

# The Uniformer

## MESSAGE FROM THE NATIONAL CHAIR JIM OLIVER

It always amazes me how fast a year goes by... It seems it was only yesterday that Edie Martin handed me the gavel at the close of the Annual in Fargo. Over the past year I've met and gotten to know more of my peers in this industry we call home. The open exchange of ideas, the support and assistance freely offered, whether industry of government, is the backbone of this organization. I applaud your willingness to help and the generosity of your time.

During this short year I particularly enjoyed attending the regional meetings. Every region has its own unique flavor! What stood out the most was the forwarding thinking attitude toward issue resolution. The desire to get it right seemed to be the underlying motivation. And then there was the camaraderie... I saw hugs, handshakes and pats on the back. Relationships founded in mutual respect and augmented with friendship.

I urge you to continue your support and involvement in the FTA Motor Fuels Tax Section. This organization welcomes new members and fondly remembers those that have moved on, where government and industry come together to work together for mutual benefit. My thanks go out to Cindy Anders-Robb with FTA, the Uniformity Chairs and Members, and Regional Officers who made this a most enjoyable year. It has been a privilege to

serve as your National Chair, Thank You!

My contact information follows, please feel free to contact me. [Jim.oliver@ky.gov](mailto:Jim.oliver@ky.gov) or (502) 564-2935

## MESSAGE FROM THE UNIFORMITY COMMITTEE STATE CO-CHAIR LEE GONZALEZ

I would like to take this opportunity to recognize current and former members of the Uniformity committee. As members, it has always been our mission to:

- Provide an opportunity for government and industry to partner for the efficient and effective reporting and remittance of fuel taxes,
- Minimize fuel tax evasion, and
- Act as an information resource to stakeholders.

I believe this mission is being accomplished everyday due to the foundation that was laid by previous members and the hard work of current committee members.

One past member that I would like to recognize in this article is Peter Steffens. As most of you know, Peter recently retired from the state of Florida. Peter was heavily involved in uniformity for many years and held various leadership positions. As a member, he provided a vision and foresight that allowed the Uniformity committee to stay ahead of the curve on issues

pertaining to fuel tax administration. Personally, I consider Peter a mentor and a friend. Although extremely busy, he always made time to encourage, assist, or point me in the right direction. I wish him the best of luck as he pursues this new chapter in his life.

In addition to past members, I also want to recognize current members. Especially those who hold a leadership position in the Uniformity committee. These members include Christy Dixon and Anne Nicholson with the Communication and Coordination sub-committee, Hal Lovel and Gene Holland with the Electronic Commerce sub-committee, Cindy Mongold and Scott Louie with the Forms Management sub-committee, and Marcia Leichner and Rae Takai with the Compliance sub-committee.

These individuals have volunteered their time and committed to a concept that benefits public and private fuel tax administration. Their leadership is evident by the work products that are published by our organization. Examples of notable products include electronic filing (XML), basic and advanced courses pertaining to fuel tax administration, alternative fuel tax guide, and a sales tax return for fuel. All of these products support the mission of Uniformity and all were designed with input from state and industry representatives.

Although the products referenced above were designed from a global perspective, I would like to address an opportunity for

improvement. I am concerned that decisions of the minority are dictating the path of the majority.

In other words, on average, 22% of the states are present at most uniformity meetings. These states, along with industry and the Canadian Fuel Tax Council, are creating uniform policies that apply to all 50 states and Canada. Whether in person or by conference call, I would like to challenge state administrators who are not active in Uniformity to participate in the meetings that are held three times a year.

In closing, I feel the Uniformity committee has come a long way. However, there is still a lot of work to be done. As a committee, we still need to be weary of new and emerging fuels, new tax evasion schemes, and new proposals for point of taxation (e.g. sales tax on fuel). In addition, we need to focus our efforts on new and more efficient audit techniques and our support of states who convert to XML.

Thanks again for the hard work and dedication of each Uniformity committee member and I look forward to working with each one of you in the future.

**MESSAGE FROM THE  
UNIFORMITY COMMITTEE  
INDUSTRY CO-CHAIR  
BOB DONNELLAN**

As the years go by and we get involved with all the issues revolving around Motor Fuel and Tax Evasion to Bio Fuels, to Ethanol Blends, Alternative fuels, issues with the IRS we tend to lose sight of all the people who

helped make us who and what we are today. With that being said this is a bittersweet year for us in the Uniformity world. A very great man who brought Leadership to us, assisted in developing the FTA training classes, helped us gain knowledge in evasion schemes with his most impressive "Mr. Mob" presentation has retired from the State of Florida. I am referring to none other than Mr. Peter Steffens. Peter let me be the first to wish you the best in your retirement and I hope everything you want to do you are able to achieve. I know that all of us involved in the FTA Training classes and in the Uniformity Section wish you nothing but the best and our gratitude and thanks for the wealth of knowledge you have bestowed on all of us. Your Legacy in Motor Fuel will stay with all of us for years to come!

