Department of Taxation and Finance

Instructions for Form FT-945/1045

Sales Tax Prepayment on Motor Fuel/Diesel Motor Fuel Return

FT-945/1045-I
(5/16)

Highlights

- **Mandate to use Sales Tax Web File –** The Tax Department now requires most fuel distributors to Web File their prepaid sales tax returns. If you file Form FT-945/1045 and you a) don't use a tax preparer to prepare the required filings, b) use a computer to prepare, document, or calculate your tax forms, and c) have broadband internet access, you must use Sales Tax Web File to file monthly prepaid sales tax returns electronically and pay any balance due. Create an *Online Services* account by visiting our website (see *Need help?*).
- **Paid preparer exclusion code requirement –** If as a paid preparer you are not required to have a NYTPRIN, you must provide a NYTPRIN exclusion code. See *Paid preparer's responsibilities*.
- **Important reminder to file all pages:** Include all pages of all the forms you completed when you file with the Tax Department, even if you did not make entries on some of the pages.

General instructions

Who must file this return

- Motor fuel distributors registered under Tax Law Article 12-A.
- Diesel motor fuel distributors registered under Tax Law Article 12-A, other than a distributor who is registered as a retailer of non-highway diesel motor fuel only.
- Motor fuel wholesalers, jobbers, and others who sell motor fuel not exclusively at retail service stations.

Diesel motor fuel is No. 1 diesel fuel, No. 2 diesel fuel, biodiesel, kerosene, crude oil, fuel oil, or other middle distillate. Also, motor fuel suitable for operating a diesel engine (excluding any product specifically designated *No. 4 diesel fuel* and not suitable for operating a motor vehicle engine).

Non-highway diesel motor fuel is any diesel motor fuel that is designated for use other than on a public highway (except for the use of the public highway by farmers to reach adjacent lands), and is dyed diesel motor fuel.

Highway diesel motor fuel is any diesel motor fuel which is not non-highway diesel motor fuel.

Dyed diesel motor fuel is diesel motor fuel which has been dyed in accordance with and for the purpose of complying with 26 USC 4082(a).

Registered distributors of motor fuel or diesel motor fuel are not required to report inventory on this return; therefore, they must complete only Parts 1 and 2. Motor fuel wholesalers, jobbers, etc., must complete Parts 3 and 4, and attach the required supplemental information.

Filing requirements

You must file Form FT-945/1045 even if no tax is due. **Do not** include the amount of tax paid with this return on any other return or schedule.

This return is due within 20 days from the end of the month covered by the return. When the due date falls on a Saturday, Sunday, or legal holiday, the return is due on the next business day.

Failure to file this return, filing a false return, or failure to pay the tax due, if any, may subject you to criminal or civil penalties, or both, under the New York State Tax Law.

Has your address or business information changed?

If you need to update your mailing address, you can now do so online. Visit our website and look for the *Change my address* option for further instructions; otherwise, call the Sales Tax Information Center (see *Need help?*) or enter your correct address on Form FT-945/1045. You may also use Form DTF-96, *Report of Address Change for Business Tax Accounts,* to update your mailing address, physical address, or designated preparer or filing service address. If you need to change additional information such as the name, ID number, physical address, owner/officer information, business activity, or paid preparer address (as well as your address), complete and send in Form DTF-95, *Business Tax Account Update.* You can get these forms from our website or by phone (see *Need help?*).

Specific instructions

Complete the identification number, business telephone number, daytime telephone number (if different), legal name, doing business as (DBA) name, and address boxes on page 1 of the return. If you are filing single pages (e.g., printed from the website), please also enter your sales tax identification number at the top of page 2 where space is provided.

Making numerical entries

Write your numbers like this:

No activity?

You must file by the due date even if no tax is due. There is a $50 penalty for late filing a return, even if no tax is due.

Motor fuel distributors: enter ***0*** on lines 4, 9, 25a, and 25b.

Diesel motor fuel distributors: enter ***0*** on lines 15, 20, 25a, and 25b.

Part 1 – Computation of sales tax prepayment on motor fuel

Only motor fuel distributors registered under Article 12-A can remit the prepaid sales tax on motor fuel to the Tax Department. No other person can acquire motor fuel without the required sales tax prepayment included in the purchase price.

To compute the sales tax due on motor fuel in each region, combine the number of gallons of regular, mid-grade, and premium motor fuel subject to tax in each region. Multiply the total by the sales tax prepayment per gallon shown for that region.

