

AVIATION JET FUEL TAX REPORTING INSTRUCTIONS

Aviation Jet Fuel, as defined 30 Del C c.51 §5171(1), means fuel designed for use in the operation of jet or turbo-prop aircraft, and sold or used for that purpose.

Licensed aviation jet fuel supplier, as defined 30 Del C c.51 §5171(2), means any wholesale seller or distributor of aviation jet fuel that has procured a license from the Department.

Licensed Aviation Jet Fuel Suppliers are required to report all receipts and distribution of aviation jet fuel (product 130). The tax is levied and imposed on the sale or delivery of aviation jet fuel by a licensed aviation jet fuel supplier. The aviation jet fuel tax attaches at the time of delivery to end user bulk storage tanks and/or supply tanks of jets or turbo-prop aircraft. The tax shall be collected by and paid to the State but once in respect to any jet fuel. Please call the Motor Fuel Tax Administration at (302) 744-2711, if you have any questions.

A tax return must be filed even if there is no Delaware activity for the month. Check the applicable box to indicate the return is being filed with no activity. A signed copy of the return must be filed by the due date of the return to avoid a penalty for late filing.

Complete the top portion of the tax return by entering name of licensee, license number, your company's Federal Employer Identification Number or Social Security Number, name of licensee, address, and return month in the spaces provided. All requested information must be reported. Check the applicable box to indicate if the return being filed is an original return, an amended return, or a final return.

Round all gallon figures to the nearest whole gallon. All gallon figures must be reported at gross gallons.

Line A – Show the number of gallons of tax-free jet fuel on hand in your Delaware bulk storage tanks at the beginning of the reporting month. This also includes gallons which are being transported to customers, but delivery and title change have not taken place (in transit). Opening inventory **MUST** agree with the actual ending inventory (Line C) reported for the previous month.

For Lines 1-4 below, you must complete the Aviation Jet Fuel Tax Multiple Schedule of Receipts, and enter summary totals for each schedule on the applicable line on the tax return. Please follow the receipt instructions sheet provided. On each Multiple Schedule of Receipts form, you must report monthly receipt gallons totals, broken down on a per supplier basis, and further broken down by carrier. All requested information must be reported.

Line 1 – Jet Fuel Gallons Received Tax Paid: Identify all gallons of jet fuel purchased with the Delaware tax included from a source of supply during the reporting month.

Line 2 – Jet Fuel Gallons From Locations Within Delaware From Licensed Aviation Jet Fuel Suppliers Tax Unpaid: Identify all gallons of jet fuel purchased tax-free within Delaware from other licensed Delaware Suppliers. Record each license number in Column 6 of Multiple Schedule of Receipts.

Line 3 – Jet Fuel Gallons Imported From another State Direct to Customers: Identify all gallons of jet fuel purchased tax-free from locations outside of Delaware, transported into Delaware, and delivered directly to customers within Delaware.

Line 4 – Jet Fuel Gallons Imported From Another State Into Tax-Free Storage: Identify all gallons of jet fuel purchased tax-free from locations outside of Delaware, transported into Delaware, and delivered directly to tax free bulk storage locations.

Line B – Add line A and lines 1 through 4.

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Line C – Enter the actual inventory on hand at the end of the reporting month. This also includes gallons which are being transported to customers, but delivery and title change have not taken place (in transit). Actual ending inventory MUST agree with the actual opening inventory (Line A) reported for the subsequent month.

Line D – Subtract closing inventory (Line C) from Line B total to arrive at the gallons that must be accounted for during the report month.

For Lines 5-10 and 15 below, you must complete the Aviation Jet Fuel Tax Multiple Schedule of Disbursements, and enter summary totals for each schedule on the applicable line on the tax return. Please follow the disbursements instruction sheet provided. On each Multiple Schedule of Disbursements form, you must report monthly disbursement gallon totals, broken down on a per-customer basis, and further broken down by method of transport. All requested information must be reported.

Line 5 – Jet Fuel Gallons Delivered Tax Collected: Identify all jet fuel gallons used, and/or sold to customers during the month with the Delaware excise tax included.

Line 6 – Jet Fuel Gallons Delivered to Jet Fuel Suppliers Tax Not Collected: Identify all jet fuel gallons sold tax-free to holders of valid State of Delaware Aviation Jet Fuel Supplier licenses; record each license number in Column 6 of the Multiple Schedule of Disbursements.

Line 7 – Jet Fuel Gallons Exported: Identify total jet fuel gallons transported by you and/or your hired Common Carrier to locations outside of Delaware. You must complete a separate schedule for each state, and place the combined total on Line 7.

Line 8 – Tax Exempt Jet Fuel Gallons Sold to U.S. Government: Identify tax-free bulk sales of jet fuel made to U.S. Government customers located in Delaware that hold valid Exemption Certificates with the Motor Fuel Tax Administration. You must record the Exempt Certificate number in Column 6 of the Multiple Schedule of Disbursements.

