

3/31/2023

Instructions for Reporting Gallons in Inventory due to Motor Fuels Excise Tax Rate Change

General Information

Due to the Kentucky motor fuels excise tax rate change that was effective March 1, 2023, Kentucky motor fuels dealers will need to report their inventory as of March 1 on the March gasoline and special fuel tax returns. Since Kentucky motor fuels excise tax rates have not changed since the current motor fuels tax system was put into place in 2017, below are instructions for using the "BI" schedule (schedule name: **BI – Business Inventory Tax Adjustment**) to report gallons in inventory. "BI" schedule entry information screens display the same information as other schedules (origin terminal, origin city, origin state, destination city, destination state, seller name, buyer name, etc.). See screen shots below for: 1. Web Filers and 2. EDI Filers.

1. Web Filers

Select the "BI" schedule from the Schedule list:

The screenshot shows a web interface for selecting a schedule. The 'Schedules' header is at the top. Below it, there are several dropdown menus: 'Categories' (set to 'GD -'), 'Schedule' (open, showing a list of options with 'BI-BUSINESS INVENTORY TAX ADJUSTMENT' highlighted in a red box), 'Product' (set to '- Please Select -'), and 'Mode' (set to 'Truck'). There is a blue '+ ADD SCHEDULE' button. Below the dropdowns is a search bar with 'SEARCH' and 'CLEAR' buttons. At the bottom, there is a table with columns: 'Seller Name', 'Seller Tax ...', 'Buyer Name', 'Buyer Tax ...', and 'Net Gallons'.

Enter schedule information.

- Origin Terminal - blank
- Origin City - blank
- Origin State - KY
- Destination City, Destination State - **Location of gallons in inventory**
- Seller Name - Licensed Dealer reporting gallons in inventory

[Type here]

- Buyer Name - Licensed Dealer reporting gallons in inventory

Bill of Lading Information

TEMPORARY Report

Filing Type: TEMPORARY Report Report Period: Return Type: ORIGINAL Filer Type: PD Account Number: Postmark:

INTERNET Schedule: **BI BUSINESS INVENTORY TAX ADJUSTMENT** Product: 065 GASOLINE Mode: Truck

Origin Terminal: [Search: Begin typing to search...]

Report Period: [Dropdown]

Origin City: [Search: Begin typing to search...]

Seller Name: COMPANY B TEST Origin State: KY - KENTUCKY

Buyer Name: [Search: Begin typing to search...]

COMPANY B TEST

COMPANY B TEST

COMPANY B TEST

← FUEL REPORT ⌂ CANCEL 📄 COPY SCHEDULE ✖ DELETE 💾 SAVE BILL OF LADING

+ ADD ROW (CTRL+A) + ADD 10 BLANK ROWS (CTRL+T) 📄 COPY ROW (CTRL+R) 🗑 DELETE ROW (CTRL+D) 💾 SAVE (CTRL+S)

#	Destination Terminal	Destination City	State	Date	BOL Number	Net Gallons	Gross Gallons	Billed Gallons
1		FRANKFORT	KY		N/A	10,000	0	0
2		LEXINGTON	KY		N/A	15,000	0	0
3		LOUISVILLE	KY		N/A	17,500	0	0

In this example, inventory location is Frankfort, the dealer reporting gallons in inventory is Company B Test, and the tax rate change effective date will be March 1, 2023 (report period March 2023). If there are multiple inventory locations enter multiple rows.

2. EDI Filers

EDI filers can upload their usual monthly file and then manually add gallons in inventory (see Web filer instructions). This would be completed while the return is in “In-Process” status (before Certification).

To report gallons in inventory using an EDI file, use “BI” as the Schedule Type Code. To complete other EDI schedule segments for the BI schedule:

- Origin Terminal information - not needed
- Origin City - not needed
- Ship from segment – KY (example: N1~SF~KY)
- Destination City, Destination State = **Location of gallons in inventory**

[Type here]

- Seller Name - Licensed Dealer reporting gallons in inventory
- Buyer Name - Licensed Dealer reporting gallons in inventory

If there are multiple locations for gallons in inventory, use a schedule for each location.

(In the screenshot below, the EDI Guide is using the Schedule 2 for the schedule segment example)

Table 8 - Schedule Segments

Beginning of Schedules								(Required)	
Tax Form Segment								Pos. No. 0100	
Element ID	Elem Ref. #	Sub-Ele Ref. #	Field Status	Field Name	Field Type	Length		Field Description	
						Min	Max		
TFS01	128		M	Reference Identification Qualifier	ID	2	2	"T3" = Tax Schedule Code	
TFS02	127		M	Reference Identification	AN	1	6	Schedule Type Code See Schedule Code List provided on the web site at http://revenue.ky.gov/business/motorfuels.htm .	
TFS03	128		X	Reference Identification Qualifier	ID	2	2	"PG" = Product Group	
TFS04	127		X	Reference Identification	AN	3	3	Product Code See Product Codes list provided on the web site at http://revenue.ky.gov/business/motorfuels.htm .	
TFS05	66		X	Identification Code Qualifier	ID	2	2	"94" = Mode	
TFS06	67		X	Identification Code	AN	2	2	Transportation Mode Code See Type Mode Code List in Appendix D.	
Example: TFS~T3~2~PG~065~94~J_\									