

Motor Fuel General Information

MOTOR FUEL TAX LAWS:

Arkansas' Motor Fuel Tax Laws are covered in Arkansas Code Title 26, Chapters 55 and 56. These laws can be viewed online at:

www.arkleg.state.ar.us

ARDOT INVOLVEMENT IN MOTOR FUEL

The Arkansas Department of Transportation (ARDOT) employs auditors who perform Motor Fuel and IFTA audits. These auditors act as agents of the Commissioner of Revenue when performing such audits and other fuel tax related reviews.

These auditors also review the electronically filed monthly motor fuel tax returns through a Motor Fuel Tracking System.

MOTOR FUEL TRACKING

This automated system is designed to track each load of fuel from the terminal or import into the state to the entity responsible for remitting the tax or reporting the receipt and tax-free disbursement.

Motor Fuel electronic tax return information, information from terminals, information from other states and information from Import/Export Permits is utilized in the tracking process.

To reduce the number of loads that an auditor might call about from the cross-match process, the following should be included in your EDI file:

1. Buyer/Seller FEIN (should you not have this information available, please contact your supplier).
2. Receipt Date (this should be the date printed on the Bill of Lading).
3. Bill of Lading Number (this should be the printed Bill of Lading number; preceding zeroes may be dropped).
4. Arkansas issued Border Zone station number [this is the 5 (five) digit number assigned by the Motor Fuel Tax Section for licensed Border Zone retailers].
5. Arkansas issued Aviation User number [this is the 5 (five) digit number assigned by the Motor Fuel Tax Section for licensed Aviation users].
6. Utilize a Schedule 6 for sales of dyed product to licensed entities.

IMPORTING AND EXPORTING FUEL

Arkansas Law requires an entity **to be licensed** in order to import fuel into the State or export fuel out of the State.

Every load of fuel that is imported into Arkansas from another state, or exported out of Arkansas, must be accompanied by an Import/Export Permit. Those permits should be obtained from and remitted to the ARDOT Internal Audit Division weekly.

Arkansas Highway Police officers conduct routine stops of fuel transport vehicles to check for compliance with motor fuel tax laws.

When importing fuel from a state that has "tax at the rack" laws, it is your responsibility to review invoices from your supplier to be certain that the correct state taxes were charged. Several of Arkansas' surrounding states that have "tax at the rack" require that you be licensed in those states in order to export fuel with the appropriate state taxes charged by your supplier.

To review requirements in other states regarding fuel tax laws and compliance, please refer to the state web pages cited below:

Missouri:

www.dor.mo.gov/tax/business/fuel/

Tennessee:

www.state.tn.us/revenue/forms/petro/index.htm

Louisiana:

www.rev.state.la.us/sections/lawspolicies/default.asp

Texas:

www.window.state.tx.us/taxinfo/taxforms/06-forms.html

Oklahoma:

www.oktax.state.ok.us/rule55.html

DYED FUEL

No dyed fuel is to be placed into the fuel supply tank of any vehicles licensed or required to be licensed to operate on highways **except:**

- **State and local government**
- **Local transit buses**
- **Intercity buses**
- **School buses**
- **Vehicles owned by aircraft museums**
- **Vehicles used by nonprofit education organizations**
- **Red Cross vehicles as defined in the Internal Revenue Service Regulations**

Act 87 of 2007 established an excise tax of six cents per gallon on all dyed diesel **except:**

- **Biodiesel fuel**
- **Vessels, barges, and other commercial watercraft**
- **Railroads**
- **Municipal buses**
- **Fuel sold to the United States Government**

[NOTE: Dyed Kerosene and Jet Fuel are not considered dyed diesel for the purpose of this excise tax]