

INDIANA



FUEL TAX

Update

June 2014

Alternative
Fuel Decals 

Gasoline Use Tax 

Propane Dealer's
License 



A Publication for Indiana's Fuel Industry

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FUEL TAX *Update*

June 2014

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WELCOME

Welcome to Indiana Fuel Tax Update!



The Indiana Department of Revenue wants to ensure you have the best opportunity to succeed in your fuel related business.

The department manages 41 different tax types, and most of those are taxes that affect Indiana businesses in some way.



Whether you are a distributor or retailer, this publication will help you better understand Indiana tax laws, the tax-filing process, and the services available to help you as your business evolves and deals with fuel tax policies, procedures, and changes.

We use a “flip book” format that is similar to reading magazines online and books and magazines on tablet computers. Pages turn like a magazine, and the



whole product is easy to read. You can also download the publication as a PDF if your computer does not support this “flip book” format.

We hope you enjoy this publication. We’ll be sending it to businesses in the fuel industry twice a year, with the next issue coming in early Fall. Feel free to share it with colleagues and friends. And, if you are interested in specific articles or topics you’d like us to cover, don’t hesitate to contact me at feedback@dor.in.gov.

To subscribe to Indiana Fuel Tax Update, visit www.in.gov/dor/5159.htm. ■



A handwritten signature in black ink that reads "Michael J. Alley". The signature is written in a cursive, flowing style.

Mike Alley
Commissioner



Alternative Fuel Decal System Established

During the 2014 legislative session, the General Assembly established an alternative fuel decal system. The purpose of the alternative fuel decal system is to establish a definition for alternative fuels and identify which vehicles are allowed to receive the fuels.



Alternative fuels are now considered liquefied petroleum gas used in an internal combustion engine or motor to propel any form of vehicle, including all forms of butane or propane.

Compressed natural gas (CNG) and **liquefied natural gas (LNG)** are now defined as special fuels subject to Indiana's 18-cents-per-gallon special fuel tax.

Owner's of motor vehicles propelled by alternative fuel and registered in Indiana must obtain an

alternative fuel decal and pay an annual fee. The fee depends on the type and weight of the vehicle and ranges from \$100 to \$500. Owners can apply for the decal by completing *form SF-801* and mailing it along with the fee to:

- **Indiana Department of Revenue**
P.O. Box 6080
Indianapolis, IN 46206-6080.

The fee may be prorated on a quarterly basis if the application is submitted after June 30 of a year and the vehicle has recently been converted to alternative fuel, purchased, or registered in Indiana.

The alternative fuel decals are valid from April 1 of each year through March 31 of the next year.

The alternative fuel decals are valid from April 1 of each year through March 31 of the next year. The expiration date can be extended for up to 30 days if a copy of the renewal application is placed in the vehicle.

The decals must be affixed to the lower-left side of the front windshield of the motor vehicle. The decal may only be displayed on the specific vehicle for which it was issued.

For more information, contact the department at (317) 615-2630 or by email at fetax@dor.in.gov. ■

July Brings New Gasoline Use Tax



Beginning July 1, 2014, a gasoline use tax will be imposed on gasoline and gasohol fuels. The new tax is a result of the 2013 legislative session and replaces the prepaid sales tax on gasoline collected from the retail merchant.

The Indiana Department of Revenue will determine the gasoline use tax rate based on a rolling, monthly, statewide average retail price per gallon of gasoline. The department will publish an updated gasoline use tax rate monthly in *Departmental Notice #2*.

The initial rate, for July 2014, will be published by June 22. Rates for each month thereafter will be published between the 16th and the 22nd of each month for the next month.

The easiest way to keep up with these rate changes is to “subscribe” to the Departmental Notices webpage at www.in.gov/dor/3618.htm.

This system will automatically notify you by email when a new or updated notice is published. *See page 20* for how to subscribe.

The gasoline use tax will be collected when a qualified distributor sells gasoline to a nonqualified distributor. The tax will not be collected when a qualified distributor sells to another qualified distributor or exports the gasoline to another state. The qualified distributor must collect and remit the tax from the nonqualified distributor to the Indiana Department of Revenue.

Retail stations must include the gasoline use tax in the pump price of gasoline. Retail stations are reimbursed for the gasoline use tax in the same way they are reimbursed for gasoline or special fuel taxes included in the pump price.

The gasoline use tax does not affect *form MF-360*, and licensed gasoline distributors will need to continue to report gasoline. In addition, the tax does not affect collecting, remitting, or reporting Indiana's 18-cents-per-gallon gasoline tax and 1-cent-per-gallon oil inspection fee.

For more information regarding gasoline use tax, visit www.in.gov/dor/5081.htm. ■

The gasoline use tax will be collected when a qualified distributor sells gasoline to a nonqualified distributor.



