

# Industry Issues

Let's work together

# Introduction

You want me to . . . what?



# Things that BUG some of us

- ▶ Credit Card Transactions
- ▶ The entities the State and Fed allow exemptions for
- ▶ Who can file for the refund
- ▶ Gasoline and Diesel rules differ
- ▶ How about some uniformity

# 11-Point Plan

Spreadsheet filing is nonconforming

Point 6, "Allow for uniform electronic reporting systems by adopting the FTA Motor Fuel Electronic Commerce Committee standards for all electronic data exchange.

# 11-Point Plan

FTA Motor Fuel Uniformity EC Committee,  
together with TIGERS (FTA Tax Information  
Group for EC Requirements Standardization)

- ▶ Have developed EDI standards based on the ANSI ASC X12
- ▶ Are developing XML standards
- ▶ Have rejected developing spreadsheet standards.

# Benefits of EDI

- EDI and XML use an Industry based vocabulary which is consistent from state to state (TIA codes, summary codes, etc.)
- EDI uses a standard date format - yyyy/mm/dd; (AZ e-file requires mm/dd/yyyy, Nevada →

1/29/2008

1/4/2008

1/7/2008

12/28/2007

# Benefits of EDI Cont.

- ▶ Difficult to retain knowledge and properly format data on the spreadsheet according to each state's requirements.
- ▶ EDI functionality includes use of a functional acknowledgement which acts as a receipt of the tax return.
- ▶ EDI allows use of electronic signatures

# Technical Problems

- ▶ Excel data rows limitation (2003 = 65,536 rows, 2007 = 1,048,576 rows). File size limitations?
- ▶ Can program creation of acceptable EDI file but not Excel.
- ▶ Larger file size for Excel. EDI yields compact data format through looping.
  - Spreadsheet requires more storage space and band width to transmit

# Excel & Leading Zeros

Leading spaces and zero's are always removed on numeric fields.

- ▶ '00003' becomes '3'
- ▶ ' 0323' becomes '323'
- ▶ Product Code '065' becomes '65'

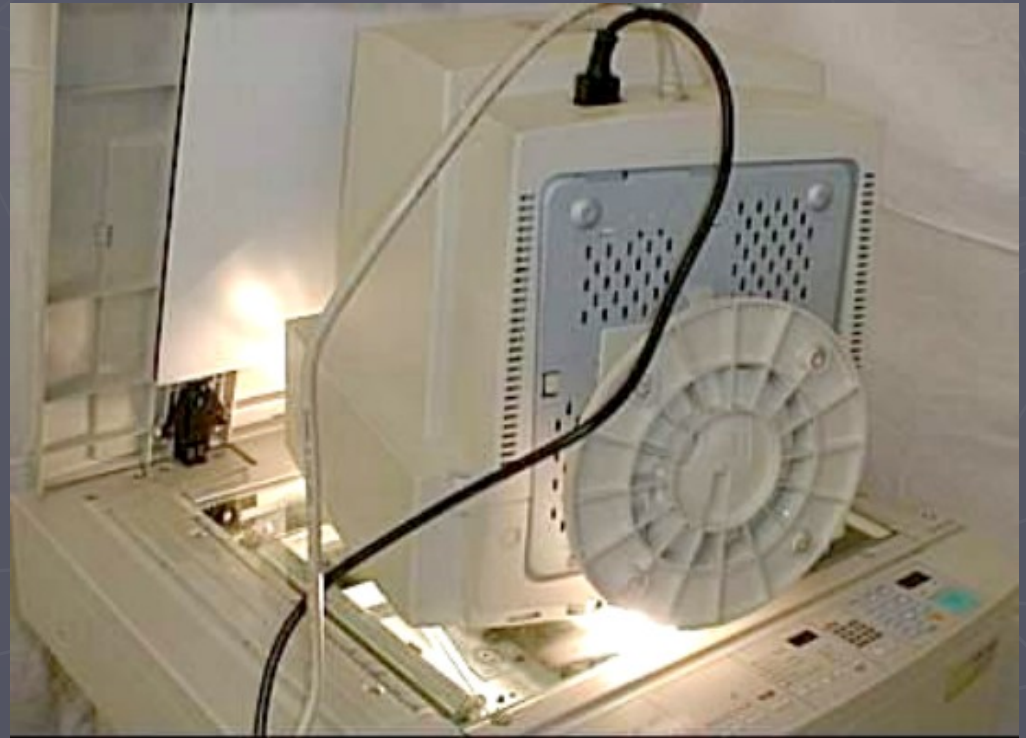
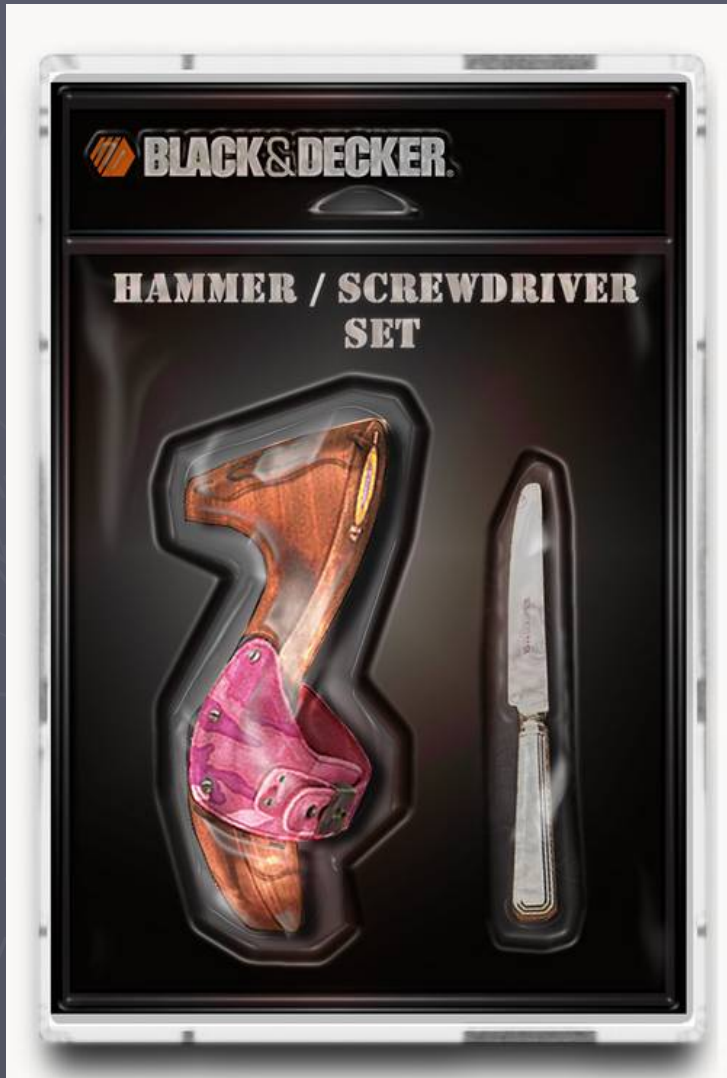
# Other Excel Problems

