

FTA MOTOR FUEL UNIFORMITY COMMITTEE

Dana Point, California

May 30, 2009

Minutes

The FTA Motor Fuel Tax Section Uniformity Committee met at the Laguna Cliffs Marriott at Dana Point, California on May 30, 2009. Herman Wisneski, (MN) Motor Fuel Section National Chair called the meeting to order. Thirty-two (32) were in attendance. (See attached list of attendees)

Minutes

The minutes of the January 2009 Uniformity Committee meeting in Seattle, Washington were approved.

Presentation

Bob Donnellan, Industry Uniformity Co-Chair conducted a brain storming session on how Uniformity Meetings works and if we should change anything. After the discussion of the group it was decided the Mission Statement, Goals and four subcommittees were all still valid however we would have Communication/Coordination and Compliance meeting in the afternoon together which would allow everyone to meet together for the Forms and Electronic Commerce combined meeting in the morning. Electronic Commerce technical meeting would remain at the same time in the afternoon. It was also decided to try at the Annual meeting in 2011 to have the Uniformity subcommittee meet in the afternoon on Wednesday and the morning of Thursday to shorten the time spent out of the office.

Uniformity Chairs

State Co-Chair Marsha Leichner – State of Nebraska

Industry Co-Chair Bob Donnellan – Global Companies

Subcommittee Chairs

Compliance Subcommittee

State Co-Chair Wilda Ice – State of West Virginia

Industry Co-Chair Sharon Templin – Shell Oil

Communication and Coordination Subcommittee

State Co-Chair Christy Dixon – State of Oklahoma

Industry Co-Chair Natalie Cabla, Exxon Mobil

Electronic Commerce Subcommittee

State Co-Chair Traci Bullock – State of South Carolina

Industry Co-Chair Gene Holland, ConocoPhillips

Forms Management Subcommittee

State Co-Chair Lee Gonzales, State of Florida

Industry Co-Chair Brian Serafino – Chevron/Texaco

Subcommittee Reports

The Compliance Subcommittee Cindy Anders-Robb (FTA) reported there were twenty-two (22) in attendance. The committee discussed the following:

- Training schedule for 2009

- Dyed diesel inspections states for the first quarter 2009 were reviewed and suggestion on additional information to collect
- Review the white paper on Motor Fuel Issues with Natural Gas and Other Alternative fuels
- “rebill or not”
- Mileage Base Fee studies

(See the minutes of this subcommittee for more details)

The **Electronic Commerce Subcommittee** Traci Bullock (SC) reported there were twenty-five (25) in attendance. The subcommittee discussed the following:

- XML Schema update
- ExSTARS Users Group
- EDI Implementation Guidelines
- EDI Guides
 - New Hampshire

Approved by the Full Committee

FTA Motor Fuel Tax Uniformity Committee “Proposed” Best Practice Keeping Forms/Schedules Current with EDI requirements

GOAL:

To create a suggested practice to benefit both States and industry regarding keeping forms and schedules current with States’ EDI reporting requirements.

PROPOSED BEST PRACTICES:

As States implementing EDI move to uniform schedule codes for electronic reporting; it’s proposed States also make corresponding changes to their forms to keep paper forms and schedules in sync with EDI requirements.

- ***Terminal reporting***
 - When moving to EDI, older schedule codes 2A and 4A are replaced with uniform schedule codes 15A and 15B
 - Face forms will be updated to reference new schedule codes 15A and 15B
 - Schedule forms will be updated to use new schedule codes 15A and 15B
 - Schedule 15C will be removed as a supported form for those state moving to EDI
 - Terminal Operator Schedule of Inventories cannot be sent via EDI (inventory by position holder is not supported in the X12 map)
- ***Carrier reporting***
 - When moving to EDI, older schedule codes 1A, 2A, 3A are replaced with uniform schedule codes 14A, 14B, 14C
 - Face forms will be updated to reference new schedule codes 14A, 14B, 14C
 - Schedule forms will be updated to use new schedule codes 14A, 14B, 14C

- ***Schedules***
 - Add any additional state-required fields in DEI (exchange position holder) to the paper schedule forms

POINTS TO CONSIDER:

Although taxpayers filing electronically no longer send paper forms to the taxing jurisdiction, industry analysts still need to view the forms to verify they are meeting filing requirements. Industry must also be able to verify their tax liability. Keeping paper forms in sync with EDI requirements facilitates understanding of reporting requirements by industry and facilitates reporting accurately to taxing jurisdictions.

The **Forms Management Subcommittee** Lee Gonzales (FL) reported that this committee met with Electronic Commerce. There were twenty-five (25) in attendance. The subcommittee discussed the following:

- Uniformity Guide update
 - Review of Terminal Operator Report
 - Review of Supplier Return
- Fuel Blenders Report
- Product Code for Unleaded Avgas
- Review of Utah Forms
- Comparison of paper to EDI/XML
- Producers Report (update of IRS form)

(See the minutes of this subcommittee for more details)

Approved by the Full Committee

Fuel Blender's Report

Reporting of blended products may be achieved in two methods, included on the Distributor's Fuel Tax Report with all other fuel transactions or included on a separate Fuel Blender's Report. Those states that require the reporting of blended products on a separate report should utilize the FTA Distributor's Fuel Tax Report format when developing the Fuel Blender's Report.

A Fuel Blenders Report is used by the following states at this time.

- **Florida** – A monthly form filed by a person who is not licensed and is engaged in the activity of blending gasoline, gasohol, diesel, or aviation fuel with tax free or partially untaxed products for person use.
- **South Carolina** – A monthly form filed by fuel vendors to remit a user fee on sales of kerosene (K-1) or other blend stocks that are blended with tax paid gasoline or diesel to create a product subject to the user fee.
- **West Virginia** – A form used to calculate tax due on blended products. The report also contains a component that offsets tax due on the blend stocks with previously taxed components of the blend.
- **Kansas** – Combines a producer/manufacturer, blender, and end consumer return under one report. The form is used by those who are producing and blending product for their own use or for a retailer to claim a credit/refund for blending products they purchased at a higher tax rate and then blended to produce a product with a lower tax rate.

The **Communication and Coordination Subcommittee** Christy Dixon (OK) reported that twenty-two (22) were in attendance. The subcommittee discussed the following and the May 2009 *Uniformer* was passed out. (See minutes for the publication)

- White Paper on Price (Tax) Indexing and Sales Tax on Motor Fuel
- Draft to the Model Legislation Checklist for points of taxation
- Booklet for Diversions
- Alternative Fuels Incentives and Laws Booklet
- Safeguard of the IRS Information

(See the minutes of this subcommittee for more details)

Other Business

Mal Bruce (Canadian Fuel Tax Council) gave a brief update on what the counsel is doing in training and uniform forms.

Cindy Anders-Robb requested that all minutes from this meeting, the agenda for the September 2009 meeting and the Annual report be submitted by June 30, 2009.

Next Meeting

The next Uniformity Committee meetings are scheduled as follows:

September 18-19, 2009 – Oklahoma City, Oklahoma

January 13-14, 2010 – Austin, Texas

The meeting was adjourned.