

CHAPTER 8125
DEPARTMENT OF REVENUE
PETROLEUM DIVISION
TAXATION AND INSPECTION OF PETROLEUM
PRODUCTS

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8125.0200 TERMINAL RECORDS AND REPORTS.

Subpart 1. **Terminal defined.** As used herein, the word "terminal" shall mean a facility for storage of petroleum products which have not theretofore been received in this state by a licensed distributor.

Subp. 2. **Records and terminal reports.** All operators of terminals in this state shall keep a true and accurate record of all petroleum products delivered into and withdrawn from their terminal. A terminal report on a form approved by the commissioner shall be filed for each month showing receipts, disbursements, and inventories.

Subp. 3. **Manifests to be furnished.** A manifest or a bill of lading shall be issued for each withdrawal from a terminal in this state at the time of such withdrawal. Manifests or bills of lading shall show the following information: state tax number, date shipped, name of carrier, transport permit (MDR) number, origin (point of loading), name of supplier, name and address of distributor who will report and pay the tax and/or fee (consignee), destination, kind of product, and number of gallons. The state tax number may be the manifest or bill of lading number if designated as the state tax number. A legible duplicate copy of each such manifest or bill of lading shall be filed with the commissioner.

No petroleum product shall be loaded into a tank car, the cargo tank of a tank truck, or a truck transport at any terminal located outside the state for shipment to a Minnesota destination unless the distributor who will report and pay the tax and/or fee (consignee) shall require that a manifest or bill of lading be issued showing the following information: state tax number, date shipped, name of carrier, transport permit (MDR) number, origin (point of loading), name of supplier, name and address of consignee, destination, kind of product, and number of gallons. The state tax number may be the manifest or bill of lading number if designated as the state tax number. A legible duplicate copy of such manifest or bill of lading shall be sent to the commissioner.

Statutory Authority: *MS s 296.27*

8125.0300 TRANSPORT REQUIREMENTS.

Subpart 1. **Truck transports.** Any unit operated on the public highways of this state which is used to transport petroleum products shall be deemed to be a truck transport if the cargo tank has a capacity of 2,100 gallons or more.

Subp. 2. **Transport permits.** Except as specifically authorized by the commissioner, no truck transport shall be operated in Minnesota until a transport permit for the cargo tank has been obtained from the commissioner.

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If any person sells, trades, or otherwise disposes of a cargo tank during the term of the permit, he shall immediately surrender the permit to the commissioner at his office in Saint Paul, Minnesota, together with complete information regarding its disposal, including the name and address of any new owner.

Subp. 3. **Permit number.** The transport permit number prefixed by the letters "MDR" shall be painted in six-inch letters and numbers in a conspicuous place on the left front and right rear ends of the cargo tank for which the permit is issued.

Subp. 4. **Transporter must have permit.** No petroleum product shall be loaded into the cargo tank of a truck transport to be operated in Minnesota unless the operator has in his possession a valid transport permit for such cargo tank.

Subp. 5. **Diversions to be reported.** Any supplier or transporter of petroleum products who diverts a shipment destined to a state other than Minnesota to a Minnesota destination, or who diverts a shipment from one Minnesota destination or consignee to another Minnesota destination or consignee, shall notify the commissioner within 48 hours, setting forth the manifest number (state tax number), date, kind of product, number of gallons, the consignee to whom the shipment has been diverted, and the final destination.

Subp. 6. **Accidents to be reported.** Any transporter who while in the act of transporting petroleum products on the highways of this state has an accident involving a loss of petroleum products due to spillage, fire, leakage, or any other cause, shall notify the commissioner within 48 hours, setting forth the date of the accident, the manifest number (state tax number) and date, the consignee, and destination.

Subp. 7. **Manifest to be carried.** Operators of tank trucks or truck transports transporting petroleum products in this state on which the gasoline tax and/or the inspection fees have not been assumed shall carry proof of ownership of such material (bill of lading, manifest, invoice, or other identification).

Statutory Authority: *MS s 296.27*

8125.0400 DISTRIBUTOR RECORDS.

Subpart 1. **Records to be kept.** Licensed distributors shall keep a true and accurate record of all purchases, transfers, sales, and use of petroleum products. A record shall be kept showing the following information for each receipt of petroleum products: manifest number (state tax number), point of origin, from whom received, kind of product, gallons received, and date unloaded. A daily record shall be kept of the totals of all sales of each petroleum product.