- ▶ Fields with double quotes ("), single quotes (') or apostrophes can lead to data transfer problems
- ▶ Unexpected results from floating point arithmetic rounding errors caused by different default settings with the instance of Excel that is being used at the time.

# Difficult for multi-state filers

- ▶ Now required by some states is phasing in.
- ▶ While other states are working on it.
- ▶ Let's not undo the good that's been done through Uniformity efforts.
- ▶ Let's use the right tools for electronic filing.

# Spreadsheets are not the right tool!



# Taxation of Ethanol as Gasoline and Biodiesel as Diesel Fuel

- ▶ Significant time on compliance
- ▶ We support alternative fuels
- ▶ Industry has a proven track record of compliance with the states

# E- Commerce

- ▶ Electronic filing
- ▶ Do not re-invent the wheel
- ▶ Uniformity is ready willing and able to help

# Late Loads

- ▶ States need to understand this
- ▶ Driver issues
- ▶ Perfect world would produce no late loads
- ▶ Here to stay

# Uniform Form

- ▶ Benefits industry as well as states
- ▶ Allows more detailed information
- ▶ Allows an ease moving to EDI
- ▶ Forms Managements sub committee more than happy to help states move to the uniform form.

# Diversions

- ▶ Reporting requirements
- ▶ Who files for the refund
- ▶ Are we required to file amended returns
- ▶ What is the suppliers obligation

# Waivers - Do's and Don'ts

- ▶ Help States
- ▶ Allows for more time to finish audits
- ▶ Generally there is no expiration date
- ▶ Industry needs to keep records longer
- ▶ Industry gets penalized more
- ▶ Let's find a common ground that works for everyone
- ▶ More timely audits
- ▶ If waivers are needed let's work together so neither partner gets penalized
- ▶ Auditors casually say if no waiver is signed then I will make a jeopardy assessment.
- ▶ Companies would be more supportive of Waivers if the date they are signed is the date interest charges stop.

# Be Prepared to Audit

- ▶ Complete cross checking before coming out
- ▶ Come in with questions
- ▶ Save the state money
- ▶ Save the taxpayer money
- ▶ Lets work together as a team