



Department of Motor Vehicles
Tax Services
P.O. Box 27422
Richmond, VA 23269-7422

VIRGINIA FUELS TAX INFORMATION AND NEWS

MAY 2005

Payment Form required for all Payment Methods

Beginning June 2, 2005, all fuels tax payments should be accompanied with a Fuels Tax Payment Form (see enclosed). All information on the Fuels Tax Payment Form is required to ensure that monies received are applied to the appropriate account and return period month.

Also, if you were notified by the Department of an outstanding credit, you are now authorized to take this credit from the total amount due before submitting your payment. The form allows you to reflect the outstanding credit information, if applicable.

Additional Fuels Tax Payment Forms (FT474) can be downloaded from the DMV web site at dmvnow.com (Fuels Tax Section under Forms). Copies can also be made from the attached form.

Deadline for Electronic Filing Fast Approaching

All Fuels Tax filers are required to file tax returns and informational reports electronically beginning with their July 2005 activities. In light of the number of companies that have not yet complied with this requirement, we are strongly encouraging all companies to take immediate action to begin filing electronically. This will ensure that the limited resources we have will be able to assist all customers in complying with the electronic filing requirement by the deadline.

If you still have questions about the electronic filing process or are experiencing problems that prevent you from filing electronically, please contact **Derrick Chase with Affiliated Computer Systems (ACS) at (602) 412-2075 or 1-800-234-1009, Extension 2075.**

May Returns Due in June

All Virginia fuel tax payments, returns, and schedules for your May 2005 activities are due in June and must meet the following criteria:

Mailed to DMV and

- postmarked on or before June 25, 2005, or
- received at DMV on or before Thursday, June 30, 2005.

Delivered to DMV and

- received at DMV by Thursday, June 30, 2005.

All late payments, reports and schedules will be assessed penalties and interest. Additionally, no discounts will be allowed.

Returns with Critical Errors Removed from System

Under Virginia law, persons who are required to file fuels tax returns must file them on time, and in the format required by the Department of Motor Vehicles. Effective May 20, 2005, all licensees who submit tax return files in ASCII or EDI format with critical errors will have their returns removed from the system. Critical errors will prevent a tax return and schedule details from being created by the system and the return will be considered "not filed".

Examples of Tax Returns with Critical Errors that will be **REMOVED** include:

- **Bad or Invalid Postmark Date**
The submitted postmark date is either not a valid date, or it is not within established requirements. The postmark date must be greater than the return period end date and must be less than or equal to the day the file is being processed.
- **Tax Type/Product Type/Schedule Type Mismatch**
The Product Type/Schedule Type combination is not valid for the provided Tax Type.
- **Duplicate Filing**
The filer has already submitted an original tax return for the return period.
- **Invalid TIA Code**
The TFSO2 code, TIA code, and TIA subcode combination is not correct for the given tax type and product type.
- **Duplicate TIA value submitted**
The TIA value for the given TFSO2 code, TIA code/TIA sub-code, and Product Type combination already exists within a tax return submission.
- **Improperly Filed Amended Tax Return**
The amendment includes data previously reported on an original return.

Once the return is removed, a request to resubmit the file by the return due date will be mailed to the licensee. We encourage all licensees to file returns early to avoid penalties and interest assessed for late filing or incorrectly formatted data.

Licensees who fail to resubmit their tax return by the due date, may be assessed the following penalties and interest:

- 1st offense \$50
- 2nd offense \$200
- 3rd offense \$500
- 4th offense and subsequent offenses \$1000

The amount of the penalty, if not paid, within 30 days of receipt of notice of assessment, shall bear interest of 1% per month until penalty is paid. Filers who fail to submit returns by the due date may also have their licenses cancelled.

Tax/Tank Fee Overpayments – Adjustments for Credits

Effective immediately, all...

Alternative Fuel Providers
Bulk Users of Alternative Fuel
Retailers of Alternative Fuel
Providers of Alternative Fuel

Aviation Consumers
Blenders
Occasional Importers and Bonded Importers
and Elective Suppliers, Permissive Suppliers, and Suppliers

who file tax returns should no longer use the adjustment line on the tax return for tax/tank fee overpayments. You are now authorized to deduct the credit from the total amount due and remit your ACH Debit/Credit, cash, check or money order payments for the difference. If you are due a credit, you will be

mailed a credit authorization letter indicating the exact amount of your credit. A copy of this letter should be kept for your records and auditing purposes.

Penalty and Interest assessed for Late Loads

Beginning May 20, all licensees who pay tax and or tank fee on prior months transactions (late loads) on their current month's return will be assessed penalty at 10% of tax and/or tank fee with interest accruing at the rate of 1% per month until paid. Those licensees who fail to pay the assessment in full may have their license cancelled. If a licensee disagrees with the assessment, he/she may submit a written appeal within 30 days of being notified by the Department to the Commissioner indicating reason(s) why this assessment should not be imposed.

Tax Exempt Card/Code

Tax Exempt Cards/Codes issued by suppliers to Bonded Importers, Occasional Importers and Distributors can be used to purchase motor fuel from a supplier tax free and the fuel can then be sold to a tax exempt entity. If the licensee does not sell the entire amount of tax-free fuel to a tax-exempt entity, a tax payment for the amount of the difference in fuel not sold to a tax-exempt entity must be remitted to DMV by the return due date. If Line J on your tax return is a positive amount, this may indicate the amount of monies owed to the Department. Distributors who may have reported this liability on a Tax and Tank Fee Form are no longer required to do so.

Contact Information

If you have any questions about any information on this document, contact DMV's Tax Services at:

(804) 367-4328 or 367-4329 (voice)

(800) 272-9268 (deaf or hearing impaired only)

(804) 367-8877 (voice)

samuel.hunter@dmv.virginia.gov (e-mail)

(804) 367-0233 (fax)