FTA
Motor Fuel Tax

Section
Uniformity Guide
Version: September 2023
# Federation of Tax Administrators

## Regions

### MIDWESTERN
- Illinois
- Indiana
- Iowa
- Kansas
- Michigan
- Minnesota
- Missouri
- Nebraska
- North Dakota
- Ohio
- Oklahoma
- South Dakota
- Wisconsin

### PACIFIC
- Alaska
- Arizona
- California
- Colorado
- Hawaii
- Idaho
- Montana
- Nevada
- New Mexico
- Oregon
- Texas
- Utah
- Washington
- Wyoming

### OTHER MEMBERS:
- Alberta Canada
- British Columbia Canada

### NORTHEASTERN
- Connecticut
- Delaware
- Maine
- Maryland
- Massachusetts
- New Hampshire
- New Jersey
- New York State
- Pennsylvania
- Rhode Island
- Vermont

### SOUTHERN
- Alabama
- Arkansas
- Florida
- Georgia
- Kentucky
- Louisiana
- Mississippi
- North Carolina
- South Carolina
- Tennessee
- Virginia
- West Virginia

### OTHER MEMBERS:
- Washington, D.C.
- Ontario Canada
- Quebec Canada
- New Brunswick Canada
Benefits of the Motor Fuel Tax Section

Activities

The section, through the FTA staff and the Uniformity Committee, has developed and continues to foster a very unique and very effective partnership among the States, Industry, Federal and Foreign Governments regarding motor fuel tax administration. As a result of this partnership, there is an international network of information established that covers almost everything related to motor fuel taxes. This information is available to the States through tax exchange, the list serve, motor fuel tax section meetings (regional, national and Uniformity Committee) and the Motor Fuel Tax Associate, all very reliable and accurate resources. The information available contains current and historical fuel tax data that facilitates statistical analysis and research on legal, enforcement and technology issues.

The overall benefits for States participating in motor fuel tax section projects and utilizing its resources is reduced evasion, improved compliance, reduced administrative costs, training for audit and enforcement staff and easy access to high quality information. The Motor Fuel Tax Section does not dictate to states, but rather provides guidance for states to use for current and future administrative and legislative actions.

An environment of open communication and cooperation exists among States, Industry, the Federal Government and the Canadian Fuel Tax Project. This reduces costs as much as possible for all partners, minimizes the burden on the motor fuel industry, controls administrative costs and fosters a combined effort to control evasion and level the playing field in the motor fuel arena.
The Uniformity Committee

Mission Statement

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

Goals

1. Implement all aspects of the 11 Point Plan

2. Foster communication between and among levels of government, industry and related associations and interest groups and their representatives.

3. Encourage coordination of efforts among stakeholders in audit and enforcement efforts.

4. Encourage sharing information among enforcement, revenue and transportation agencies in areas related to motor fuels and motor fuels revenue.

5. Educate the motor fuel community in areas of audit and enforcement techniques, reporting requirements, how to identify actual and potential evasion schemes.

6. Encourage active participation by stakeholders in Uniformity meetings. Inform stakeholders on how the goals of Uniformity are designed to work for all members of the motor fuel community.

7. Encourage uniformity in reporting definitions and forms.

8. Prepare for change; by staying informed on emerging topics and trends; by assuring personnel are fully informed to allow for ease of transition; and by being open to new ideas and methods for revenue reporting and remittance.
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Introduction

The Importance of Uniformity

Motor fuels, primarily gasoline and diesel, are the primary source of power for almost all forms of transportation in this country, as well as the rest of the world. Taxes collected on these fuels are a vital part of every state’s revenue base, providing funding for roads, highways, bridges and urban transportation systems, as well as public education and other important programs. Motor fuels taxes make up the financial basis for virtually the nation’s entire infrastructure of roads and highways.

Evasion and Lack of Uniformity

Although there are many similarities, each state has its own unique set of tax laws, tax rates, report forms, definitions, exemptions, and compliance methods. These differences create problems in tax administration, regulation of interstate fuel movement, enforcement efforts and exchange of information among state revenue agencies and provide tax cheats with incentives to evade state fuel taxes. Federal Highway Administration (FHWA) studies show that gasoline tax evasion ranges from 3 to 7 percent of gallons consumed, and diesel tax evasion ranges from 15 to 25 percent. This means the states may be losing more than $2 billion annually to evasion.

Some states have traditionally ignored compliance efforts for motor fuel taxes. Until recently, fuel taxes were considered to be a minor part of the total state revenue pie, and it was commonly thought there were no real evasion problems. However, as state legislatures have struggled to maintain government services with increasingly tighter budgets, fuel taxes are receiving more attention. State and federal motor fuel tax rates have steadily risen over the past 20 years, providing greater incentive for tax cheats to steal vital revenues and, at the same time, increasing the tax burden on legitimate businesses.

Uniformity 11 Point Plan and Enhanced Enforcement

The Fuel Tax Evasion 11 Point Plan was developed by the Uniformity Committee of the Federation of Tax Administrators (FTA) Motor Fuel Tax Section. The Committee is comprised of state members, and all segments of the motor fuel industry are represented. The 11 Point Plan is an effort to help make the administration of fuel taxes more efficient and more consistent from state to state; to improve and increase information exchange among the states; and to encourage and assist the states in cooperative enforcement efforts to fight evasion. The major points of the Plan include: uniform definitions for imports and exports; Federal numbers used as a reference for reporting and information exchange; license all resellers for total accountability of fuel and third party reporting on fuel movement; uniform electronic reporting; and training for auditors and investigators.
Why States Consider Adopting the Uniformity Recommendations

The 11 Point Plan offers the best method for achieving uniformity, reducing inefficiencies in state fuel tax administration, and combating fuel tax evasion. The primary goal of the Uniformity Committee is the implementation of the 11 Point Plan.

In July 1993, the FTA membership approved the amended 11 Point Plan, which included a recommendation that states form motor fuel tax advisory groups. The Uniformity Committee believes that state advisory groups can be of great assistance in creating a working relationship with taxpayers, developing more effective audit and investigation techniques, coordinating implementation of the Plan, and drafting statutory or regulatory changes.
Motor Fuels Tax Section Uniformity Committee

There are many participants that make up the Motor Fuels Tax Section Uniformity Committee. Everyone’s role and responsibility is important to the success of the organization. The committee is made up of the following:

- Uniformity Co-Chairs  
  *(Appointed by FTA Motor Fuels Tax Section National Chair)*
  - State
  - Industry

- Sub-Committee Co-Chairs
  - State
  - Industry
  
  For the following Sub-committees:
  - Forms Management
  - Communications and Coordination
  - Compliance
  - Electronic Commerce

- Members/Representatives
  - State Government
  - Federal Government
  - **Roles & Responsibilities**
    - Industry
    - Canadian Provinces

To become a member and get involved with the Uniformity Committee all you have to do is attend a meeting in person or via phone, participate in discussions, volunteer to work on a project, or be a sub-committee co-chair or Uniformity Co-Chair.

**Uniformity Co-Chairs – 2 Year Term** *(State Co-Chair only)*

- Respond to inquiries and questions from interested parties
- Set goals and direction for the full Uniformity Committee and sub-committees
- Receive direction from:
  - FTA Motor Fuels Tax Section National Chair
  - FTA Motor Fuels Tax Section Steering Committee
  - FTA Motor Fuels Tax Section Associate
- Participate on the Steering Committee
- Monitor and track sub-committee projects and update the Steering Committee
- Assist with developing Annual Meeting Agenda
- Moderate break-out session(s) at annual meeting
- Conduct meeting with sub-committee co-chairs
- Prepare agenda for full committee meeting. Preparation includes, but not limited to, sub-committee updates, recruiting guest speakers, old and new business.
- Assign projects to sub-committees as needed
- Write an article for The Uniformer 3 times a year
- Provide the Uniformity update at (4) Motor Fuel Regional meetings and (1) Annual meeting
- Provide assistance and encouragement to the sub-committees
• Facilitate the full Uniformity Committee meeting (Note: In the absence of the State Chair, the Industry Chair will conduct the meeting)
• Participate in the full Uniformity Committee Meeting by advising and guiding discussion where needed

Sub-Committee Co-Chairs
• Implementing the 11 point plan
  o Communication and Coordination Subcommittee: Points 1, 8 & 10
  o Forms Management Subcommittee: Points 2, 3, 4, 5 & 9
  o Compliance Subcommittee: 7 & 11
  o Electronic Commerce Subcommittee: Point 6
• Set goals and objectives for their sub-committee and insure they are met
• Prepare meeting agenda for sub-committee meeting
• Facilitate sub-committee meeting
• Take minutes of sub-committee meeting
• Recruit members to work on projects
• Provide update of the sub-committee meeting at the full committee meeting
• Submit agendas and meeting minutes to the FTA Motor Fuel Associate in a timely manner
• Submit an Annual report for Uniformity Guide

Members/Representatives
• Participate in discussions
• Suggest/Volunteer for tasks/projects
• Submit request for product codes, schedule codes, definitions, forms, electronic schemas and user guides for review
• Make, second and vote on motions

Note: National Chair or Vice Chair cannot serve on any committee
**Point 1**

*(Promoted by the Communication and Coordination Subcommittee)*

State adoption/implementation of the uniform reporting guidelines:

a. Mechanism for the states to share information with other states.

b. Identification by fuel type.

**Purpose**

To establish uniform reporting guidelines among the states for exchanging information on the movement of fuel between states. Uniform reporting guidelines are a critical tool since each state has its own unique set of tax laws, tax rates, report forms, definitions, exemptions, and compliance methods.

The Uniform Forms are the mechanism for states to share information with other states.

The Uniform Forms identify fuel types by the product code numbers established by the industry involved.

Uniform Forms make it easier for industry to comply with filing requirements. Taxpayers filing in more than one state will find it much easier to comply.

See **Point 5** for examples of the Uniform Forms.
Point 2

(Promoted by the Forms Management Subcommittee)

State adoption/implementation of the uniform definitions for imports and exports. Require licensing of and reporting by importers and exporters.

Purpose
To ensure that fuel tax is paid to the proper state on interstate shipments. States should adopt the same terms regarding the movement of fuel between the states.

Import (adopted 11-92) - Motor fuel delivered into (name of state) from out-of-state by or for the seller constitutes an import by the seller.

Motor fuel delivered into (name of state) from out-of-state by or for the purchaser constitutes an import by the purchaser.

Export (adopted 11-92) - Motor fuel delivered out-of-state by or for the seller constitutes an export by the seller.

Motor fuel delivered out-of-state by or for the purchaser constitutes an export by the purchaser.
Point 3

(Promoted by the Forms Management Subcommittee)

Incorporate the Federal Employer Identification Number (FEIN), Social Security Number (SSN), or Canadian Federal Business Number (BN) as a reference for reporting and exchange of information between jurisdictions.

Purpose
To provide a common identifier for the jurisdictions to share information and properly identify all entities shown on the schedules.

The FEIN, SSN, or BN number is that common identifier and is required on all reporting information exchanged between jurisdictions.
Point 4

(Promoted by the Forms Management Subcommittee)

Require licensing of all resellers or entities who obtain tax-free inventory for ultimate resale.

Purpose
Jurisdictions can achieve three goals by licensing all resellers or entities who obtain tax free inventory for ultimate sale:

1) Track tax-free fuel to the ultimate sale.
2) Achieve full accountability of tax-free fuel.
3) Regulate tax-free purchases and enforce collections. This ability is enhanced through thorough licensing and bonding procedures. This is especially important for out-of-state purchasers who receive fuel for export.
Point 5

(Promoted by the Forms Management Subcommittee)

State adoption/implementation of procedures to achieve total accountability of fuel to include:

a. Types of fuel that all states wish to account for or tax.

b. Schedules of accountability for fuels which may be subject to the tax.

c. Total accountability should be both on audit and on the required schedules filed with the states.

d. Reporting gallons as required by the uniform reporting guidelines. Each state should require a taxpayer to provide net, gross and billed on their schedule of receipts and disbursements to facilitate the sharing of tax information among states.

e. Reporting commingled inventories held by multiple owners in a common terminal facility to be reported by the terminal operator.

f. Review uniform cut-off time alternatives for declaring receipts and sales.

Purpose
To develop clear, concise definitions dealing with petroleum distribution and taxation which can be used and understood by Federal and State governments, the transportation industry and the petroleum distribution industry. This allows the advancement of uniformity through a clear understanding of universally used terms.

Requiring total accountability of all fuel movements and inventory in each state gives states the ability to track and account for all potential fuel tax liabilities.

Total fuel accountability can be achieved by using the uniform forms.
## Procedures for Adding, Deleting or Modifying a Definition

<table>
<thead>
<tr>
<th>Action By</th>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anyone</strong></td>
<td>1</td>
<td>Submits in writing term to be defined, deleted or modified to the Chairperson of the FTA Motor Fuel Tax Section Uniformity Committee, along with an explanation of why the term should be defined, deleted or modified and provides a suggested definition, if available. The name of a Contact person should be included with submission.</td>
</tr>
<tr>
<td>Uniformity Chairperson</td>
<td>2</td>
<td>The request and all submitted documentation is forwarded to the Chairperson of the Communication &amp; Coordination Sub-Committee.</td>
</tr>
<tr>
<td>Communication &amp; Coordination Sub-Committee Chairperson</td>
<td>3</td>
<td>Receives the requested action and logs same for reason of documentation. If the request is to define a term, the Chairperson will verify that no definition exists. Copies the request and forwards to Sub-Committee members.</td>
</tr>
<tr>
<td>Communication &amp; Coordination Sub-Committee Chairperson</td>
<td>4</td>
<td>Reviews the request and assembles suggestions for discussion with the requestor(s)/representative.</td>
</tr>
<tr>
<td>Communication &amp; Coordination Sub-Committee Chairperson</td>
<td>5</td>
<td>Proposes definition, modification or deletion of term.</td>
</tr>
<tr>
<td>Communication &amp; Coordination Sub-Committee Chairperson</td>
<td>6</td>
<td>Forwards the proposed definition, modification or deletion of term to the Uniformity Committee Chairperson.</td>
</tr>
<tr>
<td>Uniformity Chairperson</td>
<td>7</td>
<td>Places the proposed definition, modification or deletion on the agenda of the Uniformity Committee for formal adoption.</td>
</tr>
<tr>
<td>Uniformity Committee</td>
<td>8</td>
<td>Discusses the requested action and accepts or rejects the definition as added, deleted or modified.</td>
</tr>
<tr>
<td>Uniformity Chairperson</td>
<td>9</td>
<td>If accepted, sends the accepted change to the Federation of Tax Administrators - Motor Fuel Tax Coordinator to prepare a resolution and update the FTA definition list. If rejected, the proposed definition, modification or deletion is returned to the original requestor along with an explanation of the rejection.</td>
</tr>
<tr>
<td>Communication &amp; Coordination Sub-Committee Chairperson</td>
<td>10</td>
<td>Documents Sub-Committee file as to the outcome of the request.</td>
</tr>
</tbody>
</table>
Uniform Definitions Intent and Purposes

One of the missions of the Communication & Coordination Sub-Committee is to provide model definitions of terms used by state taxing authorities and the motor fuel industry to promote understanding and facilitate improved communications.

All definitions presented to the Uniformity Committee for approval and ultimately to the Federation of Tax Administrators for adoption, are presented as model definitions for use by state taxing authorities.

These definitions are not in any way intended to be construed as legal, legislative, or technical definitions and may be modified at the discretion of the user.

Definitions

Accountable Product/Motor Fuel (FTA adopted 4-95) - Accountable product/motor fuel means any product which is subject to the reporting requirements of a state, regardless of its intended use or taxability.

Accountable Product/Motor Fuel (Canadian adopted 8-05, Revised 1-11) – Accountable product/motor fuel means any product which is subject to the reporting requirements of a jurisdiction, regardless of its intended use or taxability.

Accountable Losses (Canadian adopted 8-05) – See “Verifiable Losses: (See also “Shrinkage”).

Acquisition Date (Canadian adopted 8-05, revised 1-11) – The date that ownership of an accountable product changed. (See also “Disposition Date”).

Acquisitions (within Jurisdiction) (Canadian adopted 8-05, Revised 1-11) – The receipt of accountable product as a result of a change in ownership. Acquisitions include ownership changes where there is a physical movement of fuel or where there has been no physical movement (e.g., co-mingled fuel in a storage facility). When applicable, the acquisition of accountable product by a licensed collector should correspond with the disposition of the accountable product by another licensed collector within the same reporting jurisdiction. (See also “Dispositions with Jurisdiction”)

Additives (Canadian adopted 8-05) – A product, other than accountable product or dye, that is added or mixed in very small concentration with accountable product, including fuel system detergent, oxidation inhibitor, gasoline antifreeze, or octane enhancers. Additives become part of accountable product. In practice, most additives are used at the rates of 1 – 300 parts per million (generally not greater than 0.03 volume percent). (Toluene, Xylene, Pentane, Hexane and MTBE)

Additive Gasoline (FTA adopted 1-20) - A product that is added or mixed in small concentration with accountable product. The additives then become part of the accountable product. Additives are used at the rates of 1-300 parts per million.

Adjustments and/or Tax Credits (Canadian adopted 8-05) – Adjustments that can only be shown and deducted as a monetary adjustment because of their nature (i.e. bad debt allowances, border competition assistance and special tax adjustment situations).

Agent (Canadian adopted 8-05) – For the purpose of collecting or administering fuel tax, a person designated or authorized in legislation as the agent of a jurisdiction. (Refer also to “Collector”).

Alcohol (FTA adopted 1-20) - Family Group of organic chemical compounds composed of carbon hydrogen and oxygen. They are hydrocarbon plus a hydroxyl group. Common fuel alcohols are methanol, ethanol, butanol and propanol.
Allowance (Canadian adopted 8-05) – See, “Commission or Other Allowances”, “Shrinkage Allowances” and “Volume Adjustment”.

Alternative Fuels (FTA adopted 11-98) - Any accountable product/motor fuel other than gasoline, gasohol, diesel fuel, dyed diesel fuel, kerosene, or dyed kerosene.

Alternative Fuels (Canadian adopted 8-05) – Non-petroleum accountable motor fuel products. (i.e. “Biodiesel” or “Ethanol”).

Ambient (Canadian adopted 8-05) – The atmospheric temperature and pressure surrounding accountable product at the time of volumetric measurement of the accountable product.

Asphalt (FTA adopted 1-20) - A thick, sticky, dark-brown mixture of petroleum tars that is found in natural beds and is also obtained as a residue in petroleum refining and that consists chiefly of hydrocarbons; used in paving, roofing and waterproofing.

Aviation Gasoline (FTA adopted 1-20) - A complex mixture of relatively volatile hydrocarbons with or without small quantities of additives, blended to form a fuel suitable for use in aviation reciprocating engines. Fuel specifications are provided in ASTM Specification D 910 and Military Specification MIL-G-5572.

Aviation Gasoline (Canadian adopted 8-05) – Accountable product intended for use in a spark ignition aircraft engine and generally complying with the CAN/CGSB 3.25. (Abbreviated as “AvGas”)

Aviation Fuel (Canadian adopted 8-05) – See “Jet Fuel” and “Aviation Gasoline”.

Benzene (FTA adopted 1-20) - Benzene is a clear, colorless, highly flammable and volatile, liquid aromatic hydrocarbon with a gasoline-like odor. Benzene is found in crude oils and as a by-product of oil-refining processes.

Biodiesel (FTA adopted 9-03) - A fuel comprised of mono-alkyl esters of long chain fatty acids generally derived from vegetable oils or animal fats, designated B100, and meeting the requirements of ASTM D6751.

Biodiesel (Canadian adopted 8-05) – Non-petroleum diesel fuel: An alternate fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable or animal fats, designated B100, and meeting the requirements of ASTM D 6751.

Biodiesel Blend (FTA adopted 9-03) - A blend of biodiesel fuel meeting ASTM D6751 with petroleum based diesel fuel, designated Bxx, where xx represents the volume percentage of biodiesel fuel in the blend. (Example: B20 is 20% biodiesel and 80% petroleum diesel)

Biodiesel Blend (Canadian adopted 8-05) – A blend of biodiesel fuel with petroleum based diesel fuel designated BXX, where XX represents the volume percentage of biodiesel fuel in the blend. (i.e. B20 is 20% biodiesel and 80% petroleum diesel)

Biodiesel - dyed (percentage of) (FTA adopted 1-20) - Diesel fuel blended with up to 99% biodiesel and injected with a dye of a type and concentration level approved by the IRS. The numerical values following the D represents the percentage of biodiesel present in the fuel.

Biodiesel - dyed (may contain up to 5% biodiesel) (FTA adopted 1-20) - Diesel fuel blended with up to 5% biodiesel and injected with dye of a type and concentration level approved by the IRS.
Biodiesel Producer (Canadian adopted 8-05) – A person that manufactures or produces biodiesel.

Blend Stocks (Canadian adopted 8-05) – A product or products, other than additives and/or dye, that is added, mixed or blended with fuel, regardless of its classification or use. When added to the fuel they become part of the taxable volume. In practice, most blend stocks would be added at 5 – 15 volume percent. (i.e. Ethanol or Biodiesel)

Blended Diesel (Canadian adopted 1-11) – A fuel type on the generic tax return used for reporting any clear diesel blends (e.g., B1-B99.99 or similar blends of ethanol and diesel).

Blended Fuel (FTA adopted 11-98) - The resultant accountable product/motor fuel produced by the blending process.

Blended Fuel (Canadian adopted 8-05) – Any mixture resulting from the blending of any product, other than an additive with an accountable product.

Blender (FTA adopted 9-97) - Any person who engages in the process of blending.

Blender (Canadian adopted 8-05) – Any person that produces blended fuel.

Blending (FTA adopted 9-97) - The mixing together by any process, of any one or more products with other products, and regardless of the original character of the products so blended, provided the resultant product so obtained is suitable or practicable for use as a motor fuel, except such blending as may occur in the process known as refining by the original refiner of crude petroleum. The commingling of products during transportation in a pipeline is not considered blending.

Blending Components (FTA adopted 1-20) - Component blends that can be used without further processing in the production of finished gasoline.

Bill of Lading (FTA adopted 9-11) – see document/bill of lading number –also see shipping or transport document.

Bill of Lading (BOL) (Canadian adopted 8-05) – Refer to “Facility BOL” or “Carrier BOL”.

Book Adjustment (FTA adopted 9-97) - An adjustment to books and records itemizing changes in volume of at least one reportable product and another product, with no physical movement of the product.

Book Adjustment (Canadian adopted 8-05) – An adjustment to books and records itemizing changes in physical inventory volume, of at least one accountable product, with no physical movement of the product. (See also “Stock Adjustment”)

Bulk Dealer (FTA adopted 4-95) - Any person, other than a retailer or distributor, who owns, controls, or operates a bulk plant or tank truck from where accountable product/motor fuel is stored and ultimately removed for sale or use.

Bulk Dealer (Canadian adopted 8-05) – A person that owns, controls, or operates a bulk plant or otherwise sells bulk fuel.

Bulk End User (FTA adopted 11-98) - A person who receives bulk delivery of accountable product/motor fuel into the person's own storage facility exclusively for the person’s own consumption.
Bulk End Consumer/User (Canadian adopted 8-05, revised 1-11) – A person who receives delivery of bulk fuel usually into their own storage facilities for their own consumption.

Bulk Fuel (Canadian adopted 8-05) – Accountable product stored in tanks or containers to a minimum capacity as prescribed by jurisdiction that are not part of the fuel tank(s) of a motor vehicle, engine, machine or equipment.

Bulk Plant (FTA adopted 9-93) - A reportable fuel storage and distribution facility that is supplied by other than pipeline or vessel, and from which reportable fuel may be removed at a rack.

Bulk Plant (Canadian adopted 8-05, revised 1-11) – A bulk fuel storage and distribution facility, other than a terminal, from which accountable product is removed in bulk.

Bulk Transfer (FTA adopted 10-99) - The physical movement of accountable product/motor fuel from one location to another.

Bulk Transfer System (FTA adopted 10-99) - The accountable product/motor fuel distribution system consisting of refineries, pipelines, barges, marine vessels, and terminals.

Bulk Truck (Canadian adopted 8-05) – See “Tanker Truck”, “Tank Wagon”.

Bunker Fuel (Canadian adopted 8-05) – A crude oil distillate having a viscosity greater than 5.5 CST at 40 C. It may also be referred to as “marine bunker fuel”, and including Heavy Fuel Oils # 4, #5, #6 (sometimes called #6C) in CAN/CGSB-3.2, and marine residual fuels defined in CAN/CGSB-3.70 and ISO 8217.

Business Number (BN) – Federal - (Canadian adopted 1-11) – This is the unique business number assigned by Canada Revenue Agency to each specific entity. The BN or cross-reference to BN is recommended for all the entity levels (particularly filer) levels of reporting.

Butane, including butane - propane mix (FTA adopted 1-20) - Butane is a gaseous fuel derived from petroleum. Butane is blended with propane and commercially sold as LPG. Some common uses for butane include refrigeration, heating and fuel for lighters. Butane is a gasoline blending component defined by the IRS.

Butane – (Canadian adopted 1-11) – A colourless, odourless, easily liquefied, gaseous hydrocarbon. While petroleum products like gasoline are refined, natural gas products like butane are extracted. Butane can also be produced from crude oil, but in much smaller quantities. Butane is often added to regular gasoline to boost performance. Other common uses for butane include refrigeration, heating and fuel for cigarette lighters.

Butylene (FTA adopted 1-20) - A series of alkenes with the general formula C4H8. May refer to any of the individual compounds, or to a mixture of them. They are colorless gases that are present in crude oil as a minor constituent in quantities that are too small for viable extraction.

Buy-Sell Agreement (FTA adopted 4-11) - An agreement between two terminal suppliers whereby a terminal supplier agrees to deliver fuel to the other party or the other party’s customer at the loading rack. The transaction is reconciled and financially settled by cash and is recorded by the terminal operator as a terminal removal by the receiving supplier. This type of transaction may also be known as a “Supplier Product Authorization”.

Cardlock (Canadian adopted 8-05, revised 1-11) – A self-serve fueling facility controlled by an automated system operated by a card or key and primarily used by commercial customers such as
carriers, motor fleet operators, farmers, fishers, marine and construction industry who purchase fuel on a high volume basis. (See also “Keylock”).

**Carrier: (FTA adopted 6-05)** – Any person who transports accountable product.

**Carrier (Canadian adopted 8-05)** – A person that engages in the commercial transportation of an accountable product. Types of carriers would include Pipeline, Rail, Marine Vessel, Aircraft and Truck. (See “Commercial Carrier”)

**Carrier BOL or Batch Number (Canadian adopted 8-05)** – The identification number of the shipping document (Bill of Lading) issued by the carrier for transportation of the accountable product. It is a receipt from the carrier for the accountable product. In the case of pipeline or barge movements, the pipeline or barge ticket number is used.

**Carrier ID (Canadian adopted 8-05)** – A unique identifier assigned by jurisdiction for a specific carrier. (Carrier registrations in Ontario and Quebec)

**Closing Untaxed Inventory (Canadian adopted 8-05, revised 1-11)** – Inventory at the end of the reporting period for accountable products stored at terminals or other storage location where tax-free fuel is stored in the reporting jurisdiction. (Note – closing untaxed inventory in one month must equal the opening untaxed inventory in the following month.)

**Collector (Canadian adopted 8-05)** – A person normally licensed or registered and designated through legislation to collect tax on behalf of a jurisdiction. Collectors may be referred to as Licensed Wholesaler, Licensed Manufacturer, Suppliers, Exporter, Importer, Licensed Re-Seller, Licensed Remitter, or Agent Under Agreement. Normally, Collectors have to file tax or information returns. (See also “Agent”)

**Commercial Carrier (Canadian adopted 8-05)** – See “Carrier”.

**Commission or Other Allowances (Canadian adopted 8-05)** – Allowable commissions or compensation allowances provided by some jurisdictions. (i.e. compensation allowances provided to dyers for dying fuel)

**Compressed Natural Gas (CNG) (FTA adopted 6-12)** - Natural Gas compressed to a pressure at or above 200-248 bar (i.e., 2900-3600 pounds per square inch) and stored in high-pressure containers. It is used as a fuel for natural gas-powered vehicles.

**Compressed Natural Gas (CNG) – Canadian adopted 1-11** – Is stored on the vehicle in high-pressure tanks – 2- to 25 MPa (200 to 250 bar, or 3,000 to 3,600 psi). (Note – a sulphur-based odorant is normally added to CNG to facilitate leak detection.) (See also “Natural Gas”, Liquefied Natural Gas” and “Liquefied Petroleum Gas”)

**Consignee (Canadian adopted 8-05)** – The entity to whom the accountable product is delivered by a carrier.

**Consignor (Canadian adopted 8-05)** – The entity that hires the carrier to transport the accountable product. Generally known as a filer, refer also to “filer”.

**Consumer (Canadian adopted 8-05)** – A person that consumes or uses an accountable product.

**Conventional Blendstock for Oxygenate Blending (CBOB) (FTA adopted 1-17)** – Motor gasoline blending components intended for blending with oxygenates to produce finished conventional motor gasoline.
Crude Oil (FTA adopted 6-20) - A naturally occurring, unrefined petroleum product composed of hydrocarbon deposits and other organic materials. A type of fossil fuel, crude oil can be refined to produce usable products such as gasoline, diesel and various other forms of petrochemicals.

Delivery (Canadian adopted 8-05) – A physical transfer or change of legal ownership of accountable product.

Delivery Date (Canadian adopted 8-05) – See “Acquisition Date”.

Demurrage (FTA adopted 9-18) - The result of a failure to abide by the terms of a transportation contract. Specifically, it is when a charge is payable to the owner of a contracted transport on the failure to load or discharge of the transport within an agreed time period.

Denatured Ethanol (Canadian adopted 8-05, revised 1-11) – A grade of ethanol that has been rendered unfit for human consumption by denaturing, and more specifically as "Fuel-Grade Ethanol" when denatured for blending with gasoline or diesel for use as a motor fuel.

Denaturing (Canadian adopted 8-05, revised 1-11) – The use of gasoline or other noxious material to make a fuel grade alcohol or ethanol that is unfit for human consumption. (Note – a gasoline denaturant represents 1 to 5% of the final product. Reference: “Denatured and Specially Denatured Alcohol Regulations (S.O.R./2005-22.”)

Destination State (FTA adopted 9-93) - Any state, territory, foreign country or sovereign nation to which any reportable motor fuel is directed for delivery into any storage facility, receptacle, container, or any type of transportation equipment, for purpose of resale or use.

Destination Jurisdiction (Canadian adopted 8-05) – Any jurisdiction, territory, foreign country or sovereign nation to which accountable product is directed for delivery.

Diesel Fuel (FTA adopted 4-95) - Any liquid that is commonly or commercially known, offered for sale or used as a fuel in diesel engines. (Taxable and exempt use may be defined in individual state statutes).

Diesel Fuel (Canadian adopted 8-05) – An accountable product that is commonly or commercially known as “diesel” offered for sale or used as a fuel in compression emission engines. See also “Ultra Low Sulphur Diesel”.


Diesel Fuel #4 – Dyed (FTA adopted 6-20) - A distillate fuel oil made by blending distillate fuel oil and residual fuel oil stocks that was injected with dye of a type and concentration level approved by the IRS.

Distributor (FTA adopted 9-97, Revised 1-08) - A person who transports motor fuel into a state (imports) or exports motor fuel out-of-state; or who is engaged in distribution of motor fuel primarily by tank car or tank truck, or both; and who operates a bulk plant where he has active motor fuel bulk storage (capacity may be specified by individual state). May also include a person who produces, refines, blends, compounds, or manufactures motor fuel. It does not, however, include a person who receives or transports into this state and sells or uses motor fuel under such circumstances as preclude the collection of the tax herein imposed, by reason of the provisions of the Constitution and Statutes of the United States. However, a person operating a motor vehicle into the state, may
transport motor fuel in the ordinary fuel tank attached to the motor fuel vehicle, and use the fuel for the operation of the motor vehicle, without being considered a distributor.

Disposition (within Jurisdiction) (Canadian adopted 8-05, revised 1-11) - The passing of accountable product to another licensed collector as a result of a change in ownership. Dispositions include ownership changes where there is a physical movement of fuel or where there has been no physical movement (e.g., co-mingled fuel in a storage facility). The disposition of the accountable product by one licensed collector should correspond with the acquisition of the accountable product by another licensed collector within the same reporting jurisdiction. (See also “Acquisitions within Jurisdiction”)

Disposition Date (Canadian adopted 8-05, revised 1-11) – The date that ownership of an accountable product changed. (See also “Acquisition Date”)

Diversion-(FTA adopted 10-07) – Product shipped from a terminal to a state or jurisdiction other than the destination state or jurisdiction indicated on the original bill of lading.

Diversion Number (FTA adopted 11-98) - The tracking/registration number assigned by a state to a single transport truck delivery of accountable product/motor fuel diverted from the original destination state.

Document/Bill of lading number (FTA adopted 9-11) – The identifying number from the manifest issued at the terminal or other storage facility when product is removed. In the case of pipeline, railcar, or vessel movements, enter the pipeline, railcar, or vessel (voyage) number.

Dye (Canadian adopted 8-05) – A chemical prescribed in a jurisdiction’s legislation, which may be used by a dyer to colour or mark an accountable product for the purpose of identifying it for a distinct tax treatment.

Dye Point (Canadian adopted 8-05, revised 1-11) – The location authorized by a jurisdiction to colour or mark an accountable product with a dye.

Dyed Diesel Fuel (FTA adopted 4-95) - Fuel as described by Federal Regulation 26 CFR 48.4082.1.

Dyed Fuel (Canadian adopted 8-05) – Fuel, i.e. diesel, gasoline, that has been coloured or marked with the appropriate dye to the concentration specified by the jurisdiction for purposes of identification.

Dyed Kerosene (FTA adopted 6-05) – Kerosene that has been colored or marked with the appropriate dye or marker to the concentration specified by the jurisdiction for tax purposes.

Dyed Kerosene (Canadian adopted 8-05) – See “Dyed Fuel”.

Dyer (Canadian adopted 8-05) – A person authorized by a jurisdiction to colour or mark accountable product by the addition of a dye.

Elective Supplier (FTA adopted 10-99) - A supplier that is required to be licensed in the destination state and agrees/elects to collect and remit motor fuel tax to the destination state on accountable product/motor fuel imported to the destination state.

Electronic Filing (FTA adopted 1-14) – Is the secure transmission of machine readable structured data between a filer and a government agency and the acknowledgement thereof.

Electronic filing data may be exchanged in:
a) Extensible markup language (XML)
b) ASC X12 electronic data interchange
c) Spreadsheet or structured text files

FTA (Motor Fuel Tax and Tobacco Sections) has established national standard electronic filing formats and recommends XML and/or ASC X12 data exchanges for state use.

**ETBE (Ethyl Tertiary Butyl Ether) (FTA adopted 1-20)** - An oxygenate blend stock formed by the catalytic etherification of isobutylene with ethanol. ETBE is a gasoline blending component recognized by the IRS.

**Ethane (FTA adopted 1-20)** - A straight-chain saturated (paraffinic) hydrocarbon extracted predominantly from the natural gas stream, which is gaseous at standard temperature and pressure. It is a colorless gas that boils at a temperature of -127 degrees Fahrenheit.

