



FTA Motor Fuel Tax Section

Federation of Tax Administrators • 444 North Capitol Street, N.W., Washington, D.C. 20001 • 202-624-5890

TO: Uniformity Subcommittee Participants

FROM: Cindy Anders-Robb
Manager – Motor Fuel Tax

SUBJECT: **Uniformity Meetings**

DATE: January 24, 2013

The **May 2013** Motor Fuel Tax Section Uniformity Committee meeting is scheduled for Houston, Texas. The Subcommittees will meet all day **May 3, 2013**. The Main Uniformity meeting is scheduled for **May 4, 2013**. (*The meetings are on Friday and Saturday*) The meeting will be at the DoubleTree by the Galleria. The special rate at the DoubleTree is \$109.00 plus 17% tax. Make your reservations directly with the hotel by calling **(713) 961-9000**. Make certain to inform the hotel that you will be attending the “Federation of Tax Administrators” meeting to receive the special rate. The address of the hotel is 5353 Westheimer Road, Houston, TX 77056. Please note that the cut-off date for the hotel reservation is **April 10, 2013**.

The **September 2013** Motor Fuel Tax Section Uniformity Committee meeting is scheduled for Fargo, North Dakota. The Subcommittees will meet all day **September 20, 2013**. The Main Uniformity meeting is scheduled for **September 21, 2013**. (*The meetings are on Friday and Saturday*) The meeting will be at the Holiday Inn Fargo. The special rate at the Holiday Inn is \$77 single, \$92 double plus 10.5% tax. Make your reservations directly with the hotel by calling **(800) 282-2700 or (701) 282-2700**. Make certain to inform the hotel that you will be attending the “Federation of Tax Administrators” meeting to receive the special rate. The address of the hotel is 3803 13th Avenue South, Fargo, North Dakota. Please note that the cut-off date for the hotel reservation is **August 29, 2013**.

PRELIMINARY AGENDA
FTA Motor Fuel Tax Uniformity Committee
Houston, Texas
May 3-4, 2013

Friday 8:00am – 5:00pm
May 3, 2013

Subcommittee

Room One

1:00pm – 5:00pm
Communication & Coordination
Compliance
**(Both subcommittees are
meeting together in the afternoon)**

Room Two

8:00am – Noon
Electronic Commerce
Forms Management
**(Both subcommittees are
meeting together in the morning)**

1:00pm – 5:00pm
Electronic Commerce
(Technical Session)

Saturday 8:00 am to noon
May 4, 2013

FTA Full Uniformity Committee

1. Introduction
2. Approval of minutes
3. Presentations
4. Subcommittee Reports and Recommendation
Each subcommittee will give a report of the subcommittee and any recommendations for the Full Uniformity Committee to vote on.
 - Communication & Coordination
 - Compliance
 - E-Commerce
 - Forms Management
5. Old Business
6. New Business
7. Next Meeting
8. Adjourn

1:00 pm to 5:00 pm
Subcommittee will continue to meet if necessary

PRELIMINARY AGENDA
FTA Motor Fuel Tax Uniformity Committee
Fargo, North Dakota
September 20-21, 2013

Friday 8:00am – 5:00pm
September 20, 2013

Subcommittee

Room One

1:00pm – 5:00pm
Communication & Coordination
Compliance
**(Both subcommittees are
meeting together in the afternoon)**

Room Two

8:00am – Noon
Electronic Commerce
Forms Management
**(Both subcommittees are
meeting together in the morning)**

1:00pm – 5:00pm
Electronic Commerce
(Technical Session)

Saturday 9:00 am to noon
September 21, 2013

FTA Full Uniformity Committee

9. Introduction
10. Approval of minutes
11. Presentations
12. Subcommittee Reports and Recommendation
Each subcommittee will give a report of the subcommittee and any recommendations for the Full Uniformity Committee to vote on.
 - Communication & Coordination
 - Compliance
 - E-Commerce
 - Forms Management
13. Old Business
14. New Business
15. Next Meeting
16. Adjourn

1:00 pm to 5:00 pm
Subcommittee will continue to meet if necessary

FTA MOTOR FUEL UNIFORMITY COMMITTEE

Long Beach, California

January 26, 2013

Minutes

The FTA Motor Fuel Tax Section Uniformity Committee met at the Hilton Long Beach, California. Jeremy Neeck (MN) Uniformity State Chair called the meeting to order. Thirty-seven (37) were in attendance. (See attached list of attendees)

Minutes

The minutes of the October, 2012 Uniformity Committee meeting in Providence, Rhode Island were approved; however, the committee wanted to add to the minutes –watched the training video “Mr. Mob” by Peter Steffens.

Presentation – Pass System

Bob Behrens-Smiths Detection Company and Ted and Debbie-Spearhead with Pacific Laboratory demonstrated equipment that can detect liquids and other products.

Ted presented, Pass-Acoustic Technology. Ray Gun that can detect what is in a container. It cannot identify liquids, other products in a double walled container at this time. Discussion about the Ray Gun included the fact that all fuel transport trucks are now required to be double walled.

The presentation at the next meeting in Houston, Texas will be from NGN America.

Uniformity Chairs

State Co-Chair	Jeremy Neeck – State of Minnesota
Industry Co-Chair	Bob Donnellan – Global Companies LLC

Subcommittee Chairs

Compliance Subcommittee

State Co-Chair	Cindy Mongold – State of Kansas
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, ConocoPhillips

Forms Management Subcommittee

State Co-Chair	Lee Gonzalez, State of Florida
Industry Co-Chair	Scott Louie – Chevron

Subcommittee Reports

The **Compliance Subcommittee** Cindy Mongold (KS) reported there were Thirty (30) in attendance. The committee discussed:

Training Schedule update for 2012 and 2013

The FTA Motor Fuel Advanced Training Course was held in Savannah, Georgia at the DeSota Hilton on November 25 – November 29, 2012. There were 30 students in attendance.

No training schedule at this time for 2013. Schedule is currently being worked on.

Dyed Diesel Stats

Jeremy Neeck of Minnesota provided the dyed fuel stats spreadsheet for 2012 with the 4th quarter information updated. He's still waiting for 4th quarter information from several states. Once those are received he'll get it updated and sent out to everyone.

It appears that more states are getting involved with dyed fuel inspection programs. Everyone agrees that even if the % of violation is small, just the presents of continued inspections encourages compliance.

IRS Update

No IRS presentation, however, there was a discussion regarding the Biodiesel credit of \$1.00 and the Alternative fuels credit returning, which was retroactive.

CNG White Paper

CNG White Paper was referred to the Communication and Coordination team and was reviewed during that sub-committee's meeting.

Compliance Tools

Categories for the White Paper document regarding Compliance Tools was presented and input was requested. It was suggested to add ExSTARS.

- Audit
- Terminal Manifest Matching
- Diversion Review
- Import/Export Information Exchange between states
- Dyed Fuel Inspections
- Publicity of Prosecuted Fuel Tax cases

We are also looking to compile information from the FTA Motor Fuel training manuals.

New Projects for 2013?

The committee is looking for new projects to work on. If you have any project you would like to see, please contact Cindy Mongold at cindy.mongold@kdor.ks.gov

The following scenario was provided by a state representative for Uniformity to address:

A non-registered exporter (non-registered in State A) buys fuel destined for a rack tax state from a rack tax state. The supplier of record is a permissive supplier for State B (according to State B's laws, a permissive supplier must collect tax on all loads with State B as the destination state). State A requires the supplier to collect State A tax from the non-registered exporter. State B holds the permissive supplier liable for the tax on the loads destined for State B. Does the permissive supplier have any recourse with regard to the taxes imposed by State A? Should the supplier collect both taxes from the non-registered exporter?

