



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: September 12, 2012

The **October 2012** Motor Fuel Tax Section Uniformity Committee meeting is scheduled for Providence, Rhode Island. The Subcommittees will meet all day **October 26, 2012**. The Main Uniformity meeting is scheduled for **October 27, 2012**. (*The meetings are on Friday and Saturday*) The meeting will be at the Renaissance Providence Downtown. The special rate at the Renaissance is \$139.00 plus 13% tax. Make your reservations directly with the hotel by calling **(866) 630-0704 or (401) 919-5000**. 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 5 Avenue of the Arts, Providence, Rhode Island 02903. Please note that the cut-off date for the hotel reservation is **October 3, 2012**.

The **January 2013** Motor Fuel Tax Section Uniformity Committee meeting is currently being scheduled for the end of January or first of February.

PRELIMINARY AGENDA
FTA Motor Fuel Tax Uniformity Committee
Providence, Rhode Island
October 26-27, 2012

Friday 8:00am – 5:00pm
October 26, 2012

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
October 27, 2012

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

FTA MOTOR FUEL UNIFORMITY COMMITTEE

San Antonio, Texas

June 2, 2012

Minutes

The FTA Motor Fuel Tax Section Uniformity Committee met at the Renaissance, San Antonio, Texas. Jeremy Neeck (MN) Uniformity State Chair called the meeting to order. Thirty (30) were in attendance. (See attached list of attendees)

Minutes

The minutes of the January, 2012 Uniformity Committee meeting in Portsmouth, Virginia were approved.

Presentations

Gloria Spencer, License Customs Broker with Custom Insight gave a presentation on duty drawback. A drawback is a refund of 99% of certain customs duties, taxes and fees paid upon importation of goods in the US when these goods are subsequently exported.

Jeremy Neeck, State of MN gave a presentation on Alternative Fuel Retail Station the first one in the US located in LaCrosse, WI. The Station is unmanned. Also gave a presentation on the alternative fuel vehicles that are on the market today.

Bill Gray/Rich Little gave a presentation on FTA to EIA Product Code Project to help everyone understand what the EIA Product Code and why the IRS is going to the EIA codes.

Uniformity Chairs

State Co-Chair Jeremy Neeck – State of Minnesota
Industry Co-Chair Bob Donnellan – On the Marc Enterprises

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 eighteen (18) in attendance. The committee discussed:

Training Schedule for 2012

Announced that the FTA Motor Fuel Basic Training Course is scheduled for July 29 - August 2, in Minneapolis, Minnesota at the Minneapolis Airport Marriott. A handout was provided by Cindy Anders-Robb, with the FTA.

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

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

Dyed Diesel Stats

The state representatives have been responsive to the expanded 2012 dyed fuel stats reporting which includes vehicle type and industry. The tracking spreadsheet is being updated as information is received.

Old Projects

Sale of “off spec” military fuel –additional information obtained from a representative of the Defense Logistics Agency indicates theft of military fuel seemed to be a bigger issue than sell/use of “off spec” military fuel.

Airport “stale” fuel issued and taxation and sale of “off spec” military fuel
Discussed a theft and fraud case regarding a trucking company contracted to haul rainwater that had mixed with spilled fuel on the ground of an airport fuel farm.

Update on Electric vehicle list serv question – the committee discussed a spreadsheet that was provided with responses received from 17 states and an FHWA representative.

IRS Update – Compliance issues seen at the federal level are concerning alternative fuels, black liquor, and use of exemption certificates and taxability of fuel. These federal issues would not affect the states.

Discussion with a Compliance officer from the Pacific Region – Presented information provided by the Pacific Region representative and at this time they have not identified any new compliance issues in their state.

Home CNG Fuel Stations – Handed out articles regarding home CNG fueling stations and discussed the problems with taxing this fuel for road use when separate meters may not be required by state law and when the liquid is actually compressed may be an issue for some also. A suggestion regarding a White Paper was made.

New Projects

Open discussion on:

A representative will provide barge statistical information at the next meeting

(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 twenty-seven (27) in attendance with one (1) by phone. The subcommittee discussed the following:

Crosswalk (FTA and STCC Codes)

Tabled until the next meeting.

Methods for Reporting Renewable Fuels-EIA Codes or FTA Codes

An update was given on converting FTA to EIA codes. Due to cost and complexity of converting to new product codes, the team recommended that FTA should not convert to EIA codes at this time.

Forms-co-chair made a recommendation to move forward with adopting products codes for the following:

- Ultra low sulfur diesel (undyed)
- Ultra low sulfur diesel (dyed)
- CBOB (meets the definition of a taxable product)
- CBOB (does not meet the definition of a taxable product)
- RBOB (meets the definition of a taxable product)
- RBOB (does not meet the definition of a taxable product)

A recommendation was made to use the first three (3) digits of the EIA code whenever possible.

Product Code Request

A proposal was made for two (2) new product codes for Mixed Stream Fuels:

- NGL mixed stream requiring further processing to be gasoline blendstock
- Mixed stream of butanes and pentanes plus that does not require Processing to be used as a gasoline blendstock

After much discussion, no state felt the need to track mixed stream, natural gas liquids (LPG/Propane).

Uniform Alternative Fuels Tax Report

A team was put together to with the following mission:

1. Determine if a uniform form is necessary.
2. If necessary, design a form with instructions that can be used to file and pay alternative fuel tax.

Alabama Forms Review

Alabama updated their returns and provided revisions to the Forms Review Team. The Team and the subcommittee members reviewed the changes and could not find additional problems.

Schedule Code Project

A survey was sent to each state asking them to list the uniform schedule codes they are currently using of the motor fuel tax returns. Twenty-six (26) states responded, 15 states did not respond, and 9 states were identified as not using uniform schedules. The forms team is going to contact the states that did not respond and present an update at the next meeting.

Schedule Code 15C

The Electronic Commerce subcommittee asked the uniformity committee if they can move forward with adding 15C to EDI X12 and XML since 15C is currently in the uniformity guide as a uniform schedule.

Filing Frequency (monthly/annual)

A request was made to add verbiage to the uniformity guide that would define best practices for filing frequency (uniform forms).

Uniformity Guide Update

A suggestion was made to make changes to the document for “Proposed” Best Practice Prior Period Transaction Reporting and the table of contents to the uniformity guide. The changes would remove language the would infer proposed versus actual best practices for reporting prior period transactions.

Industry Concerns

- Texas-Ownership of fuel on a barge can change hands between being loaded and delivered. Texas wants supplier to provide a trial.
- Connecticut-New schedule has a cap at \$3.00 a gallon. Difficult for industry to provide information and changes require system changes.
- States netting motor fuel refunds against outstanding bills for non-fuel related taxes creates hardship for industry.
- A state issued a lien based on a bill. Industry never received paper work for the bill.

(See the minutes of this subcommittee for more details)

Approved by the Full Committee

The following Alabama forms were approved as uniform:

- Terminal Operator
- Transporter
- Supplier/Permissive Supplier
- Importer/Exporter
- Blender

Add Schedule 15C to both EDI X12 and XML schemas.

The following changes were approved for the “Proposed” Best Practice Prior Period Transaction Reporting document:

- Remove “Proposed” from FTA Motor Fuel Tax Uniformity Committee “Proposed” Best Practice Prior Period Transaction Report.
- Delete-Goal: To create a suggested practice to benefit both States and Industry, regarding prior period transaction reporting issues.
- Remove “proposed” from Proposed Best Practices

Table of Contents

- Remove “proposed” from “Proposed: Best Practice Prior Period Transaction Reporting.

Approved Product Codes:

- 313 Ultra low sulfur diesel (undyed)
- 314 Ultra low sulfur diesel (dyed)
- 301 CBOB
- 302 RBOB

Note: The Uniformity Committee decided that there is not a need to have a product code for “meets the definition of a taxable product” and does not “meet the definition of a taxable product for CBOB and RBOB. Taxability will be based on the schedule type.

A motion was approved not to add verbiage regarding filing frequency to the uniformity guide.

The **Electronic Commerce Subcommittee** Hal Lovell (CA) reported there were nine (9) in attendance. The subcommittee discussed the following:

Impact of product code issues on EDI

Continue to monitor, make recommendations for incorporating EDI changes once solution is approved.

XML Update

It was reported this would be an on going project. The committee will continue to monitor the progress of the guide.

