

**FTA MOTOR FUEL UNIFORMITY COMMITTEE  
JACKSON, WYOMING  
SEPTEMBER 27, 2014**

**Minutes**

The FTA Motor Fuel Tax Section Uniformity Committee met at the Snow King Hotel, Jackson, Wyoming. Lee Gonzalez (FL) Uniformity State Chair called the meeting to order. Forty (40) were in attendance. (See attached list of attendees)

**Minutes**

The minutes of the May 2014 Uniformity Committee meeting in Portland, Oregon were approved.

**Uniformity Chairs**

State Co-Chair - Lee Gonzalez – State of Florida

Industry Co-Chair - Bob Donnellan – Global Companies LLC

**Subcommittee Chairs**

Compliance Subcommittee

State Co-Chair - Marcia - Marcia Lechner of Nebraska

Industry Co-Chair - Rae Takai – Shell Oil

Communication and Coordination Subcommittee

State Co-Chair - Christy Dixon – State of Oklahoma

Industry Co-Chair - Anne Nicholson - Exxon Mobil

Electronic Commerce Subcommittee

State Co-Chair - Hal Lovell – State of California

Industry Co-Chair - Gene Holland – P66

Forms Management Subcommittee

State Co-Chair - Cindy Mongold - State of Kansas

Industry Co-Chair - Scott Louie – Chevron

**Presentation**

Industry Issues-Amy Drewry with Louis Dreyfus did a presentation on “Who is Responsible for Destination Sales Tax Exempt Docs?”

Steve Nutter-State of Virginia entitled “Virginia Fuels Tax Transformation gave a presentation. This presentation explained their law for collecting sales tax on Motor Fuel and also explained the report that they use for remitting the sales tax collected on Motor Fuel.

**Subcommittee Reports**

**The Compliance Subcommittee**

Marcia Lechner (Nebraska) reported there were thirty-seven (37) in attendance. The committee discussed:

**Training Schedule Update**

- The Basic Training class was held in Kansas City, Missouri on July 27-31, 2014. There were 47 in attendance.

- The Advanced Training class is scheduled for December 7-11, 2014 in San Diego, California.

### **Dyed Diesel Stats/Issues**

- The stats for the first two quarters of 2014 were handed out and discussed.
- Nebraska shared some general information about a recent case of a taxpayer refusing to be tested for dyed diesel.

### **Discussions:**

- State Compliance Updates – Nebraska shared that they had a taxpayer inquire about the proper way to bill motor fuel taxes when they blend ethanol and water.
- Texas CID cases-There was a general discussion regarding Texas' aggressive nature of investigating motor fuel cases.
- Emerging Alternative Fuels – There was a brief discussion regarding specific products mentioned on the "Alternative Fuels" website (<http://www.afdc.energy.gov/fuels/emerging.html>)
- LNG/CNG issues. Indiana shared that states should be aware of LNG being changed to CNG.
- Any LNG/CNG issues? – No states present expressed any current issues.
- Miscellaneous

### **New Business**

- A solicited project for 2014/2015 – it was suggested that this committee review the training manual to make sure the training is covering all areas of risk.
- Distributed four articles
  - 1.US Navy to turn seawater into jet fuel (April 10, 2014)
  - 2.RFA Lauds Quad County Corn Processors at the Grand Opening of New Cellulosic Bolt-on Facility (Sept 9, 2014)
  - 3.Two Men Charged in Las Vegas in Biofuels Scheme (Jan 16, 2014)
  - 4.Feds order companies to notify state of oil-by-rail cargoes, recommend older cars be retired (May 8, 2014)

**(See the minutes of this subcommittee for more details)**

### **The Forms Management Subcommittee**

Cindy Mongold (Kansas) reported that this committee met with Electronic Commerce. There were 36 in attendance. The subcommittee discussed the following:

**Crosswalk (FTA and STCC Codes)-** will be removed from the agenda at this time. If there is additional information at a later date it will be addressed at that time

**Ohio Forms Review-** No update of the forms and instructions was received prior to the meeting. Review has been placed on hold at this time

### **Washington Forms Review**

The following Washington forms were received, voted on and approved by the full committee.

1. Terminal Report & Schedules
- 2.Supplier Tax Return & Schedules
- 3.Distributor Tax Return
- 4.Aircraft Return
- 5.Blender Tax Return

### **Washington Schedule Request**

Washington requested two schedules:

1. Determine biodiesel gallons rebranded to dyed  
Discussion resulted in Washington taking a look at the procedure for regarding the product with a Book Adjustment. If this does not work for their situation then the committee will take another look at issuing a subschedule.
2. Gallons sold exempt to IFTA Authorized Carriers  
Washington will use subschedule 6F

**State ExStars Update**-Kansas gave an update on tracking Exstars data.

**Uniform Motor Fuel Sales Tax Form**-The team presented a revised draft of the Uniform Motor Fuel Sales Tax form to the full committee. After discussion there were several suggestions made for changes;

- Add \$ to Gross & Exempt columns and % to Sales tax rate column
- Add date field to the signature line
- Add Contact information, such as name, title, phone number
- Prepared by line

The team will make the revisions and will be discussed at the next meeting in January 2015.

### **FTA Product Codes vs ExSTARS Product Codes**

It was brought to the attention of the committee that product codes recently issued by FTA were not being accepted in ExSTARS reporting. The product codes in question were 313 Ultra Low Sulfur Diesel Undyed and 314 Ultra Low Sulfur Diesel Dyed. These 2 product codes were issued in June 2012 along with 301 CBOB and 302 RBOB.

IRS contact presented the issue to ExSTARS representatives and it appears that ExSTARS is considering adding these 4 product codes to the reporting.

### **Industry Issues**

- Industry is currently struggling with the expanded California Oil Spill Prevention Fee. The previous law imposed the fee on crude oil and petroleum products that entered the state at a refinery or marine terminal by vessel. The revision to the law expanded the fee to include all modes of transportation over land or water. The bill was vaguely written by the Department of Fish and Wildlife and did not address the many details that the industry needs to fully understand and comply with the revised law. In addition, upon passage of the bill, industry was given 60 days to implement the new changes. The DOFW does not have the expertise to provide answers to our or the CA BOE questions on how to administer the details. There are still a lot of gray areas that industry will have to make assumptions on how to comply with the law rather than having concrete guidance. Neither the DOFW nor the BOE are interested in writing a set of statutes to address these questions.
- Industry is continuing to wrestle with the use and reporting of biodiesel blends as many state and the Federal government have varying requirements. We recently had a situation where a state is requiring a taxpayer to amend a large number of returns because they were reporting a B0 - B5 product as clear diesel along with

the ASTM standards. The state's position is that it should have been reported as a biodiesel code. There is no effect on the tax amount paid, as any blend is taxable as diesel fuel in this state.

*(See the minutes of this subcommittee for more details)*

**Approved by the Full Committee**

**•Washington Uniform Report Forms:**

- Terminal Operator & Schedules.
- Supplier Tax Return & Schedules
- Distributor Tax Return
- Aircraft Return
- Blender Tax Return

The **Electronic Commerce Subcommittee**

Hal Lovell (CA) reported there were nine (9) (7 in person and 2 by phone) in attendance. The subcommittee discussed the following:

**Oregon Implementation Guide and XML**-The XML team is reviewing their schema request and hopes to have it completed by the January, 2015 meeting.

**Mississippi Implementation Guide and XML**-The XML team is reviewing their schema request and hopes to have it completed by the January, 2015 meeting.

**Creation of Form on Obtaining FTA Approval for E-file System** –The committee approved the document continued to work on a simple handout that will summarize the steps that a state should follow to get FTA's approval for their Efile systems (forms, Efile Guide, XML schema, etc).

E-Commerce group is looking to develop a new document on "best practices" for filing old amended returns when a state has upgraded their e-file platforms.

*(See the minutes of this subcommittee for more details)*

The **Communication and Coordination Subcommittee**

Christy Dixon (OK) reported that thirty-seven (37) were in attendance.

The subcommittee discussed the following and the September, 2014 *Uniformer* was distributed.

