



CT-13-A-I Instructions for Form CT-13-A Tax Return for Petroleum Businesses Taxable under Article 13-A

General Information

Article 13-A of the Tax Law imposes a tax on both the gross receipts from sales of petroleum where shipments are made to points within New York State and the purchases of petroleum shipped to points within New York State for consumption within this state. Article 13-A became effective July 1, 1983 and imposed a tax on gross receipts from sales of petroleum on every petroleum business taxable in New York State. A petroleum business is taxable in New York State under Article 13-A for the privilege of doing business, employing capital, owning or leasing property or maintaining an office in New York State.

Effective April 1, 1984, Article 13-A was amended to include a tax on petroleum consumed within New York State. The definition of "petroleum business" was expanded to include any corporation and unincorporated business importing (or causing to be imported by a person not subject to Article 13-A) petroleum into the state for its own consumption within the state. Petroleum brought into the state in the fuel tank of a motor vehicle and used for the operation of the vehicle will not be considered imported for consumption unless it is removed from the tank other than by normal operation of the vehicle.

For more information about this tax, see Technical Services Memorandums TSB-M-83(22)C, TSB-M-83(22.1)C, TSB-M-83(22.2)C, TSB-M-83(22.3)C, TSB-M-83(22.4)C, TSB-M-83(22.5)C, TSB-M-83(22.6)C, TSB-M-83(22.7)C, TSB-M-83(22.8)C and TSB-M-85(7)C.

Change of Business Information

If there have been any changes in your business' name, ID number, mailing address, business address, telephone number or owner/officer information, complete the enclosed Form DTF-95, *Change of Business Information*. If no form is enclosed, call 1 800 462-8100 (from out of state (518) 438-1073) to request one.

Mail your completed Form DTF-95 to:

**NYS Tax Department
Registration Section —
Building 8, Room 409
W.A. Harriman Campus
Albany, NY 12227**

If there are no changes to your business' information, keep this Form DTF-95 in your files. In the event a change occurs, complete the form and send it to the Tax Department as soon as possible.

Who Must File

Petroleum businesses taxable under Article 13-A must file Form CT-13-A. A petroleum business becomes taxable on the day it meets the Article 13-A definition of a petroleum business (see page 2). The petroleum business will remain taxable for the balance of its current taxable period and for all following taxable periods. However, if a petroleum business anticipates that it will not meet the definition of a petroleum business under Article 13-A, and will, therefore, not be subject to tax under that article, it must notify the Department of Taxation and Finance immediately of the change in taxable status.

The following sellers of petroleum and commercial consumers of petroleum are subject to tax under Article 13-A:

— a seller of petroleum who imports or causes to be imported into New York State 20,000 gallons or more of petroleum;

— a commercial consumer of petroleum who imports or causes to be imported into New York State any amount of petroleum for its own use.

The following sellers of petroleum and commercial consumers of petroleum are not subject to tax under Article 13-A:

- an exempt organization as described in section 1116(a) of Article 28 of the New York State Tax Law;
- a seller of petroleum in New York State who does not import at least 20,000 gallons of petroleum or does not cause at least 20,000 gallons of petroleum to be imported into New York State or does not extract, produce, refine, manufacture or compound petroleum for sale;
- a seller of petroleum who only delivers petroleum into the state and does not do business, employ capital, own or lease property or maintain an office in New York State;
- a commercial consumer of petroleum in New York State who does not import petroleum or cause petroleum to be imported into New York State.

Tax Rate

The tax rate for Article 13-A filers is 2.75%. This tax rate applies to both the gross receipts from taxable sales of petroleum and to taxable purchases for consumption. A schedule of changes in the tax rate is shown below:

Sales made from:	Tax Rate
July 1, 1983 to March 31, 1984	3.25%
April 1, 1984, or after	2.75%
Purchases made from:	Tax Rate
July 1, 1983 to March 31, 1984	no tax
April 1, 1984, or after	2.75%

When and Where To File

The due date for filing is 2½ months after the close of the reporting period. If you are reporting for the 1988 calendar year, file your return on or before March 15, 1989. Mail completed return to: NYS Tax Department, Processing Unit, P.O. Box 1909, Albany, NY 12201-1909.

