



FYI Excise 1

Information for Fuel Distributors Selling LPG/NG Decals

Colorado licensed fuel distributors may sell Liquefied Petroleum Gas (LPG) or Natural Gas (NG) decals to their customers who purchase these fuels.

APPLICATION PROCEDURES FOR LPG/NG DECAL VENDORS

To become a vendor of LPG/NG decals **you must be a licensed Colorado Special Fuel Distributor** and your account must be in good standing.

Licensed Distributors: Complete the LPG/NG Decal Vendor Original Application/Order Form (DR 0063). The completed form should be mailed to:
Colorado Department of Revenue
1375 Sherman Street
Denver, CO 80261-0009

New Distributors: To become a licensed special fuel distributor, complete the Fuel Application Booklet (DR 7064). This application must be accompanied by the required fees and bond. Both the DR 0063 and DR 7064 are required for new distributors who also want to sell the decals. The forms may be mailed together to the Department of Revenue (DOR). If the application for a distributor's license is incomplete or does not include the appropriate fees and bond, both forms will be returned to the applicant and must be resubmitted to DOR. Please see publication FYI Excise 5, Colorado Gasoline and Special Fuel Distributors for more information.

COLLECTING DECAL FEES

For first time decal purchases, the fee is pro-rated based on the purchase date of the decal. Decals are valid until December 31 of each year. Renewals or first time decals that are purchased in January require payment of the full fee. Renewal and full cost decal fees are:

Vehicle Weight	Fee
10,000 pounds or less	\$ 70.00
10,001 - 16,000 pounds	\$100.00
Over 16,000 pounds	\$125.00

A table of pro-rated fees is printed on the Application for Liquefied Petroleum Gas or Natural Gas Decal (DR 1585), used by taxpayers to order and pay for DOR decals. Decal vendors may use this form to obtain the required information from decal purchasers.

To verify the appropriate fee due, check the registration card for the weight of the vehicle and the purchase date. If the purchase date is prior to the current year, the full fee is due. If the vehicle has a current purchase date or an invoice showing a current date of conversion to LPG/NG fuel, the fee can be charged at the pro-rated amount based on the conversion or purchase date.

A vendor **must retain records to support the issuance of decals and the fees collected**. The information must be retained for three years and is subject to audit. The information must include:

1. Date of decal purchase and fee paid.
2. Decal purchaser name.
3. Vehicle identification number.
4. Purchase date or conversion date of vehicle.
5. Customers who purchase LPG/NG fuel with card keys or personal identification numbers must display on the windshield a valid LPG/NG decal. Before a vendor issues a card key or personal identification number for a customer to use when purchasing fuel, the vendor must verify that the customer has a valid decal.
6. Inventory records of decals ordered, received, and issued.

Renewal Forms for LPG/NG Decal Customers

Customers who purchase decals from decal vendors will not have LPG/NG decal accounts established with the Colorado Department of Revenue. They will not receive automatic renewal forms from the department in future years.

Decal vendors may use the Renewal Application for Liquefied Petroleum Gas or Natural Gas Decal (DR 1689) to obtain the required information from customers who want to purchase a decal for the next year.

HOW TO ISSUE DECALS TO TAX-EXEMPT ENTITIES

Vehicles of government entities, such as state, city, county or federal agencies that have government license plates are not required to purchase or display a decal. If the vehicle has regular Colorado plates without government identification, a decal must be displayed.

Before a vendor issues a no fee decal, the organization must provide proof of government ownership. Proof would be a vehicle registration showing ownership by a government organization, not an individual. If the ownership is in an individual's name, the fee should be collected. The organization may apply with the Department of Revenue on a Claim for Refund (DR 0137) providing proof of payment for the decal, a copy of their registration, and supporting proof that it is a government vehicle. Alternatively, the organization may apply with the Department of Revenue for a decal.

A **non-profit transit agency may be exempt**. The agency must qualify as a non-profit transit agency under §40-1.1-102 C.R.S. A non-profit agency that is exempt will be required to display a decal on the vehicle windshield. If there is a question about the organization's exempt status, the vendor should collect the fee. The non-profit agency can apply for a refund, as would a government entity. Alternatively, the agency can send the decal application to the Colorado Department of Revenue.

REPORTING AND REMITTING DECAL FEES COLLECTED

Vendor Decal Return Due Dates

All fees collected by the vendor must be reported and remitted to the Department of Revenue on the LPG/NG Vendor Decal Tax Return (DR 1589). Fees are due each month. The due date is the 26th of the month following the reporting month. **Example:** Fees for decals issued or sold in February are due March 26. If the 26th is a Saturday, Sunday or a holiday, fees are due the next business day. Fees for decals issued prior to the year of use are remitted with the January return on February 26.

For example, 2011 decal fees are due February 26, 2011 for decals issued:

- November or December of 2010, or
- January 2011.

Information and Forms Required with Return

The DR 1589 tax return must be completed in its entirety and must include inventory information. This assures any discrepancies are addressed and corrected immediately. The decals issued, and fees collected and remitted, must be written or typed in the correct column on the form. If an error arises, an account can be corrected only if all the information on decals issued, inventory, and fees collected are provided.

Late Payment Penalty and Interest

Any fees reported or paid late are subject to a 10% penalty plus an additional 1/2 percent penalty for each additional month late. They are also subject to interest based on current interest rates.

Unissued Decals at Year-End

All decals that are not issued during the year must be returned with your December return. If they are not returned, the full fee for the decals is due.

Renewal Forms for Vendors

Each October, prior to the new calendar year, vendors will receive the LPG/NG Vendor Application Renewal/Reorder Form (DR 0063). Vendors should verify that the information on the form (company name, address) is correct. Enter the number of decals needed. After you submit the form, the decals will be mailed to you. The DR 0063 may also be used to order additional decals, which may be required during the year. Be sure to enter the correct calendar year on the form.

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having the authority to bind the Department, has not formally reviewed, and/or approved these FYIs.