

1 Department of Revenue

2

3 Adopted Permanent Rules Relating to Motor Fuels Taxation

4

5 Rules as Adopted

6 8125.0200 TERMINAL RECORDS AND REPORTS.

7 [For text of subs 1 and 2, see M.R.]

8 Subp. 3. **Manifests to be furnished.** A manifest or a bill
9 of lading shall be issued for each withdrawal from a terminal in
10 this state at the time of such withdrawal. Manifests or bills
11 of lading shall show the following information: state tax
12 number, date shipped, name of carrier, origin (point of
13 loading), name of supplier, name and address of distributor who
14 will report and pay the tax (consignee), destination, kind of
15 product, and number of gallons. The state tax number may be the
16 manifest or bill of lading number if designated as the state tax
17 number. The required information contained in the manifest or
18 bill of lading shall be filed with the commissioner either as a
19 legible duplicate copy of each manifest or bill of lading, or in
20 any other format approved by the commissioner. The commissioner
21 will approve alternative formats provided they contain the
22 required information and are presented in an organized and
23 readable manner.

24 No petroleum product shall be loaded into a tank car, the
25 cargo tank of a tank truck, or a truck transport at any terminal
26 located outside the state for shipment to a Minnesota
27 destination unless the distributor who will report and pay the
28 tax (consignee) shall require that a manifest or bill of lading
29 be issued showing the following information: state tax number,
30 date shipped, name of carrier, origin (point of loading), name
31 of supplier, name and address of consignee, destination, kind of
32 product, and number of gallons. The state tax number may be the
33 manifest or bill of lading number if designated as the state tax
34 number. The required information contained in the manifest or
35 bill of lading shall be filed with the commissioner either as a

1 legible duplicate copy of each manifest or bill of lading, or in
2 any other format approved by the commissioner. The commissioner
3 will approve alternative formats provided they contain the
4 required information and are presented in an organized and
5 readable manner.

6 8125.0300 TRANSPORT REQUIREMENTS.

7 [For text of subpart 1, see M.R.]

8 Subp. 2. [See repealer.]

9 Subp. 3. [See repealer.]

10 Subp. 4. [See repealer.]

11 Subp. 5. **Diversions to be reported.** Any supplier or
12 transporter of petroleum products who diverts a shipment to any
13 other destination than that which is listed on the manifest
14 shall notify the commissioner within a reasonable time, setting
15 forth the manifest number (state tax number), date, kind of
16 product, number of gallons, the consignee to whom the shipment
17 has been diverted, and the final destination.

18 Subp. 6. [See repealer.]

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

24 8125.0400 DISTRIBUTOR RECORDS.

25 [For text of subpart 1, see M.R.]

26 Subp. 2. **Sales invoices.** A sales invoice shall be made
27 for each bulk sale of petroleum products at the time of the
28 sale, regardless of gallonage. All sales invoices issued for
29 bulk sales shall be machine-numbered serially with numbers of at
30 least three digits, and shall show the following: name and
31 address of distributor printed or rubber-stamped upon the
32 invoice, date of sale, name and address of the purchaser, kind
33 of product, price per gallon, number of gallons, and rate and
34 amount of tax if any. The words "bulk sale," as used in this
35 part, shall mean any sale of a petroleum product dispensed into

1 a fixed or portable storage tank. When issued for the purpose
2 of securing refunds or credits of the Minnesota gasoline tax,
3 the invoices shall, in addition to the aforementioned
4 requirements, be prepared at least in duplicate, and one copy
5 shall be given to the purchaser.

6 When issued for other than bulk sales and for the purpose
7 of securing refunds or credits of the Minnesota gasoline tax,
8 the invoices or receipts shall show the names and locations of
9 the seller and purchaser, date of purchase, number of gallons,
10 total price, and type of equipment in which the fuel is to be
11 consumed.

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

15 [For text of subp 3, see M.R.]

16 Subp. 4. **Records to be retained.** Copies of all manifests,
17 bills of lading, invoices, delivery tickets, and tax returns
18 required to be filed pursuant to Minnesota Statutes, chapter
19 296, as well as all other records relating to the purchase,
20 transfer, sales, and use of petroleum products and special fuel,
21 shall be retained for a period of four years.

22 8125.0410 DISTRIBUTOR'S LICENSES.

