

The Uniformer

MESSAGE FROM THE FTA MOTOR FUEL TAX SECTION CHAIR JIMMY ARCHER

As I began my tenure as National Chair, I predicted that "2008 [would] be a fun but very busy year in the Motor Fuels Tax Section," and it was both in so many ways. Just as I thanked everyone for electing me to the chairmanship, I now want to thank them for making the year very special and memorable. One of the most rewarding duties that the chair has is to attend Uniformity meeting and the various Section meetings around the country. Cindy Anders Robb and I had a great time traveling to those meetings, and I want to thank her for her counsel and friendship this past year (as well as dealing with my driving). I would also like to thank all of the folks that made each meeting a success by serving on panels and making presentations, as well as the following for planning, hosting and chairing the regional meetings:

- Pacific Region: Regional Governor Sharon Gostovich, Wyoming Department of Transportation acted as chair of the meeting; Ed King, Lou Feletto, Joan Steinhart and the staff at the California Board of Equalization planned and hosted the meeting.
- Northeastern Region: Regional Governor William Staples, Province of New Brunswick, and Mark Leahy (acted as chair of the meeting); Melinda Pedersen, Diane Robichaud-Cormier, John McDonald, Jenella

Munn and Kim Leduc, and all of the staff of the Province of New Brunswick planned and hosted the meeting.

- Southern Region: Regional Governor Wilda Ice, West Virginia State Tax Department acted as chair of the meeting, Audit Division Director Dana Angell, Bruce Johnson, Tom Guertin, Heather Villeme and all the staff at the West Virginia State Department of Revenue planned and hosted the meeting.
- Midwest Region: Regional Governor Trent Knoles, Illinois Department of Revenue acted as chair of the meeting, and Rollie Marr, Tina Pisarek and all of the staff at the Illinois Department of Revenue that planned and hosted the meeting.

Uniformity Committee State Co-Chair George Higdon of the State of the Mississippi and Industry Co-Chair Bob Donnell of Global did their usual outstanding job in planning and executing the Uniformity Meetings. Special thanks to them, as well as the Subcommittee Chairs; Communication and Coordination, Christy Dixon, State of Oklahoma and Ron Travis of Exxon Mobil; Compliance, Wilda Ice, State of West Virginia, and Sharon Templin, Shell Oil; Electronic Commerce, Darryl Wissink, State of Nebraska and Gene Holland of ConocoPhillips; and, Forms Management, Herman Wisneski, State of Minnesota and Brian Serafino, Chevron/Texaco.

Finally, I would be remiss if I did not thank Texas State Comptroller Susan Combs for her support in allowing me the time to serve as FTA Motor Fuel Tax Section National Chair. Last but not least, I would like to thank my wife Jan for her support, patience and forbearance during my travels this past year. I look forward to seeing everyone in Hartford!

MESSAGE FROM THE UNIFORMITY COMMITTEE STATE CO-CHAIR GEORGE HIGDON

Gasoline prices reaching \$4.00+ per gallon then falling, diesel prices reaching \$5.00+ per gallon in some areas then falling, crude oil reaching \$147.00 per barrel then falling, record commodity (corn & soybean) prices vs. ethanol and bio-fuel mandates and subsidies, declines in miles traveled, declines in fuel consumption and declines in highway revenues. What a ride!

I would not try to predict what will happen in 2009 using a crystal ball and an ouija board. However, I am certain we will be facing challenges and be called upon to do more with less. We will be asked by legislators and by Transportation Departments if we are collecting all taxes due and if tax structures need to be changed. New types of fuel will appear in the market and will move outside the traditional chain of distribution.

There is no doubt that we can meet the challenges of the future and accomplish what some think

to be impossible. We have something unique in the Uniformity Committee, a partnership between government and industry addressing and solving common problems. We must strive to enhance this partnership and bring others into it.

I would like to thank each member of the Uniformity Committee and especially those who serve as co-chairs of the sub-committees for their dedication and hard work throughout the past year.