**Taxation, Diversion and Alternative Fuels Booklet**- The 2014 booklet was printed and put onto the CD. Both were available at the meeting. The subcommittee attendees were asked to think about any additional items for the 2015 booklet. A suggestion was made at the Uniformity meeting that we add a question asking what each state requires on invoices/bills of lading.

**Definitions**

**Fuel Grade Ethanol** has been tabled until the next meeting in January 2105.

**Electronic Filing** is the secure transmission of machine-readable structured data between a filer and a government agency and the acknowledgement thereof.

Electronic filing data may be exchanged in:

- a) Extensible markup language (XML)
- b) ASC X12 electronic data interchange
- c) Spreadsheet or structured text files

FTA (Motor Fuel Tax and Tobacco Sections) has established national standard electronic filing formats and recommends XML and/or ASC X12 data exchanges for state

**Buy/Sell Agreements and Flash Title Agreements-** another draft document was discussed; and after much discussion, the working group is going to make revisions to the document and present it at the next meeting in January 2015.

**Alternative Fuel Definitions-**the subcommittee will look at several definitions for alternative fuels in 2015.

**Native American Survey-**the survey will need to be updated and printed in 2015.

#### **Open Discussions**

None

*(See the minutes of this subcommittee for more details)*

**Approved by the Full Committee**

#### **•Definition for Electronic Filing**

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- c) Spreadsheet or structured text files

#### **Canadian Update**

Report to be given at the Annual Meeting

#### **New Business**

None

#### **Next Meeting**

The next Uniformity Committee meeting is scheduled for January 23 & 24, 2015 in Sacramento, California.

The meeting was adjourned.

# FTA UNIFORMITY COMMITTEE

## Jackson, Wyoming

27-Sep-14

Present?	State/Company		Phone	Email Address
XX	Albin, Michael	Xerox Government Solutions	602-412-2011	<a href="mailto:mike.albin@xerox.com">mike.albin@xerox.com</a>
XX	Anders-Robb, Cindy	Federation of Tax Administrators (FTA)	307-632-4144	<a href="mailto:cindy.anders-robb@taxadmin.org">cindy.anders-robb@taxadmin.org</a>
	Arndt, Doug	ND Tax Commission	701-328-2050	<a href="mailto:darndt@nd.gov">darndt@nd.gov</a>
XX	Armstrong, Kristin	Musket Corp/Love's Truck Stop	405-464-7081	<a href="mailto:kristin.armstrong@loves.com">kristin.armstrong@loves.com</a>
	Baldwin, Sarah	Husky Marketing & Supply Company	614-210-2326	<a href="mailto:sarah.baldwin@huskyenergy.com">sarah.baldwin@huskyenergy.com</a>
	Bakshi, Ashwani	Arizona Department of Transportation	602-712-7626	<a href="mailto:abakshi@azdot.gov">abakshi@azdot.gov</a>
	Benton, Linda	Kentucky Dept of Revenue	502-564-3853	<a href="mailto:linda.benton@ky.gov">linda.benton@ky.gov</a>
	Bianchi, Donald	PA Department of Revenue	717-783-2518	<a href="mailto:dbianchi@pa.gov">dbianchi@pa.gov</a>
	Bock, Maureen	OR Dept of Transportation	503-378-2934	<a href="mailto:maureen.bock@state.or.us">maureen.bock@state.or.us</a>
	Bonaccorso, Shirley	Louisiana Dept of Revenue	225-219-2780	<a href="mailto:shirley.bonaccorso@la.gov">shirley.bonaccorso@la.gov</a>
	Bowers, Kristin	Musket Corp/Love's Truck Stop	405-254-3408	<a href="mailto:kristinb@loves.com">kristinb@loves.com</a>
	Boyete, Glenn	Mississippi Department of Revenue	601-923-7151	<a href="mailto:glenn.boyette@dor.ms.gov">glenn.boyette@dor.ms.gov</a>
XX	Brand, John	Innovative Software Solutions	210-403-9733 or 210-473-2068	<a href="mailto:jbrand@innsoftinc.com">jbrand@innsoftinc.com</a>
	Breland, Josh	Shell	713-241-2213	<a href="mailto:josh.breland@shell.com">josh.breland@shell.com</a>
XX	Bryer, Scott	New Hampshire Dept of Safety	603-271-2387	<a href="mailto:bryers@safety.state.nh.us">bryers@safety.state.nh.us</a>
	Bullock, Traci	SC Department of Revenue	803-896-1748	<a href="mailto:bulloct@sctax.org">bulloct@sctax.org</a>
	Bujno, David	NH Department of Safety	603-233-8075	<a href="mailto:david.bjuno@dos.nh.gov">david.bjuno@dos.nh.gov</a>
	Callaway, Rick	Canadian Fuel Tax Council	403-471-7022	<a href="mailto:rick.callaway@fueltaxcouncil.com">rick.callaway@fueltaxcouncil.com</a>
	Cano, Martin	Texas Comptroller of Public Accounts	713-426-8288	<a href="mailto:martin.cano@cpa.state.tx.us">martin.cano@cpa.state.tx.us</a>
	Compton, Deborah	Exxon Mobil Corporation	713-431-2737	<a href="mailto:deborah.compton@exxonmobil.com">deborah.compton@exxonmobil.com</a>

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27-Sep-14

Present?	State/Company		Phone	Email Address
<b>XX</b>	Chandler, Lynn	Tesoro Corporation	210-626-6135	<a href="mailto:carol.l.chandler@tsocorp.com">carol.l.chandler@tsocorp.com</a>
	Dearie, Erin E	International-Matex Tank Terminals	504-619-2420	<a href="mailto:erindearie@imlt.com">erindearie@imlt.com</a>
<b>XX</b>	Dixon, Christy	Oklahoma Tax Commission	405-522-4197	<a href="mailto:cdixon@oktax.state.ok.us">cdixon@oktax.state.ok.us</a>
<b>XX</b>	Donnellan, Robert	Global Companies LLC	781-398-4247	<a href="mailto:rdonnellan@globalp.com">rdonnellan@globalp.com</a>
	Dougherty, Michael	FHwA	202-366-9234	<a href="mailto:michael.dougherty@dot.gov">michael.dougherty@dot.gov</a>
<b>XX</b>	Drewry, Amy	Louis Dreyfus Commodities	816-218-2336	<a href="mailto:amy.drewry@ldcom.com">amy.drewry@ldcom.com</a>
	Dudek, Sabrina	NuStar Energy LP	210-918-3654	<a href="mailto:sabrina.dudek@nustarenergy.com">sabrina.dudek@nustarenergy.com</a>
	Engelken, David	Tank Management Service Inc	785-233-1414	<a href="mailto:david@tankmagmt.com">david@tankmagmt.com</a>
	Estrada, James	Ryan, LLC	214-546-1811	<a href="mailto:james.estrada@ryan.com">james.estrada@ryan.com</a>
	Evanston, Carolyn	Indiana Department of Revenue	317-615-2510	<a href="mailto:cevanston@dor.in.gov">cevanston@dor.in.gov</a>
	Farish, Dan	Murphy Oil USA Inc	870-864-6466	<a href="mailto:dan_farish@murphyoilcorp.com">dan_farish@murphyoilcorp.com</a>
	Feletto, Lou	CA Board of Equilization	916-323-9401	<a href="mailto:lou.feletto@boe.ca.gov">lou.feletto@boe.ca.gov</a>
	Fitzgerald, Scott	Iowa Department of Revenue	515-242-6033	<a href="mailto:scott.fitzgerald@iowa.gov">scott.fitzgerald@iowa.gov</a>
	Friedman, Vickie	CSX Transportation	904-63-5232	<a href="mailto:vickie_friedman@csx.com">vickie_friedman@csx.com</a>
	Garza, Oscar	Oscar L. Garza & Associates	832-758-9034	<a href="mailto:olgarza@olgarza.com">olgarza@olgarza.com</a>
	Gast, Keith	MO Dept of Revenue	573-751-5902	<a href="mailto:keith_gast@mail.dor.state.mo.us">keith_gast@mail.dor.state.mo.us</a>
<b>XX</b>	Gilson, Cheryl	Avalara	920-617-7626	<a href="mailto:cheryl.gilson@avalara.com">cheryl.gilson@avalara.com</a>
	Glaser, Kim	PA Department of Revenue	717-787-3644	<a href="mailto:kglaser@pa.gov">kglaser@pa.gov</a>
	Golden, Heather	Shell Oil Company	713-241-1919	<a href="mailto:heather.golden@shell.com">heather.golden@shell.com</a>
	Gonzalez, Augustine	Innovative Software Solutions	210-602-4477	<a href="mailto:agonzalez@innsoftinc.com">agonzalez@innsoftinc.com</a>