**Ethanol (100%) (FTA adopted 1-20)** - An ethyl alcohol that is a colorless, flammable liquid produced by fermentation of sugars that can be denatured for fuel use. Fuel ethanol is used principally for blending in low concentrations with motor gasoline as an oxygenate or octane enhancer. In high concentrations, it is used in alternative-fuel vehicles specifically designed for its use.

**Ethanol (denatured alcohol) (Canadian adopted 8-05, revised 1-11)** – A colourless, odourless liquid, produced synthetically by cracking ethane (using ethane from natural gas or naphtha from crude oil), fermentation from crop biomass such as sugar and corn, and from waste products such as household waste and paper mill sludge through chemical decomposition and fermentation. Also known as Ethyl-Alcohol or Alcohol.

**Ethanol Blended Diesel (Canadian adopted 8-05)** – An accountable product resulting from a blend of diesel and ethanol.

**Ethanol Blended Gasoline (Canadian adopted 8-05)** – An accountable product resulting from a blend of gasoline and ethanol. (See also “Gasohol”)

**Ethanol Producer (Canadian adopted 8-05, revised 1-11)** – A person who manufactures or produces ethanol.

**Ethylene (FTA adopted 1-20)** - An olefinic hydrocarbon recovered from refinery or petrochemical processes, which is gaseous at standard temperature and pressure. Ethylene is used as a petrochemical feedstock for many chemical applications and the production of consumer goods.

**Exchange Agreement (FTA adopted 1-09, revised 4-11)** - An agreement between two terminal suppliers whereby a terminal supplier agrees to deliver fuel to the other party or the other party’s customer at the loading rack. The transaction is reconciled and financially settled by trading for a product at another location and is recorded by the terminal operator as a terminal removal by the receiving supplier.

**Excluded Liquid (FTA adopted 1-23)** is any liquid that (1) contains less than four percent normal paraffins; or (2) has a (i) distillation range of 125 °F. or less; (ii) sulfur content of 10 ppm or less; and (iii) minimum color of + 27 Saybolt.

**Exempt Sales (Canadian adopted 8-05)** – The sale of accountable product that is not subject to fuel tax in accordance with jurisdictional legislation, regulations or other authority.
Exempt Sales Type (Canadian adopted 8-05) – The various types of tax-exempt sales and may include:

1. Sales to Farmers and Primary Producers of Renewable Resources (this would include fishing, logging, trappers, etc.)
2. Export Sales
3. Federal government sales
4. Heating fuel sales
5. International Flights
6. Petroleum based products not intended for motive purposes

Export (Canadian adopted 8-05, revised 1-11) – The shipment or delivery of accountable product to a location outside the jurisdiction from which the product originated. (i.e. accountable product delivered out of a jurisdiction by or for a seller constitutes an export by the seller. Accountable product delivered out of a jurisdiction by or for the purchaser constitutes an export by the purchaser.)

Exporter (FTA adopted 11-98) - Any person engaged in the practice of exporting accountable product/motor fuel.

Exporter (Canadian adopted 8-05, revised 1-11) – A person that exports accountable product from one jurisdiction to another jurisdiction.

Exports (FTA adopted 11-92) - Motor fuel delivered out-of-state by or for the seller constitutes an export by the seller. Motor fuel delivered out-of state by or for the purchaser constitutes an export by the purchaser.

Facility Control Number (FTA adopted 5-16) – A number that designates a storage location within the motor fuel, or renewable fuel production or bulk transfer/terminal system. Facilities include refineries (RCN), approved terminals (TCN), biodiesel production facilities (BCN) or ethanol production facilities (ECN).

Facility Number (FTA adopted 1-16) - A unique number issued by a government entity that identifies the location, which includes one or more stationary tanks or storage facilities, that contain or will contain reportable fuel products. The location has received this designation based on certain attributes such as storage/tank size and the type of product stored at that location.

Facility (BOL) (Canadian adopted 8-05, revised 1-11) – A Bill of Lading (BOL) is a commercial document issued by a terminal or bulk plant operator representing the delivery of fuel from a consignor to a consignee or that represents a change of ownership within the facility.

Fuel (Canadian adopted 8-05) – Any accountable product.

Fuel Grade Ethanol (FTA adopted 1-23-15) – Means a product that meets the ASTM standard D-4806 specification for denatured motor fuel grade ethanol for blending with motor fuel to be used as a spark-ignition automotive engine fuel.

Fuel Transporter (Canadian adopted 8-05) – A person who transports accountable product from a refinery, terminal, or storage and distribution facility by means of a transport truck, a railroad tank car, a pipeline, or a marine vessel. (See “Carrier”)

Gasohol (Canadian adopted 8-05) – An accountable product resulting from a blend of gasoline and ethanol.

Gasoline (FTA adopted 9-93) - All products that are commonly or commercially known or sold as gasoline or defined as gasoline in a state’s statute.
**Gasoline (Canadian adopted 8-05)** – Accountable products as defined by a jurisdiction that are commonly or commercially known or sold as gasoline, and generally complying with CAN/CGSB-3.5. (See also “Ultra Low Sulphur Gasoline”)

**Gasoline Blend Stocks (FTA adopted 9-93)** - All other types of additives when such additives are mixed or blended into gasoline, regardless of their classification or uses.

**Gross (FTA adopted 4-95)** - The total product measured in U.S. gallons without temperature or barometric adjustments.

**Gross Volume (Canadian adopted 8-05)** – The total product volume as measured without product temperature or atmospheric adjustments. (See “Ambient”)

**Heating Fuel (Canadian adopted 8-05)** – An accountable product, clear or dyed, that is burned or consumed in a boiler, furnace, stove or other means in open flame combustion, for the purpose of producing heat. Synonymous terms are “heating oil”, “furnace oil”, “furnace fuel” and would include “stove oil”.

**Heating Oil (FTA adopted 11-98)** - Any distillate fuel oil sold and used for heating purposes.

**Heavy Fuel Oil (Canadian adopted 8-05)** – See “Bunker”.

**High Sulfur Diesel – dyed (FTA adopted 1-20)** - Diesel fuel with a sulfur content level greater than 500 ppm that was injected with dye of a type and concentration level approved by the IRS.

**#1 High Sulfur Diesel -(FTA adopted 1-22)** – No. 1 Diesel that has Sulphur levels above 500 ppm.

**#2 High Sulfur Diesel -(FTA adopted 1-22)** – No. 1 Diesel that has Sulphur levels above 500 ppm.

**High Sulfur Kerosene- Undyed (FTA adopted 1-22)** – A combustible hydrocarbon liquid which is derived from petroleum. Kerosene is widely used to power jet engines of aircraft (jet fuel). K-2 has sulfur levels above 400 ppm and up to 3000 ppm. K-2 is intended to be burned in heaters that have an external flue to remove the exhaust from the room.

**Hydrogen – (FTA adopted 5-22)** - (Hydrogen is a colorless, odorless, highly flammable gas, and is the lightest of all gases. It occurs chiefly in combination with oxygen in water, and also exists in acids, bases, alcohols, petroleum, and other hydrocarbons.

**Hydrogen or H2 (Canadian adopted 1-11)** – A gaseous product that is highly flammable and will burn at concentrations as low as 4% H2 in air. For automotive applications, hydrogen is generally used in tow forms: internal combustion or fuel cell conversion. In combustion, it is essentially burned as conventional gaseous fuels are, whereas a fuel cell uses the hydrogen to generate electricity that in turn is used to power electric motors on the vehicle. Hydrogen gas must be produced and is therefore an energy storage medium, not an energy source. The energy used to produce it usually comes from a more conventional source. Hydrogen holds the promise of very low vehicle emissions and flexible energy storage; however, many believe the technical challenges required to realize these benefits may delay hydrogen’s widespread implementation for several decades. Hydrogen can be obtained through various thermo chemical methods utilizing methane (natural gas), coal, liquefied petroleum gas, or biomass (biomass gasification), from electrolysis of water, or by a process called thermolysis.

**Import (Canadian adopted 8-05)** – The shipment or delivery of accountable product to a location inside a jurisdiction when the product originated from a location outside the jurisdiction. (i.e. Accountable product delivered into a jurisdiction by or for a seller constitutes an import by seller.)
Accountable product delivered into a jurisdiction by or for the purchaser constitutes an import by the purchaser).

**Import Verification Number (FTA adopted 11-98)** - The tracking/registration number assigned by the destination state to a single transport truck delivery of accountable product/motor fuel into a state from another state.

**Importer (FTA adopted 11-98)** - Any person engaged in the practice of importing accountable product/motor fuel.

**Importer (Canadian adopted 8-05)** – A person that causes the import of accountable product into a jurisdiction from another jurisdiction.

**Imports (FTA adopted 11-92)** - Motor fuel delivered into a state from out-of-state by or for the seller constitutes an import by the seller. Motor fuel delivered into a state from out-of-state by or for the purchaser constitutes an import by the purchaser.

**Interface (Canadian adopted 8-05)** – Is the mixture or interface of two refined products such as gasoline and diesel fuel, or diesel fuel and jet fuel. (See also “Transmix” and “Slop” and “Waste”)

**Inventory (Canadian adopted 8-05)** – The accountable product that is stored in a physical facility.

**Inventory Adjustment (Canadian adopted 8-05)** – See also “Book Adjustment”.

**Isobutane (FTA adopted 1-20)** - A branch-chain saturated (paraffinic) hydrocarbon extracted from both natural gas and refinery gas streams, which is gaseous at standard temperature and pressure. It is a colorless gas that boils at a temperature of 11 degrees Fahrenheit.

**Jet Fuel - (FTA adopted 5-22)** - A product used in the propulsion of jet aircraft engines, which meets the applicable standardized international specification. It includes, but is not limited to, kerosene-type jet fuel and naphtha-type jet fuel.

**Jet Fuel (Canadian adopted 8-05)** – An accountable product that has been produced or sold for use in an aircraft turbine engine. Commonly referred to as Jet A or Jet A-1 or Jet B.

**Jurisdiction or Taxing Jurisdiction (FTA adopted 5-08)** – The United States of America, a state of the United States of America, the District of Columbia, Canada, a province or territory of Canada, Mexico, a state of the United Mexican States, or a city, county, city and county, municipality, district or other political subdivision that is authorized to levy motor fuels tax.

**Kerosene (FTA adopted 9-97)** - The petroleum fraction containing hydrocarbons that are slightly heavier than those found in gasoline and naptha, with a boiling range of 180 to 300 degrees Celsius.

**Kerosene (Canadian adopted 8-05)** – Accountable products that are commonly or commercially known or sold as kerosene, 1K or 2K and similar to Jet A or Jet A-1. (In Canada, Jet A-1 is used as a diesel fuel only in the high Arctic. In the U.S., some Jet A is rebranded to No. 1 Diesel fuel, sold at truck Stops).

**Keylock (Canadian adopted 8-05, revised 1-11)** – A self-serve fuelling facility controlled by an automated system operated by a card or key and primarily used by commercial customers such as carriers, motor fleet operators, farmers, fishers, marine and construction industry who purchases fuel on a high volume basis. (See also “Cardlock”).
Liquefied Natural Gas (LNG) (FTA adopted 6-12) - Natural gas (primarily methane) that has been liquefied by reducing its temperature to -260 degrees Fahrenheit at atmospheric pressure.

Liquefied Natural Gas (LNG) (Canadian adopted 1-11) – A natural gas stored as a super-cooled (cryogenic) liquid. The temperature required to condense natural gas depends on its precise composition but ranges between -120 and -170 degrees C. LNG offers an energy density comparable to gasoline and diesel fuels. (See also “Natural Gas”, “Compressed Natural Gas”, and “Liquefied Petroleum Gas”)

Liquefied Petroleum Gases (also referred to as Autogas) (Canadian adopted 8-05, revised 1-11) – A gaseous product that has been compressed until it is transformed to a liquid. It consists mainly of propane, propylene, butane, and butylenes in various mixtures. It is produced as a by-product of natural gas processing and petroleum refining. The components of LPG are gases at normal temperatures and pressures. (Note – LPG can vary widely in composition, leading to variable engine performance and cold starting performance. At Norman temperatures and pressures, LPG will evaporate. Because of this, LPG is stored in pressurized steel bottles. Unlike natural gas, LPG is heavier than air, and thus will flow along floors and tend to settle in low spots, such as basements. Such accumulation can cause explosive hazards, and the reason why LPG fuelled vehicles are prohibited from indoor parkades in many jurisdictions.)

Locomotive Fuel (Canadian adopted 8-05) – An accountable product used by a railway company to operate locomotive engines. (Also referred to as railroad fuel).

Low Sulfur Diesel – dyed (FTA adopted 1-20) - Diesel fuel with a sulfur content level between 15 ppm and 500 ppm that was injected with dye of a type and concentration level approved by the IRS.

Low Sulfur Diesel #1 – Undyed (FTA adopted 6-20) - A light distillate fuel oil that has a sulfur level between 15 ppm and 500 ppm, a distillation temperatures of 550 degrees Fahrenheit at the 90-percent point, and meets the specifications defined in ASTM Specification D 975.

Low Sulfur Diesel #2 – Undyed (FTA adopted 9-20) - A light distillate fuel with a sulfur level between 15 ppm and 500 ppm, a distillation temperatures of 500 degrees Fahrenheit at the 10-percent recovery point and 640 degrees Fahrenheit at the 90-percent recovery point and meets the specifications defined in ASTM Specification D 975.

Low Sulfur Kerosene (FTA adopted 6-20) - It has a maximum distillation temperature of 400 degrees Fahrenheit at the 10-percent recovery point, a final boiling point of 572 degrees Fahrenheit, and a minimum flash point of 100 degrees Fahrenheit and that was injected with dye of a type and concentration level approved by the IRS. This also includes 1-K.

Low Sulfur Kerosene- Undyed (FTA adopted 1-22) – A combustible hydrocarbon liquid which is derived from petroleum. Kerosene is widely used to power jet engines of aircraft (jet fuel), and is commonly used in space heaters and lamps. K-1 has sulfur levels less than 400 ppm. K-1 grade kerosene burns cleaner with fewer deposits, fewer toxins, and less frequent maintenance than K-2 grade kerosene.

Manifest number (FTA adopted 9-11) – see document/bill of lading number – also see shipping or transport document.

Manufacturer (FTA adopted 1-08) see “Producer/Manufacturer”

Manufacturer (Canadian adopted 1-11) – A person who owns, operates, or otherwise controls a facility, other than in a refinery, which manufactures fuel (does not include a recycler). (See also “Collector” and “Refiner”)
Marine Diesel Oil- (FTA adopted 5-22) - Marine fuels that are composed of various blends of distillates (also called marine gasoil) and heavy fuel oil.

Marine Diesel Oil (Canadian adopted 8-05) – A distillate fuel oil, including (automotive) diesel fuel, that contains essentially no residual material, has a maximum viscosity of 14 cST at 40 C, and is used in a vessel as a fuel for internal combustion engines and steam engines. Also called “marine diesel fuel” and includes “marine distillate fuels” defined in CAN/CGSB-3.70 and ISO 8217 and diesel fuels defined in CAN/CGSB-3.6 and 3.517 when used in marine service.

Marine Diesel Oil (FTA adopted 5-22) - Marine gasoil (MGO) is a fuel composed of various blends of distillates. Marine gasoil is similar to diesel fuel, but has a higher density and does not have to be heated during storage.

Marine Vessel (Canadian adopted 8-05) – A ship, boat, barge or other watercraft that is designed to move in or through the water.

Marked Fuel (Canadian adopted 8-05) – Fuel that has been coloured or marked with the appropriate dye to the concentration specified by the jurisdiction for purposes of identification. (See also “Dyed Fuel”)

Methane (FTA adopted 1-20) - A colorless odorless flammable gaseous hydrocarbon CH4 that is a product of biological decomposition of organic matter and of the carbonization of coal. Methane is used as a fuel and as a starting material in chemical synthesis, and is the simplest of the alkanes.

Metanol (100%) (FTA adopted 1-20) - A methyl alcohol that is a toxic, colorless, volatile flammable liquid alcohol primarily used as a solvent, antifreeze, or denaturant.

Migratory Sale (Canadian adopted 8-05) – An export sale made by a bulk dealer from one jurisdiction directly to a consumer or ultimate purchaser in another jurisdiction. (See “Exporter” or “Importer”)

Mineral Oil – (FTA adopted 1-23) (aka Liquid Petroleum, Paraffin Oil, Mineral Paraffins, White Mineral Oil) is a clear, odorless liquid made from highly refined, purified and processed petroleum.

Motor Fuel (Canadian adopted 8-05) – Any fuel that can be used to provide power for an internal combustion or turbine engine that includes, but not limited to: “diesel fuel”, “alternative fuel” or “gasoline”. Some jurisdictions use the term “motor fuel” to define distillates only.

Motor Vehicle (Canadian adopted 8-05) – A self-propelled motorized vehicle.

Motor Oil, engine oil, or engine (FTA adopted 1-16) - lubricant is any of various well-developed lubricants (comprising oil enhanced with additives, for example, in many cases, extreme pressure additives) that are used for lubrication such as for internal combustion engines.

MTBE (Methyl Tertiary Butyl Ether) (FTA adopted 1-20) - An ether intended for gasoline blending to increase the amount of oxygen. MTBE is a gasoline blending component recognized by the IRS.

Naptha (FTA adopted 1-20) - A flammable oil containing various hydrocarbons, obtained by the dry distillation of organic substances such as coal, shale, or petroleum. Naptha is a gasoline blending component recognized by the IRS.

Natural Gas (FTA adopted 6-12) - A gaseous mixture of hydrocarbon compounds, the primary one being methane.
Natural Gas (Canadian adopted 1-11) – A gaseous product consisting mostly of methane and is drawn from gas wells or in conjunction with crude oil production and is delivered through pipelines once it has been processed to the pipeline’s specifications or standards. It also contains hydrocarbons such as ethane and propane as well as other gases such as nitrogen, helium, carbon dioxide, sulphur compounds, and water vapor. Natural gas is not sold or used as a motor fuel unless it has been compressed or liquefied due to its low energy value and high volume in its natural state. (Note – natural gas is considered an accountable product, if it is sold for use in an internal combustion engine.)

Net (FTA adopted 4-95) - The remaining product, after all considerations and deductions have been made, and measured in U.S. gallons by proved meters, corrected to a temperature of sixty (60) degrees Fahrenheit (15 degrees Celsius) and to a pressure of fourteen and seven tenths (14.7) pounds per square inch.

Net Volume (Canadian adopted 8-05) – The volume of accountable product measured in liters, after adjustment or correction from ambient measured volume to a temperature of 15 degrees Celsius and to a pressure of 101.356 kPa. (See "Temperature Corrected")

No.1 Diesel – Dye’d (FTA adopted 6-20) - A light distillate fuel oil that has distillation temperatures of 550 degrees Fahrenheit at the 90-percent point and that was injected with dye of a type and concentration level approved by the IRS.

No.1 Fuel Oil – Undyed (FTA adopted 9-20) - A light distillate fuel oil that has distillation temperatures of 400 degrees Fahrenheit at the 10-percent recovery point and 550 degrees Fahrenheit at the 90-percent point and meets the specifications defined in ASTM Specification D 396.

Opening Untaxed Inventory (Canadian adopted 8-05, revised 1-11) – Inventory at the beginning of the reporting period for accountable products stored at terminals or other storage location where tax-free fuel is stored in the reporting jurisdiction. (Note – opening untaxed inventory in one month must equal the closing untaxed inventory in the previous month.)

Organic Oils - (FTA adopted 5-22) - Produced by plants, animals, and other organisms through natural metabolic processes.

Originating Facility (Canadian adopted 8-05) – A physical facility from which the accountable product was transported. (See "Physical Facility")

Other Adjustments or Installments (Canadian adopted 8-05, revised 1-11) – On the Generic Fuel Tax Reporting Forms, other adjustments or installments consists of reassessment adjustments from other periods, tax installments or eligible amounts as specified by each jurisdiction.

Pentanes, including isopentanes (FTA adopted 1-20) - A volatile, colorless liquid hydrocarbon with a characteristic gasoline-like odor that can be burned as a fuel that is similar to butane and hexane. Pentane is a gasoline blending component recognized by the IRS.

Permissive Supplier (FTA adopted 11-98) - An out-of-state supplier, who is not an importer or exporter, that elects to collect and remit motor fuel tax to the destination state, but is not required to have a supplier’s license in the destination state.

Person (FTA adopted 11-98) - Any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company; or a receiver, trustee, or guardian or other representative appointed by order of any court; or any city, town, county, or other political subdivision. Additionally, whenever, used, the term “person” as applied to partnerships and associations, shall mean the partners or members thereof. As applied to limited liability company, and
as applied to corporations the term “person” shall mean the officers, agents, or employees of the limited liability company, and as applied to corporations the term “person” shall mean the officers, agents, or employees.

**Person (Canadian adopted 8-05)** – Any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company: or a receiver, trustee, or guardian or other representative appointed by order of any court; or any city, town, county or other political subdivision. Additionally, whenever, used, the term “person” as applied to partnerships and associations, shall mean the partners or members thereof. As applied to limited liability company, and as applied to corporations the term “person” shall mean the officers, agents, or employees of the limited liability company, and as applied to corporations the term “person” shall mean the officers, agents, or employees.

**Physical Facility (Canadian adopted 8-05, revised 1-11)** – Any bulk storage facility licensed or registered by a jurisdiction at a fixed location that is used to store accountable products.

**Pipeline (FTA adopted 4-95)** - A fuel distribution system that moves product, in bulk, through a pipe, either from a refinery to a terminal, or from a terminal to another terminal.

**Pipeline (Canadian adopted 8-05)** – A fuel distribution system that moves accountable products, in bulk, through a pipe, either from a refinery to a terminal, or from a terminal to another terminal (or to a large vender, i.e. an airport).

**Point of Delivery (FTA adopted 9-93)** - The specific address of delivery, including but not limited to customer name, street, city, state and zip code, to which reportable motor fuel is dispensed into any storage facility, receptacle, container, or any type of transportation equipment.

**Point of Taxation (Canadian adopted 8-05, revised 1-11)** – In general terms, each jurisdiction may apply tax at one of two points in the distribution chain. For terminal based point of taxation, taxes on accountable products are charged, collected, reported and remitted by the collector receiving the fuel from the primary terminal (or the importer of fuel into a jurisdiction). For sales based point of taxation, taxes on accountable products are charged, collected, reported and remitted by the last collector in the distribution chain (this could also be described as sales to the first non-collector basis of taxation).

**Position Holder (FTA adopted 4-95)** - With respect to motor fuel in a terminal, the person that holds the inventory position of the motor fuel, as reflected on the records of the terminal operator. A person holds the inventory position when that person has a contractual agreement with the terminal operator for the use of storage facilities or terminaling services at a terminal with respect to the motor fuel. This also includes a terminal operator who owns motor fuel in their terminal.

**Position Holder (Canadian adopted 8-05, revised 1-11)** – Is, with respect to accountable fuel in a terminal, the person that holds the inventory position (i.e. ownership) of the fuel, as reflected on the records of the terminal operator. A person holds the inventory position when that person has a contractual agreement with the terminal operator for the use of storage facilities or terminaling services at a terminal with respect to the accountable fuel. This also includes a terminal operator who owns accountable fuel in their terminal. (Note – There can be multiple position holders (i.e., owners) of fuel within a terminal, and each owner is responsible for their accountable fuel volumes.)

**Producer/Manufacturer (FTA adopted 1-08)** – Any person who produces, refines, blends, distills, manufacturers or compounds accountable product/motor fuel. (See “accountable product/motor fuel”)

**Propane** – (FTA adopted 5-22) - A colorless gas, C3H8, found in natural gas and petroleum and widely used as a fuel.
Propane (Canadian adopted 1-11) – Is known as C3H8 and is a colourless, odourless, easily liquefied, gaseous hydrocarbon. It is a by-product of oil refining or natural gas processing. Propane is commercially available as liquefied propane (which under 300PIS of pressure has an energy density 270 times greater than the gaseous form. An odorant, ethyl mercaptan, is added for leak detection).

Propylene (FTA adopted 1-20) - A colorless, flammable gas, of the olefin series.

Racing Fuel (FTA adopted 1-11) – An accountable product, generally leaded gasoline of one hundred and five octane or more, for off-highway use in competition vehicles, e.g., race cars, snowmobiles and motorcycles (excludes aircraft).

Racing Fuel (Canadian adopted 1-11) – An accountable product, generally leaded gasoline of one hundred and five octane or more, for use in competition vehicles, e.g., race cars, snowmobiles and motorcycles. (Note – racing fuel is generally taxable and reported as either gasoline or diesel fuel.)

Rack (FTA adopted 11-98) - A mechanism used to dispense accountable product/ motor fuel from a refinery, terminal, or bulk plant into a transport truck, railroad tank car, or other means of transportation.

Rack (Canadian adopted 8-05) – A mechanism for loading or dispensing accountable product from a refinery, a terminal, or a bulk plant into a tank truck, a railroad tank car, or marine vessel.

Raffinate (FTA adopted 1-20) - A low-octane mixture that remains after aromatics extraction from reformate. Raffiante is a gasoline blending component recognized by the IRS.

Railroad Fuel (Canadian adopted 8-05) – See “Locomotive Fuel”.

Rebrand (Canadian adopted 8-05, revised 1-11) – The process of making an adjustment in the books or records to reflect a reclassification of one product to that of another product including blending, dying or change of end-use of accountable products. (i.e. diesel fuel rebranded to heating fuel or transmix/slop returned to the refinery for processing). There may be a change in the tax treatment of the product as a result of re-branding.

Recycler (Canadian adopted 8-05) – A person that recycles petroleum products.

Refined or Manufactured within Jurisdiction (Canadian adopted 8-05, revised 1-11) – Accountable product produced in the reporting jurisdiction and transferred to untaxed finished goods inventory during the reporting period.

Refiner (FTA adopted 11-98) - Any person who owns, operates, or controls a refinery.

Refiner (Canadian adopted 8-05, revised 1-11) – A person who owns, operates, or otherwise controls a crude oil or petroleum based refinery which manufactures fuel. (Note – dose not include a recycler.) See also “Collector” and “Manufacturer”)

Refinery (FTA adopted 11-98) - Any facility used to process crude oil, unfinished oils, natural gas liquids, or other hydrocarbons into any accountable product/motor fuel.

Refinery (Canadian adopted 8-05) – A facility used to produce accountable product from crude oil, unfinished oils, natural gas liquids, and other hydrocarbons.
Reformulated Blendstock for Oxygenate Blending (RBOB) (FTA adopted 1-17) - Motor gasoline blending components intended for blending with oxygenates to produce finished reformulated motor gasoline.

Removal (FTA adopted 11-98) - A physical transfer of any accountable product/motor fuel from a storage facility.

Renewable Diesel (FTA adopted 5-17) - is a hydrocarbon diesel vehicle fuel produced from non-petroleum renewable resources such as vegetable oils (soy, corn, canola, etc.), animal or poultry fat, used cooking oil, municipal solid waste, and wastewater sludge and oils. The most common process used today to produce this product is hydrotreating, which is used in petroleum refineries currently. Renewable diesel is virtually indistinguishable from conventional (petroleum-based) diesel fuel in its chemical composition and performance. Accordingly, renewable diesel is considered a "drop-in" fuel, which means it can be used in blends with conventional diesel fuel, and its presence will be transparent to vehicles or equipment. Renewable diesel meets or exceeds all ASTM D975 minimum standards. Renewable diesel is not biodiesel.

Renewable Fuel (FTA adopted 9-10) – means liquid non-petroleum based fuels that can be placed in vehicle fuel tanks and used as a fuel in a highway vehicle. It includes all forms of fuel commonly or commercially known or sold as biodiesel and ethanol.

Reporting Period (Canadian adopted 8-05, revised 1-11) – For fuel tax inventory and tax reporting purposes, the reporting period is generally on a monthly basis but can be less frequent (e.g., quarterly, semi-annual or annual) at the discretion of the jurisdiction.

Residual Fuel Oil – (FTA adopted 5-22) - Heavier fuel oils known as No. 5 and No. 6, that remain after the distillate fuel oils and lighter hydrocarbons are distilled away in refinery operations.

Retail Dealer/Retailer (Canadian adopted 8-05, revised 1-11) – A person who operates a retail fuel station.

Retail Station (FTA adopted 4-95) - Any location from which motor fuel is sold to an end user by direct delivery into fuel supply tanks. Each state may modify to exclude or include marine sales.

Retail Station (Canadian adopted 8-05, revised 1-11) – A location from which accountable product is sold to an end-user and normally dispensed directly into a tank of a motor vehicle.

Retailer (FTA adopted 4-95) - Any person who operates a retail station.

Sale (FTA adopted 4-95) - In addition to its ordinary meaning, any exchange, gift or other disposition of accountable product/motor fuel. In every case where such accountable/motor fuel product is exchanged, given or otherwise disposed of, it shall be deemed to have been sold.

Sale (Canadian adopted 8-05, revised 1-11) – Is, in addition to its commonly defined meaning, any exchange, gift or other disposition of accountable product/motor fuel. When such accountable/motor fuel product is exchanged, given or otherwise disposed of, it shall be deemed to have been sold.

Shipping or Transport Document (FTA adopted 9-10) – Is a delivery document issued in conjunction with the sale, transfer, or transport of motor fuel. A shipping or transport document issued by a terminal operator shall be machine printed. All other shipping documents shall be typed or handwritten on a preprinted form or machine printed.

Shrinkage (Canadian adopted 8-05, revised 1-11) – A variance in the volume of accountable product sold or available for sale, as a result of temperature or pressure variances, evaporation or
normal handling losses. (Note – If fuel is temperature corrected, there is no shrinkage due to temperature or pressure variations.) (See also “Accountable Losses” and “Verifiable Losses”)

**Shrinkage Allowance (Canadian adopted 8-05, revised 1-11)** – Allowances available in some reporting jurisdictions for shrinkage losses. (Note - This field is used to report the allowances and not actual volume losses. Actual volume losses are reported under “Volume Adjustments”.)

**Slop (Canadian adopted 8-05)** – Any mixed hydrocarbon product(s) which are suitable for refining. Slop is re-processed through the refinery. (See also “Transmix” and “Interface” and “Waste”)

**Soy Oil** – (FTA adopted 5-22) - An oil derived from soybeans that can be used as a feedstock for renewable diesel or biodiesel.

**Special Fuel (FTA adopted 11-98)** - Any accountable product/motor fuel other than gasoline, gasohol, or alternative fuels.

**Stationary Transfer (FTA adopted 9-97)** - Transfer of ownership of reportable product from one position holder to another within a terminal or bulk plant.

**Stationary Transfer (Canadian adopted 8-05)** – Transfer of ownership of reportable product from one position holder to another within a terminal or bulk plant.

**Stock Adjustment (Canadian adopted 8-05)** – Adjustment made to the book volume of an accountable product as a result of the difference between the calculated inventory and actual inventory volume. (See “Book Adjustment”)

**Supplier (FTA adopted 11-98)** - Any person required to collect and remit tax on accountable product/motor fuel removed from a terminal/refinery rack.

**TAME (Tert-Amyl Methyl Ether) (FTA adopted 1-20)** - is an ether used as a fuel oxygenate. An oxygenate blend stock formed by the catalytic etherification of isoamylene with methanol. TAME is a gasoline blending component recognized by the IRS.

**Tanker Truck (Canadian adopted 8-05, revised 1-11)** – A truck designed or used to transport bulk quantities of accountable product in addition to the accountable product used for its own propulsion (tractor trailer combination).

**Tank Wagon (FTA adopted 10-99)** - A straight truck designed or used to transport accountable product/motor fuel.

**Tank Wagon (Canadian adopted 8-05, revised 1-11)** – A straight truck designed or used to transport accountable product/motor fuel. (also known as bulk fuel trucks).

**Temperature Corrected (Canadian adopted 8-05)** – The volume of accountable product after adjustment from the volume measured at ambient temperature to the volume of the product at 15 degrees Celsius and a pressure of 101.356 kPa. (See also “Net Volume”)

**Terminal (FTA adopted 9-93)** - A reportable fuel storage and distribution facility that is supplied by pipeline or vessel, and from which reportable fuel may be removed at a rack. This also includes bulk plants that store reportable fuel for others.

**Terminals:** (Canadian adopted 8-05, revised 1-11)

- **Primary Distribution Terminal** – An accountable fuel storage and distribution facility that is normally supplied by pipeline but may be supplied by vessel or rail, and from which
accountable fuel is removed in bulk quantities into pipelines for further distribution, the cargo tanks of transport trucks, marine vessels or rail cars. Such fuel is normally supplied to other primary distribution terminals, bulk plants, secondary distribution terminals, retail service stations, cardlocks, keylocks and bulk end users. (Note - Primary Distribution Terminals are the fuel tax collection point for those jurisdictions that collect tax based on the fuel lifted from the terminal.)

- **Secondary Distribution Terminals** – As above, only the fuel storage and distribution facility is normally supplied by rail or truck transport from fuel lifted from a Primary Distribution Terminal. (Note - Secondary distribution terminals are not terminals for purposes of collecting tax for jurisdictions who collect tax based on fuel lifted from primary distribution terminals. Such fuel is normally supplied to bulk plants, retail service stations, cardlocks, keylocks and bulk end users.)

**Terminal Bulk Transfer (FTA adopted 10-99)** - Any bulk transfer and in-tank transfers within a terminal.

**Terminal Code (FTA adopted 5-16)** – See Facility Control Number

**Terminal Bulk Transfer (Canadian adopted 8-05)** – Includes but is not limited to the following:

a). A marine barge movement of accountable product from a refinery or terminal to a terminal.

b). Pipeline movements of accountable product from a refinery or terminal to a terminal.

c). Book transfers of accountable product within a terminal, between suppliers prior to completion of removal across a terminal rack.

d). Two-party exchanges between two or more position holders.

**Terminal Operator (FTA adopted 9-93)** - Any person that owns, operates, or otherwise controls a terminal.

**Terminal Operator (Canadian adopted 8-05)** – Any person that owns, operates, or otherwise controls a terminal. (See also “Filer” or “Collector”)

**Terminal Transfer System (FTA adopted 10-99)** - The components of a bulk transfer system used in a terminal bulk transfer.

**Toluene (FTA adopted 1-20)** - Colorless liquid of the aromatic group of petroleum hydrocarbons, made by the catalytic reforming of petroleum naphthas containing methyl cyclohexane. A high-octane gasoline-blending agent, solvent, and chemical intermediate. Toluene is a gasoline blending component recognized by the IRS.

**Transloader (FTA adopted 9-18)** - The equipment used to transfer product from one mode of transportation to another.

**Transloader Operator (FTA adopted 9-19)** - Person that engages in the process of transferring product from one mode of transportation to another.

**Transloading (FTA adopted 9-18)** - The process of transferring product from one mode of transportation to another.

**Transmix (FTA adopted 11-98)** - The accountable product/motor fuel that results from the natural mixing of products at both the beginning and end of each batch of product shipped through a pipeline.
Transmix (Canadian adopted 8-05, revised 1-11) – The buffer or interface that results from the mixing of two different accountable products in a pipeline shipment, and includes a mixture of two different products within a refinery that results in an off-grade product mix. (See also “Slop” and “Interface” and “Waste”)


Transport Truck (FTA adopted 10-99) - A tractor trailer combination designed or used to transport accountable product/motor fuel.

Transport Truck (Canadian adopted 8-05) – See “Tanker Truck”.