GASOLINE DISTRIBUTORS: Register, File and Pay for Gasoline Use Tax

Beginning July 1, 2014, sales of gasoline and gasohol will be assessed a gasoline use tax. This replaces Indiana's 7 percent gross retail sales tax now collected via prepaid sales tax forms. Gasoline distributors are required to register, file and pay gasoline use tax.

Form FT-1
State Form 45297
(2012 & 14)

Indiana Department of Revenue
Fuel Tax License Application

This application must be accompanied by a completed Fuel Tax Surety Bond, Irrevocable Standby Letter of Credit (subject to departmental format) or Cash Bond, and a current financial statement or beginning balance sheet, if applicable.

Band forms are available at www.in.gov/dor/3512.htm.

Section A: Taxpayer Information (section must be completed)
Please print legibly or type the information on this application.

1. Owner name, legal partnership name, corporate name, or other entity name
2. Federal Identification Number (FEIN)
3. Business Trade Name or DBA
4. Name of Contact Person (Owner, Partner, or Corporate Officer)
5. Business Location (City, State, Zip Code, County)
6. Mailing Address (City, State, Zip Code, County)
7. Telephone Number
8. Fax Number
9. Email Address
10. If your business is currently registered for any Indiana tax under this ownership, enter your Taxpayer Identification Number (TID):
11. Check the type of organization of this business:
 Sole Proprietor Partnership Corporation Fed. Govt. Other Govt. Other
12. All Corporations must answer the following questions:
A. State of Incorporation
B. Date of Incorporation
C. State of Commercial Domicile
D. If not incorporated in Indiana, enter the date authorized to do business in Indiana.
E. Accounting period year ending date
13. Owner, Partners or Officers (Attach additional sheets if necessary)
14. License Type - Place an "X" in the appropriate box



www.intax.in.gov

Register

To register to collect and remit gasoline use tax:

- Complete **Form FT-1**, the Fuel Tax License Application, to indicate application for the Gasoline Use Tax Permit and to register with the state to collect and remit this new use tax.

- Return the completed application with all accompanying bond forms, all financial documents, and the \$100 application fee to the following address no later than June 13, 2014:
- **Indiana Department of Revenue
Fuel Tax, Bonds, and Licensing Section
P.O. Box 6114
Indianapolis, IN 46206-6114**

File

Once registered, gasoline distributors must begin filing and paying the gasoline use tax semi-monthly, starting with transactions that occur on July 1, 2014. Gasoline distributors must report and remit the gasoline use tax due on the new gasoline use tax Form GT-103 and complete a gasoline use tax monthly recap (*Form GT-103DR*), *Schedule 1: Receipts*, and *Schedule 2: Disbursements*. Taxpayers can complete the forms through *INtax* or bulk file. To register with *INtax*, visit www.intax.in.gov.

Some transactions may be exempt. For more information about exemptions, visit www.in.gov/dor/5081.htm.

Pay

Tax payments must be made through *INtax* using credit card, ACH Debit, or ACH Credit.

For more information on gasoline use tax reporting, visit www.in.gov/dor/5081.htm or call (317) 615-2630. ■

New Propane Dealer's License

The 2014 legislative session brought key changes to alternative and special fuels. Effective Jan. 1, 2014, any business that sells alternative fuel in Indiana must be licensed by the department as a propane dealer. New legislation also excludes alternative fuels from special fuels and specifies that propane and butane are alternative fuels.

Businesses that sell these alternative fuels can easily register for a Propane Dealer's License by completing *form PDL-1*. Businesses should mail the application and \$50 fee to:

- **The Indiana Department of Revenue
Fuel Tax Bonds and Licensing Section
P.O. Box 6114
Indianapolis, IN 46206-6114.**



Businesses with multiple propane sales locations that have one federal employer identification number (FEIN) need to complete only one application. The license may be photocopied for display at all locations. However, businesses with multiple locations and different FEINs must complete one application per FEIN.

Businesses with multiple propane sales locations that have one federal employer identification number (FEIN) need to complete only one application.

In addition to being responsible for becoming a licensed propane dealer, businesses

are responsible for ensuring the vehicles they provide alternative fuels to have a current Indiana Alternative Fuel Decal or a 72-Hour Alternative Fuel Trip Permit. Only these vehicles can receive alternative fuel. Businesses that provide fuel to other vehicles risk having their Propane Dealer's License revoked by the department.

To help taxpayers and businesses stay in compliance, a temporary trip permit may be purchased from a licensed propane dealer for \$5.50. The permit is valid for 72 hours from the time of purchase for a specific registered vehicle. The permits are meant for owners of motor vehicles that use alternative fuel, are registered outside of Indiana, and operate on a public Indiana highway. Because these drivers are only in Indiana briefly, they are not required to get an alternative fuel decal. ■



Reminder: **TRUCK STOP OWNER'S LICENSE**

Last year, new legislation required all truck stop owners to register their business for a license with the Indiana Department of Revenue. Truck stops are places of business designed for providing service to trucks and truck drivers, including selling fuel to truck drivers and providing support facilities for truck drivers.

