contained in the blend (ie: B20 is 20% biodiesel, 80% petroleum diesel).

Are biodiesel and vegetable oil the same thing?

No. Biodiesel is made from vegetable oil through a chemical process call transesterification, which converts natural oils and fats in fatty acid methyl esters.

Can the tax be forgiven on blends other than B20 produced from used cooking oil?

Yes, as long as the blend is made from 100% used cooking oil and made of at least 20% biodiesel. Blends above B20 derived from used cooking oil are also eligible for tax forgiveness.

If I produce my own biodiesel from 100% used cooking oil, can the tax I should pay be forgiven?

No, tax forgiveness under this law change only applies to gallons purchased at a retail station. If you produce biodiesel for your own consumption, you must be licensed by the Department of Transportation, Fuels Tax Group as a Use Fuel User and report and remit the tax on the number of gallons you use upon the roads and highways of the state.

As a retail Seller offering B20 made from 100% used cooking oil, do I have to document each transaction where the tax is forgiven?

Yes, all retail transactions where the tax is not collected must be documented by law. The same documentation requirements for retail ex-tax transactions apply to the tax forgiveness of at least B20 made from used cooking oil under the new law.

I have a Farm plated truck registered at over 26,000 pounds, can I get the tax forgiven if I use B20 made from 100% used cooking oil in this truck when I buy fuel at a retail facility?

No, unfortunately the law change specifically excludes all vehicles with a registered weight of over 26,000 pounds. An F-plated vehicle over 26,000 pounds, is not subject to the Weight/Mile tax, however, the vehicle is subject to the fuel tax. You would need to be licensed as a Use Fuel User with the Fuels Tax Group and report and remit the tax on the number of gallons used upon the roads and highways of the state.

As a retail seller who plans to sell B20 from used cooking oil, how can I be sure the B20 is made from used cooking oil?

Biodiesel refiners must certify on their bills of lading the feedstock used to produce the fuel is in fact 100% used cooking oil and the location of the refinery. If the bill of lading does not include this certification, the tax cannot be forgiven on this fuel.

Can my used cooking oil blend stock be less than 100%?

No. An acceptable blend to produce B20 derived from used cooking oil can only be established if the used cooking oil blend stock is certified used cooking oil, with no dilutions or modifications to the certified product.

I am a cardlock card issuer, can I "forgive" the fuel tax on my cardlock customer billing statements if my customers use their cardlock cards at a retail location?

No, the retailer will document the transaction at the time of sale and forgive the tax, if appropriate. As a non-retail seller you cannot forgive the tax on your customer's invoice even though the card was used at a retail site.

SCHEDULE 5CRD AND 6CRD – NON-RETAIL (cardlock) OPERATIONS

In general, non-retail operations will be cardlocks, whether they are part of a nationwide network or a series of local stations (closed cardlock). Non-retail operations are generally unattended, and cards are issued to a specific vehicle, piece of equipment or group of equipment. If the card is designated as an ex-tax card, the qualifying information for the ex-tax sale (usually the vehicle license plate or equipment description) will be coded on the card and print on the customer's invoice.

Note: Oregon law recognizes two classes of Use Fuel Sellers – retail and non-retail. If your facility does not meet the definition of a non-retail facility under ORS 319.520, you are a retail seller (see the instructions for retail reporting). A non-retail facility is defined as an unattended facility accessible only by cardlock card capable of generating an electronic invoice.

CAUTION: If you have a retail operation that accepts cardlock cards as a form of payment, this alone DOES NOT qualify to be a non-retail facility. Report all retail sales using the “use fuel handled” and “retail operations” schedules, regardless of the methods of payment accepted at the retail location.

Under ORS 319.665, when fuel is dispensed at a non-retail facility, the seller is required to collect the Use Fuel tax unless the customer has completed the “Certification of Oregon Use Fuel Tax Exempt Status” (Exemption Certificate). The seller will retain a copy of the original certificate in their files in the event of an audit. A card coded to purchase fuel exempt of the tax must be issued to the specific vehicle or equipment which qualifies for the ex-tax sale.

If you have taxable sales of propane or natural gas through a non-retail operation, report the total gallons (before conversion) on line 5 or 6 of the Seller Tax Report and follow the instructions for computing taxable gallons.

Schedule 5CRD is used to report taxable sales and schedule 6CRD is for ex-tax sales of Use Fuel at non-retail operations. This schedule is the preferred format to report sales from non-retail operations. A computer-generated report containing the same information may be substituted for this schedule. You may also submit Schedules 5CRD and 6CRD, disbursements at non-retail (cardlock) locations detail by e-mail. Please contact the Fuels Tax Group at ODOTFuelsTax@odot.state.or.us for details and to submit test schedules for approval. The format must allow the transactions to be sorted and sub-totaled.

Customer detail will include the credential or description (required for 6CRD, ex-tax sales), card number, facility ID, purchase date, customer name, customer account, invoice date, invoice number, and total gallons of use fuel sold. Use schedule 5CRD to report taxable sales (credential information not required) and schedule 6CRD to report ex-tax sales. In most cases, this information can be downloaded from your billing system.

Any non-retail customer with a reason to purchase tax-exempt fuel must complete the Exemption Certificate and have cards dedicated for ex-tax sales. Each card issued for ex-tax purchases must be coded with the qualifying reason for the ex-tax sale (equipment description, weight receipt, government plate, etc). The card is to be used only for the vehicle/equipment designated. If you have more than one driver for a vehicle, each driver may have a card for that vehicle, but only one vehicle may be designated on a card.

Non-retail (cardlock) sellers complete the ‘use fuel handled’ schedule for any physical locations in Oregon, and schedule 5CRD to report taxable sales from all customers. The total fuel handled at Oregon sites will be entered on line 1, with taxable sales from non-retail operations (schedule 5CRD) entered on line 3.

An important difference between cardlock and retail reporting is that the total gallons sold per schedules 5CRD and 6CRD and the gallons handled through the location will generally not be the same if you are part of a nation-wide network. The gallons reported as fuel handled will reconcile to the gallons on your network statements. The gallons reported on the non-retail sales schedules will reconcile to your customer billings. Note that if your non-retail operation is a closed network (customers may only use sites owned by your company) you will be able to reconcile total sales to the use fuel handled.

USE FUEL SELLER TAX REPORT WITH NON-RETAIL OPERATIONS:



Use Fuel Seller Tax Report

FUELS TAX GROUP
 odotfuelstax@odot.state.or.us
 (503) 378-8150
 (888)753-2525

Amendment

| | | | | |
|--|----------------------|---------------------------|------------------------------------|-------------------------------|
| Company Name FTG SAMPLE SELLER | | FEIN 12-3456789 | Tax Report Period Jan-14 | |
| Street Address 355 CAPITOL ST NE | City SALEM | State OR | Zip Code 97301 | License Number 9876 |

USE FUEL REPORTING

- 1 Total Use Fuel Handled (total from page 2)
- 2 Retail Station Operations (total taxable from page 4)
- 3 Non-Retail Operations (total taxable from Schedule 5CRD)
- 4 Fleet Fueling Operations (total taxable from Schedule 5FLT)
- 5 TAXABLE PROPANE GALLONS (sold into vehicles): + 1.3 =
- 6 TAXABLE NATURAL GAS GALLONS (sold into vehicles): + 1.2 =
- 7 Cardlock credit taken at retail (from schedule 13)
- 8 Subtotal (add Lines 2 through 6, subtract line 7)
- 9 USE FUEL TAX (multiply gallons on line 8 by the current tax rate of 0.30)
- 10 LESS: 4% CREDIT: (multiply amount on line 9 by 0.04)
- 11 NET USE FUEL TAX DUE (subtract line 10 from line 9)
- 12 Bulk Fuel and Other Sales (total taxable from Schedule 5BLK)
- 13 USE FUEL TAX (multiply gallons on line 12 by the current tax rate of 0.30)
- 14 TOTAL USE FUEL TAX DUE (add line 11 and line 13)
- 15 INTEREST (Multiply tax on Line 14 by number of days late by 0.000329)
- 16 10% LATE PAYMENT PENALTY (when applicable) (multiply line 14 by 0.1)
- 17 TOTAL DUE (add lines 14, 15 and 16)

| GALLONS | DOLLARS |
|---------|-------------|
| 27,936 | |
| - | |
| 17,659 | |
| - | |
| - | |
| 17,659 | |
| | \$ 5,297.64 |
| | \$ 211.91 |
| | \$ 5,085.73 |
| | |
| | \$ - |
| | \$ 5,085.73 |
| | |
| | \$ - |
| | \$ - |
| | \$ 5,085.73 |

MAKE CHECKS PAYABLE TO OREGON DEPARTMENT OF TRANSPORTATION (ODOT)

CERTIFICATION OF SELLER: I hereby certify that this report, including the accompanying schedules and statements, is a full, true, and complete report of the number of gallons of "fuel" as defined by ORS 319.520 handled during the report period.

| | | |
|---|--|---------------|
| _____ SIGNATURE | _____ TITLE | _____ DATE |
| _____ PRINTED NAME OF SIGNER (SEE STATEMENT BELOW) | _____ PRINTED NAME AND TITLE OF REPORT PREPARER | |

NOTE: THIS REPORT MUST BE SIGNED BY A PRINCIPAL OFFICER OR BY AN AUTHORIZED AGENT WHEN MADE BY A CORPORATION, AND BY THE MANAGING AGENT OR OWNER WHEN MADE BY A FIRM OR ASSOCIATION. AN INDIVIDUAL IS REQUIRED TO SIGN HIS OR HER OWN REPORT.

