New York State Department of Taxation and Finance

Instructions for Form PT-102

Tax on Diesel Motor Fuel, and for Supporting Schedules (Forms PT-102.1 through PT-102.3)

PT-102-I
(1/98)

General Information

If you are an exempt organization that has established its status as an exempt organization under section 1116(a) of the Tax Law, and any motor fuel, diesel motor fuel or residual petroleum product that you import into New York State is consumed exclusively by you, then you are not subject to the Article 13-A tax on petroleum products (do not complete Parts B and C of Form PT-102).

Diesel motor fuel is composed of two general subcategories of product, *unenhanced diesel product* and *enhanced diesel product.*

The specific fuels making up the unenhanced diesel product category include fuel oil, kero-jet fuel, and kerosene and water-white kerosene (K-1). This category does not include industry-standard No. 4 diesel fuel (see notice N-89-63 for the definition of industry standard No. 4 diesel fuel)

The specific fuels making up the enhanced diesel product category include diesel fuel, No. 1 diesel fuel, enhanced No. 2 fuel oil (the blended product that results from mixing No. 2 fuel oil with kerosene or a cetane improver to make the fuel oil more suitable to operate in a motor vehicle diesel engine) and any product designated as diesel motor fuel.

You may reproduce (e.g., computer-generate) Forms PT-102.1 and PT-102.3 provided the form is clearly identified and contains all of the information (including form number, distributor's name, identification number, etc.) requested on the original form, and the information is in the same format.

Inventory and Purchases (lines 1 through 7)

Line 1 – Enter the total number of gallons of your diesel motor fuel on hand at the beginning of the month at storage facilities in New York State. It should be the same amount as that reported by you on line 6 of Form PT-102 filed for the preceding month. Do **not** include:

- gallons held in filling stations (however, include water-white kerosene (K-1) held for sale exclusively to consumers for heating purposes in containers of no more than 20 gallons); and
- gallons held in repositories equipped with a hose or other apparatus that can dispense fuel into a motor vehicle.

Line 2 – Enter the total number of gallons from Form PT-102.1, Part I, *Receipts in New York State From Sources Outside New York State.*

Line 3 – Enter the total number of gallons (column A plus column B) from Form PT-102.1, Part II, *Receipts in New York State From Sources Within New York State.*

Line 4 – Enter the total number of gallons of nondiesel motor fuel substances such as cetane improvers that were added to and increased your overall inventory of diesel motor fuel.

Line 6 – Enter the total number of gallons of your diesel motor fuel on hand at the end of the month at storage facilities in New York State. This figure cannot be a negative amount. An "accommodation sale" must be treated as a purchase and a sale. Do **not** include:

- gallons held in filling stations (however, include water-white kerosene (K-1) held for sale exclusively to consumers for heating purposes in containers of no more than 20 gallons); and
- gallons held in repositories equipped with a hose or other apparatus from which fuel can be dispensed into a motor vehicle.

Part A - Computation of the Article 12-A Diesel Motor Fuel Tax (lines 8 through 24)

Line 8 – Enter the total number of gallons from Form PT-102.1, Part III, *Sales of Unenhanced Diesel Product to Persons Registered Under Article 12-A for Diesel Motor Fuel.*

Line 9 – Enter the total number of gallons from Form PT-102.1, Part IV, *Sales to United States Government, New York State and Municipalities.*

Line 10 – Enter the total number of gallons from Form PT-102.1, Part VI, *Exempt Sales on Indian Reservations.*

Line 11 – Indicate the total number of gallons from Form PT-102.2, Part I, *Transfers Out of New York State*, prepared for each state and Canadian province.

Line 12 – Enter the total number of gallons from Form PT-102.2, Part II, *Sales in New York State for Immediate Export*, that was prepared for each state and Canadian province.

Line 13 – Enter the total number of gallons of diesel motor fuel sold in New York State to farmers upon which you did not pass through the taxes. You must have Form FT-1004, *Farmers' Exemption Certificate for Purchases of Diesel Motor Fuel/Residual Petroleum Product*, on file to cover such sales. Also, if you are a farmer, include gallons you used for farming.

