

**Motor vehicle fuel tax, special fuel tax, liquefied petroleum gas tax, and aviation fuel tax licenses are required.** A refiner, terminal operator, supplier, distributor, importer, exporter, and a special fuel or liquefied petroleum retailer must obtain applicable licenses from the North Dakota Office of State Tax Commissioner prior to conducting business in North Dakota. The law does not provide for the licensing of motor vehicle fuel and aviation fuel retailers.

**Registration with the North Dakota Secretary of State may be required.** For information, visit the Secretary of State website at [www.sos.nd.gov](http://www.sos.nd.gov).

## License Types

### Motor Vehicle Fuel Tax License

A motor vehicle fuel tax license covers gasoline, gasohol (gasoline/alcohol/ethanol blend, including E85), ethanol or alcohol sold for blending with gasoline, natural gasoline, [casinghead (absorption) gasoline, condensate, or drip gasoline when blended with gasoline or sold for blending with gasoline], and racing fuel (high octane gasoline, high octane gasoline blend, or methanol).

### Special Fuel Tax License

A special fuel tax license covers undyed (not dyed red) diesel, dyed (red) diesel, heating fuels, kerosene, compressed natural gas, waste oil used as heating fuel, and any other combustible products not otherwise classified as a motor vehicle fuel, liquefied petroleum gas, or aviation fuel. It does not include motor oils or other heavy grade (#5 or #6) fuels.

### Liquefied Petroleum Gas Tax License

A liquefied petroleum gas tax license covers propane.

### Aviation Fuel Tax License

An aviation fuel tax license covers jet fuel, kerosene (if sold for use in aircraft), aviation gasoline, regular gasoline (if sold for use in aircraft), and any other fuel sold for use in aircraft.

An aviation fuel tax license will not be required if the seller makes only **occasional sales** of 1,000 gallons or less in a month. That seller will be considered a “retailer only”.

## Categories for Licenses

### Licensing Categories Defined

**Refiner:** a person who produces, manufactures, or refines fuel in North Dakota for resale to a consumer.

**Terminal operator:** a person who, by ownership or contractual agreement, is charged with the responsibility for, or physical control over, an operation of a terminal. If a terminal is owned by co-venturers, **terminal operator** means the person appointed to exercise the responsibility for, or physical control over, an operation of the terminal.

**Supplier:** a refiner who distributes fuel from a terminal in North Dakota, or any person who acquires fuel by pipeline from a state, territory, or possession of the United States or from a foreign country, for storage at and distribution from a terminal, or a person who acquires fuel by truck or rail car for storage at and distribution from a terminal in this state.

- NOTE: A supplier sells fuel across the rack at a terminal.

**Distributor:** a person, other than a retailer, who acquires fuel from a supplier for subsequent wholesale distribution in bulk or transport load by truck, rail car, or in a barrel, drum, or other receptacle.

- NOTE: A distributor includes: (1) a marketer; (2) a wholesaler who purchases fuel from another wholesaler or from a distributor; (3) a person who makes bulk delivery sales; and (4) a retailer only who is also an importer.

**Importer:** a refiner, supplier, or distributor who imports fuel into North Dakota in bulk or transport load by truck, rail car, or in a barrel, drum, or other receptacle. Import means the delivery of fuel across the boundaries of North Dakota from a place of origin outside of North Dakota by a refiner, supplier, or distributor.

- NOTE: An importer takes legal possession of fuel in another jurisdiction and brings it into North Dakota for resale. Legal possession is determined based on a change in ownership.
- NOTE: An importer must be licensed as an exporter in the jurisdiction in which the fuel was acquired for export, unless that jurisdiction does not require a license.

**Exporter:** a refiner, supplier, or distributor who exports fuel out of North Dakota in bulk or transport load by truck, rail car, or in a barrel, drum, or other receptacle. Export means the delivery of fuel across the boundaries of North Dakota from a place of origin in North Dakota by or for a refiner, supplier, or distributor.

- NOTE: An exporter relinquishes legal possession of the fuel in another jurisdiction. Legal possession is determined based on a change in ownership.
- NOTE: An exporter must be licensed as an importer in the jurisdiction to which the fuel is taken for resale, unless that jurisdiction does not require a license.

**Retailer:** a person who acquires fuel from a supplier or a distributor for resale to a consumer at a retail location. A retail location is a site at which fuel is dispensed through a pump from an underground or aboveground storage unit into the supply tank of a motor vehicle, aircraft, etc.

### Additional Information About Categories

**Retail only**, for licensing purposes, means all sales are made at a retail location. The fact that a business is generically considered to be a “retail” business is not material.

**For aviation fuel, a retail location** is a site at an airport at which aviation fuel is dispensed from an underground or aboveground storage unit, or from a fuel delivery tank unit, directly into the supply tank of an aircraft.

**For liquefied petroleum gas, a retailer** is a person who fuels licensed motor vehicles with propane at a retail location or similar site. A retailer selling filled propane cylinders to consumers, but not dispensing propane into fuel supply tanks of licensed vehicles, has the following options:

- a. Obtain a license.
- b. Be considered a consumer. With this option the retailer is not licensed and pays the 2% special fuel excise tax to a distributor or supplier.

A person other than a refiner, supplier, distributor, or retailer selling filled propane cylinders to consumers, will always be treated as a consumer. The supplier or distributor selling propane to that person must charge and remit the 2% special fuel excise tax.

