



# FTA bulletin

Federation of Tax Administrators  
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**B-27/06**  
**November 8, 2006**

## **Summary of Proceedings** **2006 FTA Motor Fuel Tax Section Annual Meeting**

To State Tax Administrators:

### **Summary**

The 2006 Annual FTA Motor Fuel Tax Section Meeting was held October 8-11, 2006, in Albuquerque, New Mexico. This bulletin summarizes the presentations from the conference. It also summarizes the Motor Fuel Section Annual Business Meeting. Copies of the Resolutions approved at the Business Meeting are attached.

Presiding over the conference was Carol Player, from the State of South Carolina and the Motor Fuel Tax Section National Chair.

### **GENERAL SESSION – MONDAY**

The conference started with the presentation of colors. Then, **Kay Storr** performed the United States and the Canadian Anthem.

**Carol Player**, from the State of South Carolina and National Chair of the FTA Motor Fuel Tax Section, welcomed everyone to New Mexico. She also performed roll call of the states and introduced the chairs of the uniformity subcommittees.

**Sheri Alston**, Director of Transportation for the Fuel Tax Evasion Program, gave an update on the Federal Highway Administration.

**Rich Little**, Senior Program Analyst of the Internal Revenue Service, gave an overview of the structure of the IRS excise tax section and discussed EXSTARS reporting.

An update was given on the Motor Fuel Tax Evasion Studies. **Sheri Alston**, Director of Transportation for the Fuel Tax Evasion Program, discussed the Motor Fuel Tax Evasion research. **Bob Turner**, FTMA Bureau Chief for the State of Montana, spoke about funding for the Motor Fuel Tax Evasion research.

**Charles Greenough**, Project Manager for the Canadian Fuel Tax Council, gave an update on uniformity from the Canadian Fuel Tax Council. This was followed by an update of the United States Uniformity Project **Bob Donnellan**, Global Companies LLC and Uniformity Committee Industry Co-Chair.

**Anne Price Warhola**, Tax Council for the American Petroleum Institute, gave an update for the American Petroleum Institute. She addressed Federal Legislation, API activities, refinery operations, and prior period adjustments.

## CONCURRENT SESSIONS – MONDAY

Two concurrent sessions were repeated in the afternoon.

### Movement of Fuel

**Bob Crawford**, Assistant Director for Maryland Comptroller of the Treasury, was the moderator for this session. The panel included: **Bob Crawford**, **David Retz** of Chevron, and **Greg Anderson** of ConocoPhillips. The panel discussed movement of fuel by railroads, waterways, and pipeline.

### Underground Economy

**Charles Greenough**, Project Manager for the Canadian Fuel Tax Council, was the moderator of this session. The panel included: **Charles Greenough**, and **Darren Wiener** of the Canadian Revenue Agency. The panel discussed tax evasion.

## REGIONAL MEETINGS – MONDAY

The four regions (Midwestern, Northeastern, Pacific, and Southern) conducted their separate meetings to review the 2006 activities and plan for the 2007 activities.

## GENERAL SESSION – TUESDAY

**Win Gardner**, Fuels Quality Manager for ExxonMobil, spoke about fuels of the future, including gasoline and distillates.

**Linda Palmer**, Audit Bureau Chief for the New Mexico Taxation and Revenue Department, introduced **Jan Goodwin**, Cabinet Secretary of New Mexico Taxation and Revenue Department. **Jan Goodwin** welcomed everyone to New Mexico and gave a brief overview of interesting things to see and do in New Mexico. She thanked all the participants for attending the conference.

**Tim Turgeon**, CHS, discussed an industry perspective on ethanol marketing, reporting, and taxation.

**Scott Martin**, TRAC III Systems, and **Carol Player**, from the State of South Carolina and National Chair of the FTA Motor Fuels Tax Section, discussed the National Diversion Registry.