Two Party Exchange (FTA adopted 1-09) - A transaction in which petroleum product is transferred from one supplier to another supplier pursuant to an exchange agreement.

Ultimate Purchaser (FTA adopted 10-99) - Any person who consumes or uses accountable product/motor fuel.

Ultimate Vendor (FTA adopted 10-99) - Any person who sells accountable product/motor fuel to the ultimate purchaser.

Ultra Low Sulphur Diesel (Canadian adopted 8-05) – An accountable product that is commonly or commercially known as “diesel”, offered for sale or used as a fuel in compression emission engines containing no more than 15 PPM concentration of sulfur, after May 31, 2006. (See also “Diesel”)

Ultra Low Sulfur Diesel – Undyed (FTA adopted 9-20) - A light distillate fuel that has a sulfur level no higher than 15 ppm and meets the specifications defined in ASTM Specification D 975.

Ultra Low Sulfur Diesel – dyed (FTA adopted 1-20) - Diesel fuel with a sulfur content level less than or equal to 15 ppm that was injected with dye of a type and concentration level approved by the IRS.

Ultra Low Sulfur Gasoline (Canadian adopted 8-05) – Accountable products as defined by a jurisdiction that are commonly or commercially known or sold as “gasoline”, and generally complying with CAN/CGSB-3.5 and having an annual average sulfur level of not greater than 30 PPM. (See also “Gasoline”)

Undefined Products- (FTA adopted 5-22) - Any product that does not meet the characteristics and definitions previously defined.

Undyed Diesel Fuel (FTA adopted 11-98) - Any diesel fuel that has no detectable presence of dye.

Undyed Diesel Fuel (Canadian adopted 8-05) – Any diesel fuel that has no detectable presence of dye.

Unverifiable Gains/Losses (Canadian adopted 8-05) – An adjustment to inventory that cannot be verified as sold, lost, destroyed, stolen, contaminated, consumed or distributed. (See “Verifiable Losses”)

Used Oil (FTA adopted 6-20) - Any oil that has been refined from crude oil or any synthetic oil that has been used and as a result of such use is contaminated by physical or chemical impurities.

Vendor (Canadian adopted 8-05) – A person authorized or licensed to sell accountable product.
Verifiable Losses (Canadian adopted 8-05, revised 1-11) – Accountable fuel losses which can be verified and proven. Such losses generally include, spills in transit, loss due to fire or even third party theft. This does not include losses verifiable by calculation of book to actual. (See also “Accountable Losses”, “Shrinkage” and “Stock Adjustment”)

Vessel (Canadian adopted 8-05) – See “Marine Vessel”.

Volume (Canadian adopted 8-05, revised 1-11) – All volumes must be reported at either ambient temperature or corrected to 15 degrees C. Consistency is required and the volume for reporting and tax calculation purposes may be specified by each jurisdiction. (See also “Gross Volume” and “Net Volume”)

Volume Adjustment (Canadian adopted 8-05) – An adjustment to inventory that can be measured in liters that will not be dispensed through normal dispensing and metering process and facilities.

Voyage Number (FTA adopted 9-10) – Is a manifest number or document number in the mariner time industry.

Waste (Canadian adopted 8-05) – A contaminated product which cannot be re-used, re-claimed, or re-processed, but must be disposed of as a waste or hazardous material, as distinct from “slop”, “transmix”, or “interface”.

Waste Oil (FTA adopted 6-20) - Any petroleum based or synthetic oil, through contamination, has become unsuitable for its original purpose due to the presence of impurities or loss of original properties.

Wholesale (FTA adopted 10-99) - Any person engaged in the business of selling accountable product/motor fuel for the purpose of resale.

Wholesaler (Canadian adopted 8-05) – Any person engaged in the business of selling accountable product for the purpose of resale.

Xylene (FTA adopted 1-20) - Colorless liquid of the aromatic group of hydrocarbons made from the catalytic reforming of certain naphthenic petroleum fractions. Used as high-octane motor and aviation gasoline blending agents, solvents, chemical intermediates. Xylene is a gasoline blending component recognized by the IRS.
Uniform Forms

Purpose

One of the goals of the Uniformity Committee is to encourage each state to utilize forms that follow uniform guidelines. There are many advantages to utilizing uniform returns and reports. A few examples of these benefits are as follows.

1. **Predesigned Forms** – The Uniformity Committee has designed motor fuel tax reports for most points of taxation. These reports were designed by state and industry representatives and are available to all fuel tax administrators. States experiencing law changes associated with a point of taxation should consider utilizing reports designed by the Uniformity Committee.

2. **Exchange of Information** - Uniform forms facilitate the exchange of information between states by ensuring each state collects similar data.

3. **Multi-state Filers** - Companies who operate in multiple states must accommodate the specific filing requirements for each state. Uniform returns and reports will limit variances and reduce the costs associated with filing motor fuel tax returns in more than one state.

4. **Cross-Checking** - The forms are designed to facilitate a cross-check between taxpayer and third party records. Receipt and disbursement schedules are typically matched against the following records:
   - Other states’ import and export schedules
   - Common carrier reports
   - Terminal operator reports

Uniform Filing Requirements

The following is a list of data fields/information that should be included on paper forms in order to be considered uniform by the FTA Forms Management Subcommittee.

➢ **Return/Report (Generic Data)**
   - Filer’s Name
   - Filer’s Address
   - Filing Period
   - Filer’s FEIN/SSN
   - Contact Name
   - Contact Phone Number
   - Contact Email Address (Optional)
   - Instructions
• Signature Line

➢ Schedules (Receipts, Disbursements/Rack Removals, Inventories, State Diversion Corrections, and Deliveries) - Reference the applicable Schedule of Uniformity for data field requirements by form type, as follows.

• Schedule of Receipts – See Schedule of Uniformity-A
• Schedule of Disbursements/Rack Removals – See Schedule of Uniformity-B
• Schedule of Inventories – See Schedule of Uniformity-C
• Schedule of State Diversion Corrections – See Schedule of Uniformity-D
• Schedule of Deliveries – See Schedule of Uniformity-E

States are allowed some flexibility when using uniform reports. The reports can be modified to accomplish the following:

➢ States can add or delete product columns from the uniform summary reports (cover sheet only) to tailor the forms to their needs.

➢ States can require taxpayers to complete sub schedules for additional information but must use the standard schedule format. The total of the sub schedules is reflected on the uniform schedule.

➢ Each state should require a taxpayer to provide net, gross, and billed gallons on their schedule of receipts and disbursements to facilitate the sharing of tax information among states.

Additional Notes -

It is preferred that the column headings are in the same order as found in the FTA Uniformity Guide for each of the different schedule types however, the order of the columns will not keep a form from being considered uniform.

Adding additional columns to the paper schedules may cause the schedules to be considered not uniform.

When formatting the schedules be sure to consider data requested and column width to accommodate the data. Always provide clear, precise instructions regarding the formatting of the information, such as wrapping or truncating text.

Note – Fields identified as optional are not required but strongly recommended.

Uniform Forms
Schedule of Uniformity – A (Schedule of Receipts)

The following is a list of data fields/information that must be included on paper forms in order to be considered uniform by the FTA Forms Management Subcommittee.
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**Uniform Forms**

**Schedule of Uniformity – B (Schedule of Disbursements/Rack Removals)**
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Uniform Forms
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Uniform Forms

Schedule of Uniformity – D (Schedule of State Diversion Corrections)

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Fields identified with an X are required fields. Fields identified with an O are optional fields.
The FTA Uniformity Committee conducted a survey to the states to find out which states were compliant or non-compliant with uniform forms. The following is the results of the completed survey:

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<tr>
<th>State</th>
<th>FEIN #</th>
<th>Product Codes</th>
<th>Uniform Schedules</th>
<th>Tax Return</th>
<th>Gross</th>
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**Notes to survey**

**FEIN#:** Does the return and/or subschedules cite the FEIN# of each seller and carrier?

**Product Codes:** Is the return using the FTA approved product codes? If not, the return is using state devised product codes.

**Uniform Schedules:** Is the return using the schedule codes adopted by the FTA? If not, the return is using state devised schedule codes.

**Tax Return:** Is the return covering all tax types (gasoline & diesel)? If not, the return only covers one tax type.

**Gross, Net, Billed Gallons:** Is the information on the return reported in net, gross and billed gallons? If not, what system is the state using? If listed a "none" this means the Forms Management Subcommittee was unable to determine what the gallon system that was being used.

Each state should require a taxpayer to provide net, gross and billed gallons on their schedule of receipts and disbursements to facilitate the sharing of tax information among states.
Terminal Report
Terminal Report

Purpose
The Terminal Report gives the state full accountability of all accountable products/motor fuel products moving through a terminal. The report is not a tax report. It gives the state an independent source of accountable product/motor fuel information that can be used to verify the transactions reported by taxpayers.

Who Must File
All terminal operators who provide terminal services must file the Terminal Report. Terminal operators who operate more than one terminal must file a separate report for each terminal. If a state is receiving all of the inventory information with its distributor/supplier return you may want to consider adopting the following policy: A distributor who operates a terminal that handles only accountable products/motor fuel that it owns is not required to file the report. If the distributor handles accountable products/motor fuel owned by others, it must report all accountable products/motor fuel including its own. Bulk plant operators do not file this report.

1. Terminal Report Summary

2. Schedule of Receipts
Each receipt of an accountable product/motor fuel into a terminal is listed on this schedule. By requiring the carrier name and FEIN to be listed with each receipt, the state can verify the receipt using the Common and Contract Carrier Report.

The position holder information on this schedule allows a state to track each taxpayer’s movement of accountable products/motor fuel into a terminal. However, position holder information will not be available from certain terminals with fungible accountable products/motor fuel that are operated as part of a pipeline system with multiple terminals. In such a case, the position holder is not determined at the particular terminal until just prior to the removal of accountable products/motor fuel.

Each state should require a taxpayer to provide net and gross gallons on their schedule of disbursements to facilitate the sharing of tax information among states.

3. Schedule of Disbursements
Each removal of an accountable product/motor fuel from a terminal is listed on this schedule. By requiring the carrier name and FEIN to be listed with each removal, the state can verify the removal using the Common and Contract Petroleum Products Carrier Report. The position holder name and FEIN provide the state with a link to the distributor’s tax report. For each removal listed on this report, there should be a corresponding entry on one of the distributor’s schedules filed by the position holder.

Each state should require a taxpayer to provide net and gross gallons on their schedule of disbursements to facilitate the sharing of tax information among states.

4. Schedule of Inventories
This schedule provides detail of ownership of accountable products/motor fuel in a terminal by a position holder. It allows a state to determine where a certain taxpayer’s inventories are located within the state.

The information will not be available from certain terminals with fungible accountable products/motor fuel that are operated as part of a pipeline system with multiple terminals. In such case, the position holder is not determined at the particular terminal until just prior to the removal of accountable products/motor fuel.
Conclusion
The terminal report is designed to allow any state to modify it for relevance to that state. For example, a state that wanted or required a separate column for undyed and dyed diesel could add the specific column on the terminal summary report page.
Terminal Report

General Instructions

REPORT IS DUE
Your report, plus supporting schedules, is due on or before ________________.

COMPLETING YOUR RETURN
The terminal report which you file each month consists of the Terminal Report form and supporting receipts and disbursement schedules. The fuel transactions are to be sorted by fuel type and placed in the appropriate columns.

Name/Location of Terminal: Enter the name and physical address of the terminal.
Terminal Code: Enter the nine digit terminal code number as assigned by the Internal Revenue Service.
Filing Period End: Enter the filing period end date in the appropriate format (CCYYMMDD or states current format).
Name and Address of Terminal Operator: Enter the name and address of the terminal operator.
License Number: State issued identification number.
Phone Number: Enter the telephone number of the person signing the report.
FEIN: Enter your Federal Employer Identification Number in the space provided.

Column Instructions. Gallons should be entered in net gallons (gallons corrected to 60 degrees Fahrenheit temperature). Gallons should be rounded to the nearest whole gallon and entered in the appropriate column.
Gasoline Products – All products that are commonly or commercially known or sold as gasoline or defined as gasoline in a state’s statute.
Diesel – Any liquid that is commonly or commercially known, offered for sale or used as a fuel in diesel engines.
Other – Other reportable products.

Line Instructions
Line 1. Beginning Inventory - Enter beginning inventory of all petroleum products handled at the terminal in the appropriate column. Carries over from column 3 on schedule 15C. Beginning inventory equals the prior month’s reported actual ending inventory.
Line 2. Total Receipts - Enter total receipts of all petroleum products received into the terminal from supporting schedules 15A.
Line 3. Total Available – line 1 plus line 2.
Line 4. Total Disbursements - Enter total of all petroleum products disbursed from the terminal from supporting schedules 15B.
Line 5. Gallons Available – line 3 minus line 4 disbursements.
Line 6. Stock Gains & Losses – Enter inventory discrepancy by subtracting line 5 from line 7. If line 5 exceeds line 7, indicate the shortage with ( ).
Line 7. Actual Ending Inventory – Enter actual measured physical inventory of all petroleum products in the appropriate columns.

Sign and date your report and indicate title of person responsible for the report.
Terminal Report
To be filed by all terminal operators.

## Terminal

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## Operator

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## Transactions for the Month

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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>6. Stock Gains &amp; Losses</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>7. Actual Ending Inventory</th>
<th>15C</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Total from Sch 15; column 7)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature of Terminal Operator:</th>
<th>Title:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

---

Term Revised 9/10, Helena, MT Revised 9/11, Charleston, WV Adopted September 93, Wichita, KS

Uniformity Project 45
### Schedule 15A - Terminal Operator Schedule of Receipts

<table>
<thead>
<tr>
<th>Company Name</th>
<th>FEIN</th>
<th>Terminal Code</th>
<th>Filing Period End</th>
<th>Product Code</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
<th>(8)</th>
<th>(9)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrier Name</td>
<td>Carrier FEIN</td>
<td>Mode</td>
<td>Position Holder</td>
<td>Position Holder FEIN</td>
<td>Date Received</td>
<td>Document Number</td>
<td>Net Gallons</td>
<td>Gross Gallons</td>
</tr>
</tbody>
</table>

#### General Instructions
Schedule 15A provides detail in support of the amount(s) shown as receipts on the terminal report.

Each receipt of product into the terminal should be listed on separate lines.

#### Identifying Information
- **Company Name and FEIN**: Enter the name and FEIN for the terminal operator shown on the terminal report.
- **Terminal Code**: Use the IRS Terminal Control Number
- **Filing Period End**: Enter the filing period end date in the appropriate format (CCYYMMDD or states current format).
- **Product Code**: Enter the appropriate FTA product code.

#### Column Instructions
- **Columns (1) & (2)**: Carrier – Enter the name and FEIN of the company that transports the product into the terminal.
- **Column (3)**: Mode Code - Enter the mode of transport. Use one of the following:
  - J=Truck
  - R=Rail
  - B=Barge
  - PL=Pipeline
  - S=Ship (Great Lakes or ocean marine vessel)
  - BA=Book Adjustment
  - ST=Stationary Transfer
  - CE=Summary
  - RT=Removal from Terminal (other than by truck or rail for sale or consumption)
- **Column (4) & (5)**: Position Holder – Enter the name and FEIN of the company that owns the product as reflected on the records of the terminal operator (same as the Federal definition).
- **Column (6)**: Date Received – Enter the date the product was received into the terminal.
- **Column (7)**: Document Number – Enter the identifying number from the shipping document issued. In case of pipeline or barge movements, it is the pipeline or barge ticket number.
- **Column (8)**: Net Gallons – Enter the net gallons received into the terminal. The total of all amounts entered in this column should agree with the amount shown for receipts on the terminal report.
- **Column (9)**: Gross Gallons – Enter the gross gallons withdrawn from the terminal.

Terminal Report – Terminal Operator Schedule of Receipts

Revised 9/10, Helena, MT  Revised 10/12, Providence, Rhode Island  Adopted September 93, Wichita, KS
Schedule 15B - Terminal Operator Schedule of Disbursements

<table>
<thead>
<tr>
<th>(1) Carrier Name</th>
<th>(2) Carrier FEIN</th>
<th>(3) Mode</th>
<th>(4) Destination State</th>
<th>(5) Position Holder</th>
<th>(6) Position Holder FEIN</th>
<th>(7) Date Shipped</th>
<th>(8) Document Number</th>
<th>(9) Net Gallons</th>
<th>(10) Gross Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Total:

Terminal Report – Terminal Operator Schedule of Disbursements

**General Instructions**

Schedule 15B provides detail in support of the amount(s) shown as disbursements on the terminal report. Each disbursement of product from the terminal should be listed on separate lines.

**Identifying Information**

- **Company Name and FEIN:** Enter the name and FEIN for the terminal operator shown on the terminal report.
- **Terminal Code:** Use the IRS Terminal Control Number
- **Filing Period End:** Enter the filing period end date in the appropriate format (CCYYMMDD or states current format).
- **Product Code:** Enter the appropriate FTA product code.

**Column Instructions**

- **Columns (1) & (2):** Carrier – Enter the name and FEIN of the company that transported the product from the terminal.
- **Column (3):** Mode Code - Enter the mode of transport. Use one of the following:
  - J=Truck
  - R=Rail
  - B=Barge
  - PL=Pipeline
  - S=Ship (Great Lakes or ocean marine vessel)
  - BA=Book Adjustment
  - ST=Stationary Transfer
  - CE=Summary
  - RT=Removal from Terminal (other than by truck or rail for sale or consumption)
- **Column (4):** Destination State – Enter the state, territory, or foreign country to which any reportable motor fuel is directed for delivery into any storage facility, receptacle, container, or any type of transportation equipment, for purpose of resale or use.
- **Column (5) & (6):** Position Holder – Enter the name and FEIN of the company that owns the product as reflected on the records of the terminal operator (same as the Federal definition).
- **Column (7):** Date Shipped – Enter the date the carrier leaves the terminal with the product.
- **Column (8):** Document Number – Enter the identifying number from the shipping document issued at the terminal when product was removed over the rack. In the case of pipeline or barge movements, it is the pipeline or barge ticket number.
- **Column (9):** Net Gallons – Enter the net gallons withdrawn from the terminal. The total of all amounts entered in this column should agree with the amount shown for disbursement on the terminal report.
- **Column (10):** Gross Gallons – Enter the gross gallons withdrawn from the terminal.
Schedule 15C - Terminal Operator Schedule of Inventories

<table>
<thead>
<tr>
<th>Company Name</th>
<th>FEIN:</th>
<th>Terminal Code</th>
<th>Filing Period End (CCYYMMDD)</th>
<th>Product Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Position Holder</td>
<td>(2) Position Holder FEIN</td>
<td>(3) Beginning Inventory</td>
<td>(4) Total Receipts</td>
<td>(5) Total Disbursements</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Totals:

Terminal Report – Terminal Operator Schedule of Inventories

**General Instructions**
Schedule 15C provides detail in support of the amount(s) shown as beginning inventory and actual ending inventory on the terminal report.

**Identifying Information**
- **Company Name and FEIN:** Enter the name and FEIN for the terminal operator shown on the terminal report.
- **Terminal Code:** Use the IRS Terminal Control Number.
- **Filing Period End:** Enter the filing period end date in the appropriate format (CCYYMMDD or states current format).
- **Product Code:** Enter the appropriate FTA product code.

**Column Instructions**
- Columns (1) & (2): **Position Holder** – Enter the name and FEIN of the company that owns the product as reflected on the records of the terminal operator (same as the Federal definition).
- Column (3): **Beginning Inventory** - Enter the net gallons held by each position holder at the beginning of the month.
- Column (4): **Receipts** – Enter the total number of net gallons received during the month for the account of each position holder.
- Column (5): **Disbursements** – Enter the total number of net gallons disbursed during the month for the account of each position holder.
- Column (6): **Gain (Loss)** – Enter the net gallons gained or lost during the month for the account of each position holder.
- Column (7): **Ending Inventory** – Add amounts in column (4) and (6) to column (3), and subtract amounts in column (5).
Supplier/Permissive Supplier Report
Supplier/Permissive Supplier Report

Purpose
This report gives the state full accountability of all products removed from a terminal by a supplier. The report is a tax report when the state’s point of taxation is imposed on rack withdrawals.

Who Must File
All suppliers who are accountable for product/motor fuel removed at a terminal rack.

Schedule of Tax-Paid Receipts
Each receipt of tax-paid accountable products/motor fuel is listed on this schedule to support tax-paid receipt credit entered on the supplier report. For each shipment listed on this schedule, the state can verify the receipt using the following uniform reports:

➢ Terminal Report
➢ Supplier Schedule of Disbursements
➢ Common and Contract Carrier Report

Schedule of Rack Removals
Each removal of accountable product/motor fuel by a supplier is listed on this schedule. By requiring the customer’s name and FEIN to be listed with each removal, the state can verify the destination of the accountable products/motor fuel.

For each removal listed on this schedule, the state can verify the disbursement using the following uniform reports:

➢ Terminal Report
➢ Distributor Schedule of Receipts
➢ Common and Contract Carrier Report
➢ Retailer Report
➢ Bulk Dealer Report

Each state should require a taxpayer to provide net, gross and billed gallons on their schedule of tax-paid receipts and rack removals to facilitate the sharing of tax information among states.

Schedule of State Diversion Corrections
This schedule records the state’s approval of an ultimate destination of product that is diverted to a different destination than is indicated on the shipping documents when removed from a terminal rack. This is an optional schedule a state may use to track diverted product. If a state chooses not to use this schedule, then diversions should be reported as reversals (negatives) plus the corrected transactions (positives) on Schedule 15B, Terminal Operator Schedule of Disbursements.

Conclusion
The supplier’s report is designed to allow any state to modify it for relevance to the state. For example, a state that did not want or require a separate column for gasohol, but did want a column for propane, would simply delete the gasohol column and add the propane column on the supplier’s summary report.
Supplier/Permissive Supplier Report

General Instructions

REPORT IS DUE
Your report, plus supporting schedules, is due on or before ________________.

COMPLETING YOUR RETURN
The supplier/permissive supplier report which you file each month consists of the Supplier/Permissive Supplier Monthly Tax Report form, supporting receipts, disbursement and diversion correction schedules. The fuel transactions are to be sorted by fuel type and placed in the appropriate columns.

Name and Address: Enter the name and mailing address of the supplier.
State of: Enter the state for which you are filing.
Filing Period End: Enter the filing period end date in the appropriate format (CCYYMMDD or states current format).
License Number: State issued identification number.
FEIN: Enter your Federal Employer Identification Number in the space provided.

Column Instructions. Gallons should be entered in net gallons (gallons corrected to 60 degrees Fahrenheit temperature). Gallons should be rounded to the nearest whole gallon and entered in the appropriate column.

Gasoline Products – All products that are commonly or commercially known or sold as gasoline or defined as gasoline in a state’s statute.
Gasohol – Gasoline and ethanol blend. Enter the ethanol blend %.
Diesel – Any liquid that is commonly or commercially known, offered for sale or used as a fuel in diesel engines.

Schedules and Section I must be completed prior to completing the form.

Line Instructions
Line 1 – 6: Used from the Distributor report if your state elects to have total accountability of inventory on the supplier report.
Line 7: Gross Taxable Gallons – Total from line 10, reverse side, Section I.
Line 8: Less Tax Paid Purchases – Total from tax paid receipt schedule.

The next section of the return will be specific to each states tax computation.
It allows for varying rates on different products, special tax rates on certain types of sales, inspection fees, LUST fees, evaporation & handling allowances, and other unique situations for a given state.

The last 4 lines provide for Total Tax Due, applicable penalty and interest, and Total Due.

Sign and date your report, indicate title of person responsible for the report and a contact phone number.

Section I
Line 1. Gallons removed tax collected – Total from all schedule 5’s.
Line 2. Gallons of dyed diesel and dyed heating fuel removed – Total from all schedule 6F’s.
Line 3. Gallons removed for export – Total from all schedule 7’s.
Line 4. Gallons removed for U.S. government tax exempt – Total from all schedule 8’s.
Line 5. Gallons removed for state & local government tax exempt – Total from all schedule 9’s.
Line 6. Gallons removed for other tax exempt entities – Total from all schedule 10’s.
Line 7. Total Disbursements – Total when Lines 1 through 6 are added.
Line 8. Gross Taxable Gallons Removed – Total from all schedule 5’s.
Line 9. Diversions – Total all schedule 11’s, Diverted product (could be negative or positive).
Line 10. Gross Taxable Gallons – Total of Line 7 minus Line 8 plus/minus Line 9. This amount will be transferred to Line 7 on the front of the return.
Supplier/Permissive Supplier Monthly Tax Report

<table>
<thead>
<tr>
<th>Name:</th>
<th>License Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address 1:</td>
<td>FEIN:</td>
</tr>
<tr>
<td>Address 2:</td>
<td>Email Address:</td>
</tr>
<tr>
<td>City:</td>
<td>State:</td>
</tr>
<tr>
<td>Zip Code:</td>
<td></td>
</tr>
</tbody>
</table>

**State of:**

Filing Period End:

(YYYYMMDD)

**Tax and Fees Calculation**

<table>
<thead>
<tr>
<th>Gasoline</th>
<th>Gasohol</th>
<th>Diesel</th>
</tr>
</thead>
</table>

Use lines 1 through 6 from the distributor report if your state elects to have total accountability of inventory on the supplier report.

**Complete Section I on Reverse Side First**

7. Gross Taxable Gallons: (From Line 10, reverse side, Section I)

8. Less Tax Paid Purchases: (From tax paid receipt schedule)

9. Net Taxable Gallons: (Line 7 minus Line 8)

**Tax Computation Section (to be designed by each state)**

Allow for varying rates on different products, special tax rates on certain types of sales, inspection fees, LUST fees, evaporation & handling allowances, and other unique situations for a given state.

xx. Total : Tax Due: $

xx. ADD: Interest for late payment at _____% per month

xx. ADD: Penalty for late Payment at _____%:

xx. Total Due: $

**Signature Block**

**NOTE:** This form is designed to give uniform information for comparison between states. It is designed for fuel which is accounted for or taxed when removed at the terminal rack, and can be used for all types of fuel. You can add a column for other fuel types, or delete columns not needed. Each state can clarify the use of each line by giving specific line-by-line instructions - these instructions will vary from state to state, depending upon the exact point of taxation and who is accountable to report and pay the tax.

Supmr.frp Revised 09/10, Helena, MT Revised 9/11, Charleston, WV Adopted September 97, St. Louis, MO
### Section I

<table>
<thead>
<tr>
<th>Description</th>
<th>From Schedule</th>
<th>Gasoline</th>
<th>Gasohol %</th>
<th>Diesel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gallons removed tax collected:</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Gallons of dyed diesel and dyed heating fuel removed:</td>
<td>6F</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Gallons removed for export:</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Gallons removed for U.S. government tax-exempt:</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Gallons removed for state &amp; local government tax exempt:</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Gallons removed for other tax exempt entities:</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Total Disbursements (add Lines 1 through 6):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Gross Taxable Gallons Removed (from Line 1 Schedule 5):</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. + or - Diversions (from schedule of diverted product):</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Gross Taxable Gallons (Line 7 minus line 8 plus/minus line 9; transfer to Line 7 on front of report):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Supplier Schedule of Tax-Paid Receipts

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Carrier Name</td>
</tr>
<tr>
<td>2</td>
<td>Carrier FEIN</td>
</tr>
<tr>
<td>3</td>
<td>Mode</td>
</tr>
<tr>
<td>4</td>
<td>Point of Origin State/ Destination State</td>
</tr>
<tr>
<td>5</td>
<td>Seller's Name/ Seller's FEIN</td>
</tr>
<tr>
<td>6</td>
<td>Date Received</td>
</tr>
<tr>
<td>7</td>
<td>Document Number</td>
</tr>
<tr>
<td>8</td>
<td>Net Gallons</td>
</tr>
<tr>
<td>9</td>
<td>Gross Gallons</td>
</tr>
<tr>
<td>10</td>
<td>Billed Gallons</td>
</tr>
</tbody>
</table>

### General Instructions

This schedule provides detail in support of the amount shown as tax-paid receipts on the Supplier/Permissive Supplier monthly report.

### Identifying Information

- **Company Name, License Number and FEIN**: Enter the name and number (if applicable) for the supplier shown on the supplier report.
- **Filing Period End**: Enter the filing period end date in the appropriate format (CCYYMMDD or states current format).
- **Product Code**: Enter the appropriate FTA product code.

### Column Instructions

- **Columns (1) & (2)**: Carrier – Enter the name and FEIN of the company that transports the product.
- **Column (3)**: Mode Code - Enter the mode of transport. Use one of the following:
  - J=Truck
  - R=Rail
  - B=Barge
  - PL=Pipeline
  - S=Ship (Great Lakes or ocean marine vessel)
  - BA=Book Adjustment
  - ST=Stationary Transfer
  - CE=Summary
  - RT=Removal from Terminal (other than by truck or rail for sale or consumption)
- **Column (4)**: Origin/Destination State – Enter the origin state as it appears on the shipping document. Enter the name of the destination state as reported to the taxing agency or its agent.
- **Column (5)**: Seller’s Name – Enter the name of the company the product was purchased from.
- **Column (6)**: Seller’s FEIN – Enter the FEIN of the company the product was purchased from.
- **Column (7)**: Date Received – Enter the date the product was received.
- **Column (8)**: Document/Bill of Lading Number – Enter the identifying number from the manifest issued at the terminal when product removed over the rack. In the case of pipeline or barge movements, it is the pipeline or barge ticket number. In the case of barge, it is the voyage number. In the case of bulk plant removals, it is the withdrawal invoice number.
- **Column (9)**: Net Gallons – Enter the net gallons received.
- **Column (10)**: Gross Gallons – Enter the gross gallons received.
- **Column (11)**: Billed Gallons – Enter the number of gallons billed. (should equal either net or gross gallons)

Provide a grand total for columns 9, 10 and 11 on the last page of each schedule for that product type. Carry the total forward (either net, gross or billed as required by the reporting state) to the appropriate receipts line on the supplier/permisssive supplier monthly report.

---

**Uniformity Project** 54
## Supplier/Permissive Supplier Schedule of Terminal Rack Removals

### General Instructions
This schedule provides detail in support of the amount(s) shown as disbursements on the Supplier/Permissive Supplier monthly report. Each disbursement of product should be listed on separate lines.

### Identifying Information
- **Company Name, License Number and FEIN:** Enter the name and number for the supplier shown on the supplier report.
- **Filing Period End:** Enter the filing period end date in the appropriate format (CCYYMMDD or states current format).
- **Product Code:** Enter the appropriate FTA product code.

### Schedule Type
Enter one of the following numbers:
- 5. Gallons removed tax collected
- 6F. Gallons of dyed diesel and dyed heating fuel removed
- 7. Gallons exported to state of _____________
- 9. Gallons delivered to state & local government – tax-exempt
- 10. Gallons delivered to other tax-exempt entities

### Optional Schedule
(please refer to approved FTA subschedule list)

### Column Instructions
- **Columns (1) & (2):** Carrier – Enter the name and FEIN of the company that transports the product.
- **Column (3):** Mode Code - Enter the mode of transport. Use one of the following:
  - J=Truck
  - R=Rail
  - B=Barge
  - PL=Pipeline
  - S=Ship (Great Lakes or ocean marine vessel)
  - BA=Book Adjustment
  - ST=Stationary Transfer
  - CE=Summary
  - RT=Removal from Terminal (other than by truck or rail for sale or consumption)
- **Column (4):** Origin/destination State – Enter the location the product was transported from/to. When disbursements are received into or from a terminal, use the IRS Terminal Control Number.
- **Column (5):** Terminal Code – Use the IRS Terminal Control Number.
- **Column (6):** Sold To – Enter the name of the company the product was sold to.
- **Column (7):** Purchaser’s FEIN – Enter the FEIN of the company the product was sold to.
- **Column (8):** Date Shipped – Enter the date the product was shipped.
- **Column (9):** Document/Bill of Lading Number – Enter the identifying number from the manifest issued at the terminal when product was removed over the rack. In the case of pipeline or barge movements, it is the pipeline or barge ticket number. In case of barge, it is the voyage number.
- **Column (10):** Net Gallons – Enter the net gallons disbursed.
- **Column (11):** Gross Gallons – Enter the gross gallons disbursed.
- **Column (12):** Billed Gallons – Enter the number of gallons billed to the customer. (should equal either net or gross gallons)

Provide a grand total for columns 10, 11 and 12 on the last page of each schedule type for that schedule. Carry the total forward (either net, gross or billed as required by the reporting state) to the appropriate disbursements line on the supplier/permisive supplier monthly report.

---

### Table

<table>
<thead>
<tr>
<th>(1) Car</th>
<th>(2) Car</th>
<th>(3) Mod</th>
<th>(4) Po</th>
<th>(5) Ter</th>
<th>(6) So</th>
<th>(7) Pu</th>
<th>(8) Da</th>
<th>(9) Doc</th>
<th>(10) Ne</th>
<th>(11) Go</th>
<th>(12) Bi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrier Name</td>
<td>Carrier FEIN</td>
<td>Mode Code</td>
<td>Origin State</td>
<td>Destination State</td>
<td>Terminal Code</td>
<td>Sold To FEIN</td>
<td>Purchaser’s FEIN</td>
<td>Date Shipped</td>
<td>Document/Bill of Lading Number</td>
<td>Net Gallons</td>
<td>Gross Gallons</td>
</tr>
<tr>
<td>Supplier Name</td>
<td>License Number</td>
<td>FEIN</td>
<td>Schedule Type</td>
<td>Filing Period End</td>
<td>Product Code</td>
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<td>Total:</td>
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</tbody>
</table>

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Rack Revised 9/10, Helena, MT
Adopted September 97, St. Louis, MO
### Supplier Schedule of State Diversion Corrections

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>License Number</th>
<th>FEIN</th>
<th>Schedule Type: 11</th>
<th>Filing Period End: (CCYYMMDD)</th>
<th>Product Code</th>
</tr>
</thead>
</table>

Total:

### Supplier Report Schedule of State Diversion Corrections

**General Instructions**

This schedule provides detail in support of the amount show as diversion corrections on the Supplier/Permissive Supplier monthly report. Each diversion of product should be listed on separate lines with a separate schedule for each product type.

**Identifying Information**

- **Company Name, License Number and FEIN**: Enter the name and number (if applicable) for the supplier shown on the Supplier Report.
- **Filing Period End**: Enter the filing period end date in the appropriate format (CCYYMMDD or states current format).
- **Product Code**: Enter the appropriate FTA product code.

**Column Instructions**

- **Columns (1) & (2)**: Carrier – Enter the name and FEIN of the company that transports the product.
- **Column (3)**: Mode Code - Enter the mode of transport. Use one of the following:
  - J=Truck
  - R=Rail
  - B=Barge
  - PL=Pipeline
  - S=Ship (Great Lakes or ocean marine vessel)
  - BA=Book Adjustment
  - ST=Stationary Transfer
  - CE=Summary
  - RT=Removal from Terminal (other than by truck or rail for sale or consumption)
- **Column (4)**: Origin/Destination State – Enter the destination state as it originally appears on the shipping document. Enter the name of the destination state as reported to the taxing agency or its agent.
- **Column (5)**: Terminal Code – Use the IRS Terminal Control Number.
- **Column (6)**: Purchaser’s Name – Enter the name of the company the product was sold to.
- **Column (7)**: Purchaser’s FEIN – Enter the FEIN of the company the product was sold to.
- **Column (8)**: Date Shipped – Enter the date the product was shipped.
- **Column (9)**: Document/Bill of Lading Number – Enter the identifying number from the manifest issued at the terminal when product was removed over the rack. In the case of pipeline or barge movements, it is the pipeline or barge ticket number. In case of barge, it is the voyage number. In the case of bulk plant removals, it is the withdrawal invoice number.
- **Column (10)**: Net Gallons – Enter the net gallons diverted. (see*)
- **Column (11)**: Gross Gallons – Enter the gross gallons diverted. (see*)
- **Column (12)**: Billed Gallons – Enter the number of gallons billed (should equal either net or gross gallons). (see*)
- **Column (13)**: Diversion Number – Enter the number issued by the taxing agency or its agent that authorizes the diversion of the product from the destination state that is on the original shipping document.

