

Nebraska Motor Fuels Retailers and Compressed Fuel Retailers

Overview

Any person making sales of motor vehicle fuels, diesel fuels, or aircraft fuels to consumers in Nebraska must obtain a motor fuels retailers license. Persons who are selling compressed fuel, such as propane, to consumers may be required to become licensed for the compressed fuel retailers program.

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This guidance document may change with updated information or added examples. DOR recommends you do not print this document. Instead, sign up for the [subscription service](#) at revenue.nebraska.gov to get updates on your topics of interest.

Terms

Motor Fuels Retailer. A motor fuels retailer is any person who acquires motor fuels or aviation fuel from a producer, supplier, distributor, wholesaler, or importer for resale to consumers.

Compressed Fuel Retailer. A compressed fuel retailer is any person making sales or otherwise providing compressed fuel to consumers for use in motor vehicles. Compressed fuel includes compressed natural gas, liquefied petroleum gas, liquefied natural gas, and any other compressed fuel used to power a motor vehicle.

Motor Fuels Retailer

Retailers purchase motor fuels tax-paid from their supplier and sell the fuel tax-paid to their retail customers. If there is a valid basis for exemption from the tax, such as a sale to the federal government, the retailer honors that exemption through receipt of a proper tax exempt certificate. The retailer recovers the exempted tax by filing a [Nebraska Retailer's Claim for Exempt Sales of Motor Fuels, Form RC73](#), with their supplier. Other exempt sales of motor fuels include: sales to the Omaha Metropolitan Transit Authority, or qualified sales of diesel consumed in power take-off or temperature control (reefer) units when supported by a [Nebraska Tax Exempt Certificate for Purchase of Undyed Diesel Fuel, Form 91EX](#).

Motor Fuels Retailer License. Any motor fuels retailer wishing to operate in Nebraska must secure a retailer license. This license covers the sale of motor vehicle fuels, undyed and dyed diesel fuels, and aircraft fuels. Security is not required with this license.

This license is obtained by submitting a [Nebraska Motor Fuels License Application, Form 20MF](#). This form is available on our website.

There is no application fee. Once issued, the license is permanent and non-transferable.

Filing Requirement. [Ethanol Blend Report, Form EBR](#), is required to be filed by all retailers of gasoline, ethanol, or gasoline/ethanol blends. The quarterly report is due on the last day of the month following the end of the calendar quarter. The number of gallons of each type of gasoline, ethanol, and gasoline/ethanol blend sold and the percentage of ethanol in each gallon is reported using the on-line form available through DOR's website.

Records Requirement. Motor fuels retailers are required to maintain normal business books and records supporting the purchases and sales of motor fuels. The types of records include, but are not limited to:

- ❖ Check registers;
- ❖ Meter readings;
- ❖ Tank inventory records;
- ❖ Purchase invoices; and
- ❖ General ledger accounts.

These records must be maintained for a period of three years. DOR conducts periodic record reviews at retail locations. This review may be for the prior three years, but generally is limited to the preceding year of activity. Retailers may also be subject to an audit which generally encompasses three years.

Compressed Fuel Retailer

A compressed fuel retailer collects and remits the tax when compressed fuel is placed into the supply tank of a licensed motor vehicle or sold for use in a licensed motor vehicle.

Compressed Fuel Retailer License. Every retailer making sales of compressed fuel with equipment capable of fueling a motor vehicle must obtain a compressed fuel retailer license. A license is obtained by submitting a [Nebraska Motor Fuels License Application, Form 20MF](#). This form is available on our website.

There is no application fee. Once issued, the license is permanent and non-transferable.

Security. There is a first-year bonding requirement for a compressed fuel retailer license. The security must be in the form of a bond issued by a surety company licensed and authorized to do business in Nebraska.

The initial bond is dependent upon the estimated tax and the filing frequency as follows:

- ❖ Monthly filers – greater of \$1,000 or three times the anticipated monthly compressed fuel

tax liability;

- ❖ Quarterly filers – greater of \$1,000 or two times the average quarterly tax liability; or
- ❖ Annual filers – \$1,000.

During the first year of the license, the account will be monitored to ensure the appropriate bonding level is maintained. If, after that first year, the account is found to be in good standing, the surety bond may be canceled upon notification by DOR. However, if the account is not in good standing, or the reported liabilities materially exceed the bonded projections, the bond may be increased or the term of the bond may be extended.

Tax Return. A Nebraska Compressed Fuel Retailer Return, Form 86, must be filed by each retailer. The return must be filed every period during which the license is active, whether or not any compressed fuels have been sold.

- ❖ If the retailer's annual compressed fuel tax liability is \$6,000 or more, the retailer must file monthly returns.
- ❖ If the annual tax liability is at least \$250, but less than \$6,000, quarterly returns are required.
- ❖ If the annual tax liability is less than \$250, annual returns may be filed.

Returns are required to be filed via electronic data interchange (EDI). DOR's website contains a listing of several commercial [vendors](#) that sell this software. It also contains a [software guide](#) containing the necessary mapping to allow licensees to create the software in-house. The Nebraska Compressed Fuel Retailer Return, Form 86, is part of the combined [monthly motor fuels tax return](#) for those also licensed for motor fuels tax. For those filers having a limited filing responsibility, DOR provides the ability to file the [Form 86 online](#) through our website.

The return is considered timely filed if electronically transmitted on or before the 20th day of the month following the close of the reporting period. If the 20th falls on a Saturday, Sunday, or legal holiday, the return will be considered timely filed if transmitted on or before the next business day following the 20th.

A commission is provided to defer the costs of collecting and remitting the tax and maintaining any required surety bonds.

Tax Payment. Payment of all liabilities must be remitted no later than the due date of the respective return. While DOR encourages [electronic payments](#), it is not required unless the annual aggregate liabilities exceed \$5,000. If this threshold is exceeded, payments must be remitted electronically.

Penalties and Interest. Penalties are structured to encourage timely filing of returns and payment; however, they automatically escalate if the necessary corrective action is not taken within a prescribed time period.

A late return, regardless of whether there is a tax balance due, receives a \$50 penalty if filed within 10 days of the due date. If the return is filed beyond 10 days of the due date, an additional penalty is assessed equal to \$100 or 10% of the tax due, whichever is greater.

Interest is independent of penalties and will be assessed on the unpaid tax at the statutory rate from the due date until payment is received.

Records Requirement. Compressed fuel retailers are required to maintain normal business books and records supporting the purchases and sales of compressed fuel. The types of records include, but are not limited to:

- ❖ Check registers;
- ❖ Meter readings;
- ❖ Tank inventory records;
- ❖ Purchase invoices; and
- ❖ General ledger accounts.

If the appropriate returns have been filed, records must be retained for a period of three years. If the appropriate returns have not been filed, a five-year review period is allowed. Failure to maintain records for this period could result in assessments being issued based upon the best information available.

Resource List

- ❖ [Motor Fuels Regulations](#)
- ❖ [Nebraska Revised Statutes Chapter 66](#)
- ❖ [Nebraska Motor Fuels Tax Laws Information Guide](#)

revenue.nebraska.gov/motor-fuels

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