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Present?	State/Company		Phone	Email Address
<b>XX</b>	Gonzalez, Lee	Florida Department of Revenue	850-488-7268	<a href="mailto:gonzalee@dor.state.fl.us">gonzalee@dor.state.fl.us</a>
	Grammer, Michael	Kentucky Dept of Revenue	502-564-1234	<a href="mailto:michael.grammer@ky.gov">michael.grammer@ky.gov</a>
<b>XX</b>	Gray, Bill	Sinclair Oil Corporation	801-524-2887	<a href="mailto:bgray@sinclairoil.com">bgray@sinclairoil.com</a>
	Grigsby, Ray	Tennessee Dept of Revenue	615-532-6914	<a href="mailto:ray.grigsby@state.tn.us">ray.grigsby@state.tn.us</a>
	Hales, Frank	Utah State Tax Commission	801-297-4638	<a href="mailto:fhales@tax.state.ut.us">fhales@tax.state.ut.us</a>
	Halubka, Tracy	MT Dept of Transportation	406-444-0806	<a href="mailto:thlubka@mt.gov">thlubka@mt.gov</a>
<b>XX</b>	Hennig, Drew	Avalara	210-643-1946	<a href="mailto:drew.hennig@avalara.com">drew.hennig@avalara.com</a>
<b>XX</b>	Hernandez, David	Valero Energy	210-345-2127	<a href="mailto:david.hernandez@valero.com">david.hernandez@valero.com</a>
	Hicks, Arlanda	Deloitte Tax LLP	713-982-3940	<a href="mailto:arhicks@deloitte.com">arhicks@deloitte.com</a>
<b>XX</b>	Holland, Gene	Phillips66	918-815-0242	<a href="mailto:gene.p.holland@p66.com">gene.p.holland@p66.com</a>
	Humphrey, Nick	Missouri Dept of Revenue	573-751-4689	<a href="mailto:nick.humphrey@dor.mo.gov">nick.humphrey@dor.mo.gov</a>
	Humphries, Stephen	Exxon Mobil Corporation	713-431-2777	<a href="mailto:stephen.a.humphries@exxonmobil.com">stephen.a.humphries@exxonmobil.com</a>
<b>XX</b>	Ice, Wilda	West Virginia Dept of Tax & Revenue	304-558-8533	<a href="mailto:wilda.b.ice@wv.gov">wilda.b.ice@wv.gov</a>
	Johnson, Bruce	WV State Tax Dept	304-558-8533	<a href="mailto:bruce.a.johnson@wv.gov">bruce.a.johnson@wv.gov</a>
<b>XX</b>	Johnson, Paul	WA Dept of Licensing	360-664-1844	<a href="mailto:pajohnson@dol.wa.gov">pajohnson@dol.wa.gov</a>
	Jones, Julie	Utah State Tax Commission	801-297-7575	<a href="mailto:juliejones@utah.gov">juliejones@utah.gov</a>
	Keel, June	Colonial Oil Industries	912-443-6594	<a href="mailto:jkeel@colonialgroupinc.com">jkeel@colonialgroupinc.com</a>
	Kirkpatrick, Phillip	Exxon Mobil Corporation	713-431-2796	<a href="mailto:phillip.b.kirkpatrick@exxonmobil.com">phillip.b.kirkpatrick@exxonmobil.com</a>
	Knoles, Trent	Illinois Dept of Revenue	217-785-2645	<a href="mailto:trent.knoles@illinois.gov">trent.knoles@illinois.gov</a>
<b>XX</b>	Krehbiel, Adam	IGen Fuels	920-455-8673	<a href="mailto:adam.krehbiel@igenfuels.com">adam.krehbiel@igenfuels.com</a>



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Present?		State/Company	Phone	Email Address
	Lagunas, Manuel	AZ DOT	602-712-7626	<a href="mailto:mlagunas@azdot.gov">mlagunas@azdot.gov</a>
	Legaspi-Seils, Melody	Alliance Energy LLC	203-315-7188	<a href="mailto:mlegaspi-seils@allianceenergy.com">mlegaspi-seils@allianceenergy.com</a>
XX	Leichner, Marcia	Nebraska Department of Revenue	402-595-2013	<a href="mailto:marcia.leichner@nebraska.gov">marcia.leichner@nebraska.gov</a>
	Lenius, Tracy	Minnesota Department of Revenue	218-846-7437	<a href="mailto:tracy.lenius@state.mn.us">tracy.lenius@state.mn.us</a>
	Levasseur, Marc	Rhode Island Division of Taxation	401-222-2953	<a href="mailto:mlevasseur@tax.state.ri.us">mlevasseur@tax.state.ri.us</a>
	Lewis, Scott	Rhode Island Division of Taxation	401-574-8892	<a href="mailto:scott.lewis@tax.ri.gov">scott.lewis@tax.ri.gov</a>
XX	Little, Richard	Deloitte Tax LLP	818-281-6470	<a href="mailto:rlittle@deloitte.com">rlittle@deloitte.com</a>
XX	Lietz, Dawn	Nevada Dept of Motor Vehicles	775-684-4626	<a href="mailto:dlietz@dmv.nv.gov">dlietz@dmv.nv.gov</a>
XX	Louie, Scott	Chevron Corporation	925-827-6286	<a href="mailto:scottlouie@chevron.com">scottlouie@chevron.com</a>
XX	Lovell, Hal	California Board of Equalization	916-324-2301	<a href="mailto:hal.lovell@boe.ca.gov">hal.lovell@boe.ca.gov</a>
XX	Lyon, Jonathan	FTA	202-255-8282	<a href="mailto:jonathan.lyon@taxadmin.org">jonathan.lyon@taxadmin.org</a>
	McClain, Shanda	Louisiana Dept of Revenue	225-219-2780	<a href="mailto:shanda.mcclain@la.gov">shanda.mcclain@la.gov</a>
	McConville, Tom	Oklahoma Tax Commission	405-522-4145	<a href="mailto:tom.mcconville@oktax.state.ok.us">tom.mcconville@oktax.state.ok.us</a>
	McGlade, Jeff	Marathon Petroleum Company LP	419-421-2361	<a href="mailto:idmcglade@marathonpetroleum.com">idmcglade@marathonpetroleum.com</a>
XX	McInerny, Jessica	Cargill Incorporated	952-742-7095	<a href="mailto:jessica_mcinerny@cargill.com">jessica_mcinerny@cargill.com</a>
XX	Martin, Edie	Kansas Department of Revenue	785-296-5327	<a href="mailto:edie.martin@kdor.ks.gov">edie.martin@kdor.ks.gov</a>
	Martin, Wally	Exxon Mobil Corporation	713-431-2817	<a href="mailto:wally.l.martin@exxonmobil.com">wally.l.martin@exxonmobil.com</a>
	Martinez, Pitter A	US Oil, a Division of US Venture Inc	281-728-5219	<a href="mailto:pmartinez@usoil.com">pmartinez@usoil.com</a>
	Mattson-Grimm, Ray	Xerox Government Solutions	608-567-8156	<a href="mailto:ray.mattson-grimm@xerox.com">ray.mattson-grimm@xerox.com</a>
	Milak, Al	North Carolina Department of Revenue	919-814-1105	<a href="mailto:al.milak@dornc.com">al.milak@dornc.com</a>