**Shirley Bonarccorso**, Revenue Tax Director for the State of Louisiana, and **Cinde Fontenot**, Revenue Audit Supervisor for the State of Louisiana, extended an invitation to the 2007 FTA Motor Fuel Tax Section Annual Meeting. The meeting will be held on September 30 – October 3 in Baton Rouge, LA.

**Peter Steffens**, Florida Department of Revenue and Past National Chair of the FTA Motor Fuel Tax Section, presented the Robert Beck Award to **Mary Tamplin Collier** of the State of Georgia.

The National Chairs Report was given by **Carol Player**, from the State of South Carolina and National Chair of the FTA Motor Fuel Tax Section. She also gave out several awards.

## CONCURRENT SESSIONS – TUESDAY

Two concurrent sessions were repeated in the afternoon.

### Credit/Refunds on Clean Burning Fuels

The moderator for this session was **Herman Wisneski**, Tax Specialist and Principal for the Minnesota Department of Revenue. The panel included: **Edie Martin** from the Kansas Department of Revenue, **David Reed** from the Tax Policy Division for the State of Texas, and

**Dar Walters** from the Idaho State Tax Commission. The panel discussed the state's perspective on tax credits, refunds, and incentives for alternative fuels.

### Bio Diesel

**Linda Dollens**, Administrator for the Returns Processing Center of the Indiana Department of Revenue, was the moderator for this session. The panel included: **Senator Tom Weatherwax** from the Indiana State Senate, **Mike Ackerman** from Ackerman Oil Company Inc, **Dale Thede** from the Iowa Department of Revenue, **Rich Little** from the Internal Revenue Service, and **Michel Monconduit** from the Internal Revenue Service. The panel discussed the state, federal, and industry perspective on bio diesel.

### ANNUAL BUSINESS MEETING – TUESDAY

The business meeting started with the roll call of states. Presiding over the meeting was **Carol Player**, Motor Fuel Tax Section Chair, presided over the meeting.

The four regional meeting updates were given as follows:

- Marsha Leichner – Midwest Regional Meeting was held in Lincoln, NE
- Michael Harrel – Northeastern Regional Meeting was held Wilmington, DE
- Paul Johnson – Pacific Regional Meeting was held in Jackson Hole, WY
- Julian Fitzgerald – Southern Regional Meeting was held in Mobile, AL

**Time and Place Committee**, Marsha Leichner, State of Nebraska announced the locations for the upcoming annual meetings:

- |      |                   |
|------|-------------------|
| 2007 | Baton Rouge, LA   |
| 2008 | Hartford, CT      |
| 2009 | Oklahoma City, OK |

**Resolutions Committee**, Lou Feletto, State of California sought approval to the Sixteen Resolutions. All resolutions were approved.

**Nominations Committee**, Steve Miller, State of Idaho announced the nominations for 2007. **Michael Harrel**, Delaware, was nominated and approved for the 2007 Motor Fuel Tax Section Chair and **Jimmy Archer**, Texas, was nominated and approved as the 2007 Motor Fuel Tax Section Vice Chair.

### GENERAL SESSION – WEDNESDAY

**Bill Gray**, Sinclair Oil, spoke about product code revisions for FTA's website.

**Tim Crowe**, Manager of Commercial Sales for Citgo, spoke about ultra low sulphur diesel fuel.

**Peter Steffens**, Florida Department of Revenue and Past National Chair of the FTA Motor Fuel Tax Section, talked about the Florida Audit Quality and Efficiency Project.

**RESOLUTIONS OF THE MOTOR FUEL TAX SECTION**

**Adopted at the Annual Business Meeting  
October 10, 2006 – Albuquerque, New Mexico**

**39 States plus the District of Columbia were present**

**Resolution One**

*(Adopted by all members present)*

**WHEREAS**, this the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held at the Hyatt Regency Hotel, Albuquerque, New Mexico will be remembered as informative and enjoyable, and

**WHEREAS**, the success of the meeting has been due in large part to the excellent arrangements made, informative program presented, and the generous hospitality provided,

**NOW, THEREFORE, BE IT RESOLVED**, that the delegates and guests at the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section, express their thanks and appreciation to their hosts, Linda Palmer, Leslie Montgomery, Rose Romero, Teri Gallegos Hoover and Amy Bell of the New Mexico Taxation and Revenue Department.

