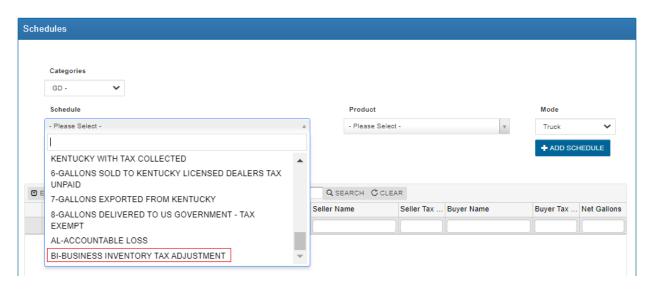
Instructions for Reporting Gallons in Inventory due to Motor Fuels Excise Tax Rate Change

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.

Web Filers

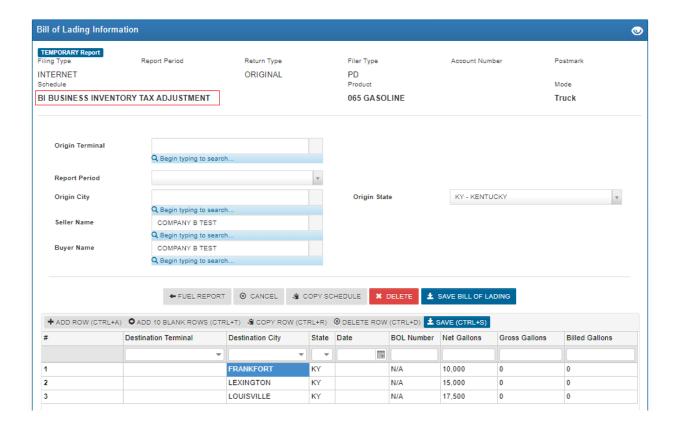
Select the "BI" schedule from the Schedule list:



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

Buyer Name - Licensed Dealer reporting gallons in inventory



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 <u>can</u> 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

- 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

Beginnin	Beginning of Schedules (Required)								
Tax Form Segment Pos. No. 0100									
Element	Elem	Sub-Ele	Field	Field Name	Field	Length		Field	
ID	Ref. #	Ref. #	Status		Type	Min	Max	Description	
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 \									