Carry the total forward (net, gross or billed as required by the reporting state) to the appropriate line on the back of the supplier report.

**NOTE**: This is an optional schedule a state may use to identify and track diverted product. If a state chooses not to use this schedule, then report as reversals (negatives) plus corrected transactions (positives) on the schedule of terminal rack removals.

Diverted shipments are added to the return of the filing state.

*Deduct the Shipments diverted to a state other than the state you are filing the tax return for.*
Distributor Fuel Tax Report
**Distributor Fuel Tax Report**

**Purpose**
The Distributor’s Fuel Tax Report gives the state full accountability of all accountable products/motor fuel moving through a distributor. The report may or may not be a tax report, depending on the state’s point of taxation. This report gives the state an independent source of information that can be used to verify the transactions reported by taxpayers.

**Who Must File**
All distributors receiving and/or selling accountable products/motor fuel must file the Distributor’s Fuel Tax Report.

**Schedule of Receipts**
Each receipt of an accountable product/motor fuel is listed on this schedule. For each shipment listed on this schedule, the state can verify the receipt using the following uniform reports:

- Terminal Report
- Supplier Report
- Other Distributor’s Schedule of Disbursements
- Common and Contract Petroleum Products Carrier Report

**Schedule of Disbursements**
Each delivery of an accountable product/motor fuel by a distributor is listed on this schedule. By requiring the carrier’s name and FEIN to be listed with each removal, the state can verify the destination of all accountable products/motor fuel.

Each state should require a taxpayer to provide net, gross and billed gallons on their schedule of receipts and disbursements to facilitate the sharing of tax information among states.

For each removal listed on this schedule, the state can verify the disbursement using the following uniform reports:

- Terminal Report
- Other Distributor’s Schedule of Receipts
- Common and Contract Carrier Report
- Retailer Report
- Bulk Dealer Report

**Conclusion**
The distributor’s report is designed to allow any state to modify it for relevance to that state. For example, a state that did not want or require a separate column for gasohol, but did want a column for propane, would simply delete the gasohol column and add the propane column on the distributor’s summary report.
### Distributor Fuel Tax Report

**State of:**

**Month of:**

<table>
<thead>
<tr>
<th>Name:</th>
<th>Filing Period End:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(CCYYMMDD):</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address 1:</th>
<th>FEIN:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Address 2:</th>
<th>Email Address:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
</table>

#### Gasoline | Gasohol % | Diesel
---|---|---

1. **Beginning Physical Inventory:** (Must agree with prior month’s ending inventory.)

2. **Receipts:** (From line 6, section I on back of return)

3. **Disbursements:** (From line 7, section II on back of return)

4. **Transfers:** (From one product to another)

5. **Gain or (Loss):** (Attach explanation)

6. **Ending Physical Inventory:** (Must agree with actual ending inventory.)

7. **Gross Taxable Gallons:** (Line 1, section II)

8. **Less Tax-Paid Purchases:** (Line 2, section I)

9. **Net Taxable Gallons:** (Line 7 minus line 8)

### Tax Computation Section (to be designed by each state)

Allow for varying rates on different products, special tax rates on certain types of sales, inspection fees, LUST fees, evaporation & handling allowances, and other unique situations for a given state.

**xx. Total Tax Due:** $  
**xx. ADD: Interest for late payment at ____% per month**  
**xx. ADD: Penalty for late Payment at ____%:**  
**xx. Total Due:** $

### Signature Block

**NOTE:** This form is designed to give total accountability of fuel, and uniform information for comparison between states. It can be used for all motor fuel, special fuel, aviation, and other fuel returns. You can add a column for other fuel types or delete columns not needed. Each state can clarify the use of each line by giving specific line by line instructions.

DISTFTR.frp  Revised 9/10 Helena, MT  Revised 9/11, Charleston, WV  Adopted September 95, Williamsburg, VA
**Section I**

**Receipts:** (See instructions)

<table>
<thead>
<tr>
<th>From Schedule</th>
<th>Gasoline</th>
<th>Gasohol ____%</th>
<th>Diesel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. In-state refinery production:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Gallons Received (state) tax-paid:</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Gallons received from licensed distributors tax-unpaid:</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Gallons imported direct to customer:</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Gallons imported into tax-free storage:</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Total Receipts: (total lines 1 through 5) (Transfer to line 2 on front of return)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Section II**

**Disbursements:** (See instructions)

<table>
<thead>
<tr>
<th>From Schedule</th>
<th>Gasoline</th>
<th>Gasohol ____%</th>
<th>Diesel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gallons delivered tax collected:</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Gallons delivered to licensed distributors tax not collected:</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Gallons exported:</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Gallons delivered to U.S. Government tax-exempt:</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Gallons delivered to state and local government tax-exempt:</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Gallons delivered to other tax-exempt entities:</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Total Disbursements: (total lines 1 through 6) (Transfer to line 3 on front of return)</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**To Tax Administrator:** You may split schedules to accommodate two different tax rates, etc. For example, if you have a second tax rate for agricultural customers, you could create schedules 5a and 5b, and then use them separately in the tax computation section on the front of the return.

**Instructions:**

**Imports:**

Motor fuel delivered into (name of state) from out-of-state by or for the seller constitutes an import by the seller. Motor fuel delivered into (name of state) from out-of-state by or for the purchaser constitutes an import by the purchaser.

**Exports:**

Motor fuel delivered out-of-state by or for the seller constitutes an export by the seller. Motor fuel delivered out-of-state by or for the purchaser constitutes an export by the purchaser.

**Receipts:** All receipts, including truck, rail, pipeline, barge, or other conveyance.

**Disbursements:** All disbursements, including truck, rail, pipeline, barge, or other conveyance.

**Transfers:** For example: show gallons of gasoline blended to gasohol or gallons of undyed diesel blended to dyed diesel.
# Distributor Schedule of Receipts

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>License Number:</th>
<th>FEIN:</th>
<th>Schedule Type:</th>
<th>Filing Period End:</th>
<th>Product Code:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>(1) Carrier Name</th>
<th>(2) Carrier FEIN</th>
<th>(3) Mode</th>
<th>(4) Point of Origin State</th>
<th>(5) Acquired From Seller’s FEIN</th>
<th>(6) Date Received</th>
<th>(7) Document Number</th>
<th>(8) Net Gallons</th>
<th>(9) Gross Gallons</th>
<th>(10) Billed Gallons</th>
</tr>
</thead>
</table>

### General Instructions

This schedule provides detail in support of the amount shown as receipts on the Distributor Fuel Tax Report. Each receipt of product should be listed on separate lines.

### Identifying Information

- **Company Name, License Number and FEIN:** Enter the name and numbers for the distributor shown on the distributor report.
- **Schedule Type:** Enter one of the following numbers:
  1. Gallons received tax-paid
  2. Gallons received from licensed motor fuel distributors tax-unpaid
  3. Gallons imported from another state direct to customer
  4. Gallons imported from another state into tax-free storage
- **Filing Period End:** Enter the filing period end date in the appropriate format (CCYYMMDD or state’s current format).
- **Product Code:** Enter the appropriate FTA product code.

### Optional Schedule

- Sub-schedules can be used under each schedule if additional information is needed. Sub-schedules must equal total of major schedule number. For example: Schedule code “3A” should be used for “Gallons sold for Import — tax collected.”

### Column Instructions

- **Columns (1) & (2):** Carrier — Enter the name and FEIN of the company that transports the product.
- **Column (3):** Mode Code - Enter the mode of transport. Use one of the following:
  - J=Truck
  - R=Rail
  - B=Barge
  - PL=Pipeline
  - S=Ship (Great Lakes or ocean marine vessel)
  - BA=Book Adjustment
  - ST=Stationary Transfer
  - CE=Summary
  - RT=Removal from Terminal (other than by truck or rail for sale or consumption)
- **Column (4):** Point of Origin/Destination – Enter the location the product was transported from/to. When received into or from a terminal, use the IRS Terminal Control Number.
- **Column (5) & (6):** Acquired From/Seller’s FEIN — Enter the name and FEIN of the company the product was acquired from.
- **Column (7):** Date Received — Enter the date the product was received.
- **Column (8):** Document/Bill of Lading Number – Enter the identifying number from the manifest issued at the terminal when product was removed over the rack. In the case of pipeline or barge movements, it is the pipeline or barge ticket number. In case of barge, it is the voyage number.
- **Column (9):** Net Gallons – Enter the net gallons received.
- **Column (10):** Gross Gallons – Enter the gross gallons received.
- **Column (11):** Billed Gallons – Enter the number of gallons billed (should equal either net or gross gallons).

Provide a grand total for columns 9, 10 and 11 on the last page of each schedule type for each product type. Carry the total forward (either net, gross or billed as required by the reporting state) to the appropriate receipts line on the Distributor Fuel Tax Report.
Motor Fuel Tax Section

Distributor Schedule of Disbursements

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>License Number:</th>
<th>FEIN:</th>
<th>Schedule Type:</th>
<th>Filing Period End: (CCYYMMDD):</th>
<th>Product Code:</th>
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</table>

Total:

Distributor Report-Schedule of Disbursements

General Instructions

This schedule provides detail in support of the amount shown as disbursements on the Distributor Fuel Tax Report. Each disbursement of product should be listed on separate lines.

Identifying Information

Company Name, License Number and FEIN: Enter the name and numbers for the distributor shown on the distributor report.

Schedule Type: Enter one of the following numbers
- 5. Gallons delivered tax collected
- 6. Gallons delivered to licensed motor fuel distributors tax not collected
- 7. Gallons exported to State of __________________
- 9. Gallons delivered to State and local government tax-exempt
- 10. Gallons delivered to other tax exempt entities

Filing Period End: Enter the filing period end date in the appropriate format (CCYYMMDD or state’s current format).

Product Code: Enter the appropriate FTA product code.

Optional Schedule: Sub-schedules can be used under each schedule if additional information is needed. Sub-schedules must equal total of major schedule number. For Example Schedule code “5A” should be used for “Gallons Delivered -- Tax Collected.” Schedule code “7A” should be used for “Gallons Delivered for Export - Destination State Tax Paid.”

Column Instructions

Columns (1) & (2): Carrier – Enter the name and FEIN of the company that transports the product.

Column (3): Mode Code – Enter the mode of transport. Use one of the following: J=Truck R=Rail B=Barge PL=Pipeline S=Ship (Great Lakes or ocean marine vessel) BA=Book Adjustment ST=Stationary Transfer CE=Summary RT=Removal from Terminal (other than by truck or rail for sale or consumption)

Column (4): Point of Origin/Destination – Enter the location the product was transported from/to. When disbursements are received from a terminal, use uniform terminal codes.

Column (5): Terminal Code – Use the IRS Terminal Control Number.

Column (6): Sold To – Enter the name of the company the product was sold to.

Column (7): Purchaser’s FEIN – Enter the FEIN of the company the product was sold to.

Column (8): Date Shipped – Enter the date the product was shipped.

Column (9): Document/Bill of Lading Number – Enter the identifying number from the manifest issued at the terminal when product was removed over the rack. In the case of pipeline or barge movements, it is the pipeline or barge ticket number. In case of barges, it is the voyage number.

Column (10): Net Gallons – Enter the net gallons disbursed.

Column (11): Gross Gallons – Enter the gross gallons disbursed.

Column (12): Billed Gallons – Enter the number of gallons billed (should equal either net or gross gallons).

Provide a grand total for columns 10, 11and 12 on the last page of each schedule type for each product type. Carry the total forward to the customer (either net, gross or billed as required by the reporting state) to the appropriate disbursement line on the Distributor Fuel Tax Report.
Uniform Guidelines for Reporting Credit Card Transactions  
By Modifying the Existing Distributor’s Schedule of Disbursements.

**General Instructions**

This schedule provides detail in support of the amount claimed as exempt credit card sales on either a Distributor’s or Supplier’s report. This illustration is meant to address issues in reporting retail credit card transactions because they are different in nature than terminal or bulk plant transactions. For example, there would be no terminal code involved as it outlined on the Uniform “Distributor’s or Supplier’s Schedule of Disbursement”. Adoption of these guidelines will allow electronic or paper reporting on these transactions in a manner consistent with reporting terminal or bulk plant transactions.

If transactions are reported in a summary fashion, rather than listing individual retail sales, it would be summarized and sub-totaled at a level to allow reporting each of the columns’ information as outlined below. Detailed information, as required by law, would be kept available for audit.

If your state requires reporting of these transactions on a return that includes inventory reporting and reconciliation above the retail level, the schedule maybe re-titled to read “Schedule of Exempt Credit Card Transactions.” Similar adaptation may be used in conjunction with the Supplier/Permissive Supplier Schedule of Terminal Rack Removals.

This is not meant to define who is eligible to make or claim such sales in any state, nor to define what types of sales would be exempt in any state. These guidelines simply offer a solution for reporting these transactions where it is allowed or required.

**Identifying Information**

**Company Name, License Number and FEIN:** Enter the name, license number and FEIN of the company.

**Schedule Type:** Enter one of the following numbers:

- **8** Gallons Delivered to U.S. Government tax-exempt
- **9** Gallons Delivered to State and Local Government Tax-exempt
- **10** Gallons Delivered to Other Tax Exempt Entities

**Optional Schedules:** Sub-schedules can be used under each schedule if additional information is needed. Sub-schedules must equal total of major schedule number. For example:

- Schedule code “9E” should be used for “Gallons for county, city or town use.”
- Schedule code “10H” should be used for “Sales to tax-exempt hospital.”

**Column Instructions**

<table>
<thead>
<tr>
<th>Columns (1) &amp; (2):</th>
<th><strong>Carrier</strong> - Enter the name and FEIN of the credit card company (the oil company in the case of an oil company credit card, or the credit card vendor in the case of fleet card, etc.).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Column (3):</td>
<td><strong>Mode Code</strong> - Enter GS Fuel Station.</td>
</tr>
<tr>
<td>Column (4):</td>
<td><strong>Point of Origin/Destination</strong> - Enter the location of the sale in both the origin and destination. State is required. City is optional. Some states may require facility number in lieu of city &amp;/or state.</td>
</tr>
<tr>
<td>Column (5):</td>
<td><strong>Terminal Code</strong> - Not applicable.</td>
</tr>
<tr>
<td>Column (6):</td>
<td><strong>Sold To</strong> - Enter the name of the entity the product was sold to.</td>
</tr>
<tr>
<td>Column (7):</td>
<td><strong>Purchaser’s FEIN</strong> - Enter the FEIN of the entity the product was sold to.</td>
</tr>
</tbody>
</table>
Column (8): **Date Shipped**—Enter the date the credit was created (either the date the credit card statement was processed, or the last of the month, if summary information is accepted by your state.)

Column (9): **Document/Bill of Lading Number**—Enter a ticket or transaction number. If your state accepts summary information, enter the word “SUM,” indicating this is summary information.

Column (10): **Net Gallons**—Not applicable.

Column (11): **Gross Gallons**—Not applicable.

Column (12): **Billed Gallons**—Enter the number of gallons sold to the entity.

Provide a grand total for column 12 on the last page of each schedule type for that schedule. Carry the total forward to the appropriate line on the report.

---

**Sample of Uniform Guidelines for Reporting Credit Card Transactions**

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>License Number:</th>
<th>FEIN:</th>
<th>Schedule Type:</th>
<th>Filing Period End: (CCYMMDD):</th>
<th>Product Code:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Carrier Name</td>
<td>(2) Carrier FEIN</td>
<td>(3) Mode</td>
<td>(4) Point of</td>
<td>(5) Terminal Code</td>
<td>(6) Purchaser’s FEIN</td>
</tr>
<tr>
<td>GS</td>
<td></td>
<td></td>
<td>Origin State</td>
<td>Destination State</td>
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Products Reclassifications Above the Rack
Guide to Reporting on the Uniform Distributor Schedules

Situation One: Distributor A’s customer, Purchaser P, picks up 1,000 gallons of gasohol at the terminal rack. Distributor A bills its customer for gasohol. Distributor A received the gasohol components as follows:

100 gallons of ethanol are withdrawn from Distributor A’s terminal inventory
900 gallons of gasoline are withdrawn from Distributor A’s terminal inventory

Note: The gasoline and ethanol are blended at the rack, before it enters the customer’s truck.

Explanation: Two or more products can be blended together to create a new product which is sold to the customer. How should Distributor A account for these transactions on its return?

1. Distributor A has to report the new product sold, but never had the new product on its books (in its inventory) to sell.
2. This creates an increasing negative new product inventory and an increasing positive inventory for the original products. These inventories will not agree with actual inventories.

Approved Reporting Solution: Distributor A uses disbursements and receipts schedules to reclassify products above the rack.

1. The original products are acquired from their supplier. The receipts are reported on the appropriate schedule.
2. The original products are disbursed into the new product inventory using the appropriate disbursement schedule with BA (Book Adjustment) shown in the mode of transport.
3. The original products are received into the new product inventory using the appropriate receipt schedule with BA shown as the mode of transport.
4. The new product is then sold to the customer. The disbursement is reported on the appropriate schedule.

Taxpayer can report a roll up amount for the reporting period or can report the transactions in detail as determined by the states.
**Example:** An example describing the detail receipt, reclassification and disbursement of gasohol follows:

**Step 1**
Report the receipt of gasoline from Supplier X and ethanol from Supplier Y.

### Distributor Schedule of Receipts

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>License Number:</th>
<th><strong>FEIN:</strong></th>
<th>Schedule Type:</th>
<th>Filing Period End:</th>
<th>Product Code:</th>
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<tbody>
<tr>
<td>Distributor A</td>
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<th>(1) Carrier Name</th>
<th>(2) Carrier FEIN</th>
<th>(3) Mode</th>
<th>(4) Point of Acquired From</th>
<th>(5) Seller’s FEIN</th>
<th>(6) Date Received</th>
<th>(7) Document Number</th>
<th>(8) Net Gallons</th>
<th>(9) Gross Gallons</th>
<th>(10) Billed Gallons</th>
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<tr>
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<td>D119V</td>
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**Step 2**
Report book adjustments disbursing gasoline and ethanol from Distributor A.

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<th>Product Code:</th>
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<th>FEIN:</th>
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Step 3
Report the receipt of gasoline and ethanol from Distributor A’s gasoline and ethanol inventories into Distributor A’s gasohol inventory using “BA” as the mode of transport.

Distributor Schedule of Receipts

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<td>BA</td>
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<td>Distributor A</td>
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<td>Distributor A</td>
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Step 4
Report the sale of gasohol to purchaser P.

Distributor Schedule of Disbursements

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<thead>
<tr>
<th>(1) Carrier Name</th>
<th>(2) Carrier FEIN</th>
<th>(3) Mode</th>
<th>(4) Origin State</th>
<th>(5) Destination State</th>
<th>(6) Terminal Code</th>
<th>(7) Date Shipped</th>
<th>(8) Gross Gallons</th>
<th>(9) Billed Gallons</th>
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<tr>
<td>J</td>
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<td>Purchaser P</td>
<td>9/09/99</td>
<td>1000</td>
<td>994</td>
<td>1000</td>
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Products Received Different than Products Sold Below the Rack
Guide to Reporting on the Uniform Distributor Schedules

Situation One: Distributor A’s customer picks up 1,000 gallons of gasohol at the terminal rack. Distributor A bills its customer for gasohol. Distributor A received the gasohol components as follows:

100 gallons of ethanol purchased from Distributor X.
900 gallons of gasoline withdrawn from Distributor A’s terminal Inventory.

Note: Distributor A does not carry a physical inventory of ethanol or gasohol at the terminal. The gasoline and ethanol are blended at the rack, before it enters the customer’s truck.

Situation Two: Distributor A’s customer picks up 1,000 gallons of gasohol at the terminal rack. Distributor A bills its customer for gasohol. Distributor A received the gasohol components as follows:

100 gallons of ethanol purchased from Distributor X.
900 gallons of gasoline received on exchange or purchased from Distributor Y.

Note: Distributor A does not carry a physical inventory of ethanol, gasoline or gasohol at the terminal. The gasoline and ethanol are blended at the rack, before it enters the customer’s truck.

Explanation: How should Distributor A account for these transactions on its returns? Distributor A has to report gasohol sold, but never had gasohol on its books (in its inventory) to sell.

1. This creates an ever increasing negative gasohol inventory and an ever increasing positive gasoline inventory - which does not agree with actual inventories.

This physical movement of accountable product/motor fuel from one location to another. (FTA definition)

2. Some states have difficulty understanding why the Distributor’s reports show receipts of gasoline and ethanol (receipts schedules), but sold (disbursement schedules) gasohol.

Approved Reporting Solution:

Distributor A creates, on its books, a “regraded terminal.” This is not a separate physical location or inventory, but a “paper terminal” to handle a regrade from ethanol and gasoline to gasohol.

The gasoline and ethanol are booked into the “regrade terminal,” regraded in this paper inventory to gasohol, then booked out of the “regrade terminal” to the customer as gasohol. This is common industry practice.

For those states that wish to see the detail of the transactions, transfers out of a product will be added to a disbursement schedule with the “BA” mode code and the receipts into a product will be reported on a receipt schedule using the “BA” mode code.
### Distributor Schedule of Receipts

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<thead>
<tr>
<th>Carrier Name</th>
<th>Carrier FEIN</th>
<th>Mode</th>
<th>Point of Acquired From</th>
<th>Seller’s FEIN</th>
<th>Date Received</th>
<th>Document Number</th>
<th>Net Gallons</th>
<th>Gross Gallons</th>
<th>Billed Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>J Council Bluff IA</td>
<td>Distributor X</td>
<td>84-8888888</td>
<td>9/09/99</td>
<td>34882</td>
<td>100</td>
<td>99</td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Distributor Schedule of Receipts

<table>
<thead>
<tr>
<th>Carrier Name</th>
<th>Carrier FEIN</th>
<th>Mode</th>
<th>Point of Acquired From</th>
<th>Seller’s FEIN</th>
<th>Date Received</th>
<th>Document Number</th>
<th>Net Gallons</th>
<th>Gross Gallons</th>
<th>Billed Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>J Council Bluff IA</td>
<td>Distributor Y</td>
<td>84-99999999</td>
<td>9/09/99</td>
<td>34852</td>
<td>900</td>
<td>895</td>
<td>900</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Distributor Schedule of Disbursements

<table>
<thead>
<tr>
<th>Carrier Name</th>
<th>Carrier FEIN</th>
<th>Mode</th>
<th>Point of Terminal Code</th>
<th>Purchaser’s FEIN</th>
<th>Date Shipped</th>
<th>Document Number</th>
<th>Net Gallons</th>
<th>Gross Gallons</th>
<th>Billed Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>J Council Bluff IA</td>
<td>T-42/IA-8000</td>
<td>Distributor B</td>
<td>82-7777777</td>
<td>9/09/99</td>
<td>34582</td>
<td>1000</td>
<td>994</td>
<td>1000</td>
<td></td>
</tr>
</tbody>
</table>
FTA Motor Fuel Tax Uniformity Committee
Best Practice
Prior Period Transaction Reporting

To create a suggested practice to benefit both States and Industry, regarding prior period transaction reporting issues.

Definitions:

- **Original Return:** The initial/first return filed.
- **Amended Return:** A return which contains the original data plus corrections and additional records. For electronic commerce, this is BT114 “CO” corrected.
- **Supplemental/Supplemental Return:** A return which reports only corrections and additional transactions. For electronic commerce this is “6S” supplemental.

Best Practices:

- States should allow prior period transactions or corrections to be reported on a current month’s return within specific data parameters, such as 30-90 days.
- In both the electronic and paper environment, States should not require a full amended return due to prior period transactions or corrections. A supplemental should be accepted.
- To encourage voluntary compliance any prior period transactions or corrections reported by the customer should not be penalized. Interest may still apply. If the prior period transaction or correction is discovered by the State, penalty and interest may apply.
- For State’s which utilize a “matching” program (either electronic or paper), parameters should be developed to “match” on prior and future months based on manifest (bill of lading) date.

Points to Consider:

- This is a suggested best practice; however, States are bound by statutory requirements. States may wish to cooperate with industry in drafting changes to laws, regulations, or policies to accommodate these “best practices”.
- Sharing export information with other States from supplemental returns may be an issue for States not matching against prior and future months.
- In a paper environment supplemental returns may be used to negate a load.
- States need to be aware there may be issues if tax rate changes occur.
Fuel Blender Report
Fuel Blender Report

Reporting of blended products maybe achieved in two methods, included on the Distributor Fuel Tax Report with all other fuel transactions or included on a separate Fuel Blender 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 Report.

A Fuel Blender 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 personal use.
- **Kansas** – Combines a producer/manufacturer, blender, and end user consumer return to 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.
- **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 contains a component that offsets tax due on blend stocks with previously taxed components of the blend.
Producer Report
Producer Report

States requiring a return to pay tax and report the production of fuel alcohol or biodiesel (dyed and undyed) should utilize the Federation of Tax Administrator’s Supplier/Permissive Supplier or Distributor’s Fuel Tax Report format when developing a Producer’s report.

For those states that require an information report only on the production and importation of fuel alcohol or biodiesel (dyed and undyed) they should utilize only the receipts, disbursements and fuel accountability sections of the report.

A uniform Producer’s Report is used by the following states at this time:

➢ North Carolina.
Alternative Fuels Report
Alternative Fuels Tax Report

Purpose
The Alternative Fuels Tax report gives the state full accountability of all accountable (taxable) products. This report gives the state an independent source of information that can be used to verify transactions.

Who Must File
All alternative fuel dealers and/or users receiving and/or selling accountable products must file the Alternative Fuels Tax report. This includes anyone who delivers or places alternative fuel into the fuel supply tank of an alternative fuel vehicle, for use on public highways. Anyone who uses electricity to power a motor vehicle on the highway must also file.

Schedule(s)
A state that requires tracking of each transaction; receipts, disbursements, carrier, mode of transportation, conversion calculation/information (BTU, cubic foot, pounds, units, kilowatt hours), inventory, non-taxable use, sales to exempt entities, uncollectable/bad debt losses and/or withdrawals from bulk storage may want to include a schedule(s).

The summary schedule is designed to show a summation of each schedule type.

Conclusion
The Alternative Fuels Tax report is designed to allow any state to modify it for relevance to that state. For example, if future alternative fuels are identified, a state could add products as needed.
Alternative Fuels Tax Report
General Instructions

REPORT IS DUE
Your report, and any applicable schedule(s), is due on or before____________________.

COMPLETING YOUR RETURN
Name and Address: Enter the name and mailing address of the alternative fuels licensee.
State: Enter the state for which you are filing.
Month: Enter the month for which you are filing.
Filing Period End: Enter the filing period end date in the appropriate format (CCYYMMDD, or the state current format).
License Number: Enter the state issued identification number.
FEIN/SSN: Enter your Federal Employer Identification Number or your Social Security number.
Email Address: Enter your email address, if you choose to receive correspondence via this method.

Complete any applicable schedule(s). Schedule totals should be entered in the appropriate line(s) of the Summary Schedule, by fuel type.

Insert conversion formulas, if appropriate.

Convert unit of measure to applicable units (cubic feet, kilowatt hour, pound, unit, gallon equivalent) using the State’s relevant conversion factors.

Line Instructions
Line 1. – 7. Column (b) minus Column (c) = Column (d). Column (d) multiplied by Column (e) = Column (f). Enter the calculated amount of tax due in Column (d).

Line 8. Sub Total – Add the sum of each line in Column (f).

Line 9. Enter the sum of Line 8 multiplied by ____% evaporation and loss allowance (if multiple loss percentages exist for different fuel types, an additional column and/or line may be needed).

Line 10. Enter the sum of Line 8 minus Line 9 multiplied by the applicable penalty and/or interest rate.


To certify that the information provided on this form has been examined by you and is, to the best of your knowledge, true and correct, indicate your printed name, title, date, signature and telephone number.
### Alternative Fuel Tax Report

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>(a) Total Units Sold</th>
<th>(b) Exempt Sales</th>
<th>(c) Taxable Units</th>
<th>(d) Total Units Tax Due</th>
<th>(e) Tax Rate Per Unit</th>
<th>(f) Tax Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Cubic Foot, Kilowatt Hour, Pound, Unit, Gallon Equivalent)</td>
<td>(Cubic Foot, Kilowatt Hour, Pound, Unit, Gallon Equivalent)</td>
<td>(Cubic Foot, Kilowatt Hour, Pound, Unit, Gallon Equivalent)</td>
<td>(Cubic Foot, Kilowatt Hour, Pound, Unit, Gallon Equivalent)</td>
<td>(Cubic Foot, Kilowatt Hour, Pound, Unit, Gallon Equivalent)</td>
<td>(Cubic Foot, Kilowatt Hour, Pound, Unit, Gallon Equivalent)</td>
<td>(Cubic Foot, Kilowatt Hour, Pound, Unit, Gallon Equivalent)</td>
</tr>
<tr>
<td>1. CNG (compressed natural gas)</td>
<td>.xxx</td>
<td></td>
<td></td>
<td>.xxx</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>2. LNG (liquefied natural gas)</td>
<td>.xxx</td>
<td></td>
<td></td>
<td>.xxx</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>3. LPG (liquefied propane gas)</td>
<td>.xxx</td>
<td></td>
<td></td>
<td>.xxx</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>4. Ethanol</td>
<td>.xxx</td>
<td></td>
<td></td>
<td>.xxx</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>5. Methanol</td>
<td>.xxx</td>
<td></td>
<td></td>
<td>.xxx</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>6. Electricity</td>
<td>.xxxx</td>
<td></td>
<td></td>
<td>.xxx</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>7. Other (Describe)</td>
<td>.xxx</td>
<td></td>
<td></td>
<td>.xxx</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>8. Sub Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>9. Evaporation/Loss Allowance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>10. Penalty and/or Interest (If Applicable)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>11. Total Alternative Fuels Tax Due</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

I certify the information provided on this form has been examined by me and is, to the best of my knowledge, true and correct.

Print Name | Title | Date | Signature | Telephone Number
---|---|---|---|---

Uniformity Project 79
### Alternative Fuels Tax Report
#### Summary Schedule

<table>
<thead>
<tr>
<th></th>
<th>From Schedule</th>
<th>CNG</th>
<th>LNG</th>
<th>LPG</th>
<th>Ethanol</th>
<th>Methanol</th>
<th>Electricity</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Units delivered tax collected</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>Units delivered to licensed motor fuel licensee-tax not collected</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>3.</td>
<td>Units exported to various states</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>4.</td>
<td>Units delivered to the U.S. Government - tax-exempt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>5.</td>
<td>Units delivered to state and local government tax exempt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>6.</td>
<td>Units delivered to other tax-exempt entities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>7.</td>
<td>Total Disbursements (add Lines 1-6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Exempt Sales (Line 7 – Line 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>+ or – Diversions (from schedule for state diversions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>10.</td>
<td>Total Taxable Gallons (Line 7 – Line 8 + or – Line 9)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Alternative Schedule of Disbursements

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>License Number:</th>
<th>FEIN:</th>
<th>Schedule Type:</th>
<th>Filing Period End: (CCYYMMDD):</th>
<th>Product Code:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>(1) Carrier Name</th>
<th>(2) Carrier FEIN</th>
<th>(3) Mode</th>
<th>(4) Origin State</th>
<th>(5) Destination State</th>
<th>(6) Purchaser</th>
<th>(7) Date Sold</th>
<th>(8) Document Number</th>
<th>(9) Units Sold</th>
</tr>
</thead>
</table>

#### Totals

#### Alternative Fuel-Schedule of Disbursements

**General Instructions**

This schedule provides detail in support of the amount shown as disbursements on the Alternative Fuel Tax Report. Each disbursement of product should be listed on separate lines.

**Identifying Information**

**Company Name, License Number and FEIN:** Enter the name and numbers for the distributor shown on the distributor report.

**Schedule Type:**

- Enter one of the following numbers:
  5. Gallons delivered tax collected
  6. Gallons delivered to licensed motor fuel distributors tax not collected
  7. Gallons exported to State of __________________
  8. Gallons delivered to U.S. Government tax-exempt
  9. Gallons delivered to State and local government tax-exempt
  10. Gallons delivered to other tax exempt entities

**Filing Period End:** Enter the filing period end date in the appropriate format as requested by the state.

**Product Code:** Enter the appropriate FTA product code.

**Column Instructions**

- **Columns (1) & (2):** Carrier – Enter the name and FEIN of the company that transports the product.
- **Column (3):** Mode Code – Enter the mode of transport. Use one of the following:
  - J=Truck
  - R=Rail
  - B=Barge
  - PL=Pipeline
  - GS=Fuel Station
  - S=Ship (Great Lakes or ocean marine vessel)
  - BA=Book Adjustment
  - ST=Stationary Transfer
  - CE=Summary
  - RT=Removal from Terminal (other than by truck or rail for sale or consumption)
- **Column (4) & (5):** Origin/Destination – Enter the state or location the product was transported from/to. When the disbursement is received from a terminal the terminal code may be acceptable. Some products are not motor fuel taxable until sold into a fuel supply tank of a vehicle so the origin and destination may be the retail fueling station.
- **Column (6):** Purchaser – Enter the name of the company or individual the product was sold to. In the case of a retail sale this may not be known.
- **Column (7):** Date Sold – Enter the date the product was sold.
- **Column (8):** Document Number – Enter the identifying number from the manifest, invoice, pipeline or barge ticket.
- **Column (9):** Units Sold – Enter the number of units sold. This may vary depending on the method of measurement from product to product and state to state. A unit could be one of the following:
  - Gallons
  - GGE (Gasoline Gallon Equivalent)
  - DGE (Diesel Gallon Equivalent)
  - Cubic Feet
  - Pounds
  - Kilowatt Hours

---

Uniformity Project
Retailer Fuel Report
Retailer Fuel Report

**Purpose**
The Retailer Fuel Report gives the state full accountability of all accountable products/motor fuel moving through a retail station. This report may or may not be a tax report, depending on the state’s point of taxation. This report gives the state an independent source of information that can be used to verify transactions reported by taxpayers.

**Who Must File**
All registered retail dealers who sell accountable products/motor fuel and are not required to file a Distributor Fuel Tax Report must file the Retailer Fuel Report.

**Schedule of Receipts**
Each receipt of accountable product/motor fuel into a retail service station is listed on the schedule of receipts. The state can verify the receipt of each shipment listed on this schedule using the following uniform reports:

- Distributor Fuel Tax Report
- Common and Contract Petroleum Products Carrier Report
- Bulk Dealer Report

Each state should require a taxpayer to provide net, gross and billed gallons on their schedule of deliveries to facilitate the sharing of tax information among states.

