# 2027

Government of the District of Columbia, Office of the Chief Financial Officer Office of Tax and Revenue

MyTax.DC.gov

# FR-400M Motor Fuel Tax Instructions and Technical Guide

The District levies and collects taxes on motor vehicle fuel equal to 8.0% of the average wholesale price of a gallon of regular unleaded gasoline. The average wholesale price is calculated for adjustment twice a year. As a result, the tax rate may change each year. The average wholesale price is determined by the District and published by February 1 and August 1 of each year.

This return must be filed and paid electronically. This document is to provide instructions only.

Revised 07/2026

**What's New**

Effective October 1, 2026, the District levies a local transportation surcharge on motor vehicle fuels sold or disposed of by an importer or by a user, or used for commercial purposes at a rate of $.124 per gallon. The surcharge is in addition to the motor fuel rate of $.235.

**Reminders**

- Complete all required schedules following the Specification for FR-400M Motor Fuel Return Schedules Import. Completion of the schedules will automatically populate the return once your spreadsheet is imported.

- You also have an option to enter required schedules manually online while completing the return.

- All entries on the return and attachments are whole dollars only. Do not enter cents. Round cents to the nearest dollar.

  Example: $10,500.50 rounds to $10,501. $10,500.49 rounds to $10,500.

- As of October 1, 2020, use Schedule 10 for diversions.

- For more information, visit MyTax.DC.gov or contact Office of Tax and Revenue's (OTR) Customer Service Administration at (202) 727-4TAX(4829).

- The District of Columbia Office of Tax and Revenue (OTR) will no longer automatically register businesses from any business tax return. Complete Form FR-500 online, if applicable.

- You must be registered and logged on via MyTax.DC.gov to file and pay.

- Failure to use the business or trade name that you used when registering with OTR will cause processing delays with returns and/or payments.

- If the due date falls on a Saturday, Sunday, or legal holiday, the return and/or payment are due the next business day.

- You must file a return, even if you had no receipts in a given month.

- Review the Electronic Funds Transfer (EFT) Payment Guide to obtain ACH debit block company IDs to ensure proper posting to your account.

- The District does not support International ACH Transactions (IATs) for payments or direct deposit refunds that are remitted to or received from a financial institution outside the territorial jurisdiction of the United States. (The territorial jurisdiction of the United States includes the District of Columbia, US territories, US military bases, and US embassies in foreign countries.) A foreign address is not an indicator of whether the payment or refund is an IAT. Please refer to the IAT section in the District of Columbia's Electronic Funds Transfer (EFT) Payment Guide for more information.

**If you are requesting a refund, you are required to submit the following:**

1. Invoices
2. Bill of Lading/Shipping Manifest

**Who must file a form FR-400M?**

Generally, each importer engaged in selling or other disposition or use of motor vehicle fuel in the District of Columbia (DC) must file a monthly Form FR-400M, Motor Fuel Tax Return. Persons who bring fuel for use, such as in excavating equipment on a DC construction site, must also file the FR-400M if that fuel is brought from outside DC and is not delivered by a DC licensed importer. You must file a return even if you have no tax liability for the month being reported.

In addition to filing a monthly FR-400M, you may need to complete the FR-400A, Final Motor Fuel Tax Report, for cancellation and cease of operation of business in DC.

You must file and pay the FR-400M by accessing the MyTax.DC.gov web portal.

**When is your tax due?**

Any entity subject to the motor fuel tax shall file and pay the FR-400M on or before the 25th day of the month following the period being reported.

**Getting Started**

All entries on the return and attachments are whole dollars only. Do not enter cents. Round cents to the nearest dollar. Examples: $10,500.50 rounds to $10,501 $10,500.49 rounds to $10,500.

**Payment Options**

The monthly Motor Fuel tax is payable in full at the time prescribed for fling the return.

Payment options are:

(a) ACH Debit;

(b) Debit/Credit Card; and

(c) ACH Credit.

If the amount of your payment due for a period exceeds $5,000, you must pay electronically.