This shows the Fuel Handled for the locations which have cardlock facilities in Oregon, and the taxable sales from schedule 5CRD (as shown in the example on the prior page). The ex-tax sales on schedule 6CRD are not reported on the seller tax report, but provided to support total gallons sold.

If you are a non-retail seller *and* do not have any Oregon operations, you do not need to complete the Use Fuel Handled schedule. This would only occur if your only Oregon transactions are your customers coming into the state and using other seller's facilities to make fuel purchases. You are still required to report all gallons sold on schedule 5CRD and schedule 6CRD, with the corresponding taxable gallons forwarded to Line 3 of the Use Fuel Seller Tax Report.

USE FUEL HANDLED – NON-RETAIL OPERATIONS

This schedule is required for non-retail sellers with operations in Oregon.

Use Fuel Seller Tax Report
Use Fuel Handled

FUELS TAX GROUP
odotfuelstax@odot.state.or.us
(503) 378-8150
(888)753-2525

Use this schedule to report Use Fuel handled at all locations with a storage tank.
Use one column for each location and product code . The total on line 6 for each column should reflect the fuel handled FOR THAT LOCATION.
To report taxable sales from each location, complete and attach schedule 2, 3, 4, or 5 as required.

| | | | |
|--|---------------------------|----------------------------|------------------------------------|
| Company Name FTG SAMPLE SELLER | License #: 9876 | FEIN: 12-3456789 | Tax Report Period Jan-14 |
|--|---------------------------|----------------------------|------------------------------------|

| Line 1 Facility ID | Type of Operation | Product Code | DOWNTOWN | PLANT | | | |
|--------------------|---|--------------------|--|--|---|---|---|
| | | | <input type="checkbox"/> retail <input checked="" type="checkbox"/> cardlock <input type="checkbox"/> fleet fueling <input type="checkbox"/> bulk | <input type="checkbox"/> retail <input checked="" type="checkbox"/> cardlock <input type="checkbox"/> fleet fueling <input type="checkbox"/> bulk | <input type="checkbox"/> retail <input type="checkbox"/> cardlock <input type="checkbox"/> fleet fueling <input type="checkbox"/> bulk | <input type="checkbox"/> retail <input type="checkbox"/> cardlock <input type="checkbox"/> fleet fueling <input type="checkbox"/> bulk | <input type="checkbox"/> retail <input type="checkbox"/> cardlock <input type="checkbox"/> fleet fueling <input type="checkbox"/> bulk |
| | | 170 | 170 | 170 | | | |
| Line 2 | BEGINNING INVENTORY | | 2,563 | 5,698 | | | |
| Line 3 | PURCHASES (Schedule 2) | | 15,302 | 10,000 | | | |
| Line 4 | FUEL AVAILABLE FOR SALE (LINE 2 PLUS LINE 3) | | 17,865 | 15,698 | 0 | 0 | 0 |
| Line 5 | ENDING INVENTORY | | 4,358 | 1,269 | | | |
| Line 6 | FUEL HANDLED (LINE 4 MINUS LINE 5) | | 13,507 | 14,429 | 0 | 0 | 0 |
| Line 7 | SUB-TOTAL FUEL HANDLED | (totals of line 6) | | | | | 27,936 |

Forward to Use Fuel Seller Tax Report, Page 1, Line 1

SCHEDULE 2 – RECEIPTS

This schedule supports the “Use Fuel Handled” schedule.



OREGON DEPARTMENT OF TRANSPORTATION
FUELS TAX GROUP, MS 21
355 CAPITOL ST NE
SALEM, OR 97301-3871
PH: (503) 378-8150 OR (888)753-2525
FAX: (503) 378-3060

USE FUEL SELLER TAX REPORT

Website: <http://fuelstax.oregon.gov>
email: ODOTFuelTax@odot.state.or.us

SCHEDULE OF RECEIPTS

| SCHEDULE 2 | | | | | | | | | | | |
|------------------------|------------------------|-------------|---------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|---------------------------|------------------------|--------------------------|---------------------------|
| COMPANY INFORMATION | | | | | | | | | | | |
| COMPANY NAME | | | | FEIN | LICENSE NUMBER | TAX REPORT PERIOD | PRODUCT CODE | | | | |
| FTG SAMPLE SELLER | | | | 12-3456789 | 9876 | Jan-14 | 170 | | | | |
| (1) CARRIER NAME | (2) CARRIER FEIN | (3) MODE | (4) POINT OF ORIGIN | (5) POINT OF DESTINATION | (6) SUPPLIER NAME | (7) SUPPLIER FEIN | (8) DATE RECEIVED | (9) DOCUMENT NUMBER | (10) NET GALLONS | (11) GROSS GALLONS | (12) BILLED GALLONS |
| My Carrier | 56-7891234 | J-Truck | Portland | Downtown | Supplier Inc | 98-7654321 | 1/5/2014 | 10514 | 5,000.0 | 4,988.0 | 5,000.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Downtown | UCO Specials | 65-4321987 | 1/15/2014 | 111514 | 5,302.0 | 5,295.0 | 5,302.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Downtown | Supplier Inc | 98-7654321 | 1/20/2014 | 12014 | 5,000.0 | 4,988.0 | 5,000.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Plant | Supplier Inc | 98-7654321 | 1/5/2014 | 10514 | 5,000.0 | 4,988.0 | 5,000.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Plant | Supplier Inc | 98-7654321 | 1/20/2014 | 12014 | 5,000.0 | 4,991.0 | 5,000.0 |
| TOTAL | | | | | | | | | 25,302.0 | 25,250.0 | 25,302.0 |

SPECIAL REPORTING SITUATIONS

In Oregon, Use Fuel is not taxed until it is placed into the fuel tank of a motor vehicle. All transfers of Use Fuel should be ex-tax, with the seller determining whether the transaction should be taxed based on the vehicle or equipment receiving the fuel.

If a cardlock card is used as a form of payment at a retail location, it is the retailer's responsibility to report the gallons sold and document any ex-tax sales. Non-retail sellers do not report gallons their customers purchase at retail locations. If retail transactions are included in the Seller's taxable non-retail gallons, the non-retail seller may be able to deduct the gallons by providing the documentation required for schedule 13:

EXAMPLE OF SCHEDULE 13:

Use Fuel Seller Tax Report
Schedule of Credits - Cardlock Sales at Retail

FUELS TAX GROUP
odotfuelstax@odot.state.or.us
(503) 378-8150
(888)753-2525

| | | | | | |
|--|---------------------------|----------------------------|------------------------------------|----------------------------|----------------------------|
| Company Name FTG SAMPLE SELLER | License #: 9876 | FEIN: 12-3456789 | Tax Report Period Jan-14 | Schedule Code 13 | Product Code 170 |
|--|---------------------------|----------------------------|------------------------------------|----------------------------|----------------------------|

| 1 Credential / Description | 2 Card Number | 3 Facility ID | 4 Purchase Date | 5 Customer Name | 6 Customer Account | 7 Invoice Date | 8 Invoice Number | 9 Billed Gallons |
|----------------------------------|------------------|------------------|--------------------|--------------------|--------------------------|----------------------|---------------------|------------------------|
| Bills Truck | 4438641 | 98762 | 1/15/2014 | Customer B | 4464 | 1/31/2014 | CL 141141 | 33.1 |
| Bills Truck | 4438641 | 98762 | 1/25/2014 | Customer B | 4464 | 1/31/2014 | CL 141141 | 15.2 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | Total: | 48.3 |

If customer B had purchased these gallons at a retail site, the schedule 13 would be completed as shown above, and the seller tax report would show the deduction on line 7:



Use Fuel Seller Tax Report

FUELS TAX GROUP
odotfuelstax@odot.state.or.us
(503) 378-8150
(888)753-2525

Amendment

| | | | | | |
|--|----------------------|---------------------------|--------------------------|------------------------------------|--|
| Company Name FTG SAMPLE SELLER | | FEIN 12-3456789 | | Tax Report Period Jan-14 | |
| Street Address 355 CAPITOL ST NE | City SALEM | State OR | Zip Code 97301 | License Number 9876 | |

USE FUEL REPORTING

- 1 Total Use Fuel Handled (total from page 2)
- 2 Retail Station Operations (total taxable from page 4)
- 3 Non-Retail Operations (total taxable from Schedule 5CRD)
- 4 Fleet Fueling Operations (total taxable from Schedule 5FLT)
- 5 TAXABLE PROPANE GALLONS
- 6 TAXABLE NATURAL GAS GALLONS
- 7 Cardlock credit taken at retail (from schedule 13)
- 8 Subtotal (add Lines 2 through 6, subtract line 7)
- 9 USE FUEL TAX (multiply gallons on line 8 by the current tax rate of 0.30)
- 10 LESS: 4% CREDIT: (multiply amount on line 9 by 0.04)
- 11 NET USE FUEL TAX DUE (subtract line 10 from line 9)
- 12 Bulk Fuel and Other Sales (total taxable from Schedule 5BLK)
- 13 USE FUEL TAX (multiply gallons on line 12 by the current tax rate of 0.30)
- 14 TOTAL USE FUEL TAX DUE (add line 11 and line 13)
- 15 INTEREST (Multiply tax on Line 14 by number of days late by 0.000329)
- 16 10% LATE PAYMENT PENALTY (when applicable) (multiply line 14 by 0.1)
- 17 TOTAL DUE (add lines 14, 15 and 16)

(sold into vehicles): ÷ 1.3 =
(sold into vehicles): ÷ 1.2 =

| GALLONS | DOLLARS |
|---------|-------------|
| 27,936 | |
| - | |
| 17,659 | |
| - | |
| - | |
| 48 | |
| 17,611 | |
| | \$ 5,283.15 |
| | \$ 211.33 |
| | \$ 5,071.82 |
| | |
| | \$ - |
| | \$ 5,071.82 |
| | |
| | \$ - |
| | \$ - |
| | \$ 5,071.82 |

The receipts schedule on the prior page details deliveries to the bulk tank at the fleet fueling main site. This information is used to support the purchases listed in the Use Fuel Handled schedule shown below.

