



TENNESSEE DEPARTMENT OF REVENUE
TRANSPORTATION FUEL EQUITY RETURN

PET
387

Filing Period:	Account No.	SSN or FEIN
Due Date:		
		<p>Make your check out to the Tennessee Department of Revenue and mail to:</p> <p>Tennessee Department of Revenue Andrew Jackson State Office Bldg. 500 Deaderick Street Nashville, TN 37242</p> <p>For assistance, you may call in-state toll free 1-800-342-1003 or (615) 253-0600.</p>
REMINDERS 1. Read line instructions carefully when completing this return. 2. Complete all information. 3. Sign and date your return in the signature box.		Please check the box at right if this is an AMENDED RETURN } <input type="checkbox"/>

1. Total miles everywhere commercial carrier used dyed diesel fuel to power means of transport _____
2. Total gallons of dyed diesel fuel used everywhere by commercial carrier to power means of transport _____
3. Average miles per gallon (Divide Line 1 by Line 2, calculated to fourth decimal) _____
4. Total miles in Tennessee commercial carrier used dyed diesel fuel to power means of transport _____
5. Gallons of dyed diesel fuel used by commercial carrier to power means of transport in Tennessee
(Enter either the amount of Line 4 divided by Line 3 or actual gallons of dyed diesel fuel used.) _____
6. Diesel tax on dyed diesel fuel used by commercial carrier to power means of transport in Tennessee
(Multiply Line 5 by \$0.17) _____
7. Gallons of dyed diesel fuel used in Tennessee for purposes other than to power means of transport _____
8. Cost of dyed diesel fuel used in Tennessee for purposes other than to power means of transport _____
9. Sales and Use Tax - Multiply Line 8 by 7.00 % _____
10. Sales tax properly paid to another state on purchases of dyed diesel fuel used in Tennessee _____
11. Total Tax - (Add Lines 6 and 9 and subtract Line 10) _____
12. Enter Credit Memo Balance _____
13. **Penalty** If filed late, compute penalty at 5% of the tax (Line 11 minus Line 12) for each 1 to 30 day period for which tax is delinquent. Total penalty not to exceed 25%. Minimum penalty is \$15 regardless of the amount of the tax due or whether there is any tax due. _____
14. **Interest** If filed late, compute interest at 7.25 % per year on the tax (Line 11 minus Line 12) from the due date to the date of the payment _____
15. Total Due - if filed timely, subtract Line 12 from Line 11; if filed late, subtract Line 12 from Line 11 and add Lines 13 and 14 _____

FOR
OFFICE
USE ONLY



Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of taxpayer _____ Title _____ Date _____

If preparer other than taxpayer _____ Date _____ Telephone _____

Preparer's Address _____ City _____ State _____ Zip _____

INSTRUCTIONS FOR COMPLETION OF THE TRANSPORTATION FUEL EQUITY TAX RETURN

GENERAL INFORMATION

Commercial carriers, defined to mean any person or entity that contracts to transport passengers or goods for a fee, are required to pay diesel tax on all dyed diesel used within Tennessee to produce power for a means of transportation. The diesel tax is \$0.17 per gallon. The commercial carrier must file this return showing the total number of gallons of dyed diesel used within Tennessee, along with any other information required on this return. This return is due on the 20th day of the month following the close of each calendar quarter and shall include all activities occurring during such quarter. Water carriers are not required to file this return. See Tenn. Code Ann. § 67-3-1401 et seq.