It was decided that this issue would be combined with the Buy/Sell & Flash Title issue from the Communication and Coordination sub-committee that Scott Louie and his team would be researching.

Open Discussion

Several articles were handed out regarding CNG & LNG and the present & future use of these fuels by commercial fleets.

<http://www.fleetsandfuels.com/>

Also provided the article "The New Way to Tax: Pay Per Mile Driven" regarding the state of Washington charging a tax of \$100 per year on electric cars and VMT (Vehicle Miles Traveled).

<http://www.cnbc.com/id/100359287/>

(See the minutes of this subcommittee for more details)

The **Forms Management Subcommittee** Lee Gonzalez (Florida) reported that this committee met with Electronic Commerce. There were thirty-seven (37) in attendance. The subcommittee discussed the following:

Crosswalk (FTA and STCC Codes)

Team did not have significant progress to report since the October, 2012 meeting.

Uniform Alternative Fuels Tax Report

The Alternative Fuel Tax Report team presented another draft of a Uniform Alternative Fuel Form which included a summary schedule to address exempt sales by product types.

EC Survey Results

Ray Rhoads provided an update on the state electronic filing for each state. The survey was discussed and a few new ideas were brought up for next years survey:

- Piggy back IRS factors
- Piggy back IFTA recommendations (note-There is currently a team reviewing alternative fuel conversions and rates)
- Recognize each state is different and legislation dictates conversion factors.

A decision was made to refer alternative fuel conversions to the Communications and Coordination Subcommittee to look at putting something in the Model Legislation concerning conversion factors.

EIA Code Presentation

Bill Gray gave a presentation on converting FTA to EIA codes. Presentation was based on meetings between state, IRS, EIA, and industry representatives. Presentation included problems with converting FTA to EIA codes and issues that must be resolved before FTA can move forward with this project. Examples of problems included in the presentation include:

Problems with FTA Codes

- Focuses on below the rack transactions
- Definitions of product codes are too broad.
- FTA product codes are incomplete
- FTA codes are ambiguous and obsolete

Problems with EIA codes

- Product code defines the use of the product and not the composition of the product.
- Definitions of product codes are too specific (example – 39 different grades of gasoline).
- EIA codes are incomplete
- New product codes are updated every three years.

Examples of issues that must be addressed include:

- Common definitions for product codes (FTA/EIA).
- Plain language definitions
- Formal process to request new product codes.

Once the presentation was completed, Michael Conner from EIA expanded on EIA's role in this project. He also added additional pros and cons of creating a uniform list of codes.

Committee discussed direction of project. The group proposed three solutions:

1. Create uniform list.
2. Create a cross walk between FTA, EIA, and IRS codes.
3. Table discussion and offer to participate in subsequent meetings between EIA, IRS, and FTA.

Committee decided the benefits of options 1 and 2 did not equal or exceed the cost of implementing the solution. The group decided to table the issue, however, FTA will reach out to the IRS and offer team members to participate in future meetings.

Industry Issues

The Industry presented three they are having with taxing jurisdictions:

1. State requires supplier to calculate tax due based on the point of destination for all movements of fuel by barge. Destination is difficult to determine due to change in ownership.
2. Industry needs uniformity by state for buy/sell agreements where product is exported.
3. State requires supplier to calculate a tax rate based on the presence of biodiesel fuel in blend. Supplier prefers legislation that would eliminate exemption and tax 100% of blend.

State ExSTARS Update

Edie Martin provided an ExSTARS update for information filed in Kansas and Mississippi. In summary, the majority of the returns filed are still using an 826 designation.

(See the minutes of this subcommittee for more details)

Approved by the Full Committee

The Uniform Alternative Fuels Tax Report (see FTA's Website)

The **Electronic Commerce Subcommittee** Hal Lovell (CA) reported there were twelve (12) in attendance. The subcommittee discussed the following:

EDI REF Segment

Group discussed the fact that the IRS might not need this segment anymore. The Committee reviewed a release on the IRS website related to this segment and believe the best solution is to update the segment with a note in the FTA guide that the IRS no longer requires this field to be used at this time. FTA will leave the segment in the guide with this notation.

IRS Project to transition to XML

No action has been made by the IRS since the last meeting in October, 2012. Hal Lovell will follow up with Larry Porter (IRS) to see how this project is going.

Postal Code List-Mexico import transactions in XML Schema

The Committee will update the E-File guide later this year.

Alternative Fuel Tax Report

The subcommittee will need to make sure that the XML and EDI formats can support the return structure in the alternative fuel return. There was some concern about other units of measure not being supported in the maps for this return. The group will look at this in more detail at the next meeting.

E-File Implementation Guide Update

The subcommittee will be setting up weekly meetings every Tuesday starting on February 25 at 4pm ET to continue the rewrite the E-file guide. The group is also

going to recommend that the 2005 IRS guide get updated on the FTA yearly release cycle.

(See the minutes of this subcommittee for more details)

The **Communication and Coordination Subcommittee** Christy Dixon (OK) reported that twenty-three (23) were in attendance. The subcommittee discussed the following and the January, 2013 *Uniformer* was passed out. (See minutes for the publication)

2013 Taxation, Diversion and Alternative Fuels Booklet

The subcommittee discussed The Taxation, Diversion and Alternative Fuels Booklet that is to be updated for 2013 FTA Motor Fuel Annual Meeting. The subcommittee wants to add tax rates, conversion rates, etc for Compressed Natural Gas, Liquefied Natural Gas, Propane, etc and add the Canadians to the booklet. The subcommittee looked at copies of the questions that have been asked on the Motor Fuel Listserv and decided that all of the questions should be incorporated into the booklet. A draft of additional items to be added will be discussed at the next uniformity meeting in May, 2013 before the booklet is sent to each state to be updated. The name of the booklet will also be changed.

Definitions

There were no current definitions discussed at the meeting for any revisions.

Native American Survey

The 2011 Native American Survey needs to be updated and printed for the 2013 FTA Motor Fuel Annual Meeting. Again someone from each region will contact the states within their region and get any changes or updated to the survey. The following people from each region will contact the states within their regions:

Midwest-Marcia Leichner-State of Nebraska
 Northeast-To be determined
 Pacific-Lou Feletto-State of California
 Southern-Lee Gonzalez-State of Florida

The survey will be sent out to states for revisions/updates in April, 2013.

Buy/Sell Agreements and Flash Title Agreements

The subcommittee had a very lengthy discussion concerning Buy/Sell Agreements and Flash Title Agreements. A working group will work to put together some type of language for Model Legislation and will also relook at the definition that was previously approved for Buy/Sell Agreement. Scott Louie stated that API is also looking at putting together some type of legislation. Scott will check with API for their input also. The following are part of the working group:

Scott Louis, Chevron
 Carol Player, South Carolina
 Ann Nicholson, ExxonMobil
 Bob Donnellan, Global Companies, LLC
 Pitter Martinez, Gavelon, LLC
 Ashley Scheele, Deloitte Tax

Alternative Fuels Section of Model Legislation

The revisions to be made to the current Alternative Section of the Model Legislation is currently being worked on by Cindy Mongold-State of Kansas and Wilda Ice-State of West Virginia. This will be discussed at our next meeting in May, 2013.

White Paper Document on Inventory Gains and Losses

Wilda Ice-State of West Virginia is currently working on this document. Will be discussed at our next meeting in May, 2013.

