



Instructions for Form FT-420

Refund Application for Farmers

Purchasing Motor Fuel

Who may use this form

Any farmer who purchases motor fuel (e.g., gasoline) on which the motor fuel excise tax, the petroleum business tax, and the state and local sales taxes have been passed through, and who uses the motor fuel **directly and exclusively** in the production of tangible personal property for sale by farming, may use this form to claim a refund of the above taxes.

The term *farming* is defined in Tax Law section 1101(b)(19) to include agriculture, floriculture, horticulture, aquaculture, and silviculture; stock, dairy, poultry, fruit, fur-bearing animal, graping, truck, and tree farming; ranching; operating nurseries, greenhouses, vineyard trellises, or other similar structures used primarily for the raising of agricultural, horticultural, vinicultural, viticultural, floricultural, or silvicultural commodities; operating orchards; raising, growing, and harvesting crops, livestock, and livestock products, as defined in subdivision 2 of section 301 of the Agriculture and Markets Law; and raising, growing, and harvesting woodland products, including, but not limited to, timber, logs, lumber, pulpwood, posts, and firewood.

Farm production begins with soil preparation and, in the case of animals, from the beginning of the life cycle. Production ceases when a product is ready for sale in its natural state. For farm products that will be converted into other products, farm production ceases when the normal development of the agricultural product has reached a stage in which it will be processed or converted into a related product.

Directly means the motor fuel must, during the production phase of farming:

- act upon or effect a change in material to form the product to be sold; or
- have an active, causal relationship in the production of the product to be sold; or
- be used in the handling, storage, or conveyance of materials used in the production of the product to be sold; or
- be used to place the product to be sold in the package in which it will enter the stream of commerce.

Exclusively means that the motor fuel is used in total (100%) in the production process.

Any motor fuel that is not used directly and exclusively in the production of tangible personal property for sale by farming, but that is used or consumed in the production phase, is eligible for a refund of the sales tax and the motor fuel tax.

Use Form FT-500, *Application for Refund of Sales Tax Paid on Automotive Fuels*, to claim a refund of the sales tax on motor fuel that does not qualify for a refund of all the above taxes because the motor fuel was used in farm production, but was not used **directly and exclusively** in farm production.

Use Form FT-946/1046, *Motor/Diesel Motor Fuel Tax Refund Application*, to claim a refund of only the motor fuel excise tax on motor fuel that was used off-highway that does not qualify for a refund of all the above taxes because the motor fuel was not used **directly and exclusively** in farm production.

When to file

Applications for refund must be filed within **three** years from the date of purchase.

An application for refund must be filed for a full monthly period; however, each application may include more than one month. Each monthly period must begin on the first and end on the last day of a calendar month.

General instructions

In order to expedite the processing of a refund application, you must furnish the necessary substantiation and complete the entire application and schedule. Attach a worksheet, if necessary, and include adding machine tapes if the worksheet is not computer generated.

You must furnish your purchase invoices signed by the dealer or your monthly statement, showing your name and address and the name and address of the dealer, date of purchase, number of gallons, type of fuel, and the motor fuel excise tax, petroleum business tax, and sales tax listed separately. You must keep a record of all motor fuel purchases and the manner in which the fuel was used. If a storage tank, drum, or other container is used, you must keep a record of the quantity of fuel put into the container and withdrawals from the container.

You must keep all records and other supporting documents (including those related to purchases) used to complete this refund application for a period of at least three years and be able to produce them upon request by the Tax Department.

For the petroleum business tax refund, the motor fuel must have been delivered to the farm site and consumed other than on the highways of the state. Farmers will **not** receive a refund of the petroleum business tax for more than 1,500 gallons of motor fuel purchased in a 30-day period, unless they received prior permission from the Tax Department.