Line 9 – Tax Exempt Jet Fuel Gallons Sold to State, Local, & Other Exempt Government Entities: Identify tax-free deliveries of jet fuel made to State, Local and other Government customers located in Delaware that hold valid Exemption Certificates with the Motor Fuel Tax Administration. You must record the Exempt Certificate number in Column 6 of the Multiple Schedule of Disbursements.

Line 10 – Tax Exempt Jet Fuel Gallons Sold to Other Exempt Entities & Product Downgrades: Identify tax-free bulk deliveries of jet fuel made to volunteer fire company, ambulance operators, or aerial application uses within Delaware for entities that hold valid Exemption Certificates with the Motor Fuel Tax Administration. You must record the Exempt Certificate number in Column 6 of the Multiple Schedule of Disbursements. In addition, Line 10 may also be utilized to report jet fuel, originally reported in inventory and/or receipts that is downgraded into a non-jet fuel product. Please note that detail records regarding product downgrades must be retained and made available upon request by the division.

Line 11 – Gain /Loss: Record tax-free jet fuel bulk storage gains or losses only on this line. This line may only be utilized when tax free inventory is being reported on Line A and C of the Aviation Jet Fuel Distributor cover sheet. **NOTE: SUPPORTING DOCUMENTATION MAY BE REQUESTED TO VERIFY REPORTED GAIN/LOSS DEEMED EXCESSIVE BY THE DIVISION DURING COMPLIANCE REVIEWS AND/OR ROUTINE AUDITS. REPORTED LOSSES THAT CANNOT BE SUBSTANTIATED WILL RESULT IN GALLONS BEING ASSESSED.**

Line 12 – Add Lines 5 through 11. This figure must equal Line D.

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Line 13 – Record the taxed distribution from line 5 into the “Gallons” column, multiply by the Delaware Aviation Jet Fuel excise tax rate of \$0.05, and record the resulting dollar total into the “Amount” column.

Line 14 – Record the tax-paid receipt total from line 1 into the “Gallons” column, multiply by the Delaware Jet Fuel excise tax rate of \$0.05, and record the resulting dollar total into the “Amount” column.

Line 15 – Credit Card Sales to Authorized Exempt Entities: Aviation Jet Fuel Suppliers may deduct gallons sold via Credit Cards to authorized exempt entities. In order to claim the deduction, you must have a Delaware Aviation Jet Fuel Tax Exemption Certificate on file for each exempt entity. You must complete the Jet Fuel Tax Multiple Schedule of Disbursements, Schedule 11, and enter the summary total for this schedule on Line 15, into the “Gallons” column. Multiply by the Delaware Aviation Jet Fuel excise tax rate of \$0.05, and record the resulting dollar total into the “Amount Column.”

Line 16 – Subtract Lines 14 and 15 from Line 13, and record the resulting gallons and dollar amounts on Line 16.

Line 17 – Record estimated tax payments required in the Month of June (Applicable only to licensed Motor Fuel Distributor with average monthly sales/use reporting of 500,000 or more gallons during the period May 1 through April 30 of each year).

Line 18 - Subtract Line 17 from Line 16, and record the resulting gallons and amount on Line 18.

Line 19 – Enter the amount of any valid credit memos approved by this office to be applied to future tax liabilities. Only valid credit memos for the same license number may be applied to the monthly tax liability. Attach a copy of the credit memo applied to the tax return filed for reference.

Line 20 – Subtract Line 19 from Line 18 and record the resulting gallons and amount on Line 20. This is the total net tax due. Make checks payable to: Motor Fuel Tax Administration.

Print the name and title of the individual authorized to sign the return. The tax report **MUST** be signed and dated by an authorized signor. If a tax report is received without a signature, the tax report will be returned to the company for signature. All tax reports returned for signature and received after the due date of the tax report will be considered late filed and subject to late filing penalty.

The Aviation Jet Fuel Supplier tax return is due on or before the 25th day of the next succeeding calendar month following the monthly period to which it relates. When the 25th day of the month falls on a weekend or state holiday, the due date of the report shall be the next following business day of the State. For each report filed late there shall be a penalty of \$5.75 per business day up to a maximum of \$28.75 for each such report. For each report filed more than 5 business days late, the penalty shall be \$28.75 or 12 percent of the tax due, whichever is greater, for each such report. Any tax due shall also bear interest at the rate of 1 percent per month, or fraction thereof.

NOTE: Any licensed motor fuel, special fuel, or jet fuel account that has a combined monthly tax liability exceeding \$20,000 must remit tax payment via Electronic Funds Transfer (EFT). Please call the Motor Fuel Tax Administration at (302) 744-2711 should you need further instructions regarding EFT.

Please call the Motor Fuel Tax Administration at (302) 744-2711 should you have any questions regarding the rest of the instructions. Blank forms and tax reports in a Microsoft Excel spreadsheet format are available on our website at <https://www.dmv.de.gov/services/TransServ/MFSF/index.shtml>.