Open Discussions

None

(See the minutes of this subcommittee for more details)

Canadian Update

Rick Calloway reported that they are continuing to change the project structure. The Council is looking at CNG, LPG and LNG and are doing studies such as:

1. Background paper
2. Risk Analysis-equity of the products-lost revenue
3. Uniform model of best practices
4. Registration-enforcement-point of taxation

The Canadian project currently has three training courses; however they are seeing a decline in attendance. They are going to take the three manuals and break them down to smaller manuals. By breaking them down into smaller manuals they are going to implement on-line training with the manuals.

The Canadian project website is currently being updated.

New Business

The EC Survey working group will look at what changes need to be made to the survey concerning the states' points of taxation and will be discussed at the next meeting in May, 2013.

The Steering Committee is looking for topics for the Annual Motor Fuel meeting in September. If you have anything you wish to see on the agenda please contact:

Edie Martin
Jeremy Neeck
Cindy Anders-Robb

Next Meeting

The next Uniformity Committee meeting is scheduled for May 3 and 4, 2013 in Houston, Texas.

The meeting was adjourned.



Forms Sub-committee Agenda

01/27/2011

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Meeting Agenda and Minutes

Type of Meeting	FTA – Forms Sub-committee
Date	May 3, 2013
Venue	TBD
Start Time	8:00 am

Agenda:

No.	Topic(s)	Update Provided (Yes/No)
1	Introduction	Lee Gonzalez
2	Review of Minutes (January 2013)	Lee Gonzalez
3	Old Business 1) Crosswalk (FTA and STCC Codes)	Michael Grammer
4	New Business 1) Georgia Forms Review 2) Mode Codes (Uniformity Book Changes) 3) Industry Issues 4) State ExSTARS Update	Tracy Lenius Bill Gray Scott Louie Edie Martin
5	Recap and Adjournment	Lee Gonzalez

Meeting Minutes:

No.	Discussion item	Meeting Minutes
1	January 2013 Minutes	
2	Crosswalk (FTA and STCC Codes)	
3	Georgia Forms Review	
4	Mode Code	
5	State ExStars Update	

Action Items:

No.	Discussion Item	Resource	Action Required	Status (NS, IP, Done)
1	Crosswalk (FTA and STCC Codes)	Group	Create cross walk between FTA and STCC codes. Team Members - Michael Grammer, Ray Grimm, Bob Donellan, Vicky Freedman, Winston Stein, and Gene Holland	In Progress



Meeting Agenda and Minutes

Type of Meeting	FTA – Forms Subcommittee
Date	January 25, 2013
Venue	Long Beach, California
Start Time	8:00 am

Agenda:

No.	Topic(s)	Resource
1	Introduction 20 – State Attendees 17 – Industry Attendees	Lee Gonzalez
2	Review of Minutes (October 2012)	Cheryl Gilson
3	Old Business a) Crosswalk (FTA and STCC Codes) b) Uniform Alternative Fuels Tax Report c) Update (Converting FTA to EIA Codes)	Michael Grammer Edie Martin Bill Gray
4	New Business a) EC Survey Results b) Industry Issues c) State ExSTARS Update	Ray Rhoads Scott Louie Edie Martin
5	Recap and Adjournment	Lee Gonzalez

Meeting Minutes:

No.	Discussion item	Meeting Minutes (27 attendees)
1	October 2012 minutes	Minutes from October 2012 Forms Committee meeting were reviewed and approved.
2	Cross Walk (FTA and STCC Codes)	Team did not have significant progress to report since the October of 2012 meeting.
3	Uniform Alternative Fuels Tax Report	Edie Martin presented a draft of the Alternative Fuel Tax Form with changes proposed at the October of 2012 Forms Sub-Committee meeting. Committee had no additional recommendations for form changes. Motion was passed to define form as uniform and add to the uniformity guide.



No.	Discussion item	Meeting Minutes (27 attendees)
4	Update (Converting FTA to EIA Codes)	<p>Bill Gray gave a presentation on converting FTA to EIA codes. Presentation was based on meetings between state, IRS, EIA, and industry representatives. Presentation included problems with converting FTA to EIA codes and issues that must be resolved before FTA can move forward with this project. Examples of problems included in the presentation include:</p> <p>Problems with FTA Codes</p> <ul style="list-style-type: none"> • Focuses on below the rack transactions • Definitions of product codes are too broad. • FTA product codes are incomplete • FTA codes are ambiguous and obsolete <p>Problems with EIA codes</p> <ul style="list-style-type: none"> • Product code defines the use of the product and not the composition of the product. • Definitions of product codes are too specific (example – 39 different grades of gasoline). • EIA codes are incomplete • New product codes are updated every three years. <p>Examples of issues that must be addressed include:</p> <ul style="list-style-type: none"> • Common definitions for product codes (FTA/EIA). • Plain language definitions • Formal process to request new product codes. <p>Once the presentation was completed, Michael Conner from EIA expanded on EIAs role in this project. He also added additional pros and cons of creating a uniform list of codes.</p> <p>Committee discussed direction of project. Three solutions were proposed by group.</p> <ol style="list-style-type: none"> 1. Create uniform list. 2. Create a cross walk between FTA, EIA, and IRS codes. 3. Table discussion and offer to participate in subsequent meetings between EIA, IRS, and FTA. <p>Committee decided the benefits of options 1 and 2 did not equal or exceed the cost of implementing the solution. Group decided to table the issue. However, FTA will reach out to the IRS and offer team members to participate in future meetings.</p>
5	EC Survey Results	Ray Rhoads provided an update on the state of electronic filing for each state.
6	Industry Issues	<p>Scott Louie presented three problems industry is having with taxing jurisdictions.</p> <ol style="list-style-type: none"> 1. State requires supplier to calculate tax due based on the point of destination for all movements of fuel by barge. Destination is difficult to determine due to change in ownership. 2. Industry needs uniformity by state for buy/sell agreements where product is exported. 3. State requires supplier to calculate a tax rate based on the presence of biodiesel fuel in blend. Supplier prefers legislation that would eliminate exemption and tax 100% of blend.
7	State EXSTARS Update	Edie provided an EXSTARS update for information filed in Kansas and Mississippi. In summary, the majority of the returns filed are still using an 826 designation.



Forms Sub-committee Agenda

01/25/2013

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Action Items:

No.	Discussion Item	Resource	Action Required	Status (NS, IP, Done)
1	Alternative Fuel Report	Eddie Martin	Team will design report and instructions that can be used to report and pay alternative fuel tax.	Done
2	FTA to STCC Product Codes	Michael Grammer	Create cross walk between FTA and STCC codes. Team Members - Michael Grammer, Ray Grimm, Bob Donellan, Vicky Freedman, Winston Stein, and Gene Holland	IP

Alternative Fuels Tax Report

Alternative Fuels Tax Report

Purpose

The Alternative Fuels Tax report gives the state full accountability of all accountable (*taxable*) products. This report gives the state an independent source of information that can be used to verify transactions.

Who Must File

All alternative fuel dealers and/or users receiving and/or selling accountable products must file the Alternative Fuels Tax report. This includes anyone who delivers or places alternative fuel into the fuel supply tank of an alternative fuel vehicle, for use on public highways. Anyone who uses electricity to power a motor vehicle on the highway must also file.

Schedule(s)

A state that requires tracking of each transaction; receipts, disbursements, carrier, mode of transportation, conversion calculation/information (BTU, cubic foot, pounds, units, kilowatt hours), inventory, non-taxable use, sales to exempt entities, uncollectable/bad debt losses and/or withdrawals from bulk storage may want to include a schedule(s).

The summary schedule is designed to show a summation of each schedule type.

