

ETHANOL BROKER

An Ethanol Broker is any person who engages in the business of marketing ethyl alcohol produced by Ethanol Producers located in South Dakota. Ethyl alcohol is a motor fuel typically derived from agricultural products that has been denatured.

All Ethanol Brokers that sell, use, or distribute ethyl alcohol in South Dakota must be licensed. They are required to collect and remit taxes and TI Fees for ethyl alcohol that they sell unless the ethyl alcohol is sold to a licensed Exporter for export.

Ethanol blend is defined as a blended motor fuel containing ethyl alcohol of at least ninety-nine percent purity, typically derived from agricultural products which are blended exclusively with a product commonly or commercially known or sold as gasoline.

The blending of casinghead or natural gasoline is not permitted in an ethanol blend fuel product in quantities larger than required to denature the alcohol. Notwithstanding this prohibition, a natural gasoline blended product can be made by blending natural gasoline and ethyl alcohol. The natural gasoline blended product shall contain no more than twenty-five percent of natural gasoline and shall contain no less than seventy-five percent ethyl alcohol. The natural gasoline blended product may only be further blended using gasoline.

Record Keeping/Acceptable Records

To ensure that the correct amount of fuel tax is collected on all fuel used on South Dakota roads and highways, the law requires Ethanol Brokers to keep detailed records of all fuel transactions and deliveries. Ethanol Brokers will need these records to accurately complete tax returns and must present them to Department personnel if they are audited or have their licenses reviewed. Records are to be maintained for a period of at least 30 days at the delivery location or a location approved by the Secretary. All records must be preserved for the current year and the three preceding calendar years.

Fuel Sales, Purchase and Shipping Records

Licensed Ethanol Brokers must keep all sales and purchase invoices in either their original format, through film retrieval or electronic media. They must also maintain shipping records that indicate the destination state for all products sold. The Consignee must also be identified on all bills of lading. The titles "Unlisted" and/or "Unknown" are not acceptable names for the Consignee listed on the bill of lading, since the Ethanol Broker should know who is purchasing the fuel. If a shipment is going to multiple locations in a state, the title "Various" may be used on the bill of lading to identify destination cities, but the titles "Unlisted" and/or "Unknown" are not acceptable. Bills of lading will also be retained in their original format, film retrieval or electronic media.

The Secretary of Revenue & Regulation may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records.

Sales Records

Licensed Ethanol Brokers must keep all sales invoices which must show the following:

- The seller's name and address, which shall be machine-printed or rubber stamped;
- The purchaser's name and address;
- The date of sale and delivery of the fuel;
- The number of gallons sold and delivered to the purchaser, the type of fuel and if diesel whether it was dyed or undyed;
- The price charged per gallon;
- The amount of fuel tax or sales tax charged, if any; and
- The total amount of the sales invoice

All invoices must be prepared on NCR (no carbon required) paper with double-faced carbon so that the back of the invoice bears a carbon impression of the data on the front.

Other Records Required of Ethanol Producers

The Secretary of Revenue & Regulation may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records.

Ethanol Broker Uniform Schedules of Disbursements

Uniform Schedules of Disbursements are required to be filed by Ethanol Brokers with each monthly tax return. The schedule must show each individual transaction that takes place during the month. The license number of the purchaser that is entered on the schedule must match the number that is authorized for the transaction that is taking place. For example, if the purchaser is buying the product for export, the number entered for that transaction must be the purchaser's current Exporters license number with the state. If they are just marketing the fuel, the license number must be the purchasers' current Marketers license number with the state. The correct schedule type must also be entered for each transaction.

Allowances

Ethanol Brokers who properly remit tax as discussed earlier are allowed to retain an amount equal to two and one-fourth percent (2.25 percent) of the tax due on each gallon of fuel withdrawn from the rack. The Ethanol Broker may keep one-third of this amount (.75 percent) to help offset the administrative expenses involved in reporting and remitting taxes. The remaining two-thirds (1.5 percent) is passed on to the customer who withdrew the fuel.

If an Ethanol Broker is late in submitting the monthly return or remitting the taxes due, the Ethanol Broker may not retain any of the 2.25 percent allowance. If a customer is late in paying the fuel tax owed, the Ethanol Broker may retain the entire 2.25 percent allowance.