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## Jackson, Wyoming

27-Sep-14

Present?	State/Company	Phone	Email Address
	Milledge, Nick	US Oil, a Division of US Venture Inc	281-386-9387 <a href="mailto:nmilledge@usoil.com">nmilledge@usoil.com</a>
	Miller, Ron	R & L Consulting	920-342-0036 <a href="mailto:rwinfield46@yahoo.com">rwinfield46@yahoo.com</a>
	Miros, Kurtis	Montana Department of Transportation	406-444-9276 <a href="mailto:kmiros@mt.gov">kmiros@mt.gov</a>
	Molique, Laura	Exxon Mobil Corporation	713-431-2829 <a href="mailto:laura.l.molique@exxonmobil.com">laura.l.molique@exxonmobil.com</a>
	Momoh, Isa	North Carolina Department of Revenue	919-707-7531 <a href="mailto:isa.momoh@dornrc.com">isa.momoh@dornrc.com</a>
	Monconduit, Michel	IRS	714-347-9408 <a href="mailto:michel.monconduit@irs.gov">michel.monconduit@irs.gov</a>
XX	Mongold, Cindy	Kansas Department of Revenue	785-296-7048 <a href="mailto:cindy.mongold@kdor.ks.gov">cindy.mongold@kdor.ks.gov</a>
	Neeck, Jeremy	Minnesota Department of Revenue	507-523-030 <a href="mailto:jeremy.neeck@state.mn.us">jeremy.neeck@state.mn.us</a>
	Newton, Bill	Utah State Tax Commission	801-297-2767 <a href="mailto:bnewton@utah.gov">bnewton@utah.gov</a>
XX	Nicholson, Anne	Exxon Mobil Corporation	713-431-2844 <a href="mailto:anne.w.nicholson@exxonmobil.com">anne.w.nicholson@exxonmobil.com</a>
	Nutter, Stephen	Virginia Dept of Motor Vehicles	540-435-2162 <a href="mailto:stephen.nutter@dmv.virginia.gov">stephen.nutter@dmv.virginia.gov</a>
XX	Oliver, Jim	Kentucky Dept of Revenue	502-564-2935 <a href="mailto:jim.oliver@ky.gov">jim.oliver@ky.gov</a>
	Owyer, Mark	Louisiana Dept of Revenue	225-219-2780 <a href="mailto:mark.dwyer@la.gov">mark.dwyer@la.gov</a>
	Padon, Jodi	Plains Marketing L.P.	713-646-4204 <a href="mailto:impadon@paalp.com">impadon@paalp.com</a>
XX	Panza, John	North Carolina Department of Revenue	919-814-1100 <a href="mailto:john.panza@dornrc.com">john.panza@dornrc.com</a>
	Papandrea, Marc	CT Dept of Revenue	860-541-3228 <a href="mailto:marc.papandrea@po.state.ct.us">marc.papandrea@po.state.ct.us</a>
	Player, Carol	South Carolina Dept of Revenue	803-898-5911 <a href="mailto:playerc@sctax.org">playerc@sctax.org</a>
	Poeppelman, Jodi	Husky Marketing & Supply Company	614-210-2312 <a href="mailto:jodi.poeppelman@huskyenergy.com">jodi.poeppelman@huskyenergy.com</a>
XX	Reed, David	TX Comptroller of Public Accts	512-463-6056 <a href="mailto:david.reed@cpa.state.tx.us">david.reed@cpa.state.tx.us</a>
	Reinauer, Dean	Reinauer Transportation	718-816-8167 x 410 <a href="mailto:deanr@reinauer.com">deanr@reinauer.com</a>

# FTA UNIFORMITY COMMITTEE

## Jackson, Wyoming

27-Sep-14

Present?	State/Company	Phone	Email Address
	Retz, David	Chevron Corporation	925-827-6395 <a href="mailto:dret@chevrontexaco.com">dret@chevrontexaco.com</a>
	Rhoads, Ray	Kansas Department of Revenue	785-296-4011 <a href="mailto:ray.rhoads@dkor.ks.gov">ray.rhoads@dkor.ks.gov</a>
	Rhoads, Wayne	Mississippi Dept of Transportation	601-359-9759 <a href="mailto:wrhoads@mdot.state.ms.us">wrhoads@mdot.state.ms.us</a>
	Roy, Chris	Wisconsin DOR	608-266-7453 <a href="mailto:christopher.roy@revenue.wi.gov">christopher.roy@revenue.wi.gov</a>
	Rutherford III, Henry	Georgia Dept of Revenue	404-417-6497 <a href="mailto:henry.rutherfordiii@dor.ga.gov">henry.rutherfordiii@dor.ga.gov</a>
	Sandoval, Debra	PriceWaterHouseCoopers	713-471-9900 <a href="mailto:debra.l.sandoval@us.pwc.com">debra.l.sandoval@us.pwc.com</a>
	Sanways, Alyssa	Northern Tier Energy	651-769-6793 <a href="mailto:alyssa.samways@Ntenergy.com">alyssa.samways@Ntenergy.com</a>
XX	Schmitz, June	Valero Energy	210-345-2728 <a href="mailto:june.schmitz@valero.com">june.schmitz@valero.com</a>
	Schrock, Richard	Marathon Petroleum Company LP	419-421-2361 <a href="mailto:rdschrock@mpclp.com">rdschrock@mpclp.com</a>
XX	Stein, Winston	BSWA	281-342-2646 <a href="mailto:winston@bswa.com">winston@bswa.com</a>
XX	Steffens, Peter	Peter Steffens Consulting	850-212-0976 <a href="mailto:peter@steffensconsulting.com">peter@steffensconsulting.com</a>
	Stevens, Aaron	Idaho State Tax Commission	208-334-7706 <a href="mailto:aaron.stevens@tax.idaho.gov">aaron.stevens@tax.idaho.gov</a>
	Stoll, Karen	Nevada Dept of Motor Vehicles	775-684-4617 <a href="mailto:kstoll@dmv.nv.gov">kstoll@dmv.nv.gov</a>
XX	Suarez-Sheetz, Neysa	Ernst & Young LLC	713-750-8102 <a href="mailto:neysa.suarezsheetz@ey.com">neysa.suarezsheetz@ey.com</a>
	Takai, Rae	Shell Oil Products	713-241-2273 <a href="mailto:rae.takai@shell.com">rae.takai@shell.com</a>
	Thomas, Gerald	ARCO	213-486-2721 <a href="mailto:Gthomas@mail.arco.com">Gthomas@mail.arco.com</a>
XX	Towsley, Tina	Illinois Dept of Revenue	217-785-8707 <a href="mailto:tina.towsley@illinois.gov">tina.towsley@illinois.gov</a>
XX	Travis, Ron	Shell Oil	713-241-3085 <a href="mailto:ronald.travis@shell.com">ronald.travis@shell.com</a>
	Turner, Ashley	CSX Transportation	904-633-5230 <a href="mailto:ashley_turner@csx.com">ashley_turner@csx.com</a>
	Ulm, Chuck	Comptroller of Maryland	410-260-7278 <a href="mailto:culm@comp.state.md.us">culm@comp.state.md.us</a>

# FTA UNIFORMITY COMMITTEE

## Jackson, Wyoming

27-Sep-14

Present?	State/Company		Phone	Email Address
	Warren, Doreen	Idaho State Tax Commission	208-334-7839	<a href="mailto:Doreen.Warren@tax.idaho.gov">Doreen.Warren@tax.idaho.gov</a>
	Werner, Carol	AZ DOT	480-712-4337	<a href="mailto:cwerner@azdot.gov">cwerner@azdot.gov</a>
XX	West, Tammy	Virginia Dept of Motor Vehicles	804-367-0883	<a href="mailto:Tammy.West@dmv.virginia.gov">Tammy.West@dmv.virginia.gov</a>
	Whaley, Stan	Florida Department of Revenue	850-717-7566	<a href="mailto:whaleys@dor.state.fl.us">whaleys@dor.state.fl.us</a>
	Wissink, Darrell	Nebraska Department of Revenue	402-471-5812	<a href="mailto:darrell.wissink@rev.ne.gov">darrell.wissink@rev.ne.gov</a>
	Wisyanski, Stephen	PA Department of Revenue	717-783-9819	<a href="mailto:swisyanski@pa.gov">swisyanski@pa.gov</a>
	Zimmerman, Mark	AZ DOT	602-712-8381	<a href="mailto:mzimmerman@azdot.gov">mzimmerman@azdot.gov</a>

# The Uniformer

## MESSAGE FROM THE NATIONAL CHAIR JIM OLIVER

It always amazes me how fast a year goes by... It seems it was only yesterday that Edie Martin handed me the gavel at the close of the Annual in Fargo. Over the past year I've met and gotten to know more of my peers in this industry we call home. The open exchange of ideas, the support and assistance freely offered, whether industry of government, is the backbone of this organization. I applaud your willingness to help and the generosity of your time.