XML Schema 1.0 version and 2.0 versions

Group went over minor tweaks to the Motor Fuels Schema section of the 1.0 Version of XML. Discussed the ability to track ending inventory in the terminal by position holder. The committee approved this new reporting element with the suggestion that “ending inventory” by Position Holder by a “Mandatory” field. Everyone agreed to the modification and the modification will also be implemented with Version 2.0 of the XML schema.

Foreign diplomat reporting with PID number

The committee discussed how a state tax system can capture a PID (8 digit number) for consulate sales in the buyer field. The EDI/XML schema will not allow this entry. The committee decided that there is no easy solution and that at this time it does not appear to be a big issue. This issue was closed by the committee.

Ending Inventory by Position Holder in Terminal

The committee discussed and agreed that they need to review and recommend a method to report position holder inventories in a terminal for EDI X12 reporting.

Diversion number for X12

It was discussed how states will report a diversion number in the X12 map. The committee recommended adding to the XML schema an enumerated list that will include the Mexican States as displayed in Appendix F of FTA Guide and in the X12 Data Dictionary. Team members will work on this recommendation.

Mexico exports

The XML schema (Postal Table) does not allow a Mexican state to be reported for a fuel movement out of Mexico in the US.

Import/Export Data Exchange

The committee has discussed a need for more uniformed data from the other states that share data. The goal it to provide a “uniformed” sample that will encompass the most common fields being reported between states.

Report Filing Type Issue-SDR

There is confusion between Supplier/Distributor reporting requirements on SDR form. A state is using the SDR report filing type for both Supplier and Distributor tax activities. This has caused industry tax filers to have some reporting issues. Recommendation is to add two (2) new report types in lieu of SDR report types as follows:

- SUR Supplier Report
- DIS Distributor Report

XML documentation available to stakeholders

Subcommittee feels that they should look at incorporating the XML business rules and review procedures in the existing EDI guide or creating a 2nd Implementation Guide for XML. A “new” committee will be formed to look at this matter.

ExSTARS Data review analysis

Majority of the files continue to be 826’s (826 files must be handled according to the IRS confidentiality rules)

(See the minutes of this subcommittee for more details)

Approved by the Full Committee

Approved the following changes to the Appendix I in the EDI Guide Book:

- TOR Terminal Operator
- SDR Supplier/Distributor Report
- SUR Supplier Report **(added this)**
- DIS Distributor Report **(added this)**
- CCR Common Carrier Report
- RET Retailer Report
- DLR Dealer Report

Approved to update the EDI Guide to add Schedule 15C

Approved XML Schema-2.0 version to be adopted and moved into production

Approved to remove the word proposal and goals out the booklet (page 59)

The **Communication and Coordination Subcommittee** Christy Dixon (OK) reported that eighteen (18) were in attendance. The subcommittee discussed the following and the June, 2012 *Uniformer* was passed out. (See minutes for the publication)

Buy/Sell Agreement

Anne Nicholson-Exxon Mobil is going to work on draft language for Buy-Sell Agreements for Model Legislation and a diagram for Renewable fuels to be discussed at the next meeting.

Definitions

The subcommittee was asked to do definitions for the following:

- Liquefied natural gas (LPG)
- Compressed natural gas (CNG)
- Natural gas

Bill of Lading project

This project has been tabled until the October, 2012 Meeting.

2012 Taxation, Diversion and Alternative Fuels Booklet

The booklet will be updated for 2012 and the information will be sent out to the states for revisions, edits, etc.

Import/Export information

Continued a discussion on the how the States are going to share the import/export information electronic now that ExTOLE system has been shut down.

(See the minutes of this subcommittee for more details)

Approved by the Full Committee

Definitions:

Liquefied natural gas (LNG): Natural gas (primarily methane) that has been liquefied by reducing its temperature to -260 degrees Fahrenheit at atmospheric pressure.

Compressed natural gas (CNG): Natural gas compressed to a pressure at or above 200-248 bar (i.e., 2900-3600 pounds per square inch) and stored in high pressure containers. It is used as a fuel for natural gas-powered vehicles.

Natural gas: A gaseous mixture of hydrocarbon compounds, the primary one being methane.

IRS Update

Rich Little with the IRS gave an update on ExSTARS and the new highway bill.

Canadian Update

Rich Callaway gave an update on the Canadian Fuel Tax Council. The Council is working on:

- System information binder
- Audit best practice binder
- Enforcement binder
- Exchange of information MOU
- Electronic reporting standards
- Alternative review of tax evasion
 - Emerging fuels
 - Industry changes
 - Practice a partnership to continue working with the project

Old Business

The Committee reviewed the Mission Statement, Goals and the roles of the subcommittee of the Uniformity Committee. It was **approved** that we remove ExTOLE from the goals and role of the subcommittee.

Next Meeting

The next Uniformity Committee meeting is scheduled for October 26-27, 2012 in Providence, Rhode Island.

The meeting was adjourned.

FTA UNIFORMITY COMMITTEE

San Antonio, Texas

2-Jun-12

Present?	State/Company	Phone	Fax	Email Address	
	Albin, Michael	ACS Government Solutions	602-412-2011	602-254-4451	mike.albin@acs-inc.com
	Alderman, Donna	North Carolina Dept of Revenue	919-733-8214	919-733-8654	donna.alderman@dornc.com
	Anders-Robb, Cindy	Federation of Tax Administrators (FTA)	307-632-4144	307-632-3234	cindy.anders-robb@taxadmin.org
	Arndt, Doug	ND Tax Commission	701-328-2050		darndt@nd.gov
	Autry, Beth	Musket Corp/Love's Truck Stop	405-302-6522	405-463-3522	betha@loves.com
	Baldwin, Sarah	Husky Marketing & Supply Company	614-210-2326		sarah.baldwin@huskyenergy.com
	Benton, Linda	Kentucky Dept of Revenue	502-564-3853		linda.benton@ky.gov
	Bickle, Michelle	Shell Oil Company	713-241-9489		michelle.bickle@shell.com
	Bock, Maureen	OR Dept of Transportation	503-378-2934		maureen.bock@state.or.us
	Bonaccorso, Shirley	Louisiana Dept of Revenue	225-219-2690	225-219-2692	shirley.bonaccorso@la.gov
	Bowers, Kristin	Musket Corp/Love's Truck Stop	405-254-3408		kristinb@loves.com
	Branch, Melanie	Shell	713-241-1845		melanie.branch@shell.com
	Bryer, Scott	New Hampshire Dept of Safety	603-271-2387	603-271-6758	bryers@safety.state.nh.us
	Bullock, Traci	SC Department of Revenue	803-896-1748	803-896-1779	bulloct@sctax.org
	Burdick, Doug	Fuel Quest/ZyTax	850-294-0084		doug.burdick@Zytax.com
	Callaway, Rick	Canadian Fuel Tax Council	403-470-9531	780-644-5016	rick.callaway@fueltaxcouncil.com
	Cano, Martin	Texas Comptroller of Public Accounts	713-426-8288	713-863-9125	martin.cano@cpa.state.tx.us
	Cleary, Rosemary	CT Dept of Revenue	860-541-3226	860-541-7698	rosemary.cleary@po.state.ct.us
	Compton, Deborah	Exxon Mobil Corporation	713-431-2737	262-953-7483	deborah.compton@exxonmobil.com
	Davenport, Kirk	Texas Comptroller of Public Accounts	512-463-3849	512-475-0900	kirk.davenport@cpa.state.tx.us
	Dearie, Erin E	International-Matex Tank Terminals	504-619-2420		erindearie@imlt.com
	Dixon, Christy	Oklahoma Tax Commission	405-522-4197	405-522-2072	cdixon@oktax.state.ok.us
	Dize, Kimmie	VA DMV	757-886-2839		kimmie.dize@dmv.virginia.gov