**Resolution Two**

*(Adopted by all members present)*

**WHEREAS**, the proceedings of the formal sessions of this 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section, have featured the presentation of timely, interesting and well prepared papers, and

**WHEREAS**, the exchange of technical and administrative information that has been accomplished in our breakout sessions is one of the principal functions of the meeting,

**NOW, THEREFORE, BE IT RESOLVED**, that the members of the Federation of Tax Administrators, Motor Fuel Tax Section, express their thanks and appreciation to Carol Player, Non Resident Auditor, South Carolina Department of Revenue, Chair of the Motor Fuel Tax Section, who presided at the sessions, and to the speakers and moderators at the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section for their contributions to the success of the program.

**Resolution Three**

*(Adopted by all members present)*

**WHEREAS**, the petroleum industry and state tax agencies desire to operate in the most effective and efficient manner, and

**WHEREAS**, the Wisconsin Department of Revenue has since 1999 provided a National Fuel Diversion Registry free of charge to the 48 contiguous states,

**WHEREAS**, the FTA has contacted all states for their requirements for a National Diversion Registry, and

**WHEREAS**, the new system chosen has been the Fueltrac.us system offered by the firm TRAC III, and

**WHEREAS**, the Motor Fuel Tax Uniformity Committee, FTA Motor Fuel Tax Section encourage states to join the Fueltrac diversion system in the interest of uniformity, and

**NOW, THEREFORE BE IT RESOLVED**, that the delegates of the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held in Albuquerque, New Mexico adopt the National Diversion Registry offered by TRAC III.

**Resolution Four**

*(Adopted by all members present)*

**WHEREAS**, the FTA Motor Fuel Tax Section and state tax agency members desire to commend the Wisconsin Department of Revenue for its contribution to the successful administration of fuel taxes through the creation in 1999 provided a National Fuel Diversion Registry free of charge to the 48 contiguous states

**WHEREAS**, the FTA Motor Fuel Tax Section and state tax agency members desire to further commend the Wisconsin Department of Revenue for leading the nation in establishing the benefits of tracking diverted fuel and the sharing of information between states contribution,

**NOW, THEREFORE BE IT RESOLVED**, that the delegates of the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held in Albuquerque, New Mexico here by commend and express its deepest appreciation to the Wisconsin Department of Revenue for generously creating, promoting and maintaining the first a national diversion registry.

**Resolution Five**

*(Adopted by all members present)*

**WHEREAS**, the petroleum industry and state tax agencies desire to operate in the most effective and efficient manner, and

**WHEREAS**, the states employ different requirements for the reporting of motor fuel tax information, and

**WHEREAS**, the Motor Fuel Tax Uniformity Committee, FTA Motor Fuel Tax Section has met and adopted the changes to the FTA Electronic Combined Reporting Methods Implementation Guide for 2006, and

**NOW, THEREFORE BE IT RESOLVED**, that the delegates of the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held in Albuquerque, New Mexico adopt the changes to the FTA Electronic Combined Reporting Methods Implementation Guide for 2006.

**Resolution Six**  
*(Adopted by all members present)*

**WHEREAS**, the petroleum industry and state tax agencies desire to operate in the most effective and efficient manner, and

**WHEREAS**, the states employ different requirements for the reporting of motor fuel tax information, and

**WHEREAS**, the Motor Fuel Tax Uniformity Committee, FTA Motor Fuel Tax Section has met and adopted a translated paper return to EDI format, and

**NOW, THEREFORE BE IT RESOLVED**, that the delegates of the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held in Albuquerque, New Mexico adopted a translated paper return to EDI format.

