

RESOLUTIONS OF THE FTA MOTOR FUEL TAX SECTION
Adopted at the Annual Business Meeting
September 23, 2003 – Charlotte, North Carolina

(40 states were present)

Resolution One

WHEREAS, this the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held at the Hilton Charlotte University Place in Charlotte, North Carolina, 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 Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, express their thanks and appreciation to their hosts, Julian Fitzgerald Sr., Sharon Hudson, Martin Barrow and other staff of the North Carolina Department of Revenue.

Resolution Two

WHEREAS, the proceedings of the formal sessions of this Seventy-seventh 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 Joe O’Gorman, New Jersey Division of Taxation, Chair of the Motor Fuel Tax Section, who presided at the sessions, and to the speakers and moderators at the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section for their contributions to the success of the program.

Resolution Three

(Steering Committee)

WHEREAS, the Federation of Tax Administrators Motor Fuel Tax Section passes resolutions at the Annual Business Meeting, and

WHEREAS, the Federation of Tax Administrators Motor Fuel Tax Section wishes to have every resolution reviewed prior to the Annual Business Meeting, and

WHEREAS, that all resolutions that will be presented at the Annual Business Meeting for passage must be presented to the Resolution Committee by the end of the first day of the Annual Meeting,

NOW, THEREFORE, BE IT RESOLVED, that the delegates to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, endorse the policy that all resolutions that will be presented at the Annual Business Meeting for passage must be presented to the Resolution Committee by the end of the first day of the Annual Meeting.

Resolution Four

(Full Uniformity Committee)

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

WHEREAS, the Uniformity Committee, being a part of this effort, has reviewed the Uniformity Booklet for outdated information, inconsistencies and grammar errors,

NOW, THEREFORE, BE IT RESOLVED, that the delegates to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt these changes found in the Uniformity Booklet.

Resolution Five

(Forms Management Subcommittee)

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

WHEREAS, the Uniformity Committee, being a part of this effort, has reviewed and approved the following schedules for use by the states for continued uniform administration of motor fuel taxes:

Schedule 14 Common Carrier Petroleum Products Carrier Report – Schedule of Deliveries

- 14A Total all deliveries of fuel from instate locations to outside the state (exports)
- 14B All deliveries of fuel from out-of-state locations to inside the state (imports)
- 14C All deliveries of fuel between points in the state (interstate)

Schedule 15 Terminal Operator Reports/Schedules

- 15A Terminal operator schedule of receipts
(Provides detail in support of the amount(s) shown as receipts on the terminal report)
- 15B Terminal operator schedule of disbursements
(Provides detail in support of the amount(s) shown as disbursements on the terminal report)
- 15C Terminal operator schedule of inventories
(Provides detail in support of the amount(s) shown as beginning inventory and actual ending inventory on the terminal report)

NOW, THEREFORE, BE IT RESOLVED that the delegates to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt these schedules to enable continued compliance among states for uniform reporting purposes.

Resolution Six

(Forms Management Subcommittee)

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 to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt the following product codes:

- 960 Organic Oils
- 290 Bio Diesel Dyed (B100)
- 284 Bio Diesel Undyed (B100)

Resolution Seven

(Forms Management Subcommittee)

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

WHEREAS, the Uniformity Committee, being a part of this effort, has reviewed and approved the new form to request Summary/TIA/Schedule Code,

NOW, THEREFORE, BE IT RESOLVED that the delegates to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt the new form to request Summary/TIA/Schedule Code.

Resolution Eight

(Forms Management Subcommittee)

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

WHEREAS, the Uniformity Committee, being a part of this effort, has reviewed and approved the new form and product characteristics definitions to request product codes,

NOW, THEREFORE, BE IT RESOLVED that the delegates to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt the new form and product characteristics definitions to request product codes.

Resolution Nine

(Forms Management Subcommittee)

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

WHEREAS, the evasion of motor fuel taxes has been a problem over the years that has greatly affected the tax revenue of the states and the ability of the industry to effectively conduct its business, and

WHEREAS, the Motor Fuel Tax Uniformity Committee, FTA Motor Fuel Tax Section has met and adopted the “letter of credit format” to offer a resource to all taxing jurisdictions who are interested in strengthening their motor fuel tax laws to combat motor fuel tax evasion,

NOW, THEREFORE, BE IT RESOLVED that the delegates to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt the “letter of credit format” as a resource to all taxing jurisdictions that are interested in strengthening their motor fuel tax laws.

Resolution Ten

(Communication and Coordination Subcommittee)

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

WHEREAS, the states 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 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 to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt the following definitions for state fuel tax purposes:

Biodiesel – a fuel comprised of mono-alkylesters of long chain fatty acids generally derived from vegetable oils or animal fats, designated B100, and meeting the requirements of ASTM D 6751.

Biodiesel Blend – a blend of biodiesel fuel meeting ASTM D6751 with petroleum-based diesel fuel designated B~~xx~~, where ~~xx~~ represents the volume percentage of biodiesel fuel in the blend. (Example: B20 is 20% biodiesel and 80% petroleum diesel.)

