

Dyed Diesel Fuel User Tax Return Information and Instructions

INFORMATION:

Tax returns must be filed annually or quarterly. Payment of the net amount owed the state (Line 17) must accompany the return. Tax returns must be postmarked by the twenty-fifth of the month following the reporting period.

Round all reported gallons to the nearest whole gallon. Negative figures are not allowed on Lines 1 through 7 or on Schedules A and B. Negative or credit dollar amounts must be enclosed in parentheses.

RECORDS YOU WILL NEED:

Records must be kept for five (5) years for all Dyed Diesel Fuel received or used for your own consumption.

You must maintain detailed mileage and fuel consumption records on all licensed vehicles. These records shall include both on and off-highway usage of Dyed Diesel Fuel on a daily basis for each vehicle.

Information provided on this return may be disclosed to the Internal Revenue Service.

NOTE: This form is only used to report your purchases and use of Dyed Diesel Fuel. Report only Dyed Diesel Fuel purchased and used in Washington or withdrawn from Washington storage. For all Non-Dyed Diesel Fuel purchased and used in a non-taxable manner, you must submit a separate refund claim form to the Department. For more information please contact the Refunds Section at (360) 664-1838.

TAX RETURN INSTRUCTIONS:

NOTE: It is advisable to complete Schedules A and B prior to entering amounts on the tax return as several entries come from these schedules.

- A. Enter the year and check the box that corresponds to your reporting period.
- B. Place an "X" in each box that applies.
 - **No Operations:** If you had no Dyed Diesel Fuel activity during the reporting period, you must still file a tax return to avoid revocation of your Dyed Diesel Fuel User license.
 - **Amended Returns:** Corrections made for a previous tax reporting period must be made on a separate tax return and not incorporated into the current tax return. On an **amended tax return**, fill out the form completely, rather than solely the changed amounts.

Amended returns require payment of penalty (Line 10) and interest (Line 12), if taxes are due.

- **Late Returns:** Late returns require payment of penalty (Line 10) and interest (Line 12), if taxes are due.
- **Name Change:** You must provide your current name. If you have just purchased or incorporated your business, a new application for license must be completed.
- **Address Change:** Please provide both the correct physical and mailing address(es).

C. Your **NAME, LICENSE NUMBER** and **ADDRESS** must appear on the tax return. If the tax return is **NOT** pre-printed, type or print the name and license number as shown on your Dyed Diesel Fuel User license.

D. **Cancel License:** To cancel your license, place an "X" in the box and indicate an effective date. This date must be the actual date you ceased business operation or the date you wish to surrender your license. A tax return must be submitted through the effective date of cancellation. All fuel taxes must be paid on remaining inventory.

Line 1. Enter your physical Dyed Diesel Fuel inventory in bulk storage (in Washington only) at the beginning of the reporting period. This amount must be the same as your ending inventory reported on your previous return.

Line 2. Enter total Dyed Diesel Fuel received (Total from Schedule A).

Line 3. Enter your physical Dyed Diesel Fuel inventory in storage (in Washington only) at the end of the return period.

Line 4. Enter total accountable gallons (Line 1 plus Line 2 minus Line 3).

Line 5. Enter tax exempt gallons used (Total from Schedule B).

Line 6. Enter taxable gallons (Line 4 minus Line 5).

Line 7. Enter number of Dyed Diesel Fuel gallons claimed for power take-off credit. Prepare the Supplemental Support Schedule of PTO and Power Pumping Credits.

Line 8. Net taxable gallons (Line 6 minus Line 7).

Line 9. Compute the Dyed Diesel Fuel Tax (Line 8 times fuel tax rate).

PENALTY COMPUTATION

Line 10. If taxes are owed on Line 9, and you are filing a late tax return (i.e., it's postmarked after the due date), you will owe a penalty. To compute the penalty, multiply Line 9 times 10% and enter the result on Line 10.