Extension of Time For Filing Tax Return

If you need additional time to file a tax return, file Form CT-13-AE and pay any tax estimated to be due on or before the due date of the return for which the extension is requested. An extension of time for filing does not extend the date for payment of tax.

Signature

The return must be certified by the president, treasurer, assistant treasurer, chief accounting officer or a person authorized to act for the taxpayer. It must also be signed by any person, firm or corporation who prepares the form.

Meaning of Terms

Petroleum — under Article 13-A, means crude oil, plant condensate, gasoline, aviation fuel (except military jet fuel), kerosene, diesel motor fuel, benzol, fuel oil, residual oil and liquefiable gases such as butane, ethane or propane. Products not listed are taxable if used as or blended with a product that is taxable (for example, naphtha is taxable when used as aviation fuel).

Residential fuel oil — includes No. 2, No. 4 and No. 6 fuel oil, kerosene, and propane or other liquefied or liquefiable gases sold in containers of 100 or more pounds used for residential purposes.

Residential use — any use of a structure or part of a structure as a place of abode, maintained by or for a person, whether or not owned by that person, on other than a temporary or transient basis. A structure or part of a structure is maintained on a temporary or transient basis if it is occupied by the same person for less than 90 consecutive days.

In addition to private homes and apartments, structures that would generally be considered used for residences include college dormitories, nursing homes, federal and state prisons, orphanages, and military barracks used to house armed services personnel permanently assigned to the facility.

Examples of structures that would not generally be considered used for residences are hospitals, county and local jails, schools, shelters for runaways, and military barracks used to house reservists for summer training programs.

Petroleum business — means every corporation and every unincorporated business formed for, engaged in, or conducting the business, trade or occupation of importing or causing to be imported (by a person not subject to Article 13-A of the Tax Law) petroleum into this state, either for sale in this state, or its own consumption within this state, or extracting, producing, refining, manufacturing, or compounding petroleum. An "unincorporated business" includes, but is not limited to, a partnership, joint venture, sole proprietorship, unincorporated association, fiduciary, or a corporation in liquidation.

Importing petroleum into New York State — occurs when a petroleum business takes title to petroleum outside New York State and ships or causes it to be shipped into New York State. A business becomes subject to the tax on gross receipts from the sale of petroleum when it imports 20,000 gallons or more into New York State and the tax on consumption becomes effective when any amount is imported (no minimum).

Causing to be imported — occurs when a petroleum business purchases petroleum located outside New York State for delivery into New York State from a seller not subject to tax under Article 13-A. A business becomes subject to the tax on gross receipts from the sale of petroleum when it causes to be imported 20,000 gallons or more into New York State and the tax on consumption becomes effective when any amount is caused to be imported (no minimum).

Total gross receipts from sales of petroleum — includes all receipts from sales of petroleum where shipments are made to points in New York State whether in cash, credits or property of any kind, without deduction for the cost of the property sold; the cost of materials used; labor, services or other costs; interest or discount paid; or any other expense. Taxes on sales of petroleum which are imposed directly on the purchaser are deductible from the total gross receipts from the sale of petroleum.

Adjusted gross receipts from sales of petroleum — total gross receipts from sales of petroleum shipped to points in New York State less the following deductions (to the extent they are part of total gross receipts):

- sales for resale to a petroleum business subject to tax under Article 13-A of the Tax Law;
- sales of fuel oil for residential use;
- sales of petroleum for immediate export from New York State for use outside New York State;
- exchange sales of petroleum between petroleum businesses subject to Article 13-A;
- sales of aviation fuel, after 10/1/87, to a petroleum business subject to Article 13-A;
- sales for consumption to a petroleum business subject to Article 13-A.

Sales for resale — any sale of petroleum shipped to points in New York State to a petroleum business subject to tax under Article 13-A on which the purchaser furnishes the seller Form CT-13-AR, *Resale Certificate*. The resale certificate must be accompanied by a *Certificate of Registration* under Article 13-A, issued by: Department of Taxation and Finance, Oil Tax Audit Unit, DOAB — Misc. Tax, W.A. Harriman Campus, Albany, NY 12227. For more specific information see the instructions for Form CT-13-AR and TSB-M-83(22.2)C.

