

**SUBCHAPTER 7. RECORDS, ASSESSMENTS AND CLAIMS**

**18:18A-7.1 Record retention**

Taxpayers under the Act shall retain records for a period of four years. Such records shall be made available to the Director or his or her agents for inspection upon request.

Amended by R.1997 d.74, effective February 18, 1997.  
See: 28 N.J.R. 5159(a), 29 N.J.R. 585(a).  
Increased retention period.

**18:18A-7.2 Assessment**

(a) The Director may assess a tax under the Act at any time until four years from the date of filing a return pursuant to the Act. A taxpayer may consent to a longer period of time in a particular instance. See N.J.S.A. 54:49-6b.

(b) In the case of a false or fraudulent return with intent to evade tax, or failure to file a return, the tax may be assessed at any time. See N.J.S.A. 54:49-6b.

Amended by R.1997 d.74, effective February 18, 1997.  
See: 28 N.J.R. 5159(a), 29 N.J.R. 585(a).

In (a), amended period for assessment and added N.J.S.A. reference; and rewrote (b).

**18:18A-7.3 Refund claim**

(a) A taxpayer may claim a refund of an overpayment of tax as provided in the State Tax Uniform Procedure Law, N.J.S.A. 54:49-14.

(b) In a case where a company has erroneously paid a tax, before that company applies for a refund from the Division of Taxation, such company must seek a credit from its supplier. A refund claim should be filed only if a credit is not available from the supplier. If a refund claim by a company is made, it must contain the statement that the company has applied for and not been able to receive a credit from its supplier. Any credit or refund claimed by a supplier/taxpayer from the Division of Taxation must contain the statement that an appropriate credit or refund has been given to its customer. The goal and purpose of this procedure is ease and efficiency of administration. A form (PPG-5) has been created by the Division for use in connection with certain claims for credit under the Act.

Example: Township P buys 1,000 gallons of gasoline from Dealer Y who does not have a direct pay permit and charges the township the tax equivalent amount and remits the tax to the State. When the invoice is processed by the township six weeks later, Dealer Y is no longer the township's supplier since Dealer M agreed to supply the township at a better price. Dealer Y refuses to give the township the tax refund and take a credit on its return. The township makes a claim for refund with the Division for a refund of tax paid since it was unable to recover the amount from Dealer Y.

**18:18A-7.4 Credit**

A credit will be permitted against a taxpayer's New Jersey liability for a similar tax on gross receipts paid previously to another state on the same petroleum products. Such credit shall not exceed the tax that the taxpayer would have been required to pay to New Jersey. Credit shall not be taken against a New Jersey liability more than two years after the transaction for which credit is being claimed.

**SUBCHAPTER 8. FILING DATES**

**18:18A-8.1 Filing**

(a) For the fiscal year July 1, 1990 to June 30, 1991, unless the filing date has been extended by the Director, a tax return on the form and in the manner prescribed by the Director together with payment of applicable tax due shall be filed at the Division of Taxation on or before January 20, April 20, July 20, and October 20 reflecting gross receipts for the quarterly periods ending on the last day of December, March, June and September respectively.

(b) Pursuant to N.J.S.A. 54:15B-7 as amended by P.L. 1991, c.181, § 4, on and after July 1, 1991 filing and tax payment dates are as follows:

1. On or before July 20, 1991, a return and tax payment is due for the quarterly period April 1, 1991 to June 30, 1991.
2. On August 25, 1991, taxpayers file a monthly remittance and pay the full amount of the tax due on gross receipts subject to tax during July.
3. On September 25, 1991, taxpayers file a monthly remittance and pay the full amount of the tax due on gross receipts subject to tax during August.
4. On October 25, 1991, taxpayers file and remit a quarterly reconciliation return and pay tax due for the quarterly period July 1 through September 30, 1991.
5. The monthly and quarterly remittance system will then continue in effect for monthly and quarterly periods with filings made on or before the 25th day of the month with respect to the preceding monthly or quarterly periods.

**18:18A-8.2 Applicability of State Tax Uniform Procedure Law**

The tax imposed under the Act is governed in all respects by the provisions of the State Tax Uniform Procedure Law, N.J.S.A. 54:48-1 et seq., except to the extent that a specific provision of the Act is in conflict therewith and in such event the provisions of the Act shall govern.