Conclusion

The Alternative Fuels Tax report is designed to allow any state to modify it for relevance to that state. For example, if future alternative fuels are identified, a state could add products as needed.

Alternative Fuels Tax Report

			State
			Month
			Filing Period End (CCYYMMDD)
Name			License Number
Address 1			FEIN/SSN
Address 2			Email Address
City	State	Zip Code	

(a) Fuel Type	(b) Total Gallons Sold (Cubic Foot, Kilowatt Hour, Pound, Unit)	(c) Exempt Sales (Cubic Foot, Kilowatt Hour, Pound, Unit)	(d) Taxable Gallons (Cubic Foot, Kilowatt Hour, Pound, Unit)	(e) Tax Rate Per Gallon (Cubic Foot, Kilowatt Hour, Pound, Unit)	(f) Tax Due (column d x e)
1. CNG (compressed natural gas)				.XXX	\$
2. LNG (liquefied natural gas)				.XXX	\$
3. LPG (liquefied propane gas)				.XXX	\$
4. Ethanol				.XXX	\$
5. Methanol				.XXX	\$
6. Electricity				.XXXX	\$
7. Other (Describe)				.XXX	\$
8. Sub Total					\$
9. Evaporation/Loss Allowance					\$
10. Penalty and/or Interest (If Applicable)					\$
11. Total Alternative Fuels Tax Due					\$

I certify the information provided on this form has been examined by me and is, to the best of my knowledge, true and correct.

Print Name	Title	Date
Signature		Telephone Number



E-Commerce Meeting Agenda

Date	May 3, 2013 - Houston, TX
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Agenda:

No.	Topic(s)
1	Review the Final Draft of E-file Implementation Guide (under revision) – We are adding an XML Section – and we plan to seek approval for this guide to be placed in the 2013 publication distribution at the FTA Annual meeting in Sept 2013.
2	Alternative Fuels Return - The E-commerce group will review the XML and EDI formats to verify that our e-file formats can support the return structure in the alternative fuel return. There was some concern about other units of measure not being supported in the maps for this return.
3	Go over E-Commerce Subcommittee recommended changes to Uniformity Book. Our goal is to make both FTA publications (Uniformity Book and E-file Guide) in sync when using like forms (Product Code Table, etc.).
4	Status update on the IRS subproject to review if moving ExSTARS reporting to XML format is a good solution to the rapidly changing e-file world.
5	New Topics



E-Commerce Meeting Agenda

Type of Meeting	FTA – E-Commerce
Date	January 26, 2013
Venue	Long Beach, CA
Start Time	1:00 pm

Agenda:

No.	Topic(s)
1	Review of Minutes from last E-Commerce meeting (October 26, 2012)
2	Status on the sub-committee project – To Update the E-file Implementation Guide – Adding XML Section - How is the revision to this guide progressing?
3	Review the new XML postal code table (XML Schema) against the FTA Appendix F Postal Code table. Suggest necessary changes to synchronize these two lists.
4	Review the EDI segment related to transaction information to see if the IRS still needs this segment in their EDI file.
5	Look for a status update on the IRS subproject to review if moving ExSTARS reporting to XML format is a good solution to the rapidly changing e-file world.
6	New Topics

Meeting Minutes:

No.	Discussion item	Meeting Minutes
1.	Introduction	Total attendees – 12 in person (no one by phone) Industry 2 Misc (Vendors, etc.) 4 States and FTA 6
2.	Minutes	We discussed/reviewed minutes from the October 26, 2012 meeting in Providence Rhode Island. No changes were recommended. Notes were approved by committee
3.	Discussed the status on updating the E-filing Guides	On-Going – E-File Implementation Guide Update – The group reviewed and approved the “new” approval procedures that added the XML format to review E-guides from the states. We would like to get this document on the FTA website ASAP and then next year we will add this procedure to the Uniformity books. We will be setting up weekly meetings every Tuesday starting on 2/5 at 4pm ET moving forward to continue to rewrite the E-file guide. We also are going to recommend that the 2005 IRS guide get updated on the FTA yearly release cycle.



No.	Discussion item	Meeting Minutes
4.	Related to the Postal Code list the group discussed the concept of increasing the Postal Code to a 3 digit alpha/numeric field	Sub-committee reviewed the differences between the XML schema which was updated to resolve issue with aged postal codes. No list is perfect but Stan came up with a newer table of Mexican states that will assist us in updating Appendix F to mirror the list used in the XML schema. <u>This issue will be closed by committee with the update of the E-file guide later this year.</u>
5.	Update on IRS exploratory project to transition to XML format	<u>On-going</u> – Last meeting Rich Little presented a quick pitch for volunteers from Industry and State Reps to join the IRS in the XML project for ExStars reporting. The IRS is trying to determine with their e-file efforts if XML might be a better platform for ExSTARS moving forward. Rich asked us to work with the Point of Contact (Larry Porter) who will be the lead on this project for the IRS. Rich was able to get a few committee members to volunteers on this project. No action yet so Hal Lovell will follow up with Larry Porter (IRS) to see how this project is going.
6	EDI REF segment	<u>On-going</u> - Group discussed the fact that the IRS might not need this segment anymore. We reviewed a release on the IRS website related to this segment and believe the best solution is to update the segment with a note in the FTA guide that the IRS no longer requires this field to be used at this time. We will leave the segment in the guide with this notation. <u>This issue will be closed by committee with the update of the E-file guide later this year.</u>
7.	Alternative Fuel Returns	<u>New Item</u> - The E-commerce group will need to make sure that the XML and EDI formats can support the return structure in the alternative fuel return. There was some concern about other units of measure not being supported in the maps for this return. The group will look at this in more detail at next meeting.

Action Items:

No.	Discussion Item	Resource	Action Required	Status (NS, IP, Done)
1	Alternative Fuels Return	E-Commerce Group	Review the XML and X12 file structures to make sure that we can adequately capture the different measurements options available with this return	NS
2	IRS move to XML	IRS work group	Continue to provide support to IRS in their review of the pro's and con's of moving to XML from the IRS 4030 X12 map for ExSTARS reporting.	IP
3	Add XML to e-commerce implementation guide	XML Work Group	Review draft XML guide when it is ready for peer review (ecommerce group) and provide input to XML working group developing this guide.	IP

COMPLIANCE SUB-COMMITTEE

AGENDA – May 3, 2013

Houston, TX

1. Welcome
2. Approval of Minutes from January 2013 meeting
3. Training Schedule Update
4. Dyed Fuel Stats: Jeremy Neeck
5. IRS Update:
6. Old Business:
 - a. Compliance Tools document – Wilda Ice, Cindy Mongold & Edie Martin
 - b. Pass out articles
 - i. Bulletin No. 1855 (CNG)
 - ii. The Peugeot Air Powered Hybrid Car Could Hit Streets By 2012 (Provided by Ray Mattson-Grimm)
 - iii. BNSF explores liquefied natural gas alternative for locomotives (Star-telegram.com)
 - iv. Berkshire's Oil Hauling Railroad Tests Switch to Natural Gas (cnbc.com)
 - v. BNSF to test natural-gas-powered locomotives (Journalstar.com)
 - vi. Honda CNG Touted in Wisconsin (Fleetsandfuels.com)
 - vii. LNG for YRC in California (Fleetsandfuels.com)
 - viii. Love's Loves CNG: Eight Stops in Texas (Fleetsandfuels.com)
 - ix. Ryder NGV's for Shreveport's Eagle (Fleetsandfuels.com)
 - x. UQM Extends Proterra Supply Pact (**All electric bus**) (Fleetsandfuels.com)
7. New Business:
 - a. New projects to work on for 2013
 - b. Open discussion
8. Next Meeting - Fargo, North Dakota – September 20 & 21, 2013

**FTA MOTOR FUEL UNIFORMITY COMMITTEE
COMPLIANCE SUB-COMMITTEE
LONG BEACH, CA
JANUARY 25, 2013**

MINUTES

The Compliance Sub-Committee met on Friday, January 25, 2013. State Co-Chair Cindy Mongold, conducted the meeting. The meeting began at approximately 3:00 PM. There were 23 in attendance.