Line 14 – Enter the total number of gallons of water-white kerosene (K-1) upon which the tax has not been passed through to the purchaser and that was 1) delivered to filling stations (other than your own) where the water-white kerosene (K-1) is for sale exclusively to consumers for heating purposes in containers of no more than 20 gallons, or 2) sold at your own filling stations to consumers for heating purposes in containers of no more than 20 gallons.

Line 15 – Enter the total number of gallons of kero-jet fuel sold to airlines. Airlines registered as distributors should also report kero-jet fuel taken from inventory that was used in their airplanes during the reporting period. Do not include sales of kero-jet fuel to nonairline operators.

Line 16 – Enter the total number of gallons of untaxed and unenhanced diesel motor fuel sold to consumers for heating or production purposes and the total number of gallons of enhanced diesel motor fuel sold to consumers exclusively for heating purposes and delivered into a storage tank attached to a heating unit. You must have Form FT-1025, *Certificate for Exemption from Certain Taxes Imposed on Diesel Motor Fuel*, on file for each such sale of enhanced diesel motor fuel over 4,500 gallons upon which the tax was not passed through. Also include the total gallons you used for heating and production. Do not include sales made from filling stations.

Line 17 – Enter the total number of gallons of diesel motor fuel that were gained or lost due to evaporation, shrinkage and handling at bulk storage facilities (other than retail service stations). You must maintain records to substantiate such gains or losses. In addition, you may include on this line the total gallons of diesel motor fuel lost due to a casualty, provided the loss has been approved by the Tax Department. You must submit a report of casualty loss within 24 hours to the NYS Tax Department, TTTB-FACCTS, Fuels Audit Unit, W A Harriman Campus, Albany NY 12227-0250, requesting to include the loss on your tax return.

Line 20 – Enter the total number of gallons of diesel motor fuel included on lines 1, 2 or 3 that you purchased with diesel motor fuel tax passed through to you and that:

- you sold or used during the reporting period (other than gallons sold from your own filling stations during the reporting period), or
- you or your supplier delivered during the reporting period to your filling stations or your repositories equipped with a hose or other apparatus that can dispense fuel into a motor vehicle.

Line 22 - Adjustments – Enclose in brackets all gallon amounts that are being subtracted. Enter the net number of gallons of diesel motor fuel from the following:

- diesel motor fuel sold at your filling station(s) to consumers in containers of 10 gallons or less for heating purposes upon which you have not passed through the taxes. This figure should be subtracted from line 21 when computing line 23.

  Do not include sales of water-white kerosene (K-1) that are reportable on line 14.
- diesel motor fuel that you withdrew from your diesel motor fuel inventory during the month to compound or blend with any product to produce No. 4 diesel fuel or any nondiesel product (e.g., No. 2 fuel oil used to blend with No. 6 residual fuel oil to produce No. 4 diesel fuel). This figure should be subtracted from line 21 when computing line 23. You must keep records of any disposition of No. 4 diesel fuel or any nondiesel product that you blended using diesel product that you withdrew from your inventory. In addition, you must indicate whether the gallons compounded or blended were for sale or for self-use.
- bulk inventory gains of diesel motor fuel sold or used. This figure should be added to line 21 when computing line 23.
- adjustments (in gallons) from prior periods. Subtract a credit or add a debit to line 21 when computing line 23.

You should claim any refund/reimbursement of the diesel motor fuel tax as an adjustment (any adjustment should be subtracted from line 21 when computing line 23). You may claim these refunds/reimbursements:

- gallons of diesel motor fuel used by you in any manner except to operate a motor vehicle on the public highways of New York State or to operate a pleasure or recreational motor boat on the waterways or bordering waterways of New York State. Include gallons consumed by you off highway and in power take-off units. No credit is allowed for diesel motor fuel taken out of New York State in the fuel tank of a motor vehicle.
- gallons of diesel motor fuel consumed by you exclusively in educational related activities, if you are **both** a distributor **and** a nonpublic school operator.
- gallons of diesel motor fuel consumed by you **and** used exclusively for your purposes, if you are **both** a distributor **and** any of the following: a) a hospital (indicate the sales tax exempt number shown on your *Exempt Organization Certificate* (Form ST-119) in the explanation portion of line 22), b) a governmental entity, c) a fire company or fire department as defined in section 3 of the Volunteer Firefighter's Benefit Law, or d) a volunteer rescue squad supported in whole or in part by tax money.

