

Power Take-off Refunds

400

Petroleum Fact Sheet 400

Fact Sheet

General rules

Tax paid on gasoline or special fuel used to operate a power take-off unit (PTO) or auxiliary engine fueled from the same supply tank as the highway vehicle is refundable. The refund claim is based on **only the fuel consumed** by the PTO or auxiliary engine. Fuel consumed during idling time is **not** eligible for refund.

Reporting requirements

To claim a refund, complete Form PDR-1, *Minnesota Motor Fuel Claim for Refund*, and attach a power-take off worksheet. Claims must be filed within one year of the date of purchase, or as often as monthly. However, if you elect to file on an annual basis, whether calendar-year or fiscal-year basis, the claim must be received by the Department of Revenue within 60 days of the end of your accounting year. All refund claims must have the original sales ticket, bulk fuel invoices, or a signed dealer affidavit attached.

Record keeping

If the claim is for fuel purchased from a retail service station, you must attach the original sales ticket to the claim.

Original sales tickets must have:

- name and address of dealer or retail station;
- number of gallons purchased, price per gallon, type of fuel;
- description or unit number of vehicle;
- name and address of purchaser;
- dollar amount of sale;
- rate and amount of motor fuel excise tax charged or a statement that Minnesota tax is included in the price; and
- date of purchase.

The department will accept alternative records for fuel purchased, including computer or electronically generated listings, as long as they clearly provide the necessary information.

If the claim is for fuel withdrawn from your tax-paid bulk storage, detailed disbursement records must be kept.

Information should include:

- date of disbursement,
- number of gallons withdrawn, and
- description of PTO unit or auxiliary engine.

Use of hubometers (hub meters)

A hubometer measures the actual road mileage of a vehicle. A claim for refund may be based on information provided from a hubometer or odometer and calculated miles per gallon. This information is used to determine the PTO gallons while the vehicle is stationary.

Calculation of refund

You can determine the amount of fuel subject to refund by either using the allowable percentage method or an alternate method. Whichever method you use, you must meet the record-keeping requirements.

1. Allowable percentage method

The department has determined percentage amounts that represent the fuel used by the PTO unit. These percentages are based on the type of PTO unit and are applied against all the fuel in the supply tank of the motor vehicle to which the PTO is attached. The PTO worksheet details these percentages. Enter the total amount of fuel placed in the motor vehicle on the applicable line and multiply that total by the percentage to arrive at the fuel eligible for refund.

2. Alternate method

You may choose not to use the straight percentage if you can provide accurate records and documentation to substantiate the refund claim. To use another method of calculation, you must receive written approval from the department in advance.

Sales tax

The fuel on which the motor fuel tax has been refunded under this law may be subject to Minnesota sales and use tax. Call the Minnesota Department of Revenue at 651-296-6181 for sales and use tax information.