Use Fuel Seller Tax Report Use Fuel Handled

FUELS TAX GROUP
odotfuelstax@odot.state.or.us
(503) 378-8150
(888)753-2525

Use this schedule to report Use Fuel handled at all locations with a storage tank.
Use one column for each location and product code. The total on line 6 for each column should reflect the fuel handled FOR THAT LOCATION.
To report taxable sales from each location, complete and attach schedule 2, 3, 4, or 5 as required.

| | | | |
|--|---------------------------|----------------------------|------------------------------------|
| Company Name FTG SAMPLE SELLER | License #: 9876 | FEIN: 12-3456789 | Tax Report Period Jan-14 |
|--|---------------------------|----------------------------|------------------------------------|

| Line 1 Facility ID | Type of Operation | MAIN OPERATIONS | | | | Product Code |
|--------------------|---|--|---|---|--|--------------|
| | | <input type="checkbox"/> retail <input checked="" type="checkbox"/> fleet fueling | <input type="checkbox"/> cardlock <input checked="" type="checkbox"/> bulk | <input type="checkbox"/> retail <input type="checkbox"/> fleet fueling | <input type="checkbox"/> cardlock <input type="checkbox"/> bulk | |
| | | 170 | | | | |
| Line 2 | BEGINNING INVENTORY | 2,563 | | | | |
| Line 3 | PURCHASES (Schedule 2) FUEL AVAILABLE FOR SALE | 21,302 | | | | |
| Line 4 | (LINE 2 PLUS LINE 3) | 23,865 | 0 | 0 | 0 | 0 |
| Line 5 | ENDING INVENTORY | 4,358 | | | | |
| Line 6 | FUEL HANDLED (LINE 4 MINUS LINE 5) | 19,507 | 0 | 0 | 0 | 0 |
| Line 7 | SUB-TOTAL FUEL HANDLED Forward to Use Fuel Seller Tax Report, Page 1, Line 1 | (totals of line 6) | | | | 19,507 |

The "Use Fuel Handled" is entered on line 1 of the Seller Tax Report, with the taxable gallons from Schedule 5FLT on line 4 for the calculation of Use Fuel Tax due.



Use Fuel Seller Tax Report Amendment

FUELS TAX GROUP
odotfuelstax@odot.state.or.us
(503) 378-8150
(888)753-2525

| | | | |
|--|----------------------|-------------------------------|------------------------------------|
| Company Name FTG SAMPLE SELLER | | FEIN 12-3456789 | Tax Report Period Jan-14 |
| Street Address 355 CAPITOL ST NE | City SALEM | State OR | Zip Code 97301 |
| | | License Number 9876 | |

USE FUEL REPORTING

- 1 Total Use Fuel Handled (total from page 2)
- 2 Retail Station Operations (total taxable from page 4)
- 3 Non-Retail Operations (total taxable from Schedule 5CRD)
- 4 Fleet Fueling Operations (total taxable from Schedule 5FLT)
- 5 TAXABLE PROPANE GALLONS (sold into vehicles): ÷ 1.3 =
- 6 TAXABLE NATURAL GAS GALLONS (sold into vehicles): ÷ 1.2 =
- 7 Cardlock credit taken at retail (from schedule 13)
- 8 Subtotal (add Lines 2 through 6, subtract line 7)
- 9 USE FUEL TAX (multiply gallons on line 8 by the current tax rate of 0.30)
- 10 LESS: 4% CREDIT: (multiply amount on line 9 by 0.04)
- 11 NET USE FUEL TAX DUE (subtract line 10 from line 9)
- 12 Bulk Fuel and Other Sales (total taxable from Schedule 5BLK)
- 13 USE FUEL TAX (multiply gallons on line 12 by the current tax rate of 0.30)
- 14 TOTAL USE FUEL TAX DUE (add line 11 and line 13)
- 15 INTEREST (Multiply tax on Line 14 by number of days late by 0.000329)
- 16 10% LATE PAYMENT PENALTY (when applicable) (multiply line 14 by 0.1)
- 17 TOTAL DUE (add lines 14, 15 and 16)

| | GALLONS | DOLLARS |
|--|---------|-------------|
| | 19,507 | |
| | - | |
| | - | |
| | 8,726 | |
| | - | |
| | - | |
| | 8,726 | |
| | | \$ 2,617.74 |
| | | \$ 104.71 |
| | | \$ 2,513.03 |
| | | - |
| | | \$ 2,513.03 |
| | | - |
| | | - |
| | | \$ 2,513.03 |

MAKE CHECKS PAYABLE TO OREGON DEPARTMENT OF TRANSPORTATION (ODOT)

SCHEDULES 5BLK and 6 BLK - BULK USE FUEL SALES

Schedule 5BLK is used to report taxable sales of fuel in bulk and schedule 6BLK is used to report ex-tax sales of Use Fuel to your customers in bulk. The bulk fuel gallons reported on this schedule should reconcile to the bulk gallons reported on the Use Fuel Handled schedule. Report all bulk sales, whether taxed or ex-tax, delivered to your own stations or customer's locations.

Bulk sales detail will include the carrier information and mode of transport, purchaser information, date of sale, bill of lading or invoice number, and gallons sold. The same information is required for both taxable and ex-tax sales. The tax status is indicated by the schedule code.

Column 1. Carrier Name

Enter the name of the carrier transporting the fuel.

Column 2. Carrier FEIN (if known)

Enter the federal identification number for the carrier if known.

Column 3. Mode

Enter the mode of delivery – truck is the most common, but fuel may also be distributed by ship, barge, rail, or pipeline.

Column 4. Point of Origin

Enter your point of origin, generally your bulk plant, but may also include terminal locations if you are delivering direct to a customer from the terminal.

Column 5. Point of Destination

Enter the city and state where your customer is located.

Column 6. Buyer's Name

Enter the purchaser's name as shown on the invoice

Column 7. Buyer's FEIN

Enter the federal identification number for the customer

Column 8 Date Shipped

Enter the date the fuel was delivered to the customer

Column 9 Document Number

List the Bill of Lading or other shipping document number

Column 10. Net Gallons

Enter the net gallons delivered as shown on the bill of lading.

Column 11. Gross Gallons

Enter the gross gallons delivered as shows on the bill of lading.

Column 12. Billed Gallons

Enter the gallons billed as shown on the invoice to the customer (should match either column 10 or column 11)

You may also submit Schedules 5BLK and 6BLK disbursement detail for bulk operations by e-mail. Please contact the Fuels Tax Group at ODOTFuelsTax@odot.state.or.us for details and to submit test schedules for approval. Formats must allow the data to be sorted and subtotaled.

EXAMPLE OF SCHEDULE 5BLK



OREGON DEPARTMENT OF TRANSPORTATION
FUELS TAX GROUP, MS 21
355 CAPITOL ST NE
SALEM, OR 97301-3871
PH: (503) 378-8150 OR (888)753-2525
FAX: (503) 378-3060

USE FUEL SELLER TAX REPORT

Website: <http://fueltax.oregon.gov>
email: ODOTFuelTax@odot.state.or.us

SCHEDULE OF DISBURSEMENTS - BULK

| SCHEDULE 5BLK OR 6BLK | | | | | | | | | | | |
|------------------------|------------------------|-------------|---------------------------|--------------------------------|----------------------|----------------------|------------------------|---------------------------|------------------------|--------------------------|---------------------------|
| COMPANY INFORMATION | | | | | | | | | | | |
| COMPANY NAME | | | | | FEIN | LICENSE NUMBER | TAX REPORT PERIOD | SCHEDULE CODE | PRODUCT CODE | | |
| FTG SAMPLE SELLER | | | | | 12-3456789 | 9876 | Jan-14 | 6BLK | 170 | | |
| (1) CARRIER NAME | (2) CARRIER FEIN | (3) MODE | (4) POINT OF ORIGIN | (5) POINT OF DESTINATION | (6) BUYER NAME | (7) BUYER FEIN | (8) DATE SHIPPED | (9) DOCUMENT NUMBER | (10) NET GALLONS | (11) GROSS GALLONS | (12) BILLED GALLONS |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Molalla | Rural Farm LLC | 87-3214569 | 1/10/2014 | IN 2141011 | 1,000.0 | 1,006.0 | 1,000.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Molalla | Rural Farm LLC | 87-3214569 | 1/25/2014 | IN 2142512 | 1,000.0 | 1,010.0 | 1,000.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Wilsonville | Contractor Sales | 87-6945123 | 1/10/2014 | IN 2141014 | 1,000.0 | 1,006.0 | 1,000.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Wilsonville | Contractor Sales | 87-6945123 | 1/25/2014 | IN 2142516 | 1,000.0 | 1,010.0 | 1,000.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Springfield | Local Delivers Inc | 45-1236987 | 1/15/2014 | IN 2141508 | 3,300.0 | 3,333.0 | 3,300.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Dorena | Rec Rentals | 45-9871236 | 1/15/2014 | IN 2141510 | 500.0 | 500.0 | 500.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Lebanon | Berry Good Stuff | 45-6987321 | 1/20/2014 | IN 2142017 | 1,500.0 | 1,510.0 | 1,500.0 |
| TOTAL | | | | | | | | | 9,300.0 | 9,375.0 | 9,300.0 |

