

# The Uniformer

**MESSAGE FROM THE  
FTA MOTOR FUEL TAX  
SECTION CHAIR -  
ROBYNN WILSON**

The FTA Motor Fuel Tax Section has done a Herculean job over the last two decades. States and industry formed a unique partnership to assist each other and to communicate issues and solutions. The Section's uniformity work was held up as an example as states began their work to streamline sales tax.

But we must not be complacent. There is still much work to do. I see three challenges ahead:

- re-energize industry involvement
- meet future challenges
- perpetuate uniformity

In the eight or nine years that I have been involved in the Section, I have seen less industry participation over time. Industry mergers can account some of this for; also squeezed budgets in the private sector has had an impact. However, in some ways, the Section is a victim of its own success. Ten years ago, critical problems brought industry to the table. Today, many of those problems are largely solved. If I were in industry, I would probably see less need for my presence at Section meetings.

There are two risks. First, industry holds much of the power to bring non-uniform states into uniformity. If industry

sees no benefit to a state's conformance, indeed sees only costs, the likelihood of that state's compliance may be greatly reduced. However, if industry encourages the states to be uniform, then everyone (except the bad guys) benefits. Secondly, less industry involvement means that states' thinking becomes narrower. I think that we lose some ability to be responsive to future challenges.

Let's risk asking some questions. Not of those hard-working industry people that have a part in the work we do, but industry reps that don't come. For instance, I called one of the few multi-state fuel dealers that do business in Alaska. Her company, a mid-size distributor, does business in about twenty states. Her take was that in general, states are not uniform. I pointed out the uniform forms. Her response was that, because of different points of taxation, different states focused on different data. All of the data elements may be provided for as part of the uniform forms set, but because two states are focusing on two different aspects, and are pulling two different sub-sets of the information, it doesn't appear that the states are uniform.

Where uniformity exists, we must zealously guard it. Where uniformity does not exist, we must continue to encourage it. Let's make it a point this year to risk input from others not in the group.

Groups work well. Lots of work gets done, and each member is a part of the whole solution-producing process. But the best work is done when that group reaches out for fresh opinions. Let us move courageously forward.

**MESSAGE FROM THE  
UNIFORMITY COMMITTEE  
INDUSTRY CO-CHAIR  
BILL GRAY**

It's been said, "You will be happier giving people a piece of your heart instead of a piece of your mind." With that in mind and since at my age I've lost too much of my mind to give any away, I'd like to title this article, "What States Do Right."

As you may know I worked in state government for nine years and have been working with government from the industry side for eighteen years now. I appreciate my long association with so many knowledgeable and competent state tax administrators. In addition to our friendship developed over the years, I've come to appreciate their professionalism and patience as they try so hard to collect all the taxes due while being polite and helpful to often-difficult taxpayers – myself included. While I'm sure I'll leave some things out, here are a few of the things state tax administrators do right.

**Fuel tax advisory groups or other periodic consultations**

**with industry** – This is done better in the fuel tax area than with any other tax. Thank you for consulting us when making significant changes. I think we all agree we end up with a better solution when all sides are considered before hand. I also enjoy the occasional question from certain administrators about how we do business or other industry questions. As we discuss these things and their application to tax procedure we learn to better understand each other's perspective.

I've seen many instances where states have bent over backward, making concessions to accommodate industry concerns. One example dear to my heart is allowing prior period transactions to be reported with the current month's return. Many states have changed a course they originally set out on, recognizing the benefit to industry. Thank you!

**Providing helpful information and instructions** – Many states do a wonderful job of publishing their forms, schedules and good detailed instructions, definitions and references well in advance of any significant changes. A lot of states have produced a uniform Motor Fuel Web page as recommended by the E Commerce sub-committee. This provides an easy reference with links to the information we would otherwise have difficulty locating.

One politician said, "I visualize a substantial measure of administrative flexibility to craft the regulatory mechanism in a

fashion designed to optimize domestic priorities subject to statutory parameters required to maintain a maximum weighted average." This reminds me of some of the tax laws we all have to deal with. You have the unenviable job to administer gibberish like that and help the taxpayer to understand it.

**Communication** – I appreciate it when states give preliminary notices or request additional information, before assessing tax. Going right to assessment requires a much more time-consuming and formal response, when it could otherwise be handled more quickly and easily. I also appreciate knowing whom to contact with questions or problems and the prompt and knowledgeable responses given. I'm impressed with the patience frequently displayed as I press an issue of concern or try to work through questions or problems.

Most states go to great lengths to keep provide industry with updated license lists and to notify us of changes. Many post the lists online, others make regular mailings, some include the changes (additions/deletions) as a separate list, and some call and/or write us when one of our suppliers or customers loses their license.