During this short year I particularly enjoyed attending the regional meetings. Every region has its own unique flavor! What stood out the most was the forwarding thinking attitude toward issue resolution. The desire to get it right seemed to be the underlying motivation. And then there was the camaraderie... I saw hugs, handshakes and pats on the back. Relationships founded in mutual respect and augmented with friendship.

I urge you to continue your support and involvement in the FTA Motor Fuels Tax Section. This organization welcomes new members and fondly remembers those that have moved on, where government and industry come together to work together for mutual benefit. My thanks go out to Cindy Anders-Robb with FTA, the Uniformity Chairs and Members, and Regional Officers who made this a most enjoyable year. It has been a privilege to

serve as your National Chair,  
Thank You!

My contact information follows,  
please feel free to contact me.  
[Jim.oliver@ky.gov](mailto:Jim.oliver@ky.gov) or (502) 564-2935

## MESSAGE FROM THE UNIFORMITY COMMITTEE STATE CO-CHAIR LEE GONZALEZ

I would like to take this opportunity to recognize current and former members of the Uniformity committee. As members, it has always been our mission to:

- Provide an opportunity for government and industry to partner for the efficient and effective reporting and remittance of fuel taxes,
- Minimize fuel tax evasion, and
- Act as an information resource to stakeholders.

I believe this mission is being accomplished everyday due to the foundation that was laid by previous members and the hard work of current committee members.

One past member that I would like to recognize in this article is Peter Steffens. As most of you know, Peter recently retired from the state of Florida. Peter was heavily involved in uniformity for many years and held various leadership positions. As a member, he provided a vision and foresight that allowed the Uniformity committee to stay ahead of the curve on issues

pertaining to fuel tax administration. Personally, I consider Peter a mentor and a friend. Although extremely busy, he always made time to encourage, assist, or point me in the right direction. I wish him the best of luck as he pursues this new chapter in his life.

In addition to past members, I also want to recognize current members. Especially those who hold a leadership position in the Uniformity committee. These members include Christy Dixon and Anne Nicholson with the Communication and Coordination sub-committee, Hal Lovel and Gene Holland with the Electronic Commerce sub-committee, Cindy Mongold and Scott Louie with the Forms Management sub-committee, and Marcia Leichner and Rae Takai with the Compliance sub-committee.

These individuals have volunteered their time and committed to a concept that benefits public and private fuel tax administration. Their leadership is evident by the work products that are published by our organization. Examples of notable products include electronic filing (XML), basic and advanced courses pertaining to fuel tax administration, alternative fuel tax guide, and a sales tax return for fuel. All of these products support the mission of Uniformity and all were designed with input from state and industry representatives.

Although the products referenced above were designed from a global perspective, I would like to address an opportunity for

improvement. I am concerned that decisions of the minority are dictating the path of the majority.

In other words, on average, 22% of the states are present at most uniformity meetings. These states, along with industry and the Canadian Fuel Tax Council, are creating uniform policies that apply to all 50 states and Canada. Whether in person or by conference call, I would like to challenge state administrators who are not active in Uniformity to participate in the meetings that are held three times a year.

In closing, I feel the Uniformity committee has come a long way. However, there is still a lot of work to be done. As a committee, we still need to be weary of new and emerging fuels, new tax evasion schemes, and new proposals for point of taxation (e.g. sales tax on fuel). In addition, we need to focus our efforts on new and more efficient audit techniques and our support of states who convert to XML.

Thanks again for the hard work and dedication of each Uniformity committee member and I look forward to working with each one of you in the future.

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

As the years go by and we get involved with all the issues revolving around Motor Fuel and Tax Evasion to Bio Fuels, to Ethanol Blends, Alternative fuels, issues with the IRS we tend to lose sight of all the people who

helped make us who and what we are today. With that being said this is a bittersweet year for us in the Uniformity world. A very great man who brought Leadership to us, assisted in developing the FTA training classes, helped us gain knowledge in evasion schemes with his most impressive "Mr. Mob" presentation has retired from the State of Florida. I am referring to none other than Mr. Peter Steffens. Peter let me be the first to wish you the best in your retirement and I hope everything you want to do you are able to achieve. I know that all of us involved in the FTA Training classes and in the Uniformity Section wish you nothing but the best and our gratitude and thanks for the wealth of knowledge you have bestowed on all of us. Your Legacy in Motor Fuel will stay with all of us for years to come!

**MESSAGE FROM  
CANADIAN FUEL TAX  
COUNCIL (FTC)  
RICK CALLAWAY**

Hope everyone enjoyed a great summer!

At the FTC meetings in May, several key priorities and directions were approved for the 2014-15 year. These include:

- Commence a comprehensive review of the Generic Fuel Tax Return and Schedules developed by the FTC and used by the jurisdictions. The review is intended to promote uniformity,

accuracy, compliance and processing.

- Re-start a project to recommend standards for unverifiable losses of accountable products that can occur in the distribution/marketing chain.
- Implement the Systems Information Binder. Two jurisdictions will document a Collector's systems (in the standard format developed by the FTC) as part of a current or planned audit. The binder will then be kept by the FTC and made available to any Jurisdiction commencing an audit of that Collector or to the Collector.
- Develop recommendations on best practices for providing updated Collectors' Lists. The project will look at current practices and issues, examine what jurisdictions such as Ontario and Quebec are doing as they have implemented practices considered to be successful and make recommendations.
- The Licensing Review to develop best practices for registering and licensing the different roles for reporting and remitting

taxes will continue considering directions approved during the meeting including an approved format for communicating requirements.

- The Natural Gas project for developing best practices for the taxation of natural gas will continue including steps such as increasing Industry involvement and exploring factors for setting tax rates in addition to energy content.
- Complete piloting of the on-line training module and develop a training plan (for both classroom and on-line courses) by the fall of 2014.

The FTC thanks the FTA and Cindy for the cooperation and partnership that exists between our two organizations. Projects and operations continue to benefit through the exchange of experiences, ideas and work.

If you have any questions or need more information, please feel free to contact me at [rick.callaway@fueltaxcouncil.com](mailto:rick.callaway@fueltaxcouncil.com) or call 1 (403) 471-7022.

## **UNIFORMITY COMMITTEE**

### **Minutes**

The FTA Motor Fuel Tax Section Uniformity Committee met at the Myrtle Beach Marriott, Myrtle Beach, South Carolina. Lee Gonzalez (FL) Uniformity State Chair called the meeting to order. Thirty-four (34) were in attendance.

### **Minutes**

The minutes of the January 2014 Uniformity Committee meeting in Myrtle Beach, South Carolina were approved.

### **Presentations:**

As soon as this meeting was adjourned, the committee toured an Ethanol Plant owned by Global Companies LLC.

## **SUBCOMMITTEE REPORTS**

The **Compliance Subcommittee** Marcia Leichner (NE) reported there were twenty-five (25) (24 in person and 1 by phone) in attendance. The committee discussed:

### **Training Schedule Update**

- The Basic Training class is schedule for July 27-31, 2014 in Kansas City, MO.
- The Advanced Training Class is currently scheduled for November 2014. Exact dates and location to be determined.

### **Dyed Diesel Stats**

The stats for calendar year 2013 were handed out and discussed

the amount of penalties per occurrence and handed out the results of the list serve question regarding whether states bill on capacity of the bulk tank or the actual gallons in a bulk tank if a violator is caught roadside and a discussion with audits for repeat offenders.