18:18A-8.3 Effective date

These rules shall be effective on and after July 1, 1990.

APPENDIX

PPT-6-B (11-90)

STATE OF NEW JERSEY  
DIVISION OF TAXATION  
PETROLEUM PRODUCTS GROSS RECEIPTS TAX  
CN 269  
Trenton, NJ 08646-0269

APPLICATION FOR DIRECT PAYMENT PERMIT

GENERAL INFORMATION

A Direct Payment Permit, Form PPT-6, is evidence that the buyer designated thereon is authorized to issue a Direct Payment Certificate, Form PPT-6A, in certain cases, in lieu of payment of the Petroleum Products Gross Receipts Tax at the time of purchase, and subsequently to file reports and remit the tax directly to the Director.

When the purchaser who has issued the Direct Payment Certificate in turn makes a sale of petroleum products delivered to a location in New Jersey and sells to a buyer which is not a distributor or the holder of a Direct Payment Permit, the consideration from such sale results in gross receipts subject to tax unless the sale otherwise qualifies for exemption, exclusion, or deduction. Such seller must report and remit the tax to the Director.

Taxpayers who could qualify for the Direct Payment Authority include (a) those selling number 2 fuel for residential heating purposes, (b) those selling propane for residential heating purposes, and (c) blenders of petroleum products where the final product is a petroleum product.

1. FID # [ ] - [ ] OR Soc. Sec. # of Owner [ ] - [ ] - [ ]

2. Name \_\_\_\_\_  
(If INCORPORATED - give Corp Name; If NOT - give Last Name, First Name, MI of Owner(s))

3. Trade Name \_\_\_\_\_

4. Business Location:  
Street \_\_\_\_\_  
City \_\_\_\_\_ State [ ] [ ]  
Zip Code [ ] - [ ]  
(Give 9-digit Zip)

5. Mailing Name and Address - (if different from business address)  
Name \_\_\_\_\_  
Street \_\_\_\_\_  
City \_\_\_\_\_ State [ ] [ ]  
Zip Code [ ] - [ ]  
(Give 9-digit Zip)

6. Beginning Date For This Business In New Jersey \_\_\_\_\_  
month / day / year

7. Type of Ownership (check one):  
 NJ Corporation     Sole Proprietor     Partnership     Out-of-State Corporation     Limited Partnership  
 Other - explain \_\_\_\_\_

8. Telephone Numbers: Contact Person \_\_\_\_\_ Title \_\_\_\_\_  
Daytime: ( ) \_\_\_\_\_ Ext \_\_\_\_\_ Evening: ( ) \_\_\_\_\_ Ext \_\_\_\_\_

9. IF A CORPORATION, complete the following:  
Date of Incorp. \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ State of Incorp. [ ] [ ]  
month / day / year

10. Provide the following information for the owner, partners or responsible corporate officers. (If more space is needed, attach rider).

NAME <small>(Last Name, First, MI)</small>	SOCIAL SECURITY NUMBER TITLE	HOME ADDRESS <small>(Street, City, Zip)</small>	% OWNED

**NOTE:** On a separate sheet of paper provide the name of stockholders owning 10% or more of the outstanding shares of stock in the corporation.

- 11. List parent company, wholly owned subsidiaries, and/or any affiliates \_\_\_\_\_  
\_\_\_\_\_
- 12. Give name, title and address of agent in New Jersey or registered New Jersey agent on whom service may be made.  
\_\_\_\_\_  
\_\_\_\_\_
- 13. List all suppliers of petroleum products.  
\_\_\_\_\_  
\_\_\_\_\_
- 14. Is applicant registered with the Division of Taxation for any other New Jersey State taxes? .....  YES  NO  
If yes, list the taxes \_\_\_\_\_
- 15. Type of business activity (check one):  
 Number 2 heating oil dealer (companies in the business of selling No. 2 heating oil for residential use)  
 Propane dealer (companies in the business of selling propane for residential use)  
 Blenders (companies in the business of acquiring petroleum products, blending them, and later selling the blended petroleum product)  
 Other (please explain) \_\_\_\_\_  
\_\_\_\_\_
- 16. Describe in detail your business operation and reason why you would qualify for a Direct Payment Permit. \_\_\_\_\_  
\_\_\_\_\_
- 17. If a blender, describe types of petroleum products to be blended and the percentage of the final product which is a petroleum product. \_\_\_\_\_  
\_\_\_\_\_
- 18. The undersigned applicant states, (under penalty of perjury), that all the information contained in this application is true and accurate in every particular.