EXAMPLE OF SCHEDULE 6BLK

This example shows product code 170 only. A separate schedule would be attached for deliveries of B20 or any other use fuel product



OREGON DEPARTMENT OF TRANSPORTATION
FUELS TAX GROUP, MS 21
355 CAPITOL ST NE
SALEM, OR 97301-3871
PH: (503) 378-8150 OR (888)753-2525
FAX: (503) 378-3060

USE FUEL SELLER TAX REPORT

Website: <http://fueltax.oregon.gov>
email: ODOTFuelTax@odot.state.or.us

SCHEDULE OF DISBURSEMENTS - BULK

| SCHEDULE 5BLK OR 6BLK | | | | | | | | | | | |
|------------------------|------------------------|-------------|---------------------------|--------------------------------|----------------------|----------------------|------------------------|---------------------------|------------------------|--------------------------|---------------------------|
| COMPANY INFORMATION | | | | | | | | | | | |
| COMPANY NAME | | | | | FEIN | LICENSE NUMBER | TAX REPORT PERIOD | SCHEDULE CODE | PRODUCT CODE | | |
| FTG SAMPLE SELLER | | | | | 12-3456789 | 9876 | Jan-14 | 6BLK | 170 | | |
| (1) CARRIER NAME | (2) CARRIER FEIN | (3) MODE | (4) POINT OF ORIGIN | (5) POINT OF DESTINATION | (6) BUYER NAME | (7) BUYER FEIN | (8) DATE SHIPPED | (9) DOCUMENT NUMBER | (10) NET GALLONS | (11) GROSS GALLONS | (12) BILLED GALLONS |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Milwaukie | Local Seller | 14-7659834 | 1/10/2014 | IN 2141012 | 9,998.0 | 10,000.0 | 10,000.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Milwaukie | Local Seller | 14-7659834 | 1/26/2014 | IN 2142610 | 9,988.0 | 9,995.0 | 9,995.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Salem | Cardlock City | 34-5417698 | 1/8/2014 | IN 2140816 | 10,001.0 | 10,005.0 | 10,005.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Salem | Cardlock City | 34-5417698 | 1/16/2014 | IN 2141609 | 9,698.0 | 9,700.0 | 9,700.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Salem | Cardlock City | 34-5417698 | 1/24/2014 | IN 2142420 | 9,904.0 | 9,900.0 | 9,900.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Portland | Long Haul Trucks | 77-3214679 | 1/10/2014 | IN 2141016 | 4,993.0 | 5,000.0 | 5,000.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Portland | Long Haul Trucks | 77-3214679 | 1/20/2014 | IN 2142012 | 10,000.0 | 10,005.0 | 10,005.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Portland | Long Haul Trucks | 77-3214679 | 1/30/2014 | IN 2143005 | 5,558.0 | 5,550.0 | 5,550.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Newberg | Fuelin Place | 55-6843215 | 1/16/2014 | IN 2141611 | 2,493.0 | 2,500.0 | 2,500.0 |
| Common Fuel Haule | 34-9876541 | J-Truck | Portland | Donald | Fuelin Go | 55-6851111 | 1/16/2014 | IN 2141615 | 3,499.0 | 3,500.0 | 3,500.0 |
| TOTAL | | | | | | | | | 76,132.0 | 76,155.0 | 76,155.0 |

EXAMPLE OF THE TAX REPORT WITH BULK SALES:



Use Fuel Seller Tax Report

FUELS TAX GROUP
 odotfuelstax@odot.state.or.us
 (503) 378-8150
 (888)753-2525

Amendment

| | | | |
|--|----------------------|-------------------------------|------------------------------------|
| Company Name FTG SAMPLE SELLER | | FEIN 12-3456789 | Tax Report Period Jan-14 |
| Street Address 355 CAPITOL ST NE | City SALEM | State OR | Zip Code 97301 |
| | | License Number 9876 | |

USE FUEL REPORTING

- 1 Total Use Fuel Handled (total from page 2)
- 2 Retail Station Operations (total taxable from page 4)
- 3 Non-Retail Operations (total taxable from Schedule 5CRD)
- 4 Fleet Fueling Operations (total taxable from Schedule 5FLT)
- 5 TAXABLE PROPANE GALLONS (sold into vehicles): ÷ 1.3 =
- 6 TAXABLE NATURAL GAS GALLONS (sold into vehicles): ÷ 1.2 =
- 7 Cardlock credit taken at retail (from schedule 13)
- 8 Subtotal (add Lines 2 through 6, subtract line 7)
- 9 USE FUEL TAX (multiply gallons on line 8 by the current tax rate of 0.30)
- 10 LESS: 4% CREDIT: (multiply amount on line 9 by 0.04)
- 11 NET USE FUEL TAX DUE (subtract line 10 from line 9)
- 12 Bulk Fuel and Other Sales (total taxable from Schedule 5BLK)
- 13 USE FUEL TAX (multiply gallons on line 12 by the current tax rate of 0.30)
- 14 TOTAL USE FUEL TAX DUE (add line 11 and line 13)

- 15 INTEREST (Multiply tax on Line 14 by number of days late by 0.000329) Number of Days
- 16 10% LATE PAYMENT PENALTY (when applicable) (multiply line 14 by 0.1)
- 17 TOTAL DUE (add lines 14, 15 and 16)

| GALLONS | DOLLARS |
|---------|-------------|
| 95,438 | |
| - | |
| - | |
| - | |
| - | |
| - | |
| - | |
| - | |
| - | |
| | \$ - |
| | \$ - |
| | \$ - |
| 9,300 | |
| | \$ 2,790.00 |
| | \$ 2,790.00 |
| | \$ - |
| | \$ - |
| | \$ 2,790.00 |

MAKE CHECKS PAYABLE TO OREGON DEPARTMENT OF TRANSPORTATION (ODOT)

CERTIFICATION OF SELLER: I hereby certify that this report, including the accompanying schedules and statements, is a full, true, and complete report of the number of gallons of "fuel" as defined by ORS 319.520 handled during the report period.

| | | |
|--|---|------|
| SIGNATURE | TITLE | DATE |
| PRINTED NAME OF SIGNER (SEE STATEMENT BELOW) | PRINTED NAME AND TITLE OF REPORT PREPARER | |

NOTE: THIS REPORT MUST BE SIGNED BY A PRINCIPAL OFFICER OR BY AN AUTHORIZED AGENT WHEN MADE BY A CORPORATION, AND BY THE MANAGING AGENT OR OWNER WHEN MADE BY A FIRM OR ASSOCIATION. AN INDIVIDUAL IS REQUIRED TO SIGN HIS OR HER OWN REPORT.

When the tax is collected on behalf of an end user, the bulk sales are not subject to the 4% credit.

The seller would also need to complete the "Fuel Handled" schedule and schedule 2 to support the purchases listed on the fuel handled.

