

IFTA Special Fuel Authorization Tax Return Information and Instructions

Tax returns must be filed quarterly. Payment of the net amount owed the state (Line 18) must accompany the return. Tax returns must be postmarked by the last day 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 8 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 Special 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 Special Fuel on a daily basis for each vehicle.

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

Tax return instructions

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, quarter, and account number.

B. Place an "X" in each box that applies.

- **No operations:** If you had no activity during the reporting period, you must still file a tax return to avoid revocation of your IFTA Special Authorization 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 11) and interest (Line 13), if taxes are due.
- **New address:** Please provide both the correct physical and mailing addresses.
- **Late return:** Late returns require payment of penalty (Line 11) and interest (Line 13), if taxes are due.
- **Name change:** If you have just purchased or incorporated your business, a new application for license must be completed.
- **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.

C. Enter your name and address on the tax return.

- Line 1.** Enter your physical non-dyed Special Fuel inventory in bulk storage (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 fuel received (Total from Schedule A).
- Line 3.** Enter your physical non-dyed Special Fuel inventory in storage (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 6a.** Enter IFTA taxable gallons. This is the total gallons placed into IFTA vehicle fuel supply tanks in Washington.
Line 6a should agree with the WA tax paid gallons claimed on the IFTA tax return.
- Line 6b.** Enter non IFTA taxable gallons. This is the total gallons placed in non IFTA vehicle fuel supply tanks in Washington, minus any off-road fuel usage claimed on Line B1 of Schedule B.
- Line 6.** Enter the total taxable gallons (Line 6a plus Line 6b). This line should equal Line 4 minus Line 5.
- Line 7.** Enter number of Special Fuel gallons claimed for power take-off credit for both IFTA and non IFTA qualified vehicles. Prepare the supplemental support schedule of PTO and Power Pumping Credits.
- Line 8.** Enter the amount of fuel purchased in Washington on which the fuel tax was paid (Line A1 from schedule A).
- Line 9.** Enter the net taxable gallons (line 6 minus line 7 minus line 8).

- Line 10.** Compute the Special Fuel Tax (Line 9 times fuel tax rate located on the Tax Return).
- Line 11.** If taxes are owed on Line 10, 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 10 times 10% and enter the result on Line 11.
- For an **amended** return, compute Line 10 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 12.** Enter the sum of Line 10 plus Line 11.
- Line 13.** If Line 12 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. Interest is due the first day of the month following the payment due date.
- For an **amended** return:
- Deduct any amounts paid on or before the original due date of the tax return from Line 10.
 - Add the amount from Line 11.
 - Multiply the result by 1% (compound interest) times the number of months the payment is late.
- Line 14.** Enter the total fuel tax liability (Line 12 plus Line 13).
- Line 15.** If this is an amended tax return, enter all payments applicable for this reporting period.
- Line 16.** If net taxable gallons are owing on Line 9 (i.e., Line 9 is greater than zero), multiply the gallons on Line 9 by the current sales tax allowance rate and enter the amount on Line 16 in parenthesis. This is the amount of sales tax credit being refunded to you.
- If Line 9 is a negative figure reflecting an overpayment of net tax due, multiply the gallons on Line 9 by the current sales tax allowance rate and enter the amount on Line 16. This is the amount you owe for sales tax.
- Important note:** You can claim the standard allowance rate (Line 9 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 16. 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 16.
- If you are exempt the sales tax, please state this on Line 16 and attach an Exemption Certificate.
- Line 17.** Enter the total of line 15 plus line 16.
- Line 18.** If the total of Line 14 minus line 17 is greater than zero, this is the net amount owed.
- Line 19.** If the total of Line 14 minus line 17 is less than zero, this is 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.

Complete the signature required area before mailing.

Instructions for completing Schedule A

- Line A1.** Enter all Special Fuel gallons purchased on which you have paid the Washington Special Fuel Tax. Transfer the total of Line A1 to Line 8 of the tax return.
- Line A2.** Enter all Special Fuel gallons received from Washington licensed suppliers and importers on which you have not paid the Washington Special Fuel Tax.
- Line A3.** Enter all other Special Fuel gallons received from any other source within Washington on which you have not paid the Washington Special Fuel Tax.

Transfer the total fuel received (lines A1 through A3) to Line 2 on the tax return.

Record of off-highway use by non-IFTA vehicles. Record the mileage and fuel totals for all vehicles that are not reported on the IFTA tax return.

Instructions for completing Schedule B

- Line B1.** Enter the number of off-highway Special Fuel gallons used in Washington by non-IFTA qualified vehicles. The total should equal Line D divided by Line C.
- Line B2.** Enter the number of Special Fuel gallons placed into non-highway equipment.
- Line B3.** Enter any other Special Fuel gallons used for tax exempt purposes and attach explanation.
- Transfer the total of gallons used (lines B1 through B3) to Line 5 on the tax return.