Explain all adjustments in detail on this line of the tax return. Attach additional sheets, if necessary, to explain the adjustments.

Line 24 – Transfer this amount to line 3, Column A, on Form PT-100.

Part B - Computation of the Article 13-A Automotive Diesel Motor Fuel Tax (lines 25 through 48)

Line 28 – Enter the total number of gallons from Form PT-102.3, Part II, *Sales to Manufacturers for Use in Manufacturing*

Line 35 – Enter the total gallons of kero-jet fuel included in line 25 and not included in lines 26 through 33. Kero-jet fuel is exempt from the Article 13-A **automotive** diesel motor fuel tax. If you deal in kero-jet fuel, you must complete Form PT-104.

Line 36 – Enter the total number of gallons of kerosene (excluding water-white kerosene that was reported on line 34) included in the amount shown on line 25 and sold without being mixed or blended with any other product or sold for use as fuel to operate a motor vehicle.

Line 37 – Enter the total number of gallons of other diesel motor fuel (other than kerosene that has not been mixed or blended with any other product) included in the amount shown on line 25, sold for heating or production purposes. Do not include enhanced diesel motor fuel sold for production purposes or any amount that is included on lines 26 through 33.

Line 42 – Enter the total number of gallons of diesel motor fuel you withdrew from your inventory to compound or blend with any other product to produce No. 4 fuel oil or any other residual petroleum product. Also include this figure in line 4 of Form PT-103.

Line 44 - Other adjustments – Enclose in brackets all gallon amounts that are being subtracted. Enter the net number of gallons of diesel motor fuel from the following:

- Diesel motor fuel sold at your filling station(s) to consumers in containers of 10 gallons or less for heating purposes upon which you have not passed through the petroleum business tax. This figure should be subtracted from line 43 when computing line 45. Do not include sales of water-white kerosene (K-1) that are reportable on line 34.
- Bulk inventory gains (losses) of diesel motor fuel sold or used. This figure should be added to (subtracted from) line 43 when computing line 45. See instructions for line 17 regarding required substantiation.
- Diesel motor fuel purchased by you before September 1, 1990, and "sold, used or transferred" during this month where the diesel motor fuel was subject to the Article 12-A tax and, because you were registered under Article 13-A as a petroleum business, no petroleum business tax was charged by your supplier. This figure should be added to line 43 when computing line 45.
- Diesel motor fuel included in the amount on line 43 purchased by you before September 1, 1990, and "sold, used or transferred" during this month where the Article 13-A gross receipts tax was included in your cost because you were not registered as a petroleum business under Article 13-A. This figure should be subtracted from line 43 when computing line 45.
- Adjustments (in gallons) from prior periods. Subtract a credit or add a debit to line 43 when computing line 45.

Explain fully in the space provided. Attach additional sheet(s) if necessary.

Line 47 – Enter the total number of gallons from Form PT-102.3, Part III, *Sales to Railroads for Use as Railroad Diesel,* in the gallonage box on line 47.

Line 48 – Transfer this amount to line 3, Column B, on Form PT-100.

Part C - Computation of the Article 13-A Nonautomotive Diesel Motor Fuel Tax (lines 49 through 56)

Line 50 – Enter the total number of gallons included in the line 49 amount that were sold or used by you for residential heating purposes.