Region 1 consists of New York City (counties of Bronx, Kings (Brooklyn), New York (Manhattan), Queens, and Richmond (Staten Island)), and the counties of Dutchess, Orange, Putnam, Rockland, and Westchester. **Region 2** consists of Nassau and Suffolk counties. **Region 3** consists of all other counties in New York State.

Lines 1, 2, and 3 – Report in column A the number of gallons of motor fuel in Regions 1, 2, and 3 subject to prepayment of sales tax. This includes all fuel imported, caused to be imported, compounded, or produced in New York State. Multiply the total by the sales tax prepayment per gallon indicated in column B for each region. Enter the result in column C.

Lines 5a, 5b, and 5c – Enter the amount of sales tax prepayments on motor fuel for which you are claiming a credit. These credits must be separated into Regions 1, 2, and 3 credits. **Note:** You must attach substantiation when you claim credits.

Credits are limited to:

- motor fuel sold to exempt purchasers;
- motor fuel taken out of inventory and delivered out of state by you, either to your own facility or to your customer's facility; or
- motor fuel lost due to:
  - shrinkage, evaporation, and handling (not to exceed 2% of the fuel stored), or
  - casualty losses (see *Casualty losses*).

This amount may include:

- the prepayment computed for the fuel;
- sales tax prepaid to your supplier of the fuel purchased in this or a prior period; or
- sales tax prepaid directly to the Tax Department for a prior period.

Casualty losses

An adjustment to the number of gallons of motor fuel or diesel motor fuel subject to prepaid sales tax is allowed for any motor fuel or diesel motor fuel lost or destroyed due to an accident (such as a fire) that occurs while the motor fuel or diesel motor fuel is being held or transported for sale other than at retail.

You must submit a detailed report of the casualty loss, and a request to take a credit for the tax paid on product lost, to the address below within 24 hours of the occurrence. The adjustment is reportable on the Form FT-945/1045 covering the month in which the loss occurs. The adjustment for motor fuel or diesel motor fuel must be separated into regions and reported in Part 1, lines 5a, 5b, and 5c for motor fuel and Part 2, lines 16a, 16b, and 16c for diesel motor fuel.

Send your request to: **NYS TAX DEPARTMENT**
TDAB FACCTS
W A HARRIMAN CAMPUS
ALBANY NY 12227-5501

Line 7 – Enter the amount of refunds of prepaid sales tax on motor fuel you requested on Form AU-629, *Application for Refund/Reimbursement of Taxes Paid on Fuel Sold to Governmental Entities by Registered Distributors*, for this month. This figure should be the **total** of **all** refunds you claimed on Form AU-629 that cover the month reported on this return.

Line 9 – Subtract line 8 from line 4 and enter the result. If the amount on line 8 is greater than the amount on line 4, precede the result with a minus sign (-).

Line 10 – Enter the amount, if any, from the *Motor fuel regional tax adjustment worksheet*. If the result is a negative number, precede it with a minus sign (-). For worksheet instructions, see below.

Motor fuel regional tax adjustment worksheet

This worksheet applies to motor fuel distributors only.

When motor fuel distributors import fuel into New York State, they are required to remit the prepaid tax based on the region where it initially enters the state. At times, a distributor may need to move inventory in bulk from one terminal to another, or sell it in bulk for delivery to another terminal, and in either case the destination terminal may be located in a different region than the one in which the prepaid tax was initially calculated and remitted.

Also, the evolution of the motor fuel market includes a product that contains a blend of ethanol. The dynamics of blending ethanol at the terminal rack presents complications invoicing customers when the motor fuel components are transferred to a terminal in a different region for the purpose of blending before sale.

The bulk transfer of motor fuel from a terminal in one region to a terminal in a different region requires an adjustment of the tax previously remitted on the transferred fuel to reflect the rate in effect at the destination terminal.

Distributors must calculate this regional adjustment using this worksheet.

We have computed the differential rate for each regional transfer. Some transfers will result in additional tax due, others result in a credit amount.

Computing the adjustment

1. Choose the applicable region-to-region line. Enter the number of gallons transferred in column A.
2. Multiply the number of gallons transferred (column A) by the differential rate listed in column B. Enter the result in column C.
3. Add the amounts as instructed. Subtract subtotal 2 from subtotal 1 and enter the result on line 10. If the net amount is a credit, be sure to enter it as a negative number on line 10 using a minus sign (-).

Part 2 – Computation of sales tax prepayment on diesel motor fuel

To compute the sales tax due on diesel motor fuel in each region, multiply the number of gallons of diesel motor fuel subject to tax by the sales tax prepayment per gallon shown for that region.