For an **amended** return, compute Line 9 minus any amounts paid on or before the original due date of the return. If the result is zero or less, no additional interest or penalty is due. If the result is greater than zero, multiply this amount by 10%.

Line 11. Enter the sum of Line 9 plus Line 10.

Line 12. If Line 11 is greater than zero, multiply that amount by 1% (compound interest) times the number of months the tax return is late. A partial month is considered a full month. No interest is due if the return is postmarked within the same month in which it was due.

For an **amended** return:

- (a) deduct any amounts paid on or before the original due date of the tax return from Line 9.
- (b) add the amount from Line 10.
- (c) multiply the result by 1% (compound interest) times the number of months the tax return is late.

Line 13. Enter the total fuel tax liability (Line 11 plus Line 12).

Line 14. Enter all previous payments made for this reporting period.

Line 15. If net taxable gallons are owing on Line 8 (i.e., Line 8 is more than zero), multiply the gallons on Line 8 by the current sales tax allowance rate and enter the amount on Line 15 in parenthesis. This is the amount of sales tax credit being refunded to you. If Line 8 is a negative figure reflecting an overpayment of net tax due, multiply the gallons on Line 8 by the current sales tax allowance rate and enter the amount on Line 15. This is the amount you owe for sales tax.

IMPORTANT NOTE: You can claim the standard allowance rate (Line 8 times the Sales Tax Rate), OR if your records substantiate an amount different than the standard formula used above, you may claim that amount on Line 15. If you claim anything other than the standard formula, a Supplemental Sales Tax Computation Schedule must be attached to this return to document the amount being claimed or owing for sales tax on Line 15.

Line 16. Total of Line 14 plus Line 15

Line 17. If the total of Line 13 minus Line 16 is greater than zero, this is the net amount owed. Attach your check payable in United States funds to the Washington State Treasurer.

Line 18. If the total of Line 13 minus Line 16 is less than zero, enter the refund amount.

If the credit is \$2,000 or more, copies of Washington tax paid invoices must accompany the tax return. The Department **MAY** request copies of invoices to support refund claims for less than \$2,000. Original invoices must be retained for audit purposes.

PLEASE SIGN, DATE, PROVIDE TITLE AND TELEPHONE NUMBER (including area code) OF PERSON SIGNING. **INCLUDE A CONTACT NAME AND PHONE NUMBER.**

INSTRUCTIONS FOR COMPLETING SCHEDULE A

Line A1. Enter **ALL** Dyed Diesel Fuel gallons purchased.

Line A2. Enter **ALL** other Dyed Diesel Fuel gallons received in Washington from any other source.

Transfer the total fuel received (Lines A1 through A2) to Line 2 on the tax return.

INSTRUCTIONS FOR COMPLETING SCHEDULE B

Line B1. Enter number of Dyed Diesel Fuel gallons placed into exempt vehicles from Washington sources. Examples of vehicles that are exempt the Washington State Special Fuel Tax:

- a. Motor vehicles owned and operated by the State of Washington or any county or municipality, which are used for street and highway construction and maintenance purposes;
- b. Publicly owned fire-fighting equipment;
- c. Publicly owned urban passenger transportation vehicles as defined by RCW chapters 81.68 and 81.70.

Line B2. Enter number of off-highway Dyed Diesel Fuel gallons used in Washington by licensed vehicles.

Line B3. Enter number of Dyed Diesel Fuel gallons placed into non-highway equipment.

Line B4. Enter any other Dyed Diesel Fuel gallons used for tax exempt purposes and attach explanation.

Transfer the total of gallons used (Lines B1 through B4) to Line 5 on the tax return.

Mail the tax return (with payment, if applicable) to:

Department of Licensing
Fuel Tax Section
PO Box 9048
Olympia, WA 98507-9048

For information call (360) 664-1852

The Department of Licensing has a policy of providing equal access to its services. If you need special accommodation, please call (360) 902-3600 or TTY(360) 664-8885.