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Filing Tips for the Nebraska Monthly Fuels Tax Return

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (DOR) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of DOR and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

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.

This document highlights some of the most common filing errors and issues noted on the Nebraska Monthly Fuels Tax Return, Form 73. It is not an all-inclusive list of instructions for filing the form. Please contact your account representative if you have any questions regarding the information below or any motor fuels tax topics not included here.

Reporting Receipts

Use schedule code 1 to report the receipt of Nebraska tax-paid fuel, including gasoline products, undyed diesel, and aircraft fuels. Do not report the receipt of dyed diesel purchased with the Petroleum Release Remedial Action Fee (PRF) paid. If you purchase Nebraska tax-paid fuel, the purchase invoice must clearly indicate the amount of Nebraska motor fuel taxes and PRF or contain a statement that the Nebraska motor fuel taxes and PRF were included in the price of the fuel.

If you own fuel within the pipeline terminal system, including a pipeline spur, do not report above-the-rack or in-terminal fuel transactions. The entity having title to the fuel when removed from terminal storage should report the transaction. Report the following terminal transactions:

- Ethanol that you place into pipeline terminal storage, using a schedule code 2A for ethanol received in Nebraska and a schedule code 4 for ethanol imports; and
- Fuel to which you have title and remove from Nebraska terminal storage, using a schedule code 2.

Report all other tax-free receipts of fuel within Nebraska as a schedule code 2.

If you own fuel in another state and import it into Nebraska, other than ethanol placed into terminal storage, report the receipt using schedule code 3. If you own fuel in another state and transfer ownership to another entity in that state, do not report it on your Nebraska return. The entity that owns the fuel as it crosses the border into Nebraska is responsible for reporting the import of the fuel.

While dyed diesel is not subject to motor fuels tax, it is subject to PRF. Report the receipt of dyed diesel using schedule code 2 or schedule code 3 for purposes of determining the PRF liability.

Find a list of Nebraska terminal codes, as well as some of the terminal codes for surrounding states, on DOR's website at [Terminal Codes](#).

Additives or fuel expanders and any other volatile, flammable, or combustible liquid suitable for use as a motor fuel are subject to Nebraska fuel tax when added to motor fuels, or placed directly into the supply tank of a licensed motor vehicle in quantities of more than one quart. Report the blending of the additive as a schedule code 2. The product code should be identical to the product code of the fuel into which the additive was placed. Report your own name and Federal ID Number (FEIN) as the vendor of the additive and the word "additive" as the invoice/document number.

Reporting Disbursements

Use schedule code 5 to report tax-paid disbursements to licensed motor fuels entities. This type of sale is usually to a retailer (for example, a gas station), but may also include tax-paid disbursements to licensed suppliers, distributors, wholesalers, importers, or exporters. The sales invoice must clearly indicate the amount of Nebraska motor fuel taxes and PRF or contain a statement that the Nebraska motor fuel taxes and PRF were included in the price of the fuel. To verify whether your customer is a licensed retailer, you may refer to the [Active Nebraska Compressed Fuels and Motor Fuels Retailers](#) available on DOR's website.

Do not report a schedule code 5 when you:

- Sell motor fuels to an end user, for example, a construction company purchasing fuel to use in its business;
- Use motor fuels in your own business; or
- Sell dyed diesel and collect PRF. If you are selling dyed diesel without PRF to another licensed supplier, distributor, wholesale, or importer, report the transaction as a tax-free schedule code 6 disbursement.

If you own fuel within the pipeline terminal system, including a pipeline spur, do not report above-the-rack or in-terminal fuel transactions.

Use schedule code 6 to report a tax-free disbursement in Nebraska to another motor fuels licensee. To verify whether your customer has a motor fuels license to purchase fuel tax-free, you may refer to the [Active Nebraska Motor Fuels Licensees](#) available on DOR's website.

If you own fuel in Nebraska and export it to another state, report the disbursement using schedule code 7. If ownership transfers to your licensed customer in Nebraska and your customer plans to export it, you will report a schedule code 6 and your customer will be responsible for reporting the export. The entity that owns the fuel as it crosses the border out of Nebraska is responsible for reporting the export of the fuel.

Verifying FEINs

When reporting receipts and disbursements, use valid FEINs for all fuel transactions in Nebraska. Verify FEINs on DOR's website at [Licensees](#).

Gross Gallons

Nebraska requires the reporting of gross gallons. Gross gallons are measured gallons without adjustment or correction for temperature or barometric pressure.

Compressed Fuels and Kerosene

Compressed fuels, including propane and compressed natural gas, which are sold tax-paid to be consumed in a licensed motor vehicle, and kerosene blended with diesel must be reported in the appropriate columns on line 4 or 5 of the return.

Filing Returns

Nebraska requires electronic filing of motor fuels tax returns. DOR does not provide the software to create the Nebraska Monthly Fuels Tax Return, Form 73. You may either work with a [software provider](#) or create software in-house using the [Nebraska EDI Implementation Guide](#).

After creating the EDI mapping and before transmitting the file, ensure that your file is correctly named. Your EDI software program may automatically name the file. If not, you must manually name the file. If you do not correctly name your file, we may not be able to locate the file or the file may be rejected before reaching our mailbox for processing.

All files must have a 10-character alphanumeric file name with an extension of .edi or .EDI. The 10-character name should consist of one alpha character representing the tax month, and nine numeric characters representing your Nebraska ID number. For example, name the January original return for an entity with a Nebraska ID number of 000072759 as A000072759.edi.

The month indicators are:

Month	Original	Amended
January	A	M
February	B	N
March	C	O
April	D	P
May	E	Q
June	F	R
July	G	S
August	H	T
September	I	U
October	J	V
November	K	W
December	L	X
Test	T	

After creating and properly naming the file, transmit it electronically through DOR's website at [Fuel Tax Form Submission](#).

Payments

Round payments to whole dollar amounts. Round down all amounts less than .50 and round up all amounts .50 to .99.

If you were notified that you must make your motor fuels tax payments electronically, please refer to [Electronic Payment Options for State Taxes](#).

Due Date

The return is timely filed if electronically transmitted on or before the 20th day of the month following the close of the reporting month. If the 20th falls on a Saturday, Sunday, or legal holiday, the return is timely filed if transmitted on or before the next business day following the 20th. This return must be timely filed each month even if you have no Nebraska fuel activity to report.

The electronic payment is considered timely filed if initiated by 5:00 p.m. Central Time on or before the due date. Please refer to the [Reminder to Licensees Paying Electronically](#).

Penalty and Interest

State statutes impose a \$50 penalty per tax program on returns filed one to ten days after the due date. After 10 days, an additional penalty per tax program of the greater of \$100 or 10% of the tax due is assessed. In addition, tax not remitted by the due date of the return accrues interest at the statutory rate from the due date until payment is received.

Records

Records must be maintained for three years if the appropriate returns have been filed. If the appropriate returns have not been filed, records must be maintained for five years. Additional information can be found in both statutes and regulations.

Motor Fuels tax licensees: [Neb. Rev. Stat. § 66-487](#)

Motor Fuels retailers: [Neb. Rev. Stat. § 66-716](#)

Motor Fuels licensees and retailers: [Reg. 73-007](#)

Information Updates

To receive information on motor fuels tax changes and updates, sign up for the [subscription service](#) at revenue.nebraska.gov.

Additional References

- ❖ [Nebraska Motor Fuels Statutes](#)
- ❖ [Motor Fuels Information Guides](#)
- ❖ [Fuel Tax Rates](#)