However, the truck stop owner licensure requirement did not go into effect until February 2014. The following highlights some of the key information regarding applying for and renewing a truck stop owner's license with the department.

Application

To apply for a truck stop owner's license, complete *Form TSOL-1* and submit it by email to fetax@dor.in.gov, by fax to (317) 615-2691, or by mail to:

- **Indiana Department of Revenue
Special Tax Division
P.O. Box 6114
Indianapolis, IN 46206-6114**

Once the application is processed, the business will receive a certificate to display at their location.

There is no fee for the truck stop owner's license. Each license will have a unique identification number. Once the application is processed, the business will receive a certificate to display at their location.

Renewal

The license must be renewed every two years. Applications received this year will be effective Jan. 1, 2014, and will expire Jan. 1, 2016. To renew the license, businesses need to complete *Form TSOL-1* and send it to the department by Dec. 1, 2015. The renewal application should include the license's unique identification number.

More detailed information about the truck stop owner license is available in *Departmental Notice #39*. ■

Aviation Fuel Excise Tax Impact Continues

Last year, pilots touching down to refuel in Indiana saw a change in fuel prices as Indiana's aviation fuel sales tax was replaced by an aviation fuel excise tax.

The Indiana General Assembly passed the law that established the fuel excise tax to be effective July 1, 2013.

The law eliminated the fuel sales tax, which can save aircraft owners about 40 cents per gallon. The aviation fuel excise tax is a flat rate of 10 cents per gallon and is for aviation fuel, which is gasoline, jet fuel, or a synthetic fuel used to power an aircraft.

Additionally, the legislative requirement that an aircraft meet certain criteria to be eligible for a sales tax exemption for the repair and maintenance of an aircraft system was removed in 2013, eliminating a 7 percent tax on aircraft parts and labor.

The old taxes stifled Indiana's aviation businesses, and routed aircraft owners out of Indiana to avoid some of the highest fuel and repair taxes in the country.



Since the new aviation tax laws were implemented, Indiana's aviation industry has seen major growth.

Since the new aviation tax laws were implemented, Indiana's aviation industry has seen major growth. In 2014, a large manufacturer selected Indiana as the location for a new jet assembly factory and several airlines announced service expansions.

For more information about the aviation fuel excise tax, see the Indiana Department of Revenue *Commissioner Directive #49*. ■

What Are They?

Taxes are not easy. They are complex even for the well-seasoned tax veteran. To help businesses navigate through this complexity, the Indiana Department of Revenue provides a lot of useful information on its website at www.in.gov/dor. In addition to videos, tutorials, guides, FAQs, and more, the department also makes three types of resources available to all taxpayers.

The first of these are *Information Bulletins*. These documents offer generalized nontechnical guidance about Indiana sales/use taxes and income taxes.



And although the Information Bulletins, Departmental Notices, and Commissioner's Directives are not legally binding, they do offer quite a bit of information about these complex taxes.

The other two types of documents available are Departmental Notices and Commissioner's Directives. These documents offer taxpayers nontechnical guidance about administrative issues related to all 44 tax types (including sales and income tax).

And although the Information Bulletins, *Departmental Notices*, and *Commissioner's Directives* are not legally binding, they do offer quite a bit of information about these complex taxes.

You can even subscribe to each of the webpages with the documents so that when an update occurs, you will automatically get an email alerting you to the update. To subscribe and look over the current tax bulletins, directives, and notices, visit www.in.gov/dor/3330.htm. ■





Get Connected

It is important for businesses to know the various ways in which they can contact the Indiana Department of Revenue if they are in need of help or want to receive critical updates from the department.

When you have a specific question that our website does not answer, you are encouraged to email us by visiting www.in.gov/dor/3392.htm. If you have an immediate concern, however, you can contact the department's fuel tax division at (317) 615-2630.

In addition, the department offers several other ways for you to learn about important tax updates at your convenience:

- Become a **Facebook** fan by clicking [here](#).
- Follow us on **Twitter** at www.twitter.com/INDeptofRevenue.
- Subscribe to our **TaxTalk Blog** at www.in.gov/dor/3877.htm.
- Sign up for **automatic email updates** that apply to you on the department's website at www.in.gov/dor by clicking the email update icon (red envelope). ■



Helpful Resources

Find forms, more information, instructions and more at the webpages below:

- **Gasoline Use Tax**
www.in.gov/dor/5081.htm
- **Fuel & Environmental (Gasoline) Tax Forms**
www.in.gov/dor/3512.htm
- **Natural Gas Commercial Vehicle
Indiana Income Tax Credit**
www.in.gov/dor/5051.htm
- **Fuel Tax Division Telephone Contact**
(317) 615-2630
- **Fuel Tax Division Email Contact**
fetax@dor.in.gov



June 2014

Indiana Fuel Tax Update

is a publication produced by the Indiana Department of Revenue twice a year to update taxpayers about the laws and changes that affect fuel distributors throughout the state.

