

# Instructions for Form 530

## Alaska Motor Fuel Tax Return for Diesel

### What's New

#### **Legislative Changes**

HB 158, effective July 1, 2015, amends Alaska Statutes 43.40 by adding a surcharge of \$0.0095 per gallon on refined fuel sold, transferred, or used in Alaska.

#### **Form Changes**

Lines have been added to Section I to accommodate the refined fuel surcharge and line numbers have been shifted to accommodate the changes.

### The Tax Division Offers Electronic Filing

The Alaska Department of Revenue, Tax Division, offers electronic filing through Revenue Online, its tax revenue management system. It's an online portal where taxpayers can file and pay tax returns, view tax accounts and balances, apply for licenses, upload documents, and conduct other business with the Tax Division.

Revenue Online allows us to process refunds faster, communicate with taxpayers quicker, and to more efficiently account for information we are required to report to the Alaska Legislature.

See the "How and Where to File" section on Page 2 for more on filing electronically through Revenue Online.

### General Information

Refined fuel that is sold, transferred, or used in the state is subject to a surcharge of \$0.0095 per gallon. The surcharge is paid by the dealer or user (if the fuel was not previously taxed).

"Refined fuel" means fuel produced from oil that is used in an engine, machine, or contrivance that creates heat, energy, or power.

The following refined fuels are exempt from the surcharge:

- fuel sold to a federal or state government agency for official use
- fuel refined and used outside the United States
- liquefied petroleum gas
- aviation fuel
- fuel sold or transferred between Qualified Dealers

Motor fuel that is sold, transferred, or used in the state is subject to a tax of \$0.08 per gallon (highway use) or \$0.05 per gallon (marine use). The tax is paid by the dealer or user (if the fuel was not previously taxed).

"Motor fuel" means fuel used in an engine for the propulsion of a motor vehicle or aircraft, and fuel used in and on watercraft for any purpose, or in a stationary engine, machine or mechanical contrivance that is run by an internal combustion motor.

The following sales and uses of fuel are exempt:

- sale or transfer between Qualified Dealers

- export to other states or foreign countries
- sale directly to consumers to heat private or commercial buildings or facilities but not including watercraft
- certain power plants for electrical generation:
  - exclusively for private residential consumption
  - commercial stationary power plants of 100 kilowatts or less (not for resale)
  - public utilities or nonprofit power associations generating electricity for sale
- charitable institutions
- federal, state, or local government agencies for official use
- residual fuel used in and on watercraft, known as #6 diesel or bunker fuel
- jet fuel for use in flights to and from foreign countries

### Filing Requirements

Every dealer must report all fuel sold, transferred, or used during the month, including exempt sales and uses. A dealer must file a separate return for each fuel type (diesel, gasoline, aviation fuel, and gasohol) but is only required to file the forms related to the fuel type for which they had activity within a reporting period.

A person who obtains fuel without paying tax and subsequently uses the fuel in a taxable manner must file a tax return to report the taxable use for the month in which they used the fuel.

#### **Deduction for Timely Filing**

A taxpayer is entitled to a credit of 1% of the total monthly tax and surcharge due, limited to a maximum of \$100, if the tax return is timely filed and the tax is timely paid.

#### **Due Date**

The return and payment are due on the last day of the month following the month in which the fuel was sold or transferred.

### Avoid Common Mistakes

To facilitate the processing of your return, be sure to do the following:

1. Provide the correct federal employer identification number (FEIN) or Social Security number (SSN).
2. Provide the correct qualified dealer license number.
3. Provide the name and phone number of a contact person who is authorized to answer any questions the Tax Division may have regarding the return. The contact person must be an officer or employee who is authorized to answer any such questions. The Tax Division cannot discuss taxpayer information with an outside party unless we have received a Power of Attorney.
4. Attach schedules as required by the forms. Schedules providing detail are required as explained in these instructions. Attaching complete schedules will ensure

a valid filing and prevent unnecessary correspondence with the Tax Division. Be sure that attached schedules are properly referenced and agree to the totals reported on the form.

5. Verify that all qualified dealer license numbers entered on Schedules 2 and 6 were valid for the filing period.
6. Verify that all customers listed on Schedule 9 were approved to defer the tax for the filing period.
7. **Sign the return.** The return is not valid until it has been signed. The return must be signed and dated by a person legally authorized to do so.

## **How and Where to File**

### **Filing Your Return**

Taxpayers are encouraged to file their returns electronically using Revenue Online at <http://online-tax.alaska.gov>.

