

FTA MOTOR FUEL UNIFORMITY COMMITTEE

Oklahoma City, Oklahoma

September 19, 2009

Minutes

The FTA Motor Fuel Tax Section Uniformity Committee met at the Marriott in Oklahoma City, Oklahoma on September 19, 2009. Marcia Leichner, (NE) Uniformity State Chair called the meeting to order. Thirty-four (34) were in attendance. (See attached list of attendees)

Minutes

The minutes of the May 2009 Uniformity Committee meeting in Dana Point were approved.

Presentation

There were not presentations at this meeting since the Annual meeting will start tomorrow. Marcia and Bob requested suggestions for future presentations.

Uniformity Chairs

State Co-Chair Marcia 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** Wilda Ice (WV) reported there were twenty-two (22) in attendance. The committee discussed the following:

Training

Advanced Investigation Class held in Austin, Texas, January 25-29, 2009.
(13 in attendance)

Training Class for the State of Hawaii was held in Honolulu on June 15-19, 2009.
(22 in attendance)

Basic Training Class held in Portsmouth, Virginia, August 23-27, 2009.
(21 in attendance)

Advanced Audit Class held in Raleigh, North Carolina, October 18-22, 2009.
(18 in attendance)

Dyed Diesel Stats

Most states continue to do sampling and are finding violations consistently. The committee is getting inquiries from States that don't have a dyed fuel program requesting information on this process.

Bio Diesel Matrix

The committee is developing a matrix on bio diesel and how States are handling this product.

Internal Revenue Service ExSTARS System

West Virginia gave a short demonstration on how the auditors in the field can access this system. Auditors will only be able to view live data and can not save or print the data nor will they be able to change any of the data.

Wilda announced that she will not be the Subcommittee Co-Chair for next year and that Jeremy Neeck with Minnesota will take her place.

(See the minutes of this subcommittee for more details)

The **Electronic Commerce Subcommittee** Traci Bullock (SC) reported there were twelve (12) in attendance. The subcommittee discussed the following:

Railroad Product Codes

The committee looked at the STCC codes to incorporate them in the electronic filing so States can track the movement of fuel that is shipped by rail.

California Proposed Report Code

California request to establish "DLR" for Jet Fuel Dealer Report.

EDI/XML and forms

Additional fields will be added to the EDI/XML maps for invoice and railcar numbers.

IAT (International ACH Transactions)

This is a new regulation from the Federal Government that will affect States. The committee is reviewing for next meeting.

XML Schema

An update was given showing a sample output with an example that compares EDI with XML.

The **Forms Management Subcommittee** Lee Gonzales (FL) reported that this committee met with Electronic Commerce. There were thirty-four (34) in attendance. The subcommittee discussed the following:

Uniformity Guide Update

Reviewed the Supplier/Permissive Supplier Report and the Terminal Report and recommended a few modifications to the forms.

Producers and Manufacturers report

Instead of adding a new return to the uniformity guide, verbiage will be added to the uniformity guide that would direct states to use the exiting format of the supplier or distributor return currently in the uniformity guide.

Utah Forms

The Utah forms were approved and will be placed in the Uniformity Guide.

Virginia Schedule types

The three schedule types requested by Virginia for their motor fuel tax return were assigned and will be placed in the Uniformity Guide.

(See the minutes of this subcommittee for more details)

Approved by the Full Committee

Changes to the Uniformity Guide

Supplier/Permissive Supplier Report and the Terminal Report.

1. Change Filing Period to Filing Period End (CCYYMMDD). Change applies to both reports (Header Record).
2. Terminal Report Modification:
 - a) Line 1 – Change verbiage from Beginning Inventory Total from column 3 to Beginning Inventory Total from Schedule 15C, Column 3.
 - b) Line 4 – Change verbiage from Total Disbursement to Total from Schedule 15B.
 - c) Line 7 - Change verbiage from Actual Ending Inventory Total from column 7 to Actual Ending Inventory Total from Schedule 15C, Column 7.
3. Supplier/Permissive Supplier Report – Change receipt and disbursement schedule from Origin and Dest St to Origin State and Destination State.

The following changes will be made to all returns in the uniformity guide.

1. Change Filing Period to Filing Period End (CCYYMMDD). Change applies to both reports (Header Record).
2. Change receipt and disbursement schedule from Origin and Dest St to Origin State and Destination State.
3. Change receipt and disbursement schedule from Product Code (Please Circle) to Product Code.

Schedule Type

- 5AA Gallons received tax paid and sold to an unlicensed distributors, retailers, bulk users and users
- 5AB Gallons received tax paid and sold to a licensed distributor or import
- 5AC Gallons received tax paid and sold to a licensed supplier

State Forms

State of Utah's forms to be added to the guide as approved forms

The **Communication and Coordination Subcommittee** Christy Dixon (OK) reported that twenty-three (23) were in attendance. The subcommittee discussed the following and the September 2009 *Uniformer* was passed out. (See minutes for the publication)

White papers

- Price (tax) indexing & sales tax on motor fuel
- Safeguarding of IRS Data (ExSTARS)
- How states handle diversion and their definition of what a diversion is.

Definitions

- Shipping Documents
- Points of Taxation

(See the minutes of this subcommittee for more details)

Other Business

Marcia Leichner announced that Donna Alderman resigned from the position of Motor Fuel Tax Section Vice Chair and the Steering Committee voted Wilda Ice to take her place.

Cindy Anders-Robb requested that all minutes from this meeting and the agenda for the January 2010 be submitted by October 16, 2009.

Marcia Leichner and Bob Donnellan gave out certificates to the Uniformity Co-Chairs for their appreciation to all the hard work their committees have done this past year.

Herman Wisneski gave out two of his National Chairs awards to:

Stan Whaley

For laying the foundation and continued support to the Motor Fuel Tax Section Uniformity
E Commerce Subcommittee

Darrell Wissink

For his dedication and contributions to the Motor Fuel Tax Section Uniformity Committee

New Business

Herman Wisneski discussed the IRS changing from our product codes to the EIA codes. The Committee will meet with Jim Eads, Executive Director of FTA to discuss our issues and see if a meeting with the IRS could be arranged.

Herman Wisneski announced that Minnesota will print the Uniformity Guide and CD's next year.

Next Meeting

The next Uniformity Committee meetings are scheduled as follows:

January 13-14, 2010 – Austin, Texas
April or May, 2010 – Oklahoma City
September 10-11, 2010 – Helena, Montana

The meeting was adjourned.