

# **SD DEPARTMENT OF REVENUE AND REGULATION**

MOTOR VEHICLES DIVISION  
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May 18, 2009

To All Licensed Blenders:

Due to advancements in the production of ethanol and ethyl alcohol blends, the 2009 South Dakota Legislature passed a bill aimed at simplifying South Dakota's fuel tax system and further promoting additional blending of ethyl alcohol products. Senate Bill 21 was ultimately signed by Governor Rounds and will become law July 1, 2009.

The Department of Revenue & Regulation, Division of Motor Vehicles would like to take this opportunity to make you aware of some of the changes that will take place in July as a result of Senate Bill 21.

## **Definitions**

The bill repealed the statutory definitions of "gasohol", "E85", and "M85". It also defined "Ethanol Blend" as a blended motor fuel containing ethyl alcohol of at least 99% purity typically derived from agricultural products which is blended exclusively with a product commonly or commercially known or sold as gasoline.

## **Blending Restrictions**

The blending of casinghead or natural gasoline is not permitted in an ethanol blend fuel product in quantities larger than required to denature the ethyl alcohol.

## **Tax Rates**

All ethyl alcohol (ethanol) and methyl alcohol (methanol) will now be taxed at \$.08 per gallon plus the \$.02 per gallon Tank Inspection Fee.

## **Reporting Requirements**

The reporting of "gasohol", "E85", and "M85" blends are no longer required to be reported on the blender tax return.

## **Licensing Issues**

If you only blend the products mentioned above, you are no longer required to maintain the blender license. Licenses may be cancelled with the filing of the June 2009 return. To cancel your blender license, please send a cancellation request letter to the Department of Revenue & Regulation, Division of Motor Vehicles, 445 East Capitol Avenue, Pierre, SD 57501.

Should you have questions regarding the July 1, 2009 changes, please plan on attending one of the seminars on the attached flyer or contact the Division of Motor Vehicles at 605.773.5335. Thank you.

South Dakota Division of Motor Vehicles