Sales for residential use — any sale of fuel oil (excluding diesel motor fuel) or liquefied or liquefiable gases (except when sold in containers of less than 100 pounds), whose shipments are made to points in New York State and the fuel is used for residential purposes, and the purchaser furnishes the petroleum business with a Form CT-13-AH, *Residential Use Certificate*. For more specific information, see instructions for Form CT-13-AH.

Sales for immediate export — any sale of petroleum for immediate export from New York State for use outside the state. Such immediate export must occur within 48 hours of purchase to facilities of the buyer outside New York State (regardless of whether the delivery of the petroleum to the buyer occurs in New York State) to the extent that the sale is included in the gross receipts from the sale of petroleum in New York State. The buyer must furnish the seller with Form CT-13-AX, *Export Certificate*. For more specific information, see instructions for Form CT-13-AX (CT-13-AX-I).

Exchange sales — any sales of petroleum, where shipments are made to points in New York State, between petroleum businesses subject to Article 13-A to the extent that the sales are not recognized as income or reduction of costs for federal income tax. However such sales will not be considered exchange sales if the Commissioner of Taxation and Finance finds that the primary purpose for the sales is the avoidance or evasion of the tax imposed under Article 13-A.

Sales for consumption — any sale of petroleum where shipments are made to points in New York State, between petroleum businesses subject to Article 13-A, for consumption by the purchaser within New York State where the consideration is taxable to the purchaser. On or after October 1, 1987, consumption sales do not include sales of aviation fuel. For more specific information, see instructions for Form CT-13-AC.

Sales of aviation fuel — are receipts from any sale of aviation fuel, where shipments are made to points in New York State, between petroleum businesses subject to Article 13-A, for consumption by the purchaser in New York State. For more specific information, see instructions for Form CT-13-AC/AF and TSB-M-83(22.7)C.

Specific Instructions

Line 1 - Enter total gross receipts from sales of petroleum shipped to points in New York State. This line must include any amounts deducted on lines 2a through 2f.

Line 2a - Enter the amount of sales for resale (see definition under *Meaning of Terms*) from line 34.

Line 2b - Enter the amount of sales for residential use (see definition under *Meaning of Terms*) from line 37.

Line 2c - Enter the amount of sales for immediate export (see definition under *Meaning of Terms*) from line 38.

Line 2d - Enter the amount of sales for consumption (see definition under *Meaning of Terms*) from line 39.

Line 2e - Enter the amount of exchange sales (see definition under *Meaning of Terms*) from line 40. Exchange sales deducted on this line must be included on line 1.

Line 2f - Enter the amount of sales of aviation fuel on or after October 1, 1987 (see definition under *Meaning of Terms*) from line 41.

Line 3 - Add lines 2a through 2f.

Line 4 - Subtract line 3 from line 1.

Line 5 - Enter purchases of petroleum imported or caused to be imported for consumption and subject to tax from line 33.

Lines 6 through 8 - Enter purchases of petroleum consumed in New York State from Form CT-13-A-ATT.

Line 9 - Add lines 4 through 8.

Line 10 - Multiply line 9 by .0275 (2¾%).

Line 13 - If the tax shown on line 12 is more than \$1,000 and you did not file Form CT-13-AE, you must pay a mandatory first installment for the period following that covered by this return. Enter 25% of the tax shown on line 12. If the tax on line 12 is based on a period of less than 12 months, it must be annualized before computing the mandatory installment.

Line 15 - Enter the total amount of prepayments from line 46.

Line 17 - If you do not pay the tax on or before the due date (determined without regard to any extension of time), you must pay interest on the amount of the underpayment from the due date to the date paid. Determine the interest rate in accordance with Part 603 of the Tax Regulations.

Line 18 - Late Filing - Additional Charges

Additional charges for late filing are computed on the amount of tax less any payment made on or before the due date.