**Conclusion**
The Retailer Fuel Report is designed to allow any state to modify it for relevance to that state. For example, a state that does not require meter readings may delete the meter reading section of the Retailer Fuel Report.
**Retailer Fuel Report**

State of: [ ]
Filing Period End: [ ]

Name: [ ]
License Number: [ ]

Address 1: [ ]
FEIN: [ ]

Address 2: [ ]
Email Address: [ ]

City: [ ] State: [ ] Zip Code: [ ]

<table>
<thead>
<tr>
<th></th>
<th>Gasoline</th>
<th>Gasohol %</th>
<th>Diesel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Beginning Physical Inventory:</strong> (Must agree with prior month’s ending inventory)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. Receipts:</strong> (From Retailer Schedule of Receipts)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. Sales:</strong> (From Meter Readings on back of return)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4. Transfers:</strong> (From one product to another)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>5. Gain or (Loss):</strong> (Attach explanation)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>6. Ending Physical Inventory:</strong> (Actual tank measurement)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Tax Computation Section (to be designed by each state)**

Use only if applicable for fuel taxed at the retail level.

This section may include:

- Exempt Sales
- Tax
- Handling allowances
- Penalties
- Interest

**Signature Block**

RETAILFR.frp   Revised 9/10, Helena, MT   Revised 9/11, Charleston, WV   Adopted September 95, Williamsburg, VA
**FTA**

**Motor Fuel Tax Section**

**Uniformity Project**

**Meter Readings** (carry totals forward to line 3 on front of return)

<table>
<thead>
<tr>
<th>Gasoline</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending reading:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning reading:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gallons Metered:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gasohol %</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending reading:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning reading:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gallons Metered:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diesel</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending reading:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning reading:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gallons Metered:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dyed Diesel</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending reading:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning reading:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gallons Metered:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Pump No. __</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending reading:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning reading:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gallons Metered:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**To Tax Administrator:** All sections of this report are optional.
<table>
<thead>
<tr>
<th>(State Name)</th>
<th>Retailer Schedule of Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company Name:</strong></td>
<td><strong>License Number:</strong></td>
</tr>
<tr>
<td>(1) Carrier Name</td>
<td>(2) Carrier FEIN</td>
</tr>
</tbody>
</table>

**Total:**

**Retailer Report-Schedule of Receipts**

**General Instructions**
This schedule provides detail in support of the amount shown as receipts on the Retailer’s Fuel Tax Report. Each receipt of product should be listed on separate lines.

**Identifying Information**
- **Company Name, License Number and FEIN:** Enter the name and numbers (if applicable) for the retailer shown on the retailer’s fuel report.
- **Schedule Type:** Enter one of the following numbers:
  - 1 Gallons received tax-paid
  - 2 Gallons received tax-unpaid.
- **Filing Period End:** Enter the filing period end date in the appropriate format. (CCYYMMDD or state’s current format)
- **Product Code:** Enter the appropriate FTA product code.

**Optional Schedule:** Subschedules can be used under each schedule if additional information is needed. Subschedules must equal total of major schedule number.

**Column Instructions**
- Columns (1) & (2): **Carrier** – Enter the name and FEIN of the company that transports the product.
- Column (3): **Mode Code** - Enter the mode of transport. Use one of the following:
  - J=Truck
  - R=Rail
  - B=Barge
  - P=Pipeline
  - S=Ship (Great Lakes or ocean marine vessel)
  - BA=Book Adjustment
  - PL=Pipeline transfer
  - CE=Summary
  - RT=Removal from Terminal (other than by truck or rail for sale or consumption)
- Column (4): **Point of Origin** – Enter the location the product was transported from. When received from a terminal use the IRS Terminal Control Number.
- Column (5) & (6): **Acquired From/Seller’s FEIN** – Enter the name and FEIN of the company the product was acquired from.
- Column (7): **Date Received** – Enter the date the product was received.
- Column (8): **Document/Bill of Lading Number** – Enter the identifying number from the manifest issued at the terminal when product was removed over the rack. In the case of pipeline or barge movements, it is the pipeline or barge ticket number. In case of barge, it is the voyage number.
- Column (9): **Net Gallons** – Enter the net gallons received.
- Column (10): **Gross Gallons** – Enter the gross gallons received.
- Column (11): **Billed Gallons** – Enter the number of gallons billed (should equal either net or gross gallons).

Provide a grand total for columns 9, 10 and 11 on the last page of each schedule type for each product type. Carry the total forward (either net, gross or billed as required by the reporting state) to the appropriate receipts line on the Retailer Fuel Report.
Bulk Dealer Report
Bulk Dealer Report

Purpose
The Bulk Dealer Report gives the state full accountability of all accountable products/motor fuel moving through a bulk plant. This report may or may not be a tax report, depending on the state’s point of taxation. This report gives the state an independent source of information that can be used to verify transactions reported by taxpayers.

Who Must File
All bulk dealers receiving and/or selling accountable products/motor fuel must file the Bulk Dealer Report. If a state is receiving all of the inventory information with its distributor return, it may want to consider adopting the following policy: A bulk dealer who operates as a distributor can combine the bulk plant operation on the Distributor Fuel Tax Report.

Schedule of Receipts
Each receipt of accountable products into a bulk plant location is listed on this schedule. For each shipment listed on this schedule, the state can verify the receipt using the following reports:

➢ Terminal Report
➢ Supplier Tax Report
➢ Distributor Fuel Tax Report
➢ Common and Contract Petroleum Products Carrier Report
➢ Other Bulk Dealer’s Schedule of Disbursements

Schedule of Disbursements
Each delivery of accountable products/motor fuel from a bulk plant location is listed on this schedule. By requiring the customer’s name and FEIN to be listed with each removal, the state can verify the destination of all accountable products/motor fuel.

Each state should require a taxpayer to provide net, gross and billed gallons on their schedule of receipts and disbursements to facilitate the sharing of tax information among states.

For each removal listed on this schedule, the state can verify the disbursement using the following reports:

➢ Distributor Fuel Tax Report
➢ Common and Contract Petroleum Products Carrier Report
➢ Retailer Fuel Tax Report
➢ Other Bulk Dealer’s Schedule of Receipts

Conclusion
The Bulk Dealer Report is designed to allow any state to modify it for relevance to that state. For example, a state that does not require a separate column for gasohol, but does require a column for propane, would simply delete the gasohol column and add the propane column on the bulk dealer summary report.
Bulk Dealer Report

<table>
<thead>
<tr>
<th>Name:</th>
<th>License Number (if applicable):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address 1:</td>
<td>FEIN:</td>
</tr>
<tr>
<td>Address 2:</td>
<td>Email Address:</td>
</tr>
<tr>
<td>City:</td>
<td>State:</td>
</tr>
</tbody>
</table>

### Fuel Reconciliation

<table>
<thead>
<tr>
<th>Gasoline</th>
<th>Gasohol %</th>
<th>Diesel</th>
</tr>
</thead>
</table>

1. **Beginning Physical Inventory:** (Must agree with prior month’s ending inventory.)

2. **Receipts:** (From back of return, section I, line 4)

3. **Disbursements:** (From back of return, section II, line 7)

4. **Transfers:** (From one product to another)

5. **Gain or (Loss):** (Attach explanation)

6. **Ending Physical Inventory:** (Must agree with actual ending inventory.)

7. **Gross Taxable Gallons:** (Section II, line 1)

8. **LESS: Tax-Paid Purchases:** (Section I, line 1)

9. **Net Taxable Gallons:**

### Tax Computation Section (to be designed by each state)

Allow for varying rates on different products, special tax rates on certain types of sales, inspection fees, LUST fees, evaporation & handling allowances, and other unique situations for a given state.

- **xx. Total Tax Due:**
  - $xx
- **xx. ADD: Interest for late payment at ____% per month**
- **xx. ADD: Penalty for late Payment at ____%:**
- **xx. Total Due:**
  - $xx

I declare, under penalties of perjury, that this return (including any schedules) has been examined by me and to the best of my knowledge and belief is true, correct and complete.

### Signature Block

NOTE: This form is designed to give total accountability of fuel, and uniform information for comparison between states. It can be used for all motor fuel, special fuel, aviation, and other fuel types. You can add a column for other fuel types or delete columns not needed. Each state can clarify the use of each line by giving specific line by line instructions.

Bulk Dealer Revised 9/10, Helena, MT Revised 9/11, Charleston, WV Adopted September 95, Williamsburg, VA
### Uniformity Project

#### Motor Fuel Tax Section

<table>
<thead>
<tr>
<th>Section I</th>
<th>Receipts</th>
<th>From Schedule</th>
<th>Gasoline</th>
<th>Gasohol <em>X</em>_%</th>
<th>Diesel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gallons received tax-paid:</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Gallons received tax-unpaid:</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Gallons imported tax-unpaid</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. <strong>Total Receipts</strong>: (Total lines 1 - 3)</td>
<td>(Carry forward to line 2 on front of return)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section II</th>
<th>Disbursements</th>
<th>From Schedule</th>
<th>Gasoline</th>
<th>Gasohol <em>X</em>_%</th>
<th>Diesel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gallons delivered tax collected:</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Gallons delivered tax not collected:</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Gallons exported:</td>
<td>7</td>
<td></td>
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</tr>
<tr>
<td>4. Gallons delivered to U.S. Government tax-exempt:</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Gallons delivered to state and local government tax-exempt:</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Gallons delivered to other tax-exempt entities:</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. <strong>Total Disbursements</strong>: (Total lines 1 through 6)</td>
<td>(Transfer to line 3 on front of return)</td>
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</tbody>
</table>

**To Tax Administrator:** You may split schedules to accommodate two different tax rates, etc... For example, if you have a second tax rate for agricultural customers, you could create schedules 5a and 5b, and then use them separately in the tax computation section on the tax return.

**Instructions:**

- **Inventory:** Actual physical inventory reported on the face of the report.
- **Receipts:** All receipts including truck, rail, pipeline, barge or other conveyance must be reported.
- **Imports:** Motor fuel delivered into (name of state) from out-of-state by or for the seller constitutes an import by the seller.
- **Exports:** Motor fuel delivered out-of-state by or for the seller constitutes an export by the seller.
- **Disbursements:** All disbursements including truck, rail, pipeline, barge, or other conveyance must be reported.
- **Transfers:** For example: show gallons of gasoline blended to gasohol or gallons of undyed diesel blended to dyed diesel.
Bulk Dealer Schedule of Receipts

<table>
<thead>
<tr>
<th>Company Name</th>
<th>License Number</th>
<th>FEIN</th>
<th>Schedule Type</th>
<th>Filing Period End (DDYMMDD)</th>
<th>Product Code</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Carrier Name</th>
<th>Carrier FEIN</th>
<th>Mode</th>
<th>Origin</th>
<th>Acquired From</th>
<th>Seller’s FEIN</th>
<th>Date Received</th>
<th>Document Number</th>
<th>Net Gallons</th>
<th>Gross Gallons</th>
<th>Billed Gallons</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

Total:

**Bulk Dealer - Schedule of Receipts**

**General Instructions**

This schedule provides detail in support of the amount shown as receipts on the Bulk Dealer Report. Each receipt of product should be listed on separate lines.

**Identifying Information**

Company Name, License Number and FEIN: Enter the name and numbers (if applicable) for the bulk dealer shown on the Bulk Dealer Report.

Schedule Type: Enter one of the following numbers
- 1 Gallons received tax-paid
- 2 Gallons received tax-unpaid
- 3 Gallons imported tax-unpaid

Filing Period End: Enter the filing period end date in the appropriate format. (CCYYMMDD or state’s current format)

Product Code: Enter the appropriate FTA product code.

Optional Schedule: Subschedules can be used under each schedule if additional information is needed. Subschedules must equal total of major schedule number.

**Column Instructions**

Columns (1) & (2): **Carrier** – Enter the name and FEIN of the company that transports the product.
Column (3): **Mode Code** - Enter the mode of transport. Use one of the following
- J=Truck
- R=Rail
- B=Barge
- PL=Pipeline
- S=Ship (Great Lakes or ocean marine vessel)
- BA=Book Adjustment
- ST=Stationary Transfer
- CE=Summary
- RT=Removal from Terminal (other than by truck or rail for sale or consumption)

Column (4): **Origin State** – Enter the location the product was transported from. When received from a terminal, use the IRS Terminal Control Number.

Column (5) & (6): **Acquired From/Seller’s FEIN** – Enter the name and FEIN of the company the product was acquired from.

Column (7): **Date Received** – Enter the date the product was received.

Column (8): **Document/Bill of Lading Number** – Enter the identifying number from the manifest issued at the terminal when product was removed over the rack. In the case of pipeline or barge movements, it is the pipeline or barge ticket number. In case of barge, it is the voyage number.

Column (9): **Net Gallons** – Enter the net gallons received.

Column (10): **Gross Gallons** – Enter the gross gallons received.

Column (11): **Billed Gallons** – Enter the number of gallons billed (should equal either net or gross gallons).

Provide a grand total for columns 9, 10 and 11 on the last page of each schedule type for each product type. Carry the total forward (either net gross or billed as required by the reporting state) to the appropriate receipts line on the Bulk Dealer Report.
## Bulk Dealer Schedule of Disbursements

### General Instructions

This schedule provides detail in support of the amount shown as disbursements on the Bulk Dealer Report. Each disbursement of product should be listed on separate lines.

### Identifying Information

**Company Name, License Number and FEIN:** Enter the name and numbers for the bulk dealer shown on the Bulk Dealer Report.

**Schedule Type:** Enter one of the following numbers

- 5. Gallons delivered tax collected
- 6. Gallons delivered to licensed motor fuel distributors tax not collected
- 7. Gallons exported to State of __________________
- 9. Gallons delivered to State and local government tax-exempt
- 10. Gallons delivered to other tax exempt entities

**Filing Period End:** Enter the filing period end date in the appropriate format. (CCYYMMDD or state’s current format)

**Product Code:** Enter the appropriate FTA product code.

### Column Instructions

**Optional Schedule:** Subschedules can be used under each schedule if additional information is needed. Subschedules must equal total of major schedule number.

**Columns (1) & (2):** Carrier Name – Enter the name of the company that transports the product.

**Column (3):** Carrier FEIN – Enter the FEIN of the company that transports the product.

**Column (4):** Mode Code - Enter the mode of transport. Use one of the following:

- J=Truck
- R=Rail
- B=Barge
- PL=Pipeline
- S=Ship (Great Lakes or ocean marine vessel)
- BA=Book Adjustment
- ST=Stationary Transfer
- CE=Summary
- RT=Removal from Terminal (other than by truck or rail for sale or consumption)

**Column (5):** Destination State – Enter the location the product was transported to. When received into a terminal, use the IRS Terminal Control Number.

**Column (6):** Sold To – Enter the name of the company the product was sold to.

**Column (7):** Date Shipped – Enter the date the product was shipped.

**Column (8):** Document/Bill of Lading Number – Enter the identifying number from the manifest issued at the terminal when the product was removed over the rack. In the case of pipeline or barge movements, it is the pipeline or barge ticket number. In case of barge, it is the voyage number.

**Column (9):** Net Gallons – Enter the net gallons disbursed.

**Column (10):** Gross Gallons – Enter the gross gallons disbursed.

**Column (11):** Billed Gallons – Enter the number of gallons billed (should equal either net or gross gallons).

Provide a grand total for columns 9, 10, and 11 on the last page of each schedule type for each product type. Carry the total forward (either net, gross or billed as required by the reporting state) to the appropriate disbursement line on the Bulk Dealer Report.

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**BLKRDISB**

Revised 9/10, Helena, MT

Adopted September 95, Williamsburg, VA
Common and Contract Petroleum Products Carrier Report
Common and Contract Petroleum Products Carrier Report

Purpose
The Common and Contract Petroleum Products Carrier Report gives the state full accountability of all accountable products/motor fuel moving by truck, rail, pipeline, barge, ship or other conveyance. The report is not a tax report. It gives the state an independent source of information that can be used to verify the transactions reported by taxpayers.

Who Must File
All truck, rail, pipeline, barge, ship or other conveyance company that transports accountable products/motor fuel must file the Common and Contract Petroleum Products Carrier Report.

Schedule of Deliveries
Each transportation of accountable products/motor fuel that has an origin or destination in your state is listed on this schedule. For each shipment listed on this schedule, the state can verify the receipt using the following uniform reports:

➢ Terminal Report
➢ Supplier Report
➢ Distributor’s Fuel Tax Report
➢ Retailer’s Fuel Report
➢ Bulk Dealer Report

Each state should require a taxpayer to provide net and gross gallons on their schedule of deliveries to facilitate the sharing of tax information among states.

Conclusion
The Common and Contract Petroleum Products Carrier Report is designed to allow any state to modify it for relevance to that state. For example, a state that does not require the movement of intrastate accountable products/motor fuel may exclude those transactions from the reporting requirements.
(State Name)
Common and Contract Petroleum Products Carrier Report

Complete and attach enclosed schedules

<table>
<thead>
<tr>
<th>License Number:</th>
<th>Filing Period End: (CCYMMDD)</th>
<th>For Office Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEIN:</td>
<td>Email Address:</td>
<td></td>
</tr>
</tbody>
</table>

Name and Location Address: | Name and Mailing Address:

---

Must be filed every reporting period

1. Total of all deliveries of fuels from in-state locations to out-of-state locations (exports):  
   (Attach Schedule 14A).
2. Total of all deliveries of fuel from out-of-state locations to in state (imports):  
   (Attach Schedule 14B).
3. Total of all deliveries of fuel between points within the state (intrastate):  
   (Attach Schedule 14C).
4. Total gallons of petroleum product transported: (Total of lines 1 through 3).

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is correct and complete.

<table>
<thead>
<tr>
<th>Authorized Signature</th>
<th>Telephone Number</th>
<th>Signature of preparer other than taxpayer</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sign Here

Title: __________________________  Date: __________________________  Address: __________________________  Date: __________________________

Instructions

PPR  Revised 9/10, Helena, MT  Revised 9/11, Charleston, WV  Adopted September 94, Salt Lake City, UT
Schedule A - Common and Contract Petroleum Products Carrier Report - Schedule of Deliveries

<table>
<thead>
<tr>
<th>Person Hiring the Carrier</th>
<th>Seller</th>
<th>Delivered To</th>
<th>Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Company Name</td>
<td>(2) FEIN</td>
<td>(3) Company Name</td>
<td>(4) FEIN</td>
</tr>
<tr>
<td>Company Name:</td>
<td>FEIN:</td>
<td>Terminal Code:</td>
<td>Filing Period End:</td>
</tr>
</tbody>
</table>

General Instructions

Schedule of Deliveries provides detail of each delivery included on the Common and Contract Petroleum Products Carrier Report. Prior to recording the information requested in columns (1) through (13), you should organize your records as follows:

Schedule 14A: Total of all deliveries of fuel from in-state locations to out-of-state locations (exports)
Schedule 14B: Total all deliveries of fuel from out-of-state locations to in state locations (imports)
Schedule 14C: Total all deliveries of fuel between points within the state (intrastate)

Column Instructions

Columns (1) & (2): Person Hiring the Carrier – Enter the name and FEIN of the company that hired the carrier.
Columns (3) & (4): Seller – Enter the name and FEIN of the company from whose account the fuel was withdrawn at the terminal.
Column (5): Mode of Transport – Enter one of the following:
J=Truck  R=Rail  B=Barge  PL=Pipeline
S=Ship (Great Lakes or ocean marine vessel)  CE=Summary
RT=Removal from Terminal (other than by truck or rail for sale or consumption)
Column (6): Origin – Enter the city and/or state or country shown on the delivery document (bill of lading, manifest or other loading document issued by the terminal operator) where the petroleum product was loaded for each delivery. If the product was loaded at a terminal, enter the IRS Terminal Control Code assigned to that terminal.
Columns (7) (8) & (9): Delivered To – Enter the name, address and FEIN of the final delivery point. If delivered to a terminal, enter the IRS Terminal Control Number for that terminal.
Column (10): Date Delivered – Enter the date the petroleum product was delivered for each delivery (MM DD CC YY).
Column (11): Document/Bill of Lading Number – Enter the identifying number from the manifest issued at the terminal when product was removed over the rack. In the case of pipeline or barge movements, enter the pipeline or barge ticket number. In case of barge, it is the voyage number.
Columns (12) & (13): Gallons – Enter the number of net and gross gallons for each delivery.
Multi-Jurisdictional Fuel License List
Multi-Jurisdictional Fuel License List

Purpose
The Multi-Jurisdictional Fuel License Form is to be used by Industry to report active motor fuel licenses or permits between counterparties to ensure appropriate taxing of fuel, petroleum products, or other reportable liquids.

Who Must File
Suppliers of any fuel type, petroleum product, or reportable liquid should send new customers a copy of the Multi-Jurisdictional Fuel License List Form. The customer will enter the applicable information for each state and return a signed copy of the document to their supplier. Suppliers should incorporate this data into their customer set-up systems to ensure the appropriate tax is charged for each applicable state. A copy of the signed document should be stored by the supplier and customer for future reference.

Suppliers should periodically provide existing customers with a copy of the completed Multi-Jurisdictional Fuel License List Form to document any change to the customer’s account. The status of a license or permit could change at any time. It is important for suppliers to periodically (no less than monthly) validate the status of each license or permit to ensure proper reporting to the applicable taxing jurisdiction. Suppliers should also track expiration dates to determine if a license or permit has been renewed. Any changes to a permit or license should be updated in the customer set-up.

Use of this form in no way waives a supplier’s responsibility for collection of other required certificates and exemption forms on your fuel, petroleum products, or other reportable liquids (e.g. federal notification certificates, sales & use tax exemption certificates, State specific exemption certificates, etc.).
Multi-Jurisdictional Fuel License List

Issued to Seller: __________________ Company (Seller) FEIN: __________________

Address: __________________ Seller Contact Name: __________________

City, State, Zip: __________________ Seller E-mail: __________________

Company Name (Buyer): __________________ Company (Buyer) FEIN: __________________

Address: __________________ Period of Issue: __________________

City, State, Zip: __________________

Please identify license/registration types and numbers as applicable.

<table>
<thead>
<tr>
<th>State</th>
<th>Entity Name</th>
<th>License Type</th>
<th>License Number</th>
<th>Effective Date</th>
<th>Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td></td>
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<tr>
<td>Alaska*</td>
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<tr>
<td>Arkansas</td>
<td>ABC Fuel</td>
<td>Supplier Diesel</td>
<td>111</td>
<td>1/1/2010</td>
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<td>ABC Fuel</td>
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<tr>
<td>Registration</td>
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*Annual Renewal

This certificate shall be a part of each order which we may hereafter give to you, unless otherwise specified, and shall be valid until canceled by us in writing or revoked by the issuing jurisdiction. Under penalties of perjury, I swear or affirm that the information is true and correct as to every material matter.

Authorized Signature: ___________________________ Date: ___________________________

Printed Name: ___________________________ Title: ___________________________

E-Mail: ___________________________ Phone: ___________________________
Multi-Jurisdictional Fuel License List

Frequently Asked Questions

- To whom do I give this certificate?
- Can I list multiple states simultaneously?
- I have received this certificate from my customer. What do I do with it?
- Am I the Buyer or the Seller?
- What is the purpose of this certificate?
- How do I fill out the certificate?
- What if I don’t have an ID number for any (or some) state(s)?
- Who should use this certificate?
- Do I have to fill this certificate out for every purchase?
- What if my license is suspended, cancelled, or revoked during the year of issue?
- Who determines whether this certificate will be accepted?

To whom do I give this certificate?
If you are purchasing any type of fuel, petroleum product, or reportable liquid which requires a motor fuel license or permit you will give this certificate to your vendor, so that your vendor will charge you the appropriate tax. If you are selling type of fuel, petroleum product, or reportable liquid which requires a motor fuel license or permit, and have received this certificate from your buyer, you will keep the certificate on file.

Can I file multiple states simultaneously?
Yes, you can include all motor fuel licenses or permits for the States in which you plan to transact business with your listed counterparty.

I have received this certificate from my customer. What do I do with it?
Once you have examined the certificate and you have accepted it in good faith, you will keep it on file as prescribed by applicable state laws. The relevant state will generally be the state where you are located, or the state where the sales transaction took place.

Am I the Buyer or the Seller?
If you are purchasing any type of fuel, petroleum product, or reportable liquid which requires a motor fuel license or permit, you are the Buyer. If you are selling any type fuel, petroleum product, or reportable liquid which requires a motor fuel license or permit, you are the seller.

What is the purpose of this certificate?
This certificate is to be used as supporting documentation that the Buyer has the appropriate motor fuel licenses and permits to transact business with the Seller for the period of issue on the form.

How do I fill out the certificates?
The individual filling out the certificate is referred to as the Buyer. The first three lines, “Issued to Seller” and “Address”, should be filled in with the name and address of the Seller. The rest of the information refers to the Buyer. The period of issue is the period for which you are providing this certificate (ie 1/1/20xx-12/31/20xx).

What if I don’t have an ID number for any (or some) state(s)?
The states vary in their rules regarding requirements for motor fuel licenses or permits depending on the fuel product type or business activity. You should check with the relevant state to determine whether you meet the requirements of that State for your business activity.
Who should use this certificate?
A buyer who is purchasing any type of fuel, petroleum product, or reportable liquid which requires a motor fuel license or permit from a Seller located in one or more of the states listed.

Do I have to fill this certificate out for every purchase?
In many cases, this certificate can be used as a blanket certificate to cover purchases from the issue date forward. If you are reporting licenses which require an annual renewal the form should be updated annually for each of your Sellers. To make filling out the certificate easier, you should fill out your information and all information that does not change, then make photocopies, and then fill out the information that is specific to the transaction.

What if my license is suspended, cancelled, or revoked during the year of issue?
I you have provided this form to your suppliers and your information has changed for 1 or more of the licenses listed during the year of issue you should update the listing and send to all suppliers that received your initial license form ASAP.

Who determines whether this certificate will be accepted?
The Seller will determine whether it will accept the certificate from the Buyer generally according to a good faith standard that all types and numbers of motor fuel licenses or permits are valid. It is the responsibility of the Seller to review the license numbers for accuracy and completeness.
Motor Fuel Sales Tax Report
Motor Fuel Sales Tax Report

Purpose
The Motor Fuel Sales Tax Report gives the state full accountability of all accountable products. This report gives the state an independent source of information that can be used to verify transactions reported by taxpayers.

Who Must File
All taxpayers selling accountable products must file the Motor Fuel Sales Tax Report as required by state law.

Schedule of Disbursements
Each delivery of an accountable product by a taxpayer is listed on this schedule by jurisdiction. By requiring sales to be segregated by jurisdiction, the state can allocate tax revenues to proper locals. For each shipment listed on this schedule, the state may verify the destination with the requirement of the carrier’s name and FEIN.

Each state should require a taxpayer to provide gross, exempt and net taxable sales by jurisdiction, if applicable, and schedule of disbursements to facilitate the distribution of taxes to proper jurisdictions and the sharing of tax information among states.

For each removal listed on this schedule, the state may verify the disbursement using the following uniform reports:

➢ Terminal Report
➢ Distributor's Schedule of Receipts
➢ Common and Contract Carrier Report
➢ Retailer Report
➢ Bulk Dealer Report

Conclusion
The Motor Fuel Sales Tax Report is designed to allow any state to modify it for relevance to that state. For example, a state that does not have different tax rates by jurisdiction would simply delete the jurisdiction columns and rows on the Motor Fuel Sales Tax Report and would put the states name at the top of the Schedule of Disbursements.
Motor Fuel Sales Tax Report

General Instructions

Report Is Due
Your report, plus supporting schedules, is due on or before ______________.

Completing Your Return
The Motor Fuel Sales Tax Report which you file each month consists of the Motor Fuel Sales Tax Report form, and supporting disbursement and exemption schedules. The product transactions are to be sorted by jurisdiction and placed into the appropriate columns.

Identifying Information

Company Name and Address: Enter the name and mailing address of the licensee.
State of: Enter the State for which you are filing.
Filing Period End: Enter the filing period end date in the appropriate format (CCYYMMDD or States current date format).
License Number: State issued identification number.
FEIN: Enter your Federal Employer Identification Number in the space provided.

Column Instructions: A separate line should be used for each jurisdiction. Complete jurisdiction name and jurisdiction code. Enter gross sales total from product from Schedule 16A Gallons delivered Motor Fuel sales tax collected and 16B Gallons delivered exempt from Motor Fuel sales tax. Enter exempt sales from Schedule 16B Gallons delivered exempt from Motor Fuel sales tax. All sales should be rounded to the nearest dollar. Enter Net Taxable Sales (Gross Sales Total from 16A & 16B less Exempt Sales/Other Deductions from 16B). Enter current sales tax rate of jurisdiction. Calculate tax due by jurisdiction (Net Taxable Sales multiplied by the current sales tax rate).
## Motor Fuel Sales Tax Report

### State of:

<table>
<thead>
<tr>
<th align="left">Filing Period End:</th>
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<tbody>
<tr>
<td align="left">(CCYYMMDD)</td>
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<table>
<thead>
<tr>
<th>Company Name:</th>
<th>License Number:</th>
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<th>Zip Code:</th>
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### Tax Calculation

<table>
<thead>
<tr>
<th>Jurisdiction Name</th>
<th>Jurisdiction Code</th>
<th>Gross Sales of All Product (from disbursement schedule) 16A &amp; 16B Total</th>
<th>Exempt Sales or Other Deductions (from exemption schedule) 16B</th>
<th>Net Taxable Sales</th>
<th>Sales Tax Rate of Jurisdiction</th>
<th>Total Tax Due by Jurisdiction</th>
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**Tax Due:**

\[ \text{Tax Due} = \sum \text{Net Taxable Sales} \times \text{Sales Tax Rate of Jurisdiction} \]

**Adjustments:**

\[ \text{Adjustments} = \sum \text{Exempt Sales or Other Deductions} \]

**Total Tax Due:**

\[ \text{Total Tax Due} = \text{Total Tax Due} + \text{Adjustments} + \text{Discount} \]

**ADD:**

- Interest for late payment at \( \ldots \)% per month
- Penalty for late payment at \( \ldots \)%

**Total Due:**

\[ \text{Total Due} = \text{Total Tax Due} + \text{ADD: Interest for late payment} + \text{ADD: Penalty for late payment} \]

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**I certify the information provided on this form has been examined by me and is, to the best of my knowledge, true and correct.**

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<th>Print Name</th>
<th>Title</th>
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### Motor Fuel Sales Tax Schedule of Disbursements

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<th>Name of Licensee</th>
<th>License Number</th>
<th>FEIN</th>
<th>Schedule Type</th>
<th>Jurisdiction Code #</th>
<th>Period (CCYYMMDD)</th>
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<td>(1)</td>
<td>Carrier Name</td>
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<td>(2)</td>
<td>Carrier FEIN</td>
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<td>(3)</td>
<td>Mode</td>
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<td>(4)</td>
<td>Complete Address of Product Delivery</td>
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<td>(5)</td>
<td>Sold To</td>
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<td>(6)</td>
<td>Purchaser’s FEIN</td>
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<td>(7)</td>
<td>Date Sold</td>
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<td>(8)</td>
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<td>(9)</td>
<td>Product Code</td>
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<td>(10)</td>
<td>Net Gallons</td>
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<td>(11)</td>
<td>Gross Gallons</td>
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<td>(12)</td>
<td>Billed Gallons</td>
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<tr>
<td>(13)</td>
<td>Gross Sales From Product</td>
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Total: $ 

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### Motor Fuel Sale Tax Report-Schedule of Disbursements

This schedule provides detail in support of the amount shown as disbursements on the Motor Fuel Sales Tax Report. Each disbursement of product should be listed on separate lines.

**Identifying Information**
- **Company Name, License Number and FEIN:** Enter the name and numbers for the licensee shown on the Motor Fuel sales tax report.
- **Schedule Type:** Enter one of the following numbers:
  - 16A Gallons delivered motor fuel sales tax collected
  - 16B Gallons delivered exempt from motor fuel sales tax
- **Jurisdiction Code:** Enter the jurisdiction code where the product was delivered.
- **Filing Period End:** Enter the filing period end date in the appropriate format (CCYYMMDD or state’s current format).

**Column Instructions**
- **Columns (1) & (2):** Carrier – Enter the name and FEIN of the company that transports the product.
- **Column (3):** Mode Code - Enter the mode of transport. Use one of the following:
  - J=Truck
  - R=Rail
  - B=Barge
  - PL=Pipeline
  - S=Ship (Great Lakes or ocean marine vessel)
  - BA=Book Adjustment
  - ST=Stationary Transfer
  - CE=Summary
  - RT=Removal from Terminal (other than by truck or rail for sale or consumption)
- **Column (4):** Complete Address of Product Delivered – Enter the complete address where the product was delivered.
- **Column (5) & (6):** Sold To / Purchaser’s FEIN – Enter the name and FEIN of the company the product was sold to.
- **Column (7):** Date Sold – Enter the date the product was delivered.
- **Column (8):** Purchaser’s FEIN – Enter the FEIN of the company the product was sold to.
- **Column (9):** Document/Bill of Lading Number – Enter the identifying number from the manifest issued at the terminal when product was removed over the rack. In the case of pipeline or barge movements, it is the pipeline or barge ticket number. In case of barge, it is the voyage number.
- **Column (10):** Product Code – Enter the applicable product code of the delivered product.
- **Column (11):** Net Gallons – Enter the net gallons delivered.
- **Column (12):** Gross Gallons – Enter the gross gallons delivered.
- **Column (13):** Billed Gallons – Enter the billed gallons delivered.
- **Column (14):** Gross Sales from Product – Enter the total gross receipts from product sold during the period, whether for cash or credit.

Provide a grand total for columns 10, 11, 12, and 13 on the last page of each schedule type for each jurisdiction. Carry the total gross receipts forward to the appropriate line on the Motor Fuel Sales Tax Report.
Transloader Operator Report
Transloader Operator Report

Purpose
The Transloader Operator Report gives the state full accountability of all accountable products/motor fuel products moving through a stationary or portable transloader. The report is not a tax report. It gives the state an independent source of accountable product/motor fuel information that can be used to verify the transactions reported by taxpayers.

Definitions
Transloader: Equipment used to transfer product from one mode of transportation to another.
Transloading: The process of transferring product from one mode of transportation to another.
Transloader Operator: Person that engages in the process of transferring product from one mode of transportation to another.

Who Must File
All transloader operators who provide transloading services must file the Transloader Operator Report. Transloader operators who operate more than one transloading location must file a separate report for each location.

1. Transloader Operator Report Summary

2. Schedule of Receipts
Each receipt of an accountable product/motor fuel into a transloader is listed on this schedule. By requiring the carrier name and FEIN to be listed with each receipt, the state can verify the receipt using the Common and Contract Carrier Report. The seller name and FEIN information on this schedule allows a state to track each taxpayer’s movement of accountable products/motor fuel into a transloader using the Motor Fuel Tax Report.

Each state should require the transloader operator to provide net and gross gallons on their schedule of receipts to facilitate the sharing of tax information among states.

3. Schedule of Disbursements
Each removal of an accountable product/motor fuel from a railcar thru a transloader is listed on this schedule. By requiring the carrier name and FEIN to be listed with each removal, the state can verify the removal using the Common and Contract Petroleum Products Carrier Report. The buyer name and FEIN provide the state with a link to the distributor’s tax report. For each removal listed on this report, there should be a corresponding entry on one of the distributor’s schedules.

Each state should require the transloader operator to provide net and gross gallons on their schedule of disbursements to facilitate the sharing of tax information among states.