**For special fuel, a retailer only** applies for a license and posts a minimum \$1,000 security. Fuel may be purchased either tax free or tax paid. A monthly report and applicable schedules are required.



NORTH DAKOTA

Brian Kroshus, Tax Commissioner

## INSTRUCTIONS FOR FUEL TAX LICENSE APPLICANTS

### Tribal Motor Fuel Licenses

Motor fuel taxes subject to Tribal agreements are administered by the Office of State Tax Commissioner. All dealers on a reservation with a fuel agreement in effect are required to apply for a Tribal motor fuel license **in addition** to a state motor fuel license if any of the following descriptions apply to the business activity:

- Retail stations located on a reservation.
- Fuel dealers are located either on or off the reservation supplying retail locations located on the reservation.
- Fuel dealers located either on or off the reservation supplying bulk sales to consumers on the reservation who are enrolled Tribal members.

### Business Type and Identity

#### Business Type

Select your business type and name. If you have a corporate or legal name different from the entry under business name, enter that name. Provide your Federal Employer Identification Number (FEIN). This number is issued by the Internal Revenue Service and is required for all employers withholding Federal income taxes. It is also the Federal registration number required by all corporations. If you do not have a number, you may obtain an application form by writing to an IRS office or by calling them toll free at 800-829-3676. If you are not required to obtain a number and do not intend to apply for a number, the Motor Fuel Tax Section will assign a tax account number for exclusive use as your fuel tax identification number.

Provide your mailing address, the address of your business or corporate headquarters, and the address where your records will be available should your account be selected for an audit. If the address is the same for all three, enter the address only once.

#### Bond Requirement

A security is mandatory and must be provided before a license can be issued. The security may be in the form of a surety bond, a cash bond, or a letter of credit issued by a bank. The security must be in an amount sufficient to cover estimated tax liabilities for a three-month period, but not less than \$1,000 for motor vehicle fuel, \$1,000 for special fuel, \$500 for liquefied petroleum gas, and \$500 for aviation fuel. A security is not required for a person applying only for an "exporter" license.

Surety bonds require a separate North Dakota Motor Fuel Tax Bond form for each license requested. This form is available at [www.tax.nd.gov/forms](http://www.tax.nd.gov/forms). The format for a Letter of Credit must be pre-approved by the Office of State Tax Commissioner.

The security requirement may be waived at the discretion of the Office of State Tax Commissioner after the license has been in effect for five or more years. Waiver forms are available from the Motor Fuel Tax Section.

#### Business Address Information

Provide the physical and mailing address for your business. If you have a separate location where business records are kept, please provide that address.

#### Previous Association

Complete this section if you have ever been associated with another person in the fuel sales and distribution business.



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## INSTRUCTIONS FOR FUEL TAX LICENSE APPLICANTS

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### Previous Address

If your business headquarters moved during the last three years, enter the previous addresses.

### Ownership Information

Provide the required information for at least one owner, officer, partner, or manager of the business.

**Foreign corporation, foreign limited liability company, foreign limited partnership, foreign limited liability partnership:** A certificate of authority, or authorization or registration, from the North Dakota Secretary of State is required before a fuel tax license may be issued. Provide the state in which your business is organized and provide the identification number assigned by the North Dakota Secretary of State. You may attach a copy of the Certificate of Authority if you are not certain of the number.

### Financial Information

This information is requested but not required. We ask that you provide information of the financial institution(s) used by your business and provide financial statements showing assets and liabilities of the business venture covered by the application.

### License Information

Provide more specific information regarding the license being applied for, including start date, location and an estimate of the gallons of fuel that will be sold in North Dakota on a monthly basis.

### Business Category

Provide more detail as to the category for which your business falls within the fuel industry - terminal operator, refiner, supplier, distributor, and/or retailer.

### Supplier/Distributor Information

Provide the names and locations of fuel suppliers and distributors from whom you will be purchasing fuel products. These can be both inside and outside of North Dakota.

### Storage Sites

Provide the locations of the storage facilities for the fuel that are within the state of North Dakota. If no storage facility will be owned within the state, this can be left blank.

### Return Filing Information and North Dakota Taxpayer Access Point (ND TAP) Access

Identify who will be preparing returns for the license applicant. If a ND TAP account is not already held, we will walk you through the process to obtain a ND TAP login to ensure that you are ready to file returns and access your account information in **ND TAP**.

### Contact Information

Provide the phone and email contact information for the account.

### Payment of License Fee

North Dakota motor fuel licenses have a cost of \$20.00 each. This amount can be submitted at the time of application via electronic payment from a checking or savings account (this option is free), or via credit card. You may also choose the pay later option and mail a check. Please note that your license will not be issued until that license payment is received.



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### **Confirmation and Review**

Please review all of the information that you entered by scrolling through the summary page. Once you are comfortable that all of the information entered is accurate and complete, submit your application. You will be presented with a confirmation screen that includes a confirmation number, and information that might still be required to be submitted, including bond information and the license payment if you chose to pay later.

### **For additional information or assistance, contact:**

Motor Fuel Tax Section  
Office of State Tax Commissioner  
600 E. Boulevard Ave., Dept. 127  
Bismarck, ND 58505-0599

Phone: 701-328-2702