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San Antonio, Texas

2-Jun-12

Present?	State/Company	Phone	Fax	Email Address
	Donnellan, Robert	IFS INC	480-292-6444	robert@IFS4excise.com
	Dougherty, Michael	FHwA	202-366-9234	202-366-3297 michael.dougherty@dot.gov
	Drewry, Amy	Louis Dreyfus Commodities	816-218-2336	816-218-2392 amy.drewry@ldcom.com
	Dudek, Sabrina	NuStar Energy LP	210-918-3654	210-918-5466 sabrina.dudek@nustarenergy.com
	Engelken, David	Tank Management Service Inc	785-233-1414	david@tankmagmt.com
	Farish, Dan	Murphy Oil USA Inc	870-864-6466	870-881-6675 dan_farish@murphyoilcorp.com
	Feletto, Lou	CA Board of Equilization	916-323-9401	lou.feletto@boe.ca.gov
	Fitzgerald, Julian Sr.	North Carolina Dept of Revenue	919-733-8200	919-733-8654 julian.fitzgerald@dornc.com
	Fitzgerald, Scott	Iowa Department of Revenue	515-242-6033	scott.fitzgerald@iowa.gov
	Friedman, Vickie	CSX Transportation	904-63-5232	904-245-2566 vickie_friedman@csx.com
	Gast, Keith	MO Dept of Revenue	573-751-5902	573-522-1720 keith_gast@mail.dor.state.mo.us
	Gilson, Cheryl	FuelQuest	920-617-7626	cheryl.gilson@fuelquest.com
	Golden, Heather	Shell Oil Company	713-241-1919	heather.golden@shell.com
	Gonzalez, Lee	Florida Department of Revenue	850-488-7268	gonzalee@dor.state.fl.us
	Grammer, Michael	Kentucky Dept of Revenue	502-564-1234	502-564-2906 michael.grammer@ky.gov
	Gray, Bill	Sinclair Oil Corporation	801-524-2887	801-524-2919 bgray@sinclairoil.com
	Grigsby, Ray	Tennessee Dept of Revenue	615-532-6914	615-741-5319 rav.grigsby@state.tn.us
	Grizzle, Jonna	Shell	713-241-2786	jonna.grizzle@shell.com
	Hales, Frank	Utah State Tax Commission	801-297-4638	801-297-4799 fhales@tax.state.ut.us
	Halubka, Tracy	MT Dept of Transportation	406-444-0806	406-444-6032 thalubka@mt.GOV
	Hapa, Joselito		712-241-0103	Joselito.hapa.shell.com
	Hennig, Drew	FuelQuest	210-643-1946	dhennig@fuelquest.com
	Hernandez, David	Valero Energy	210-345-2127	210-345-2225 david.hernandez@valero.com

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San Antonio, Texas

2-Jun-12

Present?	State/Company	Phone	Fax	Email Address
	Hook, Stan	Wisconsin DOR	608-261-8985	stanley.hook@revenue.wi.gov
	Holland, Gene	ConocoPhillips	918-661-4035	918-661-7833 gene.p.holland@conocophillips.com
	Humphrey, Nick	Missouri Dept of Revenue	573-751-4689	573-526-3956 nick.humphrey@dor.mo.gov
	Humphries, Stephen	Exxon Mobil Corporation	713-431-2777	stephen.a.humphries@exxonmobil.com
	Ice, Wilda	West Virginia Dept of Tax & Revenue	304-558-8533	304-558-8526 wilda.b.ice@wv.gov
	Johnson, Bruce	WV State Tax Dept	304-558-8533	304-558-8526 bruce.a.johnson@wv.gov
	Johnson, Paul	WA Dept of Licensing	360-664-1844	pajohnson@dol.wa.gov
	Keel, June	Colonial Oil Industries	912-443-6594	912-235-3868 jkeel@colonialgroupinc.com
	Kirkpatrick, Phillip	Exxon Mobil Corporation	713-431-2796	phillip.b.kirkpatrick@exxonmobil.com
	Knoles, Trent	Illinois Dept of Revenue	217-785-2645	217-785-0692 trent.knoles@illinois.gov
	Kron, bill	Mississippi Department of Revenue	601-923-7152	601-923-7168 bill.kron@dor.ms.gov
	Lagunas, Manuel	AZ DOT	602-712-7626	mlagunas@azdot.gov
	Legaspi-Seils, Melody	Alliance Energy LLC	203-315-7188	203-488-6069 mlegaspi-seils@allianceenergy.com
	Leichner, Marcia	Nebraska Department of Revenue	402-595-2013	402-595-1041 marcia.leichner@nebraska.gov
	Lenius, Tracy	Minnesota Department of Revenue	218-846-7437	tracy.lenius@state.mn.us
	Levasseur, Marc	Rhode Island Division of Taxation	401-222-2953	401-222-6314 mlevasseur@tax.state.ri.us
	Lietz, Dawn	Nevada Dept of Motor Vehicles	775-684-4626	775-684-4619 dlietz@dmv.state.nv.us
	Little, Rich	IRS	213-576-3837	213-576-3731 richard.a.little@irs.gov
	Louie, Scott	Chevron Corporation	925-827-6286	925-827-7267 scottlouie@chevron.com
	Love, John	Excise Tax Consulting	703-244-3485	johnlove25@gmail.com
	Lovell, Hal	California Board of Equalization	916-324-2301	hal.lovell@boe.ca.gov
	Lupisan, Christopher Joseph	Shell Oil Company	713-241-4010	c.lupisan@shell.com
	Lyon, Jonathan	FTA	202-624-5894	jonathan.lyon@taxadmin.org

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San Antonio, Texas

2-Jun-12

Present?	State/Company	Phone	Fax	Email Address	
	McClain, Shanda	Louisiana Dept of Revenue	225-219-2780	225-219-2759	shanda.mcclain@la.gov
	McInerney, Bill	WY Dept of Audit	307-777-6460	307-777-5642	bmcinerney@wyaudit.state.wy.us
	McInerney, Jessica	Cargill Incorporated	952-742-7095	952-742-6414	jessica-mcinernev@cargill.com
	Martin, Edie	Kansas Department of Revenue	785-296-5327	785-296-4993	edie.martin@kdor.ks.gov
	Martin, Wally	Exxon Mobil Corporation	713-431-2817	262-313-5249	wally.l.martin@exxonmobil.com
	Marr, Rollie	Illinois Dept of Revenue	217-785-2645	217-785-0692	roland.marr@illinois.gov
	Mattson-Grimm, Ray	ACS Government Solutions	608-661-0765	608-661-0724	ray.mattson-grimm@acs-inc.com
	Miller, Ron	R & L Consulting	920-342-0036		rwinfield46@yahoo.com
	Mongold, Cindy	Kansas Department of Revenue	785-296-7048	785-296-4993	cindy.mongold@kdor.ks.gov
	Neeck, Jeremy	Minnesota Department of Revenue	507-523-030	507-523-1030	jeremy.neeck@state.mn.us
	Nicholson, Anne	Exxon Mobil Corporation	713-431-2844		anne.w.nicholson@exxonmobil.com
	Nutter, Stephen	Virginia Dept of Motor Vehicles	804-367-1438	804-387-1342	stephen.nutter@dmv.virginia.gov
	Oliver, Jim	Kentucky Dept of Revenue	502-564-2935	502-564-2906	jim.oliver@ky.gov
	Padon, Jodi	Plains Marketing L.P.	713-646-4204	713-646-4216	impadon@paalp.com
	Papandrea, Marc	CT Dept of Revenue	860-541-3228	860-541-7698	marc.papandrea@po.state.ct.us
	Player, Carol	South Carolina Dept of Revenue	803-898-5911	803-898-5811	playerc@sctax.org
	Poeppelman, Jodi	Husky Marketing & Supply Company	614-210-2312		jodi.poeppelman@huskyenergy.com
	Reed, David	TX Comptroller of Public Accts	512-463-6056	512-475-0900	david.reed@cpa.state.tx.us
	Reinauer, Dean	Reinauer Transportation	718-816-8167 x 410	718-876-5183	deanr@reinauer.com
	Retz, David	Chevron Corporation	925-827-6395	925-827-7572	dret@chevrontexaco.com
	Rhoads, Ray	Kansas Department of Revenue	785-296-4011	785-296-8602	ray.rhoads@dkor.ks.gov
	Rhoads, Wayne	Mississippi Dept of Transportation	601-359-9759		wrhoads@mdot.state.ms.us
	Stein, Winston	BSWA	281-342-2646	281-342-3992	winston@bswa.com

FTA UNIFORMITY COMMITTEE

San Antonio, Texas

2-Jun-12

Present?	State/Company	Phone	Fax	Email Address	
	Steffens, Peter	Florida Department of Revenue	850-922-2674	850-922-8426	steffenp@dor.state.fl.us
	Takai, Rae	Shell Oil Products	713-241-2273	713-423-8414	rae.takai@shell.com
	Templin, Sharon	Shell Oil Company	713-241-2246	713-241-2162	sharon.templin@shell.com
	Thomas, Gerald	ARCO	213-486-2721	213-486-0760	Gthomas@mail.arco.com
	Thompson, John	Marathon Petroleum	419-421-2361	419-421-8420	jdthompson@marathonpetroleum.com
	Turner, Ashley	CSX Transportation	904-633-5230	904-245-2567	ashley_turner@csx.com
	Ulm, Chuck	Comptroller of Maryland	410-260-7278	410-974-5564	culm@comp.state.md.us
	Werner, Carol	AZ DOT	480-712-4337		cwerner@azdot.gov
	West, Tammy	Virginia Dept of Motor Vehicles	804-367-0883	804-367-1123	Tammy.West@dmv.virginia.gov
	Whaley, Stan	Florida Department of Revenue	850-488-3532		whaleys@dor.state.fl.us
	Wissink, Darrell	Nebraska Department of Revenue	402-471-5812	402-471-5607	darrell.wissink@rev.ne.gov
	Zimmerman, Mark	AZ DOT	602-712-8381		mzimmerman@azdot.gov

The Uniformer

MESSAGE FROM THE NATIONAL CHAIR DAWN LIETZ

Greetings! It seems like only a few weeks have past by since my last article. Perhaps, it is because we are already in the midst of the Regional Meetings and all the preparation/travel that goes into them keeps me too busy to track the days. Whatever the reason, I am grateful to have the opportunity to serve each of you.

