

NORTH CAROLINA DEPARTMENT OF REVENUE  
MOTOR FUELS TAX DIVISION  
P.O. BOX 25000  
RALEIGH, NORTH CAROLINA 27640

**INSTRUCTIONS FOR COMPLETION OF BULK-END USER OF ALTERNATIVE FUELS RETURN- FORM GAS 1254**

**DEFINITIONS**

**ALTERNATIVE FUEL** – Liquid Propane, Compressed Natural Gas or Propane Gas. **It does not include dyed or undyed diesel fuel.**

**BULK-END USER** – A person who maintains storage facilities for alternative fuel and uses part or all of the stored fuel to operate a highway vehicle.

**COMMON STORAGE** – A storage facility that contains non-taxpaid alternative fuel from which fuel is dispensed for both highway and nonhighway purposes. Separate metering devices **must be** maintained on this storage facility.

**QUALIFIED MOTOR VEHICLE** – A motor vehicle used, designed or maintained for transportation of persons or property and has 2 axles and a gross vehicle weight exceeding 26,000 pounds, has 3 axles regardless of weight, or is used in combination when the gross vehicle weight of the combination exceeds 26,000 pounds.

**PERSONS REQUIRED TO FILE THE BULK-END USER RETURN**

Every bulk-end user of alternative fuel in North Carolina is required to file a quarterly report showing a total accountability of gallons from tax paid storage and gallons from a common storage facility. Road and inspection taxes must be paid on this return for all gallons dispensed through the highway pump of a common storage facility. If you have never stored alternative fuel, please contact the Division so that your account can be closed. The mailing address is North Carolina Department of Revenue, Motor Fuels Tax Division, P. O. Box 25000, Raleigh, NC 27640.

**INSTRUCTIONS**

Complete all information at top of Form Gas 1254 including account number (FEIN or SSN), telephone number and quarter for which the return is being filed. Include your name and address if a label is not attached. The return is due to be filed by the last day of the month following the close of the quarter.

**NOTE: COLUMN A SHOULD ACCOUNT FOR GALLONS FROM TAX PAID STORAGE ONLY. COLUMN B SHOULD ACCOUNT FOR GALLONS FROM A COMMON STORAGE FACILITY ONLY. IF YOU HAVE A STORAGE FACILITY FOR NON-HIGHWAY USE ONLY, YOU DO NOT NEED TO INCLUDE THOSE GALLONS ON THIS RETURN.**

**Line by line instructions for Section A**

Line 1 – List inventory at the beginning of the quarter.

Line 2 – Include bulk receipts from Section B.

Line 3 – Include receipts from any source other than your Provider or road purchases.

Line 4 – List inventory at the end of the quarter.

Line 5 – Add lines 1 through 3 and then subtract Line 4. (Line 5 should equal Line 11)

Line 6 – Include fuel used from bulk storage in qualified motor vehicles reported on your IFTA return (Form Gas 1276 IFTA).

If you do not file an IFTA return, include fuel from bulk storage on Line 7.

Line 7 – Include fuel used from bulk storage in all other vehicles operated by you.

Line 8 – List fuel sold to others for highway use.

Line 9 – List fuel sold or used for non-highway purposes.

Line 10 – List inventory adjustments. Add a loss or subtract a gain.

Line 11– Add lines 6 and 9 and add or subtract Line 10 as appropriate. (Line 11 should equal line 5)

**Form Gas 1254 Instructions (Reverse)**

(Rev. 6/98)

(Web)

In Section B, list each alternative fuels provider's account number, name and address. The provider's account number is an assigned number furnished by this Division. Opposite each provider's name, enter the taxpaid and taxfree gallons of alternative fuels purchased in bulk by month and fill in total for the quarter. Total all taxpaid and taxfree gallons pumped, by product type and list the number of gallons in the TOTAL column. The tax paid and tax free totals in this section should be equal to line 2, column A and B. Enter tax free gallons that are delivered to a common storage facility only. Do not list gallons that are delivered to a storage facility for non-highway use only.

In Section C, show the number of vehicles, total miles traveled during the quarter by vehicles using alternative fuels and total gallons of alternative fuels used for vehicles operating only within North Carolina. If you file an IFTA return and intrastate miles are included on that return, check the block in this section and disregard item 2.

**COMPUTATION OF ROAD AND INSPECTION TAX**

Line 12 –**Column B only** Add Lines 6 through 8 in Section A. Multiply the total by the applicable road tax rate.

Line 13 –**Column B only** Add Lines 6 through 8 in Section A. Multiply the total by the inspection tax of .25 cents per gallon (.0025).

Line 14 –List adjustments authorized by the North Carolina Department of Revenue, Motor Fuels Tax Division. Show credit amount in brackets. Attach an explanation.

Line 15 –Column B only. Add Lines 12 through 14.

Line 16 –**If you complete Column A** – Add a \$50.00 penalty, pursuant to G. S. 105-236(10)c. Failure to file a return when due.  
**If you complete Column B or Column A & B** – Add a penalty of 5% per month, not to exceed 25% in the aggregate, or \$5.00, whichever is greater, pursuant to G. S. 105-236(3). Failure to file a return when due.

Line 17 –Interest is to be computed at the rate established semi-annually by the Secretary of Revenue.

**NOTE:** Penalty and interest are to be computed on the total road and inspection taxes shown to be due.

Line 18 –Add lines 15 through 17 for Column A and B.

If you have any questions regarding this return you may call (919) 733-3409.

Sign, Date & Mail return to the North Carolina Department of Revenue, Motor Fuels Tax Division, P. O. Box 25000, Raleigh, N.C. 27640.