EXAMPLE OF FUEL HANDLED, TWO BULK LOCATIONS

Use Fuel Seller Tax Report Use Fuel Handled

FUELS TAX GROUP
odotfuelstax@odot.state.or.us
(503) 378-8150
(888)753-2525

Use this schedule to report Use Fuel handled at all locations with a storage tank.
Use one column for each location and product code. The total on line 6 for each column should reflect the fuel handled FOR THAT LOCATION.
To report taxable sales from each location, complete and attach schedule 2, 3, 4, or 5 as required.

| | | | |
|--|---------------------------|----------------------------|------------------------------------|
| Company Name FTG SAMPLE SELLER | License #: 9876 | FEIN: 12-3456789 | Tax Report Period Jan-14 |
|--|---------------------------|----------------------------|------------------------------------|

| Line 1 Facility ID | Type of Operation | Product Code | SALEM BULK | EUGENE BULK | | | |
|--------------------|---|--------------------|---|---|---|---|---|
| | | | <input type="checkbox"/> retail <input type="checkbox"/> fleet fueling | <input type="checkbox"/> cardlock <input checked="" type="checkbox"/> bulk | <input type="checkbox"/> retail <input type="checkbox"/> fleet fueling | <input type="checkbox"/> cardlock <input checked="" type="checkbox"/> bulk | <input type="checkbox"/> retail <input type="checkbox"/> fleet fueling |
| | | | 170 | B20 | | | |
| Line 2 | BEGINNING INVENTORY | | 12,563 | 1,959 | | | |
| Line 3 | PURCHASES (Schedule 2) | | 81,302 | 9,986 | | | |
| Line 4 | FUEL AVAILABLE FOR SALE (LINE 2 PLUS LINE 3) | | 93,865 | 11,945 | 0 | 0 | 0 |
| Line 5 | ENDING INVENTORY | | 8,358 | 2,014 | | | |
| Line 6 | FUEL HANDLED (LINE 4 MINUS LINE 5) | | 85,507 | 9,931 | 0 | 0 | 0 |
| Line 7 | SUB-TOTAL FUEL HANDLED Forward to Use Fuel Seller Tax Report, Page 1, Line 1 | (totals of line 6) | | | | | 95,438 |

EXAMPLE OF SCHEDULE 2, PORTLAND LOCATION ONLY

A separate schedule would be filed for the Eugene location, since it is product code B20



OREGON DEPARTMENT OF TRANSPORTATION
FUELS TAX GROUP, IMS 21
355 CAPITOL ST. NE
SALEM, OR 97301-3871
PH: (503) 378-8150 OR (888)753-2525
FAX: (503) 378-3060

USE FUEL SELLER TAX REPORT

Website: <http://fuelstax.oregon.gov>
email: ODOTFuelTax@odot.state.or.us

SCHEDULE OF RECEIPTS

| SCHEDULE 2 | | | | | | | | | | | |
|------------------------|------------------------|-------------|---------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|---------------------------|------------------------|--------------------------|---------------------------|
| COMPANY INFORMATION | | | | | | | | | | | |
| COMPANY NAME | | | | FEIN | LICENSE NUMBER | TAX REPORT PERIOD | PRODUCT CODE | | | | |
| FTG SAMPLE SELLER | | | | 12-3456789 | 9876 | Jan-14 | 170 | | | | |
| (1) CARRIER NAME | (2) CARRIER FEIN | (3) MODE | (4) POINT OF ORIGIN | (5) POINT OF DESTINATION | (6) SUPPLIER NAME | (7) SUPPLIER FEIN | (8) DATE RECEIVED | (9) DOCUMENT NUMBER | (10) NET GALLONS | (11) GROSS GALLONS | (12) BILLED GALLONS |
| My Carrier | 56-7891234 | J-Truck | Portland | Salem Tank | Supplier Inc | 98-7654321 | 1/3/2014 | 10314 | 10,005.0 | 9,995.0 | 10,005.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Salem Tank | Supplier Inc | 98-7654321 | 1/10/2014 | 10614 | 9,000.0 | 9,030.0 | 9,000.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Salem Tank | Supplier Inc | 98-7654321 | 1/15/2014 | 10914 | 7,602.0 | 7,615.0 | 7,602.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Salem Tank | Supplier Inc | 98-7654321 | 1/20/2014 | 11314 | 10,050.0 | 10,000.0 | 10,050.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Salem Tank | Supplier Inc | 98-7654321 | 1/21/2014 | 11614 | 9,000.0 | 9,005.0 | 9,000.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Salem Tank | Supplier Inc | 98-7654321 | 1/22/2014 | 12114 | 9,500.0 | 9,510.0 | 9,500.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Salem Tank | Supplier Inc | 98-7654321 | 1/23/2014 | 12414 | 6,000.0 | 5,998.0 | 6,000.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Salem Tank | Supplier Inc | 98-7654321 | 1/24/2014 | 12714 | 10,095.0 | 10,050.0 | 10,095.0 |
| My Carrier | 56-7891234 | J-Truck | Portland | Salem Tank | Supplier Inc | 98-7654321 | 1/25/2014 | 13014 | 10,050.0 | 10,038.0 | 10,050.0 |
| TOTAL | | | | | | | | | 81,302.0 | 81,241.0 | 81,302.0 |

Record Keeping and Documentation

Use Fuel Sellers report on a calendar month but may be approved for reporting by calendar quarter. All records are to be maintained using a calendar month. Take opening readings (tank inventories, pump meter readings, etc) on the first day of business each month. Take closing readings at the close of business on the last day of each month. The closing readings from one month become the opening readings for the next month.

All sellers are required to complete and retain Use Fuel Handled Schedule for all operations in Oregon. These figures are used to reconcile to your supplemental schedules. The schedules will not match exactly to the fuel handled totals, but generally will be within a few gallons for most operations. Non-retail operations, for example, will not reconcile to Fuel Handled because of domestic and foreign transactions, but the gallons calculated in Fuel Handled for the cardlock locations will reconcile to network statements.

Basic Recordkeeping

Use Fuel Sellers are required to maintain the following records for a period of three years:

- A purchase journal or other record of fuel received supported by purchase invoices;
- A record of all bulk fuel storage showing the gallons of fuel handled during each month with an analysis as to inventories, receipts, sales, use, and transfers;
- A physical inventory of bulk fuel storage shall be recorded at least at the end of each month and preserved for audit purposes (tank inventory reading);
- A record shall be kept of each sale or other withdrawal of fuel from bulk storage. An invoice is not required to be prepared for fuel delivered into the fuel tank of a vehicle with a combined gross weight of 26,000 pounds or less, for which the tax is paid at the time of sale, unless the operator of the vehicle requests an invoice; and
- Invoices upon which tax collections are recorded shall be kept separate and apart from other sales invoices.

Retail Operations

In addition to the basic requirements outlined above, retail operations must keep the following records for at least three years:

- **FUEL HANDLED:** The fuel handled inventory should be maintained on a periodic basis (at least monthly, but may be daily or weekly).
- **PURCHASE JOURNAL:** The purchase journal may vary in format, but should contain (at least) the date of purchase, the invoice number, supplier, and number of gallons received. Original invoices, bills of lading, or other delivery records from all suppliers should support each entry.
- **PUMP METER READINGS:** Pump meter readings should be taken consistently at least on the last calendar day of the month, to support the stock summary, serve as a record of sales/withdrawals, and also as a measure against loss or theft. Please see the definition of pump meter reading.
- **PHYSICAL INVENTORY:** A physical inventory in a tank must be taken monthly; however the tank readings may be taken manually ('sticking' the tank) or electronically. *A physical inventory is required on all tanks, whether above or below ground.*
- **RECORD OF EACH SALE OR OTHER WITHDRAWAL:** All ex-tax sales must be invoiced (see "Invoice Requirements"). Invoices for sales into vehicles *when the tax is collected* are not required unless requested by the customer. Other withdrawals such as stock transfers must be recorded and retained for at least three years.

Invoice Requirements

All ex-tax sales must be supported by invoices, prepared in duplicate, one copy given to the purchaser and one copy retained by the seller.

The invoice will show *at least* the following:

1. Seller's name and address.
2. Purchaser's name and address.
3. Complete date of transaction (month, day, and year).
4. Name of product and number of gallons sold.
5. Reason for the ex-tax sale:
 - a. The Oregon Motor Carrier Transportation Division weight receipt number, temporary plate or pass, **NOTE: Previous year weight receipts may be accepted as valid documentation until a new weight receipt is received or March 15th of the following year.**
 - b. The Use Fuel User emblem number,
 - c. Federal government agency and plate number,
 - d. State, county, or local government E-plate number,
 - e. If the sale is other than to a motor vehicle (i.e. can, tractor, etc), include the description of the container on the invoice. *Noting that the fuel is to be used "off-road" is not sufficient.*
6. The amount of Oregon tax collected, if applicable, or a notation that the tax is included in the price shown.

All invoices must be maintained for at least three years and are subject to review at audit. Invoices must be separated according to tax paid or ex-tax sales. Examples of ex-tax sales documentation are included in our 'example' section.

Non-Retail Operations

In addition to the basic requirements outlined above, non-retail operations must keep the following records for at least three years:

- Customer billings (weekly, monthly, or semi-monthly). Statements may be on paper or in electronic format. If an electronic format is used, the licensee must be able to reprint invoices to paper or electronic media in the event of an audit, or provide an acceptable method for viewing the invoices.
- Periodic cardlock network statements, organized by month.
- Pump meter readings are to be taken consistently at least on the last calendar day of the month.
- Exemption Certificates for all accounts where Oregon use fuel tax was not collected. The Exemption Certificate includes the 'main' page which provides the reason for exemption (signed by the customer), and the additional pages which show the cards issued, the vehicle assigned to each card, and the tax status.
- The documentation for any ex-tax cards must show on the customer billings. If summary information is provided, a sample of the actual customer invoices may be requested to confirm the information is presented. As with retail sales, the ex-tax documentation must include either:
 - The Oregon Motor Carrier Transportation Division weight receipt number, temporary plate or pass,
 - The use fuel emblem number if licensed as a use fuel user,
 - Federal government agency and plate number,
 - State, county, or local government E-plate number,
 - If the sale is other than to a motor vehicle (i.e. can, tractor, etc), include the description of the container on the invoice. *Noting that the fuel is to be used "off-road" is not sufficient.*

Customer Billings

Copies of all customer billings are to be made available for review at the time of the audit. These may be in paper or electronic format. ***Billings must be organized or sorted by month.*** In some cases, a summary that includes all customers and all fuel sales, identified by product and state, may be used in place of the actual customer billings. If a summary is used, copies of individual billings may be requested at audit.

