

FUELS TAX COMPLIANCE GUIDE FOR FUEL CARRIERS



Fuels Tax Group

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Introduction to Fuel Tax in the State of Oregon

Whether we travel by train, plane, car, bus, bicycle, or on foot, we all depend in one way or another on a safe and reliable transportation system. A multi-billion dollar investment in our people, our environment and our state, Oregon's transportation system plays a role in nearly every aspect of life – we buy food that is trucked into a grocery store, our children ride to school on buses, tourists fly in, drive around the state and then fly out, fishermen earn a living with their boats, and goods are shipped in and out along rivers and the ocean – just to name a few.

A sound multimodal transportation system supports our existing economy, facilitates desired growth, reduces the costs of congestion and inefficiency, and links us together to promote success in all regions of the state.

The money that pays to preserve, improve and operate Oregon's road system comes from state, federal, county and city sources. Oregon funds its road system through "road user fees" based on these principles:

- *Those who use the roads pay for them;*
- *Road users pay in proportion to the road costs for which they are responsible; and*
- *Road user fees are used for constructing, improving and maintaining roads.*

This publication discusses one of those "road user fees" - Fuel Tax. Fuel Tax is applied to all fuels used to propel motor vehicles on Oregon's roads and highways. The Fuel Tax program is governed by Oregon Revised Statute 319 which divides fuel into two categories:

- **Motor Vehicle Fuel and Aircraft Fuel** (gasoline, gasoline blends, and aviation fuel)
- **Use Fuel** (diesel, bio-diesel, propane, compressed natural gas, etc.)

Use Fuel is broken down further into three categories:

- **Use Fuel Seller** – Retail station, Fleet Fueling operation or Cardlock facility
- **Use Fuel User** – someone who purchases untaxed fuel for use on-road
- **Registered Bulk Distributor** - sells bulk Use Fuel but does not meet definition of a Use Fuel Seller

This publication continues by outlining the responsibilities and requirements of COMMON and CONTRACT CARRIERS – those who transport the fuel for licensees and registrants. Carriers generally will not incur a tax liability, but are an integral part of the fuel distribution system.

Carriers for the purposes of this publication may include, but are not limited to:

- Barge
- Motor Carriers (trucks)
- Pipeline
- Rail
- Ship (ocean vessel)

Responsibilities and requirements of Use Fuel Sellers, Use Fuel Users, and Motor Vehicle Fuel Dealers are outlined in separate publications.

Common and Contract Petroleum Products Carriers

NOTE: This guide does not replace nor change Oregon Revised Statute (ORS) 319 or any Administrative Rule. Answers are condensed and simplified for convenience. See the ORS, Chapter 319, or the Oregon Administrative Rules for complete laws and requirements. Contact the Fuels Tax Group for unusual circumstances or questions.

Do I have to become registered as a Petroleum Products Carrier?

The law generally places the liability for the fuels tax on Motor Vehicle Fuel Dealers, Use Fuel Sellers, Use Fuel Users, or Bulk Distributors. The common or contract carrier handles deliveries of petroleum products to one or more types of the licensees that may be responsible for the tax.

Reporting petroleum product movement (imports, exports, and transfers within the state) allows the Fuels Tax Group to confirm that any products subject to tax are reported by the appropriate licensee.

If there are differences between the petroleum products disbursed from a supplier, and the product delivered to the receiver, the carrier information provides third-party confirmation of the amount handled, and where it was delivered.

How do I become registered as a Petroleum Products Carrier?

The process begins with registering in the Oregon Fuels Tax System (OFTS), completing a license application. Once this process is completed, any applicable documents are provided, and the information is verified; a license is issued. Additional registration details include:

- No registration fees.
- No bond is required.
- Carrier registration is valid until cancelled and is *not* transferrable.

See the section entitled “Application and Registration Process”.

Once I am registered, what do I need to do?

Petroleum Products Carriers may be independent or owned by/associated with a company that also has storage of petroleum products.

The recordkeeping requirements for those with bulk storage are outlined in separate publications, depending on the type of operation (see Terminal Operators, Ethanol Biodiesel Producers, Motor Vehicle Fuel Dealers, Use Fuel Sellers, Use Fuel Bulk Distributors).

This section relates to recordkeeping for the transportation of petroleum products by truck, barge, pipeline, rail, ship, or other means.