Region 1 consists of New York City (counties of Bronx, Kings (Brooklyn), New York (Manhattan), Queens, and Richmond (Staten Island)), and the counties of Dutchess, Orange, Putnam, Rockland, and Westchester. **Region 2** consists of Nassau and Suffolk counties. **Region 3** consists of all other counties in New York State.

Transactions subject to the prepayment to be reported on lines 12, 13, and 14 include:

- The first sale of highway diesel motor fuel to a distributor.
- The sale of previously untaxed diesel motor fuel, whether highway or non-highway, when delivered to a filling station or into a repository equipped with a hose or apparatus for dispensing fuel into the tank of a motor vehicle.
- The delivery of previously untaxed diesel motor fuel, whether highway or non-highway, to your own filling station.

The requirement to prepay sales tax on diesel motor fuel does **not** apply to the delivery of water-white kerosene at a filling station or other retail vendor if the vendor sells the water-white kerosene exclusively for heating purposes in containers of no more than 20 gallons. The kerosene must be dyed and meet the appropriate standards for K-1 kerosene.

Do not include any prepaid tax passed through to you by your supplier. Report **only** the prepayment of sales tax that you are responsible for paying directly to the Tax Department.

Once the prepaid sales tax has been reported and paid in one region, whether by you or your supplier, do not adjust the prepayment for any subsequent sale in another region except for certain interdistributor sales (see *Interdistributor sales*).

Interdistributor sales

Sales of previously untaxed highway diesel motor fuel by a person registered as a distributor of diesel motor fuel to another person registered as a distributor of diesel motor fuel are exempt from the excise tax (Article 12-A), petroleum business tax (Article 13-A), and prepaid sales tax (Article 28) if the fuel is:

- delivered by pipeline, railcar, barge, tanker or other marine vessel to a terminal of a licensed/registered operator, or
- sold within a diesel fuel terminal where it was delivered.

For more information, see TSB-M-13(5)S, *Exemption for Interdistributor Sales of Highway Diesel Motor Fuel*.

Lines 12, 13, and 14 – Report in column A the number of gallons of diesel motor fuel in Regions 1, 2, and 3 subject to prepayment of sales tax. Multiply the amount in column A by the sales tax prepayment in column B and enter the result in column C.

Lines 16a, 16b, and 16c – Enter the amount of sales tax prepayments on diesel motor fuel for which you are claiming a credit. These credits must be separated into Regions 1, 2, and 3 credits. **Note:** You must attach substantiation when you claim credits.

Credits are limited to:

- sales that are exempt from both the prepaid tax and the tax at retail (e.g., sales to government agencies or for use in farming);
- sales that are subject to the tax at retail only (e.g. sales of fuel used for heating), but excluding sales made through a retail filling station where the appropriate credit must be claimed on Schedule FR (Form ST-100.10, ST-810.10, or ST-101.10);
- fuel taken out of inventory and delivered out of state by you either to your own facility or to your customer; or
- casualty losses (see *Casualty losses*).

This amount may include:

- the prepayment computed for the fuel;
- sales tax prepaid to your supplier of the fuel purchased in this or a prior period; or
- sales tax prepaid directly to the Tax Department for a prior period.

Line 18 – Enter the amount of refunds of prepaid sales tax on diesel motor fuel you requested on Form AU-629 for this month. This figure should be the **total** of **all** refunds you claimed on Form AU-629 that cover the month reported on this return.

Line 20 – Subtract line 19 from line 15 and enter the result. This is the net sales tax prepayment due on diesel motor fuel. If the amount on line 19 is greater than the amount on line 15, precede the result with a minus sign (-).

Line 23 – Only vendors enrolled in the PrompTax program may use this line – Enter on this line the PrompTax payment made during the month covered by this return and attach your Form FT-945/1045-A, *Monthly Schedule FT*.

Line 25a – Balance due – Subtract line 24 from line 21. Enter the balance due.

Line 25b – Amount paid – Enter your payment amount on this line. This amount should match the balance due on line 25a. Penalty and interest will be due if the total amount due is not paid. Send your payment with your return and any required attachments to the applicable address (see *Where to file* for payment information).

Part 3 – Inventory reconciliation

Filers required to complete this part (see *Who must file this return*) must report only motor fuel held in New York State **for sale other than at retail service stations**. You must report motor fuel held in New York State for sale at retail service stations on Form FT-943, *Quarterly Inventory Report by Retail Service Stations and Fixed Base Operators*.

Line 26 – Indicate the number of gallons of motor fuel on hand at the beginning of the month. The current month's opening inventory should be the same as the previous month's closing inventory; attach an explanation if these figures do not correspond.

