

# The Uniformer

## **MESSAGE FROM THE NATIONAL CHAIR HERMAN WISNESKI**

I want to thank all of the members of the Federation of Tax Administrators, Motor Fuel Section for allowing me to serve as your national chair this past year. The experience was both rewarding and fantastic. I met a group of tax administrators and auditors from both industry and government who exemplify the very best in professionalism and competence. These people bring a treasure trove of knowledge to their organizations they work for and the FTA Motor Fuel Section.

The year started out in Hartford, when I became the chair and continued on to Golden, Colorado for the Pacific Region meeting. I next went to the Northeast Region in Boston and then went to Savannah, Georgia for the Southern Region meeting. My last regional meeting was in Omaha, for the Midwest Region. Incidentally, the Midwest Region was supposed to be with the Midwestern State Association of Tax Administrators (MSATA) meeting that was supposed to be held in Fargo, North Dakota. Due to budget constraints by a number of states the MSATA meeting this year was a virtual conference with Webinar presentation and computer generated meetings. The Commissioners from the Midwestern states allowed the Motor Fuel section to have a face to face meeting rather a virtual meeting. I want to thank those commissioner and especially Cory Fong, North Dakota Commissioner, for allowing this face to face meeting. The virtual

meeting also had a large motor fuel component and was a great addition to the MSATA meeting but a face to face meeting seems to get more discussion and information sharing then the virtual meeting.

I would like to address an issue that has come up this last year. That issue is the declining attendance at the regional, Uniformity and national meetings by states. I realize that all governments are facing budgetary issues and must cut back and economize. However, states have been given a grant by the Federal Highway Administration to assist in motor fuel training and education. The Uniformity, regional and national meeting fit the description of training and education. The grant cannot be used for some other expense and will not be carried over indefinitely. I understand the "Public Perception" that these meetings are just "junkets or feel good meeting" and I can assure you that they are not either junkets or feel good meetings. The people, who attend these meetings, as I wrote before, are a vast storehouse of information and knowledge. They are always ready and willing to share that knowledge with other states and auditors. However, they cannot share that knowledge and information if they are not at the meeting. If your state has been sending people to these meetings, on behalf of the FTA Motor Fuel Section I want to thank you. If your state has decided that their attendance at these meetings is not important, or the perception of the meeting is improper I would respectfully request that your state reconsider

that decision. The issue of tax evasion cannot be solved by one state, it can only be solved if all states are involved and committed to ending the evasion. The bad guys do not stop at the state border; they operate all over the country and in all states. We need to have everyone at the table when we are looking for solutions.

Again, I would like to thank you for the confidence you have shown in me this last year as your FTA Motor Fuel Section, National Chair.

## **MESSAGE FROM THE UNIFORMITY COMMITTEE STATE CO-CHAIR MARCIA LEICHER**

I'd like to thank the Subcommittee Co-Chairs, Brian Serafino, Lee Gonzales, Gene Holland, Traci Bullock, Wilda Ice, Sharon Templin, Christy Dixon, and Ron Travis, for their efforts and contributions over the past year. You certainly made my role easier. I'd also like to thank Bob Donnellan and Cindy Anders-Robb for stepping in for me during my absence at the May 2009 meeting, and for their guidance throughout this first year of my tenure as State Uniformity Co-Chair. The subcommittees have worked very hard and accomplished a lot during this past year. I can't thank enough those of you who put in much effort and many hours for our group. I feel fortunate to be part of a group that fulfills the saying "Get 'er done!"

As we move forward during these tough economic times, I'd like to encourage everyone to continue to participate in whatever capacity your budget allows. If you're unable to attend a meeting, please stay informed through contact with others on the committee. The subcommittees need everyone's participation to accomplish our tasks and goals.

Let's also keep uniformity always at the forefront of the changes in our states or in industry processes, and continue to help each other combat fuel tax evasion.