23 Subpart 1. **Exemption from depositing securities or filing**
24 **a bond.** The commissioner will determine which distributor
25 license applicants are financially responsible and, as a result,
26 qualify for the statutory exemption from depositing securities
27 or filing a bond, by taking into consideration all relevant
28 factors. Those factors include the following:

29 A. whether the applicant's financial statement
30 reflects that the applicant's current assets are at least equal
31 to its current liabilities and that the applicant's net worth is
32 at least three times its average quarterly motor fuel tax
33 liability;

34 B. whether the applicant has failed to file or has
35 been delinquent in filing any motor fuel tax returns;

1 C. whether the applicant has ever failed to pay its
2 motor fuel tax liability, paid it late, or paid with a check
3 that was later returned by the bank unpaid; and

4 D. any other evidence of the financial responsibility
5 of the applicant.

6 Subp. 2. **Seizure.** The seizure authorized by Minnesota
7 Statutes, section 296.165, will be performed by the commissioner
8 of revenue or authorized designee in cases where there is an
9 intent to evade the tax imposed by Minnesota Statutes, chapter
10 296. Intent to evade the tax will be presumed if the manifest
11 either does not list a shipper or lists a shipper not a licensed
12 distributor under Minnesota Statutes, chapter 296, and the
13 consignee is not listed or is not a licensed distributor under
14 Minnesota Statutes, chapter 296.

15 8125.0500 DISTRIBUTOR AND DEALER CREDITS AND REFUNDS.

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

19 [For text of items A to C, see M.R.]

20 D. under clauses (4) and (5), credit shall be taken
21 only when supported by a credit memorandum issued by the
22 commissioner. Such credit memorandum will reflect the
23 adjustment for the allowance for evaporation and loss;

24 E. under clause (6), credit shall be taken after
25 computing the allowance for evaporation and loss.

26 [For text of subp 2, see M.R.]

27 8125.0600 DEALER RECORDS.

28 [For text of subpart 1, see M.R.]

29 Subp. 2. **Sales invoices.** When issued for the purpose of
30 securing refunds or credits of the Minnesota gasoline tax, sales
31 invoices representing bulk sales shall be machine-numbered
32 serially with numbers of at least three digits, and shall show
33 the following: name and address of the dealer printed or
34 rubber-stamped upon the invoice, date of sale, name and address
35 of the purchaser, kind of product, price per gallon, number of

1 gallons, and rate and amount of tax. They shall be prepared at
2 least in duplicate and one copy shall be given to the
3 purchaser. The words "bulk sale," as used in this part, shall
4 mean any sale of a petroleum product dispensed into a fixed or
5 portable storage tank.

6 When issued for other than bulk sales and for the purpose
7 of securing refunds or credits of the Minnesota gasoline tax,
8 the invoices or receipts shall show the names and locations of
9 the seller and purchaser, date of purchase, number of gallons,
10 total price, and type of equipment in which the fuel is to be
11 consumed.

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

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

19 Subp. 3. [See repealer.]

20 8125.0700 SPECIAL FUEL REQUIREMENTS.

21 Subpart 1. [See repealer.]

22 Subp. 2. **Sales invoices.** Sales invoices issued for sales
23 of special fuel made by a distributor or a special fuel dealer
24 shall bear the name and address of the purchaser, date of sale,
25 type of product, number of gallons, price per gallon, and total
26 amount of sale. Sales invoices shall have the name and address
27 of the distributor or special fuel dealer making the sale
28 printed or rubber-stamped thereon and shall be machine-numbered
29 serially with numbers of at least three digits and issued in
30 sequence. A separate sales invoice book shall be maintained for
31 special fuel sales, and one copy of each such sales invoice
32 shall be retained in the special fuel sales invoice book, unless
33 otherwise authorized by the commissioner. Sales invoices issued
34 for fuel other than for use as special fuel shall show the kind
35 of fuel, type of equipment in which the fuel is to be consumed,

1 and the name and address of the purchaser.

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

5 A. through a mechanical accumulating meter in working
6 order, meter readings on each pump through which special fuel is
7 dispensed; and

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

10 Subp. 4. **Users' records and reports.** All users of special
11 fuel shall keep a true and accurate record of all purchases,
12 sales, transfers, and use of special fuel and shall retain all
13 such records for a period of four years.

14 Subp. 5. [See repealer.]

15 Subp. 6. [See repealer.]

16 Subp. 7. **Records to be retained.** Copies of all manifests,
17 bills of lading, invoices, sales and delivery tickets, tax
18 returns required to be filed pursuant to Minnesota Statutes,
19 chapter 296, as well as all other records relating to the
20 purchase, transfer, sales, and use of special fuel, shall be
21 retained for a period of four years.

22 [For text of subp 8, see M.R.]

23 Subp. 9. [See repealer.]

24 8125.1300 REFUNDS AND CREDITS.

25 Subpart 1. **Ethanol development fund.** When the total
26 claims made by producers of ethanol or wet alcohol under
27 Minnesota Statutes, section 41A.09, subdivision 3, in any
28 quarter exceed the remaining money allowed to be paid from the
29 fund for that fiscal year or biennium, the commissioner shall
30 reduce all claims proportionately. Each claimant shall receive
31 a portion of the available money based on the percentage that
32 the claimant's allowable claims in the quarter bears to all
33 allowable claims in the quarter. Allowable claims do not
34 include any portion of a claim which, if paid, would allow the
35 claimant total payments in excess of the maximum annual payments

1 allowable to a claimant in a fiscal year.