The minutes from the October 26, 2012 were approved as presented.

Training Schedule Update

Advanced training held Nov. 25 – 29, 2012 in Savannah, Georgia and had 30 attendees.

No training schedule at this time, however working on 2013 schedule.

Dyed Fuel Stats

Jeremy Neeck of Minnesota provided the dyed fuel stats spreadsheet for 2012 with the 4th quarter information updated. He's still waiting for 4th quarter information from several states. Once those are received he'll get it updated and sent out to everyone. It appears more states are getting involved with dyed fuel inspection programs.

Everyone agrees that even if the % of violation is small, just the presents of continued inspections encourages compliance.

IRS Update

No IRS representation, however there was discussion regarding the Biodiesel credit of \$1.00 and the Alternative fuels credit returning, which was retroactive.

CNG White Paper

CNG White Paper was referred to the Communication and Coordination team and was reviewed during that sub-committee's meeting.

Compliance Tools

Categories for the Compliance Tools document were presented and input was requested. It was suggested to add ExSTARS.

- Audit
- Terminal Manifest Matching
- Diversion Review
- Import/Export Information Exchange between states
- Dyed Fuel Inspections
- Publicity of Prosecuted Fuel Tax cases

We are working to compile information and Cindy Anders-Robb will provide the team with information from the training manuals on a flash drive since it's too large to e-mail.

New Projects for 2013?

Asked for projects/topic suggestions for the Compliance Sub-Committee to work on in 2013.

The following scenario was provided by a state representative for Uniformity to address;

A non-registered exporter (non-registered in State A) buys fuel destined for a rack tax state from a rack tax state. The supplier of record is a permissive supplier for State B (according to State B's laws, a permissive supplier must collect tax on all loads with State B as the destination state). State A requires the supplier to collect State A tax from the non-registered exporter. State B holds the permissive supplier liable for the tax on the loads destined for State B. Does the permissive supplier have any recourse with regard to the taxes imposed by State A? Should the supplier collect both taxes from the non-registered exporter?

It was decided that this issue would be combined with the Buy/Sell & Flash Title issue from the Communication and Coordination sub-committee that Scott Louie and his team would be researching.

Open Discussion

Several articles were handed out regarding CNG & LNG and the present & future use of these fuels by commercial fleets.

<http://www.fleetsandfuels.com/>

Also provided the article "The New Way to Tax: Pay Per Mile Driven" regarding the state of Washington charging a tax of \$100 per year on electric cars and VMT (Vehicle Miles Traveled).

<http://www.cnbc.com/id/100359287/>

Next Meeting

May 3 & 4, 2013 in Houston, TX

Cindy Mongold, State Co-Chair, State of Kansas
Rae Takai, Industry Co-Chair, Shell Oil Products

**COMMUNICATION & COORDINATION SUBCOMMITTEE
TENTATIVE AGENDA – FRIDAY, MAY 3, 2013
HOUSTON, TEXAS**

1. WELCOME
2. APPROVAL OF MINUTES FROM THE JANUARY 25, 2013 MEETING.
3. DISTRIBUTE THE LATEST EDITION OF THE UNIFORMER – CINDY ANDERS-ROBB, FEDERATION OF TAX ADMINISTRATORS
4. ALTERNATIVE FUELS BOOKLET-DISCUSS DRAFT OF ADDITIONAL QUESTIONS THAT HAVE BEEN ADDED TO THE BOOKLET: (CONVERSION RATES, TAX RATES FOR CNG, LNG AND CNG, ADD THE CANADIANS) AND ANY OTHER QUESTIONS THE SUBCOMMITTEE FEELS THAT NEED TO BE ADDED.
5. DISCUSS DRAFT OF MODEL LEGISLATION FOR BUY/SELL AGREEMENTS (FLASH TITLE) AND RENEWABLE FUELS ALONG WITH DIAGRAMS-ANNE NICHOLSON-EXXONMOBIL.
6. UPDATE FROM CINDY ANDERS-ROBB CONCERNING THE LNG/IFTA CALLS.
7. DISCUSS THE REVISIONS TO THE WHITE PAPER DOCUMENT “MOTOR FUEL TAX ISSUES WITH NATURAL GAS AND OTHER ALTERNATIVE FUELS 2009”. CINDY MONGOLD, KANSAS
8. DISCUSS THE REVISIONS THAT NEED TO BE MADE TO THE ALTERNATIVE SECTION OF THE MODEL LEGISLATION. WILDA ICE, WEST VIRGINIA AND CINDY MONGOLD, KANSAS
9. DISCUSS THE WHITE PAPER DOCUMENT TO BE COMPLETED FOR INVENTORY GAINS AND LOSSES. WILDA ICE, WEST VIRGINIA
10. 2013 NATIVE AMERICAN SURVEY UPDATE
11. OLD BUSINESS
12. NEW BUSINESS
13. NEXT MEETING : FRIDAY, SEPTEMBER 20, 2013-FARGO, NORTH DAKOTA.

**FTA MOTOR FUEL UNIFORMITY COMMITTEE
COMMUNICATION & COORDINATION SUBCOMMITTEE
LONG BEACH, CALIFORNIA
JANUARY 25, 2013**

MINUTES

The Communication & Coordination Subcommittee met on Friday, January 25, 2013. 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 23 attendees present.

The minutes from the October 26, 2012 meeting were approved.

The latest edition of the Uniformer (January, 2013 copy) was distributed.

General

The subcommittee discussed The Taxation, Diversion and Alternative Fuels Booklet that is to be updated for 2013 FTA Motor Fuel Annual Meeting. The subcommittee wants to add tax rates, conversion rates, etc for Compressed Natural Gas, Liquefied Natural Gas, Propane, etc and add the Canadians to the booklet. The subcommittee looked at copies of the questions that have been asked on the Motor Fuel Listserv and decided that all of the questions should be incorporated into the booklet. A draft of additional items to be added will be discussed at the next uniformity meeting in May, 2013 before the booklet is sent to each state to be updated.

There were no current definitions discussed at the meeting for any revisions.

The subcommittee had a very lengthy discussion concerning Buy/Sell Agreements and Flash Title Agreements. A working group will work to put together some type of language for Model Legislation and will also relook at the definition that was previously approved for Buy/Sell Agreement. Scott Louie stated that API is also looking at putting together some type of legislation. Scott will check with API for their input also. The following are part of the working group:

Scott Louis, Chevron
Carol Player, South Carolina
Ann Nicholson, ExxonMobil
Bob Donnelan, Global Companies, LLC
Pitter Martinez, Gavelon, LLC
Ashley Scheele, Deloitte Tax

A draft of the language will be discussed at our next meeting in May, 2013.

A draft of revisions/updates for the current White Paper document "Motor Fuel Tax Issues with Natural Gas and Other Alternative Fuels 2009" was presented. The

subcommittee discussed the revised document and a few revisions need to be made and the subcommittee will look at it at our next meeting in May, 2013.

The White Paper Document concerning Inventory Gains and Losses that is being worked on by Wilda Ice-State of West Virginia, will be discussed at our next meeting in May, 2013.