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

HYBRIDS HYBRIDS HYBRIDS

That's all we keep hearing about. How fuel efficient cars are the way of the future. With the government now offering cash for clunkers to help expedite the use of fuel hungry vehicles, has anyone in government considered or thought about how they are going to maintain our roads? Don't get me wrong I think a more fuel efficient vehicle is the way to go, however there needs to be a mechanism to collect lost revenues in order to keep our roads safe. I know we have discussed this issue over and over and now is the time to stop discussing and start actively looking into how to increase revenues so we don't end up with our highways and roads in total disaster. These vehicles are here and they are here to stay so now is the time to get the ball rolling

and starting putting a plan in place to accommodate the revenues that will be needed in the near future. The future of these vehicles are here and are growing fast.

**MESSAGE FROM  
MAL BRUCE  
Fuel Tax Council (FTC)  
September 2009**

The FTC held its semi-annual meetings in Charlottetown, Prince Edward Island on May 12 and 13, 2009. The meetings were well attended, but there was concern about possible travel restrictions during the recession and how this may impact attendance at future meetings. Many positive ideas were discussed to work through this period of time. Innovative solutions maybe needed as we work our way through this recession period.

There were a number of proposals and adopted resolutions resulting in new projects for the FTC and our four standing sub-committees. As well, progress continues to be made on existing projects and activities, including the completion of our e-filing standards project.

The following summarizes some of our administrative and project activities over the past six months.

- The FTC is exploring opportunities to enhance communications, including the use of an external SharePoint site or a similar method to provide an effective means of

information and document sharing and collaboration. The FTC is also developing a website to share non-sensitive information with members and the general public. We anticipate having the website operational by this fall.

- The FTC is attempting to expand membership to more industry stakeholders. Letters were recently sent to four fuel associations asking if they were interested in participating in our meetings.
- The FTC is working on fixed course scheduling. It is anticipated that a three year schedule will be adopted showing the date, location and fee for each course. The advanced scheduling will allow a member organization time to plan training needs well in advance of our courses. Under the proposed schedule, we will alternate our three courses through the two fixed training session months of May and October.
- The FTC will be copyrighting training materials. A review of the appropriate copyright wording is being undertaken to ensure the copyright provides protection from commercial duplication for profit.
- An administrative change will allow the FTC to pay trainers directly for travel expenses. Previously the jurisdiction or company for whom the trainer was employed was reimbursed for their

employee's travel costs. Paying trainers directly is seen as way to minimize the effect on employer travel budgets. Also, the FTC is considering using retired employees willing to donate their time. Legal liability concerns are currently being investigated since the retirees will likely not have insurance through an employer.

- The FTC provided two onsite "Introduction to SAP" training sessions to auditors from the province of Alberta in July, 2009. The "Introduction to SAP" training module is part of our full EDP Audit course. From the course feedback it was evident that fuel tax auditors are eager to learn more about EDP auditing and computer assisted audit tools (CAAT's).
- E-filing standards have been adopted for generic return and schedule filing. The standards were approved and adopted by the FTC Steering Committee in May, 2009. Currently one jurisdiction has developed an e-filing application based on the standards (not implemented) and another jurisdiction is currently working on an e-filing application.
- The Audit and Enforcement Sub-Committee is continuing their efforts to develop sound practices for conducting joint audits. This is a challenging process. However, the FTC recognizes that a successful joint audit can have many

benefits for participating jurisdictions and the tax collector. At least one joint audit is planned for this year involving two jurisdictions. An evaluation process will follow. Several other jurisdictions have expressed interest in future joint audits.

In my last article I mentioned that André Brisebois, the former Chair of the FTC Steering Committee, retired in early 2009. Shortly after André retired, Guy Ste Marie announced his retirement. Both André and Guy worked for Revenu Québec and have not only been long term contributors to the FTC, but have also regularly represented Quebec at FTA meetings. They will both be dearly missed by those who had the pleasure to work with them and enjoy their friendship.

The summer came late this year in many parts of the Canada, so many of us are hoping for an extended summer season – perhaps into December (wishful thinking). I sincerely hope everyone enjoyed a wonderful summer and look forward to seeing many of you in Oklahoma City.