- If you do not file a return when due or if the application for extension is invalid, add to the tax 5% per month up to 25% (section 1085(a)(1)(A)).
- If you do not file a return within 60 days of the due date the addition to tax cannot be less than the smaller of \$100 or 100% of the amount required to be shown as tax (section 1085(a)(1)(B)).
- If you fail to pay the tax shown on a return, add to the tax, ½% per month up to 25% (section 1085(a)(2)).
- The total of the additional charges in a and c may not exceed 5% for any one month, except as provided for in b above.

If you think you are not liable for these additional charges, attach a statement to your return explaining the delay in filing and/or payment (section 1085).

Line 19 - Underpayment of estimated tax. See the instructions for Form CT-222.

Schedule A - Petroleum Imported for Consumption in New York State - Every corporation and unincorporated business importing petroleum or causing petroleum to be imported into New York State for consumption by that corporation or unincorporated business within New York State must complete Schedule A. Transportation businesses must also complete Form CT-13-A-ATT, *Petroleum Consumed in New York State by Aircraft, Vessels, Trucks and Buses*.

If you are required to complete Form CT-13-A-ATT, complete only lines 24 through 30 of Schedule A.

See TSB-M-83(22)C for additional information.

Column A	Enter the name of each seller (supplier)
Column B	Enter employer identification number or social security number of the seller.
Column C	Enter the total amount of consideration given or contracted to be given to the seller for petroleum imported or caused to be imported and

nonimported petroleum purchased during the period covered by this return. This amount should be adjusted to reflect the deduction of the following taxes that are imposed directly on the purchaser:

- New York State and local sales taxes
- New York State tax on motor fuel
- New York State tax on diesel fuel
- New York City leaded motor fuel

Purchases of Imported Petroleum

Line 24 - Enter details of purchases of imported petroleum. Attach additional sheets if necessary.

Aviation businesses only-include all purchases for which you issued Form CT-13-AC/AF, *Aviation Fuel Exclusion Certificate*.

Line 25 - Enter dollar value of the beginning inventory of imported petroleum.

Line 26 - Add lines 24 and 25 to obtain the total dollar value of imported petroleum that was available during the period covered by this return.

Purchases of Nonimported Petroleum

Line 27 - Enter details of purchases on nonimported petroleum. Attach additional sheets if necessary.

Aviation businesses only-**do not** include any purchases of nonimported aviation fuel for which you issued Form CT-13-AC/AF, *Aviation Fuel Exclusion Certificate*.

Line 28 - Enter dollar value of the beginning inventory of nonimported petroleum.

Line 29 - Add lines 27 and 28 to obtain the total dollar value of nonimported petroleum that was available during the period covered by this return.

Line 30 - Add lines 26 and 29 to obtain the dollar value of imported and nonimported petroleum available for use during the period covered by this return.

Line 31 - Enter the dollar value of all petroleum shown on line 30 that was consumed in New York State during the period covered by this return.

Line 32 - Enter the amount from line 29.

Line 33 - To determine the dollar value of imported petroleum consumed in New York State and subject to tax, subtract line 32 from line 31. Enter this amount on line 5.

Schedule B - Petroleum Sales for Resale

Use this schedule to substantiate any deduction taken on line 2a. To qualify as a sale for resale the sale must meet all the following requirements:

- Both the buyer and seller must be Article 13-A taxpayers;
- The seller of petroleum **must** report the gross receipts from the sale of petroleum on line 1;
- The petroleum must be delivered to the buyer at a point in New York State; **and**
- The buyer must give the seller Form CT-13-AR, *Resale Certificate*, and a Certificate of Registration.

Schedule C - Fuel Sales for Residential Use

Use this schedule to substantiate any deduction taken on line 2b. To qualify as a sale for residential use the sale must meet all of the following requirements:

- The buyer must be a fuel oil dealer not subject to tax under Article 13-A and the seller must be an Article 13-A taxpayer;

2. The seller of petroleum **must** report the gross receipts from the sale of petroleum on line 1;
3. The petroleum **must** be delivered to the buyer (fuel oil dealer) at a point in New York State and subsequently be resold by the buyer for residential use in New York State; **and**
4. The buyer must give the seller Form CT-13-AH, *Residential Use Certificate*.