Schedule A – Motor fuel purchases

Complete all columns of *Schedule A*. Enter information for all purchases during the filing period (must begin and end with the first and last day of a calendar month, but may include more than one month). Only include gallons of motor fuel purchased within three years prior to the date of this application. Attach invoices or monthly statements for all purchases listed. Attach additional sheets if necessary. Be sure to total the *Number of gallons, Excise tax paid, Petroleum business tax paid, and Sales tax paid*

columns. The *Number of gallons* column total must be carried forward to page one as indicated.

Line instructions

Line 1 – Enter the number of gallons of motor fuel in inventory at the beginning of the filing period (must begin with the first day of a calendar month).

Line 2 – Enter from *Schedule A* the number of gallons of motor fuel purchased during this filing period (must cover full calendar month(s)).

Line 4 – Enter the number of gallons of motor fuel in inventory at the end of the filing period (must end with the last day of a calendar month).

Line 6 – Enter the number of taxable gallons used during this filing period. Taxable gallons include gallons of fuel used for any purpose other than directly and exclusively in farming. Explain how this amount of fuel was computed where indicated.

Line 8 – Multiply the number of gallons on line 7 by the motor fuel excise tax rate shown; enter result.

Line 9 – Multiply the number of gallons on line 7 by the petroleum business tax rate paid on motor fuel used during this filing period; enter result. Enter the rate paid (from invoices) in the box on line 9. Refer to Publication 908, *Fuel Tax Rates*, for the rate in effect at the time of your purchase(s). (If your filing period will cover more than one reimbursement rate, you must file a separate application for each different rate period.)

Line 11 – Enter the New York State and local sales tax paid on the total gallons used. The total gallons used are shown on line 5.

Line 12 – Divide line 7 by line 5 to compute the nontaxable use percentage rate. If you had no taxable use (line 6), your percentage rate is 100%. Enter this rate as a decimal, rounding off to four decimal places.

Line 13 – Multiply the amount on line 11 by the percentage rate on line 12; round to the nearest cent and enter result.

Signature

The application must be signed and dated by the owner (if an individual), a partner (if a partnership), or by the president, treasurer, chief accounting officer, or any other person authorized to act on behalf of the corporation (if a corporation). The fact that an individual's name is signed on the certification will be evidence that the individual is authorized to sign and certify the application on behalf of the business.

Additionally, if anyone other than an employee, owner, partner, or officer of the business is paid to prepare the application, he or she is required to sign and date the application and provide his or her mailing address and e-mail address.

Paid preparer's responsibilities – Under the law, all paid preparers must sign and complete the paid preparer section of the form. Paid preparers may be subject to

civil and/or criminal sanctions if they fail to complete this section in full.

When completing this section, enter your New York tax preparer registration identification number (NYTPRIN) if you are required to have one. If you are not required to have a NYTPRIN, enter in the *NYTPRIN excl. code* box one of the specified 2-digit codes listed below that indicates why you are exempt from the registration requirement. You **must** enter a NYTPRIN **or** an exclusion code. Also, you must enter your federal preparer tax identification number (PTIN) if you have one; if not, you must enter your social security number.

Code	Exemption type	Code	Exemption type
01	Attorney	02	Employee of attorney
03	CPA	04	Employee of CPA
05	PA (Public Accountant)	06	Employee of PA
07	Enrolled agent	08	Employee of enrolled agent
09	Volunteer tax preparer	10	Employee of business preparing that business' return

Where to file

Mail your form and any necessary attachments to:

**NYS TAX DEPARTMENT
FUEL TAX REFUND UNIT
PO BOX 15197
ALBANY NY 12212-5197**

Private delivery services – If not using U.S. Mail, see Publication 55, *Designated Private Delivery Services*.

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request for personal information, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

Need help?



Visit our website at **www.tax.ny.gov**

- get information and manage your taxes online
- check for new online services and features



Telephone assistance

Miscellaneous Tax Information Center: (518) 457-5735

To order forms and publications: (518) 457-5431

Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): (518) 485-5082



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.