#### **UNIFORMITY COMMITTEE**

The FTA Motor Fuel Tax Section Uniformity Committee met at the Laguna Cliffs Marriott at Dana Point, California on May 30, 2009. Herman Wisneski, (MN) Motor Fuel Section National Chair called the meeting to order. Thirty-two (32) were in attendance.

#### **Minutes**

The minutes of the January 2009 Uniformity Committee meeting in Seattle, Washington were approved.

#### **Presentation**

Bob Donnellan, Industry Uniformity Co-Chair conducted a brain storming session on how Uniformity Meetings work and whether changes were needed. After discussion the group decided the mission statement, goals and four subcommittees were all still valid, however the Communication /Coordination and Compliance subcommittees need to meet in the afternoon together to allow everyone to attend the Forms and Electronic Commerce combined meeting in the morning. The Electronic Commerce technical meeting would remain at the same time in the afternoon. It was also decided to try at the Annual meeting in 2011 to have the Uniformity subcommittee meet in the afternoon on Wednesday and the morning of Thursday to shorten the time spent out of the office.

#### **SUBCOMMITTEE REPORTS**

##### **Compliance Subcommittee**

Cindy Anders-Robb (FTA) reported there were twenty-two (22) in attendance. The committee discussed the following:

- Training schedule for 2009
- Dyed diesel inspections states for the first quarter 2009 were reviewed and suggestion on additional information to collect

- Review the white paper on Motor Fuel Issues with Natural Gas and Other Alternative Fuels
- “rebill or not”
- Mileage Base Fee studies

### **Electronic Commerce Subcommittee**

Traci Bullock (SC) reported there were twenty-five (25) in attendance. The subcommittee discussed the following:

- XML Schema update
- ExSTARS Users Group
- EDI Implementation Guidelines
- EDI Guides
  - New Hampshire

Approved by the Full Committee.

FTA Motor Fuel Tax Uniformity Committee “Proposed” Best Practice Keeping Forms/Schedules Current with EDI requirements

### **Goal:**

To create a suggested practice to benefit both States and industry regarding keeping forms and schedules current with States’ EDI reporting requirements.

### **Proposed Best Practices:**

As States implementing EDI move to uniform schedule codes for electronic reporting; its proposed States also make corresponding changes to their forms to keep paper forms and schedules in sync with EDI requirements.

### **Terminal reporting**

- When moving to EDI, older schedule codes 2A and 4A are replaced with uniform schedule codes 15A and 15B

- Face forms will be updated to reference new schedule codes 15A and 15B
- Schedule forms will be updated to use new schedule codes 15A and 15B
- Schedule 15C will be removed as a supported form for those states moving to EDI
  - Terminal Operator Schedule of Inventories cannot be sent via EDI (inventory by position holder is not supported in the X12 map)

### **Carrier reporting**

- When moving to EDI, older schedule codes 1A, 2A, 3A are replaced with uniform schedule codes 14A, 14B, 14C
- Face forms will be updated to reference new schedule codes 14A, 14B, 14C
- Schedule forms will be updated to use new schedule codes 14A, 14B, 14C

### **Schedules**

- Add any additional state-required fields in EDI (exchange position holder) to the paper schedule forms

### **Points To Consider**

Although taxpayers filing electronically no longer send paper forms to the taxing jurisdiction, industry analysts still need to view the forms to verify they are meeting filing requirements. Industry must also be able to verify their tax liability. Keeping paper forms in sync with EDI requirements facilitates understanding of reporting requirements by industry and

facilitates reporting accurately to taxing jurisdictions.

### **Forms Management Subcommittee**

Lee Gonzales (FL) reported that this committee met with Electronic Commerce. There were twenty-five (25) in attendance. The subcommittee discussed the following:

- Uniformity Guide update
- Review of Terminal Operator Report

Review of Supplier Return

- Fuel Blenders Report
- Product Code for Unleaded Avgas
- Review of Utah Forms
- Comparison of paper to EDI/XML
- Producers Report (update of IRS form)

Approved by the Full Committee

### **Fuel Blender’s Report**

Reporting of blended products maybe achieved by two methods included on the Distributor’s Fuel Tax Report with all other fuel transactions or included on a separate Fuel Blender’s Report. Those states that require the reporting of blended products on a separate report should utilize the FTA Distributor’s Fuel Tax Report format when developing the Fuel Blender’s Report.

