

Schedule A - Fee Computation by Location

Attach additional schedules as needed.

	Location	Location	Location	Location
Location ID.....				
1. Number of quarts of oil sold or used by distributor in Tennessee				
2. Number of quarts of oil exported from Tennessee				
3. Number of quarts of oil sold for use in "industrial machinery"				
4. Number of quarts of oil sold to dealers registered to remit the fee.....				
5. Total quarts of oil subject to the fee (subtract Lines 2, 3, and 4 from Line 1)				
6. Total fees (multiply Line 5 by applicable rate).....				
7. Vendor's compensation (see instructions).....				
8. Total fees less the vendor's compensation (subtract Line 7 from Line 6).....				

Instructions: Motor Oil Fee Return

In accordance with the "Used Oil Collection Act of 1993," every distributor of motor oil must pay a two cent per quart fee on each quart of oil sold in its packaging or used by the distributor. The fee is only collected once on each quart of oil sold, which is generally at the wholesale level. Oil subject to the fee includes any oil used in any internal combustion engine, crankshaft, transmission, gear box, or for an automobile, bus, truck, lawnmower, or household power equipment. Motor oil subsequently exported from Tennessee and motor oil sold by a distributor to be used for the purpose of industrial machinery are exempt from the fee.

The return along with the appropriate fee payment is due quarterly on or before the 25th day of the month following the applicable quarterly filing period (i.e., April 25, July 25, October 25, and January 25). Taxpayers should file and make their fee payments online by visiting the Department's website at www.tn.gov/revenue. Alternatively, they may mail returns and payments to the address listed on the return.

You must sign and date your return. Paid preparers (accountants, attorneys, etc.) must also sign the return. If this is an amended return, please indicate the "Filing Period" and check the appropriate box on the front of this form.

Return

- Line 1: Enter the total number of quarts of motor oil sold or used by the distributor from Schedule A, Line 1 for all locations.
- Line 2: Enter the total number of quarts of motor oil exported out of the state from Schedule A, Line 2 for all locations.
- Line 3: Enter the total number of quarts of motor oil sold for use in industrial machinery from Schedule A, Line 3 for all locations.
- Line 4: Enter the total number of quarts of motor oil sold to dealers who are registered to remit the fee from Schedule A, Line 4 for all locations.
- Line 5: Enter the total number of quarts of motor oil that are subject to the fee from Schedule A, Line 5 for all locations.
- Line 6: Multiply Line 5 by **\$0.02**. This should be the same as the total from Schedule A, Line 6 for all locations.
- Line 7: Enter the total amount of vendor's compensation from Schedule A, Line 7 for all locations.
- Line 8: Subtract Line 7 from Line 6 for the total amount of fees due less the vendor's compensation.
- Line 9: If your account has a credit balance from an overpayment on a prior return, enter the amount on this line.
- Line 10: Penalty is calculated at a rate of 5% for each 30-day period, or portion thereof, that a return is delinquent, up to a maximum of 25% of the delinquent amount. The minimum penalty is \$15 for the delinquent filing of a return. If your return is delinquent, apply the appropriate penalty rate to the total tax due from Line 6.
- Line 11: Interest is due on any amount of tax that is paid after the statutory due date of the return. The interest rate is determined in accordance with Tenn. Code Ann. § 67-1-801. The current interest rate can be found at www.tn.gov/revenue by clicking the Tax Resources tab. If the payment is late, apply the interest rate to the total tax due from Line 6.
- Line 12: Add Lines 8, 10, and 11; subtract Line 9.

Schedule A – Fee Compensation by Location

Enter the location ID for each location from which motor oil is sold or used by the distributor.

- Line 1: Enter the number of quarts of motor oil sold or used by the distributor for each location.
- Line 2: Enter the number of quarts of motor oil that the distributor exported out of the state from each location. Also include the number of quarts of motor oil that the distributor sold from each location to wholesalers or retailers who certified that they would export it from the state or sell it to a user who would export it from the state. In order to claim this exemption, the distributor must collect an Affidavit of Exemption from Motor Oil Fee from the purchaser.

- Line 3: Enter the number of quarts of motor oil sold for use in industrial machinery, as defined by Tenn. Code Ann. § 67-6-102, from each location. In order to claim this exemption, the distributor must collect an Affidavit of Exemption from Motor Oil Fee from the purchaser.
- Line 4: Enter the number of quarts of motor oil sold from each location to dealers who are registered with the Department of Revenue to remit the motor oil fee and who certify that they will remit the fee on the motor oil sold to them. In order to claim this exemption, the distributor must collect an Affidavit of Exemption from Motor Oil Fee from the purchaser.
- Line 5: Subtract Lines 2, 3, and 4 from Line 1 for the number of quarts of motor oil that are subject to the fee.
- Line 6: Multiply Line 5 by **\$0.02**.
- Line 7: The distributor may keep 2% of the fee remitted each quarter, up to \$50, for each return filed by the appropriate due date (January 25, April 25, July 25, and October 25). If the return is filed by the due date, enter the **lesser of \$50 or 2%** of Line 6. If the return is not filed by the appropriate due date, enter zero.
- Line 8: Subtract Line 7 from Line 6 for the total amount of fees due per location less the vendor's compensation.