Schedule D - Sales for Immediate Export

Use this schedule to substantiate any deduction taken on line 2c. To qualify as a sale for immediate export the sale must meet all of the following requirements:

1. The seller is an Article 13-A taxpayer and the buyer is not;
2. The seller of petroleum **must** report the gross receipts from the sale of petroleum on line 1;
3. The petroleum **must** be shipped to a facility of the buyer outside New York State within 48 hours of its purchase from the seller; **and**
4. The buyer must give to the seller Form CT-13-AX, *New York State Export Certificate*.

Schedule E - Sales of Petroleum for Consumption Within New York State

Use this schedule to substantiate any deduction taken on line 2d. To qualify as a sale for consumption the sale must meet all of the following requirements:

1. Both the buyer and seller **must** be Article 13-A taxpayers;
2. The seller of petroleum **must** report gross receipts from the sale of petroleum on line 1;
3. Title to the petroleum **must** pass outside New York State and the petroleum **must** be delivered to the buyer in New York State for consumption by the buyer in New York State; **and**
4. The buyer must give to the seller Form CT-13-AC, *Certificate of Consumption* and a Certificate of Registration.

Schedule F - Exchange Sales of Petroleum

Use this schedule to substantiate any deduction taken on line 2e.

Schedule G - Sales of Aviation Fuel for Consumption within New York State

Use this schedule to substantiate any deduction taken on line 2f. To qualify as an exclusion from gross receipts the sale must meet all of the following requirements:

1. Both the buyer and seller **must** be Article 13-A taxpayers;
2. The seller of petroleum **must** report gross receipts from the sale of aviation fuel on line 1;
3. The aviation fuel **must** be delivered to the buyer in New York State for consumption by the buyer in New York State; **and**

4. The buyer must give to the seller Form CT-13-AC/AF, *Aviation Fuel Exclusion Certificate* and a Certificate of Registration.

Schedule H - Composition of Prepayments

Use this schedule to compute the total amount of prepayments to be entered on line 15.

Attachment

In addition to Form CT-13-A, transportation businesses who are subject to tax under Article 13-A as a result of consuming imported fuel must file Form CT-13-A-ATT, *Petroleum Consumed in New York by Aircraft, Vessels, Trucks and Buses*.

Part I must be completed by aviation businesses. Part II must be completed by businesses engaged in the operation of vessels in New York State territorial waters. Part III must be completed by businesses engaged in trucking or omnibus operations. For definitions of terms, refer to the foregoing instructions and Technical Services Bureau Memorandums TSB-M-83(22)C and TSB-M-83(22.1)C. For consumption factors to be used in the operations of vessels in New York State refer to TSB-M-83(22.3)C, TSB-M-83(22.4)C and TSB-M-83(22.5)C.

Forms and Assistance

You may get all necessary forms (except Certificate of Registration) from:

NYS Tax Department
Taxpayer Assistance Bureau
Building 8
W.A. Harriman Campus
Albany, New York 12227

From New York State, call toll free 1 800 462-8100
From outside New York State, call 1 518 438-1073
For information, call toll free 1 800 CALL TAX (1 800 225-5829).
From areas outside New York State, call (518) 438-1073. Telephone assistance is available from 8 a.m. to 5 p.m. Monday through Friday.

Privacy Notification

The authority to request personal information including identifying numbers is found in sections 171 and 308 and Article 13-A of the Tax Law. The principal purpose for collection of this information is to assist the Division of Taxation in administering the State tax on petroleum businesses under Article 13-A of the Tax Law.

The information collected will be used for tax administration and for any other purpose authorized by law.

Failure to provide the requested information may result in registration cancellation and/or civil and/or criminal penalties under Articles 13-A and 37 of the Tax Law.

This information will be maintained by: Director, Data Management Services Bureau, Processing Division, Department of Taxation and Finance, Building 8, Room 901, W. A. Harriman Campus, Albany, New York 12227, 1 800 CALL TAX (1 800 225-5829).