Compliance with Fuel Tax law consists of several things:

- Record keeping – You must keep the following records
 - Receipt and distribution records for petroleum products transported
 - Name of consignor (company contracting for the transport)
 - Name of seller (company selling the fuel)
 - Origin of petroleum products transported (physical address if within the state; city and state if imported into the state)
 - Name of receiver
 - Destination for delivery of petroleum products (physical address if within the state; city and state if exported from the state)
 - Fuel Type and gallons transported

- Reporting
 - Submission of Petroleum Products Carrier Report
 - Supporting Schedules detailing petroleum products delivered
 - Reports are due on 25th of the next calendar month
 - If the due date falls on a weekend or holiday, the due date is the next business day.
 - Motor Carrier transporters as defined in ORS 825.005(7) are not required to report separately from the records kept under ORS 825 and OAR 740-155.
- Compliance
 - Participation in and cooperation with periodic audits
 - Timely response to information requests
 - Required records must be made available upon request during normal business hours
 - Records are to be summarized by calendar month

What is involved in an audit?

When there are differences between the petroleum products disbursed from a supplier, and the product delivered to the receiver, the carrier records will be requested to determine correct delivery amounts and destination information.

How often will the Fuels Tax Group be in contact with me?

We will contact current licensees/registrants with updated information or reporting requirements, changes in application of Fuels Tax law or changes in industry that affect compliance.

We will contact you in writing for:

- Reports not received.
- Errors or missing required information.
- Any other issue that requires your attention.

We are available Monday through Friday 8:00am-5:00pm.

How do I cancel my Petroleum Products Carrier Registration?

License cancellations are requested through the Oregon Fuels Tax System. If necessary, requests may be submitted in writing to the Fuels Tax Group or by completing a cancellation form (available on the Fuels Tax Group website at <https://www.oregon.gov/ODOT/FTG/Pages/Fuels-Tax-Forms.aspx>). The written request must contain:

- Licensee information.
- Last date of operation.
- State of business (closed, sold, etc.).
- Reason you no longer need the license.
- Name and contact information of new owner.

Your license cancellation will become effective 30 days after ODOT receives your request. You must continue to file reports through the cancellation date

NOTE: Writing “final report” or similar verbiage on the report may not result in your license being canceled timely. All information listed above must be included when requesting a cancellation.

Application and Registration Process

Account Applications and License Registrations are submitted through the Oregon Fuels Tax System. If additional information is needed, we will attempt to make contact by phone, email or postal mail to obtain the information. When all the required information is provided, the license will be issued.

Completing the Application

The Fuels Tax Group website contains a link to the Oregon Fuels Tax System as well as tutorials for completing the registration and application processes: <http://fuelstax.Oregon.gov>

Information needed to complete the process include:

- Identifying information for the registrant and authorized contacts
- Signature certifying the accuracy of the information provided

Power of Attorney forms are also available and required if the licensee or registrant is using a person or entity to act on their behalf. The Fuels Tax Group will not provide information to anyone who is not duly authorized by the licensee or registrant.

Carrier Report and Schedule Instructions

The Petroleum Products Carrier Report and supporting schedules are designed to provide the necessary information for the Fuels Tax Group to verify the accuracy of the information being reported.

In the event the Oregon Fuels Tax System is not available, the report may be submitted using a paper report. Complete the report as follows:

Line By Line Instructions

NOTE: Schedules should be completed prior to completing the Report.

PETROLEUM PRODUCTS CARRIER REPORT (Form 734-2921)

Company Information:

Enter the name under which your registration is issued, Tax Identification Number, license number, calendar month and the year for which this report is filed, address and name and title of report preparer.

Line 1 - Deliveries of Fuels from In-state locations to Out-of-state locations - Enter the total gallons of fuel exported from Schedule 14A for each fuel type.

Line 2 - Deliveries of Fuels from Out-of-state locations to In-state locations - Enter the total gallons of fuel imported from Schedule 14B for each fuel type.

Line 3 - Deliveries of Fuels Between Points Within the State - Enter the total gallons of fuel transported to points within the state of Oregon (intrastate) from Schedule 14C for each fuel type.

Line 4 - Total Gallons of Petroleum Products Transported - Enter the total gallons on lines 1 through 3 for each of the product categories.

SIGNATURE - Sign the report and include Printed Name, Title and date.