ACH Credit. ACH credit is for business taxpayers only. There is no fee charged by OTR, but the taxpayer's bank may charge a fee. The taxpayer directly credits OTR's bank account. The taxpayer does not need to be registered on MyTax.DC.gov to use this payment type and does not need access to the website. Note: When making ACH credit payments through your bank, please use the correct tax type code (**00370**) and tax period ending date **(YYMMDD)**.

**Note:** International ACH Transaction (IAT). The District does not support IATs for payments or direct deposit refunds that are remitted to or received from a financial institution outside the territorial jurisdiction of the United States. (The territorial jurisdiction of the United States includes the District of Columbia, US territories, US military bases, and US embassies in foreign countries.) A foreign address is not an indicator of whether the payment or refund is an IAT. Please refer to the IAT section in the District of Columbia's Electronic Funds Transfer (EFT) Payment Guide for more information.

**Penalties and Interest**

Returns and/or payments that are not received by the due date will accrue penalties and interests as required by District law.

OTR will charge:

- A penalty of 5% per month if you fail to file a return or pay any tax due on time. The penalty is computed on the unpaid tax for each month, or fraction of a month, that the return is not filed or the tax is not paid. The penalty may not exceed an additional amount equal to 25% of the tax due;
- A 20% penalty on the portion of an underpayment of taxes if attributable to negligence.

Negligence is a failure to make a reasonable attempt to comply with the law or to exercise ordinary and reasonable care in preparing tax returns without the intent to defraud. One indication of negligence is failure to keep adequate books and records;

- Interest of 10% per year, compounded daily, on a late payment;
- A one-time fee to cover internal collection efforts on any unpaid balance. The collection fee assessed is 10% of the tax balance due after 90 days. Payments received by OTR on accounts subject to the fee are first applied to the fee, then to the penalty, interest and tax owed;
- A civil fraud penalty of 75% of the underpayment which is attributable to fraud (see DC Code §47-4212).

**Enforcement Actions**
OTR may use lien, levy, seizure, collection agencies, and liability offset if the taxpayer fails to pay the District within 10 days after receiving a Notice of Tax Due and a demand for payment. For more information visit Enforcement Actions | otr (dc.gov).

**Paid tax preparer penalty**
OTR charges a penalty when tax liability is understated. Penalties are assessed if a paid tax preparer prepares a return or refund claim and the tax preparer:

- Based it on an unrealistic position;
- Should have known an applicable law or regulation;
- Did not adequately disclose relevant facts for the position;
- Willfully attempted to understate the tax liability; or
- Failed to sign a return or refund claim.

Penalties range from $50 to $1,000 for each return or refund claimed.

**Amended return**
Once you have filed your original monthly return, you can amend that return by selecting the Motor Fuel account in MyTax.DC.gov. Navigate to the period where the return was filed. Select "View or Amend Return." Then select "Amend" at the top of the screen. That will open the return to key in the changes.

**Final return**
If you are not required to continue filing a return due to the ending of business operations, select "Final Return" and complete Form FR-400A.

Final Motor Fuel Tax Report. OTR will then cancel your filing requirement. Do not select "Final Return" to indicate the return is the final for the period being reported.

For refund information, please call OTR's e-Services Unit at 202-759-1946 or visit MyTax.DC.gov.

**Taxpayer Identification Number (TIN)** You must have a TIN, whether it is a Federal Employer Identification Number (FEIN) or Preparer Tax Identification Number (PTIN). You should apply for the FEIN or PTIN before completing the return.

- An FEIN is a valid number issued by the Internal Revenue Service (IRS). To apply for an FEIN, get Form S-4, Application for Employer Identification Number online at www.irs.gov. You may also get this form by calling 1-800-TAX- FORM (1-800-829-3676).
- If you are a paid preparer, you must have a PTIN issued by the IRS. A PTIN is a number issued and authorized by the IRS to file a return on the taxpayers' behalf.

**Third Party Designee**
If you want to authorize another person to discuss your tax return with OTR, indicate the person's information.

The designee provides authorization to:

- Give OTR any information missing from your return;
- Contact OTR for information about processing your return and the status of any refund or payment; and
- Request, receive and/or respond to OTR notices related to your return.