Line 52 - Other adjustments – Enclose in brackets all gallon amounts that are being subtracted. Enter the net number of gallons of diesel motor fuel from the following:

- Diesel motor fuel included in the amount on line 51 purchased by you before September 1, 1990, and "sold, used or transferred" during this month where the Article 13-A gross receipts tax was included in your cost because you were not registered as a petroleum business under Article 13-A. This figure should be subtracted from line 51 when computing line 53.
- Adjustments (in gallons) from prior periods. Subtract a credit or add a debit to line 51 when computing line 53.

Explain in the space provided. Attach additional sheet(s) if necessary.

Line 55 – Enter the number of gallons of diesel motor fuel included on line 53 less any fuel that was sold to an electric corporation for use in manufacturing or producing electricity for sale; and fuel sold to an electric corporation by use of a direct pay permit. If you are an electric corporation, you may not include

unenhanced diesel motor fuel that you used in fueling generators for the purpose of manufacturing or producing electricity. Only include gallonage that was included for the first time in the measure of the petroleum business tax on or after September 1, 1994.

Line 56 – Transfer this amount to line 4, Column B, on Form PT-100.

Instructions for Form PT-102.1

Diesel Motor Fuel - Schedule of Receipts and Nontaxable Sales

Part I - Receipts in New York State from Sources Outside New York State

For each out-of-state supplier from whom **you imported** diesel motor fuel during the month, enter the name and address of the supplier, the code for each product type and the total gallons of each product type that you imported.

Where diesel motor fuel has been imported from your own out-of-state facilities, enter the name and address of each facility, the code for each product type and the total gallons of each product type that you imported during the month.

Include gallons shipped directly to **any** of your own facilities, including service stations, or shipped directly to your customers in New York State.

You are the importer of diesel motor fuel if you:

1) have ownership of the fuel at the time the fuel enters New York State's jurisdiction; or
2) direct or control the importation of fuel into New York State.

Part II - Receipts in New York State from Sources Within New York State

For each supplier from whom you purchased or received diesel motor fuel in New York State, enter the name of the supplier, the supplier's Distributor of Diesel Motor Fuel registration number, the code for each product type, the total gallons of each product type that you purchased or received untaxed and the total gallons of each product type that you purchased or received with the tax passed through to you.

Include gallons shipped directly to **any** of your own facilities, including service stations, or shipped directly to your customers in New York State.

Part III - Sales of Unenhanced Diesel Product to Persons Registered Under Article 12-A for Diesel Motor Fuel

Enter the date, name, diesel motor fuel registration number, and number of gallons of unenhanced diesel product (e.g., No. 2 fuel oil, kerosene, etc.) sold to distributors of diesel motor fuel, retailers of heating oil only or distributors of kero-jet fuel only upon which the diesel motor fuel tax was not passed through. Do not include any unenhanced diesel product delivered to a filling station (other than kero-jet fuel delivered to a distributor of kero-jet fuel only) or into any other repository equipped with a hose or other apparatus that can dispense fuel into a motor vehicle (including the bulk storage tanks of distributors of diesel motor fuel and retailers of heating oil only equipped with such a hose or other apparatus).

You must have Form FT-1001, *Certificate of Sales Tax and Diesel Motor Fuel Tax Exemption for Interdistributor Transaction*, or if authorized to use, a copy of the direct pay permit, on file for each such customer.

Part IV - Sales to the United States Government, New York State and Municipalities

Enter (1) the date; (2) the name of the governmental entity to which you sold diesel motor fuel without passing through the diesel motor fuel tax; (3) the contract number or approval number; (4) the code number for each product type; and (5) the number of gallons of each product type sold.

The United States government and its agencies, and New York State and its agencies and municipalities are the only governmental entities that may purchase diesel motor fuel without paying the diesel motor fuel tax.

Part V - Sales to Exempt Organizations

Enter (1) the date (month and year); (2) the name and address of exempt organization to whom you sold unenhanced diesel motor fuel without passing through the petroleum business tax; (3) the exempt organization number; and (4) the number of gallons of unenhanced diesel fuel sold. Do not include sales for residential heating.