Or you may file a paper return by mail. The returns and other forms are on the Tax Division's website at [www.tax.alaska.gov](http://www.tax.alaska.gov). Please mail your completed return to:

Alaska Department of Revenue  
Tax Division  
PO Box 110420  
Juneau, AK 99811-0420

### **How to Pay**

You may pay your taxes electronically through Revenue Online, <http://online-tax.alaska.gov>, or access it from our home page at [www.tax.alaska.gov](http://www.tax.alaska.gov). You may also pay by wire transfer or mail in a check.

Note: If your payment is \$100,000 or more, you must pay electronically through Revenue Online or by a wire transfer. See Alaska Administrative Code 15 AAC 05.310 for more information.

### **Pay Electronically**

Revenue Online uses Automated Clearing House (ACH) debit payments. It does not accept credit cards or ACH credit transactions.

If you are making a payment using Revenue Online for the first time, click on "Enroll Now" on the sign-in page and follow the prompts. If you have questions, call the Tax Division at 907.269.0041 or 907.269.6627.

Check with your bank before setting up a debit (ACH) payment to determine if your account has a debit block. The block (or filter) controls electronic transactions posted to bank accounts and only accepts transactions from authorized ACH debit originators.

If you have a debit block on your account, you must ask your bank to list the State of Alaska as an authorized ACH debit originator on your account, and give your bank the Department of Revenue's company ID (0000902050). If you don't give that information to your bank, your bank will reject your tax payment, and rejected payments may result in late payment penalties and interest.

### **Pay by Wire Transfer**

To make a payment by wire transfer, you must notify the Department of Revenue, Treasury Division by 2:00PM Alaska Time **the business day prior** to the wire transfer settlement date.

For the notification, prepare a payment voucher on Revenue Online, and email it to [dor.tr.s.cashmgmt@alaska.gov](mailto:dor.tr.s.cashmgmt@alaska.gov). The notice must include the taxpayer's name, total payment amount, settlement date, tax type, purpose of the payment, and that the funds are for the Department of Revenue. If your payment covers multiple tax periods, prepare a separate voucher for each period.

Contact the Treasury Division for the State of Alaska's bank information at [dor.tr.s.cashmgmt@alaska.gov](mailto:dor.tr.s.cashmgmt@alaska.gov) or 907.465.2320. Ask your bank to initiate a wire transfer of funds through the Federal Reserve wire transfer system to be received and credited to the State of Alaska.

If you don't have email or want confirmation that a wire transfer was successful, call 907.465.2360.

### **Pay by Check**

Make checks payable to the State of Alaska. Mail your check and tax return to our Juneau office at the address below. To mail in your check without your tax return, fill out and print off a payment voucher from Revenue Online.

Alaska Department of Revenue  
Tax Division  
PO Box 110420  
Juneau, AK 99811-0420

## **Penalties**

### **Late Filing of a Return**

Returns not filed by the due date are subject to a failure to file penalty of 5% of the unpaid tax for each 30-day period or portion of a period the return is late, up to a maximum of 25%.

### **Late Payment of Tax**

If the full amount of tax is not paid by the original due date of the return, even if an extension to file was granted, the return is subject to a failure to pay penalty of 5% of the unpaid tax for each 30-day period or portion of a period the payment is late, up to a maximum of 25%. An extension to file is not an extension to pay taxes. If, during any period or portion of a period, both the failure to file and failure to pay penalties are applicable, only the failure to file penalty is imposed.

### **Interest**

Under Alaska Statute 43.05.225, interest will be assessed on any unpaid or delinquent tax. For current and historical rates, refer to our website at [www.tax.alaska.gov](http://www.tax.alaska.gov).

## **Line-by-Line Instructions**

Complete Sections II and III and all supporting schedules before completing Section I.

### **Section I. Summary**

#### **Inventory Reconciliation**

Line 1 – Beginning physical inventory. Enter the prior month's ending inventory.

Line 2 – Receipts. Enter the amount from Page 2, Section II, line 5.

Line 3 – Disbursements. Enter the amount from Page 2, Section III, line 17.

Line 4 – Gain (loss). This is a value calculated after all the other line items are entered in the Inventory Reconciliation section. The gain or loss includes gains and losses from temperature changes, and losses from spillage, fire, and other accidents. Enter a gain as a *positive* number. Enter a loss as a *negative* number. Attach an explanation for all losses not related to temperature changes.