INSTRUCTIONS

- Line 1. Enter the total miles in all states that dyed diesel fuel was used to produce power for a means of transportation during the calendar quarter. Do not complete if reporting actual gallons on Line 5.
- Line 2. Enter the total gallons of dyed diesel fuel used in all states to produce power for a means of transporting passengers or goods for a fee during the calendar quarter. Do not complete if reporting actual gallons on Line 5.
- Line 3. Calculate the average miles per gallon of dyed diesel used by dividing the total miles on Line 1 by the total gallons of dyed diesel fuel used on Line 2 and carried to the fourth decimal place. Do not complete if reporting actual gallons on Line 5.
- Line 4. Enter the total miles in Tennessee that dyed diesel fuel was used to produce power for a means of transporting passengers or goods for a fee during the calendar quarter. Do not complete if reporting actual gallons on Line 5.
- Line 5. Enter either 1) the calculated number of gallons of dyed diesel used in Tennessee by dividing total miles in Tennessee on Line 4 by the average miles per gallon on Line 3, or 2) the actual gallons of dyed diesel fuel used in Tennessee. If using option 2, the taxpayer must maintain documentation that verifies actual gallons reported.
- Line 6. Calculate the amount of Diesel Tax on dyed diesel fuel used in Tennessee to produce power for a means of transportation by multiplying .17 cents by the gallons of dyed diesel fuel used in Tennessee on Line 5.
- Line 7. Enter the number of gallons of dyed diesel fuel used in Tennessee for purposes other than to produce power for a means of transportation.
- Line 8. Enter the total cost amount of dyed diesel fuel used in Tennessee for purposes other than to produce power for a means of transportation.
- Line 9. Calculate Sales and Use Tax due on dyed diesel fuel used and consumed in Tennessee for purposes other than to produce power for a means of transportation by multiplying the total costs on Line 8 by the 7% state sales and use tax rate in accordance with Tenn. Code Ann. § 67-6-203. Energy fuels including dyed diesel are exempt from local sales and use tax in accordance with Tenn. Code Ann. § 67-6-704.
- Line 10. Enter the amount of sales tax properly paid in another state on dyed diesel actually used in this state to produce power for a means of transportation. Note that this amount may not exceed the total of Lines 6 and 9 of this return. You are required to maintain purchase invoices to document payment of a legally imposed sales tax in another state on the dyed diesel fuel used in Tennessee. Purchase information should include: purchase invoice no., gallons of dyed diesel purchased, price per gallon, total purchase price of the dyed diesel, and sales tax paid to the other state. You are also required to provide documentation of how many gallons and the cost of the dyed diesel purchased and legally taxed in another state that was actually used in Tennessee.
Calculation of the credit would be as follows:
$$\text{Sales Tax paid in other state} \div \text{total purchase price} = \text{other state's sales tax rate} \times (\text{Gallons used in Tennessee} \times \text{average price per gallon}) = \text{Sales Tax credit for tax paid on the actual gallons of dyed diesel fuel used in Tennessee.}$$
- Line 11. Calculate the total tax due on dyed diesel fuel used in Tennessee by adding the amount of Diesel Tax on Line 6 and the amount of Sales and Use Tax on Line 9 and subtracting the amount on Line 10 of sales tax properly paid in another state on purchases of dyed diesel fuel used in Tennessee.
- Line 12. If your account has a credit balance from an overpayment on a prior return, enter the amount on this line.
- Line 13. When the return is late at the time of filing, enter 5% of Line 11 for 1-30 days late, 10% for 31-60 days late, and so on until a maximum of 25% of Line 11 is reached for returns that are more than 120 days late. When a credit balance is shown on Line 12 for a return that is late at the time of filing, first deduct Line 12 from Line 11 and calculate the penalty charges on the net amount after the credit deduction. For example, if Line 11 were \$500 and Line 12 were \$100, the penalty would be calculated on \$400. The minimum penalty is \$15, even when the return reflects no tax due but is late filed.
- Line 14. Interest is figured at the rate indicated per year on the amount of tax due from Line 11 (or on the net of Line 12 from Line 11 when a credit is present) from the due date of the return until the late filed return is postmarked.
- Line 15. When the return is timely filed, deduct Line 12 from Line 11. For late filed returns, deduct Line 12 from Line 11, and add amounts calculated on Lines 13 and 14.