**Efficient and Prompt** – Some states are particularly swift in processing refunds, others quickly review our returns and notify us of questions, most are quick to respond to questions

and inquiries; many do all of these things very well.

At some future time, perhaps I'll find a format to make specific mentions by state name and state employee name but I'd like to thank you all for what you do well. Further more, I'd like to specifically mention my continued appreciation for the good relationships, and mutual respect and understanding we've developed through the Uniformity Committee. I value my continuous participation on that committee for going on twelve years now. My employer obviously recognizes the value as it continues to send me to all the meetings, year after year. I appreciate your continuing efforts to evaluate the best practices of other states and industry input for implementation in your state. Thank you all.

***NOTE FROM THE  
UNIFORMITY COMMITTEE  
STATE CO-CHAIR  
PATRICIA PLATT***

Another year has passed and we are in 2004! Wow! Where has all the time gone? I hope everyone had a safe and Happy New Year!

I would like to thank you for the opportunity to serve as the Uniformity State Co-Chair. All of the past Co-Chairs always did such a wonderful job, and their shoes will be hard to fill. I want to let everyone know that I am available at any time to discuss any comments, concerns or assistance needs you may have.

Committee agendas are very full of tasks that need to be completed this year. Teamwork will be key to accomplishing our goals! We all need to volunteer our assistance to complete these tasks. I challenge each of you to encourage Uniformity involvement from both industry and states.

Again, thank you for this opportunity and I look forward to working with all of you.

#### **“ASK DAVE”**

Below are some recent questions regarding ExStars and ExTole.

Q: I used to go to [www.irs.gov/excise](http://www.irs.gov/excise) to find the ExStars and ExTole links to log on to the systems. Now it says “The Requested Page Does Not Exist”. How do I log on to these systems?

A: You can go directly to the ExStars or ExTole log-on screens by entering the following URL's:

For ExStars log-on go to <https://excise.irs.gov/>.

For ExTole log-on go to <https://state-excise.irs.gov/>.

Don't forget the “s” in “https”.

Q: Why does my password keep expiring and how can I get a new one?

A: First of all, you should know that the usernames and passwords for ExStars and for

ExTole are kept on two different systems and are independent of each other. These systems are designed to inactivate a password if it has not been used for ninety days. If you have been assigned a user name in both systems you will need to log on to both systems at least once every ninety days to keep them active. For further security, the systems are designed to inactivate a user name if there are more than 3 failed attempts in a row using a wrong password. So if you enter your password incorrectly too many times, you'll be locked out even if you finally get it right.

To get a new password assigned, or to get answers to other password questions, call the IRS ExStars / ExTole help desk at 859-669-5352.

Q: I want to print a report on ExStars and it asks for a database name. What do I do?

A: The Oracle reports server requires the entry of a database name the first time each session that you try to run a report. After you have chosen either the html or pdf format, a screen will appear. Enter your user name and password and the phrase “SSTAR” in the data field.

#### ***CANADIAN FUEL TAX COUNCIL (CFTC) UPDATE KEN DUGGAN***

Canadian Fuel Tax Council  
Update - January, 2004 (Ken Duggan)

The Comprehensive Fuel  
Reporting (CFR) Project

continues to make progress. We will be undertaking a pilot project to supply several of the reports that can track and reconcile (account for) fuel movement from Refineries to Terminals, Terminals to Terminals and from Terminals to other entities or facilities further down the fuel distribution network. This pilot project starts in January 2004 involving Alberta and Saskatchewan as jurisdictions, Shell Canada and Husky as the industry participants. The reporting and processes will include the reconciliation of collector to collector sales or exchanges, and the reconciliation of interjurisdictional fuel movement on a per load basis. Terminal inventory reporting will also be tested and confirmed.

The CFR reports, data elements have been defined and as much as possible, adopt the data standards as developed in the US from the E-Commerce Uniformity Project Electronic Data Exchange Implementation Guide, and from ExSTARS reporting standards. Industry in Canada will extract the data and formatting as per the CFR standard, and the jurisdictions involved will receive this data and simulate the type of reporting reconciliation that an automated system would provide. Plans are being further made to expand this pilot to Quebec and Ontario with a couple of additional fuel tax Collectors from Eastern Canada.

The IRS is looking into the possibility of developing an improved fuel dye specification, which can assist with the

enforcement of the dyed (tax-exempt) fuel programs. This program has a strong parallel with the type of exemptions provided by the Canadian provincial and federal governments, and we are planning to continue to work with the IRS to attempt to establish a North American Fuel Dye Standard that has one fuel dye specification that would be common to both sides of the border.

The Canadian Fuel Tax Council has selected a successor to Ken Duggan as the Council Manager. Charles Greenough from Ontario will assume these duties on April 1, 2004, and the Council offices will move to Oshawa Ontario. Ken will stay on until April 30 to allow a one-month transition period.