**MESSAGE FROM  
CANADIAN FUEL TAX  
COUNCIL (FTC)  
RICK CALLAWAY**

Hope everyone enjoyed a great summer!

At the FTC meetings in May, several key priorities and directions were approved for the 2014-15 year. These include:

- Commence a comprehensive review of the Generic Fuel Tax Return and Schedules developed by the FTC and used by the jurisdictions. The review is intended to promote uniformity,

accuracy, compliance and processing.

- Re-start a project to recommend standards for unverifiable losses of accountable products that can occur in the distribution/marketing chain.
- Implement the Systems Information Binder. Two jurisdictions will document a Collector's systems (in the standard format developed by the FTC) as part of a current or planned audit. The binder will then be kept by the FTC and made available to any Jurisdiction commencing an audit of that Collector or to the Collector.
- Develop recommendations on best practices for providing updated Collectors' Lists. The project will look at current practices and issues, examine what jurisdictions such as Ontario and Quebec are doing as they have implemented practices considered to be successful and make recommendations.
- The Licensing Review to develop best practices for registering and licensing the different roles for reporting and remitting

taxes will continue considering directions approved during the meeting including an approved format for communicating requirements.

- The Natural Gas project for developing best practices for the taxation of natural gas will continue including steps such as increasing Industry involvement and exploring factors for setting tax rates in addition to energy content.
- Complete piloting of the on-line training module and develop a training plan (for both classroom and on-line courses) by the fall of 2014.

The FTC thanks the FTA and Cindy for the cooperation and partnership that exists between our two organizations. Projects and operations continue to benefit through the exchange of experiences, ideas and work.

If you have any questions or need more information, please feel free to contact me at [rick.callaway@fueltaxcouncil.com](mailto:rick.callaway@fueltaxcouncil.com) or call 1 (403) 471-7022.

## UNIFORMITY COMMITTEE

### Minutes

The FTA Motor Fuel Tax Section Uniformity Committee met at the Myrtle Beach Marriott, Myrtle Beach, South Carolina. Lee Gonzalez (FL) Uniformity State Chair called the meeting to order. Thirty-four (34) were in attendance.

### Minutes

The minutes of the January 2014 Uniformity Committee meeting in Myrtle Beach, South Carolina were approved.

### Presentations:

As soon as this meeting was adjourned, the committee toured an Ethanol Plant owned by Global Companies LLC.

## SUBCOMMITTEE REPORTS

The Compliance Subcommittee Marcia Leichner (NE) reported there were twenty-five (25) (24 in person and 1 by phone) in attendance. The committee discussed:

### Training Schedule Update

- The Basic Training class is schedule for July 27-31, 2014 in Kansas City, MO.
- The Advanced Training Class is currently scheduled for November 2014. Exact dates and location to be determined.

### Dyed Diesel Stats

The stats for calendar year 2013 were handed out and discussed

the amount of penalties per occurrence and handed out the results of the list serve question regarding whether states bill on capacity of the bulk tank or the actual gallons in a bulk tank if a violator is caught roadside and a discussion with audits for repeat offenders.

### Discussion

- New Legislation: All States present talked about any new legislation.
- LNG/CNG issues. It was shared that states should be aware of LNG being changed to CNG.
- Ethanol/biodiesel issues, railroad/airline spurs, carrier issues were mentioned.
- Miscellaneous
  - ♦ Finding a lot of "Use tax liability" for companies that have filed for motor fuels tax refunds.
  - ♦ Credit card and federal sales questions. Questions will be put on list serve.
  - ♦ Very brief discussion regarding what type of ID# states require to be reported when their taxpayers are dealing with foreign entities, since it was indicated they often do not have 9 digit FEIN's, but rather 8, 10 or 11 characters.

### The Forms Management Subcommittee

Cindy Mongold (KS) reported that this committee met with Electronic Commerce. There were twenty-four (24) participated in the meeting. (22 present & 2

called in) The subcommittee discussed:

### **Crosswalk (FTA and STCC Codes)**

The team has made contact with a representative of the Union Pacific Railroad, which serves the western half of the US. The team has provided them with a copy of the spreadsheet with STCC conversion to FTA codes compiled with the assistance of CSX. No response as of yet but the team will follow up with them and have an update at the September 2014.

### **Oregon Forms Review**

The committee reviewed the Oregon Motor Vehicle Fuel and Aircraft Fuel License Tax Return and Instructions, Carrier Report and Schedules and the Terminal Operator and Schedules and all changes suggested at the January 2014 meeting were made. The full committee voted and the form was approved as uniform.

