## MOTOR FUEL REFUND RECORD KEEPING REQUIREMENTS

## K.A.R. 92-3-20 Refunds, books and records.

- (a) Each person claiming a refund of motor fuel tax for non-highway usage shall substantiate the claim with adequate records. An officer, partner, or owner shall verify each return as to the accuracy of the information included on the return.
- (b) An adequate record includes:
  - (1) An account of all motor fuel purchases that lists each supplier and whether fuel was purchased for exempt or taxable use;
  - (2) an account of non-highway usage either by an actual record of use or a standard approved by the director;
  - (3) an account of loss of non-highway fuel due to pilferage, spillage or diversion to non-exempt use; and
  - (4) a perpetual inventory which uses a system of metered withdrawals or a physical inventory which includes at least a monthly actual inventory and an inventory taken at the close of each period for which a claim is filed.
- (c) If a claimant for motor-vehicle fuel tax refund uses storage facilities which contain both fuels for highway and non-highway use, the claimant shall support the return with an accurate record of fuel used for highway and non-highway use. The claimant shall document the usage by:
  - (1) Different meters attached to a single tank, if one meter is used exclusively for highway fuel and another meter is used exclusively for non-highway fuel;
  - (2) a single meter capable of recording the type of withdrawal; or
  - (3) an accurate account that records each withdrawal and its use at the time of withdrawal.

## (d) Fuel used shall be presumed to be for highway use unless it is accurately documented for non-highway use.

- (e) Highway use of motor fuel includes:
  - (1) Consumption of motor fuel by a motor vehicle while in a stationary or parked position on the public highways and streets of this state:
  - (2) using fuel from a motor vehicle's fuel supply tank to power a secondary motor while operating on the public highways or streets of this state.

## TO OBTAIN CREDIT FOR WITHDRAWALS FROM LICENSEE-OWNED TAX PAID BULK STORAGE, THE FOLLOWING RECORDS MUST BE MAINTAINED:

- 1. DATE OF WITHDRAWAL
- 2. ACCURATE GALLONS WITHDRAWN AND USE;
- 3. FUEL TYPE