Nevada continues to show signs of slow economic recovery. We are seeing signs of improvement in sales tax, gaming revenues, tourism, and even population growth. However, fuel tax collections are continuing to show steady declines. Unemployment in our state is still at record high numbers and the experts say if you count the numbers of those who have given up on looking for work or are working in other states while leaving their families behind, the number is well above 25%. That factor makes it difficult for Nevada to get back on the road to complete economic recovery. The reality is, it will likely take us between 6-10 more years to regain all that was lost in the Construction Industry alone.

Fortunately, I was granted permission to attend all of the Regional and Uniformity Meetings in person. The only Regional meeting I will miss is the Mid-West and it is only because my daughter is getting married in PA that same week. I trust that each of the Regional Meetings will provide opportunities for you to

network with your colleagues and reveal how you can help FTA Motor Fuels Section continue to move forward. Even if you are unable to travel, you can still make a difference by assisting one of the four Uniformity Sub Committees. While attendance at the Uniformity meetings is always preferred, we understand that travel restrictions and budget cuts changed the priorities of many States and money is no longer available. Keep in mind that the Sub-Committees also meet via teleconference and exchange ideas via email and other technology, so there are other ways you can help.

Enjoy your summer! Stay cool, stay safe, and stay alert!

Please feel free to contact me at any time if there is anything you would like the Motor Fuel Tax Section to consider as we move ahead. I can be reached at dlietz@dmv.nv.gov or (775) 684-4626. Thank you and I hope to see you at one of the FTA events during 2012.

MESSAGE FROM THE UNIFORMITY COMMITTEE STATE CO-CHAIR JEREMY NEECK

Fueling the future

On May 10th, 2012 I attended a Natural Gas Summit at Kwik Trip Stores in La Crosse, Wisconsin where it was the first station in the United States to offer CNG, LNG, LPG, E85, Premium Diesel, #2 Diesel, B5 Blend, B20 Blend and Dyed Diesel at a retail location. This station is open to

the public and is working in conjunction to their fleet fueling station. They also plan on expanding this concept to an additional 5 locations. They reviewed the workings of these alternative products, had displays of all the different types of vehicles that can use these products and demonstrated that with the low cost of these natural gas products, a company can quickly recover the additional expenditure of purchasing these alternative powered vehicles. Based upon the data that was shown at the summit, these vehicles get similar fuel economy and have equivalent power to conventional engines, but at a fraction of the fuel costs. On that particular day, #2 road diesel was selling at \$3.99 per gallon, CNG was \$1.59 per GGE and LNG was \$2.69 per GGE. It was particularly funny when someone stood up in the crowd and asked the question, if this product is so abundant and cheap, won't the IRS and State Governments want to start taxing the products? To his disbelief these prices included both state and federal taxes. After attending this summit and talking to the many vendors that were there with their booths, it made me think how big this could really get if a vast enough network of fueling stations come about and offer these types of products to the public. It also made me think after they said how many refuse trucks and ready mix trucks have already been sold and operating if there is a tax gap and states need to look real close to see if they are missing out on much needed tax dollars to maintain their highway infrastructure? After talking to one

company, I know our state has some serious homework and research to complete! Times are changing and the days of only using conventional petroleum products to fuel our vehicles could soon become a thing of the past. As a group through Uniformity we need to look at best practices to ensure all states are collecting the tax dollars for the use of our roads from these alternative sources and make sure we educated not only the tax collectors, distributors of the products but the public that uses these products as well.

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

Now with the new product code issue basically at rest we can focus our attention on the feasibility of using the EIA product code classification. After numerous debates back in January in Portsmouth I do believe at this point we have exhausted the entire committees with the creating of new product codes to the point that we all feel we are wasting our time. So now we begin the process of comparing the EIA set of product codes and try and determine if we can make them work. I know we have a lot of hard work moving forward but I believe with the dedication we have within our sub committees we can and we will make this work seamlessly.

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

The Fuel Tax Council (FTC) held its latest semi-annual meetings in Quebec City, Quebec on May 15 and 16, 2012. A new meeting format was successfully implemented in Quebec City designed to facilitate more participation and reduce the need to report decisions and progress to multiple Committees.

The next meetings will be in Winnipeg, Manitoba on October 23 and 24, 2012.

The FTC has a number of priorities and projects underway. Since January, the focus has been in the areas of developing a Systems Information Binder (SIB); improving communications, enhancing reporting and compliance standards; reviewing the FTC's operations, funding and industry participation, as well as, commencing a project on Alternative Fuels.

The SIB will document a collector's systems in a standard format to reduce effort and increase accuracy during the course of a fuel tax audit. The Project Team presented its key deliverables at the Quebec City meetings for approval and direction. The Table of Contents, defining the scope and format for the information required, and the governance process was approved. Direction and commitment were provided on increasing the participation of Industry and the steps needed to

commence drafting the first Binder were discussed.

The FTC took steps to increase communication and information sharing over the last several months. This has included improving the information available on and format of the website. The website will also be improved to provide support for project and workload management to assist in adopting new processes for assigning resources and monitoring the progress of work against plans.

Standards managed by the FTC in a number of key areas were developed or completed. These standards are for exchanging export and import information, electronic reporting, transactional reporting, enforcement and audit practices, as well as, strategic planning.

Improving FTC's operations, industry participation and work assignment were discussed in Quebec City. These will be part of the Annual Report presented in June at the Senior Revenue Officials meeting. This group has a Sponsorship relationship with the FTC

A new project was approved for the FTC to prepare a report with recommendations on Alternative Fuels and their potential impacts on fuel tax administration and revenues in Canada. This report will be presented at the Inter-Provincial and Territorial Tax Conference in September 2012. The FTC has already started to seek assistance from the FTA on this project. Cindy attended the Quebec City meetings and has

been a valuable source of advice and support in this and many other areas.

I look forward to providing more details or background on FTC's work and priorities in June in San Antonio.

If you have any questions or need more information before then, 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, Portsmouth, Virginia on January 28, 2012. Jeremy Neeck (MN) Uniformity State Chair called the meeting to order. Thirty-four (34) were in attendance.

Minutes

The minutes of the September 2011 Uniformity Committee in Charleston, West Virginia was approved.

Presentation

The Mission Statement and Goals of the Uniformity Committee were discussed. No changes were recommended.

SUBCOMMITTEE REPORTS

The **Compliance Subcommittee** Cindy Mongold (KS) reported there were twenty-two (22) in attendance. The Committee discussed:

Training Schedule for 2012 – FTA is starting the planning on

training for 2012. Watch for announcements.

Dyed Diesel Stats – The dyed fuel stats are in the process of completing the 2011 report. Vehicle type and industry will be added starting with the 2012 reports. North Dakota currently started a dyed fuel program with the assistance of Minnesota.

Old Projects

Sale of "off spec" military fuel – additional research will be performed as a follow-up to previous years research.

Airport "stale" fuel issued and taxation and sale of "off spec" military fuel – It was reported that off spec fuel could be mixed with fresh fuel and if the product can be brought back to spec then it is used as originally intended. If restored back to spec then the fuel is used in generators or other non-critical equipment.

Blending of E8 and non-oxy gas to make E10 – the committee discussed the issues that some states are having with blender pumps and that station owners are using E85 as a blending agent to get unique fuel blends instead of straight ethanol.

