



Department of Motor Vehicles
Tax Services
P.O. Box 27422
Richmond, VA 23269-7422

VIRGINIA FUELS TAX INFORMATION AND NEWS

Reporting fuel transactions on Schedule 6P and Schedule 7 (Suppliers Only)

AUGUST 2005

An internal review of data generated by our Fuel Tax Automated System reveals some Suppliers (position holders) and their exchange partners are reporting the same fuel transaction(s) on a Schedule 7 in error. When the product is destined for another state, the supplier (position holder) who reports a fuel transaction as a result of a two-party exchange agreement should report this transaction on a fuels tax schedule of disbursement (6P), if the Virginia tax/tank fee has not been collected. Two-party agreement transactions should be reported based on where the transactions occurred.

Please note under normal circumstances, the destination information noted on schedules should be the product's destination. However, in this case, the location is an exception because the original position holder sells the product to the supplier and not to the supplier's customer. Transactions relating to product destined for a location outside of Virginia should be reported by the **exchange partner** on a Schedule 7-Product Exported.

To ensure proper reporting and accurate cross matching of data, please note below when Schedule 6P and Schedule 7 should be utilized.

Schedule 6P

(Product sold to Aviation Consumers and Licensed Suppliers, Tax Not Collected)

- Report all motor fuel sales of Aviation Jet Fuel to licensed Aviation Consumers where the Virginia tax has not been collected.
- Report motor fuel sales by the position holder to another licensed Supplier under a two-party exchange agreement where the Virginia tax/tank fee has not been collected.

Schedule 7

(Product Exported)

- Report all motor fuel obtained in Virginia for sale or distribution in another state.
- Report all motor fuels sold in Virginia and delivered out-of-state by a licensed Distributor, Exporter or Importer where the Virginia tax/tank fee has not been collected.

Beginning with the July 2005 fuel activity return, all licensed Suppliers are required to report these transactions on the appropriate schedules as outlined above. Failure to comply with this notice may result in penalties and interest being assessed.

If you have any questions, contact DMV's Tax Services at:

(804) 367-4328, 367-4329 or 367-8877 (voice) (800) 272-9268 (deaf or hearing impaired only)

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