

TAX & COMPLIANCE

How to File Taxes for a Gas Station: A Plain-English Guide

A gas station has more tax moving parts than most small businesses: income tax, sales tax, payroll, fuel taxes and more. This guide lists what is filed, when, and what your books must contain first.

A gas station is subject to more kinds of tax than most small businesses. You have income tax on the profit, sales tax on store items, payroll taxes on your staff, and fuel taxes that sit inside your supplier's price. Each has its own schedule, and missing one can bring penalties.

Gas station taxes at a glance

Income tax	Filed on the business or personal return, depending on how you are set up
Sales tax	Collected on taxable store items and filed on your state schedule
Payroll tax	Withheld and paid on a regular schedule, with quarterly and annual filings
Fuel taxes	Usually built into your supplier price; some states need a filing

This guide lists the main filings, explains what each is based on, and shows what has to be right in your books first. It is general information, not tax advice, and rules differ by state and entity type.

1. Income tax

How you file depends on how the business is set up. A sole proprietor or single-owner LLC reports the profit on the owner's personal return. A partnership and an S-corporation file their own returns and pass the profit to the owners. A C-corporation pays tax itself. The details are in our article on [LLC vs S-corp](#).

Most owners also make estimated payments during the year rather than paying everything at filing time.

2. Sales tax

You collect sales tax on taxable store items and file it with your state, and sometimes with local authorities too. Frequency (monthly, quarterly or annual) is set by the state, usually by size. Different categories can be taxed differently, and fuel is generally handled separately. The rules are covered in [sales tax rules by](#)

category.

The key accounting point is that sales tax collected is a liability, not income. The money in your account is not yours until it has been paid over.

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3. Payroll taxes

If you have employees you withhold income tax and the employee share of Social Security and Medicare, add the employer share, and deposit them on a schedule. There are also quarterly filings and year-end forms. Cash wages need the same treatment as any other pay.

4. Fuel taxes

Federal and state excise taxes on gasoline and diesel are usually included in the price you pay your supplier or jobber, so you do not file them separately. Some states and some purchasing arrangements do require a filing. Treat the tax as part of fuel cost. See our [motor fuel tax guide](#) and the [rates per gallon](#).

5. Other filings you may have

- Tobacco and other special product taxes or licenses, which vary by state.
- Information returns, for example for contractors you paid.
- Business licenses, permits and annual reports.
- Reports connected to services like money orders. See [BSA/AML for convenience stores](#).

What your books need before any return can be right

A return is only as good as the records behind it. Before filing, check that:

- Fuel and store sales are recorded separately.
- Lottery and sales tax are in liability accounts, not in income.
- Card and fleet deposits are reconciled. See [POS to bank reconciliation](#).
- Inventory and cost of goods are counted and recorded at year end.
- Equipment purchases are separated from repairs.

Deductions are covered in [our deductions checklist](#), and the common errors in [tax mistakes around depreciation and motor fuel tax](#).

A simple yearly rhythm

1. Close the books every month. See the [month-end close checklist](#).
2. Review profit each quarter and set aside money for estimated tax.
3. File sales and payroll returns on their due dates, not at the last minute.
4. After year end, hand your CPA reconciled statements, not a shoebox.

Gas station taxes: common questions

When are gas station taxes due?

Dates depend on your entity type and state. Federal income tax returns are generally due in the spring, estimated taxes quarterly, and sales tax on a monthly, quarterly or annual schedule set by your state. Check each agency's calendar.

Do I file fuel taxes myself?

Many stations that buy from a jobber do not, because the tax is collected in the supplier price. State rules differ, so confirm yours.

What do I give my CPA?

Year-end financial statements, bank and card statements, payroll reports, sales tax returns, loan statements and asset purchase invoices, all reconciled.

Sources

- [IRS: Small business and self-employed tax center](#)
- [IRS: Publication 509, Tax Calendars](#)

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