Resolution Eleven

(Communication and Coordination Subcommittee)

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

WHEREAS, the evasion of motor fuel taxes has become a problem over the years that has greatly affected the tax revenue of the states and the ability of the industry to effectively conduct its business, and

WHEREAS, the Motor Fuel Tax Uniformity Committee, FTA Motor Fuel Tax Section, has met and adopted the checklist for Import/Export Cross Border Issues to offer a resource to all taxing jurisdictions who are interested in strengthening their motor fuel tax laws to combat motor fuel tax evasion,

NOW, THEREFORE, BE IT RESOLVED, that the delegates to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt the checklist for Import/Export Cross Border Issues as a resource to all taxing jurisdictions who are interested in strengthening their motor fuel tax laws.

Model Legislation - Import/Export Cross Border Issues

When enacting changes to existing fuel tax statutes, tax authorities should consider how the statutory definitions, reporting requirements and tax status of imports and exports will affect their taxpayers and neighboring states. Issues to be considered are as follows:

Rack State Issues:

- A. If tax is imposed at the rack will in-state position holders/suppliers be required to collect tax based on out-of-state destinations?
1. This will require supplier/position holders to register and file in bordering states.
 2. This will cause the tax paid purchases in neighboring states to dramatically increase.
 3. Neighboring state law may prohibit the precollection of tax when removed at the rack, possibly causing double taxation problems.
 4. Tax-paid purchases could reduce tracking and matching efforts in the neighboring states.
 5. Neighboring states with additional locally imposed taxes may now need a separate mechanism to collect these taxes.
 6. This may put taxpayers in an overpaid position in the neighboring state, forcing the taxpayer and the neighboring state to process refunds.
 7. Exporters may be required to register and file returns, reporting their destination state tax paid withdrawals.
 8. It will be important to define how you will handle products that may be exempt from tax in the destination state but taxable in your state, example kerosene.
- B. If tax is imposed at the rack will out-of-state position holders/suppliers be required to collect tax based on in-state destinations?
1. This will require attempting to register out-of-state supplier/position holders. These businesses may not have nexus in your state and may be unwilling to voluntarily collect your tax.
 2. If there are non-nexus out-of-state sources of fuel for in-state dealers, a process of registering and reporting imported gallons must be established (license category, returns, bonding etc.).

General Issues (Applicable to all Levels of Taxation):

- C. Will you provide a mechanism to exchange data with neighboring states?

- D. Will you require specific paper work requirements such as destination state on bill of lading & invoices?

- E. Will you require tax to be separately stated on invoices and the state to be identified?

Resolution Twelve

(Electronic Commerce Subcommittee)

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 Electronic Data Interchange Implementation Guide for 2003,

NOW, THEREFORE, BE IT RESOLVED, that the delegates to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt the changes to the Electronic Data Interchange Implementation Guide for 2003.

Resolution Thirteen

(Electronic Commerce Subcommittee)

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 and added to the EDI Guide a code of BN for Canada and XX for Mexico,

NOW, THEREFORE, BE IT RESOLVED, that the delegates to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt the codes for Canada and Mexico.

Resolution Fourteen

(Electronic Commerce Subcommittee)

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 Uniformity Committee Electronic Commerce Subcommittee, FTA Motor Fuel Tax Section, has adopted a Security Issues in Internet Based Motor Fuel Electronic Tax Filing white paper,

NOW, THEREFORE, BE IT RESOLVED, that the delegates to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt the Security Issues in Internet Based Motor Fuel Electronic Tax Filing white paper.

Resolution Fifteen

(Electronic Commerce Subcommittee)

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 Uniformity Committee Electronic Commerce Subcommittee, FTA Motor Fuel Tax Section has adopted a prior period transaction reporting document,

NOW, THEREFORE, BE IT RESOLVED, that the delegates to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt the prior period transaction reporting document.

Resolution Sixteen

(Electronic Commerce Subcommittee)

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 Uniformity Committee Electronic Commerce Subcommittee, FTA Motor Fuel Tax Section, has adopted to publish a list of states that have EDI guides in both the EDI guide and the Uniformity Booklet,

NOW, THEREFORE BE IT RESOLVED, that the delegates to the Seventy-seventh Annual Meeting of the Federation of Tax Administrators Motor Fuel Tax Section, held in Charlotte, North Carolina, adopt publishing a list of states that have EDI guides in both the EDI guide and the Uniformity Booklet.

Resolution Seventeen

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 Seventy-seventh 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 **Eddie McCormack**, State of Tennessee, **Angela Altice**, State of North Carolina, **Julie Jones**, State of Utah, **Floyd Leonard**, State of Colorado, **Joe Coppick**, ChevronTexaco, **Ray Thomas**, Tosco, **John Penacho**, Tosco, **Tim Torri**, Internal Revenue Service, **Eugene Williams**, State of New York, **Thomas Scott**, State of Pennsylvania, **Bill McKellar**, State of Connecticut, **Barry Holmes**, State of New York, **Tim Paul**, State of Maine, **Tony Gentile**, State of Massachusetts, **John Brennan**, State of Pennsylvania, **Eldon Andrus**, ExxonMobil, **Boyd Winn**, State of Louisiana, **Eric Scheetz**, State of Nevada, and **Charles “Butch” Jerrell**, State of Indiana, and wish them luck in their future endeavors, and

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