Only exempt organizations granted exemption from sales tax under sections 1116(a)(4) or 1116(a)(5) of the Tax Law may purchase unenhanced diesel motor fuel (No. 2 fuel oil) without paying the petroleum business tax. This fuel must be used in the furtherance of the exempt purposes of the organization and not in any unrelated business activities.

The exempt organizations must give properly completed copies of Form FT-1021-A, *Certification for Purchases of Unenhanced Diesel Motor Fuel or Residual Petroleum Product by Certain Exempt Organizations*, to their suppliers. The fuel purchased must be exclusively for the use or consumption of the exempt organization, but not on New York State highways. Additionally, purchases of unenhanced diesel motor fuel delivered into a tank equipped to fuel a motor vehicle or purchases made at a filling station **do not qualify** for the exemption.

Part VI - Exempt Sales on Indian Reservations (include sales to exempt Indian nations or tribes and qualified Indian consumers)

Enter (1) the date; (2) the name and address of the reservation dealer to whom you sold diesel motor fuel without passing through any taxes; (3) the tax-exemption coupon number for sales made to registered reservation dealers or the exempt organization number if the sale is made to an exempt Indian nation or tribe, or to a qualified Indian consumer; (4) the reservation dealer's registration number if the sale is to a registered reservation dealer; (5) the code number of each product type; and (6) the number of gallons of each product type sold.

Note: Include sales on reservations to Indian nations or tribes that have entered into an agreement with New York State to purchase diesel motor fuel tax free. Call toll free 1 800 972-1233 to receive an update on which Indian nations, tribes or reservations you may sell diesel motor fuel to, tax free. Any Indian nations or tribes that enter into an agreement with New York State will not be subject to the tax exemption coupon system. However, these sales of diesel motor fuel must be supported by the delivery tickets, invoices, or other documents.

Attach the white (department) copy of the tax-exemption coupon, Form AU-14, for each sale to a reservation dealer. These sales may not exceed the preprinted amount on the coupon.

Sales of fuel to persons not registered as reservation dealers with the Tax Department, sales not supported by a properly completed tax exemption coupon, sales made in excess of the preprinted amount listed on the coupon, or sales to other than exempt Indian nations or tribes or qualified Indian consumers are considered sales that are not tax exempt.

Sales to Indian nations or tribes for governmental use and sales to qualified Indian consumers (not for resale) must be supported by either a properly completed Form FT-939, *Certificate of Tax Exemption for a Qualified Indian Nation or Tribe on Purchases of Motor Fuel, Diesel Motor Fuel and Cigarettes*, or Form DTF-801, *Certificate of Individual Indian Exemption from State Taxes on Property or Services Delivered on a Reservation.*

For additional information, see Tax Department memorandum TSB-M-97(2)M.

Instructions for Form PT-102.2

Diesel Motor Fuel - Schedule of Transfers Out of New York State and Sales in New York State for Immediate Export

Part I - Transfers Out of New York State

Prepare a separate Part I for each state and Canadian province.

1) List the name and address of:
   a) each purchaser (other than a governmental entity) that is a distributor, wholesaler, service station, truck stop or other reseller of the diesel motor fuel in the other state or province;
   b) each purchaser (other than a governmental entity) that has acquired diesel motor fuel for purposes other than heating, production or farming; and
   c) your own facilities or facilities under your control outside New York State to which you transferred diesel motor fuel, and the number of gallons of diesel motor fuel that you shipped or sold to each purchaser for purposes other than heating, production or farming.
2) Add the number of gallons shown in the *Gallons* column of Part I and enter the total on line *a* of Part I.
3) Enter on line *b* of Part I the number of gallons of diesel motor fuel that you shipped out of New York State and that you sold to governmental entities.
4) Enter on line *c* of Part I the number of gallons of diesel motor fuel that you shipped out of New York State for sale to consumers for heating, farming or production purposes. Do not include gallons sold to governmental entities.
5) Add lines *a, b* and *c* and enter the total on line *d* of Part I.

Submit two copies of each Part I with your tax return.

