

ExSTARS/ExTOLE

What are the systems?

What are they doing for Motor
Fuel Compliance?

1

ExFIRS

Excise File Information Retrieval
System

2

TEA-21 Transportation Equity Act for the 21st Century

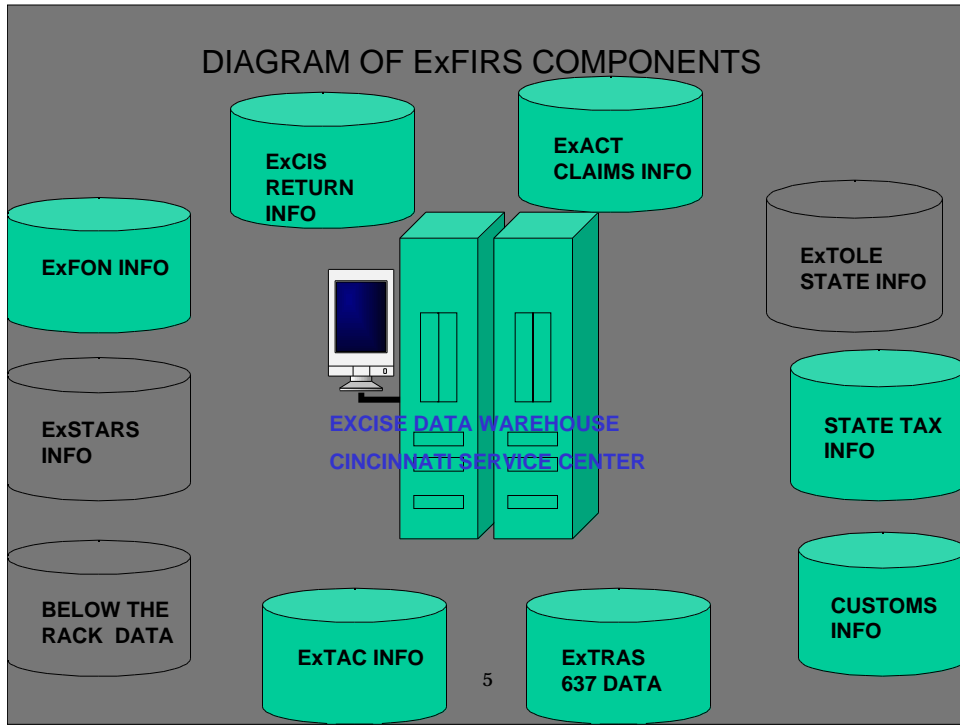
- **Transportation/IRS MOU for the purpose of “development and maintenance...of an excise fuel reporting system...available for use by appropriate State and Federal revenue, tax and law enforcement authorities” (P.L. 105-178)**

3

ExFIRS

- **ExSTARS**
 - Excise Summary Terminal Activity Reporting System
- **ExTOLE**
 - Excise Tax On-Line Exchange

4



ExSTARS

Excise Summary Terminal Activity Reporting System

6

ExSTARS

- In Partnership
 - IRS, Industry, States, FTA
- Information Reporting IRC REG. 48.4101-2
 - Enhance Fuel Compliance
 - Promote Uniformity (FTA Adopted Codes and EDI Maps)
 - Cost Effective and Efficient
 - Single Point Filing w/State Destination

7

ExSTARS

- ★ All Fuel Delivered To Approved Terminals
- ★ All Fuel in Inventory
- ★ All Fuel Removed from Approved Terminals by Position Holder
- ★ All Fuel Imports/Exports - States

8

What the state will expect from ExSTARS

- Information on
 - all information reported by terminals located within the state
 - disbursement information reported by terminals located outside the state
 - bulk carrier information
 - entity information

9

Benefits of ExSTARS

- Help to reduce tax leakage
- Improve Compliance
- Single point of filing data
- Increase effectiveness
- Enhances Enforcement Capability
- Electronic Filing

10

Benefits of ExSTARS Samples

- Receiving information from the terminal electronic so errors can be identified earlier
- Receiving information from outside terminals on imports
- Audit trail for fuel movement in a state
- Creates a National Database for fuel movements

11

ExTOLE System

Excise Tax On-Line Exchange

12

ExTOLE Functional Description Major Functions

Contact List

- Provides primary and secondary points of contact for participating states in key areas of fuel tax administration.

Truck Sighting

- Tracks the movement of vehicles transporting fuel products in interstate commerce.

- Helps states determine a carrier's liability for highway use tax by tracking a pattern of vehicle movement.

Diversion

- Provides a method for supplying participating states with individual state diversion information.

- Allows a state to be able to identify patterns of diversion activity for taxpayers, carriers, and/or terminals.

Retail Bulk Plant

- Facilitates the tracking of fuel across state lines.

- Tracking invoices and bill of lading to dealer returns and between wholesale and retail.

- Facilitates below the rack enforcement

Shared Licensing

- Provides states with the ability to view and sort all participating states recorded licensing information.

- Improves the efficiency of background checks and processing applications and identify potential violators for joint audits.

13

ExTOLE Functional Description Even More

File Transfer

- Enhance the ExTOLE applications to include the ability to transfer files and documents from one state agency to another utilizing a secure method of transport.

State Disclosure Tracking Provisions

- Individual states will control which state, and state agencies will be able to access their data.

14

Benefits of ExTOLE

- Improve Compliance
- Reduce Loss Revenue
- Increase Effectiveness
- Enhance Enforcement Capabilities
- Cost Less to maintain

15

Benefits of ExTOLE Samples

- Sharing of licensing information could have possibly kept Larry Larizzo from jumping from state to state
- Diversion information being readily available to compare to reported imports

16

Benefits of ExTOLE Samples (con't)

- Audit trails for terminals that either show a lot of diversions or no diversions
- Computer based import/export information will speed up audits and allow for matching to other reports
- Create National License data base to facilitate background investigations

17

Questions

18