The revisions to be made to the current Alternative Section of the Model Legislation is currently being worked on by Cindy Mongold-State of Kansas and Wilda Ice-State of West Virginia. This will be discussed at our next meeting in May, 2013.

The 2011 Native American Survey needs to be updated and printed for the 2013 FTA Motor Fuel Annual Meeting. Again someone from each region will contact the states within their region and get any changes or updated to the survey. The following people from each region will contact the states within their regions:

Midwest-Marcia Leichner-State of Nebraska
Northeast-To be determined
Pacific-Lou Feletto-State of California
Southern-Lee Gonzalez-State of Florida

The survey will be sent out to states for revisions/updates in April, 2013.

The next meeting will be on May 3, 2013, Houston, Texas.

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

The Uniformer

MESSAGE FROM THE NATIONAL CHAIR EDIE MARTIN

Happy New Year! I hope everyone enjoyed the Holidays and spending time with family and friends!

Thank you to the Midwest Region for nominating me to serve as the Section Chair! I am also very proud to be part of the FTA Motor Fuel Uniformity Committee. Together, we have accomplished many goals and I look forward to continuing the cooperative effort to create uniformity and resolve issues for the benefit of all involved.

We face many challenges in the upcoming year. Budget constraints continue to impact participation. Alternative methods to fund highways are being considered. New and renewable fuels are surfacing and natural gas is becoming more popular as a motor vehicle fuel. It looks like we'll have our work cut out for us!

I would like to encourage you to get involved. Everyone's opinion counts. We all bring unique ideas to the table to assist with issue resolution and create a quality end product via teamwork.

Thank you again, for the opportunity to serve as the FTA Motor Fuel Tax Section National Chair! I look forward to working with everyone in 2013! If I can be of assistance, my contact information is as follows:

edie.martin@kdor.ks.us or
(785) 296-5327.

MESSAGE FROM THE UNIFORMITY COMMITTEE STATE CO-CHAIR JEREMY NEECK

Happy New Year! It is hard to believe another year has come and gone and it is already 2013. 2012 was a great year for the FTA Motor Fuel Tax Section and for the Uniformity Committee. We were able to bring back both Basic and Advanced Auditor Training that had great attendance for both classes. We had almost 200 people register for the annual meeting in Providence, Rhode Island until that nasty storm Sandy had to mess things up a bit and interrupted travel plans for some getting to Providence. I want to send a special thank you to the people of Rhode Island for their kind hospitality and for providing a great location for our annual meeting. I also want to send a BIG thank you to Dawn Lietz (NV) our National Chair for her hard work and dedication and her ability to adapt with changes running the annual meeting with all that was going on in Rhode Island with the storm and making the annual meeting a great success.

With the New Year also brings in new leadership for FTA Motor Fuel Tax Section. Edie Martin (KS) is our new National Chair and Jim Oliver (KY) is our new Vice Chair. I look forward to working with them in the coming year to continue to promote

Uniformity with all states and industry.

In 2013, I hope we are able to continue to increase attendance at our Uniformity Meetings and continue to work towards our goals and missions set forth in our 11 point plan and mission statement. With the growing increase in use of alternative fuels and electricity as a means for vehicle propulsion we need to stay abreast of these changes and work proactively to ensure proper funding is sustained for our roads and infrastructure.

MESSAGE FROM THE UNIFORMITY COMMITTEE INDUSTRY CO-CHAIR BOB DONNELLAN

As we move into 2013 there are a number of issues that are becoming a problem regarding Bills of Lading and how tax at the rack should be applied and or not applied. BOL's for all intense purposes should be used as an information tool and not as a billing document. In speaking with several States on "Flash Transactions", we have Position Holders charging an incorrect destination State tax, as the "Flash Purchaser" is not the exporter. This now raises the issue of Diversions and the need for the exporter to notify the Diversion Registry of the State of Destination. I am confident in the coming year that between the States and the Industry can come to a solution that is amenable to all parties.

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

On behalf of the FTC, we hope everyone enjoyed the holiday season and are looking forward to a prosperous and happy new year in 2013.

The FTC is making significant progress on a number of key priorities during the first part of 2013.

A comprehensive study of the current and future impact of consumption of LNG, CNG and LPG for motive use on the efficiency, equity and revenues of fuel tax administration will be presented to our Advisory and Steering Committees in May 2013. Part of that presentation will be to make recommendations to address the risks and opportunities identified. A project team of industry and government members are working together to better understand the current use and market, as well as, to share some of the future directions planned and challenges expected for these products.

We continue to enhance and maintain our Uniform Model for tax administration with the current focus being to evaluate and update the Generic Fuel Tax Return and to implement the Systems Information Binder (SIB). For the return, we are looking at its format and the information reported to ensure the needs of our members are being met. We will also be identifying how consistently the

generic return is being adopted by the jurisdictions. For the implementation of the SIB, we are developing a process for field auditors to introduce the binder as they request and document information as part of the normal audit process. We have also received a request from a committee of auditors from across Canada to consider how the use of the binder can be expanded into other tax programs due to the value and flexibility of its format.

Another priority for the first few months of 2013 is to evaluate and enhance our training programs. Although we continue to receive high student satisfaction ratings for the three courses offered, there are growing challenges and needs for training that our current courses and their method of delivery cannot address. Industry and government students are now requesting different course content, members are experiencing limitations on travel for students and instructors due to budgets and policies, students want access to current materials after the completion of the course and organizations want the training to be more integrated into their own orientation and training programs. Recommendations on changing course content and delivery will be presented in May 2013 with demonstrations of the recommended delivery methods.

We continue to make improvements to how the FTC operates and measures success. We have recently surveyed industry and government members to identify today's priorities and the availability of

resources. The survey feedback will be integrated with our on-going initiatives in a comparative format for our Advisory and Steering Committees to complete the planning process for 2013-14. In addition, the performance of the FTC and of some key responsibilities will be reported in a format approved at our last meetings. The new measures are more focused and objective and have been introduced for the December 31, 2012 reporting period on a trial basis. We have also re-designed our working sub-committee format into a project focused format to better plan and use member resources.

Our current Chair, Brian Warbey from Saskatchewan, will be completing his two year term after the May 2013 meetings. Brian has provided leadership to the FTC during a transitional period and has sponsored many improvements and key initiatives that will ensure FTC's success. Our new chair, Daniel Young from Nunavut, will commence his term at that time. We will be announcing a new Vice Chair to replace Daniel after the May meetings. The FTC has decided to hold an annual meeting in the spring of each year starting in 2013 instead of twice a year meetings. The intent is to use more collaborative technologies to continue to make progress between meetings given the greater focus on project work.

If you have any questions or need more information, please feel free to contact me at:

rick.callaway@fueltaxcouncil.com
or call (403) 471-7022

UNIFORMITY COMMITTEE**Minutes**

The FTA Motor Fuel Tax Section Uniformity Committee met at the Renaissance, Providence, Rhode Island on October 27, 2012. Jeremy Neeck (MN) Uniformity State Chair called the meeting to order. Forty-two (42) were in attendance.

Minutes

The minutes of the June 2012 Uniformity Committee in San Antonio, TX were approved.

Presentations:

Dawn Lietz, State of Nevada presented a document compiled by Bob Pitcher with the American Trucking Association for discussion. The document was the Trucking industries viewpoint on the conversion rates for Liquefied Natural Gas and Compressed Natural Gas since most of the Trucking industry is converting or buying LNG and/or CNG trucks. Because trucks are using LNG and CNG the diesel collections will start to drop. Wal-Mart has purchased over 2,000 LNG Trucks and UPS is or has changed their trucks also. Dawn Lietz, Chuck Ulm and Cindy Anders-Robb are currently representing the FTA on meetings with the IFTA Committee concerning the taxation and conversion rates for CNG and LNG.

