

P.R. - 556

PR-556

RCS 45-02-25

FORM PR-556  
(4-29-60)

U.S. DEPARTMENT OF COMMERCE  
BUREAU OF PUBLIC ROADS

FORM APPROVED  
BUDGET BUREAU, 41-R1477.2

STATE MOTOR-FUEL TAX COLLECTIONS AND  
INITIAL DISTRIBUTION BY COLLECTION AGENCIES  
(PPM 50-5.3)

State

Calendar year

INSTRUCTIONS

This form is designed to record the actual collections during the calendar year of the State motor-fuel tax and other receipts incident to its administration, to show the purpose by major items for which the tax proceeds were distributed.

Page 2 of this form should be used to outline the method or basis for distributing motor-fuel taxes, and should give in detail the legislative provisions in effect during the calendar year for which the report is compiled. Once prepared, it

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

OMB 04-R1477

**STATE MOTOR-FUEL TAX RECEIPTS AND  
INITIAL DISTRIBUTION BY COLLECTION AGENCIES**

STATE

CALENDAR YEAR

(PPM 50-5)

RECONCILIATION BETWEEN PR-551 GALLONAGE AND PR-556 COLLECTIONS MAY BE SHOWN HERE, OR ON AN ATTACHMENT (SEE THE FIRST PARAGRAPH OF THE INSTRUCTIONS).

COLLECTING AGENCY OR AGENCIES

THIS INFORMATION FROM RECORDS OF

COMPILED UNDER DIRECTION OF

STATE MOTOR-FUEL TAX RECEIPTS AND  
INITIAL DISTRIBUTION BY COLLECTION AGENCIES

STATE  
CALENDAR YEAR

ITEM	RECEIPTS BY FUEL TYPE GALLONAGE TAXES		OTHER RECEIPTS (c)	TOTAL (d)
	GASOLINE (A)	SPECIAL FUELS (B)		
<b>1. Receipts for Calendar Year</b>				
a. Gallonage Tax Collections	(1) Gross collections by distributors			
	(2) Less distributors allowance ( _____ %)			
	(3) Gross receipts by State (1) - (2)			
	(4) Less refunds paid			
	(5) Net Receipts (3) - (4)			
b. All Other Receipts Under Motor- Fuel Tax Laws	(1) Distributors and dealers licenses			
	(2) Motor-fuel inspection fees			
	(3) Fines and penalties			
	(4)			
	(5)			
	(6)			
	(7)			
	(8) Total			
c. Net Total Receipts a. + b.				
2. Deductions by State Collecting Agency <sup>1</sup>	a. Expense of Collecting & Admin. Gal. Taxes			
	b. Expense of Inspecting Motor Fuel			
	c.			
	d. Total			
3. Net Proceeds Available for Distribution 1. - 2.				
4. Balance Undistributed at End of Previous Year				
5. Total Funds Available for Distribution 3. + 4.				
<b>6. Amounts Distributed (Specify Fund or Purpose)</b>				
a. Dedications for Improvement of Aviation or Marine Facilities	(1)			
	(2)			
	(3)			
	(4) (Subtotal)			
b.				
c.				
d.				
e.				
f.				
g.				
h.				
i.				
j.				
k.				
l. Total				
7. Balance Undistributed at End of Year 5. - 6.				

<sup>1</sup>If collecting agency retains or receives a flat percentage of collections or an appropriation to cover costs, note this fact and provide the actual collection and administrative expenses in a footnote.

## INSTRUCTIONS

**GENERAL INSTRUCTIONS:** This form is designed to record the actual collections during the calendar year of the State motor-fuel tax and other receipts incident to its administration; and to show by major items the purpose for which the tax proceeds were distributed. Receipts should show revenues derived from gasoline and use fuel separately. Total receipts and refunds should evaluate *closely* with the comparable gallonage reported on PR-551 (with proper allowance for lag between amounts due and paid). *If not, a reconciliation should accompany this form.*

The report should be compiled from records of the State motor-fuel tax collecting agency and other agencies responsible for the collection and distribution of the funds. However, if the only action taken by the collecting agency is to turn the receipts over to the State Treasurer, who distributes the money to the agencies which expend it, then it would be preferable to have Form PR-556 prepared from records of the State Treasurer, Auditor, or Comptroller, depending on which of these officers maintains the most authoritative record of the distribution of the funds.