Exemption Certificates

Any customer with a card capable of purchasing Use Fuel without the Oregon tax must complete and sign an Exemption Certificate. Retain the original certificate to validate the first day fuel is sold without Oregon tax. Ex-tax cards are required to be issued to a specific vehicle or equipment, and to include the qualifying information on the periodic customer statement.

Beginning January 1, 2009, a second page was added to the Exemption Certificate which contains a listing of ex-tax cards, the vehicle assigned, and the qualifying plate or description. Sellers are not required to “recertify” each customer, but should retain ex-tax card information in the event of an audit. Exemption Certificates, including the card listing, may be requested at audit to verify the customer’s ex-tax card status.

If you have any questions about the information to be retained, or the format of your electronic customer files or summary report, please contact the Fuels Tax Group.

On-Site Fleet Fueling

In addition to the basic requirements outlined above, fleet fueling operations must keep the following records for at least three years:

- I. Detail of all Use Fuel products sold, ex-tax gallons, and taxable gallons. Customer detail is to include customer name and address, vehicle or equipment identifier, gallons purchased, and tax status.
- II. Invoices must be prepared for all sales where tax is not collected, and contain *at least* the following information:
 1. Seller’s name and address.
 2. Purchaser’s name and address.
 3. Complete date of transaction (month, day, year).
 4. Name of product and number of gallons sold.
 5. Reason for the ex-tax sale:
 - a. The Oregon Motor Carrier Transportation Division weight receipt number, temporary plate or pass,
 - b. The Use Fuel User emblem number,
 - c. Federal government agency and plate number,
 - d. State, county, or local government E-plate number,
 - e. If the sale is other than to a motor vehicle (i.e. can, tractor, etc), include the description of the container on the invoice. *Noting that the fuel is to be used “off-road” is not sufficient.*
 6. The amount of Oregon tax collected, if applicable, or a notation that the tax is included in the price shown.
- III. For each fueling transaction, the data captured must contain the invoice requirements shown in (II) above.
- IV. Where the vehicle/equipment qualifies for an ex-tax sale, the weight receipt number, Use Fuel emblem number, government plate number, or description of the equipment (if an unlicensed vehicle) must appear on the statement to meet invoice requirements.
- V. Detailed individual truck records for fleet fueling vehicles. This includes driver logs, trip sheets, meter tickets, or other records of receipts and sales made by each fleet fueling vehicle.

Fleet fueling is defined as a mobile retail operation. Fuel handled and/or meter reconciliation of each fleet vehicle may be performed at audit.

Customer Billings

Copies of all customer billings are to be made available for review at the time of the audit. These may be in paper or electronic format. ***Billings must be organized or sorted by month.*** In some cases, a summary that includes all customers and all fuel sales, identified by product and state, may be used in place of the actual customer billings. If a summary is used, copies of individual billings may be requested at audit.

If you have any questions about the information to be retained, or the format of your electronic customer files or summary report, please contact the Fuels Tax Group.

Bulk Fuel

In addition to the basic requirements listed above, the following records must be maintained for at least three years:

- Use Fuel sales invoices, including detail on whether the tax is included in the price.
- List of all customers and FEIN with tax status. Include user or seller license number when applicable.
- List of resale customers. When selling bulk fuel to resale customers, do not include the Oregon Use Fuel tax. The company re-selling the fuel must be licensed as a seller to report and remit the fuels tax on their operations.
- Records of fuel transfers between locations owned or operated by the seller, if not included with other sales invoices.

Ex-Tax Sales and Documentation

In the State of Oregon, Use Fuel (diesel, bio-diesel, diesel blends, propane, CNG, etc.) may be sold without the Oregon Use Fuel tax under specific circumstances. For each transaction, the reason for the ex-tax sale must be documented with the information specified in the "Invoice Requirements" sub-section of the "Recordkeeping Requirements" section on page 34 of this guide.

For retail operations, an invoice is prepared (in duplicate) for each sale when the Use Fuel tax is not collected. One copy of the invoice is given to the customer, and the other copy is retained by the seller for audit and reporting purposes. A log or listing of ex-tax sales does not meet the statutory requirements of an invoice, but can be used as a checklist for ex-tax invoices.

Examples of Ex-Tax Sales Invoices

An invoice may be written on a credit card sales slip, in a receipt book or on a form designed for the purpose of documenting ex-tax sales.

| USER TRUCKING 2345 OTHER ST USERTOWN OR 97000 <div style="border: 1px solid black; width: fit-content; margin: 10px auto; padding: 2px;">02/10/2011</div> USE FUEL SUPPLIER 1234 MAIN ST SELLERTOWN, OR 97000 _____ PURCHASER SIGNATURE | INVOICE # 20100101 <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">PRODUCT</th> <th style="width: 15%;">QTY</th> <th style="width: 20%;">PRICE</th> <th style="width: 30%;">AMOUNT</th> </tr> </thead> <tbody> <tr> <td>GAS DSL OIL OTHR</td> <td style="text-align: center;">100</td> <td style="text-align: center;">3.199</td> <td style="text-align: right;">\$ 319.90</td> </tr> <tr> <td>GAS DSL OIL OTHR</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="3">Oregon Tax</td> <td style="text-align: right;">\$ (30.00)</td> </tr> <tr> <td colspan="3">TOTAL DUE</td> <td style="text-align: right;">\$ 289.90</td> </tr> </tbody> </table> LICENSE/DESCRIPTION: YAXX123 OR | PRODUCT | QTY | PRICE | AMOUNT | GAS DSL OIL OTHR | 100 | 3.199 | \$ 319.90 | GAS DSL OIL OTHR | | | | Oregon Tax | | | \$ (30.00) | TOTAL DUE | | | \$ 289.90 |
|--|---|---------|-------------|-------|--------|---------------------|------------|-------|-----------|---------------------|--|--|--|------------|--|--|-------------|-----------|--|--|-----------|
| PRODUCT | QTY | PRICE | AMOUNT | | | | | | | | | | | | | | | | | | |
| GAS DSL OIL OTHR | 100 | 3.199 | \$ 319.90 | | | | | | | | | | | | | | | | | | |
| GAS DSL OIL OTHR | | | | | | | | | | | | | | | | | | | | | |
| Oregon Tax | | | \$ (30.00) | | | | | | | | | | | | | | | | | | |
| TOTAL DUE | | | \$ 289.90 | | | | | | | | | | | | | | | | | | |

The example above shows the invoice written on a manual credit card slip (not often used now with POS terminals and card scanners). The documentation for the ex-tax sale is the Oregon weight receipt number (YAXX123OR).

The same format could be used for Use Fuel Users, government plates, equipment, or containers. Write in the Use Fuel User emblem number, government plate (include the agency name for the customer information), or description of the equipment or container if the fuel is being placed into something other than a licensed vehicle.

To document tax-forgiven sales of B20 made from used cooking oil at retail operations, follow the basic instructions for documenting ex-tax sales. For the tax-forgiven sales, list the vehicle plate or container description and customer name. Vehicles over 26,000 pounds who DO NOT pay weight-mile taxes do not qualify for tax-forgiveness. These will generally be F-plated trucks used in farming operations, and they will have the tax included in the sale price.

NOTE: Writing "off-road" is not sufficient documentation for an ex-tax sale. The law requires that the seller document the vehicle plate or pass number, or the container if an unlicensed vehicle. If the fuel is placed into a piece of equipment, describe the equipment (tractor, backhoe, generator, etc). If the fuel is being placed into a can, then 'can' is the qualifying description.

You may also use a receipt book or customized form to document ex-tax sales as long as the required information is included on the invoice. The seller's name may be pre-printed on the invoice or stamped. Examples using other formats and reasons for the ex-tax sale are shown below.

| | |
|---|--------------------------|
| SELLER PETROLEUM 1234 MAIN ST SELLERTOWN OR 97000 | |
| NAME | <u>Use Fuel Customer</u> |
| ADDRESS | <u>9870 Outer Limits</u> |
| CITY | <u>Awayout OR 97000</u> |
| DATE | <u>01/02/2011</u> |
| | |
| <u>20 gallons diesel</u> | <u>\$58.99</u> |
| <u>minus diesel tax</u> | <u>(6.00)</u> |
| | <u>\$52.99</u> |
| | |
| | <u>UFU 2011-#####</u> |
| | |

Example using a receipt book, with a user emblem as the reason for the ex-tax sale

| | |
|---|-------------------------------|
| SELLER PETROLEUM 1234 MAIN ST SELLERTOWN OR 97000 | |
| EXEMPT DIESEL SALES RECEIPT | |
| DATE | <u>02/10/2011</u> |
| PURCHASER | <u>The Excavation Company</u> |
| ADDRESS | <u>4567 Equipment Drive</u> |
| CITY | <u>Diggitt OR 97000</u> |
| <u>10</u> GALLONS | <u>\$ 31.99</u> |
| MINUS DIESEL TAX | <u>(3.00)</u> |
| AMOUNT PAID | <u>\$ 28.99</u> |
| INDICATE: | |
| VEHICLE LIC | _____ |
| EQUIPMENT | <u>backhoe</u> |
| CONTAINER | _____ |

Example using a custom slip, with equipment as the reason for the ex-tax sale.