A Fuel Blenders Report is used by the following states at this time.

- **Florida** – A monthly form filed by a person who is not licensed and is engaged in the activity of blending gasoline, gasohol, diesel, or aviation fuel with tax free or partially untaxed products for person use.
- **South Carolina** – A monthly form filed by fuel vendors to remit a user fee on sales of kerosene (K-I) or other blend stocks that are blended with tax paid gasoline or diesel to create a product subject to the user fee.
- **West Virginia** – A form used to calculate tax due on blended products. The report also contains a component that offsets tax due on the blend stocks with previously taxed components of the blend.
- **Kansas** – Combines a producer/manufacturer, blender, and end consumer return under one report. The form is used by those who are producing and blending product for their own use or for a retailer to claim a credit/refund for blending products they purchased at a higher tax rate and then blended to produce a product with a lower tax rate.

## Communication and Coordination Subcommittee

Christy Dixon (OK) reported that twenty-two (22) were in attendance. The subcommittee discussed the following and the May 2009 *Uniformer* was passed

out. (See minutes for the publication)

- White Paper on Price (Tax) Indexing and Sales Tax on Motor Fuel
- Draft to the Model Legislation Checklist for points of taxation
- Booklet for Diversions
- Alternative Fuels Incentives and Laws Booklet
- Safeguard of the IRS Information

## Other Business

Mal Bruce (Canadian Fuel Tax Council) gave a brief update on what the counsel is doing in training and uniform forms.

Cindy Anders-Robb requested that all minutes from this meeting, the agenda for the September 2009 meeting and the Annual report be submitted by June 30, 2009.

## Next Meeting

The next Uniformity Committee meetings are scheduled as follows:

September 18-19, 2009  
Oklahoma City, Oklahoma

January 13-14, 2010  
Austin, Texas

The meeting was adjourned.

## Retirements

**Jimmy Archer**, State of Texas retired June 30, 2009. Jimmy is a Past Motor Fuel Tax National Chair and great supporter of the Motor Fuel Tax Training Class for Investigators. Jimmy will be truly missed at all the FTA functions.

**Guy Ste-Marie**, Province of Quebec retired in June 2009. Guy was very active in the Motor Fuel Tax Section conferences and a member of the Canadian Fuel Tax Council. Guy will be remembered for his professional and social contributions.

**WE WILL PARTY ON IN GUY'S HONOR!!!!**

**Andre Brisebois**, Province of Quebec retired in January 2009. Andre was a great supporter of the Motor Fuel Tax Section and a member of the Canadian Fuel Tax Council. Andre presents in meetings and social gathering will be missed as well as his kind kisses of greetings.

## UPCOMING MEETINGS 2009

### Uniformity Meetings

September 18-19, 2009  
Oklahoma City, Oklahoma

### Annual Motor Fuel Meeting

September 20-23, 2009  
Oklahoma City, Oklahoma

### FTA Motor Fuel Tax

### Training Courses

Advanced Training Course  
October 18-27, 2009  
Raleigh, North Carolina

## UPCOMING MEETINGS 2010

### Uniformity Meetings

January 13-14, 2010  
Austin, Texas

May, 2010  
To be determined

September 10-11, 2010  
Helena, Montana

**Annual Motor Fuel Meeting**

September 12-15, 2010  
Helena, Montana

**Regional Meetings**

Pacific Region  
May 11-12, 2010  
Anchorage, Alaska

Southern Region  
June 27-29-, 2010  
Charleston, South Carolina

**FTA Motor Fuel Tax  
Training Courses**

Advanced Audit and  
Investigation Class  
January 24-28, 2010  
Austin, Texas

Basic Training Course  
August 1-5, 2010  
Portsmouth, Virginia

Advanced Training Course  
August 22-26, 2010  
Savannah, Georgia

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