Example of Carrier Report



OREGON DEPARTMENT OF TRANSPORTATION
 FUELS TAX GROUP, MS 21
 355 CAPITOL ST NE
 SALEM OR 97301-3871
 PH: (503) 378-8150 OR (888) 753-2525
 FAX: (503) 378-3060

Website: <http://fueltax.oregon.gov>
 email: CDCTFuelTax@odot.state.or.us

OREGON COMMON AND CONTRACT PETROLEUM PRODUCTS CARRIER REPORT

COMPLETE AND ATTACH ENCLOSED SCHEDULES

RESET PAGE	RESET ALL PAGES
PRINT PAGE	PRINT ALL PAGES

CARRIER INFORMATION					
CARRIER NAME	FEIN	FILING PERIOD END DATE	EMAIL ADDRESS		
TELEPHONE NUMBER	ADDRESS		CITY	STATE	ZIP CODE

SCHEDULE DESCRIPTION	SCHEDULE	MOTOR VEHICLE FUEL (GASOLINE)	ETHANOL	AIRCRAFT FUELS		DIESEL			DYED DIESEL	BLENDING COMPONENTS		MISC
				AVIATION GAS	JET FUEL	DIESEL	BIODIESEL	B20 USED COOKING OIL		KEROSENE	DYED KEROSENE	
1. DELIVERIES OF FUELS FROM IN STATE LOCATIONS TO OUT-OF-STATE LOCATIONS (EXPORTS)	14A											
2. DELIVERIES OF FUELS FROM OUT-OF-STATE LOCATIONS TO IN STATE LOCATIONS (IMPORTS)	14B											
3. DELIVERIES OF FUELS BETWEEN POINTS WITHIN THE STATE (INTRASTATE)	14C											
4. TOTAL GALLONS OF PETROLEUM PRODUCT TRANSPORTED (TOTAL OF LINES 1 THROUGH 3)												

SIGNATURES				
UNDER PENALTIES OF PERJURY, I DECLARE THAT THE I HAVE EXAMINED THIS RETURN AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS CORRECT AND COMPLETE.				
AUTHORIZED SIGNATURE	SIGNATURE OF PREPARER OTHER THAN TAXPAYER	TITLE	DATE	
TELEPHONE NUMBER	ADDRESS	CITY	STATE	ZIP CODE

FORM 734-2921 (4-14)

SCHEDULE 14 – SCHEDULE OF DELIVERIES

There is one basic schedule for deliveries. Complete a separate schedule for each delivery type (import, export, and intrastate transfer) and product type.

Company Information:

Enter the name under which your registration is issued, Tax Identification Number, license number, and calendar month and the year for which this report is filed.

Schedule Code:

- 14A – Exports
- 14B – Imports
- 14C – Within Oregon transfers

Product Code:

- Motor Vehicle Fuel (Gasoline)
 - 065 – Gasoline
 - E10 – Gasoline Ethanol-Blended
 - E85 – Gasoline Ethanol-Blended Flex
- Ethanol
 - E00 – 100% Ethanol
 - E99 – 99% Ethanol (Denatured Alcohol)
- Aircraft Fuels
 - 125 – Aviation Gasoline
 - 130 – Jet Fuel
- Diesel
 - 160 – Diesel
 - 170 – Biodiesel (use for all biodiesel except B20 or greater made with Used Cooking Oil)
 - B20 – Biodiesel made with 20% or greater Used Cooking Oil
- Dyed Diesel
 - 171 – Dyed Biodiesel (use for all biodiesel except D20 or greater made with Used Cooking Oil)
 - 228 – Dyed Diesel
 - D20 – Dyed Biodiesel made with 20% or greater Used Cooking Oil
- Blending Components
 - 072 – Dyed Kerosene
 - 142 – Kerosene
- Miscellaneous
 - 061 – Natural Gasoline
 - 100 – Transmix
 - 122 – All other blending components
 - 175 – Residual Fuel Oil
 - 279 – Marine Diesel Oil
 - 280 – Marine Gas Oil

Consignor Information - Enter the consignor's name in column 1 and Tax identification Number in column 2. This is the company that hired the carrier to transport the fuel.

Seller Information - Enter the seller's name in column 3 and Tax Identification Number in column 4. This is the company that owned the fuel being removed from the refinery, terminal, or other storage.

Mode (of transportation):

- J Truck
- R Rail
- B Barge
- PL Pipeline
- S Ship (Ocean Vessel)

Origin - An Origin is the storage facility from which the fuel was removed. This may be a terminal location or the supplier's bulk location (city). If the terminal is known, enter the terminal location. The applicable Oregon choices are:

T910R4450 Aircraft Service International, Inc
T930R4456 Chevron USA, Inc.- Portland
T930R4464 ConocoPhillips PL - Portland
T930R4457 Kinder Morgan Liquid Terminals, LLC
T930R4460 Kinder Morgan Tank Storage Terminal
T930R4458 McCall Oil and Chemical Corp.
T930R4466 Olympic Pipeline Company - Portland
T930R4464 Phillips 66 PL - Portland
T930R4455 Seaport Midstream Partners, LLC
T930R4454 SFPP, LP
T930R4461 Shell Oil Products US
T930R4459 Shore Terminals LLC - Portland
T930R4452 Tidewater Terminal - Umatilla
T930R4463 Time Oil Co. - Portland
T930R4453 Tosco Corp. - Coos Bay
T910R4465 Union Pacific Railroad Co.
T930R4465 Zenith Energy Holdings

If from a supplier's bulk location, enter the Location code supplied by the Fuels Tax Group.