SUBCOMMITTEE REPORTS

The **Compliance Subcommittee** Cindy Mongold (KS) reported there were twenty-five (25) in

attendance. The Committee discussed:

Training Schedule for 2012 – The FTA Motor Fuel Basic Training Course was held in Minneapolis, MN on July 29-August 2, 2012. There were 57 students in attendance, which consisted of 30 from States and 27 from Industry. The group also took a tour of a terminal in addition to the classroom training.

The Advanced Training class will be held November 25-29, 2012 in Savannah, GA at the DeSota Hilton.

The Investigation Training is not scheduled for this year.

The ExSTARS Training is planned to be provided at the Regional Conferences in 2013.

You can also find the training announcement on the FTA website at www.taxadmin.org.

Dyed Diesel Stats – A report was given on the dyed fuel stats since the start of collecting additional information regarding vehicle type and industry, pickup trucks has been the most common vehicle receiving a violation.

There were questions regarding the authority to stop pickups. Stops of pickup trucks can be made when commercial placards are displayed on the vehicle.

Received clarification regarding the IRS 916 form was provided. States are not to hand out form 916 nor reference the 916 as their authority to stop and test for

dyed fuel. The IRS will be redoing the MOU's with the states. States will not be taking samples as IRS authorized agent but will be sharing the sample with the IRS.

IRS Update – IRS reported that mobile machinery is prohibited from using dyed fuel. They are required to use clear fuel but can apply for a refund.

IRS also reported that millions of dollars of alternative fuel tax credits are being applied for.

CNG White Paper – A suggestion was made to review and update the current white paper "Motor Fuel Tax Issues with Natural Gas and Other Alternative Fuels" that was created in 2009. Wilda Ice (WV) has volunteered to review this document.

Barge Statistics – Dean Reinauer provided a high level barge facts and statistics report and will be emailing the report to Cindy Mongold.

Compliance Tools – A white paper document regarding compliance tools was discussed. Wilda Ice (WV), Edie Martin (KS) and Cindy Mongold (KS) volunteered for this project. Some points of discussion for the documents would be: audit, terminal manifest matching, diversion review, import/export information exchange between states, dyed fuel inspections and publicity of prosecuted fuel tax cases. If you have information to contribute please provide it to one of the three people listed above.

New Projects for 2013 – the committee is looking for new projects to work on. If you have any project you would like to see, please contact Cindy Mongold at cindy.mongold@kdor.ks.gov

Open Discussion – discussion regarding separate auxiliary power unit on trucks. This unit is used to run trucks AC/heater and fuel supply warmer. This is a separate motor but pulls from the same fuel supply tank as the trucks engine.

A couple of states reported that a producer license has been applied for or issued for producing alternative fuel from garbage.

The Forms Management Subcommittee

Lee Gonzalez (Florida) reported that this committee met with Electronic Commerce. There were twenty-seven (27) in attendance with one (1) by phone. The subcommittee discussed:

Crosswalk (FTA and STCC Codes) – team currently has product code list from a single railroad company. The team will reach out to other railroad companies to get a comprehensive list of product codes. The list will be matched to the FTA codes to create a true crosswalk between rail and FTA codes.

Uniform Alternative Fuels Tax Report – the alternative fuel tax report team presented a rough draft of a uniform alternative fuel form. The group determined a separate summary schedule was

needed to address exempt sales by product types. Team will add additional summary schedule to the form and present it at the next meeting.

Uniform Alternative Fuel Unit Conversions – a request was received to add uniform product conversion on the proposed alternative fuel tax return. Cindy Mongold made a presentation that outlined that many states use either IRS standards or stand along conversion factors based on state legislation. The committee discussed the following options:

1. Piggy back IRS factors
2. Piggy back IFTA recommendations (note there is currently a team reviewing alternative fuel conversions and rates)
3. Recognize each state is different and legislation dictates conversion factors.

A decision was made to refer alternative fuel conversions to the Communications and Coordination Subcommittee to look at putting something in the Model Legislation concerning conversion factors.

Eliminating Schedule Codes (Uniformity) – The survey sent out by the Forms committee indicated that four (4) codes (1D, 5O, 5U and 13L) are not currently being used. The initial purpose of the survey was to eliminate codes that are not being used from the guide. The committee determined that it would not be cost effective to eliminate only 4 codes. However, notes will be added to the uniformity guide that

will classify the four schedules as inactive.

EIA Code Presentation – during previous uniformity meetings, the Uniformity Committee has considered converting FTA product codes to EIA product codes. Rich Little conducted a conference call with EIA (Mike Conner). The purpose of the call was:

1. Educate the committee on the format of EIA codes for petroleum products.
2. Determine how often the codes are updated.
3. Determine how new product codes are created.
4. Educate the committee on the number of product codes available for use.

The committee determined there are numerous issues that have to be addressed before FTA would consider converting from FTA to EIA codes. Examples of some of the issues are:

1. Multiple EIA product codes lists (duplicate codes).
2. Incomplete EIA code list.
3. No process for FTA to request new codes.
4. Time it takes to get new product codes approved.

The committee agreed to work with EIA to create a list of product codes that potentially could replace FTA codes in the future. Tracy Halubka (MT) and Bill Gray (Sinclair Oil) agreed to represent FTA on this project.

Industry Issues:

1. Industry is having trouble reporting blends

- associated with multiple product codes.
- 2. State do not have clear definition of renewable fuels.
- 3. Industry is having a difficult time tracking the point of destination for products being moved by barge. Issue related to change in ownership.
- 4. Some states require a prepayment of estimated fuel tax. Collection of the tax up front from the distributors is becoming problematic.
- 5. The purpose of uniformity is to propose guidance as it pertains to filing forms, proposing legislation, compliance techniques, etc. Recent uniformity meetings have avoided providing guidance by claiming individual state legislation mandates tax policy. Recommendation was made to follow the initial intent of uniformity and that is to provide guidance.

States Issues – Florida announced new electronic filing requirements for the terminal operator report, terminal supplier return and possible the petroleum carrier return. Effective 1/2013, Florida will begin transitioning from EDI to XML. Dual systems (EDI and XML) will be in place until 1/2014. Also, legislation may be proposed in the upcoming session that will move the collection of the inspection fee from the Department of Agriculture to the Department of Revenue.

Georgia announced they would be moving toward new electronic filing requirements (XML) in the near future.

States ExSTARS Update – Edie Martin (KS) provided an ExSTARS update for information filed in Kansas and Mississippi. In summary, the majority of the returns were filed using an 826 designation. This trend has been consistent since both states starting tracking this data. However, Kansas did not receive any files that were designated as 813 and 826 data.

IRS ExSTARS Update – Rich Little indicated the IRS is considering a move from DEI to XML for terminal operators and carrier reports.

The **Electronic Commerce Subcommittee**

Hal Lovell (California) reported there were sixteen (16) in attendance. The subcommittee discussed the following:

EDI REF Segment – the committee discussed the fact that the IRS might not need this segment anymore. We will be reviewing this issue moving forward and will see if this REF segment can be deleted from the FTA guide next year.

Ending Inventory by Position Holders in Terminal – the subcommittee members approved the draft segment to allow EDI reporting of the position holders ending inventory in the terminal that was submitted by Ray Grimm. This reporting segment was needed to “sync” EDI with the FTA paper and XML

formats that allows for reporting this transaction.