### **Discussion**

- New Legislation: All States present talked about any new legislation.
- LNG/CNG issues. It was shared that states should be aware of LNG being changed to CNG.
- Ethanol/biodiesel issues, railroad/airline spurs, carrier issues were mentioned.
- Miscellaneous
  - ♦ Finding a lot of "Use tax liability" for companies that have filed for motor fuels tax refunds.
  - ♦ Credit card and federal sales questions. Questions will be put on list serve.
  - ♦ Very brief discussion regarding what type of ID# states require to be reported when their taxpayers are dealing with foreign entities, since it was indicated they often do not have 9 digit FEIN's, but rather 8, 10 or 11 characters.

### **The Forms Management Subcommittee**

Cindy Mongold (KS) reported that this committee met with Electronic Commerce. There were twenty-four (24) participated in the meeting. (22 present & 2

called in) The subcommittee discussed:

## **Crosswalk (FTA and STCC Codes)**

The team has made contact with a representative of the Union Pacific Railroad, which serves the western half of the US. The team has provided them with a copy of the spreadsheet with STCC conversion to FTA codes compiled with the assistance of CSX. No response as of yet but the team will follow up with them and have an update at the September 2014.

## **Oregon Forms Review**

The committee reviewed the Oregon Motor Vehicle Fuel and Aircraft Fuel License Tax Return and Instructions, Carrier Report and Schedules and the Terminal Operator and Schedules and all changes suggested at the January 2014 meeting were made. The full committee voted and the form was approved as uniform.

## **Ohio Forms Review**

No update of the forms and instructions was received prior to the meeting. Review has been placed on hold at this time.

## **Washington Forms Review**

Terminal Report and Schedules and the Supplier Tax Return and Schedules were received on April 21, 2014. The sub-committee didn't have enough time to review the forms prior to this meeting. Feedback will be provided at the September meeting.

## **State ExSTARS Update**

Kansas gave an update on tracking ExSTARS data.

## **Uniform Motor Fuel Sales Tax Form**

The team presented the first draft of the Uniform Motor Fuel Sales Tax form to the full committee. After discussion there were several suggestions made for changes:

- Remove "County" and make it more generic by using the term "Jurisdiction"
- Adding a "Pre-paid" line
- Add net, gross and billed gallons to schedule
- Add net, gross and billed gallons to the instructions
- Separate schedules for exempt and taxable sales

The team will make the revisions and will be discussed at the next meeting in September.

## **Common and Contract Petroleum Product Carrier Report Schedule (Page 82 of the 2014 Uniformity Guide)**

It was purposed to swap the "Gross" and "Net" columns on the Schedule of Deliveries. By doing so the schedule would be consistent with the other schedules in the Uniformity Book. After discussion the full committee voted and approved swapping the two columns.

## **Industry Issues**

The Petroleum Industry will most likely be pursuing a new FTA product code for B0-B5. This would represent a diesel product

from straight ULSD to a biodiesel blend of up to 5%. It could be any percentage blend in between. The necessity of this code has grown within the past year due to several factors listed below:

1. Lack of reliable, consistent supply of biodiesel from the producers. It makes for blending at a constant percentage very difficult. Because in this situation, the blend percentage could change frequently, it alleviates the terminal operator from having to change codes when it does change. This is particularly true where the terminal and/or the accounting systems are limited in the number of codes it can use for specific customers.

2. In many of the terminals today, there is no dedicated storage for biodiesel. When biodiesel is received at these terminals, it is commingled with the ULSD in those storage tanks. Due to the constant movement of inventory in and out of those storage tanks, the percentage of biodiesel will change and be nearly impossible to identify over time without chemically testing a sample at a given time.

3. Some terminals are now receiving a blended product through the pipeline. For the same reasons in #2 above the constant receipts and disbursement of product will change the percentage constantly.

The industry does face some issues with using one code to cover various percentage blends.



It has already been noted that the IRS has assessed fines on one terminal operator for inaccurate reporting. A protest has been filed, but the outcome is still to be determined. For most part, the states don't have any problems that haven't been addressed due to all the Texas taxing biodiesel the same as ULSD. Since many suppliers and terminal operators are already using this code, it is inevitable that we address this through the FTA.

## **Approved by the Full Committee**

Oregon Uniform Report Forms:

- Terminal Operator and Schedules
- Carrier Report and Schedules
- Motor Vehicle Fuel and Aircraft Fuel License Tax Return and Instructions

Common and Contract Petroleum Product Carrier Report

- Swap the "Gross" and "Net" columns on the schedule of deliveries

## **The Electronic Commerce Subcommittee**

Hal Lovell (California) reported there were seven (7) (5 in person and 2 by phone) in attendance. The subcommittee discussed the following:

### **Florida Implementation Guide**

The E-Commerce reviewed the State of Florida Implementation guide and XML schema request. The XML team has reviewed and provided a "tentative" approval of the update and schema. The committee had one

recommendation related to the gallons input fields. Florida only captures net gallons and the committee would recommend that Florida consider allowing these two fields (gross and billed gallons) as optional fields on a future revision.

### **Ohio Implementation Guide**

The E-Commerce reviewed the State of Ohio Implementation guide and XML schema request. The XML team has reviewed and provided a "tentative" approval of the update and schema. The E-Commerce group reviewed and approved the submitted guide and XML schema.

### **Creation of Form on Obtaining FTA Approval for Efile System**

The E-Commerce Group reviewed a mock up of a simple handout that will summarize the steps that a state should take to get FTA approval for their E-file system (forms, E-file Guide, XML schema, etc). The group expects to have a final handout version ready by the next meeting for placement on the FTA website.

### **New Item**

The E-Commerce group was advised that the State of Oregon is very close to submitting their E-file guide for review by the committee. We expect to be addressing the State of Oregon's guide at the next meeting.

## **Approved by the Full Committee**

State of Ohio  
EDI Implementation Guide

State of Florida  
EDI Implementation Guide

## **The Communication and Coordination Subcommittee**

Christy Dixon (OK) reported that twenty-four (24) (23 in person and 1 by phone) were in attendance.

The subcommittee discussed the following and the May, 2014 *Uniformer* was distributed

### **2014 Taxation, Diversion and Alternative Fuels Booklet**

The subcommittee discussed, adding and approved the following:

Section 13 – How does your state handle contaminated fuel?

Section 14 – Does your state allow bad debt credits?

In June, volunteers from each region will contact the states within their regions to gather the updated information for the 2014 Taxation, Diversion and Alternative Fuels Booklet.

### **Definitions**

The subcommittee has been asked to do a definition for Fuel Grade Ethanol and Electronic Filing. This was tabled until the September meeting.

### **Buy/Sell Agreements and Flash Title Agreements**

Another draft document was discussed; and after much discussion, the working group is going to make revisions to the document and present it at the next meeting in September.

## White Paper Document on “Inventory Gains and Losses”

The draft document was discussed and approved with minor revisions.

## Open Discussions

None

## Approved by the Full Committee

White Paper Document on  
“Inventory Gains and Losses”

Revisions to the 2014 Taxation,  
Diversion and Alternative Fuels  
Booklet:

How does your state handle  
contaminated fuel?

Does your state allow bad debt  
credits?

## Canadian Update

There were no new updates  
since last Uniformity meeting.

## New Business

None

## Next Meeting

The next Uniformity Committee  
meeting is scheduled for  
September 26-27 in Jackson,  
Wyoming

The meeting was adjourned.

