

SD DEPARTMENT OF REVENUE AND REGULATION

MOTOR VEHICLES DIVISION
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To All Licensed Suppliers:

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The bill repealed the statutory definitions of "gasohol", "E85", and "M85".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.

Bills of Lading

Bills of lading must indicate separate gasoline gallons and separate ethanol gallons in regard to ethanol blends, and separate gasoline gallons and separate methanol gallons in regard to methanol blends.

Filing Returns

When filing a Supplier return, ethanol blends and methanol blends need to separate gallons of gasoline, gallons of ethanol, and/or gallons of methanol.

Product Authorization or Two Party Exchanges

For those suppliers who authorize another supplier to release product from their inventory, the supplier who owns title to the product or authorizes its release from the terminal is responsible for reporting and remitting taxes and Tank Inspection Fees.

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