IRS laws on fuel used in Motorboats – more discussion about the use of fuel in motorboats.

New Projects

Open discussion on:

- Taxing/fee on electric vehicles.
- Testing for sulfur content
- Fake receipts for refunds

The Forms Management Subcommittee

Lee Gonzalez (Florida) reported that this committee met with Electronic Commerce. There were thirty-four (34) in attendance with three (2) by phone. The subcommittee discussed:

Crosswalk (FTA and STCC Codes) – The committee reached out to the National Railroad Association to ask for assistance defining product codes and matching STCC to FTA codes.

Methods for Reporting Renewable Fuels – the survey that was sent out to the industry representatives and the result are:

- Option 1 – 16 digit smart code
- Option 2 – EIA Codes
- Option 3 – Hybrid of EIA code
- Option 4 – Other

Terminal Operator (Gross Gallons) – Survey results are:

- 1) Some states currently require gross gallons on the schedule of receipts
- 2) Current XML and EDI schema currently allow for gross gallons
- 3) Industry (terminal operators) captures gross gallons for truck and rail deliveries

Alabama Forms Review – The forms team reviewed the forms and identified several issues that were not uniform. Response was sent to Alabama outlining the issues.

Schedule Code Project – The forms team will be survey states to find out which schedule codes they are currently using.

Product Codes Request – Nebraska requested product code 2T – Gallons received from producers tax unpaid and placed into taxed free inventory.

Approved by the Full Committee

“To add a column to the operator receipt schedule that includes gross gallons. Verbiage will be added to the instructions on how to report gross gallons”

The **Electronic Commerce Subcommittee**

Hal Lovell (California) reported there were ten (10) in attendance with one (1) by phone. The subcommittee discussed the following:

Impact of product code issues on EDI – Future discussion on the “new” product code schemes.

XML Update – It was reported this would be an on going project. The committee will continue to monitor the progress of the guide.

Foreign diplomat reporting with PID number – The committee discussed how a state tax system can capture a PID number for consulate sales on 10B and 13D in the buyer field.

Ending Inventory by Position Holder in Terminal – The committee discussed that we have one state reporting the Position Holder receipts in a terminal and also capturing the ending inventory by position holder in the terminal.

Diversion number for X12 It was discussed how states will report a diversion number in the X12 map.

Mexico exports – The XML schema (Postal Table) does not allow a Mexican state to be reported for a fuel movement out of Mexico in the US.

Import/Export Data Exchange – The committee has discussed a need for more uniformed data from the other states that share data. The goal is to provide a “uniformed” sample that will encompass the most common fields being reported between states.

ExSTARS data review analysis – Majority of the files continue to be 826’s (826 files must be handled according to the IRS confidentiality rules)

The **Communication and Coordination Subcommittee** Christy Dixon (OK) reported that twenty-two (22) were in attendance. The subcommittee discussed the following and the January Uniformer distributed.

MOU – The MOU for the Motor Fuels agencies that administer Motor Fuel that are not Revenue Agencies has been completed and will be distribute to the non revenue agencies for signature.

Buy/Sell Agreement – The draft language for Buy-Sell Agreements and Renewable fuels and a diagram will be discussed next meeting in Texas.

Definition for Liquefied Natural Gas (LNG) – Next meeting all States present will bring copies of their definition for the committee to review.

Bill of Lading project – this project has been tabled.

ExTOLE – Since the IRS has shut down this system, the committee feels a white paper on this system should be placed in the Uniformity Booklet for history purposes.

Import/Export information A discussion on how the States are going to share the import/export information electronic now that ExTOLE system has been shut down.

Approved by the Full Committee

Add the “ExTOLE white paper” to the history portion of the Uniformity Booklet.

New Business

IRS Update – With the budget, the IRS offered a buy out and the Excise area lost a lot of people.

Legislation – all alternative fuel credits have expired; there has been an extension of the FAA and Highway bill. Tar sands oil is subject to Federal Tax.

ExSTARS Update – 1268 terminal, 138 carriers, 6 transmitters are filing into ExSTARS.

Book adjustments – The IRS has put restrictions on the book adjustments in ExSTARS.

Supplemental returns – What the IRS is seeing, companies file

a placeholder return and later file a total replacement that isn't even close to the first return.

ExTOLE – the plug was pulled on this system. The IRS couldn't justify spending the money to upgrade this system to the new security.

JOC – Remote access to the JOC has now been approved so States can participate without traveling to Crystal City to view the information.

Canadian Update – The Canadian Fuel Tax Council has put together a System binder along with an enforcement binder to assist in determining evasion. The Council is also looking at inventory losses along with their by laws to see if they can allow more participation. The training classes have been scheduled for 2012-2013.

Next Meeting

The next Uniformity Committee meeting is scheduled for June 1-2, San Antonio.

FTA Motor Fuel Tax Training Courses

Basic Training Course is scheduled for July 29-August 2, 2012 in Minneapolis, MN.

Advanced Training Course is scheduled for November 25-29 in Savannah GA

For more information on the classes please visit FTA's website at www.taxadmin.org

UPCOMING MEETINGS 2012

Southern Region

June 10-12, 2012
New Orleans, Louisiana

Basic Training course

July 29-August 2, 2012
Minneapolis, Minnesota

Midwestern Region

August 7-9, 2012
Grand Rapids, Michigan

Uniformity Meeting

October 26-27, 2012
Providence, Rhode Island

Motor Fuel Annual Meeting

October 28-31, 2012
Providence, Rhode Island

Advanced Training Course

November 25-29, 2012
Savannah, Georgia

MOTOR FUEL STEERING COMMITTEE MEMBERS

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Dawn Lietz, Nevada

National Vice Chair

Edie Martin, Kansas

Past Chairs

Rosemary Cleary, Connecticut
Wilda Ice, West Virginia

State Uniformity Chair

Jeremy Neeck, Minnesota

Industry Uniformity Chair

Robert Donnellan

MOTOR FUEL REGIONAL GOVERNORS

Midwestern Region

Scott Horton, Michigan

Northeastern Region

Chuck Ulm, Maryland

Pacific Region

Barry Grafel, Alaska

Southern Region

Shirley Bonaccorso, Louisiana

Editor

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

cindy.anders-robb@taxadmin.org

**COMMUNICATION & COORDINATION SUBCOMMITTEE
TENTATIVE AGENDA – FRIDAY, OCTOBER 26, 2012
PROVIDENCE, RHODE ISLAND**

1. WELCOME
2. APPROVAL OF MINUTES FROM THE JUNE 1, 2012 MEETING.
3. DISTRIBUTE THE LATEST EDITION OF THE UNIFORMER – CINDY ANDERS-ROBB, FEDERATION OF TAX ADMINISTRATORS
4. BILL OF LADING PROJECT-WILDA ICE-STATE OF WEST VIRGINIA.
5. DISCUSS DRAFT OF MODEL LEGISLATION FOR BUY/SELL AGREEMENTS AND RENEWABLE FUELS ALONG WITH DIAGRAMS- ANNE NICHOLSON-EXXONMOBIL.
6. UPDATE FROM CINDY ANDERS-ROBB CONCERNING BEING ABLE TO USE THE FTA’S WEBSITE FOR IMPORT/EXPORT INFORMATION.
7. OLD BUSINESS
8. NEW BUSINESS
9. NEXT MEETING : TO BE ANNOUNCED.

**FTA MOTOR FUEL UNIFORMITY COMMITTEE
COMMUNICATION & COORDINATION SUBCOMMITTEE
SAN ANTONIO, TEXAS
JUNE 1, 2012**

MINUTES

The Communication & Coordination Subcommittee met on Friday, June 1, 2012. State Co-Chair Christy Dixon and new Industry Co-Chair, Anne Nicholson conducted the meeting. The meeting was called to order at approximately 1:00 PM. There were 18 attendees present.

The minutes from the January 27, 2012 meeting were approved.

The latest edition of the Uniformer (June, 2012 copy) was distributed. The deadline for submission of articles to be included in the October, 2012 Uniformer is September 15, 2012.

General

The Taxation, Diversion and Alternative Fuels Booklet will be updated for 2012 FTA Motor Fuel Annual Meeting. The information will be sent out to the states in June, 2012.