## SUBCOMMITTEE CHAIRS

### Compliance Subcommittee

**State Co-Chair**

Marcia Leichner

**Industry Co-Chair**

Rae Taki – Shell Oil

## Communication and Coordination Subcommittee

**State Co-Chair**

Christy Dixon – State of  
Oklahoma

**Industry Co-Chair**

Anne Nicholson, Exxon Mobil

## Electronic Commerce Subcommittee

**State Co-Chair**

Hal Lovell – State of California

**Industry Co-Chair**

Gene Holland, P66

## Forms Management Subcommittee

**State Co-Chair**

Cindy Mongold – State of Kansas

**Industry Co-Chair**

Scott Louie – Chevron

## FTA MOTOR FUEL TRAINING SCHEDULE

Advanced Training Class is  
currently being schedule for  
December 7-11, 2014.  
Location TBD

## UPCOMING MEETINGS 2015

### Pacific Region

April 26-28, 2015

Portland, Oregon

### Uniformity Meeting

January 23-24, 2015

Location TBD

### Northeastern Region

May 2015

Saratoga Springs, New York

## Southern Region

June 2015

Biloxi, Mississippi

## Midwestern Region

July 7-9, 2015

Holiday Inn City Center

Sioux Falls, South Dakota

## Uniformity Meeting

September 18-19, 2015

Embassy Suites-Hamilton Place

Chattanooga, Tennessee

## Motor Fuel Annual Meeting

September 20-23, 2015

Embassy Suites-Hamilton Place

Chattanooga, Tennessee

## MOTOR FUEL STEERING COMMITTEE MEMBERS

### National Chair

Jim Oliver, Kentucky

### National Vice Chair

Scott Bryer, New Hampshire

### Past Chairs

Edie Martin, Kansas

Dawn Lietz, Nevada

### State Uniformity Chair

Lee Gonzalez, Florida

### Industry Uniformity Chair

Robert Donnellan, Global

Companies LLC

## MOTOR FUEL REGIONAL GOVERNORS

### Midwestern Region

Peggy Laurenz, State of South  
Dakota

### Northeastern Region

Brian Galarneau, State of New  
York

## **Pacific Region**

*Dawn Lietz, State of Nevada*

## **Southern Region**

*Glenn Boyette, State of Mississippi*

## **RETIREMENTS**

**Bruce Johnson**, with the State of West Virginia retired July 1, 2014. Bruce has been an instructor for the ExSTARS classes and has been a huge help for States in the Southern and Northeastern Regions. We are going to miss him and his knowledge.

**THANKS BRUCE FOR YOUR SUPPORT FOR ALL THESE YEARS!!!!**

**Peter Steffens (aka “Mr.Mob”)**, with the State of Florida retired in August. Peter is the God Father of the training classes and has been involved with the Uniformity Committee and training for over 30 plus years. Peter served as the National Chair in 1998 and the Southern Region Governor 1994 and 2005. We are going to miss Peter and all his knowledge.

**THANKS PETER FOR YOUR GUIDANCE AND MENTORING TO THE STATES AND INDUSTRY FOR ALL THESE YEARS!!!!!!**

## **Editor**

Cindy Anders-Robb, FTA  
(307) 632-4144

[cindy.anders-robb@taxadmin.org](mailto:cindy.anders-robb@taxadmin.org)

FTA Motor Fuel Uniformity Committee  
Compliance Subcommittee  
Jackson, Wyoming  
September 26, 2014

**MINUTES**

The Compliance Subcommittee met on Friday, September 26, 2014. State Co-Chair, Marcia Leichner, conducted the meeting. There were 37 people present.

Minutes from the Portland, OR meeting on May 2, 2014, were approved as presented.

**Training Schedule**

- The Basic Training class was held in Kansas City, Missouri, in July 2014. There were 47 students present.
- The Advanced Training class is scheduled for December 7-11, 2014, in San Diego, California. More information on this class will be out shortly.

**Dyed Diesel Stats/Issues**

- The stats for the first two quarters of 2014 were handed out and discussed.
- NE shared some general information about a recent case of a taxpayer refusing to be tested for dyed diesel. The State Patrol continued to hear complaints so ended up serving a search warrant on the individual and found dyed diesel in other highway vehicles. The IRS was contacted and will also be assessing penalties.

**Discussion Items**

- State Compliance Updates – NE shared that they had a taxpayer inquire about the proper way to bill motor fuel taxes when they blend ethanol and water. This particular taxpayer was planning to blend 60% ethanol and 40% water. No one present had heard of this type of product and questioned whether this could even be a viable product.
- Texas CID cases – There was some general discussion regarding Texas' aggressive nature of investigating motor fuels tax cases, along with a hand out of current motor fuels cases in Texas.
- Emerging Alternative Fuels – There was brief discussion regarding specific products mentioned on the "Alternative Fuels" website (<http://www.afdc.energy.gov/fuels/emerging.html>)
- Any LNG/CNG issues? - No states present expressed any current issues.
- Miscellaneous

**Old Business**

- None

**New Business**

- Solicited projects for 2014/2015 – it was suggested that this committee review the training manual to make sure all areas of risk are being covered by the training.
- Distributed four articles -
  - US Navy to turn seawater into jet fuel (April 10, 2014)
  - RFA Lauds Quad County Corn Processors at the Grand Opening of New Cellulosic Bolt-on Facility (Sept 9, 2014)
  - Two Men Charged in Las Vegas in Biofuels Scheme (Jan 16, 2014)
  - Feds order companies to notify state of oil-by-rail cargoes, recommend older cars be retired (May 8, 2014)

**Next Meeting**

- January 23, 2015 in Sacramento, California

Marcia Leichner – State Co-Chair, Nebraska

**Forms Sub-Committee  
Minutes  
September 26, 2014  
Jackson, WY**

There were 36 attendees at the Friday, September 26 Forms Subcommittee meeting.

The minutes from the May 2, 2014 meeting in Portland, Oregon were reviewed and approved as written.

**Crosswalk (FTA and STCC Codes)** will be removed from the agenda at this time. If there is additional information at a later date it will be addressed at that time.

**Uniform Motor Fuel Sales Tax Form** team, David Hernandez, Tammy West, Bob Donnellan, Jessica McInerney and Amy Drewry walked the full committee through the changes made from suggestions received at the May meeting.

The following suggestions were provided by committee members and the team will return with an updated form in January 2015.

1. Add \$ to Gross & Exempt columns and % to Sales tax rate column
2. Add date field to the signature line.
3. Add Contact information, such as name, title, phone number.
4. Prepared by line.

**Ohio Forms Review** – Committee was presented with comments provided to Ohio on the following returns;

1. Ohio Terminal Operator Return
2. Transporter Return
3. Fuel Dealer's Tax Return
4. Exporter Return

**Washington Forms Review** – The following Washington forms were reviewed, voted on and approved by the full committee.

1. Terminal Report & Schedules
2. Supplier Tax Return & Schedules
3. Distributor Tax Return

Washington also submitted an Aircraft and Blender Tax Return for review. There is no sample return in the Uniformity Guide for Aircraft or Blender returns; however the guide does suggest using either the Supplier/Permissive Supplier or Distributor's Fuel Tax Report format when developing a Producer's report, which should be used in the case of these 2 returns. The two returns were reviewed by the full committee and approved for use.

**Washington Schedule Request** - Washington requested two schedules

1. Determine biodiesel gallons rebranded to dyed  
Discussion resulted in Washington taking a look at the procedure for regrading the product with a Book Adjustment. If this does not work for their situation then the committee will take another look at issuing a sub-schedule.

2. Gallons sold exempt to IFTA Authorized Carriers  
Washington will use Sub-schedule 6F

### **FTA PC vs EXSTARS PC**

It was brought to the attention of the committee that product codes recently issued by FTA were not being accepted in ExSTARS reporting. The product codes in question were 313 Ultra Low Sulfur Diesel Undyed and 314 Ultra Low Sulfur Diesel Dyed. These 2 product codes were issued in June 2012 along with 301 CBOB and 302 RBOB.

IRS contact presented the issue to ExSTARS representatives and it appears that ExSTARS is considering adding these 4 product codes to the reporting.