IRS Project to transition to XML – Rich Little presented a quick pitch for volunteers from the Industry and State Representative to join the IRS in the XML project for ExSTARS reporting. The IRS is trying to determine with their e-file efforts if XML might be a better platform for ExSTARS moving forward. Rich asked us to work with the point of contact, Larry Porter who will be the lead on this project for the IRS. Rich was able to get a few committee members to volunteer on this project.

Mexico import transactions in XML schema – Issue with transactions on imports from Mexico into the US in XML schema. How to handle transaction coming out of Mexico as imports where the State abbreviation code was not being allowed for legitimate Mexican states per the FTA postal code list.

Our committee reviewed this and recommended the following:

Adding to the XML schema an enumerated list that will include the Mexican States as displayed in appendix F of the FTA guide. Stan reported this issue has been fixed and we have a new postal code enumerated list that was updated to fix this issue.

The subcommittee reviewed the concept of surveying the need to increase the postal code field to a “3” alphanumeric field that would allow for more flexibility and less conflicts with other postal code

abbreviations. After some discussions the group agreed unanimously to monitor this issue going forward, but there is no business need that would require us to analyze this issue in any greater detail at this time. The committee will close this issue.

Import/Export Data Exchange – Hal Lovell will lead the effort to address a common Excel format for exchanging data between states. Hal will draft a letter addressing benefits of following a uniform format.

Implementation Guide

Approval Procedures – The subcommittee reviewed and approved the “new” approval procedures that added XML. We would like to get this document on the FTA website ASAP and then next year we will add this procedure to the Uniformity Books. They also discussed the need to clarify the definitions on Original/Amended filing options to assist the states and taxpayers in the best method of submitting corrections on uniformed forms.

Approved by the Full Committee

Approved to add XML to the Implementation Guide Procedures. This document will be put on the FTA website and then added to the 2013 Uniformity Books.

Approved to add the segment to allow the EDI reporting of position holder ending inventory in the terminal.

The Communication and Coordination Subcommittee

Christy Dixon (OK) reported that twenty-three (23) were in attendance.

The subcommittee discussed the following and the October 2012 Uniformer was distributed.

Buy/Sell Agreement – This was tabled until the next meeting. Anne Nicholson (ExxonMobil) is going to work on the draft language for the Buy-Sell Agreements for Model Legislation and a diagram for Renewable fuels to be discussed at the next meeting.

Bill of Lading project – Wilda Ice presented a draft white paper document for this project. The subcommittee discussed the draft and made a few revisions. The subcommittee approved the document with the revisions.

2012 Taxation Diversion and Alternative Fuels Booklet – The Taxation, Diversion and Alternative Fuels Booklet 2012 were distributed. The subcommittee discussed adding tax rates, conversion rates for Compressed Natural Gas, Liquefied Natural Gas and Propane to the booklet for 2013. The committee will discuss this addition next meeting.

Alternative Fuels Section of Model Legislation – the subcommittee has been asked to re-look at the Alternative Fuels Section of Model Legislation for any revisions that need to be made. This will be added to the agenda for our next meeting in January 2013.

White Paper Document – the subcommittee has been asked to do a white paper document on inventory gains and losses. This will be put on the January 2013 agenda.

Approved by the Full Committee

White Paper
Shipping Documents
Points to Consider Relative to
Fuel Tax Administration
2012

Introduction: What is a Bill of Lading? It is a document signed by a carrier (a transporter of goods) or the carrier's representative and issued to a consignor (the shipper of goods) that evidences the receipt of goods for shipment to a specified designation and person.

Carriers in all modes of transportation issue bills of lading when they undertake the transportation of cargo. A bill of lading is, in addition to a receipt for the delivery of goods, a contract for their carriage and a document of title to them. Its terms describe the freight for identification purposes; states the name of the consignor and the provisions of the contract for shipment; and directs the cargo to be delivered to the order or assigns of a particular person, the consignee, at a designated location.

The Code of Federal Regulation Title 49, part 172.201 authorizes the data requirement for common carriers.

In the motor fuel industry, a manifest or bill of lading is the document that must be issued by the refinery, terminal and/or bulk plant for each withdrawal from that specific location. The manifest or bill of lading shall show the following information: a unique number for the document, date shipped, name of carrier, origin (name and address of the terminal, refinery or bulk plant where product was loaded), the terminal or refinery control number (as issued by the IRS), name of the supplier, the receiving party (consignee), the destination, particular description of the product loaded, and the number of gallons. Some states may require supporting documentation or a separate bill of lading for split loads.

Any manifest, bill of lading, shipping paper or invoice for special fuel which is indelibly dyed in accordance with regulations prescribed pursuant to 26 U.S.C. 4082 shall include the statement

**"DYED DIESEL FUEL,
NONTAXABLE USE ONLY,
PENALTY FOR TAXABLE
USE."**

Some states require the tax due and/or the responsible party for tax to be included on the shipping document. Most states require printed bills of lading although few will authorize the use of hand written bills of lading.

Problem: One of the biggest problems with shipping documents is that shipping document formats vary by industry and by terminal operator.

When printing several copies of the bill of lading, the print becomes illegible. The format of some documents does not clearly identify the physical address of the terminal, refinery and/or bulk plant. The bill of lading number may not be legible or may be confused with other numbers on the document because it is not required to be uniform. The name of the supplier may or may not be on the shipping document.

Solution: A standardized shipping document with a uniform format that designated a specified area for: the name and address of the location where the fuel was loaded; the unique document number; the supplier name; the date product was loaded; identification of product; gallons loaded (net and gross). Any other information required by the domiciled state or the Federal government could be placed on the shipping document in an area according to each terminal's specification.

Much of the information on a bill of lading is already transmitted electronically to the suppliers. This format must already be standardized. The idea solution would be to transfer that information to a standardized hardcopy, which is printed for the transporter.

New Business

Printing of the Uniformity Books and CD's – The State of Minnesota cannot continue to print the Uniformity Books and make the CD's. The State of Virginia will check to see

that can print the books and make the CD's for next year.

Next Meeting

The next Uniformity Committee meeting is scheduled for January 25-26, 2013 in Long Beach, CA.

FTA Motor Fuel Tax Training Courses

The FTA Classes are currently being scheduled. Check FTA's website for more information www.taxadmin.org

UPCOMING MEETINGS 2013

Uniformity Meeting

January 25-26, 2013
Long Beach, California

Pacific Region

April 21-23, 2013
Virginia City, Nevada

Northeastern Region

Tentatively

May 19-21, 2013
Burlington, Vermont

Uniformity Meeting

May 3-4, 2013
Houston, Texas

Southern Region

June 16-18, 2013
Little Rock, Arkansas

Uniformity Meeting

September 20-21, 2013
Fargo, North Dakota

Motor Fuel Annual Meeting

September 22-25, 2013
Fargo, North Dakota

**MOTOR FUEL STEERING
COMMITTEE MEMBERS**

National Chair

Edie Martin, Kansas

National Vice Chair

Jim Oliver, Kentucky

Past Chairs

Dawn Lietz, Nevada

Rosemary Cleary, Connecticut

State Uniformity Chair

Jeremy Neeck, Minnesota

Industry Uniformity Chair

Robert Donnellan

**MOTOR FUEL REGIONAL
GOVERNORS**

Midwestern Region

Wesley Luthy, Ohio

Northeastern Region

Chuck Ulm, Maryland

Pacific Region

Steve Holbrook, Idaho

Southern Region

Rodney Richards, Arkansas

Editor

Cindy Anders-Robb, FTA

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