Part II - Sales in New York State for Immediate Export

Prepare a separate Part II for each state and Canadian province.

For each transaction in which you sell diesel motor fuel within New York State to a distributor or dealer registered or authorized to conduct business in the other state or province for immediate export to that state or province, upon which the tax has not been passed through and for which you received a properly completed Form FT-1005, *Statement of Exportation of Diesel Motor Fuel by Purchaser*, enter (1) the name of the out-of-state distributor or dealer; (2) the date shipped; (3) the name of the transporter; (4) the loading point in New York State; (5) the code for each product type; and (6) the number of gallons of each product type.

Submit two copies of each Part II with your tax return.

Instructions for Form PT-102.3

Diesel Motor Fuel - Summary of Taxable Sales, Sales to Manufacturers for Use in Manufacturing and Sales to Railroads for Use as Railroad Diesel

Part I - Summary of Taxable Sales

All sales that are subject to the diesel motor fuel excise tax are subject to the petroleum business tax at the automotive rate, except for sales to a distributor of kero-jet fuel only.

On the *Summary of Taxable Sales*, you must account for all sales in the state that require the imposition or pass through of the diesel motor fuel excise tax as follows:

1) List each registered distributor of diesel motor fuel, retailer of heating oil only and distributor of kero-jet fuel only to whom you sold diesel motor fuel if the diesel motor fuel excise tax was required to be imposed or passed through. Enter the name and diesel motor fuel registration number of each such registered person and the number of gallons sold to each during the month. You do not have to enter the address of such registered persons.
2) Indicate as a separate item ("direct fueling of customers' vehicles") the total gallons you delivered into customers' vehicles for use in the operation of such vehicles other than those delivered at filling stations whose gallons are not included in your inventory. You do not have to list a customer if you only pump fuel directly into the customer's vehicle(s). If you also deliver 500 gallons or more of diesel motor fuel other than directly into a customer's vehicle(s), you must list that customer and report only gallons of diesel motor fuel delivered to that customer, other than those delivered directly into a customer's vehicle(s) for use in the operation of such vehicle(s).
3) Indicate as a separate item ("customers under 500 gallons") the total gallons sold to customers who purchased less than 500 gallons during the month. You do not have to list individually a customer to whom you sold less than 500 gallons of diesel motor fuel during the entire month.
4) List all other customers not registered under the Diesel Motor Fuel Tax Law to whom you made taxable sales or sales if the diesel motor fuel excise tax was required to be passed through. Indicate the customer's name and the number of gallons of diesel motor fuel that you sold to each during the month. If the customer is a reseller of the diesel motor fuel, other than a registered distributor of diesel motor fuel, a retailer of heating oil only or a distributor of kero-jet fuel only, indicate the customer's sales tax or federal identification number; otherwise, indicate the customer's address.
5) Add the number of gallons in the *Gallons* column.

The total number of gallons shown on this summary is not to be indicated on any line of the tax return, Form PT-102.

Part II - Sales to Manufacturers for Use in Manufacturing

Enter (1) the date you sold unenhanced diesel motor fuel for use in manufacturing without passing through the petroleum business tax; (2) the customer's name; (3) the customer's address or identification number; and (4) the number of gallons sold for manufacturing. Also include the total gallons you used for manufacturing.

Add the number of gallons shown in the *Gallons for Manufacturing* column of Part II and enter the total on line 28 of Form PT-102.

You must have Form FT-1012, *Manufacturing Certification for Diesel Motor Fuel and Residual Petroleum Product*, on file to cover such sales.

Part III - Sales to Railroads for Use as Railroad Diesel

Enter (1) the date you sold or used diesel motor fuel for use as railroad diesel without passing through the petroleum business tax; (2) the customer's name; (3) the customer's address or identification number; and (4) the number of gallons sold or used as railroad diesel.

Add the number of gallons shown in the *Gallons* column and enter the total in the gallonage box on line 47 of Form PT-102.

You must have Form PT-303, *Certificate of Railroad Diesel,* on file to cover such sales.