4. Schedule of Inventories
This schedule provides detail of ownership of accountable products/motor fuel in a transloader. It allows a state to determine where a certain taxpayer’s inventories are located within the state.

Conclusion
The transloader operator report is designed to allow any state to modify it for relevance to that state. For example, a state that wanted or required a separate column for specified reportable products, could add the column on the transloader summary report page.
REPORT IS DUE
Your report, plus supporting schedules, is due on or before

COMPLETING YOUR REPORT
The transloader operator report which you file each month consists of the Transloader Operator Report form and supporting receipt, disbursement and inventory schedules. The fuel transactions are to be sorted by fuel type and placed in the appropriate columns.

TRANSLOADER
Name: Enter the name.
Filing Period End: Enter the filing period end date in the appropriate format. (CCYYMMDD or states current format).
Transloader Code: May be assigned by state.
Location:........ Physical address of transloading activity.

OPERATOR
Name of Transloader Operator: Enter the name of the transloader operator.
FEIN: Enter your Federal Employer Identification Number in the space provided.
License Number: State issued identification number.
Address: Enter the address of the transloader operator.
Phone Number: Enter the telephone number of the person signing the report.
Email Address: Enter the email address of the person signing the report.

Column Instructions. Gallons should be entered in net and/or gross gallons. Gallons should be rounded to the nearest whole gallon and entered in the appropriate column.

Gasoline Products – All products that are commonly or commercially known or sold as gasoline or defined as gasoline in a state’s statute.
Diesel – Any liquid that is commonly or commercially known, offered for sale or used as a fuel in diesel engines.
Other – Other reportable products.

Line Instructions
Line 1. Beginning Inventory - Enter beginning inventory of all petroleum products handled at the transloader location in the appropriate column. Carries over from column 3 on schedule 17C. Beginning inventory equals the prior month's reported actual ending inventory.
Line 2. Total Receipts - Enter total receipts of all petroleum products received into the transloader from supporting schedules 17A.
Line 3. Total Available – line 1 plus line 2.
Line 4. Total Disbursements - Enter total of all petroleum products disbursed from the transloader from supporting schedules 17B.
Line 5. Gallons Available – line 3 minus line 4 disbursements.
Line 6. Stock Gains & Losses – Enter inventory discrepancy by subtracting line 5 from line 7. If line 5 exceeds line 7, indicate the shortage with (-).
Line 7. Actual Ending Inventory – Enter actual measured physical inventory of all petroleum products in the appropriate columns.

Sign and date your report and indicate title of person responsible for the report
# Transloader Operator Report

To be filed by all Transloader operators

## Transloader

<table>
<thead>
<tr>
<th>Name of Transloader:</th>
<th>Filing Period End: (CCYYMMDD)</th>
<th>Transloader Code: (If applicable)</th>
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<tr>
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<tr>
<td>Location of Transloader:</td>
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## Operator

<table>
<thead>
<tr>
<th>Name:</th>
<th>FEIN:</th>
<th>License Number:</th>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Address:</th>
<th>City:</th>
<th>State:</th>
<th>Zip Code:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phone Number:</th>
<th>Email Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Transactions for the Month

<table>
<thead>
<tr>
<th>Schedule No.</th>
<th>Gasoline Products</th>
<th>Diesel</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>17C</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1. Beginning Inventory (Total from Sch 17C, column 3)</th>
<th>17C</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Total Receipts (Total from Sch 17A, column 13 or 14)</td>
<td>17A</td>
</tr>
<tr>
<td>3. Total Available (Line 1 plus line 2)</td>
<td></td>
</tr>
<tr>
<td>4. Total Disbursements (Total from Sch 17B, column 14 or 15)</td>
<td>17B</td>
</tr>
<tr>
<td>5. Gallons Available (less disbursements) (Line 3 minus line 4)</td>
<td></td>
</tr>
<tr>
<td>6. Stock Gains &amp; Losses</td>
<td></td>
</tr>
<tr>
<td>7. Actual Ending Inventory (Total from Sch 17C, column 7)</td>
<td>17C</td>
</tr>
</tbody>
</table>

Signature of Transloader Operator: ______________________________
Title: __________________________
Date: ____________________________
Schedule 17A – Transloader Operator Schedule of Receipts

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Transloader Number:</th>
<th>FEIN:</th>
<th>Filing Period End: (CCYYMMDD)</th>
<th>Product Code:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>(1) Carrier Name</th>
<th>(2) Carrier FEIN</th>
<th>(3) Mode</th>
<th>(4) Point of Origin City/Origin State</th>
<th>(5) Seller Name/FEIN</th>
<th>(6) Date</th>
<th>(7) Bill of Lading Number</th>
<th>(8) Net Gallons</th>
<th>(9) Gross Gallons</th>
<th>(10) Railcar Number</th>
<th>(11) Railcar Bill of Lading Gallons</th>
</tr>
</thead>
</table>

Total:

**Transloader Operator Report-Transloader Operator Schedule of Receipts**

**General Instructions**

Schedule 17A provides detail in support of the amount(s) shown as receipts on the transloader operator report. Each receipt of product by the transloader should be listed on separate lines.

**Identifying Information**

Company Name and FEIN: Enter the name and FEIN for the transloader operator shown on the transloader operator report.

Transloader Number: Enter the transloader number is applicable.

Filing Period End: Enter the filing period end date in the appropriate format (CCYYMMDD or states current format).

Product Code: Enter the appropriate FTA product code.

**Column Instructions**

Columns (1) & (2): Carrier – Enter the name and FEIN of the company that transports the product to the transloader.

Column (3): Mode Code - Enter the mode of transport. Use one of the following: J=Truck R=Rail B=Barge S=Ship (Great Lakes or ocean marine vessel)

Column (4): Origin City/Origin State – Enter the origin city and origin state of the fuel.

Column (5) & (6): Seller Name and Seller FEIN – Enter the name and FEIN of the company that owns the product as reflected on the records of the transloader operator.

Column (7): Date Received – Enter the date the product was received by the transloader.

Column (8): Bill of Lading Number – Enter the identifying number of the railcar from the shipping document issued.

Column (9): Net Gallons – Enter the net gallons received by the transloader. The total of all amounts entered in this column should agree with the amount shown for receipts on the transloader operator report.

Column (10): Gross Gallons – Enter the gross gallons received by the transloader.

Column (11) & (12): Railcar Number & Railcar Bill of Lading Gallons – Enter the Railcar number and gallons reported on Railcar Bill of Lading.
# Schedule 17B – Transloader Operator Schedule of Disbursements

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Carrier Name</td>
</tr>
<tr>
<td>2</td>
<td>Carrier FEIN</td>
</tr>
<tr>
<td>3</td>
<td>Mode Code</td>
</tr>
<tr>
<td>4</td>
<td>Point of Destination City &amp; Destination State</td>
</tr>
<tr>
<td>5</td>
<td>Buyer Name</td>
</tr>
<tr>
<td>6</td>
<td>Buyer FEIN</td>
</tr>
<tr>
<td>7</td>
<td>Date</td>
</tr>
<tr>
<td>8</td>
<td>Transloader Bill of Lading Number</td>
</tr>
<tr>
<td>9</td>
<td>Net Gallons</td>
</tr>
<tr>
<td>10</td>
<td>Gross Gallons</td>
</tr>
<tr>
<td>11</td>
<td>Dispensing Railcar Number</td>
</tr>
<tr>
<td>12</td>
<td>Railcar Bill of Lading Number</td>
</tr>
<tr>
<td>13</td>
<td>Railcar Bill of Lading Gallons</td>
</tr>
</tbody>
</table>

## General Instructions

Schedule 17B provides detail in support of the amount(s) shown as disbursements on the transloader operator report. Each disbursement of product by the transloader should be listed on separate lines.

### Identifying Information

- **Company Name and FEIN:** Enter the name and FEIN of the transloader operator shown on the transloader operator report.
- **Transloader Number:** Enter the transloader number applicable.
- **Filing Period End:** Enter the filing period end date in the appropriate format (CCYYMMDD or states current format).
- **Product Code:** Enter the appropriate FTA product code.

### Column Instructions

- **Column (1) & (2):** Carrier – Enter the name and FEIN of the company that transports the product to the transloader.
- **Column (3):** Mode Code - Enter the mode of transport. Use one of the following:
  - J=Truck
  - R=Rail
  - B=Barge
  - S=Ship (Great Lakes or ocean marine vessel)
- **Column (4):** Destination City & Destination State – Enter the city and state, territory, or foreign country to which any reportable motor fuel is directed for delivery into any storage facility, receptacle, container, or any type of transportation equipment, for purpose of resale or use.
- **Column (5) & (6):** Buyer Name and FEIN – Enter the name and FEIN of the company that is purchasing the product as reflected on the records of the transloader operator.
- **Column (7):** Date – Enter the date the fuel is transferred from railcar to carrier.
- **Column (8):** Transloader Bill of Lading Number – Enter the identifying number from the transloader shipping documents.
- **Column (9):** Net Gallons – Enter the net gallons withdrawn by the railcar. The total of all amounts entered in this column should agree with the amount shown for disbursements on the transloader operator report.
- **Column (10):** Gross Gallons – Enter the gross gallons withdrawn from the railcar.
- **Column (11):** Dispensing Railcar Number – Enter the identifying number of the railcar from the shipping document issued.
- **Column (12):** Railcar Bill of Lading – Enter the identifying number from the shipping documents.
- **Column (13):** Railcar Bill of Lading Gallons – Enter gallons reported on Railcar Bill of Lading.
Schedule 17C – Transloader Operator Schedule of Inventories

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Transloader Number:</th>
<th>FEIN:</th>
<th>Filing Period End: (CCYMMDD)</th>
<th>Product Code:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>(1) Seller Name</th>
<th>(2) Seller FEIN</th>
<th>(3) Beginning Inventory</th>
<th>(4) Total Receipts</th>
<th>(5) Total Disbursements</th>
<th>(6) Gain (Loss)</th>
<th>(7) Ending Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Totals:**

---

Transloader Operator Report-Transloader Operator Schedule of Inventories

**General Instructions**
Schedule 17C provides detail in support of the amount(s) shown as beginning inventory and actual ending inventory on the transporter operator report.

**Identifying Information**
- **Company Name and FEIN:** Enter the name and FEIN for the transloader operator shown on the transloader operator report.
- **Transloader Number:** Enter the transloader number is applicable.
- **Filing Period End:** Enter the filing period end date in the appropriate format (CCYMMDD or states current format).
- **Product Code:** Enter the appropriate FTA product code.

**Column Instructions**
- **Columns (1) & (2):** Seller Name & FEIN – Enter the name and FEIN of the company that owns the product as reflected on the records of the transloader operator.
- **Column (3):** Beginning Inventory - Enter the net gallons held by each position holder at the beginning of the month.
- **Column (4):** Total Receipts – Enter the total number of net gallons received during the month for the account of each seller.
- **Column (5):** Total Disbursements – Enter the total number of net gallons disbursed during the month for the account of each seller.
- **Column (6):** Gain (Loss) – Enter the net gallons gained or lost during the month for the account of each seller.
- **Column (7):** Ending Inventory – Add amounts in column (4) and (6) to column (3) and subtract amounts in column (5).
Subschedules
FTA Motor Fuel Tax Section Uniformity Committee
Schedule and Subschedule Numbering for Uniform Forms

Procedures for additions/deletions/modifications to Schedule and Subschedules

In order to promote consistency and uniformity in the implementation of Motor Fuel Tax Reporting, the Uniformity Committee has developed a listing of schedules and subschedules to be used for the uniform report forms. Any state implementing a new report form is asked to utilize schedules and subschedules from this list for their new returns/reports.

Anyone needing a schedule or subschedule not on this list should follow the procedure outlined below:

The State Tax Administrator should submit the request to the current Forms Management Subcommittee state co-chair detailing the following information using the FTA-Motor Fuels Tax Section-Uniformity Summary/TIA/Schedule Code Request Form. (see next page for copy of form)

The form may be submitted through e-mail or regular mail. The request includes the following:

1. Identify which type of code is being requested.
2. The name and description of the schedule or subschedule.
3. Provide a description of the need for the addition/deletion/modification. Include an explanation of the schedule or subschedule and why existing schedules or subschedules do not meet your needs. It is recommended a representative of your state, knowledgeable of this topic, attend the Forms Management subcommittee meeting where this will be discussed.
4. The date the schedule or subschedule is needed.

The current Forms Management Subcommittee state co-chair, upon receipt of the request, shall take the following actions:

1. Distribute copies to Forms Management Subcommittee members for review and discussion.
2. Review the most current list of schedules and subschedules to determine if the requested schedule or subschedule already exists.
3. Place the proposed addition/deletion/modification on the agenda of the next Uniformity Committee Meeting for formal review. It is highly recommended that the requestor be present for any discussion regarding the adoption of the requested schedule or subschedule.
4. If the proposed addition/deletion/modification is adopted, revise the FTA Uniform Forms Subschedules.
5. If the proposed addition/deletion/modification is not approved, inform the requesting administrator of the reasons for the rejection and identify the proper schedule or subschedule to be used.

If a schedule or subschedule must be assigned before the above mentioned approval process can be completed, the state co-chair person may assign a schedule or subschedule temporarily. This schedule or subschedule will be reviewed for adoption at the next Forms Management meeting. To receive a schedule or subschedule before the next Uniformity Meeting, follow these steps:

1. Complete the FTA Motor Fuels Tax Section Uniformity Summary/TIA/Schedule Code Request Form.
2. Submit the request to the Forms Management Subcommittee state co-chair.
3. The Forms Management Subcommittee state co-chair will evaluate the request and respond to the requestor within one week of the receipt of the request.
### FTA – Motor Fuels Tax Section – Uniformity Summary / TIA / Schedule Code Request Form

<table>
<thead>
<tr>
<th>Type of Code being requested:</th>
<th>□ Summary</th>
<th>□ TIA</th>
<th>□ Schedule</th>
</tr>
</thead>
</table>

1. State requesting Code: __IRS______________

2. Map for which the code is needed *(if applicable)*
   - □ 813
   - □ 826
   - □ XML
   - □ Other ________
   - □ N/A

4. Version of map being used *(if applicable)*
   - □ 3050
   - □ 4010
   - □ 4030
   - □ Other ________
   - □ N/A

5. To which line on your paper return will this code correspond? *Attach a copy of your paper return if applicable.*
   - ____________________________
   - □ N/A

6. What category does the requested code fit in?
   - □ FTA Uniformity not derivable from schedules.
   - □ FTA Uniformity derivable from schedules.
   - □ State Specific not derivable from schedules.
   - □ New Schedule

7. Does another code come close to describing the code being requested? _______________

8. If yes, why won’t the existing code work for your needs?

   ___________________________________________________________________________

9. Proposed description of code: ________________________________________________

   How will the code be used ____________________________________________________

   ___________________________________________________________________________

10. Why is this code needed _____________________________________________________

   ___________________________________________________________________________

11. Date code needed ___________________________________________________________

12. Contact name ______________________________________________________________

   A. Telephone number ________________________________________________________

   B. Address ________________________________________________________________

   C. E-mail address __________________________________________________________

   D. Fax number ____________________________________________________________

   E. Will someone be at the next meeting to discuss this requested code □ Yes □ No

**NOTE:** Submit your FTA Uniformity Summary / TIA / Schedule Code Request Form according to the procedures outlined in Appendix D of the *Motor Fuels Tax Section, Uniformity Project, E-Filing Guide*.

<table>
<thead>
<tr>
<th>Approved By</th>
<th>Date Issued</th>
<th>Code Issued</th>
</tr>
</thead>
</table>

Uniformity Project 117
FTA
Motor Fuel Tax Section

Uniform Forms
FTA Schedules and Subschedules

FTA Motor Fuel Tax Section Uniformity Committee adopted the following schedules and subschedules for use with the uniform forms and schedules.

Immediately following this list, is a complete list of schedules and subschedules showing their intended use and the states that are currently using each schedule and subschedule.

Schedule of Receipts

**Schedule 1**
**Gallons received tax-paid**

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A</td>
<td>Gallons received, originating state tax paid</td>
</tr>
<tr>
<td>1B</td>
<td>Gallons for export, destination state tax paid</td>
</tr>
<tr>
<td>1C</td>
<td>Gallons received tax-paid with a payment voucher</td>
</tr>
<tr>
<td>1D</td>
<td>Gallons received, transfer fee paid</td>
</tr>
<tr>
<td>1E</td>
<td>Gallons imported from another state into taxed storage from a licensed distributor, tax-paid</td>
</tr>
<tr>
<td>1F</td>
<td>Gallons imported from another state into taxed storage from a licensed distributor, tax-paid</td>
</tr>
<tr>
<td>1G</td>
<td>Gallons received tax-paid and shipped directly to the customer</td>
</tr>
<tr>
<td>1H</td>
<td>Gallons received-originating city and county tax paid</td>
</tr>
</tbody>
</table>

**Schedule 2**
**Gallons received from motor fuel licensee tax-unpaid**

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2A</td>
<td>Gallons received from terminals, refineries or distributors, origin tax-unpaid</td>
</tr>
<tr>
<td>2B</td>
<td>Gallons received tax-unpaid, blendable stock</td>
</tr>
<tr>
<td>2C</td>
<td>Gallons received imported, tax-unpaid</td>
</tr>
<tr>
<td>2D</td>
<td>Gallons received using a tax-exempt card/code</td>
</tr>
<tr>
<td>2E</td>
<td>Gallons received for export</td>
</tr>
<tr>
<td>2F</td>
<td>Gallons received tax free (resaler's) and direct shipped to customers</td>
</tr>
<tr>
<td>2G</td>
<td>Gallons received tax-exempt for sale through barricade pumps</td>
</tr>
<tr>
<td>2K</td>
<td>Gallons of nontaxable fuel received and sold or used for a taxable purpose</td>
</tr>
<tr>
<td>2X</td>
<td>Gallons received from suppliers on exchange agreement tax-unpaid</td>
</tr>
</tbody>
</table>

**Schedule 3**
**Gallons imported from another state direct to customer**

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3A</td>
<td>Gallons imported from terminals/refineries</td>
</tr>
<tr>
<td>3B</td>
<td>Gallons imported from bulk storage in another state</td>
</tr>
<tr>
<td>3X</td>
<td>Imports below the terminal rack subject to tax</td>
</tr>
<tr>
<td>3Y</td>
<td>Imports below the terminal rack not subject to tax</td>
</tr>
</tbody>
</table>

**Schedule 4**
**Gallons imported from another state into tax-free storage**

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4A</td>
<td>Gallons imported from another state into taxed storage</td>
</tr>
<tr>
<td>4B</td>
<td>Gallons imported or transferred from in-state storage tax-free into in-state refinery storage</td>
</tr>
</tbody>
</table>
### Schedules of Disbursements

#### Schedule 5
**Gallons delivered tax collected**

| 5A | Gallons sold to non-licensed distributors, retailers or bulk-end users from in-state terminals |
| 5B | Gallons sold to non-licensed distributors, retailers or bulk-end users for imports from ___ |
| 5C | Gallons sold to motor fuel licensee from in-state terminals |
| 5D | Gallons sold to motor fuel licensee for imports from ___ |
| 5E | Gallons sold to bonded importers, occasional importers or tank wagon importers from ___ |
| 5F | Dyed diesel gallons sold for taxable purposes from in-state terminals |
| 5G | Dyed diesel gallons sold for taxable purposes for imports from ___ |
| 5H | Gallons sold as export from in-state terminals, originating tax collected |
| 5I | Border Zone 1 (Missouri) |
| 5J | Border Zone 2 (Oklahoma) |
| 5K | Border Zone 3 (Texas) |
| 5L | Border Zone 4 (Louisiana) |
| 5M | Border Zone 5 (Mississippi) |
| 5N | Border Zone 6 (Tennessee) |
| 5O | Border Zone 7 (Extra) |
| 5P | Border Zone 8 (Extra) |
| 5Q | Gallons used on which tax is remitted |
| 5R | Gallons delivered to Native American Reservation, tax collected |
| 5S | Gallons sold as export from refinery, tax collected |
| 5T | Gallons reported for pool bond amounts |
| 5U | Gallons sold into bulk storage of licensed motor carrier, tax collected |
| 5V | Gallons disbursed tax collected and subject to oil inspection fees |
| 5W | Gallons of untaxed products blended with or added to fuel resulting in a product which is used as or is usable as a taxable fuel |
| 5X | Gallons delivered and partially taxed |
| 5Y | Tax-paid sales to railroads |
| 5Z | Gallons sold for Racing Use-tax collected |
| 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 importer |
| 5AC | Gallons received tax-paid and sold to a licensed supplier |
| 5AD | Gallon sold to licensed retailers |
| 5HW | Aviation fuel converted to highway use |
| 5LO | Fuel distributor subject to local option taxes |
| 5XA | Gallons delivered to an airport and partially taxed |

#### Schedule 6
**Gallons delivered to licensed motor fuel licensee-tax not collected**

<p>| 6A | Gallons sold tax-exempt, customer is a licensed exporter |
| 6B | Gallons sold tax-exempt, customer is a licensed blender |
| 6C | Gallons sold tax-exempt, customer is a licensed importer |
| 6D | Gallons sold tax-exempt to other licensed distributors/suppliers |
| 6E | Gallons sold tax-exempt, customer is a licensed LPG vendor |
| 6F | Gallons sold tax-exempt purposes from in-state terminals |
| 6H | Gallons sold or exchanged tax-free with a qualified refiner |
| 6I | Gallons of undyed fuel sold to licensed importer/tank wagon operator-importer, tax not collected |
| 6J | Gallons delivered tax-free into refinery storage |</p>
<table>
<thead>
<tr>
<th>Schedule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6K</td>
<td>Gallons removed from terminal by supplier</td>
</tr>
<tr>
<td>6P</td>
<td>Gallons sold to suppliers or permissive suppliers, tax not collected</td>
</tr>
<tr>
<td>6R</td>
<td>Gallons from refinery sold or exchanged with qualified refiners</td>
</tr>
<tr>
<td>6V</td>
<td>Gallons disbursed tax not collected and subject to oil inspection fees</td>
</tr>
<tr>
<td>6X</td>
<td>Gallons delivered to suppliers or permissive suppliers on exchange agreements</td>
</tr>
<tr>
<td>6Z</td>
<td>Gallons sold for Racing Use-tax not collected</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Schedule 7</th>
<th>Gallons exported to state of ____________</th>
</tr>
</thead>
<tbody>
<tr>
<td>7A</td>
<td>Gallons exported, destination state tax-paid</td>
</tr>
<tr>
<td>7B</td>
<td>Gallons sold for export, originating state tax-paid</td>
</tr>
<tr>
<td>7C</td>
<td>Gallons for free trade zones</td>
</tr>
<tr>
<td>7D</td>
<td>Gallons exported in bulk</td>
</tr>
<tr>
<td>7E</td>
<td>Gallons sold for export-originating city and/or county tax paid</td>
</tr>
<tr>
<td>7F</td>
<td>Exports of reportable products below the terminal rack</td>
</tr>
<tr>
<td>7R</td>
<td>Gallons exported from refinery storage</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Schedule 8</th>
<th>Gallons delivered to the U.S. Government – tax-exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>8A</td>
<td>Gallons sold to U.S. Government tax-exempt from in-state</td>
</tr>
<tr>
<td>8K</td>
<td>Kerosene sales (information only)</td>
</tr>
<tr>
<td>8R</td>
<td>Gallons sold to U.S. Government tax-exempt from refinery</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Schedule 9</th>
<th>Gallons delivered to state and local government tax-exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>9A</td>
<td>Gallons sold directly to the state from in-state terminals</td>
</tr>
<tr>
<td>9C</td>
<td>Gallons sold directly to local public schools from in-state terminals</td>
</tr>
<tr>
<td>9E</td>
<td>Gallons sold for county, city or town use</td>
</tr>
<tr>
<td>9F</td>
<td>Gallons sold to licensed charter schools</td>
</tr>
<tr>
<td>9G</td>
<td>Gallons sold to community colleges</td>
</tr>
<tr>
<td>9R</td>
<td>Gallons sold to state and local government from refinery</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Schedule 10</th>
<th>Gallons delivered to other tax-exempt entities</th>
</tr>
</thead>
<tbody>
<tr>
<td>10A</td>
<td>Gallons delivered to other tax-exempt entities (farmers and fisherman) or non-highway</td>
</tr>
<tr>
<td>10B</td>
<td>Gallons delivered to tax-exempt licensed general aviation fuel dealers</td>
</tr>
<tr>
<td>10C</td>
<td>Gallons delivered to tax-exempt common carriers for urban mass transportation</td>
</tr>
<tr>
<td>10D</td>
<td>Credit card sales to tax-exempt diplomats and missions by dealers</td>
</tr>
<tr>
<td>10E</td>
<td>Gallons delivered to customers representing uncollectable motor fuel vehicle fuel taxes</td>
</tr>
<tr>
<td>10F</td>
<td>Gallons delivered to tax-free storage</td>
</tr>
<tr>
<td>10G</td>
<td>Gallons of other authorized tax-exempt sales</td>
</tr>
<tr>
<td>10H</td>
<td>Sales to tax-exempt hospitals</td>
</tr>
<tr>
<td>10I</td>
<td>Gallons delivered tax-exempt for farming</td>
</tr>
<tr>
<td>10J</td>
<td>Gallons delivered to consumers or filling stations tax-free</td>
</tr>
<tr>
<td>10K</td>
<td>Gallons delivered to airlines and self use in own aircraft</td>
</tr>
<tr>
<td>10M</td>
<td>Gallons of unenhanced diesel product delivered for manufacturing processing or assembly</td>
</tr>
<tr>
<td>10R</td>
<td>Gallons delivered for use as bunker fuel in vessels</td>
</tr>
<tr>
<td>10T</td>
<td>Gallons delivered to Native American Tribes</td>
</tr>
<tr>
<td>10U</td>
<td>Gallons delivered fees-exempt</td>
</tr>
</tbody>
</table>
10Y Gallons delivered tax-exempt to railroad
10Z Blendstocks removed tax-exempt not in connection with a sale, which will not be used to produce a finished fuel
10AB Blendstocks removed tax-exempt in connection with a sale when the buyer has issued a properly executed exemption certificate stating the blendstocks will not be used to produce a finished fuel
10AC Tax exempt sales in city jurisdiction
10AD Tax exempt sales in county jurisdiction

Schedule 11
Schedule for state diversions

11A Diversion to state of _________________
11B Diversion from state of _________________

Schedule 12
Vendor schedule

12A Gallons of tax-paid product sold or used below the terminal rack
12B Gallons of ex-tax paid product sold or used below the terminal rack
12C Gallons of ending physical inventory of product below the rack

Schedule 13
Schedule of credits and refunds

13A Tax-paid fuel exported Note: This schedule is an exception for the state of California. All other states should use schedule 7.
13B Tax-paid fuel sold to a consulate officer or employee by credit card
13C Tax-paid fuel sold to the United States Government
13D Tax-paid fuel sold for use on farms
13E Tax-paid fuel sold to exempt bus operators
13F Schedule of bad debts
13G Tax-paid fuel sold to train operators
13H Tax-paid fuel sold to state or local government
13J Tax-paid fuel sold tax-free for temperature control units (reefer) and PTO or with exemption certificate or used in an exempt manner
13K Credit or Deduction for Reduced Tax Rate
13L Credit for gallons sold for Racing Use –tax collected
13M Refund or credit for the second tax-paid when tax-paid fuel is removed from a terminal as a second taxable event
13N Refund or credit when tax-paid fuel is used to produce a non-taxable product such as a fuel additive

Schedule 14
Common and Contract Petroleum Products Carrier Report

14A Total of all deliveries of fuels from in-state locations to outside the state (exports)
14B Total of all deliveries of fuels from out-of-state locations to inside the states (imports)
14C Total of all deliveries of fuel between points in the state (intrastate)
14D Carrier Receipt
14E Carrier Deliveries
Schedule 15
Terminal Operator Report

15A Terminal Operator Schedule of Receipts
15B Terminal Operator Schedule of Disbursements
15C Terminal Operator Schedule of Inventories

Schedule 16
Motor Fuel Sales Tax Report

16A Gallons delivered motor fuel sales tax collected
16B Gallons delivered exempt from motor fuel sales tax

Schedule 17
Transloader Operator Report

17A Transloader Operator Schedule of Receipts
17B Transloader Operator Schedule of Disbursements
17C Transloader Operator Schedule of Inventories
FTA Motor Fuel Tax Section Uniformity Committee adopted the following subschedules for use with the uniform forms.

## Schedules of Receipts

### Schedule 1 Gallons Received Tax Paid

<table>
<thead>
<tr>
<th>Gallons received tax paid.</th>
<th>Intended Use:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensee is purchasing tax-paid fuel.</td>
<td></td>
</tr>
</tbody>
</table>

This schedule is used by the following states at this time:
- Alabama
- Colorado
- Idaho
- Indiana - (Special Fuel received into terminal)
- Iowa
- Kansas
- Kentucky
- Maryland
- Nebraska
- Nevada
- New Jersey
- Oregon - (Tax Paid to Supplier)
- Pennsylvania
- Tennessee
- Virginia
- Washington
1A Gallons received, originating state tax-paid.

**Intended Use:**
To report all motor fuel gallons received with the tax-paid to the state. (state in which the return is being filed)

➢ FLORIDA requested this schedule.

This schedule is used by the following states at this time.

➢ Alabama
➢ California
➢ Florida
➢ Indiana – (Gasoline/Oil Inspection Fees-In Tax Paid)
➢ Iowa
➢ Michigan
➢ Missouri
➢ **Oklahoma** - (Terminal in Oklahoma)- Used to show receipt of tax paid fuel purchased at a terminal in Oklahoma for suppliers, bonded importers, occasional importers and tankwagon operators.
➢ South Dakota
➢ Tennessee
➢ Texas
➢ Utah
➢ West Virginia
➢ Wyoming

1B Gallons for export, Destination State tax-paid.

**Intended Use:**
To report all motor fuel gallons exported from a state with the destination state taxes paid.

➢ FLORIDA requested this schedule.

This schedule is used by the following states at this time.

➢ Florida
➢ Missouri - Distributor-gallons received for export –destination state tax and/or fees paid.
➢ **Oklahoma** - (Terminal out of Oklahoma) - Used to show receipt of tax paid fuel purchased at a terminal out of Oklahoma for suppliers, bonded importers, occasional importer and tankwagon operators.
➢ Texas
**1C** Gallons received tax-paid with a payment voucher.

**Intended Use:**
To report all motor fuel gallons imported with the taxes paid using an import voucher system.

This schedule is used by the following states at this time.
- **Alabama**
- **Florida**
- **Missouri** - Distributor-gallons received tax and/or fees paid with an Import payment voucher.
- **Oklahoma** - Used for occasional importers to show they paid tax on a three day permit voucher.

---

**1D** Gallons received, transfer fee paid.

**Intended Use:**
To report all motor fuel gallons received with the transfer fee included in the purchase price.
- **IDAHO** requested this schedule.

This schedule is used by the following states at this time.
- **None at this time**

---

**1E** Gallons imported from another state into taxed storage from a licensed distributor, tax paid.

**Intended Use:**
To report gallons of fuel imported from another state and put into taxed storage.
- **MISSOURI** requested this schedule.

This schedule is used by the following states at this time.
- **Texas**

---

**1F** Gallons received tax-paid and direct shipped to customers.

**Intended Use:**
To report all gallons received tax-paid and shipped directly to the customers.
- **PENNSYLVANIA** requested this schedule.

This schedule is used by the following states at this time.
- **Pennsylvania** - Gallons received tax paid and direct shipped to customers. Note: PA requested this schedule to distinguish tax paid receipts going into inventory from product direct shipped and on which we do not allow a shrinkage allowance.
- **Utah**
- **Wisconsin**
1G Gallons fully taxed but at a reduced rate.

**Intended Use:**
To report all gallons received partially taxed for fuel used for blending.
- **Iowa requested this schedule.**

This schedule is used by the following states at this time.
- **Iowa**

1H Gallons received-originating county and city tax paid.

**Intended Use:**
To report tax paid gallons purchased at the city and county level.
- **Oregon requested this schedule.**

This schedule is used by the following states at this time.
- **Oregon**
## Schedule 2 Gallons Received from Motor Fuel Licensee Tax Unpaid

2 Gallons received from motor fuel licensee tax unpaid.

**Intended Use:**
Licensee is purchasing tax-free fuel.

This schedule is used by the following states at this time:

- Alabama
- Alaska
- Colorado
- Idaho
- Iowa
- Kansas
- Kentucky
- Indiana - (Gasoline Only)
- Maryland
- Michigan
- Montana
- Nebraska
- Nevada
- New Jersey
- Oregon - (Tax not paid to supplier)
- Pennsylvania
- Tennessee
- Virginia
- Washington
2A Gallons received from terminals, refineries or distributors, origin tax-unpaid.

**Intended Uses:**
To report gallons of fuel received tax-free from terminals, refineries or distributors that is taxable.
- **MONTANA** requested this schedule.
- **FLORIDA** requested this schedule.

This schedule is used by the following states at this time.
- Alaska
- Arizona
- California
- **Florida** - Indicates Tax-Free purchases of Taxable Fuels (as opposed to 2B)
- Iowa
- Kentucky
- Michigan
- Minnesota
- Mississippi
- Missouri
- Montana - For our licensed distributors that also have terminals and refineries to report what they are drawing from the pipeline and their terminal
- Nebraska
- New Hampshire
- North Dakota
- South Dakota
- Tennessee
- Utah
- Virginia
- Washington
- West Virginia
- Wyoming
2B Gallons received tax-unpaid blendable stock.

**Intended Use:**
To convert blend stocks to reportable products, convert one product to another.
To show gallons received tax unpaid blend stock.
**FLORIDA requested this schedule.**

This schedule is used by the following states at this time.
- Alabama
- Arizona
- Florida
- Iowa
- Kentucky
- Michigan
- Mississippi
- Missouri - Distributor - gallons received tax unpaid blend stock.
- Utah
- Virginia
- Washington
- Wyoming

2C Gallons received imported, tax-unpaid.

**Intended Use:**
To report imported gallons of tax-free fuel.
**NEBRASKA requested this schedule.**

This schedule is used by the following states at this time.
- Michigan
- Minnesota
- Mississippi
- Tennessee
- Texas
- Utah
- Virginia
- Wyoming

2D Gallons received using a tax-exempt card/code.