**FORMAT:** Page 1 of the form contains space for entering the State name; the year; footnotes, comments, and a reconciliation with Form PR-551, if needed; and a reference to identify the source of the records. Page 2 of the form provides for an accounting of the receipts and allocation of funds. Separate columns are provided to record (A) gasoline taxes, (B) diesel and other special-fuel taxes, and (C) other receipts. All money entries should be rounded to even dollars. Space contained on prior editions of the form to record statutory provisions governing the distribution of funds has been eliminated. Legislative changes will be verified periodically by referring FHWA table MF-106 to the States for corrections and additions. However, *the States should continue to send to the Washington office copies or briefs of all legislation pertaining to the taxation of motor fuel, and allocation of revenues.*

**CROSS REFERENCE:** PR-556 should be reconcilable with the following reports where applicable: PR-551, 531, 532, and 535. Refer also to instructions for those forms. Data on PR-556 comprise the basis for entries in FHWA annual tables MF-1 and MF-3.

**SPECIFIC INSTRUCTIONS:** The following instructions apply to the entries to be made on page 2 of PR-556:

**Item 1, Receipts of calendar year** - In this item should be entered a record of the total collections of the calendar year from the motor-fuel tax and other fees and taxes incidental to the administration thereof. Subitems are explained in the following paragraphs.

Gallonage collections from the taxation of interstate motor carriers (as described in FHWA table MF-104) may be shown in either 1.a or 1.b. If in 1.a., gross receipts should be shown in 1.a.(1), and any refunds in 1.a.(4), so that only collections actually retained by the State will be reported in 1.a.(5). The amounts of motor-carrier collections and refunds should be noted, by fuel type, in a note or attachment. If 1.b. is used, only net motor-carrier receipts (after refunds and credits) should be reported.

**Item 1a** - In this item should be reported the collections from the gallonage tax. There is customarily a one or two month lag between taxation of gasoline as reported on Form PR-551 and the collections reported on Form PR-556. However, the lag in any given year is very similar to the preceding year, and it is the function of Form PR-556 to report actual collections of the calendar year, rather than earnings or assessments.

In Item 1a(1) should be reported the gross amount collected under the gallonage tax on motor fuel, prior to deduction of allowances

granted to distributors for collection expenses. This total should include all receipts from the taxation of motor fuel, including diesel, butane and other special fuels, with receipts from the gasoline tax shown separately in column (A).

In Item 1a(2) should be entered the total amount of the cash allowances made during the calendar year to distributors (or deducted by them) in consideration of the cost of collecting the tax, preparation of reports, prompt payment, etc. Do not include loss allowances. (See PR-551 instructions).

The entry in Item 1a(3) should represent the gross amount actually received by the State from the gallonage tax during the calendar year. In States which make no allowances for distributors collection expenses, Items 1a(1) and 1a(3) should be identical.

The amount of refunds of motor-fuel tax actually paid during the calendar year should be entered in Item 1a(4). The net receipts of the gallonage tax remaining for distribution after payment of refunds should be given in Item 1a(5).

**Item 1b** - In this item should be reported the receipts, from sources other than the gallonage tax, which are collected as incidental to the administration of the motor-fuel tax laws or the inspection of motor fuel. In case any of the fees and other receipts indicated in the subdivisions of Item 1b are not applicable in a given State, the entry "None" should be made opposite the subitem concerned.

In Item 1b(1) should be entered the amount collected from motor-fuel distributors' licenses, and from special dealers' licenses, pump inspection fees, and other direct imposts on retail motor-fuel dealers. Receipts from general retail licenses or chain store taxes which are levied on all types of business are not regarded as special taxes on motor fuel and should not be included on the form.

In Item 1b(2) should be reported the amount of collections of fees for the inspection of motor fuel. In some States these fees are imposed merely to defray the cost of inspection, while in others they are a considerable source of revenue. It is desirable to exclude from the report, insofar as possible, all fees charged for the inspection of petroleum products other than motor fuel, such as kerosene, and also to exclude inspection fees paid on motor fuel used for nonhighway purposes such as agriculture, aviation, etc.