Payment and Reporting Schedule

All fuel tax due from an Ethanol Broker must be remitted to the Department of Revenue & Regulation on or before the last day of the month following the month in which the fuel was sold. A monthly tax return must be submitted at the same time. For example, an

Ethanol Broker would remit all tax collected in September by October 31st. If the last day of the month falls on a Sunday or legal holiday, the tax and report are due on the next business day.



Ethanol Broker Return

Mail	Remittance Center
Return to:	P.O. Box 5055
	Sioux Falls, SD 57117-5055

License Number:
 Return Period:
 Return Due Date:

Check here if this is an amended report

ETHYL ALCOHOL RECEIPTS & SALES

Report in Whole Gross Gallons Only

1	Total gallons of ethyl alcohol received from the Ethanol Producer	1	
2	Total gallons of ethyl alcohol sold to a licensed exporter for export. Attach Uniform Schedule of Disbursements - Type 6a	2	
3	Total gallons of ethyl alcohol sold to U.S. government. Attach Uniform Schedule of Disbursements -- Type 8	3	
4	Total gallons of ethyl alcohol sold to a licensed Ethanol Broker for resale. Attach Uniform Schedule of Disbursements -- Type 10	4	
5	Total taxable gallons -- Subtract Line 2, 3, and 4 from Line 1	5	

TAXES AND FEES DUE

6	Subtotal taxable gallons of ethyl alcohol -- Record Line 5 here Attach Uniform Schedule of Disbursements -- Type 5	6	
7	Allowance (if filing on time) -- Multiply Line 6 by 0.0225	7	
8	Total taxable gallons -- Subtract Line 7 from Line 6	8	
9	Tax Rate	9	\$0.08
10	Taxes Due -- Multiply Line 8 by Line 9	10	
11	Tank Inspection Fee -- Multiply Line 6 by 0.0200	11	
12	Total Taxes and Fees Due -- Add Lines 10 and 11	12	
13	Interest and Penalty (if filing after due date)	13	
14	Balance Due of Credit from prior records (See Computer Notice)	14	
15	Grand Total -- Add Lines 12 and 13, and add or subtract Line 14	15	

SIGNATURE

I, _____, for the alcohol producer name on the front of this report, do hereby certify under penalty of perjury that I have examined this claim, and, to the best of my knowledge and belief, it is correct and complete.

Signature	Title	Date

Ethanol Broker Return Instructions

1. Report total gallons of fuel-grade alcohol received from an Ethanol producer during the reporting period.
2. Report total gallons of fuel-grade alcohol sold to a licensed Exporter for export during reporting period. Attach Uniform Schedule of Disbursements – Type 6a.
3. Report total gallons of fuel-grade alcohol sold to U.S. government during reporting period. Attach Uniform Schedule of Disbursements – Type 8
4. Report total gallons of fuel-grade alcohol sold to a licensed Ethanol Broker for resale during reporting period. Attach Uniform Schedule of Disbursements – Type 10
5. Subtotal taxable gallons of fuel-grade alcohol – Subtract Lines 2, 3 and 4 from Line 1.
6. Subtotal taxable gallons of fuel-grade alcohol (Record total from Line 5 here). Attach Uniform Schedule of Disbursements – Type 5.
7. Allowance on gallons of ethyl alcohol sold – Multiply Line 6 by 2.25%.
8. Total taxable gallons of fuel-grade alcohol – Subtract Line 7 from Line 6.
9. Tax Rate
10. Taxes due – Multiply Line 8 by Line 9.
11. Tank Inspection Fee – Multiply Line 6 by \$.02.
12. Total Taxes and Fees due – Add Lines 10 and 11.
13. Interest and Penalty. Interest is calculated at 1.25% per month. First month is \$5 or 1.25%, whichever is greater. Penalty is calculated at 10% or \$10, whichever is greater, for filing a return late even if no tax is due.
14. Balance Due or Credit from prior reporting periods (See computer notice).
15. Total Taxes and Fees for this reporting period – Add Lines 12 and 13 and add or subtract Line 14 (depending on balance due or credit).