**Intended Use:**
Gallons received using a tax exempt card or code.
- VIRGINIA requested this schedule.

This schedule is used by the following states at this time.
- Utah
<table>
<thead>
<tr>
<th>2E</th>
<th>Gallons received for export.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
<td>For licensed exporter to report receipts of fuel for export.</td>
</tr>
<tr>
<td>➢</td>
<td><strong>INDIANA</strong> requested this schedule.</td>
</tr>
<tr>
<td>This schedule is used by the following states at this time.</td>
<td></td>
</tr>
<tr>
<td>➢</td>
<td><strong>Texas</strong></td>
</tr>
<tr>
<td>➢</td>
<td><strong>Utah</strong></td>
</tr>
<tr>
<td>➢</td>
<td><strong>Washington</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2F</th>
<th>Gallons received tax free (Resale’s) and direct shipped to customers.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
<td>To report all tax-free gallons received and direct shipped to customers.</td>
</tr>
<tr>
<td>➢</td>
<td><strong>PENNSYLVANIA</strong> requested this schedule.</td>
</tr>
<tr>
<td>This schedule is used by the following states at this time.</td>
<td></td>
</tr>
<tr>
<td>➢</td>
<td><strong>Indiana</strong></td>
</tr>
<tr>
<td>➢</td>
<td><strong>New Hampshire</strong></td>
</tr>
<tr>
<td>➢</td>
<td><strong>Pennsylvania</strong> - Do not allow handling and shrinkage loss on product received and direct shipped to customers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2G</th>
<th>Gallons received tax-exempt for sale through barricaded pumps</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
<td>To report all gallons received tax-exempt for sale through barricaded pumps.</td>
</tr>
<tr>
<td>➢</td>
<td><strong>MISSOURI</strong> requested this schedule.</td>
</tr>
<tr>
<td>This schedule is used by the following states at this time.</td>
<td></td>
</tr>
<tr>
<td>➢</td>
<td><strong>Missouri</strong> - Missouri-Distributor-Gallons received tax-exempt undyed Kerosene for sale through barricaded pumps</td>
</tr>
<tr>
<td>➢</td>
<td><strong>New Hampshire</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2K</th>
<th>Gallons of nontaxable fuel received and sold or used for a taxable purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
<td>Blenders to report untaxed fuel to be blended.</td>
</tr>
<tr>
<td>➢</td>
<td><strong>INDIANA</strong> requested this schedule.</td>
</tr>
<tr>
<td>This schedule is used by the following states at this time.</td>
<td></td>
</tr>
<tr>
<td>➢</td>
<td><strong>Indiana</strong>- Special Fuel Blenders to report untaxed fuel to be blended with special fuel (Kerosene is not a special fuel in Indiana).</td>
</tr>
<tr>
<td>➢</td>
<td><strong>Utah</strong></td>
</tr>
</tbody>
</table>
2X Gallons received from suppliers on exchange agreement tax unpaid.

**Intended Use:**
To report gallons received per exchange agreement.
- **INDIANA requested this schedule.**

This schedule is used by the following states at this time.
- **Arizona**
- **California**
- **Indiana - Gasoline Distributor** to report receipts received on exchange.
- **Iowa**
- **Michigan**
- **Missouri** – Terminal Operator-gallons received per exchange agreement.
- **Utah**

---

### Schedule 3 Gallons Imported From Another State Direct to Customer

3 Gallons imported from another state direct to customer.

**Intended Use:**
To report tax-free gallons imported direct to the customer.

This schedule is used by the following states at this time.
- **Alaska**
- **Colorado**
- **Idaho**
- **Indiana - (Special Fuel and Gasoline-Tax Unpaid)**
- **Iowa**
- **Kansas**
- **Kentucky**
- **Maryland**
<table>
<thead>
<tr>
<th>State</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missouri</td>
<td>Gallons imported from terminals/refineries</td>
</tr>
<tr>
<td>Montana</td>
<td>Gallons imported from terminals/refineries</td>
</tr>
<tr>
<td>Nebraska</td>
<td>Gallons imported from terminals/refineries</td>
</tr>
<tr>
<td>Nevada</td>
<td>Gallons imported from terminals/refineries</td>
</tr>
<tr>
<td>New Jersey</td>
<td>Gallons imported from terminals/refineries</td>
</tr>
<tr>
<td>Oregon</td>
<td>(Imported directly to customers of delivered into taxable storage)</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>Gallons imported from terminals/refineries</td>
</tr>
<tr>
<td>Tennessee</td>
<td>Gallons imported from terminals/refineries</td>
</tr>
<tr>
<td>Virginia</td>
<td>Gallons imported from terminals/refineries</td>
</tr>
</tbody>
</table>

**3A Intended Use:**

To report gallons imported tax-free by motor fuel licensees.

- WISCONSIN requested this schedule.

This schedule is used by the following states at this time.

- Alaska
- California - Accounts for every ex-tax gallon of diesel fuel, jet fuel, kerosene, gasoline and aviation gasoline imported into California above the terminal rack not subject to tax.
- Florida
- Iowa
- Oklahoma - Gallons imported tax free by supplier (used on the supplier report) Gallons imported tax free or by tankwagon (used on the bonded importer, occasional importer, and tankwagon importer reports) - Used to show receipt of tax free imported fuel or receipt of fuel received tax free by tankwagon.
- Tennessee
- Utah

**3B Intended Use:**

To report all tax-free gallons imported from bulk storage.

- FLORIDA requested this schedule.

This schedule is used by the following states at this time.

- Alabama
- California
- Florida - Tax-free gallons imported in bulk to terminal storage.
- Iowa
- Michigan
- Utah
**3X Imports below the terminal rack subject to tax.**

**Intended Use:**
To report all fuel imported below the terminal rack subject to tax.
- **CALIFORNIA** requested this schedule.

This schedule is used by the following states at this time.
- Arizona
- California – used to report the importing of taxable products (gas & diesel) by truck or railcar.
- Texas

**3Y Imports below the terminal rack not subject to tax.**

**Intended Use:**
To report all fuel imported below the terminal rack subject to tax.
- **CALIFORNIA** requested this schedule.

This schedule is used by the following states at this time.
- California – Used to report the importing of reportable product, non-taxable products such as dyed diesel and ethanol.
- Texas
## Schedule 4 Gallons Imported From Another State Into Tax-Free Storage

4 Gallons imported from another state into tax-free storage

**Intended Use:**
To report all motor fuel gallons imported into the state and put into tax-free storage.

This schedule is used by the following states at this time.
- Colorado
- Indiana - (Gasoline and Special Fuel)
- Maryland
- Nebraska
- Nevada
- New Jersey
- Oregon – (Terminals and Bulk Plants Only)
- Pennsylvania
- Texas
- Virginia

### 4A Gallons imported from another state into taxed storage.

**Intended Use:**
To report all motor fuel gallons imported and put into taxed storage

NEW YORK requested this schedule.

This schedule is used by the following states at this time.
- None at this time

### 4B Gallons imported or transferred from in-state storage tax-free into in-state refinery storage.

**Intended Use:**
To report gallons of fuel that a distributor moves from tax-paid storage to tax-free storage that a refinery is allowed to maintain.

- TENNESSEE requested this schedule.

This schedule is used by the following states at this time.
- Arizona
- Montana
- Tennessee - To allow distributor to move fuel from tax-paid storage to tax-free storage that a refinery is allowed to maintain under Tennessee law.
- Virginia
## Schedules of Disbursements

### Schedule 5 Gallons Delivered Tax Collected

<table>
<thead>
<tr>
<th>5 Gallons delivered tax collected.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
</tr>
<tr>
<td>To report all motor fuel gallons delivered or sold with the taxes collected.</td>
</tr>
</tbody>
</table>

- This schedule is used by the following states at this time.
  - California
  - Colorado
  - Indiana - (Gasoline and Special Fuel)
  - Kansas
  - Kentucky - (LP Dealers only)
  - Maryland
  - Nebraska
  - Nevada
  - New Jersey
  - Oklahoma - Gallons sold tax- paid
  - Oregon - (Subject to Oregon Tax)
  - Pennsylvania
  - South Dakota
  - Utah – Gallons sold to non-federally certified air carriers subject to 9 cent fuel tax rate.

<table>
<thead>
<tr>
<th>5A Gallons sold to non-licensed distributors, retailers or bulk-end users from in-state terminals.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
</tr>
<tr>
<td>To report all motor fuel gallons that are sold to unlicensed taxpayers by terminal location.</td>
</tr>
</tbody>
</table>

- NORTH CAROLINA requested this schedule.

This schedule is used by the following states at this time.

- Alabama
- California
- Florida
- Minnesota
- Missouri - Suppliers-gallons sold from in-state terminals
- New Hampshire
- North Carolina
- North Dakota
- Oklahoma - Gallons removed to Non-Eligible Purchasers - Used to show taxable sales made to Non-Eligible Purchasers.
- South Carolina
- Vermont
- Virginia
- West Virginia
### 5B Gallons sold to non-licensed distributors, retailers or bulk-end users for imports from.

**Intended Use:**
To report gallons of fuel sold to unlicensed taxpayers for imports.

- **NORTH CAROLINA requested this schedule.**

This schedule is used by the following states at this time:
- Florida
- Mississippi
- Missouri - Suppliers-gallons sold for import from state of __________

### 5C Gallons sold to motor fuel licensee from in-state terminals.

**Intended Use:**
To report gallons of fuel sold to licensed motor fuel licensees from in-state terminals.

- **NORTH CAROLINA requested this schedule.**

This schedule is used by the following states at this time:
- Alabama
- Michigan
- North Carolina - This schedule has been combined with schedule 5D.
- Oklahoma - Gallons removed to Eligible Purchasers - Used to show taxable sales made to Eligible Purchasers.(Note: Eligible Purchasers pay at a different tax rate than non-eligible purchasers)
- South Carolina
- Texas
- Utah

### 5D Gallons sold to motor fuel licensee for imports from.

**Intended Use:**
To report gallons of fuel sold to licensed motor fuel licensees for import.

- **NORTH CAROLINA requested this schedule.**

This schedule is used by the following states at this time:
- Kentucky - (Imports on which Supplier collected Kentucky tax)
- Mississippi
- New Hampshire
- Virginia
- West Virginia
### 5E Gallons sold to bonded importers, occasional importers or tank wagon importers from.

**Intended Use:**
To report gallons sold to bonded importers, occasional importers or tank wagon operators with the tax collected.

- NORTH CAROLINA requested this schedule.

This schedule is used by the following states at this time.
- Oklahoma - Gallons removed tax paid for import by a licensed importer - Used to show fuel bought out of state from a licensed supplier in Oklahoma and that the bonded importer, occasional importer or tankwagon importer paid the Oklahoma tax to the supplier.
- South Carolina
- Virginia
- West Virginia

### 5F Dyed diesel gallons sold for taxable purposes from in-state terminals.

**Intended Use:**
To report dyed diesel gallons sold for taxable purposes from in-state terminals.

- NORTH CAROLINA requested this schedule.

This schedule is used by the following states at this time.
- Arizona
- Michigan
- Minnesota
- Mississippi
- Missouri - Supplier - gallons of dyed diesel sold for taxable purpose from in-state terminals (Missouri Tax Collected)
- North Carolina
- West Virginia

### 5G Dyed diesel gallons sold for taxable purposes for imports from

**Intended Use:**
To report taxable gallons of dyed diesel fuel sales for import.

- NORTH CAROLINA requested this schedule.

This schedule is used by the following states at this time.
- Mississippi
- Missouri - Supplier - gallons of dyed diesel sold for taxable purposes for Import from state of _______ (Missouri Tax Collected)
- West Virginia
5H Gallons sold as export from in-state terminals, originating tax collected.

**Intended Use:**
To report all motor fuel gallons sold as taxable sales of export or to report all motor fuel gallons removed or sold tax paid for export.

➢ **NORTH CAROLINA requested this schedule.**

This schedule is used by the following states at this time.

➢ California
➢ Missouri - Supplier-gallons sold for export to the state of ________ destination state tax paid (2 copies)
➢ Oklahoma - Gallons removed tax paid for export by exporter – Used to show that the tax was paid by the exporter for fuel that was exported.
➢ South Carolina
➢ Tennessee
➢ Texas
➢ Utah
➢ Virginia
➢ West Virginia

5I Border Zone 1 (Missouri)

**Intended Use:**
To report gallons of fuel to calculate special tax rates for cities that border with another state.

➢ **ARKANSAS requested this schedule.**

This schedule is used by the following states at this time.

➢ Arkansas - Arkansas law provides a special tax rate for cities that border with another state. The tax rate to be $0.01 cent greater than adjacent state. This has created six additional tax rates for this state.

5J Border Zone 2 (Oklahoma)

**Intended Use:**
To report gallons of fuel to calculate special tax rates for cities that border with another state.

➢ **ARKANSAS requested this schedule.**

This schedule is used by the following states at this time.

➢ Arkansas - Arkansas law provides a special tax rate for cities that border with another state. The tax rate to be $.01 cent greater than adjacent state. This has created six additional tax rates for this state.
### 5K Border Zone 3 (Texas)

**Intended Use:**
To report gallons of fuel to calculate special tax rates for cities that border with another state.

- **ARKANSAS requested this schedule.**

This schedule is used by the following states at this time.

- **Arkansas** - Arkansas law provides a special tax rate for cities that border with another state. The tax rate to be $.01 cent greater than adjacent state. This has created six additional tax rates for this state.

### 5L Border Zone 4 (Louisiana)

**Intended Use:**
To report gallons of fuel to calculate special tax rates for cities that border with another state.

- **ARKANSAS requested this schedule.**

This schedule is used by the following states at this time.

- **Arkansas** - Arkansas law provides a special tax rate for cities that border with another state. The tax rate to be $.01 cent greater than adjacent state. This has created six additional tax rates for this state.

### 5M Border Zone 5 (Mississippi)

**Intended Use:**
To report gallons of fuel to calculate special tax rates for cities that border with another state.

- **ARKANSAS requested this schedule.**

This schedule is used by the following states at this time.

- **Arkansas** - Arkansas law provides a special tax rate for cities that border with another state. The tax rate to be $.01 cent greater than adjacent state. This has created six additional tax rates for this state.

### 5N Border Zone 6 (Tennessee)

**Intended Use:**
To report gallons of fuel to calculate special tax rates for cities that border with another state.

- **ARKANSAS requested this schedule.**

This schedule is used by the following states at this time.

- **Arkansas** - Arkansas law provides a special tax rate for cities that border with another state. The tax rate to be $.01 cent greater than adjacent state. This has created six additional tax rates for this state.
5O Border Zone 7 (Extra)

**Intended Use:**
To report gallons of fuel to calculate special tax rates for cities that border with another state.
➢ **ARKANSAS requested this schedule.**

This schedule is used by the following states at this time.
➢ **None at this time**

5P Border Zone 8 (Extra)

**Intended Use:**
To report gallons of fuel to calculate special tax rates for cities that border with another state.
➢ **ARKANSAS requested this schedule.**

This schedule is used by the following states at this time.
➢ **Minnesota**

5Q Gallons used on which tax is remitted.

**Intended Use:**
To report and distinguish product “used” on which tax is being remitted from product sold and on which tax is being remitted.
➢ **PENNSYLVANIA requested this schedule.**

This schedule is used by the following states at this time.
➢ **Alabama**
➢ **Arizona**
➢ **California**
➢ **Minnesota**
➢ **North Dakota**
➢ **Pennsylvania** - This schedule is used to distinguish product “used” on which tax is being remitted from product sold and on which tax is being remitted. The distinction given the trust fund obligation that Distributors have in PA

5R Gallons delivered to Native American Reservations tax collected.

**Intended Use:**
To report all gallons of fuel delivered to Native American Reservations tax collected.
➢ **MONTANA requested this schedule.**

This schedule is used by the following states at this time.
➢ **Montana** - To account for all fuel to Native American Reservations due to our revenue sharing program.
### 5S Gallons sold as export from refinery (tax collected).

**Intended Use:**

To report gallons sold tax collected as export from refinery.
- **TENNESSEE** requested this schedule.

This schedule is used by the following states at this time
- **Tennessee** - To record shipments from refinery storage for export where sales are made to unlicensed distributors and Tennessee tax must be charged and paid with this return.

### 5T Gallons reported for Pool Bond Amounts.

**Intended Use:**

To report gallons for pool bond amounts.
- **MISSOURI** requested this schedule.

This schedule is used by the following states at this time
- **None at this time**

### 5U Gallons sold into bulk storage of Licensed Motor Carrier tax collected.

**Intended Use:**

To report bulk purchase of fuel by motor carrier.
- **MICHIGAN** requested this schedule.

This schedule is used by the following states at this time
- **None at this time**

### 5V Gallons disbursed tax collected and subject to oil inspection fee

**Intended Use:**

To report gallons disbursed tax collected and subject to oil inspection fees.
- **INDIANA** requested this schedule.

This schedule is used by the following states at this time
- **California**
### 5W Gallons of untaxed products blended with or added to fuel resulting in a product which is used as or is usable as a taxable fuel

**Intended Use:**
To report gallons of untaxed products blended with or added to fuel which results in a taxable fuel.

- **CALIFORNIA requested this schedule.**

This schedule is used by the following states at this time
- Arizona
- California - Accounts for every gallon of untaxed fuel products blended with or added to diesel fuel, gasoline, and aviation gasoline resulting in a product that can be used as diesel fuel, gasoline and aviation gasoline.

### 5X Gallons delivered and partially taxed.

**Intended Use:**
To report gallons of fuel delivered that is partially subject to the tax.

- **WYOMING requested this schedule.**

This schedule is used by the following states at this time
- California
- Georgia - To report gallons delivered tax collected to state and local governments. These entities are exempt from a portion of the prepaid tax.
- Iowa
- North Dakota
- Utah – Gallons sold to federally certified air carriers subject to 4 cent fuel tax rate.
- West Virginia

### 5Y Tax-paid sales to railroads.

**Intended Use:**
To report gallons of tax-paid fuel sold to railroads
- **NORTH DAKOTA requested this schedule.**

This schedule is used by the following states at this time
- North Dakota

### 5Z Gallons sold for Racing Use-tax collected.

**Intended Use:**
To report gallons of tax-paid fuel sold for racing use
- **Michigan requested this schedule.**

This schedule is used by the following states at this time
- Michigan
### 5AA Gallons received tax-paid and sold to an unlicensed distributors, retailers, bulk users and users.

**Intended Use:**
To collect the transactional detail by bill of lading for the gallons received tax-paid and sold to an unlicensed distributors, retailers, bulk users and users.

- Virginia requested this schedule.

This schedule is used by the following states at this time:
- Vermont
- Virginia

### 5AB Gallons received tax-paid and sold to a licensed distributor or importer.

**Intended Use:**
To collect the transactional detail by bill of lading for the gallons received tax-paid and sold to a licensed distributor or importer.

- Virginia requested this schedule.

This schedule is used by the following states at this time:
- New Hampshire
- Virginia

### 5AC Gallons received tax-paid and sold to a licensed supplier.

**Intended Use:**
To collect the transactional detail by bill of lading for the gallons received tax-paid and sold to a licensed supplier.

- Virginia requested this schedule.

This schedule is used by the following states at this time:
- Virginia

### 5AD Gallons sold to licensed retailers.

**Intended Use:**
To report tax paid fuel delivered to retail stations.

- Ohio requested this schedule.

This schedule is used by the following states at this time:
- Ohio
### 5HW  Aviation fuel converted to highway use

**Intended Use:**
To report sales of aviation fuel converted to highway use
- FLORIDA requested this schedule.

This schedule is used by the following states at this time
- Florida

### 5LO  Fuel distributor subject to local option taxes

**Intended Use:**
To report fuel that is subject to local option taxes
- FLORIDA requested this schedule.

This schedule is used by the following states at this time
- Florida
- Oregon

### 5XA  Gallons delivered to an airport and partially taxed.

**Intended Use:**
To report gallons of partially taxed fuel delivered to an airport.
- Utah requested this schedule.

This schedule is used by the following states at this time
- Minnesota
- Utah – To report gallons sold to federally certified air carriers at the Salt Lake International Airport subject to 2.5 cent fuel tax rate.
<table>
<thead>
<tr>
<th>Schedule 6</th>
<th>Gallons Delivered to Licensed Motor Fuel Licensees – Tax Not Collected</th>
</tr>
</thead>
</table>

**6** Gallons delivered to licensed motor fuel licensees-tax not collected.

**Intended Use:**
Gallons delivered to licensee tax-free

This schedule is used by the following states at this time.

- Alaska
- Colorado
- Idaho
- Indiana - (Special Fuel)
- Kansas
- Kentucky
- Maryland
- Montana
- Nebraska
- Nevada
- New Jersey
- Oregon - (Ex-Tax To Licensed Dealers)
- Pennsylvania
- Virginia
- Washington

**6A** Gallons sold tax-exempt, customer is a licensed exporter.

**Intended Use:**
To report gallons sold tax exempt to a licensed exporter.

- NEBRASKA requested this schedule.
- SOUTH DAKOTA requested this schedule.

This schedule is used by the following states at this time.

- Florida
- South Dakota
- Washington
- Wyoming
### 6B Gallons sold tax-exempt, customer is a licensed blender.

**Intended Use:**
To report gallon sold tax-exempt to a licensed blender.
- NEBRASKA requested this schedule.
- SOUTH DAKOTA requested this schedule.

This schedule is used by the following states at this time.
- Florida
- Iowa
- South Dakota
- Wyoming

### 6C Gallons sold tax-exempt, customer is a licensed importer.

**Intended Use:**
To report gallons sold tax-exempt to a licensed importer.
- NEBRASKA requested this schedule.
- SOUTH DAKOTA requested this schedule.

This schedule is used by the following states at this time.
- Florida
- Oklahoma
- South Dakota
- Wyoming

### 6D Gallons sold tax-exempt to other licensed distributors/supplier.

**Intended Use:**
To report gallons sold tax-exempt to other licensees
- IDAHO requested this schedule.
- NORTH CAROLINA requested this schedule.

This schedule is used by the following states at this time.
- Indiana - (Gasoline)
- Mississippi
- South Dakota
- Tennessee
- Utah
- Vermont
- Washington
6E Gallons sold tax-exempt, customer is a licensed LPG vendor.

**Intended Use:**
To report gallons sold tax-exempt to a licensed LPG vendor.
➢ SOUTH DAKOTA requested this schedule.

This schedule is used by the following states at this time.
➢ New Hampshire
➢ South Dakota

6F Gallons sold for tax-exempt purposes from in-state terminals.

**Intended Use:**
To report gallons sold for tax-exempt purposes from in-state terminals
➢ NORTH CAROLINA requested this schedule.

This schedule is used by the following states at this time.
➢ California – Accounts for every gallon of dyed fuel, jet fuel and kerosene removed from a California terminal rack and sold in California. None of the products are subject to the diesel fuel tax.
➢ Iowa
➢ Michigan
➢ Oklahoma - Dyed diesel & dyed heating fuel - Used to show the gallons removed of dyed diesel and dyed heating fuel.
➢ South Carolina
➢ Utah
➢ Virginia
➢ Washington – Gallons sold exempt to IFTA Authorized Carriers.

6H Gallons sold or exchanged tax free with a qualified refiner.

**Intended Use:**
To report gallons sold or exchanged tax free with a qualified refiner.
➢ TENNESSEE requested this schedule.

This schedule is used by the following states at this time.
➢ Oklahoma
➢ South Carolina
➢ Tennessee - To record transactions of tax-free exchanges of gasoline with qualified refiners inside the terminal after first receipt.Virgi
➢ Virginia
6I Gallons of undyed fuel sold to licensed importer/tank wagon operator-importer, tax not precollected.

**Intended Use:**
To report gallons of undyed fuel sold to tax-free to licensed importer/tank wagon-importer.
- **INDIANA requested this schedule.**

This schedule is used by the following states at this time.
- **None at this time.**

6J Gallons delivered tax free into refinery storage.

**Intended Use:**
To report gallons of fuel moved back to a refinery so they can recover a credit on taxes previously charged.
- **TENNESSEE requested this schedule.**

This schedule is used by the following states at this time.
- **Arizona**
- **Tennessee** - Distributors who move fuel back to a refinery so they can recover a credit on taxes previously charged.

6K Gallons removed from terminal by supplier.

**Intended Use:**
To report gallons of fuel the supplier is selling to a distributor at the rack. If the distributor does not report the receipt of the fuel they will be billed the tax.
- **COLORADO requested this schedule.**

This schedule is used by the following states at this time.
- **Colorado** – If the distributor does not report the receipt of the fuel they will be billed the tax.

6P Gallons sold to suppliers or permissive suppliers, tax not precollected.

**Intended Use:**
To report gallons sold for import tax-free to suppliers or permissive suppliers
- **INDIANA requested this schedule.**

This schedule is used by the following states at this time
- **Michigan**
- **Virginia**
### 6R Gallons from refinery sold or exchanged with qualified refiners

**Intended Use:**
To report gallons of tax-free fuel to qualified refiners within the refinery storage facility.
- **TENNESSEE** requested this schedule.

This schedule is used by the following states at this time:
- New Hampshire
- Tennessee - Used by the refinery to record transactions of tax-free fuel to qualified refiners within the refinery storage facility.
- Utah

### 6V Gallons disbursed tax not collected and subject to oil inspection fees

**Intended Use:**
To report gallons disbursed tax not collected and subject to oil inspection fees.
- **INDIANA** requested this schedule.

This schedule is used by the following states at this time:
- None at this time

### 6X Gallons delivered to suppliers or permissive suppliers on exchange agreements.

**Intended Use:**
To report gallons of fuel that was disbursed on exchange.
- **INDIANA** requested this schedule.

This schedule is used by the following states at this time:
- Arizona
- California
- Indiana - Special Fuel and Gasoline for disbursements on exchange.
- Iowa
- Michigan
- Missouri - Terminal Operator-gallons delivered per exchange agreement.
- North Carolina
- Utah

### 6Z Gallons sold for Racing Use-tax not collected.

**Intended Use:**
To report gallons of untaxed fuel that was sold for racing use.
- **Michigan** requested this schedule.

This schedule is used by the following states at this time:
- Michigan
- Washington
7 Gallons exported to state of ____________

**Intended Use:**
To report gallons that were exported.

This schedule is used by the following states at this time.
- Alaska
- California
- Colorado
- Idaho
- Iowa
- Kansas
- Kentucky
- Maryland
- Mississippi
- Montana
- Nebraska
- Nevada
- New Jersey
- Oklahoma - Removals by Supplier for export - Used to show gallons the suppliers exported.
- Pennsylvania
- Oregon
- South Dakota
- Texas
- Virginia
- Washington
7A Gallons exported, Destination State tax-paid.

**Intended Use:**

To report gallons exported, destination state tax-paid.

- **NORTH CAROLINA** requested this schedule.
- **MONTANA** requested this schedule.
- **INDIANA** requested this schedule.

This schedule is used by the following states at this time.

- Alabama
- Alaska
- Florida
- Indiana - Gallons exported destination state tax-paid.
- Missouri - Distributor-gallons exported to state of _______ destination state tax paid (2 copies)
- Montana - To use when small loads of fuel are exported from Montana to bordering jurisdictions and Montana tax has already been paid. This gives our distributors the credit for the tax already paid.
- Oklahoma - Used to show gallons sold tax free to exporters for export.
- South Carolina
- Tennessee
- Texas
- Vermont
- West Virginia
- Wisconsin

7B Gallons sold for export, originating state tax-paid.

**Intended Use:**

To report gallons sold origin state tax paid for export.

- **INDIANA** requested this schedule.

This schedule is used by the following states at this time.

- Alabama
- Arizona
- Florida
- Indiana - Gallons sold for export, originating state tax-paid.
- Missouri - Distributor-gallons exported to state of ______ Missouri tax paid (2 copies)
- Montana
- Oklahoma - Used show gallons sold tax-paid to exporters for export.
- South Carolina
- Tennessee
- Texas
- Utah
- Vermont
- West Virginia
### 7C Gallons for free trade zones.

**Intended Use:**

To report gallons of fuel delivered to free trade zones.

- **Florida** requested this schedule.

This schedule is used by the following states at this time:
- Florida - To track gallons delivered to free trade zones
- Mississippi
- West Virginia

### 7D Gallons exported in bulk.

**Intended Use:**

To report gallons of fuel exported in bulk.

- **Florida** requested this schedule.

This schedule is used by the following states at this time:
- California - Accounts for every gallon of ex-tax diesel fuel, jet fuel, kerosene, gasoline and aviation gasoline exported above the terminal rack not subject to tax.
- Florida - To track gallons transferred to bulk storage
- Minnesota
- Utah

### 7E Gallons sold for export-originating city and/or county tax paid.

**Intended Use:**

To report tax paid gallons of fuel exported from city and county jurisdictions.

- Oregon requested this schedule.

This schedule is used by the following states at this time:
- Oregon
- Tennessee

### 7F Exports of reportable products below the terminal rack.

**Intended Use:**

To report every gallon of dyed diesel fuel and/or other reportable or accountable fuel exported below the terminal rack.

- **California** requested this schedule.

This schedule is used by the following states at this time:
- California - Accounts for every gallon of dyed diesel fuel, jet fuel, kerosene exported below the terminal rack
- New Hampshire
- Washington
### 7R Gallons exported from refinery storage

**Intended Use:** To report gallons that a refinery exported without paying an export fee.

- TENNESSEE requested this schedule.

This schedule is used by the following states at this time.

- **Tennessee** - Used to record exports from refinery storage. Tennessee allows refineries to export fuel without paying the export fee. Must be separately detailed for fee purposes.
- **Utah**
# Schedule 8
**Gallons Delivered to US Government – Tax Exempt**

8 Gallons delivered to US Government –tax exempt

**Intended Use:**
To report tax-exempt gallons of motor fuel delivered or sold to the US Government.

This schedule is used by the following states at this time:
- Alabama
- California
- Indiana
- Kansas
- Kentucky
- Maryland
- Michigan
- Missouri
- Montana
- Nevada
- New Jersey
- North Carolina
- Oklahoma - Gallons removed for U.S. Government Sales - Used to show exempt sales made to the U.S. Government by Suppliers, Bonded Importers and Tankwagon Operators.
- Oregon
- Pennsylvania
- South Carolina
- South Dakota
- Tennessee
- Virginia

8A Gallons sold to U.S. Government tax-exempt from In-State.

**Intended Use:**
To report tax-exempt gallons of motor fuel sold to the US Government from in-state terminals.
- NORTH CAROLINA requested this schedule.

This schedule is used by the following states at this time:
- Florida
- Texas
- Wisconsin
**8K Kerosene sales (information only)**

**Intended Use:**
To report gallons of kerosene sold for non-taxable purposes.
- **INDIANA** requested this schedule.

This schedule is used by the following states at this time.
- **Indiana** - Special Fuel-Kerosene sold for non-taxable purpose.

**8R Gallons sold to U.S. Government tax-exempt from refinery.**

**Intended Use:**
To report gallons of fuel by the refineries that are sold to government agencies where tax never accrues on the fuel unlike sales to agency accounts.
- **TENNESSEE** requested this schedule.

This schedule is used by the following states at this time
- **Minnesota**
- **Tennessee** - Used by the refineries to record sales of fuel to government agencies where tax never accrues on the fuel unlike distributors sales to agency accounts.
- **Utah**
Schedule 9
Gallons Delivered to State & Local Government Tax-Exempt

9  Gallons delivered to state & local government tax exempt

**Intended Use:**
To report tax-exempt gallons delivered to state & local governments

This schedule is used by the following states at this time.
- Colorado
- Idaho
- Kansas
- Kentucky - (Non-highway use only)
- Maryland
- Michigan
- Nevada
- New Jersey
- Pennsylvania
- Tennessee
- Virginia

9A Gallons sold directly to the state from in-state terminals.

**Intended Use:**
To report gallons sold directly from in-state terminals to state and local government.

- NORTH CAROLINA requested this schedule.

This schedule is used by the following states at this time.
- North Carolina

9C Gallons sold directly to local public schools from in-state terminals.

**Intended Use:**
To report gallons sold directly from in-state terminals to local public schools.

- NORTH CAROLINA requested this schedule.

This schedule is used by the following states at this time.
- Alabama
- South Carolina
- Texas
### 9E Gallons sold for county, city or town use.

**Intended Use:**
To report gallons sold for county, city or town use.
- NORTH CAROLINA requested this schedule.

This schedule is used by the following states at this time.
- Alabama

### 9F Gallons sold to Licensed Charter Schools.

**Intended Use:**
To report gallons sold to Licensed Charter Schools.
- NORTH CAROLINA requested this schedule.

This schedule is used by the following states at this time.
- New Hampshire

### 9G Gallons sold to Community Colleges.

**Intended Use:**
To report gallons sold to Community Colleges
- NORTH CAROLINA requested this schedule.

This schedule is used by the following states at this time.
- North Carolina - NC has a new exemption which we must track. This product also is subject to our inspection taxes and has to be isolated from other sales.

### 9R Gallons sold to state and local government from refinery.

**Intended Use:**
To report gallons of fuel by the refineries that are sold to state and local government agencies where tax never accrues on the fuel unlike distributors sales to agency accounts.
- TENNESSEE requested this schedule.

This schedule is used by the following states at this time.
- Tennessee - Used by the refineries to record sales of fuel to state and local gov. agencies where tax never accrues on the fuel unlike distributors sales to agency accounts.
## Schedule 10 Gallons Delivered To Other Tax-Exempt Entities

### 10 Gallons delivered to other tax-exempt entities.

**Intended Use:**
To report tax-exempt gallons delivered to other tax-exempt entities other than US Government or State & Local Government.

This schedule is used by the following states at this time.
- **Colorado**
- **Indiana** - (Special Fuel for sales of dyed fuel)
- **Kansas**
- **Kentucky** - (LP Dealers only)
- **Maryland**
- **Missouri** - Supplier-gallons delivered to other tax exempt entities. (Airlines, Railroads and Barges)
- **Montana**
- **Nebraska**
- **Nevada**
- **New Jersey**
- **Oklahoma** - Gallons removed for other exempt entities – Used to show exempt entity sales made by Suppliers, Bonded Importers and Tankwagon Operators.
- **Pennsylvania**
- **South Dakota**

### 10A Gallons delivered to other tax-exempt entities (farmers and fisherman) or non-highway.

**Intended Use:**
To report gallons of tax-exempt fuel sold for off-road use.
- **WIISCONSIN requested this schedule.**

This schedule is used by the following states at this time.
- **Alabama**
- **Arkansas**
- **California**
- **Indiana** - (Sales to licensed Marina Dealers)
- **Kentucky** – (Other non-highway use sold to an approved permit holder)
- **Mississippi**
- **North Dakota**
- **Tennessee**
- **Texas**
- **Vermont**
- **Wisconsin**
### 10B Gallons delivered to tax-exempt licensed general aviation fuel dealers.

**Intended Use:**
To report tax-exempt gallons sold for aviation use.

- **WISCONSIN** requested this schedule.

This schedule is used by the following states at this time:
- Alabama
- Arkansas
- California
- Florida
- Indiana - (Sales to licensed aviation dealers)
- Michigan
- Mississippi
- New Hampshire
- Ohio
- South Carolina
- Texas
- Wisconsin

### 10C Gallons delivered to tax-exempt common carriers for urban mass transportation.

**Intended Use:**
To report tax-exempt gallons of fuel sold to urban mass transit.

- **WISCONSIN** requested this schedule.

This schedule is used by the following states at this time:
- California - Accounts for every gallon of ex-tax diesel fuel, dyed diesel fuel, jet fuel, and kerosene removed from a California terminal rack and sold tax exempt to a person that owns, operates, or controls an exempt bus operation and who is registered with the Board of Equalization as an exempt bus operator.
- Washington
- Wisconsin

### 10D Credit card sales to tax-exempt diplomats and missions by dealers.

**Intended Use:**
To report gallons of tax-exempt gallons of fuel sold to diplomats and missions by dealers.

- **MISSOURI** requested this schedule.

This schedule is used by the following states at this time:
- Missouri - Supplier-Credit Cards Sales to US Government
- Oregon
- Washington
### 10E Gallons delivered to customers representing uncollectable motor fuel vehicle fuel taxes.

**Intended Use:**

To report gallons of uncollected fuel taxes.

- **WISCONSIN requested this schedule.**

This schedule is used by the following states at this time.