If the receipts from inspection fees on petroleum products are not segregated according to products inspected or their use, the amount received from the inspection of motor fuel may be estimated on the basis of data given on Form PR-551 or Form PR-556. For example, if all fuel subject to the motor-fuel tax is subject also to the inspection fee, the receipts from inspection fees may be estimated by multiplying the entry in Item 1a(1) by the ratio of the rate of inspection fee (per gallon) to the motor-fuel tax rate. Similarly, if the State grants refunds for nonhighway purposes, the same ratio applied to the entry in Item 1a(5) should give an approximation of the inspection fees on motor fuel used for highway purposes. (In States where there is an allowance to distributors for expenses the ratio should, for strict accuracy, be multiplied by the sum of Items 1a(2) and 1a(5)). The amount thus estimated should be entered in Item 1b(2).

If estimates are made as outlined above, the entry in Item 1b(2) should be supported by a note or supplementary statement giving the total receipts from inspection fees and setting forth the computation by means of which the entry in Item 1b(2) was estimated.

## INSTRUCTIONS - Continued

In Item 1b(3) should be reported the amount of fines or penalties collected in connection with the administration of the motor-fuel tax and inspection laws. Interest on delinquent collections should be included in this item.

Items 1b(4) through 1b(7) provide additional space for other receipts which do not fall under the first three classifications of Item 1b. The nature of any entries in these four lines should be described in the space provided, or in footnotes. Examples of such additional receipts are fees charged for exemption or refund permits and motor-fuel carrier permits.

**Item 1c** - This entry should record total receipts of the year.

**Item 2** - In this item should be recorded the amounts retained or deducted by the collecting agency prior to depositing the net collections in the State treasury or otherwise disposing of them. In some cases, the total collections are deposited in one State treasury fund, or to the credit of the State highway department, and expenses of the collecting agency are paid or appropriated from the fund. In this case, no entry need be made in Item 2, and the entire distribution should be shown in Item 6. In other cases, the collecting agency may retain a flat percentage of collections in lieu of expenses incurred. In either instance the situation should be explained in a note, and the actual expenditures by the collecting agency during the year should be given in a footnote.

Expenditures for collecting and administering the motor-fuel gallonage taxes should be entered in Item 2a.

The cost of inspecting motor fuel should be given in Item 2b. The cost of inspection may be interpreted to include the cost of administering the inspection laws as well as the actual inspection and testing. In States where the cost of motor-fuel inspection is not kept separately from the cost of inspecting kerosene, etc., the cost may be prorated on the same basis as the receipts from inspection fees and only the motor-fuel portion given on the form. In States which grant refunds for nonhighway uses, it will be possible to compute on a prorata basis the cost of inspecting motor fuel used for highway purposes; and this reduced amount should be entered in

Item 2b. When such computations are made the details should be given in notes to the form or on an attached schedule.

Item 2c should be used to record other costs or deductions by the collecting agency, such as those in connection with the miscellaneous receipts in Items 1b(1) and (3).

**Item 3** - This item should record net receipts after deducting Item 2d from Item 1c.

**Item 4** - Any balances in the hands of the State collecting agency, or to its credit, at the beginning of the calendar year should be recorded in Item 4. If the amount differs from that reported as undistributed at the end of the prior year, a note should be given explaining the adjustment. If PR-556 is prepared from the records of the State Treasurer, Auditor or Comptroller, the balance may be the amount on hand in a revolving fund; in some cases this fund balance may have to be combined with any amounts in the hands of the collecting agency, to account for the total amount of undistributed funds.

**Item 5** - Here should be entered the sum of Items 3 and 4.

**Item 6** - The allocation of motor-fuel revenues to the expending agencies or funds should be shown in Item 6. In general, the distribution should be consistent with the provisions of FHWA table MF-106, or current statutes where they differ from MF-106. In the event motor-fuel revenues, together with other road-use taxes, are placed in an intermediate clearing fund such as a Highway Users Tax Distribution Fund, a balanced statement of the clearing fund should accompany PR-556.

In several States net income from inspection fees is credited to the State general fund. The prorating of receipts from inspection fees to exclude receipts from petroleum products other than motor fuel, and from motor fuel used for nonhighway purposes, should be carried through to the data on the distribution of these revenues.

**Item 6a** - In this item should be shown the proceeds from the taxes on aviation and marine uses of gasoline (only) that are dedicated for the improvement of aviation and marine facilities.

**Item 7** - Balances at the end of the year should be the amounts remaining after deducting Item 6l from Item 5.