2 Claims for payment may be made only for ethanol or wet
3 alcohol produced during the three calendar months preceding the
4 month the claim is required to be filed. No payments will be
5 made for claims filed after the due date.

6 Once the total amount of money appropriated to the fund for
7 a fiscal year or biennium has been paid, no further payments
8 will be made in that fiscal year or biennium. Unpaid claims may
9 not be carried forward to a future year.

10 Subp. 2. **Public transit systems.** The exemption from the
11 gasoline excise tax for gasoline purchased by a transit system
12 in Minnesota Statutes, section 296.02, subdivision 1a, applies
13 only to gasoline purchased by a transit system which is actually
14 used by the transit system for purposes necessary in carrying
15 out its responsibility to provide public transportation as
16 defined in Minnesota Statutes, sections 174.24 and 473.384.
17 Gasoline that is used for purposes that are not necessary in
18 carrying out the transit system's responsibility to provide
19 public transportation is not exempt from taxation.

20 Subp. 3. **Gasoline used in aircraft.** Refunds for gasoline,
21 other than aviation gasoline, purchased and used to produce or
22 generate power for propelling aircraft shall be issued only to
23 those claimants who have received approval to use such gasoline
24 from the Federal Aviation Administration as evidenced by a
25 supplemental type certificate.

26 8125.1400 ROAD TAX.

27 Subpart 1. [See repealer.]

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

30 A. all trucks having a gross weight of 26,000 pounds
31 or less;

32 B. all motor vehicles having three or more axles on
33 which is permanently mounted a corn sheller, feed grinder, back
34 hoe, crane, well-drilling machine, or other similar equipment
35 and the use of which on the public highways of this state is

1 only for transporting the special equipment to and from the site
2 of operation.

3 Subp. 3. [See repealer.]

4 Subp. 4. **Reports of motor carriers and payment of tax.**

5 All reports must be accompanied by a remittance for the full
6 amount of the tax shown to be due on the report. If no travel
7 takes place in Minnesota during any quarter, a report must be
8 filed, with the word "None" written in the appropriate column on
9 line 4 of the return. The person who is responsible for the
10 payment of the motor fuel used in the vehicle is liable for the
11 filing of the report whether the vehicle is owned or leased.

12 Subp. 5. **Annual return.** If a motor carrier has a road tax
13 liability of less than \$1,000 in a base year, the motor carrier,
14 for the qualifying year, may elect to file an annual return and
15 make an annual payment of the tax due, and is thereafter
16 relieved from filing quarterly returns and making quarterly
17 payments under Minnesota Statutes, section 296.17, subdivision
18 11. The annual return and payment are due on or before the last
19 day of January of the calendar year following the calendar year
20 the road tax liability accrued. The Department of Revenue,
21 applying the criteria of this subpart, will annually determine
22 which motor carriers are eligible to file an annual return and
23 notify those motor carriers who qualify. Motor carriers who
24 have not filed all road tax returns and paid all road tax due
25 for the base year are not eligible to file an annual return.
26 Only those motor carriers so notified by the Department of
27 Revenue are eligible to elect to file an annual return. At the
28 time of notification, eligible motor carriers may still elect to
29 file returns and make payments quarterly. Motor carriers who
30 make an election are required to make all returns and payments
31 required by Minnesota Statutes, section 296.17, in the calendar
32 year for which the election was made, and are subject to all
33 applicable penalties. Motor carriers who elect to file annually
34 may file refund claims annually, but not quarterly.

35 "Base year" means the most recent period of four
36 consecutive quarters for which the Department of Revenue has

1 compiled data on all motor carriers road tax for that period.
2 The first base year is the four-consecutive quarter period
3 beginning October 1990 and ending September 1991.

4 "Qualifying year" means the calendar year for which the
5 Department of Revenue notifies the motor carrier that it is
6 eligible to file an annual return. The first qualifying year is
7 the 1992 calendar year.

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

- 10 A. the miles traveled within and without Minnesota;
11 B. the miles traveled in Minnesota;
12 C. the number of gallons of fuel used in the entire
13 operation within and without Minnesota; and
14 D. the number of gallons of retail and bulk fuel
15 purchased in Minnesota.

16 [For text of subp 7, see M.R.]

17 Subp. 8. [See repealer.]

18 [For text of subps 9 and 10, see M.R.]

19 REPEALER. Minnesota Rules, parts 8125.0300, subparts 2, 3, 4,
20 and 6; 8125.0600, subpart 3; 8125.0700, subparts 1, 5, 6, and 9;
21 8125.0800; and 8125.1400, subparts 1, 3, and 8, are repealed.