### **UNIFORMITY COMMITTEE**

#### **Minutes**

The FTA Motor Fuel Tax Section Uniformity Committee met at the Hilton University Place, in Charlotte, North Carolina on September 20, 2003. Uniformity Chair Christy Dixon (OK) called the meeting to order. Forty-eight (48) were in attendance.

#### **Minutes**

The minutes from the May 2003 Uniformity Committee meeting in San Diego, California were approved.

### **SUBCOMMITTEE REPORTS**

#### **The Compliance Subcommittee**

Carol Player (South Carolina) reported twenty-five (25) attended the meeting. The committee discussed the "Best Practice Survey". The committee recommends the results be used as a reference guide. Roger Bair from Indiana gave a presentation on the removal of dyed before the injectors.

#### **The Electronic Commerce Subcommittee**

Doreen Warren (ID) reported the two sessions discussed the following:

#### **Technical – 29 in attendance**

ExStars Data Perfection Team report  
Major changes to ExStars 4030 Guide  
ExStars implementation plan  
Current test under 4010  
Testing new 4030  
Canadian EC Project review  
FTA Uniformity Guide update  
EDI Implementation Guide review

#### **Not Too Technical – 45 in attendance**

EDI 101  
EC Survey  
ExStars Data Perfection Team report  
ExStars Data Usage presentation

#### **The Forms Management Subcommittee**

Patricia Platt (KS) reported that twenty-two (22) attended the meeting. The subcommittee discussed the following:

Development of a Blenders Report  
Uniformity Booklet Cleaning up  
Paper returns filled out and translated into electronic format 2  
Request for subschedules

IN request for two subschedules  
IRS request for two subschedules  
WY request for one subschedule  
MI request for one subschedule  
NORA request for product code for Heating Fuel Low Sulfur Dyed  
Uniform bond form  
Comparison of the IRS product codes to FTA product code list  
Comparison of the PIDX product codes to FTA product code list  
Modify schedule 13B

#### **The Communication and Coordination Subcommittee**

Dave Skinner (FL) reported that twenty-one (21) attended the meeting. The subcommittee discussed the following and the September 2003 Uniformer was passed out.

Cross Border Project  
Monitoring the Federal Energy Bill

Bio Diesel White Paper and  
Model Legislation

Comparison of the FTA to  
the Canadian Definitions  
Definitions for the following:

- Highway Vehicle
- Motor Vehicle Fuel
- Transporter
- Two Party Exchange
- Terminal Bulk
- Transfer
- Dyed Kerosene
- Racing Fuel

Review the 11-point plan  
Update of the brochures  
Analysis of revenue derived  
from various taxation  
methods and compliance  
tools  
Report of accomplishments  
of the FTA Uniformity  
Committee survey

IRS Update Rich Little with the  
IRS gave an update on the  
ExStars project. The IRS and the  
Industry are reviewing the  
current EDI guide for any  
updates. The IRS has updated  
their hardware/software.

### **Old/New Business**

The new Uniformity Booklet  
cover was discussed and a  
suggestion was made that we  
list the regions and members on  
the inside cover for reference.

John Nordlie (WI) mentioned  
that the Tobacco section was  
starting up a Uniformity Group  
and would be contacting several  
States for input.

Cindy mentioned that all  
information and minutes would  
be put out on FTA's web site.  
She also requested that all

subcommittees have their  
minutes and agendas from this  
meeting to her by October 24.

### **Next Meeting**

The next Uniformity Committee  
meeting is scheduled for June  
25-28, 2004 in Cincinnati, Ohio.  
This meeting will have a tour of  
Marathon Ashland's Barge  
Terminal on Saturday June 26.

The June 2004 Motor Fuel Tax  
Section Uniformity Committee  
meeting is scheduled for  
Subcommittees' meeting all day  
June 25, 2004.  
The Compliance Subcommittee  
has scheduled a tour of  
Marathon Ashland's barge  
terminal the morning of June 26,  
2004, for anyone who is  
interested. The Main Uniformity  
meeting is scheduled for the  
afternoon of June 26, 2004. The  
meeting will be held at the  
Marriott Kingsgate Conference  
Hotel located at 151 Goodman  
Drive, Cincinnati, OH 45219.  
The special rate at the  
Kingsgate is \$80 single/double  
plus 10.5% occupancy tax and  
7.0% state and local taxes  
(current). Make your  
reservations directly with the  
hotel by calling (513) 487-3800.  
Make certain to inform the hotel  
that you are attending the  
Federation of Tax Administrators  
meeting to receive the special  
rate. Please note that the cut-off  
date for making hotel  
reservations is June 3, 2004.

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