Line 27 – Enter the total number of gallons of motor fuel purchased in New York State during the month.

Line 28 – Report any gain or loss to inventory due to expansion, evaporation, etc. Attach an explanation for all gains, losses, and credits claimed on this line. If the net adjustment on line 28 is a loss, write ***(L)*** in parentheses after the amount reported.

Line 31 – Enter the total number of gallons:

- sold (both taxable and nontaxable), including exchanges, consignment, and commission sales;
- used;
- transferred out of New York State by you during the month; or
- placed in inventory at a retail service station owned or operated by you.

Line 32 – Subtract line 31 from line 30. This is your closing inventory for the month; it should also be your opening inventory for next month.

Part 4 – Supplemental information

All sellers of motor fuel, **other than** distributors registered under Tax Law Article 12-A, **must** attach a supplemental schedule to this return that provides information about motor fuel purchased during the month.

The following information **must** be provided on the supplemental schedule:

1. Your legal name, address, and sales tax vendor identification number as it appears on the *Certificate of Authority*.
2. Each supplier's legal name, complete address, and sales tax and motor fuel tax registration numbers. This information should be as it appears on the Form FT-935, *Certification of Taxes Paid on Motor Fuel (Prepayment of Sales Tax and Payment of the Motor Fuel Tax and the Petroleum Business Tax)*, or other document given to you certifying that these taxes have been paid.
3. Amounts of fuel purchased, by type (regular, mid-grade, and premium).

The following format should be used:

(Your legal name, address, and sales tax vendor identification number)

Legal name and identification numbers of supplier	Address of supplier	Type of fuel	Total gallons purchased
(Legal name) (Sales tax and motor fuel tax numbers)	(Street) (City, state, ZIP)		

SAMPLE

Signature

- **Web File –** Your return will be considered electronically signed once the Web File process has been completed.
- **Paper return** (if you are not required to Web File) **–** If you are a sole proprietor, you must sign the return and print your title, e-mail address, telephone number, and date.

  If you are filing this return for a corporation, partnership, or other type of entity, an officer, employee, or partner must sign the return on behalf of the business, and print his or her title, e-mail address, telephone number, and date.

  If you pay someone to prepare your return, sign, date, and provide the requested authorized person information. The paid preparer must also print his, her, or the firm's name, sign the return, and provide the requested preparer information (see below).

Be sure to keep a copy of your completed return for your records.

Paid preparer's responsibilities – Under the law, all paid preparers must sign and complete the paid preparer section of the form. Paid preparers may be subject to civil and/or criminal sanctions if they fail to complete this section in full.

When completing this section, enter your New York tax preparer registration identification number (NYTPRIN) if you are required to have one. If you are not required to have a NYTPRIN, enter in the *NYTPRIN excl. code* box one of the specified 2-digit codes listed below that indicates why you are exempt from the registration requirement. You **must** enter a NYTPRIN **or** an exclusion code. Also, you must enter your federal preparer tax identification number (PTIN) if you have one; if not, you must enter your social security number.

Code	Exemption type	Code	Exemption type
01	Attorney	02	Employee of attorney
03	CPA	04	Employee of CPA
05	PA (Public Accountant)	06	Employee of PA
07	Enrolled agent	08	Employee of enrolled agent
09	Volunteer tax preparer	10	Employee of business preparing that business' return

See our website for more information about the tax preparer registration requirements.

Where to file

If you are not required to use Sales Tax Web File, make the check or money order payable in U.S. funds to ***New York State Sales Tax***. Write on the check or money order your sales tax vendor identification number, ***FT-945/1045***, and the filing period shown on the front of this return.

Fee for payments returned by banks – The law allows the Tax Department to charge a $50 fee when a check, money order, or electronic payment is returned by a bank for nonpayment. However, if an electronic payment is returned as a result of an error by the bank or the department, the department won't charge the fee. If your payment is returned, we will send a separate bill for $50 for each tax document associated with the returned payment.

All vendors, including those enrolled in the **PrompTax Program**, mail completed returns and payments to:

NYS SALES TAX PROCESSING
PO BOX 15176
ALBANY NY 12212-5176

Private delivery services – If you are not using the U.S. Postal Service, see Publication 55, *Designated Private Delivery Services*.

Need help?

Visit our website at ***www.tax.ny.gov***
- get information and manage your taxes online
- check for new online services and features

Sales Tax Information Center: (518) 485-2889

To order forms and publications: (518) 457-5431

Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): (518) 485-5082

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.