Line 5 – Transfers. Enter the amount of any fuel re-branded from one product to another. **Do not** enter transfers or exchanges of fuel between dealers. The total of all reported “transfers” during any month should equal zero.

Line 6 – Ending physical inventory. Add lines 1, 2, 4, and 5 and subtract line 3. This should match your actual (measured) ending inventory.

#### Tax Computation

Line 7 – Total gallons delivered tax-on. Enter the amount from Page 2, Section III, line 4.

Line 8 – Tax-paid purchases. The total of highway and marine gallons should equal Page 2, Section II, line 2. Attach all original invoices to the tax return showing these purchases.

Line 9 – Net taxable gallons. Subtract line 8 from line 7.

Line 11 – Tax. Multiply line 9 by line 10.

#### Surcharge Computation

Line 12 – Total gallons delivered surcharge-on. Enter the number of gallons of refined fuel sold, transferred, or used in the state, excluding all gallons exempt from the surcharge. See the “General Information” section for more information.

Line 13 – Surcharge-paid purchases. Enter the number of gallons purchased surcharge-on. Attach all original invoices to the tax return showing these purchases.

Line 14 – Net gallons subject to the surcharge. Subtract line 13 from line 12.

Line 16 – Surcharge. Multiply line 14 by line 15.

Line 17 – Total tax and surcharge. Add each entry from line 11 and line 16.

Line 18 – Deduction for timely filing. Enter 1% of line 17, or \$100, whichever is less. Enter zero if the return and/or payment is filed after the due date.

Line 19 – Claim for refund on fuel used by dealer for non-highway use. Enter the number of gallons of fuel that you used for non-highway use. Multiply the gallons by the refundable tax rate. You must complete Schedule 16 – Equipment List showing a list of equipment in which the fuel was used. The total number of gallons claimed must equal the total on Schedule 16.

Line 20 – If filing an amended return, enter the total amount of tax paid on the original return and/or previous amendments. Otherwise, enter zero.

Line 21 – Total amount due. Subtract lines 18, 19a, 19b and 20 from line 17.

## **Section II. Receipts**

Report all transactions in whole gallons.

Line 1 – In-state refinery production. Enter the number of gallons you produced in the state.

Line 2 – Gallons received tax-on. Enter the number of gallons you received tax-on. A dealer who purchases fuel and pays the tax at the time of purchase may claim a credit on the tax return for the tax paid.

Line 3 – Gallons received tax-off from Licensed Qualified Dealers. Enter the total from Schedule 2.

Line 4 – Gallons imported from other states or foreign countries. Enter the total from Schedule 3.

Line 5 – Total receipts. Add lines 1 through 4. Enter here and on Page 1, Section 1, line 2.

## **Section III. Disbursements**

Report all transactions in whole gallons.

#### Gallons Delivered Tax-On

Line 1 – Gallons used. Enter the number of gallons you used, including fuel used for non-highway use.

Line 2 – Gallons delivered tax-on to retailers and consumers. Enter the number of gallons delivered to retailers and consumers (users) with the tax collected.

Line 3 – Gallons delivered tax-on to Licensed Qualified Dealers. Enter the number of gallons delivered to qualified dealers with the tax collected.

Line 4 – Total gallons delivered tax-on. Add lines 1 through 3. Enter here and on Page 1, Section I, line 7.

#### Gallons Delivered Tax-Off

Line 5 – Gallons delivered tax-off to Licensed Qualified Dealers. Enter the total from Schedule 6.

Line 6 – Gallons exported to other states or foreign countries. Enter the total from Schedule 7.

Line 7 – Gallons delivered to U.S. government agencies for their official use. Enter the number of gallons delivered tax-off to U.S. government agencies.

Line 8 – Gallons delivered to state or local government agencies for their official use. Enter the number of gallons delivered tax-off to state and local government agencies. This does not include fuel sold to local government agencies for resale to local residents.

Line 9 – Gallons delivered to Qualified Municipalities and Tribes. Enter the total from Schedule 9.

Line 10 – Gallons delivered to charitable institutions. Enter the number of gallons delivered tax-off to charitable institutions. “Charitable institutions” are only those institutions that are exempt from income tax for federal purposes under Internal Rev-

enue Code Section 501(c)(3). It does not include civic leagues, labor organizations, or social clubs.