\_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
Signature of Owner, Partner or Officer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

*The information submitted will assist this office in the processing of your permit request.  
The Division of Taxation reserves the right to conduct a thorough investigation prior to issuing this permit.*

**FOR DIVISION USE ONLY**

Permit No. \_\_\_\_\_ Investigation initiated \_\_\_\_\_

Effective Date \_\_\_\_\_ Investigation completed \_\_\_\_\_

Approved \_\_\_\_\_

Recommendations: \_\_\_\_\_

PPT-6-B (11-94)



## INSTRUCTIONS FOR USE OF DIRECT PAYMENT CERTIFICATE

## GENERAL INFORMATION

A Direct Payment Permit, Form PPT-6, is evidence that the buyer designated thereon is authorized to issue a Direct Payment Certificate, Form PPT-6A, in certain cases, in lieu of payment of the Petroleum Products Gross Receipts Tax at the time of purchase, and subsequently to file reports and remit the tax directly to the Director.

When the purchaser who has issued the Direct Payment Certificate in turn makes a sale of petroleum products delivered to a location in New Jersey and sells to a buyer which is not a distributor or the holder of a Direct Payment Permit, the consideration from such sale results in gross receipts subject to tax unless the sale otherwise qualifies for exemption, exclusion, or deduction. Such seller must report and remit the tax to the Director.

1. **Good Faith** - In general, a seller who accepts an exemption certificate in "good faith" is relieved of liability for payment of tax upon transactions covered by the certificate. The question of "good faith" is one of fact and depends upon a consideration of all the conditions surrounding the transaction. A vendor is presumed to be familiar with the law and the regulations pertinent to the business in which he deals.

In order for "good faith" to be established, the following conditions must be met:

- (a) The certificate must contain no statement or entry which the seller knows, or has reason to know, is false or misleading.
- (b) The certificate must be an officially promulgated certificate form or a substantial and proper reproduction thereof.
- (c) The certificate must be dated and executed in accordance with the published instructions, and must be complete and regular in every respect.

The seller may, therefore, accept this "good faith" Direct Payment Certificate as a basis for exempting sales to the signatory purchaser provided that:

- (d) The purchaser's Employer Identification Number, indicating that the purchaser is registered with the New Jersey Division of Taxation, is entered on the face of the Certificate as reflected on the Petroleum Products Gross Receipts Tax Certificate of Authority.
- (e) The purchaser has entered all other information required on the form.
- (f) A copy of the purchaser's Direct Payment Permit is attached to the form.
- (g) The seller has no reason to believe that the petroleum product to be purchased is of a type not ordinarily used in the purchaser's business for the purpose described in this certificate.

2. **Improper Certificate** - Transactions which are not supported by properly executed direct payment certificates shall be deemed to result in taxable gross receipts to the seller. The burden of proof that the consideration received may be deducted from gross receipts and that the tax was not required to be paid is upon the seller.
3. **Correction of Certificate** - In general, sellers have 60 days after date of sale to obtain a corrected certificate where the original certificate lacked material information to be set forth in said certificate or where such information is incorrectly stated.
4. **Documentation of Sale** - Records shall be maintained identifying all sales to the customer issuing the certificate and attributable to the certificate. Such records shall include date of sale, price, location of the transfer of the product, quantity of product, and type of product sold.
5. **Additional Purchases by Same Purchaser** - This Certificate will serve to cover additional purchases by the same purchaser of the same product. However, each subsequent sales slip or purchase invoice based on this Certificate must show the purchaser's name, address, and Direct Payment Permit number for the purposes of verification.
6. **Retention of Certificates** - Certificates must be retained by the seller for a period of not less than five years from the date of the last sale covered by the certificate. Certificates must be in the physical possession of the seller and available for inspection on or before the 60th day following the date of the transaction to which the certificate relates.
7. **Restrictions** - A Direct Payment Certificate may be issued, (and subsequently accepted by a seller), only by the holder of a valid Direct Payment Permit.