The designee authorization does not:

- Give the designee the right to receive your refund;
- Bind you to any additional tax liability related to your return; or
- Otherwise give the designee the right to represent you before OTR.

**Signature**
Your user name is your electronic signature.

**Line-by-Line Specific Instructions**

**Inventories** *Line 1 to Line 9*

**Line 1** Opening inventory – enter the amount of fuel on hand at the beginning of the month.

**Line 2** Receipts of marketing locations in DC from sources outside DC (Schedule 2).

**Line 3** Receipts of marketing locations in DC from sources within DC (Schedule 3) – enter receipts from motor fuel delivered within the District.

**Line 4** Direct delivery to other states (Schedule 4) – enter the amount of fuel delivered to other states.

**Line 5** Direct delivery to customers in DC (Schedule 5) – enter the amount of fuel shipped to customers in DC.

**Line 6** Other Receipts (Schedule 6) – Any other receipts received for motor fuel that do not belong on lines 2 and 3.

**Line 7** Total – The sum of Lines 1 through 6.

**Line 8** Minus: closing inventory (including any in transit) – enter the amount of fuel remaining at the end of the month.

**Line 9** Gallons to be accounted for – Subtract Line 8 from Line 7 and enter the result on Line 9.

**Distributions** *Line 10 to Line 20.*

**Line 10** Sales and transfers out of DC (Schedule 10) – enter the amount of fuel sold and transferred out of DC.

**Line 11** Sales to licensed importers in DC (Schedule 11) – enter the amount of fuel sold to licensed importers in DC.

**Line 12** Sales to: (Schedule 12)

a. US government – amount of fuel sold to the US Government; and
b. DC government – amount of fuel sold to the District Government
c. Diplomatic Corps Members – amount of fuel sold to Diplomatic Corps Members

Add together US Government, DC government and Diplomatic Corps Members sales and enter the result on Line 12.

**Line 13** Other non-taxable distributions (Schedule 13).

**Line 14** Gain or loss.

**Line 15** Total non-taxable distributions – add together lines 10 through 14 and enter the result on Line 15.

**Line 16** Taxable sales – the amount of fuel sold for taxable sales.

**Line 17** Sales at self-operated retail service stations – enter the amount of fuel sold to independently-operated retail service stations.

**Line 18** Taxable use – enter the amount of fuel sold to taxable users.

**Line 19** Total taxable distribution.

**Line 20** The total of lines 15 and 19; this line must equal line 9.

**Tax Computation** *Line 21 to Line 29. No manual entries required. All fields automatically populated.* **Expressed *as gallons and dollars.***

**NOTE: The tax rate may change**. OTR will notify you prior to any rate change. You are responsible for using the correct tax rate when you complete and file this return.

**Line 21 Total Taxable Distribution of all fuels** in gallons and Total tax amount. (Gallons multiplied by $0.235).

**Line 22 Motor Fuel Surcharge** on total taxable distribution of all fuels in gallons. (Line 21 multiplied by $0.124 per gallon)

**Line 23 Total Motor Fuel and Surcharge** Total of Lines 21 and 22.

**Line 24** Automatically populated by completing Schedule 22.

**Line 25** Automatically populated by completing Schedules 2, 3, 4 and 5.

**Line 26 Motor fuel surcharge credit** (Line 25 multiplied by $0.124 per gallon).

**Line 27** (Lines 25 and 26 are subtracted from Line 23).

**Line 28** Total Amount Due.

**Line 29:** Refund Due.

## Key Website Resources

DC Official Code
www.lexisnexis.com/hottopics/dccode/

DC Regulations
www.dcregs.dc.gov/

DC Tax Forms/Instructions
https://otr.cfo.dc.gov/page/tax-forms-instructions/

Electronic Funds Transfer (EFT) Guide
https://otr.cfo.dc.gov/fr/publication/eft-guide/

NACHA Guidelines
www.nacha.org/

Social Security Administration
www.ssa.gov/

Internal Revenue Service
www.irs.gov/