Line 11 – Gallons used or delivered to users for heating. Enter the number of gallons used by you or delivered tax-off to users for heating. For heating sales made to construction and mining customers, you must obtain a certificate of use signed by the consumer. This exemption does not apply to fuel used on watercraft.

Line 12 – Gallons delivered to public utilities. Enter the number of gallons delivered tax-off to public utilities. “Public utilities” are defined as corporations or nonprofit power associations generating electrical energy for resale.

Line 13 – Gallons used or delivered to stationary power plants. Enter the number of gallons sold for use in stationary commercial power plants (generators) of 100 kilowatts or less. Also enter the number of gallons sold for use in power plants (generators) used exclusively for private residential use.

Line 14 – Bunker fuel. Enter the number of gallons of bunker fuel (residual fuel oil – #6 diesel) delivered tax-off for use in or on watercraft. If a higher-grade diesel is blended with residual fuel, all the resulting product is exempt from the tax if the resulting product still meets the specifications of #6 diesel and does not meet the specifications of a higher diesel grade.

Line 15 – Other exempt use or delivery. Enter any gallons used and/or delivered tax-off and not reported on lines 5 through 14. An explanation is required.

Line 16 – Total gallons delivered tax-off. Add lines 5 through 15.

Line 17 – Total disbursements. Add lines 4 and 16. Enter here and on Page 1, Section I, line 3.

## **Schedules**

### **Schedule 2 – Gallons Received Tax-Off from Licensed Qualified Dealers**

You must report all gallons received tax-off from licensed qualified dealers by load. Report each load separately and the gallons must be reported in whole numbers. We suggest you report this information by bill of lading. The schedule must be fully completed. The license number of the qualified dealer you received fuel tax-off from must be valid for the filing period. A list of qualified dealer licenses and effective dates can be found at <https://online-tax.alaska.gov>. Enter the total number of gallons on Page 2, Section II, line 3.

### **Schedule 3 – Gallons Imported from Other States or Foreign Countries**

You must report all gallons imported from other states or foreign countries by load. Report each load separately and the gallons must be reported in whole numbers. We suggest you report this information by bill of lading. This schedule must include all fuel for which you held title as it entered into Alaska. If title transfers upon delivery in Alaska, report the fuel as an import on Schedule 3, and the subsequent sale on Schedule 6. You must report any sales to persons not licensed as qualified dealers in the state as taxable sales. The schedule must be fully completed, including the FEINs of the original suppliers. Enter the total on Page 2, Section II, line 4.

### **Schedule 6 – Gallons Delivered Tax-Off to Licensed Qualified Dealers**

You must report all gallons delivered tax-off from licensed qualified dealers by load. Report each load separately and the gallons must be reported in whole numbers. We suggest you report this information by bill of lading. The schedule must be fully completed. The license number of the qualified dealer you delivered fuel tax-off to must be valid for the filing period. A list of qualified dealer licenses and effective dates can be found at <https://online-tax.alaska.gov>. Enter the total number of gallons on Page 2, Section III, line 5.

### **Schedule 7 – Gallons Exported to Other States or Foreign Countries**

You must report all gallons exported to other states or foreign countries by load. Report each load separately and the gallons must be reported in whole numbers. We suggest you report this information by bill of lading. Exports to Canada should be reported by province. The schedule must be fully completed, including the FEINs of the original suppliers. Enter the total on Page 2, Section III, line 6.

### **Schedule 9 – Gallons Delivered Tax-Off to Department of Revenue Approved Deferred Municipalities/Tribes**

Use this schedule to report the number of gallons delivered to deferred municipalities or tribes. You must report all gallons by load and the gallons must be reported in whole numbers. We suggest you report this information by bill of lading. The schedule must be fully completed. You are relieved for the liability for tax only if the municipality or tribe has been approved to defer the payment of tax by the Department. A list of municipalities and tribes approved to defer the payment of tax can be found at <https://online-tax.alaska.gov>. Enter the total number of gallons on Page 2, Section III, line 9.

### **Schedule 16 – Equipment List**

Use this schedule to list equipment in which fuel being claimed for the non-highway refund was used. List each piece of equipment for which the refund is being claimed and the number of gallons used. The schedule must be fully completed.

## **Additional Assistance**

These instructions are not in place of Alaska statutes or regulations and are offered only for the convenience of the taxpayer in completing the return.

If you have questions or require assistance, contact the Tax Division at [dor.tax.motorfuel@alaska.gov](mailto:dor.tax.motorfuel@alaska.gov) or call 907.269.6620.