If the fuel was imported, enter the city and state of Origin.

Destination - Enter the Location code for your bulk storage location, if applicable, or the end customers Location code supplied by the Fuels Tax Group. For exports, enter the destination city and state where the fuel was unloaded.

Buyer Information - Enter the purchaser's name in column 8 and Tax Identification Number in column 9.

Date Delivered - The date the fuel was delivered to the buyer's tank or designated location.

Document Number - Enter the Bill of Lading (BOL) number from a truckload delivery, or the identifying information from a manifest or voyage document if received from the pipeline, barge, or ship.

Net Gallons - Enter net gallons purchased on a load by load basis. Round load by load gallons to the nearest whole gallon.

Gross Gallons - Enter gross gallons purchased on a load by load basis. Round load by load gallons to the nearest whole gallon.

Forward the total gallons from column 13 (Gross gallons) to appropriate line and column of the Petroleum Products Carrier Report.

Example of Schedule of Deliveries



OREGON DEPARTMENT OF TRANSPORTATION
 FUELS TAX GROUP, MS 21
 355 CAPITOL ST NE
 SALEM OR 97301-3871
 PH: (503) 378-8180 OR (888) 753-2525
 FAX: (503) 378-3060

**OREGON COMMON AND CONTRACT
 PETROLEUM PRODUCTS CARRIER REPORT
 SCHEDULE OF DELIVERIES**

Website: <http://fueltax.oregon.gov>
 email: DOTFuelTax@cost.state.or.us

COMPANY NAME						FEIN	FILING PERIOD END			SCHEDULE CODE	PRODUCT CODE	
(1) CONSIGNOR NAME	(2) CONSIGNOR FEIN	(3) SELLER NAME	(4) SELLER FEIN	(5) MODE	(6) ORIGIN	(7) DESTINATION	(8) BUYER NAME	(9) BUYER FEIN	(10) DATE DELIVERED	(11) DOCUMENT NUMBER	(12) NET GALLONS	(13) GROSS GALLONS
TOTAL												

AMENDING CARRIER REPORTS

The purpose of amended reports is to show increases or decreases to gallons and amounts previously reported for a given period.

NOTE: Do not show amendments for multiple report periods on the same amended report.

Complete a report form in the same manner as detailed above but check the AMENDMENT box on page 1. For unreported information, only include data omitted from the original report. To correct previously reported information, enter the data as originally reported but with negative gallons. Then report it on the correct schedule as positive gallons.

Record Keeping and Documentation

Petroleum Products Carriers will report on a calendar month. All records are to be maintained using a calendar month. Records of fuel and other petroleum products delivered are to be organized by month. Records will include but are not limited to the following:

- Receipt and distribution records for petroleum products transported
- Name of consignor (company contracting for the transport)
- Name of seller (company selling the fuel)
- Origin of petroleum products transported (physical address if within the state; city and state if imported into the state)
- Name of receiver
- Destination for delivery of petroleum products (physical address if within the state; city and state if exported from the state)
- Fuel Type and gallons transported
- Any other documentation obtained in transporting petroleum products
- Any other documentation used in completing the Petroleum Products Carrier report
- Other documents required for Motor Carrier transportation

TERMINOLOGY AND DEFINITIONS

ADDITIVES: Any chemical or product added to gasoline typically to improve or enhance characteristics of the product.

AIRCRAFT FUEL: Any gasoline and any other inflammable or combustible gas or liquid by whatever name such gasoline, gas or liquid is known or sold, usable as fuel for the operation of aircraft, except gas or liquid, the chief use of which, as determined by the Department of Transportation is for purposes other than the propulsion of aircraft.

AVIATION GASOLINE: Special grades of gasoline prepared for aircraft reciprocating engines (typically aviation gasoline is used to propel smaller aircraft that do not use jet fuel).

BLENDING: The mixing together by any process whatsoever, of any one or more products with other products, and regardless of the original character of the products so blended, provided the resultant product so obtained is suitable or practicable for use as a motor vehicle fuel, except such blending as may occur in the process known as refining by the original refiner of crude petroleum. The commingling of products during transportation in a pipeline is not considered blending.