### **Ohio Forms Review**

No update of the forms and instructions was received prior to the meeting. Review has been placed on hold at this time.

### **Washington Forms Review**

Terminal Report and Schedules and the Supplier Tax Return and Schedules were received on April 21, 2014. The sub-committee didn't have enough time to review the forms prior to this meeting. Feedback will be provided at the September meeting.

### **State ExSTARS Update**

Kansas gave an update on tracking ExSTARS data.

### **Uniform Motor Fuel Sales Tax Form**

The team presented the first draft of the Uniform Motor Fuel Sales Tax form to the full committee. After discussion there were several suggestions made for changes:

- Remove "County" and make it more generic by using the term "Jurisdiction"
- Adding a "Pre-paid" line
- Add net, gross and billed gallons to schedule
- Add net, gross and billed gallons to the instructions
- Separate schedules for exempt and taxable sales

The team will make the revisions and will be discussed at the next meeting in September.

### **Common and Contract Petroleum Product Carrier Report Schedule (Page 82 of the 2014 Uniformity Guide)**

It was purposed to swap the "Gross" and "Net" columns on the Schedule of Deliveries. By doing so the schedule would be consistent with the other schedules in the Uniformity Book. After discussion the full committee voted and approved swapping the two columns.

### **Industry Issues**

The Petroleum Industry will most likely be pursuing a new FTA product code for B0-B5. This would represent a diesel product

from straight ULSD to a biodiesel blend of up to 5%. It could be any percentage blend in between. The necessity of this code has grown within the past year due to several factors listed below:

1. Lack of reliable, consistent supply of biodiesel from the producers. It makes for blending at a constant percentage very difficult. Because in this situation, the blend percentage could change frequently, it alleviates the terminal operator from having to change codes when it does change. This is particularly true where the terminal and/or the accounting systems are limited in the number of codes it can use for specific customers.

2. In many of the terminals today, there is no dedicated storage for biodiesel. When biodiesel is received at these terminals, it is commingled with the ULSD in those storage tanks. Due to the constant movement of inventory in and out of those storage tanks, the percentage of biodiesel will change and be nearly impossible to identify over time without chemically testing a sample at a given time.

3. Some terminals are now receiving a blended product through the pipeline. For the same reasons in #2 above the constant receipts and disbursement of product will change the percentage constantly.

The industry does face some issues with using one code to cover various percentage blends.

It has already been noted that the IRS has assessed fines on one terminal operator for inaccurate reporting. A protest has been filed, but the outcome is still to be determined. For most part, the states don't have any problems that haven't been addressed due to all the Texas taxing biodiesel the same as ULSD. Since many suppliers and terminal operators are already using this code, it is inevitable that we address this through the FTA.

### **Approved by the Full Committee**

Oregon Uniform Report Forms:

- Terminal Operator and Schedules
- Carrier Report and Schedules
- Motor Vehicle Fuel and Aircraft Fuel License Tax Return and Instructions

Common and Contract Petroleum Product Carrier Report

- Swap the "Gross" and "Net" columns on the schedule of deliveries

### **The Electronic Commerce Subcommittee**

Hal Lovell (California) reported there were seven (7) (5 in person and 2 by phone) in attendance. The subcommittee discussed the following:

### **Florida Implementation Guide**

The E-Commerce reviewed the State of Florida Implementation guide and XML schema request. The XML team has reviewed and provided a "tentative" approval of the update and schema. The committee had one

recommendation related to the gallons input fields. Florida only captures net gallons and the committee would recommend that Florida consider allowing these two fields (gross and billed gallons) as optional fields on a future revision.

### **Ohio Implementation Guide**

The E-Commerce reviewed the State of Ohio Implementation guide and XML schema request. The XML team has reviewed and provided a "tentative" approval of the update and schema. The E-Commerce group reviewed and approved the submitted guide and XML schema.

### **Creation of Form on Obtaining FTA Approval for Efile System**

The E-Commerce Group reviewed a mock up of a simple handout that will summarize the steps that a state should take to get FTA approval for their E-file system (forms, E-file Guide, XML schema, etc). The group expects to have a final handout version ready by the next meeting for placement on the FTA website.

### **New Item**

The E-Commerce group was advised that the State of Oregon is very close to submitting their E-file guide for review by the committee. We expect to be addressing the State of Oregon's guide at the next meeting.

### **Approved by the Full Committee**

State of Ohio  
EDI Implementation Guide

State of Florida  
EDI Implementation Guide

### **The Communication and Coordination Subcommittee**

Christy Dixon (OK) reported that twenty-four (24) (23 in person and 1 by phone) were in attendance.