Subp. 2. **Sales invoices.** A sales invoice shall be made for each bulk sale of petroleum products at the time of the sale, regardless of gallonage. All sales invoices issued for bulk sales shall be machine-numbered serially with numbers of at least three digits, and shall show the following: name and address of distributor printed or rubber-stamped upon the invoice, date of sale, name and address of the purchaser, kind of product, price per gallon, number of gallons, and rate and amount of tax if any. The words "bulk sale," as used in this part, shall mean any sale of a petroleum product dispensed from a truck transport or tankwagon into a storage facility. When issued for the purpose of securing refunds or credits of the Minnesota gasoline tax, the invoices shall, in addition to the aforementioned requirements, be prepared at least in duplicate, the original to be marked "Original Invoice" and given to the purchaser. The words "original invoice," as used in this part, shall mean the first or top sheet of an invoice, bearing the original inked or penciled imprint, whether it be typewritten, handwritten, or printed, issued by a seller to a purchaser covering the product or products sold. Whenever the original invoice is unavailable, the commissioner

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may approve the use of a copy thereof. In such cases, a lost-or-destroyed-invoice affidavit executed by the claimant, together with a supporting statement by the supplier, must be filed.

When issued for other than bulk sales and for the purpose of securing refunds or credits of the Minnesota gasoline tax, the invoices or receipts shall show the name and location of the seller, date of purchase, number of gallons, and total price.

When issued for deliveries made into another state, invoices shall be issued in the same manner with a separate set of numbers.

Sales invoices used for the sale of a rejected petroleum product not meeting specifications which the commissioner has approved for sale shall bear the following notation:

"FUEL OIL -- REJECTED PRODUCT -- UNSAFE FOR HEATING OR LIGHTING PURPOSES"

"GASOLINE -- REJECTED PRODUCT -- CONTAINS OTHER PETROLEUM PRODUCTS ON WHICH THE GASOLINE TAX HAS BEEN PAID"

Subp. 3. **Inventories.** A physical inventory shall be taken at the end of each month of all petroleum products and a record kept of the quantity in each tank, tank capacity, tank number if any, and kind of product.

Subp. 4. **Records to be retained.** With the exception of sales invoices or receipts issued for other than bulk sales and for the purpose of securing refunds or credits of the Minnesota gasoline tax, copies of all manifests, bills of lading, invoices, and delivery tickets, as well as all other records relating to the purchase, transfer, sales, and use of petroleum products, shall be retained for a period of four years.

Statutory Authority: *MS s 296.27*

8125.0500 DISTRIBUTOR AND DEALER CREDITS AND REFUNDS.

Subpart 1. **Distributor credits, how allowed.** The credits under Minnesota Statutes, section 296.14, subdivision 2, shall be allowed as follows:

A. under clause (1), credit shall be taken prior to computing the allowance for evaporation and loss;

B. under clause (2), credit on sales made directly from terminals shall be taken prior to computing the allowance for evaporation and loss; credit on all other sales shall be taken after computing the allowance for evaporation and loss;

C. under clause (3), credit shall be taken prior to computing the allowance for evaporation and loss;

D. under clause (4), credit shall be taken only when supported by a credit memorandum issued by the commissioner. Such credit memorandum will reflect the adjustment for the allowance for evaporation and loss.

Subp. 2. **Unusual losses.** A written notice of any unusual loss of gasoline or special fuel by a distributor or dealer while in his possession, including gasoline or special fuel destroyed by accident, shall be given to the commissioner within 30 days after the discovery of the loss in order to qualify for credit or refund of tax paid, and, in addition, all claims of a distributor or dealer for refund or credit of gasoline or special fuel tax paid as a result of such unusual loss shall be filed with the commissioner within 90 days after the discovery of such loss.

Statutory Authority: *MS s 296.27*

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8125.0600 DEALER RECORDS.

Subpart 1. **Records to be kept.** Dealers shall keep a true and accurate record of all purchases and sales of petroleum products. Purchase records shall show the kind of product, from whom purchased, number of gallons, and date unloaded. A daily record shall be kept of the total of all sales of each petroleum product.

