

Notice

Notice Number:
Tax Type: Motor Vehicle Fuel Tax
Brief Description: Reporting Sales to Consumers
Keywords:

Body:

NOTICE ON SALES TO CONSUMERS

It has become apparent that many companies are incorrectly reporting or failing to report line 4 "Sales to consumers in tank car, transport or pipeline lots" on the monthly distributor's tax returns. Sales to consumers in tank car, transport or pipeline lots is defined as: a sale to a consumer in which the product is delivered by transport, tank car or pipeline to a consumer's location **regardless of quantity**. If you are selling any type of fuel to consumers in this manner, fuel tax is due on these gallons and the handling allowance **cannot** be applied to these amounts. We have included this as an item of error in our January 1994 Newsletter.

Due to the confusion on the part of many companies, we are enclosing a self audit form to allow for the correcting of these errors. You can correct and pay tax on the gallons of fuel taken as handling allowance against these sales to consumers. For example:

If you had 8,000 gallons of fuel sold in a transport lot to a consumer, you might have subtracted 200 gallons from this amount as a handling allowance (using 2.5%) and only paid tax on 7,800 gallons of fuel. The 200 gallons of fuel should have been included when computing the tax due.

Should this situation apply to you, please complete the attached self audit form return with payment by August 1, 1994. The department will waive penalties and interest associated with this additional tax die if the self audit is returned on or before August 1, 1994. If the situation does not apply to your company, please continue with your current procedures. If your company should be audited in the future and there are sales to consumers in tank car, transport or pipeline lots and you have not completed the self audit as provided above, you will be assessed penalty and interest on the tax due.

If you should have any further questions, please contact this office at (913) 296-2384.
Please mail the self audits to the following address:

Kansas Department of Revenue
Motor Fuel Tax Section
Docking State Office Building
Topeka, KS 66625-0001

Date Composed: 10/06/1997 Date Modified: 10/10/2001

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