The subcommittee was asked to do a definition for Liquefied Natural Gas (LNG), Compressed Natural Gas and Natural Gas. The following definitions were approved by Uniformity Committee:

Liquefied natural gas (LNG): Natural gas (primarily methane) that has been liquefied by reducing its temperature to -260 degrees Fahrenheit at atmospheric pressure

Compressed natural gas (CNG): Natural Gas compressed to a pressure at or above 200-248 bar (i.e., 2900-3600 pounds per square inch) and stored in high-pressure containers. It is used as a fuel for natural gas-powered vehicles.

Natural gas: A gaseous mixture of hydrocarbon compounds, the primary one being methane.

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

Bill of Lading Project-Wilda Ice of West Virginia was not able to attend the meeting. This project has been tabled until October 26, 2012. Wilda will try to have a draft of a White Paper Document to discuss at the next meeting.

The project for draft language to be put in the Model Legislation Section for Buy-Sell Agreements and something for Renewable Fuels along with some type of diagram is

tabled until the next meeting on October 26, 2012. Anne Nicholson with ExxonMobil is going to look at this project and give an update at the next meeting.

Cindy reported that she is still checking with FTA about using the FTA's Website, Tax Exchange which is a secure section of the website and this way the state would only have to have 1 password instead of passwords for each state.

The next meeting will be on October 26, 2012 in Providence, Rhode Island.

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

COMPLIANCE SUB-COMMITTEE

AGENDA – Oct 26, 2012

Providence, RI

1. Welcome
2. Approval of Minutes from September meeting
3. Training Schedule Update
4. Dyed Fuel Stats: Jeremy Neeck
5. IRS Update: Rich Little
6. Old Business:
 - a. CNG White paper?
 - b. Barge Compliance – Dean Reinauer
7. New Business:
 - a. New projects to work on for 2013
 - b. Open discussion
8. Next Meeting

January 2013?

**FTA MOTOR FUEL UNIFORMITY COMMITTEE
COMPLIANCE SUB-COMMITTEE
SAN ANTONIO, TX
JUNE 1, 2012**

MINUTES

The Compliance Sub-Committee met on Friday, June 1, 2012. State Co-Chair Cindy Mongold and Industry Co-Chair Rae Takai conducted the meeting. The meeting began approximately 2:15 PM. There were 18 in attendance, which included ?? state representatives, 1 FTA, 1 IRS and ? industry.

The minutes from the January 27, 2012 were approved as presented.

Training Schedule Update

Motor Fuel Basic Training Course is scheduled for July 29 – August 2, in Minneapolis, Minnesota at the Minneapolis Airport Marriott. The cut-off date for hotel reservations is July 14, 2012. A handout providing all the information was provided by Cindy Anders-Robb, with the FTA. You can also find the training announcement on the FTA website at www.taxadmin.org.

The Advanced Training class will be held November 25 – 29 in Savannah, GA at the DeSoto Hilton.

Dyed Fuel Stats

Jeremy Neeck of Minnesota reported on the dyed fuel stats. State representatives have been responsive to the expanded 2012 dyed fuel stat reporting which includes vehicle type and industry. Tracking spreadsheet is being updated as information is received.

Rich Little also reported that 2,519 samples were taken by the federal government, 531 of those were at the terminal and 273 cases resulted in a penalty.

IRS Update

Compliance issues seen at the federal level are concerning alternative fuels, black liquor, and use of exemption certificates and taxability of fuel. These federal issues would not affect the states.

Sale of “Off Spec” Military Fuel

Information obtained from a representative of the Defense Logistics Agency indicates theft of military fuel seemed to be a bigger issue than sell/use of “off spec” military fuel.

Since military aircraft do not have heaters on the fuel tank to prevent water condensation at high altitudes like commercial aircraft, FSII (Fuel System Icing Inhibitor) is added to fuel used in military aircraft. Vehicles do not run well on fuel containing FSII, however do not believe that FSII is something that would normally be tested for during a quality check.

Airport “Stale” Fuel Issues and Taxation

Discussed a theft and fraud case regarding a trucking company contracted to haul rainwater that had mixed with spilled fuel on the ground of an airport fuel farm. Instead the company’s trucks stole millions of gallons of gas, which was then sold illegally.

Update on Electric vehicle list serv question

Spreadsheet was provided with the responses received from 17 states and an FHWA representative. 1 state had a bill that introduced legislation for a VMT, 1 state had legislation introduced for an Electricity Highway fee on motor vehicle electric recharging stations, 1 state had a bill introduced to clean up the existing law to clarify how electric vehicles should be handled, and 2 states have existing laws that require an annual fee on electric vehicles. None of the other 17 states had bills introduced this year nor existing laws on the books regarding road tax on electric vehicles.

Discussion with a Compliance officer from the Pacific Region

Presented information provided by the Pacific Region representative and at this time they have not identified any new compliance issues in their state. They continue to see the same ones that most states are dealing with, which include theft, illegal blending, dyed fuel usage and mislabeled product being imported.

Home CNG Fuel Stations

Handed out articles regarding home CNG fueling stations and discussed the problems with taxing this fuel for road use when separate meters may not be required by state law and when the liquid is actually compressed may be an issue for some also. 1 state indicated they had questions regarding putting a CNG fueling station in a neighborhood for use by the residents. Another state indicated that they had received calls from car dealerships inquiring about the fuel tax laws for CNG vehicles. A suggestion regarding a White Paper was made.

Jeremy Neeck also had a presentation on LNG & CNG for Saturday’s meeting.

New Projects for 2012?

Dean Reinauer of Reinauer Transportation will provide barge statistical information at the next meeting.

Asked for projects/topic suggestions for the Compliance Sub-Committee to work on in 2012.

Open Discussion

Next Meeting

October 26 & 27, 2012 in Providence, RI

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



Forms Sub-committee Agenda

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Meeting Agenda and Minutes

Type of Meeting	FTA – Forms Subcommittee
Date	October 26, 2012
Venue	Providence, Rhode Island
Start Time	8:00 am

Agenda:

No.	Topic(s)	Update Provided (Yes/No)
1	Introduction	Lee Gonzalez
2	Review of Minutes (June 2012)	Cheryl Gilson
3	Old Business a) Crosswalk (FTA and STCC Codes) b) Uniform Alternative Fuels Tax Report c) Eliminating Schedule Codes (Uniformity Guide)	Michael Grammer Edie Martin Lee Gonzalez
4	New Business a) New Business – Uniform Forms b) Industry Issues c) State ExSTARS Data (Update/Can states legally call filers and tell them they are receiving 826s instead of 813s. d) IRS Update (ExSTARS/Conversion to EIA Codes)	Lee Gonzalez Scott Louie Edie Martin/Rich Little Rich Little
5	Recap and Adjournment	Lee Gonzalez

Meeting Minutes:

No.	Discussion item	Meeting Minutes (27 attendees)
1	June 2012 minutes	
2	Cross Walk (FTA and STCC Codes)	
3	Uniform Alternative Fuels Tax Report	
4	Eliminating Schedule Codes (Uniformity)	

Action Items:

No.	Discussion Item	Resource	Action Required	Status (NS, IP, Done)
1	Schedule Code Project	Lee Gonzalez	Forms Committee will reach out to states who did not respond to determine which uniform schedules they are currently using.	
2	Alternative Fuel Report	Edie Martin	Team will design report and instructions that can be used to report and pay alternative fuel tax. Team members will consist of the following. Edie Martin (KS) – Team Lead, Stan Hook (WI), Melanie Branch (Shell).	
3	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	



Forms Sub-committee Agenda

06/01/2012

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Meeting Agenda and Minutes

Type of Meeting	FTA – Forms Sub-committee
Date	June 1, 2012
Venue	San Antonio, Texas
Start Time	8:00 am

Agenda:

No.	Topic(s)	Update Provided (Yes/No)
1	Introduction	Lee Gonzalez
2	Review of Minutes (January 2012)	Cheryl Gilson
3	Old Business 1) Crosswalk (FTA and STCC Codes) 2) Mixed Stream Fuels (product code request) 3) Alabama Forms Review 4) Methods for Reporting Renewable Fuels (EIA Codes) 5) Schedule Code Request	Michael Grammer David Breidenbach Cindy Mongold Bill Gray Lee Gonzalez
4	New Business 1) Uniform Forms (Monthly / Annual)	Lee Gonzalez
5	Recap and Adjournment	Lee Gonzalez

Meeting Minutes:

No.	Discussion item	Meeting Minutes (27 attendees)
1	January 2012 minutes	Minutes reviewed from January 2012 meeting. Minutes approved.
2	Review Alabama Returns	<p>Alabama requested FTA to review 5 forms for Uniformity. The Forms Review Team led by Cindy Mongold reviewed returns and forwarded comments to Alabama. Alabama updated returns and provided revisions to Forms Review Team. Team reviewed changes and could not find additional problems. The following forms were approved as uniform and will be voted on June 2 for final approval.</p> <ul style="list-style-type: none"> • Terminal Operator • Transporter • Supplier / Permissive Supplier • Importer/Exporter • Blender <p>Formal vote on June 2 required. Uniformity Committee approved Alabama's return.</p>



No.	Discussion item	Meeting Minutes (27 attendees)
3	<p>Methods for Reporting Renewable Fuels (EIA Codes)</p>	<p>Rich and Hal provided a status update on converting from FTA to EIA product codes. Due to the cost and complexity of converting to new product codes, team recommended that we should not convert to EIA codes at this time.</p> <p>Note – During a previous meeting, the committee determined we should create four new product codes if we did not convert to EIA codes.</p> <p>Forms co-chair made a recommendation to move forward with adopting a product code for the following:</p> <ul style="list-style-type: none"> • Ultra low sulfur diesel (undyed) • Ultra low sulfur diesel (dyed) • CBOB (meets the definition of a taxable product) • CBOB (does not meet the definition of a taxable product) • RBOB (meets the definition of a taxable product) • RBOB (does not meet the definition of a taxable product) <p>A recommendation was made to use the first three digits of the EIA code. However, this created problems for RBOB and CBOB. The EIA product code for CBOB is 139, but 139 was previously used for gasohol 10%. Decision was made to not re-use 139 as some states still have 139 as an active product code and don't have the resources to make major system updates. EIA code for RBOB is 123 and is currently being used for alcohol.</p> <p>A recommendation was made to assign 301 to 304 for CBOB and RBOB (taxable, untaxable) pending confirmation from EIA there is no conflict with another code. Rich will validate whether or not there is a conflict and will report back to the June 2 committee meeting.</p> <p>The following changes to the uniformity guide will be proposed to the Uniformity Committee.</p> <p>Under blending components:</p> <ul style="list-style-type: none"> • CBOB (meets the definition of a taxable product) = product code 301 • CBOB (does not meet the definition of a taxable product) = product code 302 • RBOB (meets the definition of a taxable product) = product code 303 • RBOB (does not meet the definition of a taxable product) = product code 304 <p>Stand-alone product codes</p> <ul style="list-style-type: none"> • Ultra low sulfur diesel (undyed) = 313 (roll up to 167) • Ultra low sulfur diesel = 314 (roll up to 228) <p>Formal vote on June 2 required. Note – There is not a need to have a product code for “meets the definition of a taxable product” and does not “meet the definition of a taxable product” for CBOB and RBOB. Taxability will be based on schedule type. Uniformity Committee approved adding the following product code to the uniformity guide.</p> <ul style="list-style-type: none"> • 313 – Ultra low sulfur diesel (undyed) • 314 – Ultra low sulfur diesel (dyed) • 301 – CBOB • 302 - RBOB
4	<p>Mixed Stream Fuels (product code request)</p>	<p>David Breidenbach proposed two new product codes.</p> <ol style="list-style-type: none"> 1. NGL mixed stream requiring further processing to be a gasoline blendstock. 2. Mixed stream of butanes and pentanes plus that does not require processing to be used as a gasoline blendstock. <p>After much discussion, no state felt the need to track mixed stream, natural gas liquids (LPG/Propane).</p>



Forms Sub-committee Agenda

06/01/2012

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No.	Discussion item	Meeting Minutes (27 attendees)
5	Schedule Code Project	<p>A survey was issued asking each state to list uniform schedule codes they are currently using on their motor fuel tax returns. Schedules that are not being used would be eliminated from the uniformity guide. Lee provided the results of the survey to date.</p> <ol style="list-style-type: none"> 1. 26 states responded to the survey 2. 15 states did not respond 3. 9 states were identified as not using uniform schedules <p>There are currently 11 schedule codes that are not being used. Lee will reissue survey to address states that did not respond.</p>
6	Filing Frequency (monthly / annual)	<p>A request was made to add verbiage to the uniformity guide that would define best practices for filing frequency (uniform forms). Group suggested three options.</p> <ol style="list-style-type: none"> 1. Monthly 2. Annual, semi-annual, monthly, etc. Frequency will depend on state legislation. 3. Combination of 1 and 2. <p>A motion was made to not add verbiage regarding filing frequency to the uniformity guide. Motion was approved.</p>
7	Uniform Alternative Fuels Tax Report	<p>A concern was brought up by Cindy prior to the uniformity meeting that we do not have a uniform form to report alternative fuel tax. Pros and cons of adding a form to the uniformity guide was considered. The following options were proposed.</p> <ol style="list-style-type: none"> 1) Set up work group to come up with a uniform form. 2) Add verbiage to the uniformity guide that states alternate fuel forms should be designed in the same manner as a distributor or supplier return. 3) Do nothing. <p>Due to the popularity of alternative fuels, Cindy Anders-Robb suggested at some point we need to address an alternate fuels tax report. A decision was made by the committee to create a team with the following mission.</p> <ol style="list-style-type: none"> 1. Determine if a uniform form is necessary. 2. If necessary, design a form with instructions that can be used to file and pay alternative fuel tax. <p>Team members will consist of the following. Edie Martin (KS) – Team Lead, Stan Hook (WI), Melanie Branch (Shell).</p>
8	Schedule 15C	<p>Stan asked the uniformity committee if they can move forward with adding 15C to EDI X12 and XML. 15C requires each position holder to report inventory. 15C is currently in the uniformity guide as a uniform schedule. A decision was made to add 15C to both schemas.</p> <p>Note - Oklahoma anticipates going EDI within the next 2 years.</p>
9	Industry Concerns	<p>Scott Louie, Chevron presented industry concerns.</p> <ul style="list-style-type: none"> • Texas - Ownership of fuel on a barge can change hands between being loaded and delivered. Texas wants supplier to provide trail. Per Dean, paperwork exists at the terminal showing where fuel is going. ExSTARS provides some of the information. Industry is concerned other states will require similar information, creating an additional burden. • Connecticut: New schedule has a cap @ \$3.00 a gallon. Transactions are also reported on Gross Receipts return. Industry has difficulty providing this information. Change requires significant system changes. • States netting motor fuel refunds against outstanding bills for non-fuel related taxes creates a hardship for industry. It is difficult for industry to track inter-departmental liabilities. Scott knows of 5 states that are handling refunds in this manner. • South Carolina issued a lien against Chevron that was based on a bill. Chevron never received paper work for the bill.



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No.	Discussion item	Meeting Minutes (27 attendees)
10	State ExSTARS Data	<p>Edie provided ExSTARS update:</p> <ul style="list-style-type: none"> • KS 76% 826 • KS 41 entities filed, 9 submitted 813 • Rich will ask Battelle to double-check why more files aren't coming in as 813s if only the LOA controls disclosure • Discussion on whether states can legally call filers and tell them they are receiving 826s instead of 813s. Rich will follow up. • Kansas isn't able to perform matching against IRS transactions due to the small volume of ExSTARS 813 data.
11	IRS Update	<p>Rich provided update.</p> <ul style="list-style-type: none"> • New ExSTARS release 2.3 will eliminate use of substitute product codes effective June 2012 for July reporting – no user testing required. EDI processing switching from Mercator to IBM. • Reporting of alternate fuels is being evaluated. • Highway bill – House voted to extend tax thru end of September; Senate can now vote; most likely by end of June there will some type of extension.
12	Uniformity Guide Update	<p>Bill Gray suggested changes to page 59 and the table of contents to the uniformity guide. Changes would remove language that would infer proposed versus actual best practices for reporting prior period purchases. The following changes were proposed:</p> <p>Page 59</p> <ul style="list-style-type: none"> • Remove “proposed” from FTA Motor Fuel Tax Uniformity Committee “Proposed” Best Practice Prior Period Transaction Reporting” • Delete – Goal: To create a suggested practice to benefit both States and industry, regarding prior period transaction reporting issues. • Remove “proposed” from Proposed Best Practices <p>Table of Contents</p> <ul style="list-style-type: none"> • Remove “proposed” from “Proposed” Best Practice Prior Period Transaction Reporting. <p>Changes were approved by Forms Management Committee. Formal vote on June 2 required. Uniformity Committee approved changes to the uniformity guide.</p>

Action Items:

No.	Discussion Item	Resource	Action Required	Status (NS, IP, Done)
1	Schedule Code Project	Lee Gonzalez	Forms Committee will reach out to states who did not respond to determine which uniform schedules they are currently using.	
2	Alternative Fuel Report	Edie Martin	<p>Team will design report and instructions that can be used to report and pay alternative fuel tax.</p> <p>Team members will consist of the following. Edie Martin (KS) – Team Lead, Stan Hook (WI), Melanie Branch (Shell).</p>	
3	FTA to STCC Product Codes	Michael Grammer	<p>Create cross walk between FTA and STCC codes.</p> <p>Team Members - Michael Grammer, Ray Grimm, Bob Donellan, Vicky Freedman, Winston Stein, and Gene Holland</p>	



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Meeting Agenda and Minutes

Type of Meeting	FTA – Forms Subcommittee
Date	October 26, 2012
Venue	Providence, Rhode Island
Start Time	8:00 am

Agenda:

No.	Topic(s)	Update Provided (Yes/No)
1	Introduction	Lee Gonzalez
2	Review of Minutes (June 2012)	Cheryl Gilson
3	Old Business a) Crosswalk (FTA and STCC Codes) b) Uniform Alternative Fuels Tax Report c) Eliminating Schedule Codes (Uniformity Guide)	Michael Grammer Edie Martin Lee Gonzalez
4	New Business a) New Business – Uniform Forms b) Industry Issues c) State ExSTARS Data (Update/Can states legally call filers and tell them they are receiving 826s instead of 813s. d) IRS Update (ExSTARS/Conversion to EIA Codes)	Lee Gonzalez Scott Louie Edie Martin/Rich Little Rich Little
5	Recap and Adjournment	Lee Gonzalez

Meeting Minutes:

No.	Discussion item	Meeting Minutes (27 attendees)
1	June 2012 minutes	
2	Cross Walk (FTA and STCC Codes)	
3	Uniform Alternative Fuels Tax Report	
4	Eliminating Schedule Codes (Uniformity)	

Action Items:

No.	Discussion Item	Resource	Action Required	Status (NS, IP, Done)
1	Schedule Code Project	Lee Gonzalez	Forms Committee will reach out to states who did not respond to determine which uniform schedules they are currently using.	
2	Alternative Fuel Report	Edie Martin	Team will design report and instructions that can be used to report and pay alternative fuel tax. Team members will consist of the following. Edie Martin (KS) – Team Lead, Stan Hook (WI), Melanie Branch (Shell).	
3	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	



Meeting Agenda and Minutes

Type of Meeting	FTA – E-Commerce
Date	June 1, 2012
Venue	San Antonio, TX
Start Time	1:00 pm

Agenda:

No.	Topic(s)	Update Provided (Yes/No)
1	Introduction	Yes - Hal Lovell
2	Review of Minutes (January 2012 – Portsmouth, Virginia)	Yes - Hal Lovell
3	Consulate officer purchase of tax-paid fuel	Yes – E-Commerce group
4	Mexico import transactions in XML Schema – Reporting Issue	Yes – E-Commerce group
5	XML Schema 1.0 version in PRODUCTION and revisions needed to publish the 2.0 version	Yes – Stan Whaley
6	The EDI guide for reporting of the Ending Inventory will also be updated to allow for Position Holder inventory reporting	Yes - Hal Lovell
7	New Item - Discussed adding the Position Holder data to allow ending inventory by PH in the terminal.	Yes – E-Commerce group
8	Report filing type issue – Confusion between Supplier/Distributor reporting requirements on SDR form	Yes – Bill Gray
9	Group discussed the need to revisit the XML documentation available to our stakeholders	Yes – Stan Whaley

Meeting Minutes:

No.	Discussion item	Meeting Minutes
1.	Introduction	Total attendees – 9 in person (no one by phone) Industry 3 Misc (Vendors, etc.) 3 States 3
2.	Minutes	We discussed/reviewed minutes from the Jan 2012 meeting. No changes were recommended. Notes were approved by committee



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No.	Discussion item	Meeting Minutes
3.	Consulate Officer – PID #	<p>Foreign diplomat used his/her PID (8 digit number) to purchase fuel ex tax. The EDI/XML schema won't allow this entry for the BUYER Field. We also have this issue in the XML/EDI map as the allowable field length will not accommodate this particular ID number.</p> <p>The group discussed this issue and determined that the old 8 digit number for diplomatic exemption card is the issue since the Alpha Numeric field for buyer only allows at a minimum 9 digits. We also agreed (Stan Hook) that we would monitor this issue and if the volume of problems with this reporting increased and became problematic then we would revisit a better solution. Currently, for an 8 digit entry there is no easy solution and the there does not appear to be a big issue with this reporting incident. New cards appear to be 10 digit entries. <u>Issue closed by committee</u></p>
4.	Mexico import transactions in XML Schema	<p>Issue with transactions on imports from Mexico into US in XML Schema – How to handle transactions 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.</p> <p>Our committee reviewed this and recommended the following:</p> <p>We recommend adding to the XML schema an enumerated list that will include the Mexican States as displayed in Appendix F of FTA Guide and in the X12 Data Dictionary. Jonathan and Stan will review this and make the recommended changes for this enumerated list in XML schema. We plan to close out this item at the next E-Commerce meeting once this task has been completed. We expect to accomplish these changes before our next meeting in Oct 2012.</p>
5.	XML Schema 1.0 version in PRODUCTION and revisions needed to publish the 2.0 version	<p>Our group went over some minor tweaks to the Motor Fuels Schema section of the 1.0 version of XML. The biggest change discussed was “adding” the ability to track ending inventory in the terminal by position holder. The committee reviewed and approved this new reporting element with the suggestion that “ending inventory” by Position Holder by a “MANDATORY” field.</p> <p>Everyone agreed to this modification and the group voted to support the other modifications being implemented with Version 2.0 of the XML schema.</p> <p>Stan and Jonathan will see that this new version is published</p>
6.	The EDI guide for reporting of the Ending Inventory will also be updated to allow for Position Holder inventory reporting.	<p>The group discussed and agreed that we need to also review and recommend a method to report position holder inventories in a terminal for EDI X12 reporting. Ray Grimm was working on this issue and Hal will follow up with him to see how we can accomplish this in EDI. The group agreed that we need to add this to be in sync with the paper and XML filing methods for position holder inventory</p>



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No.	Discussion item	Meeting Minutes
7.	NEW - Report filing type issue – Confusion between Supplier/Distributor reporting requirements on SDR form	<p>A state is using the SDR report filing type for both Supplier and Distributor tax activities. This has caused at least one industry tax filer to have some reporting issues. Bill Gray presented a brief background on this and asked the Uniformity Group if we want to consider adding TWO new Report types in lieu of the “SDR” report type. Bill recommends:</p> <p>SUR – Supplier</p> <p>DIS - Distributor</p> <p>[This was approved to ADD these two changes in the uniformity session of this meeting.]</p>
8.	Group discussed the need to revisit the XML documentation available to our stakeholders	<p>Group feels that with a growing number of states using XML as their reporting format that we should look at incorporating the XML business rules and review procedures in the existing EDI guide or creating a 2nd Implementation Guide for XML.</p> <p>A “NEW” committee will be formed and headed by Stan Whaley. Members include:</p> <p>Stan Whaley (State), Bill Sinclair (Industry), Cheryl Gilson (Vendor), Hal Lovell (State), Doreen Warren (State), Ray Mattson-Grimm (Vendor)</p>

Action Items:

No.	Discussion Item	Resource	Action Required	Status (NS, IP, Done)
1	Excel – common state format	Hal Lovell	<p>Hal Lovell will lead the effort to address a common Excel format for exchanging data between states.</p> <p>Hal will also draft a letter addressing benefits of following a uniform format.</p>	IP
2	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 work group developing this guide.	IP
3	Impact of product code recommendation on EDI	E-commerce committee	Continue to monitor; make recommendations for incorporating EDI changes once solution is approved.	IP
4	Diversion number	E-commerce committee	Review proposal for reporting diversion number in X12. Currently, this can be reported on the paper form and with the XML scheme. Discussion on adding this ability to the X12 map. Ray Grimm will provide a draft on how it can be reported in X12	NS



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5	Ending inventory by PH at terminal rack	E-commerce committee	Discussion about reporting of ending inventory by position holder in the terminal. One state has started requiring this reporting and we don't have this example in the guide. The group lead by Ray G. is working on a proposal to add an example on how to report this ending inventory by position holder in the EDI map.	NS
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