**MESSAGE FROM THE
UNIFORMITY COMMITTEE
INDUSTRY CO-CHAIR
BOB DONNELLAN**

With gasoline and diesel prices at an all time high the question arises is it cheaper to pay a prepaid sales tax on my fuels for off road use instead of the Sales Tax? In New York a Prepaid sales tax is calculated at approximately .1475 cent per gallon, if we translate that number into a percentage based on \$4.00 per gallon with a sales tax rate of 8% that would be .32 cents per gallon. If you look at the State of Massachusetts we carry a 5% Sales tax rate and at the current cost of fuel the Sales Tax on \$4.00 per gallon would be .20 cents and our gasoline and diesel excise tax is currently .21 cents per gallon. It appears that if fuel prices continue to rise you might see more customers trying to buy product as an end user and pay a sales tax as opposed to the excise tax.

**MESSAGE FROM
CHARLES GREENOUGH**

This will be my last article for the *Uniformer* before stepping down as the Manager, of the Fuel Tax Council (FTC). As of October 1, 2008 the Fuel Tax Council will be managed by Mal Bruce of Alberta Finance. Mal has been involved with the Council since its inception and brings a wealth of knowledge including 25 years experience in commodity taxes with Saskatchewan and Alberta. Mal Bruce, Fuel Tax Council, 1100, 715 5th Ave. SW, Calgary AB T2P 2X6, E-mail: malcolm.bruce@gov.ab.ca, Voice: 403-355-4497, Fax: 403-297-5238.

The FTC met in Saint John, NB, October 23 & 24, 2007 and Niagara-on-the-Lake, ON, April 22 & 23, 2008. The main topic of both meetings was the reorganization of the FTC, finalizing our by-laws and discussing a new MOU. In addition we had updates on the progress of Alberta on e-filing, training, and election of officers. In addition New Brunswick hosted the FTA Northeast meeting in April.

Meetings are scheduled for Victoria, BC, October 21 & 22, 2008 and Charlottetown PE, May 5 and 6, 2009.

By-Laws and MOU

By-laws were reviewed and agreed upon at the October meeting. We are currently finalizing the MOU and hope to have it signed by next spring meeting.

E-Filing

Alberta will be the first jurisdiction in Canada to offer e-filing to their registrants. They are looking at spring 2009 for their launch. Ontario will be next with a summer/fall 2009 release date; we will be able to provide more information as these dates get closer. We will continue to work with the FTA in developing common data elements such as product codes and the FTC will have its own common business rules for e-filing.

Field Audit Training

The first Field Audit Training Course was offered in November of 2007, with 22 in attendances from both federal and provincial/territorial governments. We will be offering two Field Audit courses in the next months, details as to dates and locations should be available in the next few weeks. This course is open to government representatives only.

Basic Training

Basic training sessions was held in Halifax in January with 50 attendees from across Canada from industry and government. We will be offering 2 sessions of the Basic Course in the coming months. As with Field Audit details as to dates and location should be available soon.

EDP Audit Training

The EDP Audit course is nearing completion: plans are to hold the first session in late winter early spring of 2009. The course will provide an over-view of computer assisted auditing as well as

hands on training in ACL and IDEA.

Election of Officers

At the October 2007 semi-annual meeting the FTC Steering Committee unanimously elected André Brisebois and Andrew Foster, as our Chair and Vice-Chair respectively. André's term will end March 31, 2009 and Andrew will take the Chair as of April 1, 2009.

Farewell

In closing, I would like to take this opportunity to thank-you and say farewell as I return to the Ontario Public Service.

During the last 4½ years I've attended the meetings and training sessions, I've developed some warm friendships and working relations with several of you. I cannot recall feeling so welcome and at home. I will always consider my time with the Council and Uniformity as some of the best years of my career.

During my tenure we have developed and delivered 2 training courses, common business rules and restructured the Council, none of these would be as successful without the assistance of Cindy and the FTA.

Thank-you for all the flowers, presents, cards, letters and phone calls during my recent illness. I cannot convey in words my feelings hearing from so many of you on the Uniformity Committee.

I despise good-byes...so as they say in Québec...A la prochaine (see you next time) I hope!

MESSAGE FROM MICHAEL DOUGHERTY

FHWA Update

As we approach the end of the Federal Fiscal Year, some of our projects will be finishing up. The call for proposals for the Intergovernmental Grants to combat fuel tax evasion saw 21 proposals submitted, which actually had every state and the District of Columbia represented. A total of 13 projects were selected for funding, including the 4 regional proposals. There will be another call for proposals in FY 2009, but since the current authorization (SAFETEA-LU) will end in FY 2009, future grant programs are uncertain at this point.