Subp. 2. **Sales invoices.** When issued for the purpose of securing refunds or credits of the Minnesota gasoline tax, sales invoices representing bulk sales shall be machine-numbered serially with numbers of at least three digits, and shall show the following: name and address of the dealer printed or rubber-stamped upon the invoice, date of sale, name and address of the purchaser, kind of product, price per gallon, number of gallons, and rate and amount of tax. They shall be prepared at least in duplicate, the original to be marked "Original Invoice" and given to the purchaser. The words "bulk sale," as used in this part, shall mean any sale of a petroleum product dispensed from a truck transport or tankwagon into a storage facility. The words "original invoice," as used in this part, shall mean the first or top sheet of an invoice, bearing the original inked or penciled imprint, whether it be typewritten, handwritten, or printed, issued by a seller to a purchaser covering the product or products sold. Whenever the original invoice is unavailable, the commissioner may approve the use of a copy thereof. In such cases, a lost-or-destroyed-invoice affidavit executed by the claimant, together with a supporting statement by the supplier, must be filed.

When issued for other than bulk sales and for the purpose of securing refunds or credits of the Minnesota gasoline tax, the invoices or receipts shall show the name and location of the seller, date of purchase, number of gallons, and total price.

When issued for the purpose of securing a refund or credit of the Minnesota gasoline tax, a separate invoice shall be issued for each sale, at time of sale, regardless of gallonage.

Invoices issued to operators of portable feed mills, corn shellers, and other portable units for gasoline serviced to the unit tank, shall show separately the number of gallons, if any, serviced to the vehicle supply tank.

Sales invoices used for the sale of a rejected petroleum product not meeting specifications which the commissioner has approved for sale shall bear the following notation:

"FUEL OIL -- REJECTED PRODUCT -- UNSAFE FOR HEATING OR LIGHTING PURPOSES"

"GASOLINE -- REJECTED PRODUCT -- CONTAINS OTHER PETROLEUM PRODUCTS ON WHICH THE GASOLINE TAX HAS BEEN PAID"

Subp. 3. **Records to be retained.** All records relating to the purchase and sale of petroleum products, excluding copies of sales invoices or receipts issued for other than bulk sales and for the purpose of securing refunds or credits of the Minnesota gasoline tax, shall be retained for a period of four years.

Statutory Authority: *MS s 296.27*

8125.0700 SPECIAL FUEL REQUIREMENTS.

Subpart 1. **Records.** All distributors, special fuel dealers, and bulk purchasers shall keep a true and accurate record of all purchases, transfers, sales, and use of special fuel. They shall also keep complete and accurate records of purchases, sales, and use of fuel oil and liquefied petroleum gas at all their locations where special fuel is sold or stored.

Subp. 2. **Sales invoices.** Sales invoices issued for sales of special fuel made by a distributor or a special fuel dealer shall bear the name and address of the purchaser, date of sale, number of gallons, price per gallon, and total amount of

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sale. The words "Special Fuel" shall be written or printed on each sales invoice at the time of sale or delivery. Sales invoices shall have the name and address of the distributor or special fuel dealer making the sale printed or rubber-stamped thereon and shall be machine-numbered serially with numbers of at least three digits and issued in sequence. A separate sales invoice book shall be maintained for special fuel sales, and one copy of each such sales invoice shall be retained in the special fuel sales invoice book, unless otherwise authorized by the commissioner. Sales invoices issued for fuel other than for use as special fuel shall show the kind of fuel and the name and address of the purchaser.

Subp. 3. Meter readings and inventories. Distributors, special fuel dealers, and bulk purchasers shall at the end of each month take and record:

A. through an accumulating meter in working order, meter readings for each pump through which special fuel is dispensed; and

B. physical inventories of special fuel showing quantity in each tank, tank capacity, and kind of product.

Subp. 4. Users' records and reports. All users of special fuel shall keep a true and accurate record of all purchases, sales, transfers, and use of special fuel and shall retain all such records for a period of four years. Users of special fuel (except licensed distributors, special fuel dealers, and bulk purchasers required to file monthly reports) shall file an annual information report showing the number of gallons used, miles traveled, and such other information as the commissioner may prescribe, for each licensed motor vehicle. This report shall be filed on or before March 1 of each year for the preceding calendar year.