### **Industry Issues** – were presented by Scott Louie

1. Industry is currently struggling with the expanded California Oil Spill Prevention Fee. The previous law imposed the fee on crude oil and petroleum products that entered the state at a refinery or marine terminal by vessel. The revision to the law expanded the fee to include all modes of transportation over land or water. The bill was vaguely written by the Department of Fish and Wildlife and did not address the many details that the industry needs to fully understand and comply with the revised law. In addition, upon passage of the bill, industry was given 60 days to implement the new changes. The DOFW does not have the expertise to provide answers to our or the CA BOE questions on how to administer the details. There are still a lot of gray areas that industry will have to make assumptions on how to comply with the law rather than having concrete guidance. Neither the DOFW nor the BOE are interested in writing a set of statutes to address these questions.
2. Industry is continuing to wrestle with the use and reporting of biodiesel blends as many states and the Federal government have varying requirements. We recently had a situation where a state is requiring a taxpayer to amend a large number of returns because they were reporting a B0 - B5 product as clear diesel along with the ASTM standards. The state's position is that it should have been reported as a biodiesel code. There is no effect on the tax amount paid as any blend is taxable as diesel fuel in this state.

### **State ExSTARS Update** was presented by Edie Martin

There has not been much change in the files being received. Kansas still receives a large percentage of 826 (IRS confidentiality rules) compared to 813 files. Mississippi reports a little bit higher percentage being received 813.

### **Next meeting is January 23 & 24, 2015 in Sacramento, CA** **Meeting was adjourned**

Cindy Mongold State Co-Chair  
Scott Louie Industry Co-Chair



## E-Commerce Meeting Agenda

Type of Meeting	FTA – E-Commerce
Date	September 26, 2014
Venue	Jackson, Wyoming
Start Time	1:15 pm

### Agenda:

No.	Topic(s)
1	Review the minutes from May 2014 (Portland, Oregon) meeting and finalize the summary notes from that meeting.
2	Submit for discussion the State of Mississippi Implementation guide and XML schema request.
3	Submit for discussion the State of Oregon Implementation guide and XML schema request.
4	Simple E-file Handout draft – Discussion on proposed final draft of this handout.
5	New Topics

### Meeting Minutes:

No.	Discussion item	Meeting Minutes
1.	Introduction	Total attendees – <b>7 in person</b> (2 States attended by conference call) Industry 2 Misc (Vendors, etc.) 3 States and FTA staff 4
2.	Minutes	We discussed/reviewed minutes from the May 2, 2014 meeting in Portland, Oregon. No changes were recommended. Minutes from May 2, 2014 meeting were approved by E-Commerce committee.
3.	Reviewed the State of Mississippi's Implementation Guide and XML	<b>In Progress</b> – Updated the ongoing review of the State of Mississippi Implementation guide and XML schema request. The XML team is still in the review process for the proposed E-file guide package. Looking to hold a conference call in October 2014 and finalize the outstanding issues so this request can be approved in Jan 2015.
4.	Reviewed the State of Oregon's Implementation Guide and XML	<b>In Progress</b> – Updated the ongoing review of the State of Oregon Implementation guide and XML schema request. The XML team is still in the final review steps for the proposed E-file guide package. Looking to hold a conference call in October 2014 and finalize the outstanding issues so this request can be approved in Jan 2015.



## E-Commerce Sub-committee Agenda

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No.	Discussion item	Meeting Minutes
5.	Approved simple handout form on obtaining FTA approval for E-file system	<b>Completed</b> – Group reviewed a final mock-up of a simple handout that will summarize the steps that a state should take to get FTA approval for their E-file systems (Forms, E-File Guide, XML schema, etc.). Group has approved this document after the changes requested at today’s meeting have been incorporated into the document.
6.	New item	<b>New item.</b> E-Commerce group is looking to develop a new document on “best practices” for filing old amended returns when a state has upgraded their e-file plat form (EDI to XML, etc.).  Looking to have a rough draft explaining the area of concern and a best practices recommendation to resolve this issue going forward.

## Action Items:

No.	Discussion Item	Resource	Action Required	Status (NS, IP, Done)
1	IRS move to XML	IRS work group	No action taken – Monitor to be able to provide support to IRS in their review of the pros and cons of moving to XML from the IRS 4030 X12 map for ExSTARS reporting.	IP
2	Work on handout on how to submit E-file work to FTA	E-Commerce group	E-Commerce group is looking to develop a new document on “best practices” for filing old amended returns when a state has upgraded their e-file plat forms.	IP



**COMMUNICATION & COORDINATION SUBCOMMITTEE  
TENTATIVE AGENDA – FRIDAY, JANUARY 23, 2015  
SACRAMENTO, CALIFORNIA**

1. WELCOME
2. APPROVAL OF MINUTES FROM THE SEPTEMBER 26, 2014 MEETING.
3. DISTRIBUTE THE LATEST EDITION OF THE UNIFORMER – CINDY ANDERS-ROBB, FEDERATION OF TAX ADMINISTRATORS
4. TAXATION, DIVERSION, ALTERNATIVE FUELS BOOKLET-DISCUSS ANY REVISIONS FOR THE 2015 TAXATION. DIVERSION, ALTERNATIVE FUELS BOOKLET. SUGGESTION WAS MADE TO ADD A QUESTION ASKING WHAT EACH STATE REQUIRES ON INVOICES/BILL OF LADING.
5. DISCUSS REVISED DRAFT OF DEFINITIONS, MODEL LEGISLATION, ETC FOR BUY/SELL AGREEMENTS (FLASH TITLE) AND RENEWABLE FUELS ALONG WITH DIAGRAMS-ANNE NICHOLSON-EXXONMOBIL.
6. DISCUSS THE DEFINITION FOR “FUEL GRADE ETHANOL” AND WHAT ALTERNATIVE FUEL DEFINITIONS NEED TO BE DEFINED.
7. THE NATIVE AMERICAN SURVEY WILL NEED TO BE UPDATED IN 2015. WILL NEED REPRESENTATIVES FROM EACH REGION TO HELP WITH THE SURVEY UPDATES.
8. OLD BUSINESS
9. NEW BUSINESS
10. NEXT MEETING : TO BE DETERMINED.

**FTA MOTOR FUEL UNIFORMITY COMMITTEE  
COMMUNICATION & COORDINATION SUBCOMMITTEE  
JACKSON, WYOMING  
SEPTEMBER 26, 2014  
MINUTES**

The Communication & Coordination Subcommittee met on Friday, September 26, 2014. State Co-Chair Christy Dixon and Industry Co-Chair, Anne Nicholson conducted the meeting. The meeting was called to order at approximately 1:00 PM. There were 37 attendees.

The minutes from the May 2, 2014 meeting were approved by the subcommittee.

The latest edition of the Uniformer (September, 2014 copy) was distributed.

**Taxation, Diversion and Alternative Fuels Booklet-** The 2014 booklet was printed and put onto the CD. Both were available at the meeting. The subcommittee attendees were asked to think about any additional items for the 2015 booklet. A suggestion was made at the Uniformity meeting that we add a question asking what each state requires on invoices/bills of lading.

**Definitions**

**Fuel Grade Ethanol** has been tabled until the next meeting in January, 2105. The **Electronic Filing** was approved by the subcommittee and the full Uniformity committee:

Electronic filing is the secure transmission of machine readable structured data Between a filer and a government agency and the acknowledgement thereof.

Electronic filing data may be exchanged in:

- a) Extensible markup language (XML)
- b) ASC X12 electronic data interchange
- c) Spreadsheet or structured text files

FTA (Motor Fuel Tax and Tobacco Sections) has established national standard electronic filing formats and recommends XML and/or ASC X12 data exchanges for state use.

**Buy/Sell Agreements and Flash Title Agreements-**a draft document was discussed; and after much discussion, the working group is going to make revisions to the document and present it at the next meeting in January, 2015.

The following is a list of the working group for this project:

Scott Louie, Chevron  
Carol Player, South Carolina  
Ann Nicholson, ExxonMobil  
Bob Donnellan, Global Companies, LLC  
Rich Little, Deloitte Tax

Bill Gray, Sinclair Oil

**Alternative Fuel Definitions**-the subcommittee will look at several definitions for alternative fuels in 2015.

**Native American Survey**-the survey will need to be updated and printed in 2015.

The next meeting will be on Friday, January 23, 2015, Sacramento, California.

Christy Dixon, State Co-Chair, State of Oklahoma  
Anne Nicholson, Industry Co-Chair, ExxonMobil