The subcommittee discussed the following and the May, 2014 *Uniformer* was distributed

### **2014 Taxation, Diversion and Alternative Fuels Booklet**

The subcommittee discussed, adding and approved the following:

Section 13 – How does your state handle contaminated fuel?

Section 14 – Does your state allow bad debt credits?

In June, volunteers from each region will contact the states within their regions to gather the updated information for the 2014 Taxation, Diversion and Alternative Fuels Booklet.

### **Definitions**

The subcommittee has been asked to do a definition for Fuel Grade Ethanol and Electronic Filing. This was tabled until the September meeting.

### **Buy/Sell Agreements and Flash Title Agreements**

Another draft document was discussed; and after much discussion, the working group is going to make revisions to the document and present it at the next meeting in September.

**White Paper Document on  
“Inventory Gains and Losses”**

The draft document was discussed and approved with minor revisions.

**Open Discussions**

None

**Approved by the Full  
Committee**

White Paper Document on  
“Inventory Gains and Losses”

Revisions to the 2014 Taxation,  
Diversion and Alternative Fuels  
Booklet:

How does your state handle  
contaminated fuel?

Does your state allow bad debt  
credits?

**Canadian Update**

There were no new updates  
since last Uniformity meeting.

**New Business**

None

**Next Meeting**

The next Uniformity Committee  
meeting is scheduled for  
September 26-27 in Jackson,  
Wyoming

The meeting was adjourned.

**SUBCOMMITTEE CHAIRS****Compliance Subcommittee**

**State Co-Chair**

Marcia Leichner

**Industry Co-Chair**

Rae Taki – Shell Oil

**Communication and  
Coordination Subcommittee**

**State Co-Chair**

Christy Dixon – State of  
Oklahoma

**Industry Co-Chair**

Anne Nicholson, Exxon Mobil

**Electronic Commerce  
Subcommittee**

**State Co-Chair**

Hal Lovell – State of California

**Industry Co-Chair**

Gene Holland, P66

**Forms Management  
Subcommittee**

**State Co-Chair**

Cindy Mongold – State of Kansas

**Industry Co-Chair**

Scott Louie – Chevron

**FTA MOTOR FUEL TRAINING  
SCHEDULE**

Advanced Training Class is  
currently being schedule for  
December 7-11, 2014.  
Location TBD

**UPCOMING MEETINGS 2015****Pacific Region**

April 26-28, 2015

Portland, Oregon

**Uniformity Meeting**

January 23-24, 2015

Location TBD

**Northeastern Region**

May 2015

Saratoga Springs, New York

**Southern Region**

June 2015

Biloxi, Mississippi

**Midwestern Region**

July 7-9, 2015

Holiday Inn City Center

Sioux Falls, South Dakota

**Uniformity Meeting**

September 18-19, 2015

Embassy Suites-Hamilton Place

Chattanooga, Tennessee

**Motor Fuel Annual Meeting**

September 20-23, 2015

Embassy Suites-Hamilton Place

Chattanooga, Tennessee

**MOTOR FUEL STEERING  
COMMITTEE MEMBERS****National Chair**

Jim Oliver, Kentucky

**National Vice Chair**

Scott Bryer, New Hampshire

**Past Chairs**

Edie Martin, Kansas

Dawn Lietz, Nevada

**State Uniformity Chair**

Lee Gonzalez, Florida

**Industry Uniformity Chair**

Robert Donnellan, Global

Companies LLC

**MOTOR FUEL REGIONAL  
GOVERNORS****Midwestern Region**

Peggy Laurenz, State of South

Dakota

**Northeastern Region**

Brian Galarneau, State of New

York

**Pacific Region**

*Dawn Lietz, State of Nevada*

**Southern Region**

*Glenn Boyette, State of Mississippi*

**RETIREMENTS**

**Bruce Johnson**, with the State of West Virginia retired July 1, 2014. Bruce has been an instructor for the ExSTARS classes and has been a huge help for States in the Southern and Northeastern Regions. We are going to miss him and his knowledge.

**THANKS BRUCE FOR YOUR SUPPORT FOR ALL THESE YEARS!!!!**

**Peter Steffens (aka “Mr.Mob”)**, with the State of Florida retired in August. Peter is the God Father of the training classes and has been involved with the Uniformity Committee and training for over 30 plus years. Peter served as the National Chair in 1998 and the Southern Region Governor 1994 and 2005. We are going to miss Peter and all his knowledge.

**THANKS PETER FOR YOUR GUIDANCE AND MENTORING TO THE STATES AND INDUSTRY FOR ALL THESE YEARS!!!!!!!**

**Editor**

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