For fleet fueling operations, the same qualifying vehicle/container information is required, but the invoice does not have to be printed for each sale. The sales information can be accumulated electronically and printed on the periodic customer statement. The statement will show the detail of each fueling and will include the same information as shown for the invoice requirements above.

The fleet fueling or cardlock statement does not have to be formatted exactly the same as the example shown. This example demonstrates the elements of the invoice: seller name and address, customer name and address, date of the transaction, location, product, gallons, and qualifying information (if tax is not collected).

In the following example, the first card listed has the tax included in the price, and only a card number is shown. The description could also read 'red truck' or other designation at the customer's request. Since the tax is included in the price, there is no requirement to have a description of the vehicle*. The second card shows an Oregon T-plate as the vehicle assigned to the card, and includes the tax in the price. The third example has the Oregon weight receipt number as the qualifying information for the ex-tax sales.

USE FUEL SUPPLIER
1234 Main ST
Sellertown OR 97000

Use Fuel User
9870 Main Drive
Usertown OR 97000

CARD: 243756

| Date | Location | Misc | Odom | Product | Qty | Price | Fed Tax | St Tax |
|-----------|----------|------|------|---------|-------|-------|---------|--------|
| 1/3/2011 | Usertown | 11 | | ULS Dsl | 23.47 | | 5.73 | 7.04 |
| 1/7/2011 | Usertown | 22 | | ULS Dsl | 15.11 | | 3.69 | 4.53 |
| 1/12/2011 | Usertown | 11 | | ULS Dsl | 22.94 | | 5.60 | 6.88 |

CARD: T 120034

| Date | Location | Misc | Odom | Product | Qty | Price | Fed Tax | St Tax |
|-----------|------------|------|--------|---------|-------|-------|---------|--------|
| 1/5/2011 | Sellertown | | 169754 | ULS Dsl | 47.51 | | 11.59 | 14.25 |
| 1/10/2011 | Sellertown | | 170279 | ULS Dsl | 42.09 | | 10.27 | 12.63 |
| 1/15/2011 | Sellertown | | 170632 | ULS Dsl | 52.31 | | 12.76 | 15.69 |

CARD: YABC 123

| Date | Location | Misc | Odom | Product | Qty | Price | Fed Tax | St Tax |
|-----------|------------|------|--------|---------|-------|-------|---------|--------|
| 1/3/2011 | Usertown | | 431289 | ULS Dsl | 77.83 | | 18.99 | 0.00 |
| 1/6/2011 | Outtatown | | 431741 | ULS Dsl | 89.67 | | 21.88 | 0.00 |
| 1/10/2011 | Sellertown | | 432249 | ULS Dsl | 98.38 | | 24.00 | 0.00 |
| 1/12/2011 | Sellertown | | 432502 | ULS Dsl | 53.22 | | 12.99 | 0.00 |
| 1/15/2011 | Usertown | | 432897 | ULS Dsl | 81.43 | | 19.87 | 0.00 |

Where fleet fueling documentation is done at the time of fueling, the attendant accesses a bar code or other type of electronic vehicle identification. For cardlock operations, the card determines the tax status and for ex-tax sales it also identifies the vehicle to which the card is assigned. Similar to fleet fueling situations, the vehicle does not have to be identified if the tax is collected*.

***NOTE:** While the Fuels Tax Group does not need vehicle information for most taxed sales, it is required to be on the receipt for vehicles in excess of 26,000 pounds. This enables purchasers to comply with the requirements for receiving a credit on their Motor Carrier Transportation Division weight/mile report for fuels taxes paid.

All vehicles or equipment purchasing fuel without the Oregon tax at non-retail (cardlock) facilities must have a card assigned to that vehicle or equipment, and the customer will have completed a "Certification of Oregon 'Use Fuel' Tax Exempt Status" form and included a list of vehicles and the card(s) assigned to each vehicle. We refer to these forms as 'exemption certificates' for convenience.

The law requiring Exemption Certificates was passed in 2003, and became effective in 2004. All sellers issuing cards that did not include tax are required to have this form, signed by the customer, in their file. If the form is not on file with the seller, the seller is responsible for the tax. Beginning in 2009, when cards are required to be issued to a specific vehicle, a second page was added to the Exemption Certificate, and the 'front page' was updated.

If your customer signed the form prior to 2009, you are not required to have them sign an updated form; however, you are required to include the listing of vehicles, either in the format shown, or similar format which indicates which card(s) are ex-tax, and the vehicle/equipment assigned to that card. If you have multiple drivers for a vehicle, you may issue more than one card to a vehicle, but only one vehicle per card (for exempt sales).

Exemption Certificates

Each non-retail Seller must have a signed Exemption Certificate from the customer to issue exempt cards.

NOTE: *Federal "exemption certificates" will not substitute for Oregon Exemption Certificates.*

Following is an example of a completed Exemption Certificate for a company with both taxable and ex-tax vehicles. The Use Fuel Seller's name appears at the beginning of the certification statement at the bottom of the first page.

The customer will select the reason for requesting exempt cards. In this case, the reason for exempt use is primarily that the vehicles are subject to weight-miles taxes. This customer could also have marked #5 for equipment usage since they have listed a diesel-powered forklift.

Each customer must sign and date the certificate, and legibly print the name of the person signing the form and include the customer's account number. This may be written in by the customer or the Use Fuel Seller. If the certificate applies to more than one account (different divisions for the same company, for example) list all account numbers to which the certificate applies.

Exemption certificates are not required to be updated annually. However, if Use Fuel is sold ex-tax without a properly completed exemption certificate in force, the seller may be liable for the tax, plus any penalty and interest. If the purchaser uses the wrong card, they may be liable for tax (uses ex-tax card in a taxable vehicle), or get 'stuck' paying tax on an undocumented transaction (used taxed card with no reason for exemption in an ex-tax vehicle).

Some sellers prefer to embed the exemption certificate information into a document that can be printed along with other cardlock account set-up processes. Although the format can be modified, the certification must contain:

- Reason for the exempt status
- Statement of responsibility
- Seller's name
- Customer name, address, and account number
- Customer signature and date
- Vehicle and card listing

The ability to purchase tax-exempt fuel does not relieve you of reporting usage and paying any tax liability

OREGON EXEMPTION CERTIFICATE

We hereby request to purchase Use Fuel exempt of the Oregon Use Fuel Tax as permitted by ORS 319.520 for the following reason(s):

- 1 Vehicles listed have been issued a valid ODOT Motor Carrier permit or pass (weight receipt) and are subject to weight mile taxes. List file number below.
- 2 _____ Vehicles listed have been issued a valid Use Fuel User emblem by the ODOT Fuels Tax Group (this includes special districts and school districts). List user license number below.
- 3 _____ Vehicles listed are registered to a US government agency, Oregon state agency, Oregon county or city, and displays a valid Oregon "E" plate
- 4 _____ Vehicles/equipment listed are farm tractors or other agricultural implements only incidentally operated on the highway as defined in ORS 319.520
- 5 _____ Vehicles/equipment listed are unlicensed and/or used exclusively on privately owned property (not operated on highways).

The customer will attach a list of vehicles/equipment/containers for which cards are requested, and the seller will indicate the corresponding card issued for each vehicle and tax status.

STATEMENT OF CERTIFICATION:

We hereby certify that all Use Fuel purchased ex-tax using a cardlock card as defined in ORS 319.520 on our account with the seller listed below will only be used for Use Fuel tax-exempt purposes as allowed under ORS 319.510 through 319.880

We further agree that we are responsible for proper reporting and payment of taxes plus applicable interest and penalties of up to 35% of unpaid taxes due the State of Oregon for Use Fuel purchased tax-exempt on this account and used for non-exempt purposes.

We further agree that tax reporting and payment responsibility extends to purchases of use fuel made using any additional or replacement cardlock cards issued under this account.

We therefore indemnify and hold harmless the card issuer (seller) and its subsidiaries and assigns from any and all liability relating to the improper use of tax-exempt cards.

SELLER: FTG Sample Seller
CUSTOMER: Cardlock Customer ACCOUNT NUMBER: 00-23456
ADDRESS: 123 Main ST
CITY: Salem STATE/ZIP CODE: OR 97301
SIGNATURE: Cardlock Customer DATE: June 15, 2008
PRINT NAME: Cardlock Customer TITLE: President
MCTD FILE NUMBER IF BOX '1' CHECKED ABOVE: 121212
USER LICENSE NUMBER IF BOX '2' CHECKED ABOVE: _____

This form is valid when accompanied by a completed vehicle and card listing.

If one seller purchases the cardlock accounts of another seller, new exemption certificates are required. The account owner has the responsibility to make sure the information is complete.

The second page of the exemption certificate is a listing of vehicles and the cards assigned to those vehicles. The format for the vehicle listing is flexible, as long as any ex-tax cards are issued to a specific vehicle. If this listing is an attachment, we recommend having the customer sign the list as confirmation the status is correct.

This example shows three vehicles subject to weight-mile taxes (ex-tax Use Fuel purchases), two vehicles which have the tax collected, and one piece of equipment (or could be multiple forklifts) which do not have the tax included on the invoice.