BILL OF LADING: The document issued at the terminal which completely identifies the product(s) and quantities loaded and the parties to the transaction.

BULK PLANT / BULK STORAGE FACILITY: Receiving and distributing facility for petroleum products (commonly includes truck loading rack(s), product receiving capabilities and storage tanks or other warehousing facilities for petroleum products).

CARRIER: The transportation company or entity hauling the product.

ETHANOL: Alcohol (ethanol is typically the product blended with gasoline to oxygenate the fuel, increase octane and to improve engine emissions).

ETHANOL GASOLINE: Gasoline that has been blended with ethanol to produce an ethanol blended gasoline - A combination of ethanol and gasoline.

EXPORTS: Fuel or other petroleum products delivered from within Oregon to a location outside the state. Whether fuel is considered exported by the seller or the purchaser depends on when transfer of the ownership of the product occurs.

FUEL TYPE: Reportable petroleum products.

IMPORTS: Fuel or other petroleum products delivered into Oregon from a location outside the state. Whether the fuel is considered imported by the seller or purchaser depends on when transfer of the ownership of the product occurs.

JET FUEL: Kerosene type fuels or blends of gasoline, distillates and residual oils used as fuel for gas turbine powered aircraft (jet engine powered aircraft).

MOTOR VEHICLE FUEL: Gasoline and any other inflammable or combustible gas or liquid, by whatever name such gasoline, gas or liquid is known or sold, usable as fuel for the operation of motor vehicles, except gas or liquid, the chief use of which, as determined by the Department of Transportation, is for purposes other than the propulsion of motor vehicles upon the highways of this state.

NATURAL GAS (CNG or LNG): Compressed Natural Gas (CNG) or Liquefied Natural Gas (LNG) are other forms of Use Fuel. CNG/LNG is not taxed unless it is put into a motor vehicle.

OREGON MOTOR VEHICLE FUEL DEALER: An entity or person who:

- (1) Imports or causes to be imported motor vehicle fuels or aircraft fuels for sale, use or distribution in, and after the same reaches the State of Oregon.
- (2) Produces, refines, manufactures or compounds motor vehicle fuels or aircraft fuels in the State of Oregon for sale, use or distribution in Oregon.
- (3) Acquires in Oregon for sale, use or distribution in Oregon motor vehicle fuels or aircraft fuels with respect to which there has been no license tax previously incurred.
- (4) Acquires title to or possession of motor vehicle fuels or aircraft fuels in Oregon and exports the product out of this state.

PROPANE: Propane is another form of Use Fuel that only becomes taxable if it is put into the fuel tank of a motor vehicle.

REBRAND: To change a non-taxable product to a taxable product, or to change a taxable product to a non-taxable product.

USE FUEL: By statute, Use Fuel is defined as any combustible gas, liquid or material of a kind used for the generation of power to propel a motor vehicle on the highways except motor vehicle fuel as defined in ORS 319.010. For practical purposes, it is anything other than gasoline (Motor Vehicle Fuel) used to propel vehicles on public roads. The most common Use Fuel is diesel, but also includes propane, compressed natural gas (CNG), liquefied natural gas (LNG), bio-diesel, and any other product that can be used to operate the engine of a motor vehicle.

WITHIN OREGON TRANSFERS: Product that is transferred from one bulk storage facility located in Oregon to another bulk storage facility located in Oregon.

CONTACT INFORMATION

For additional information or questions not addressed in the instructions provided, please contact us:

FOR GENERAL CORRESPONDENCE

Oregon Department of Transportation
Fuels Tax Group – MS21
355 Capitol St NE
Salem, OR 97301-3871

Telephone	(503) 378-8150 or (888) 753-2525
Fax	(503) 378-3060
E-mail	ODOTFuelsTax@odot.state.or.us
Website	http://fuelstax.oregon.gov/

For direct numbers to specific staff members, please see our website.

MAIL REPORTS AND PAYMENTS TO

Oregon Department of Transportation
Fuels Tax Group Unit 06
P O Box 4395
Portland, OR 97208-4395

NOTE: Through the instructions in this guide, the Fuels Tax Group has attempted to completely and correctly advise licensees on proper compliance including tax report completion and record keeping requirements. This guide is not intended to replace or change Oregon Revised Statute 319 or any Administrative Rule. We have made our best effort to address all types of reporting situations, however, due to changing technology or unusual circumstances, it is possible that a licensee may receive special instructions from an auditor intended to address *only that special situation*.