**Resolution Seven**  
*(Adopted by all members present)*

**WHEREAS**, the petroleum industry and state tax agencies desire to operate in the most effective and efficient manner, and

**WHEREAS**, the states employ different requirements for the reporting of motor fuel tax information, and

**WHEREAS**, the Motor Fuel Tax Uniformity Committee, FTA Motor Fuel Tax Section has met and adopted the revised Guide to reporting “Products Received Different than Products Sold Below the Rack” on the Uniform Distributors Schedules, and

**NOW, THEREFORE BE IT RESOLVED**, that the delegates of the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held in Albuquerque, New Mexico adopt the revised Guide to reporting “Products Received Different than Products Sold Below the Rack” on the Uniformity Distributors Schedules.

**Resolution Eight**  
*(Adopted by all members present)*

**WHEREAS**, the Federation of Tax Administrators strives to promote uniformity of motor fuel tax administration, and

**WHEREAS**, the states employ different requirements for the reporting of motor fuel tax information, and

**WHEREAS**, the Motor Fuel Tax Uniformity Committee, has adopted uniform schedules for reporting of motor fuel tax information,

**NOW, THEREFORE, BE IT RESOLVED**, that the delegates of the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held in Albuquerque, New Mexico adopt that the FTA Uniformity Committee will be the “keeper of the product codes”. The

committee will be responsible for determining and assigning any product codes requested by any taxing authority.

**Resolution Nine**  
*(Adopted by all members present)*

**WHEREAS**, the Federation of Tax Administrators strives to promote uniformity of motor fuel tax administration, and

**WHEREAS**, the states employ different requirements for the reporting of motor fuel tax information, and

**WHEREAS**, the Motor Fuel Tax Uniformity Committee, has adopted uniform schedules for reporting of motor fuel tax information,

**NOW, THEREFORE, BE IT RESOLVED**, that the delegates of the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held in Albuquerque, New Mexico adopt the IRS four letter blended product codes (B,D,E & M) and issue future percentage blended product codes beginning with an alpha character.

**Resolution Ten**  
*(Adopted by all members present)*

**WHEREAS**, the Federation of Tax Administrators strives to promote uniformity of motor fuel tax administration, and

**WHEREAS**, the states employ different requirements for the reporting of motor fuel tax information, and

**WHEREAS**, the Motor Fuel Tax Uniformity Committee, has adopted uniform schedules for reporting of motor fuel tax information,

**NOW, THEREFORE, BE IT RESOLVED**, that the delegates of the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held in Albuquerque, New Mexico adopt the product code of **259 for Hydrogen**.

**Resolution Eleven**  
*(Adopted by all members present)*

**WHEREAS**, the petroleum industry and state tax agencies desire to operate in the most effective and efficient manner, and

**WHEREAS**, the states employ different requirements for the reporting of motor fuel tax information, and

**WHEREAS**, the Motor Fuel Tax Uniformity Committee, FTA Motor Fuel Tax Section has met and adopted the following subschedules:

- 1G Gallons fully taxed but at a reduced rate
- 13K Credit of deduction for alternative fuel

**NOW, THEREFORE BE IT RESOLVED**, that the delegates of the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held in Albuquerque, New Mexico adopt the subschedules 1G and 13K.

**Resolution Twelve**  
*(Adopted by all members present)*

**WHEREAS**, the states employ different requirements for the reporting of motor fuel tax information, and

**WHEREAS**, the Motor Fuel Tax Uniformity Committee, FTA Motor Fuel Tax Section has met and adopted the changes to the FTA Motor Fuel Tax Section Uniformity Project Booklet for 2006, and

**NOW, THEREFORE BE IT RESOLVED**, that the delegates of the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held in Albuquerque, New Mexico adopt the changes to the Uniformity Project Booklet:

- Include a list of States in the Uniformity Booklet that are compliant or not compliant with the Uniform Forms
- The existing numeric codes will be retained in the Uniformity Booklet except where there is a conflict with the percentage blending codes

**Resolution Thirteen**  
*(Adopted by all members present)*

**WHEREAS**, the petroleum industry and state tax agencies desire to operate in the most effective and efficient manner, and

**WHEREAS**, the states and Canada employ different definitions for various terms that are used consistently throughout the motor fuel industry and in state motor fuel tax administration and,

**WHEREAS**, the Motor Fuel Tax Uniformity Committee, Federation of Tax Administrators, has met and adopted uniform definitions which the Committee recommends to assist states and Canada in the exchange of information and to relieve the burden on industry of dealing with multiple definitions for similar terms,

**NOW, THEREFORE, BE IT RESOLVED**, that the delegates of the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held in Albuquerque, New Mexico incorporate the comparison of the US definitions to the Canadian definitions in the Motor Fuel Tax Section Uniformity Project booklet.

**Resolution Fourteen**  
*(Adopted by all members present)*

**WHEREAS**, the petroleum industry and state tax agencies desire to operate in the most effective and efficient manner, and

**WHEREAS**, the states employ different requirements for the reporting of motor fuel tax information, and

**WHEREAS**, the Motor Fuel Tax Uniformity Committee, FTA Motor Fuel Tax Section has met and adopted the changes to the Model Legislation Checklist in the Motor Fuel Tax Section Uniformity Project booklet for 2006, and

**NOW, THEREFORE BE IT RESOLVED**, that the delegates of the 80<sup>th</sup> annual meeting of the Federation of Tax Administrators, Motor Fuel Tax Section held in Albuquerque, New Mexico adopt the changes to the Model Legislation Checklist in the Motor Fuel Tax Section Uniformity Project booklet for 2006.

**Resolution Fifteen**  
*(Adopted by all members present)*

**WHEREAS**, the success of the Federation of Tax Administrators, Motor Fuel Tax Section depends on the dedication of many State, Federal and Industry participants, and

**WHEREAS**, this 80<sup>th</sup> annual meeting of the Motor Fuel Tax Section recognizes several of these individuals, who have contributed to the success of the Federation of Tax Administrators, Motor Fuel Tax Section, during the previous years, have recently retired or moved on,

**NOW, THEREFORE, BE IT RESOLVED**, that the members of the Federation of Tax Administrators, Motor Fuel Tax Section express their thanks and appreciation to:

**Stephen Allen**, State of Pennsylvania  
**Robby Anderson**, State of South Carolina  
**Archie Boone**, State of South Carolina  
**Darel Capps**, State of Oregon  
**Andy Coffman**, State of Utah  
**Dave Cousineau**, State of Arizona  
**Michael Dougherty**, State of Maryland  
**Joan Galster**, State of North Dakota  
**William Gray**, Canada Revenue Agency  
**Molly Leach**, State of Pennsylvania  
**Allen Mengel**, State of Pennsylvania  
**Linda Morris**, Federal Highway Administration  
**Larry Trimble**, State of Minnesota  
**Dave Turnbull**, Canada Revenue Agency

We wish them luck in their future endeavors, and

**BE IT FURTHER RESOLVED**, that a copy of this resolution be forwarded to these individuals.

**Resolution Sixteen**  
*(Adopted by all members present)*

**WHEREAS**, the members of the Federation of Tax Administrators, Motor Fuel Tax Section recognize the success of the Federation of Tax Administrators, Motor Fuel Tax Section depends on the dedicated work of many State, Federal, and Industry participants, and

**WHEREAS**, an individual who contributed to the success of the Federation of Tax Administrators, Motor Fuel Tax Section during the previous years, has passed away,

**NOW, THEREFORE, BE IT RESOLVED**, that the members of the Federation of Tax Administrators, Motor Fuel Tax Section express their deepest sympathy to the family and friends of **Robert Billstone** from the State of Texas.