OREGON EXEMPTION CERTIFICATE -- CARD AND VEHICLE LIST

CUSTOMER: Cardlock Customer ACCOUNT NUMBER: 00-23456

IN THE VEHICLE IDENTIFIER, LIST THE FOLLOWING INFORMATION BASED ON THE REASON FOR EXEMPTION:

Exempt '1' List MCTD Weight Receipt Number
 Exempt '2' List Make and Model of vehicle and FTG Emblem number
 Exempt '3' List Government Plate Number
 Exempt '4' List Make and Model of Farm-use Equipment or Tractor
 Exempt '5' List Make and Model of Unlicensed Vehicle or Equipment

| Fleet ID (optional) | VEHICLE/EQUIPMENT IDENTIFIER (see above) | Cardlock Card Number Assigned | State Tax Status | |
|------------------------|--|----------------------------------|-------------------------------------|-------------------------------------|
| | | | Exempt | Taxed |
| <u>701</u> | <u>YABC 123</u> | <u>4327185</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <u>704</u> | <u>YABC 123</u> | <u>4327186</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <u>705</u> | <u>YABC 123</u> | <u>4327187</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <u>903</u> | <u>F-147823</u> | <u>4327188</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <u>904</u> | <u>SHOP TRUCK</u> | <u>4327189</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <u>907</u> | <u>FORKLIFT</u> | <u>4327190</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | | | <input type="checkbox"/> | <input type="checkbox"/> |

If an alternate format is used, the tax status for each card should be indicated. If only ex-tax cards are listed, make a notation that all cards on that list are ex-tax. The customer's name and account number should be included on the vehicle and card listing in the event the documents are separated.

Terminology and Definitions

Bulk Use Fuel Sales: These are generally sales into a bulk storage tank. This tank may be set in a fixed location or portable, but is separate from the tank that operates a vehicle or equipment.

Cardlock Card: A fuel card that

- (a) Is capable of generating an electronic invoice or electronic statement that includes the information required by ORS 319.671 and the applicable fuel tax amount;
- (b) Is issued for a specific vehicle, a specific piece of equipment or a group of equipment;
- (c) Includes the qualifying information, as designated by the Department of Transportation by rule that is printed on the electronic invoice or electronic statement;
- (d) Allows the tax status of the cardlock card to be indicated on the electronic invoice or electronic statement and includes state tax as a separate item on the invoice or statement; and
- (e) Allows a cardlock card issuer to generate a statement recording, by fuel type, gallons of fuel purchased for domestic and foreign customers each month.

Domestic Customer: A customer making a purchase at a non-retail facility owned by the cardlock card issuer.

Dual Operation Facility: A fueling facility that has both retail and cardlock pumps in which there is either an acceptable physical separation or a time separation between retail and non-retail pumps (may need special reporting instructions).

Electronic Ex-Tax Invoice: An invoice created in a fleet fueling operation by accessing a fueling device which contains the reason for the ex-tax sale. For example, a bar code may be programmed to contain the customer name and vehicle weight receipt number; the fueling system also records the date, fuel type, and gallons sold. When loaded into the seller's billing system, this information creates an invoice. There may be other situations where an electronic invoice may be created, generally involving a cardlock-type card which can record all necessary details.

Ex-tax Sales of Use Fuel: Ex-tax sales are sales of Use Fuel dispensed into vehicles, equipment or containers that are exempt from the Oregon state fuel tax at the time fuel is sold. An invoice documenting the sale and the reason the sale is exempt is completed at the time of the transaction (see Invoice Requirements subsection of Recordkeeping Requirements).

Exemption Certificate (Certification of Oregon 'Use Fuel' Tax Exempt Status): A certificate completed by a customer and returned to a non-retail seller to document the reasons for having an ex-tax card for use at a cardlock facility. The certificate requires that the customer mark the reason(s) for the ex-tax card, and list the weight receipts if licensed through the Motor Carrier Transportation Division or emblem numbers if licensed through the Fuels Tax Group. Other documentation for ex-tax cards includes government vehicles, unlicensed vehicles, farm machinery, or equipment.

Fleet Fueling: Fleet Fueling is a mobile retail seller operation, in which Use Fuel is dispensed directly into a single motor vehicle or a fleet of motor vehicles. The site of the fueling will typically be based upon the location of the vehicle or fleet of vehicles.

Foreign Customer: A customer making a purchase at a non-retail facility owned by a seller other than the cardlock card issuer

Natural Gas (CNG or LNG): Compressed Natural Gas (CNG) or Liquefied Natural Gas (LNG) are other forms of Use Fuel, and are reported on the Use Fuel Seller Tax Report. CNG/LNG is not taxed unless it is put into a motor vehicle. When making sales of CNG/LNG for vehicle use, prepare an invoice and add the tax to the sale using the conversion factor required by Oregon law.

Non-retail facility: An unattended facility accessible only by cardlock card and not associated with a retail facility; or an unattended portion of a retail facility separate from the retail operations and accessible only by cardlock card.

Non-retail Seller: A non-retail seller is a company who issues cards that can be used at a non-retail facility. A non-retail seller may or may not own a facility in Oregon, but has customers who purchase Use Fuel at Oregon non-retail facilities. These facilities are not staffed, and the card holder pumps their own fuel. Sellers are required to obtain an exemption certificate from their customer if an 'ex-tax' card is requested. If the seller does not have an exemption certificate on file, the seller is required to charge and remit the tax to ODOT Fuels Tax Group.

Propane: Propane is another form of Use Fuel, and is reported on the Use Fuel Seller Tax Report. Propane is not taxed unless it is put into a motor vehicle. When making sales of propane for vehicle use, prepare an invoice and add the tax to the sale using the conversion factor required by Oregon law.

Pump Meter Readings: Meter readings are a record of the numbers shown on the physical meter located on each pump. These are the readings that will not fail if the computer system crashes or has a glitch. Computerized readings from a resettable "totalizer" or other fuel monitoring system are not acceptable. Oregon law and administrative rules require that meter readings be taken at least once a month, at the close of business on the last day of the calendar month. Meter readings are to be retained with other Use Fuel Seller records for at least three years.

Remote Cardlock Sales: Sales by a cardlock company to their customers at sites that are not owned by that company.

Retail Fueling Station: This is a fueling facility where attendants dispense fuel into a motor vehicle. It also includes truck stops, where customers may dispense fuel into their own vehicles and attendants close the sales transactions.

Note: If a cardlock or keylock operation cannot generate an electronic invoice, they are considered a retail operation. Fleet Fueling is a mobile form of retail fueling station.

Rounding: Gallons carried forward to the summary page of the seller report are reported in whole gallons. Supporting schedules may contain up to two decimal places for meter readings and gallons sold. When rounding gallons, use 5/4 standard rounding, where anything 0.5 and above rounds up to the next whole gallon, and anything below 0.5 rounds down to the next whole gallon. For example, 45,495.501 rounds up to 45,496, while 53,437.492 rounds down to 53,437. Rounding should be done on the schedule total, not each individual sale.

Switching: This refers to the taxes that are included with the price of fuel when cardlock networks transfer cost among participating locations. Cardlock networks issue a report one, two or three times each month. The report details the transactions made by the seller's customers and all transactions at the sellers locations. The summary section lists the taxes 'switched' by the networks. Oregon Use Fuel tax is not switched by the networks.

Tank Inventory Readings: Tank readings or stick readings measure the physical inventory (in gallons) of the fuel in the tank at that point. Tank readings may be physical stick readings, or a print from an electronic tank monitoring system that reads the tank inventory. Oregon law and administrative rules require that tank readings be taken at least once a month, at the close of business on the last day of the calendar month. Tank readings are to be retained with other Use Fuel Seller records for at least three years.

Throughput: The gallons sold at a location for a test period. Throughput can be computed using pump meter readings by taking the difference between beginning and ending pump meter readings. It can also be computed using the stock summary, by adding the beginning inventory to the purchases, then subtracting ending inventory. Comparing the two 'throughput' figures will provide a 'variance' which should be less than 0.005 (1/2 %) of the total sales for the test period.

Use Fuel: By statute, Use Fuel is defined as any combustible gas, liquid or material of a kind used for the generation of power to propel a motor vehicle on the highways except motor vehicle fuel as defined in ORS 319.010. For practical purposes, it is anything other than gasoline (Motor Vehicle Fuel) used to propel vehicles on public roads. The most common Use Fuel is diesel, but also includes propane, compressed natural gas (CNG), liquefied natural gas (LNG), bio-diesel, and any other product that can be used to operate the engine of a motor vehicle.

CONTACT INFORMATION

For additional information or questions not addressed in the instructions provided, please contact us:

FOR GENERAL CORRESPONDENCE

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| Fax | (503) 378-3060 |
| E-mail | ODOTFuelsTax@odot.state.or.us |
| Website | http://fuelstax.oregon.gov/ |

For direct numbers to specific staff members, please see our website.

MAIL REPORTS AND PAYMENTS TO

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P O Box 4395
Portland OR 97208-4395

NOTE: Through the instructions in this guide, the Fuels Tax Group has attempted to completely and correctly advise licensees on proper compliance including tax report completion and record keeping requirements. This guide is not intended to replace or change Oregon Revised Statute 319 or any Administrative Rule. We have made our best effort to address all types of reporting situations, however, due to changing technology or unusual circumstances, it is possible that a licensee may receive special instructions from an auditor intended to address *only that special situation*.

