

Special Fuel Blender Tax Return Instructions

Tax returns are due on the 25th of the month following the reporting period. If the 25th falls on a weekend or state holiday you must pay on the next business day. The postmark on the mailing envelope is the receipt date. Returns postmarked after the due date will be assessed a penalty of 10% of the tax due. If postmarked after the end of the month, interest accumulates at 1% per month.

Required attachments

- Fuel Tax Receipts Schedule (Form FT-441-846), fill one out for each schedule type and product code.
- Fuel Tax Disbursements Schedule (Form FT-441-841), fill one out for each schedule type and product code.

If applicable,

- IFTA Authorization Schedule of Disbursements (Form FT-441-779)

Computer generated forms will be accepted as long as the format is identical ours.

Step 1:

A. Enter reporting period year, month, and your blender license number.

B. Place an "X" in each box that applies:

No Operations: Even if you had no activity during the reporting period, you must file a return to avoid revocation of your license.

Late Returns: When filing a late return, you must include the penalty and interest.

Amended Return: Report changes for a previous tax period with an amended tax return. Mark "Amended Return" in Section B. Record any payments made with the original tax return on line 14 and continue filling out the return. Attach supporting documentation of changes with your amended return.

Name Change: Provide your current business name. If you purchased or incorporated your business, a new application for license must be completed.

New Address: Provide physical and mailing addresses.

Cancel License and Effective Date: The effective date is the date you stopped business operations. Tax returns must be filed through this date and taxes paid on remaining inventory.

C. **Name and Address:** Type or print your business name and address.

Step 2: Turn to page 2 of the tax return – Round all reported fuel to the nearest whole gallon and convert liters to gallons at the rate of 3.785 liters per gallon. Do not use negative figures on the Receipts schedule or the Disbursement schedule.

Inventory

List your beginning and ending inventory for special fuel and biodiesel.

Receipts Schedule

The Receipts Schedule (Form FT-441-846) documents all fuel received and produced.

Disbursement Schedule

The Disbursement Schedule (Form FT-441-841) records all tax exempt fuel sold and exported.

Tax paid credit gallons

This section reports taxes collected on fuel distributed.

Dyed Special Fuel

Do not include rebranded fuel in this section.

Step 3: Return to page 1

Line 1. List your non-dyed special fuel physical inventory (this total will include both your special fuel and your biodiesel). This amount is the same as the ending inventory reported on your previous tax return. The inventory is for fuel in IRS licensed terminals, barges, and pipelines located in Washington State.

Line 2. Enter your non-dyed fuel received total from the Receipts Schedule on page 2 of the tax return below R5.

- Line 3.** List your non-dyed special fuel physical inventory. The amount is the number of gallons you have left on the last day of the month in a licensed terminal located in Washington State.
- Line 4.** Add line 1 and line 2, then subtract line 3. This is your total accountable gallons.
- Line 5.** Enter tax exempt gallons distributed. The total is on the Disbursement schedule on page 2 of the tax return below D11.
- Line 6.** Line 4 minus line 5. This is your taxable gallons.
- Line 7.** Record the amount listed on line 4 of the Tax paid credit gallons on page 2.
- Line 8.** Line 6 minus Line 7. This is your net taxable or credit gallons total.
- Line 9.** The amount listed on line 8 will be multiplied by the tax rate. List this total on line 9.
- Line 10.** To compute your penalty, multiply line 9 by 10% and enter this amount on line 10. See example on Line 12.
- Line 11.** Add line 9 to line 10.
- Line 12.** If you are paying after the first of the month, following the due date, you owe interest. Interest is 1% compounded monthly of the total amount due (including penalty). To get your total, multiply the amount owing each month by 1%. This is your compounded interest amount.
- Example: You owe \$100 and your payment is two months late, you incur a 10% penalty*
 $\$100 \times 10\% = \110 (tax plus penalty)
 $\$110 \times 1\% = \111.10 (tax, penalty, and interest for the first month)
 $\$111.10 \times 1\% = \112.21 (tax, penalty, interest for the 1st month plus interest for the 2nd month) total due.
- Line 13.** Add line 11 to line 12, this is your total fuel tax amount.
- Line 14.** If you are filing an amended return, enter all payments you have made for this reporting period.
- Line 15.** If line 13 minus line 14 is greater than zero, this is the amount owed.
- Line 16.** If line 13 minus line 14 is less than zero, this is the refund amount.

Signature required

Complete all areas in this section.

Payments

- All payments must be made in U.S. funds. Make checks payable to the Department of Licensing.
- All payments of \$50,000 or greater must be made in electronic funds (EFT). If you are using this method, place an "X" in the EFT box and payment must be made on or before the 26th of the month. If the 26th falls on a weekend or legal holiday pay by the next business day.

Credits

If line 16 on the tax return is listed as a credit of \$2,000 or more, include copies of Washington tax paid invoice (supporting Line R1) with the tax return. The Department may request copies of invoices to support refund claims for less than \$2,000. Original invoices must be kept for audit purposes.

Questions

Contact us at (360) 664-1852

Records

Records must be kept for five years for all fuel received, produced, sold, distributed, or used for own consumption. These include invoices, bills of lading, and other papers. Information may be disclosed to the Internal Revenue Service.