Subp. 5. Mileage reports. Upon demand of the commissioner there shall be attached to and made a part of the monthly special fuel tax report an accurate statement of mileage traveled during such month on Minnesota highways by each licensed motor vehicle supplied with special fuel from the bulk storage facilities maintained by the licensee.

Subp. 6. Bulk sales reports. Persons selling or delivering special fuel into storage facilities maintained by any licensed bulk purchaser shall, on or before the 23rd day of each month, file with the commissioner an itemized report, in a manner prescribed by and on a form supplied by him, showing all sales of special fuel to said licensed bulk purchaser.

Subp. 7. Records to be retained. Copies of all manifests, bills of lading, invoices, sales and delivery tickets, as well as all other records relating to the purchase, transfer, sales, and use of special fuel, shall be retained for a period of four years.

Subp. 8. Changes in storage capacity or location. Distributors, special fuel dealers, and bulk purchasers shall report to the commissioner in writing within seven days any change in storage capacity or location of special fuel facilities.

Subp. 9. Prices posted. Each pump used to dispense special fuel into the supply tank of a licensed motor vehicle by a special fuel dealer shall show the total sales price per gallon posted on the pump in a conspicuous manner.

Statutory Authority: *MS s 296.27*

8125.0800 OTHER TAXABLE PRODUCTS.

Material used as stove or lamp gasoline, and naphtha, toluol, benzol, or any like product used in blending to produce gasoline, shall be reported and the Minnesota gasoline tax paid thereon.

Statutory Authority: *MS s 296.27*

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8125.0900 MIXTURES OF PRODUCTS.

All mixtures of petroleum products which occur at bulk stations, service stations, or in tank trucks and truck transports resulting in a product that does not meet state of Minnesota specifications shall be reported to the commissioner promptly, setting forth the date and the number of gallons of each petroleum product mixed. Such mixtures of petroleum products shall not be moved or disposed of until authorization is given by the commissioner.

Statutory Authority: *MS s 296.27*

8125.1000 IDENTIFICATION OF PUMPS AND CONTAINERS.

Service pumps and containers located at service stations and other outlets used for dispensing fuel oil and special fuel to the consumer shall be painted green or a color approved by the commissioner and shall be identified as to the product.

Statutory Authority: *MS s 296.27*

8125.1100 OWNERSHIP CHANGES.

Licensed distributors, special fuel dealers, and bulk purchasers shall immediately report in writing to the commissioner all changes of ownership or storage facilities.

Statutory Authority: *MS s 296.27*

8125.1200 RECORDS KEPT ACCESSIBLE.

The books and records of all persons buying and selling petroleum products or special fuel, or using special fuel, and of all carriers of petroleum products shall be made accessible to the commissioner at Saint Paul or at any other location satisfactory to the commissioner.

Statutory Authority: *MS s 296.27*

8125.1300 REFUNDS AND CREDITS ON AVIATION GASOLINE AND SPECIAL FUEL TAX.

Claims for refund of the tax paid on aviation gasoline or on special fuel for aircraft must be filed on or before April 15 of the year following the year in which the fuel was purchased. Any such claim filed during the 15-day period from April 16 to April 30 may be honored less a penalty of 25 percent of the amount of the approved refund claim. The postmark on the envelope in which the claim is mailed determines the date of filing.

Each claim must be accompanied by the original invoice receipted for payment by the supplier. The words "original invoice," as used in this part, shall mean the first or top sheet of an invoice, bearing the original inked or penciled imprint, whether it be typewritten, handwritten, or printed, issued by a seller to a purchaser covering the product or products sold. Whenever the original invoice is unavailable, the commissioner may approve the use of a copy thereof. In such cases, a lost-or-destroyed-invoice affidavit executed by the claimant, together with a supporting statement by the supplier, must be filed.

Statutory Authority: *MS s 296.27*

8125.1400 ROAD TAX.

Subpart 1. **Commercial motor vehicle.** "Commercial motor vehicle" means a passenger vehicle that has seats for more than nine passengers in addition to the driver, or any road tractor, or any tractor truck, or any truck having more than two axles, which passenger vehicle, road tractor, tractor truck, or truck is propelled by motor fuel.