The FHWA Fuel Tax Website is close to going live on line. The site will have information that will be useful in combating fuel tax evasion, including some contact information, and reviews of scams and court cases. The site will have two parts, one of which will be secure, so it will contain a little more detail on the various evasion schemes. Our office will be notifying everyone initially through the FTA listserv, and with follow up communications.

The materials from the Evasion Forum held in Dallas in March are complete and everyone that was due a CD should have received it. That disc contained the presentations given at the Forum. Additional copies may be available, but the materials will

also be presented on the website mentioned above.

For FHWA information, please contact Michael Dougherty (202) 366-9234, michael.dougherty@dot.gov.

UNIFORMITY COMMITTEE

The FTA Motor Fuel Tax Section Uniformity Committee met at the Snow King Resort in Jackson Hole, Wyoming on May 31, 2008. George Higdon (MS), Uniformity State Co-Chair called the meeting to order. Forty-three (43) were in attendance.

Minutes

The minutes of the May 2008 Uniformity Committee meeting in Glendale, Arizona were approved.

Presentation

Donna Alderman gave a presentation on Ethanol and the problems North Carolina has started to experience with alternative fuels.

SUBCOMMITTEE REPORTS

Compliance Subcommittee

Wilda Ice (WV) reported there were twenty-five (25) in attendance. The committee discussed the following:

- FHWA meeting in March 2008
- Ethanol/biodiesel
- Inland Waterway movement of fuel
- Enforcement projects for

railroads, dyed diesel and IFTA decals

- New issues

Electronic Commerce Subcommittee

Gene Holland (ConocoPhillips) reported there were twenty-two (22) in attendance. The subcommittee discussed the following:

- Industry Issues
- EDI/EC Survey
- Points of Taxation
- XML Schema update
- ExSTARS Update

Forms Management Subcommittee

Herman Wisneski (MN) reported that this committee met with Electronic Commerce. There were twenty-two (22) in attendance. The subcommittee discussed the following:

- STCC Comparison update
- Forms approved request
 - New York still working on them
 - Arizona still working on them
- Canadian/FTA product code comparison
- Railroad STCC and FTA product codes
- Development of forms for:
 - Blenders return
 - Alcohol-Biodiesel Manufacturers/Producers information return

- Railroad Carrier report
- Refund Form

FULL COMMITTEE APPROVED

FTA/Canada Product Code Comparison to put into the Uniformity Booklet

FTA/STCC Product Code Comparison to put into the Uniformity Booklet

Communication and Coordination Subcommittee

Christy Dixon (OK) reported that twenty-one (21) were in attendance. The subcommittee discussed the following and the May 2008 *Uniformer* was passed out. (See minutes for the publication)

- Checklist for Natural/National Disasters
- Native American Survey Update
- Definition:
 - Jurisdiction
 - Points of Taxations
 - Producer/Manufacturer
- Bill of lading project
- Document for the Model Legislation for two party exchange

FULL COMMITTEE APPROVED Jurisdiction or taxing jurisdiction

– The United States of America, a state of the United State of American, the District of Columbia, Canada, a province or

territory of Canada, Mexico, a state of the United Mexican States, or a city, county, city and county, municipality, district or other political subdivision that is authorized to levy motor fuels tax.

Check list to be added to Model Legislation for National/National Disaster.

Old/New Business

Cindy Anders-Robb requested that all minutes from this meeting, the agenda for the September, 2008 and the years end report for the Uniformity booklet be June 20, 2008. The information for the Uniformer be submitted to Ed King no later than September 1, 2008.

Next Meeting

The next Uniformity Committee meetings are scheduled as follows:

September 19-20, 2008
Hartford, Connecticut

January 9-10, 2009
Seattle, Washington

The meeting was adjourned.

UPCOMING MEETINGS 2009 Uniformity Meeting

January 9-10, 2009
Seattle, Washington

May 29-30, 2009
Dana Point, California

September 18-19, 2009
Oklahoma City, Oklahoma

FTA Motor Fuel Tax Training Courses

Advanced Investigation Training
Course
January 25-29, 2009
Austin, Texas

Editors

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