Subp. 2. **Vehicles exempted from road tax.** The following vehicles are exempted from the road tax law:

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A. all straight trucks having only two axles;

B. all motor vehicles having three or more axles on which is permanently mounted a corn sheller, feed grinder, back hoe, crane, well-drilling machine, or other similar equipment and the use of which on the public highways of this state is only for transporting the special equipment to and from the site of operation;

C. all commercial motor vehicles operated by this state, any subdivision thereof, the United States, or any agency of two or more states or of states and the United States in which this state participates, or to any school bus as defined by the laws of this state operated by, for, or on behalf of a state or any subdivision thereof;

D. all motor vehicles which bear base license plates issued by the state of Minnesota or by states with which Minnesota has reciprocal agreements relating to motor fuel taxes. The commissioner of public safety will be furnished a list of such states and notified of any new agreements entered into or any cancellation of agreements now in existence.

Subp. 3. Temporary authorizations. Any person not having a valid trip permit or who is not licensed as a motor carrier who, because of unforeseen circumstances, is required to operate a commercial motor vehicle in this state may obtain temporary authorization for operating a commercial motor vehicle in Minnesota by one of the following procedures:

A. A telegram may be sent to the Petroleum Division, Department of Revenue, requesting either a motor carrier license or a trip permit, together with a Western Union money order payable to the commissioner of revenue for the amount of either \$10 in the case of a motor carrier license or \$5 in the case of a trip permit. The copy of the telegram and the money order receipt shall be carried in the cab of the vehicle while it is operated in Minnesota.

B. A trip permit may be purchased through a service company authorized by the state of Minnesota to sell trip permits. An electronically transmitted facsimile of the trip permit shall be carried in the cab of the vehicle while it is operated in Minnesota.

No more than three trip permits may be issued during any calendar year.

Subp. 4. Reports of motor carriers and payment of tax. All motor carriers are required to file a road tax report each calendar quarter. The motor carrier's report shall be for a complete three-month period and is due to be filed by the last day of April, July, October, and January. The report shall be on a form prescribed and furnished by the commissioner of revenue. All reports must be accompanied by a remittance for the full amount of the tax shown to be due on the report. If no travel takes place in Minnesota during any quarter, a report must still be filed, with the word "None" written in the appropriate column on line 4 of the return. The person who is responsible for the payment of the motor fuel used in the vehicle is liable for the filing of the report whether the vehicle is owned or leased by him.

Subp. 5. Annual affidavit instead of quarterly report. The commissioner may exempt from the quarterly reporting requirements those motor carriers all or substantially all of whose mileage is within the state of Minnesota and require in such instances an annual affidavit attesting to the intrastate or substantially intrastate character of their operations provided that the enforcement of this law is not adversely affected thereby and that the commissioner is satisfied that an equitable amount of motor fuel is purchased in Minnesota by such carriers. The affidavit shall be on a form prescribed and furnished by the commissioner.

Subp. 6. Records and invoices. An accurate record must be kept by all motor carriers of the following:

A. the miles traveled within and without Minnesota;

B. the miles traveled in Minnesota;

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C. the number of gallons of fuel used in the entire operation within and without Minnesota; and

D. the number of gallons of fuel purchased in Minnesota.

Subp. 7. **Substantiation.** To substantiate the purchases of fuel in Minnesota, the original invoices or receipts must show the following:

A. date of purchase;

B. name and location of seller printed thereon;

C. name and address of purchaser;

D. kind of product;

E. number of gallons;

F. price per gallon;

G. total sales price.

Subp. 8. **Three-year retention.** All records and invoices must be retained for a period of at least three years.

Subp. 9. **Surrender of motor carrier license.** When the motor carrier shall voluntarily or involuntarily sell, dispose of, or discontinue his business, he shall immediately notify the commissioner in writing and shall within ten days surrender his motor carrier license together with all copies of such license.

Subp. 10. **Enforcement powers.** The officers of the Minnesota highway patrol shall assist the commissioner of revenue in the enforcement of the provisions of the road tax act. Prosecution for violation of the road tax act may be commenced in the county in which the violation occurred or in Ramsey County.

Statutory Authority: *MS s 296.27*