- Indiana - (Uncollectable bad debt)
- Iowa
- Tennessee
- Wisconsin - Sales representing uncollectible fuel taxes.

### 10F Gallons delivered to tax-free storage.

**Intended Use:**

To report gallons delivered tax exempt to tax-free storage

- **WISCONSIN requested this schedule.**

This schedule is used by the following states at this time.

- Michigan - uses this for reporting alcohol delivered into tax-free terminal storage.
- North Dakota
- Utah
- Washington

### 10G Gallons of other authorized tax-exempt sales.

**Intended Use:**

To report gallons sold tax-exempt for trains and other authorized exempt sales.

- **WISCONSIN requested this schedule.**

This schedule is used by the following states at this time.

- Arkansa
- California
- Kentucky – (Non-highway used sold to a qualifying resident non-profit religious, charitable, or educational organization)
- Michigan - uses this sub-schedule for tax free sales to non-profit, private, parochial, or non-denominational school, college, or university used in transportation of students for authorized functions.
- Minnesota
- Missouri - Distributor –gallons of other authorized tax exempt sales (Alcohol only)
- North Dakota
- South Carolina
- Utah
- Washington
- Wisconsin - Exempt for trains
10H Sales to tax-exempt hospitals.

**Intended Use:**
To report tax-exempt gallons sold to hospitals.
- NEW YORK requested this schedule.

This schedule is used by the following states at this time.
- Arkansas
- Wisconsin - exempt for heating oil

10I Gallons delivered tax-exempt for farming.

**Intended Use:**
To report tax-exempt gallons sold for farming purposes.

This schedule is used by the following states at this time.
- California - This schedule accounts for every gallon of ex-tax diesel fuel, dyed diesel fuel, jet fuel, and kerosene removed from a California terminal rack and sold tax exempt to a person who uses the fuel on a farm for farming purposes.
- Kentucky – (Non-highway use sold to agricultural use permit holder)

10J Gallons delivered to consumers or filling stations tax-free.

**Intended Use:**
To report tax-free gallons of undyed kerosene delivered to filling stations.
- MISSOURI requested this schedule.

This schedule is used by the following states at this time.
- Kentucky – gallons of Residential Heating fuel delivered consumers tax-free.
- Missouri - Distributor –gallons of undyed Kerosene delivered to filling stations (Barricaded pumps only)
- Utah

10K Gallons delivered to airlines and self use in own aircraft.

**Intended Use:**
To report tax-exempt gallons delivered to airlines and for own use in aircraft.
- MISSOURI requested this schedule.

This schedule is used by the following states at this time.
- California
- Missouri - Distributor-gallons delivered to airlines
- Washington
<table>
<thead>
<tr>
<th>Schedule</th>
<th>Description</th>
<th>Intended Use</th>
<th>Supported States</th>
</tr>
</thead>
<tbody>
<tr>
<td>10M</td>
<td>Gallons of unenhanced diesel product delivered for manufacturing processing or assembly.</td>
<td>To report tax-free sales made to industrial processing resellers or industrial process end users.</td>
<td>Michigan requested this schedule.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>This schedule is used by the following states at this time.</td>
</tr>
<tr>
<td>10R</td>
<td>Gallons delivered for use as bunker fuel in vessels.</td>
<td>To report tax-exempt gallons of fuel delivered for use as bunker fuel in vessels.</td>
<td>Missouri requested this schedule.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>This schedule is used by the following states at this time.</td>
</tr>
<tr>
<td>10T</td>
<td>Gallons delivered to Native American Tribes</td>
<td>To report tax-exempt gallons of fuel delivered for Native American tribal use</td>
<td>Oklahoma requested this schedule.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>This schedule is used by the following states at this time.</td>
</tr>
<tr>
<td>10 U</td>
<td>Gallons delivered fees-exempt</td>
<td>To report gallons delivered fees-exempt</td>
<td>Idaho requested this schedule.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>This schedule is used by the following states at this time.</td>
</tr>
</tbody>
</table>
### 10Y Gallons delivered tax-exempt to railroad.

**Intended Use:**
To report tax-exempt gallons sold to railroads.

- **MONTANA requested this schedule.**

This schedule is used by the following states at this time:

- **California** - Accounts for every gallon of ex-tax diesel fuel, dyed diesel fuel, jet fuel, kerosene, gasoline, aviation gasoline removed from a California terminal rack and sold tax exempt to a train operator who is registered with the Board of Equalization as a train operator.
- **Kentucky** – (Non-highway use only)
- **Mississippi**
- **Missouri** - Distributor-gallons delivered to railroads.
- **Montana** - So gallons are separated out for easier access to refund the railroads for gasoline and clear diesel tax. Also this information is used to prepare the FHWA report.

### 10Z Blendstocks removed tax exempt not in connection with a sale, which will not be used to produce a finished fuel.

**Intended Use:**
To report tax-exempt gallons of blendstocks removed from the terminal rack which will be used to produce a product other than a finished fuel.

- **CALIFORNIA requested this schedule.**

This schedule is used by the following states at this time:

- **Alabama**
- **California** - Accounts for every gallon of tax-exempt gasoline blendstocks removed from the terminal rack by you, which will be used to produce a product, other than finished gasoline.

### 10AB Blendstocks removed tax exempt in connection with a sale when the buyer has issued a properly executed exemption certificate stating the blendstocks will not be used to produce finished fuel.

**Intended Use:**
To report tax-exempt gallons of blendstocks removed from the terminal rack when an exemption certificate was presented by the buyer, stating that the blendstocks will not be used to produce a finished product.

- **CALIFORNIA requested this schedule.**

This schedule is used by the following states at this time:

- **California** - Accounts for every gallon of tax-exempt gasoline blendstocks removed from the terminal rack when an exemption certificate was presented by the buyer stating that the blendstocks will not be used to produce a finished gasoline product.
### 10AC Tax exempt sales in city jurisdiction.

**Intended Use:**
To report tax-exempt gallons sold in local jurisdiction at the city level.
- Oregon requested this schedule.

This schedule is used by the following states at this time.
- Oregon.

### 10AD Tax exempt sales in county jurisdiction.

**Intended Use:**
To report tax-exempt gallons sold in local jurisdiction at the county level.
- Oregon requested this schedule.

This schedule is used by the following states at this time.
- Oregon.
### Schedule 11 Schedule of State Diversions

<table>
<thead>
<tr>
<th>Schedule 11</th>
<th>Schedule of State Diversions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
<td>To report fuel that was diverted from one state to another.</td>
</tr>
<tr>
<td>This schedule is used by the following states at this time</td>
<td></td>
</tr>
<tr>
<td>➢ <strong>Indiana</strong> - (Special Fuel)</td>
<td></td>
</tr>
<tr>
<td>➢ <strong>Oklahoma</strong> - Schedule 11 - State Diversion Corrections - This schedule is used for suppliers to show that fuel was diverted.</td>
<td></td>
</tr>
<tr>
<td>➢ <strong>Texas</strong></td>
<td></td>
</tr>
</tbody>
</table>

| **11A Diversion to State of ____________** | |
| **Intended Use:** | To report fuel that was diverted to a different destination than is indicated on the shipping documents when removed from the terminal rack. **Note:** This subschedule would be used for credit due for the diverted fuel. |
| This schedule is used by the following states at this time | |
| ➢ **Alabama** | |
| ➢ **Iowa** | |
| ➢ **Michigan** | |
| ➢ **Texas** | |
| ➢ **West Virginia** | |

| **11B Diversion from State of ____________** | |
| **Intended Use:** | To report fuel that was diverted to a different destination than is indicated on the shipping documents when removed from the terminal rack. **Note:** This subschedule would be for taxes due for the diverted fuel. |
| This schedule is used by the following states at this time | |
| ➢ **Alabama** | |
| ➢ **Iowa** | |
| ➢ **Michigan** | |
| ➢ **Texas** | |
| ➢ **Virginia** | |
**Schedule 12 Vendor Schedule**

<table>
<thead>
<tr>
<th>12</th>
<th>Vendor schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
<td>Used as a summary schedule to show credits for exports, sales to the federal government, conversion of aviation fuel and kerosene to highway use, kerosene sold for home heating, sales of undyed diesel to farmers, etc.</td>
</tr>
<tr>
<td>➢</td>
<td>FLORIDA requested this schedule.</td>
</tr>
</tbody>
</table>

This schedule is used by the following states at this time

- Florida - Ultimate vendor credits.

<table>
<thead>
<tr>
<th>12A</th>
<th>Gallons of tax-paid product sold or used below the terminal rack</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
<td>To capture the sale of tax-paid fuel to customers with tax collected.</td>
</tr>
<tr>
<td>➢</td>
<td>CALIFORNIA requested this schedule.</td>
</tr>
</tbody>
</table>

This schedule is used by the following states at this time

- California
- Washington

<table>
<thead>
<tr>
<th>12B</th>
<th>Gallons of ex tax-paid product sold or used below the terminal rack</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
<td>To capture the sale of fuel acquired without tax which is primarily dyed diesel fuel.</td>
</tr>
<tr>
<td>➢</td>
<td>CALIFORNIA requested this schedule.</td>
</tr>
</tbody>
</table>

This schedule is used by the following states at this time

- California

<table>
<thead>
<tr>
<th>12C</th>
<th>Gallons of ending physical inventory of product below the rack</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
<td>Basically used as an ending inventory schedule.</td>
</tr>
<tr>
<td>➢</td>
<td>CALIFORNIA requested this schedule.</td>
</tr>
<tr>
<td>➢</td>
<td>This schedule is used by the following states at this time</td>
</tr>
<tr>
<td>➢</td>
<td>California</td>
</tr>
<tr>
<td>➢</td>
<td>Washington</td>
</tr>
</tbody>
</table>
### Schedule 13 Schedule of Credits and Refunds

<table>
<thead>
<tr>
<th>13A Tax-paid fuel exported</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Note:</strong> This schedule is an exception for the state of California. All other states should use Schedule 7</td>
</tr>
<tr>
<td><strong>Intended Use:</strong></td>
</tr>
<tr>
<td>To report all tax-paid gallons of fuel exported below the terminal rack.</td>
</tr>
<tr>
<td>➢ <strong>CALIFORNIA requested this schedule.</strong></td>
</tr>
</tbody>
</table>

This schedule is used by the following states at this time.  
➢ California - Accounts for every gallon of tax-paid diesel fuel and motor vehicle fuel exported below the terminal rack out of California.  
➢ Minnesota

<table>
<thead>
<tr>
<th>13B Tax-paid fuel sold to a consulate officer or employee by credit card</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
</tr>
<tr>
<td>To report all tax-paid gallons of fuel sold to a consulate officer or employee by credit card.</td>
</tr>
<tr>
<td>➢ <strong>CALIFORNIA requested this schedule.</strong></td>
</tr>
</tbody>
</table>

This schedule is used by the following states at this time.  
➢ California - Accounts for every gallon of tax-paid diesel fuel and motor vehicle fuel sold exempt below the California terminal rack to a consulate officer or employee by credit card.

<table>
<thead>
<tr>
<th>13C Tax-paid fuel sold to the United States Government</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intended Use:</strong></td>
</tr>
<tr>
<td>To report all tax-paid gallons of fuel sold to the United States Government</td>
</tr>
<tr>
<td>➢ <strong>CALIFORNIA requested this schedule.</strong></td>
</tr>
</tbody>
</table>

This schedule is used by the following states at this time.  
➢ California - Accounts for every gallon of tax-paid diesel fuel sold exempt below the California terminal rack to the United States Government  
➢ Michigan  
➢ Minnesota  
➢ Nebraska
13D Tax-paid fuel sold for use on farms

**Intended Use:**
To report all tax-paid gallons of fuel sold for use on farms.

- **CALIFORNIA** requested this schedule.

This schedule is used by the following states at this time.
- **California** - Accounts for every gallon of tax-paid diesel fuel sold exempt below the California terminal rack to a person who uses the fuel on a farm for farming purposes.
- **Minnesota**

13E Tax-Paid fuel sold to exempt bus operators

**Intended Use:**
To report tax-paid gallons of fuel sold to exempt bus operators.

- **CALIFORNIA** requested this schedule.

This schedule is used by the following states at this time.
- **California** - Accounts for every gallon of tax-paid diesel fuel sold exempt below the California terminal rack to a person that owns, operates, or controls an exempt bus operation and who is registered with the Board of Equalization as an exempt bus operator.

13F Schedule of Bad Debts

**Intended Use:**
To report bad debt sales by suppliers to qualifying tax deferred customers.

- **Florida** requested this schedule.

This schedule is used by the following states at this time.
- **Michigan**
- **Texas**

13G Tax-paid fuel sold to train operators

**Intended Use:**
To report tax-paid gallons of fuel sold to train operators

- **CALIFORNIA** requested this schedule.

This schedule is used by the following states at this time.
- **California** - Accounts for every gallon of tax-paid diesel fuel sold exempt below the California terminal rack to a person who is registered with the Board of Equalization as a train operator.
**13H** Tax-paid fuel sold to state or local government

*Intended Use:*
To report gallons of fuel sold by credit cards to state or local government
- **MICHIGAN** requested this schedule.

This schedule is used by the following states at this time.
- **Florida**
- **Michigan** - To allow deduction for credit card sales made to state and local governmental entities.
- **Mississippi**

**13J** Tax-paid fuel sold tax-free for temperature control units (reefer) and PTO or with exemption certificate or used in an exempt manner

*Intended Use:*
To report gallons of tax-paid fuel being sold without the tax to receive credit
- **NEBRASKA** requested this schedule.

This schedule is used by the following states at this time.
- **Nebraska**
- **California** – Used to claim a credit or refund for tax-paid fuel used in a non-taxable manner, such as off-highway or the operation of a PTO.

**13K** Credit or Deduction for Reduced Tax Rate.

*Intended Use:*
To report gallons of fully taxed product but a credit is given for a lower tax rate.
- **Kansas** requested this schedule.

This schedule is used by the following states at this time.
- **Kansas** – To account for the credit given to E85.

**13L** Credit for gallons sold for Racing Use-tax collected.

*Intended Use:*
To report tax-paid gallons sold for racing use.
- **Michigan** requested this schedule.

This schedule is used by the following states at this time.
- **New Hampshire**
### 13M
Refund or credit for the second tax paid when tax-paid fuel is removed from a terminal as a second taxable event.

**Intended Use:**
To report tax-paid gallons sold for racing use.
- California requested this schedule.

This schedule is used by the following states at this time.
- California

### 13N
Tax-paid fuel used to produce a nontaxable product such as a fuel additive.

**Intended Use:**
To report tax-paid gallons sold for racing use.
- California requested this schedule.

This schedule is used by the following states at this time.
- California
### Schedule 14 Common and Contract Petroleum Products Carrier Report

#### 14 Common and Contract Petroleum Products Carrier Report

**Intended Use:**
This report gives the states full accountability of all accountable product/motor fuel moving by truck, rail, pipeline, barge, ship or other conveyance. It gives the states an independent source of information that can be used to verify the transactions reported by taxpayers.

#### 14A Total of all deliveries of fuel from in-state locations to outside the state (exports)

**Intended Use:**
To report total gallons of accountable product/motor fuel loaded at an in-state terminal or bulk plant facility and exported to another state.

This schedule is used by the following states at this time:
- Alabama
- Indiana
- Iowa
- Michigan
- New Jersey
- South Carolina

#### 14B Total of all deliveries of fuel from out-of-state locations to inside the states (imports)

**Intended Use:**
To report total gallons of accountable product/motor fuel loaded at an out-of-state terminal or bulk plant facility and imported into another state.

This schedule is used by the following states at this time:
- Alabama
- Iowa
- Michigan
- New Jersey
- South Carolina
- Virginia
### 14C Total of all deliveries of fuel between points in the state (intrastate)

**Intended Use:**
To report total gallons of accountable product/motor fuel loaded at an in-state terminal or bulk plant facility and delivered in-state.

This schedule is used by the following states at this time.
- Alabama
- Indiana
- Michigan
- New Jersey
- South Carolina

### 14D Carrier Receipts

**Intended Use:**
To report carrier receipts above the rack.
- Internal Revenue Service requested this schedule.

This schedule is used by the following states at this time.
- California
- Florida
- Iowa
- New Hampshire

### 14E Carrier Deliveries

**Intended Use:**
To report carrier deliveries above the rack and below the rack.
- Internal Revenue Service requested this schedule.

This schedule is used by the following states at this time.
- California
- Florida
- Iowa
15 Terminal Operator Report

**Intended Use:**
This report gives the states full accountability of all accountable product/motor fuel moving through a terminal. It gives the states an independent source of information that can be used to verify the transactions reported by taxpayers.

15A Terminal Operator Schedule of Receipts

**Intended Use:**
To report each receipt of accountable product/motor fuel into a terminal.

This schedule is used by the following states at this time.
- Florida
- Idaho
- Indiana
- Iowa
- Michigan
- Minnesota
- New Hampshire
- New Jersey
- Oklahoma
- South Carolina
- Virginia

15B Terminal Operator Schedule of Disbursements

**Intended Use:**
To report each removal of accountable product/motor fuel from a terminal.

This schedule is used by the following states at this time.
- Alabama
- California
- Idaho
- Indiana
- Iowa
- Michigan
- Minnesota
- New Jersey
- Oklahoma
- South Carolina
- Virginia
### Terminal Operator Schedule of Inventories

**Intended Use:**
To report detail ownership of accountable product/motor fuel in a terminal by a position holder.

This schedule is used by the following states at this time:
- Alabama
- California
- Indiana
- Iowa
- Oklahoma
- Virginia
16 Motor Fuel Sales Tax Report

**Intended Use:**
This report gives the states full accountability of all accountable product/motor fuel that is subject to sales tax.

16A Gallons delivered motor fuel sales tax collected

**Intended Use:**
To report gallons delivered sales tax collected.

This schedule is used by the following states at this time.
➢ Florida

16B Gallons delivered exempt from motor fuel sales tax

**Intended Use:**
To report gallons delivered exempt from sales tax.

This schedule is used by the following states at this time.
➢ Florida
<table>
<thead>
<tr>
<th>Schedule 17 Transloader Operator Report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>17 Transloader Operator Report</strong></td>
</tr>
<tr>
<td><strong>Intended Use:</strong></td>
</tr>
<tr>
<td>This report gives the states full accountability of all accountable product/motor fuel products moving through a stationary or portable transloader. It gives the state an independent source of accountable product/motor fuel information that can be used to verify the transactions reported by taxpayers.</td>
</tr>
</tbody>
</table>

| **17A Transloader Operator Schedule of Receipts** |
| Intended Use: To report each receipt of accountable product/motor fuel into a transloader. |
| This schedule is used by the following states at this time. |

| **17B Transloader Operator Schedule of Disbursements** |
| Intended Use: To report each removal of accountable product/motor fuel from a railcar through a transloader. |
| This schedule is used by the following states at this time. |

| **17C Transloader Operator Schedule of Inventories** |
| Intended Use: To report detail ownership of accountable product/motor fuel in a transloader by a position holder. |
| This schedule is used by the following states at this time. |
FTA Product Codes
FTA Motor Fuel Tax Section Uniformity Committee
Product Codes for Uniform Forms

Procedures for additions/deletions/modifications

In order to promote consistency and uniformity in the implementation of Motor Fuel Tax Reporting, the Uniformity Committee has developed a listing of FTA Product Codes to be used for the uniform report forms.

Anyone needing a product code not on this list should follow the procedures outlined below:
The State Tax Administrator or Fuel Industry should submit the request to the current Forms Management Subcommittee state co-chair detailing the information using the FTA -Motor Fuel Uniformity Committee-Uniform Reporting Subcommittee Request Form for Product Code. (see next page for form) The form may be submitted through e-mail or regular mail. The request includes the following:

1. The name and description of the product(s).
2. Provide product characteristics. Include an explanation of the product code and why existing product codes do not meet your needs. It is recommended a representative of your state, knowledgeable of this topic, attend the Forms Management subcommittee meeting where this will be discussed.
3. The date the product code is needed.

The current Forms Management state co-chair, upon receipt of the written request, shall take the following actions:

1. Review the most current listing of FTA product codes to determine if the requested product code already exists. If a new number is needed, the Forms Management state co-chair will assign the new product code.
2. Distribute copies to Forms Management Subcommittee members for review and discussion.
3. Place the proposed addition/deletion/modification on the agenda of the next Uniformity Committee Meeting for formal adoption. It is highly recommended that the requestor be present for any discussion regarding the adoption of the requested product code.
4. If the proposed addition/deletion/modification is adopted, revise the FTA Product Code List.
5. If the proposed addition/deletion/modification is not approved, inform the requesting administrator of the reasons for the rejection and the proper product code number to be used.

If a product code must be assigned before the above mentioned approval process can be completed, the state co-chair person may assign a product code number temporarily. This product code number will be reviewed for adoption at the next Forms Management meeting. To receive a product code number before the next Uniformity Meeting, follow these steps:

2. Submit the request to the Forms Management Subcommittee state co-chair.
3. The Forms Management Subcommittee state co-chair will evaluate the request and respond to the requestor within one week of the receipt of the request.
### Request Form for Product Code

**Date Requested:**

Name of Product: __________
Description of Product: _______________________________________

**Product Characteristics:** Mark all that pertain to product.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cetane/octane</td>
<td>____</td>
</tr>
<tr>
<td>Oxygenated/rbob type</td>
<td>____</td>
</tr>
<tr>
<td>Oxygenate percent % v</td>
<td>____</td>
</tr>
<tr>
<td>Additized</td>
<td>____</td>
</tr>
<tr>
<td>Rvp percentage</td>
<td>____</td>
</tr>
<tr>
<td>Regulatory oxy %</td>
<td>____</td>
</tr>
<tr>
<td>Voc 10</td>
<td>____</td>
</tr>
<tr>
<td>Fungible/serge (f/s)</td>
<td>____</td>
</tr>
<tr>
<td>Dyes 12</td>
<td>____</td>
</tr>
<tr>
<td>Sulfur content</td>
<td>____</td>
</tr>
<tr>
<td>Am</td>
<td>____</td>
</tr>
<tr>
<td>M1</td>
<td>____</td>
</tr>
<tr>
<td>M2</td>
<td>____</td>
</tr>
<tr>
<td>M4</td>
<td>____</td>
</tr>
<tr>
<td>M5</td>
<td>____</td>
</tr>
<tr>
<td>M6</td>
<td>____</td>
</tr>
<tr>
<td>M7</td>
<td>____</td>
</tr>
<tr>
<td>M8</td>
<td>____</td>
</tr>
<tr>
<td>M9</td>
<td>____</td>
</tr>
<tr>
<td>M10</td>
<td>____</td>
</tr>
<tr>
<td>M11</td>
<td>____</td>
</tr>
<tr>
<td>M12</td>
<td>____</td>
</tr>
</tbody>
</table>

Additional Comments: _______________________________________

_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________

Contact Name: _________________________________________________
Contact Phone: _________________________________________________
Contact Fax: _________________________________________________

Uniform Forms Co Chairs
State: ________________ Date Issued: _________________________
State Co Chair Phone: ________________
Industry: ________________ Product Code Approved: __________
Industry Co Chair Phone: __________

________________________
Product Characteristics Definitions:

CETANE/OCTANE 4: The numeric value of the cetane or octane.

OXYGENATED/RBOB TYPE 5: A single alpha-numeric character indicating if the product is oxygenated and if so, with which oxygenate. Additionally, if the product is an RBOB, this field describes the type of RBOB. Acceptable values and definitions are: A=ETHANOL, B=ANY RENEWABLE OXYGENATE, E=ETHER, M=MTBE, N=NONE, O=ANY OXYGENATE, R=ETBE(ANY RENEWABLE), S=REFINER SPECIFIED, T=TAME.

OXYGENATE PERCENT % V 6: Percent of oxygenate (type chosen in field 5) volume.

ADDITIZED 7: A single alpha-numeric character indicating if the product is additized and if so, with what. Acceptable values and definitions are: Y=ADDITIZED TYPE NOT DETERMINED, P=ADDITIZED WITH PROPRIETARY ADDITIVE (additive would be proprietary if it is the proprietary additive of the final seller of the product.), G=ADDITIZED WITH GENERIC ADDITIVE, N=NOT ADDITIZED.

RVP PERCENTAGE 8: Reid Vapor Pressure Percentage.

REGULATORY OXY % 9: Numeric value of the Regulatory Oxy Percentage.

VOC 10: A single alpha-numeric character indicating whether the product is controlled by a Volatile Organic Compound Region and if so which one. Acceptable values are: 1=Region 1, 2=Region 2, N=Not VOC Controlled.

FUNGIBLE/SEGREG (F/S) 11: A single alpha-numeric character indicating whether the product is fungible or segregated. Acceptable values are: F=Fungible, S=Segregated.

DYES 12: A single alpha-numeric character indicating if the product contains a dye. Acceptable values are: Y=Yes, N=No.

SULPHUR CONTENT 13: A numeric indication of the sulfur content of the product. (If the sulfur content is .06 % or higher, the product is considered to be a high sulfur product. If the sulfur content is .05 % or lower, the product is considered to be a low sulfur product.)

COMMENTS 14: Various additional information about the product.

Additive message (AM) indicators are in the AM (additive message) field of the Petroleum Feedstocks and Refined Product Code database. Message indicators for the AM field are 1 through 6:

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Base gasoline - not for sale to the ultimate customer</td>
</tr>
<tr>
<td>2</td>
<td>Detergent</td>
</tr>
<tr>
<td>3</td>
<td>Detergent additized gasoline</td>
</tr>
<tr>
<td>4</td>
<td>Specifically name detergent - additized oxygenate</td>
</tr>
<tr>
<td>5</td>
<td>Detergent - additized gasoline blending stock</td>
</tr>
<tr>
<td>6</td>
<td>Base gasoline - no additive</td>
</tr>
</tbody>
</table>
Indicators for the following EPA message fields will be set to "Y" if the message applies to the product:

<table>
<thead>
<tr>
<th>Message</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>M1</td>
<td>&quot;Reformulated gasoline meets max 1.3 vol % benzene, min 1.5 wt % oxygen, max 2.7 wt % oxygen&quot;</td>
</tr>
<tr>
<td>M2</td>
<td>&quot;Reformulated gasoline meets max 1.3 vol % benzene, min 1.5 wt % oxygen, max 3.5 wt % oxygen&quot;</td>
</tr>
</tbody>
</table>

Exception to the "min 1.5 wt % oxygen" in M1 & M2 are the following areas which are "min 1.6 wt % oxygen" (The boundaries of the covered areas are described in detail in 40 CFR. 80.70):

1. Philadelphia-Wilmington-Trenton area
2. Baltimore, MD area
3. Houston-Galveston-Brazoria, TX area
4. The Atlantic City, NJ area comprised of Atlantic County, Cape May County
5. The Dallas-Fort Worth, TX area comprised of Collin County, Dallas County, Denton County, Tarrant County
6. Norfolk-Virginia Beach-Newport News (Hampton Roads), VA area composed of Chesapeake, Hampton, James City County, Newport News, Norfolk, Poquoson, Suffolk, Virginia Beach, Williamsburg, York County
7. Richmond, VA area comprised of Charles City County, Chesterfield County, Colonial Heights, Hanover County, Henrico County, Hopewell, Richmond
8. Washington D.C. area comprised of The District of Columbia, Calvert County MD, Charles County MD, Frederick County MD, Montgomery County MD, Prince Georges County MD, Alexandria VA, Arlington County VA, Fairfax VA, Fairfax County VA, Falls Church VA, Loudon County VA, Manassas VA, Manassas Park VA, Prince William County VA, Stafford County VA
9. "VOC-Controlled for Region 1, suitable for Region 2, meets VOC reduction minimum of 25.0%.
10. "VOC-Controlled for Region 2, meets VOC reduction minimum of 23.4%.
11. "Not VOC-Controlled"
12. "Oxy Fuels Program RFG" (Message may not be needed after 12/31/97.)
13. "Not Oxy Fuels Program RFG" (Message may not be needed after 12/31/97.)
14. "Conventional Gasoline - this product does not meet the requirements for reformulated gasoline and may not be used in any reformulated area". May contain ethers.
15. "Reformulated gasoline blendstock, meets maximum 1.3 wt% benzene; cannot be combined with RFG or with any other RBOB except other RBOB having the same requirements for oxygenate types and amounts"
16. "Blend RBOB with any oxygenate to 2.0 wt % and 5.7 vol % oxygen content"
17. "Blend RBOB with ether only oxygenate to 2.0 wt % and 10.8 vol % oxygen content"

ATLANTA GEORGIA GASOLINE MESSAGE: (Eff: 5/1/99)

If product is delivered into any of the following Georgia counties, this message applies: "ATLANTA GA GASOLINE: MEETS 150 PPM AVERAGE SULPHUR AT THE REFINERY OF ORIGIN".
Effective September 1, 1999 the following new regulatory message applies to all California (state-wide) motor gasoline invoices and bills of lading:

"THIS GASOLINE CONTAINS 0.6 PERCENT BY VOLUME OR MORE MTBE"

Effective December 1, 1999, the following new regulatory message applies to all California (state-wide) motor gasoline invoices and bills of lading (replacing the message above):

"THIS GASOLINE CONTAINS 0.6 PERCENT OR MORE BY VOLUME MTBE"
FTA Motor Fuel Tax Section Uniformity and the Canadian Fuel Tax Council have adopted the following codes for the product codes to be used on the Uniform Forms. If a product code is not listed, see the FTA Motor Fuels Uniformity Manual.

A rollup code is the Product Code Number that is used if your state does not need more detailed tracking of the various products. Example: If your state only tracks blending components and you are not tracking the actual blending component, use 122.

<table>
<thead>
<tr>
<th>Product</th>
<th>Sub-Product Codes</th>
<th>Product Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcohol</td>
<td></td>
<td>123</td>
</tr>
<tr>
<td>Ethanol (100%)</td>
<td></td>
<td>E00</td>
</tr>
<tr>
<td>Methanol (100%)</td>
<td></td>
<td>M00</td>
</tr>
<tr>
<td>Asphalt</td>
<td></td>
<td>188</td>
</tr>
<tr>
<td>Aviation Gasoline</td>
<td></td>
<td>125</td>
</tr>
<tr>
<td>Blending Components (Rollup Code)</td>
<td></td>
<td>122</td>
</tr>
<tr>
<td>Additive Miscellaneous Gasoline</td>
<td></td>
<td>090</td>
</tr>
<tr>
<td>Additive Miscellaneous Diesel</td>
<td></td>
<td>310</td>
</tr>
<tr>
<td>Benzene</td>
<td></td>
<td>248</td>
</tr>
<tr>
<td>Butane, including butane-propane mix</td>
<td></td>
<td>055</td>
</tr>
<tr>
<td>Butylene</td>
<td></td>
<td>198</td>
</tr>
<tr>
<td>CBOB</td>
<td></td>
<td>301</td>
</tr>
<tr>
<td>ETBE</td>
<td></td>
<td>249</td>
</tr>
<tr>
<td>Ethane</td>
<td></td>
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### Mode Codes

#### Transaction Type Mode Codes

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Uniform Forms
COMPARISON OF STCC (Standard Transportation Commodity Classification) PRODUCT CODES
TO FTA Product Codes

NOTE: This comparison is for information purposes only.

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Flowcharts
State Exchange Import/Export Schedule Flowchart

Most states realize the obvious weakness of their motor fuel tax compliance system is the inability to identify unreported imports or erroneously reported exports. *Flowchart 1* depicts the paper trail tracking system needed to support the on-road enforcement of shipping papers. This system provides a cross-check with other reported schedules.

To effectively implement the system in *Flowchart 1*, each state authority must first implement the prescribed uniform formats using uniform codes adopted by the FTA Uniformity Committee. All individual state schedules will then be collected in a uniform format. The collected data that relates directly to the export/import issue is located on the following: (1) the Uniform Schedule of Disbursements, number seven for exports and (2) the Uniform Schedule of Receipts, number three for imports.

Once each state receives the export/import schedule in the uniform format, the schedule should be expedited to the affected states. When a state receives interstate information from another state, the receiving state should cross check the data against the data on its uniform import schedules. Any variances should be communicated between the states and immediately investigated.

The Uniform Terminal Operators Schedule of Disbursements Form, which details deliveries by destination state, should also be used for verification.
Fuel Accountability Flowchart

The paper reporting system illustrated in Flowchart 2 provides for independent verification of reported schedules. Flowchart 2 also indicates a method for checking the accuracy of reported numbers for each state. This verification process may require carriers who deliver bulk product into the terminal to file other uniform reports. The affected entities and related uniform forms include any of the following:

- Terminal operator: Common and Contract Carrier Report
- Distributor who owns the terminal inventory: Distributor Report
- Carrier loading fuel at the terminal loading rack: Common and Contract Carrier Report
- Bulk dealer: Bulk Dealer Report
- Retailer: Retailer Report

Requiring the Terminal Report, Distributor Report, Retailer Report, Bulk Dealer Report and Common and Contract Carriers Report is the maximum amount of reporting. If a state required every entity above to file, most states would not be able to efficiently administer the enormous amount of data. States may not need all the reports to maintain an effective paper tracking system.

For example, a state may only need the Common and Contract Petroleum Product Carrier Report, Terminal Fuel Tax Report and Distributor Report to provide minimal fuel accountability. In fact, a state may find it feasible to require only the Common and Contract Petroleum Product Carrier Schedule to track cross-state border fuel movements.

Flowchart 2
Terminal Receipts Flowchart

Flowchart 3 provides for independent verification of other bulk shipments of fuel received at a terminal. States may account for terminal receipts by requiring reporting by the following entities on specific uniform forms:

- Delivering carrier: Common and Contract Petroleum Products Carrier Report
- Terminal operator: Terminal Report
- Distributor: Distributor Report

Supplier covers:
- Distributor
- Other Terminals
- Bulk Dealer
- Retailer

Flowchart 3

Terminal Receipts
Cross Check Verification

Adopted September 95
Williamsburg VA
Terminal Deliveries Flowchart

*Flowchart 4* provides for independent verification of removals from terminals. “Terminal removals” generally refers to removals at the truck loading rack. States may account for the removals at the terminal by requiring the following entities to file on specific uniform forms:

- **Terminal operator:** Terminal Report
- **Distributor:** Distributor Report
- **Carrier:** Common and Contract Petroleum Products Carrier Report

Supplier covers:
- Distributor
- Other Terminals
- Bulk Dealer

Retailer

**Flowchart 4**

Terminal Deliveries
Cross Check Verification

[Diagram of Flowchart 4]

Adopted September 95
Williamsburg, VA
**Point 6**

*(Promoted by the Electronic Commerce Subcommittee)*

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

The Electronic Commerce Subcommittee facilitates and encourages all taxing jurisdictions - federal, state/provincial and local and taxpayers alike, to comply with this point.

Over the past few years, the subcommittee has adopted the 813-transaction set of ANSI X12 as the standard for such reporting as well as the draft XML schema standard included in this guide. It has also incorporated into such standards the various codes adopted by the Uniformity Committee for reporting product type, entity identification, mode of transport and locations of points of origin and destination of fuel movements, as well as specific motor fuels tax information and amount. The mapping allows for a single data file transmission for Supplier or Distributor, Carrier, and Terminal Operator returns and detailed schedules.

The Electronic Commerce Subcommittee is the custodian of the TIA codes and the State co-chair is the contact person for anyone wishing to add to the list of approved codes.

Currently a number of states have plans for mandatory or voluntary electronic reporting programs for motor fuel taxes. Obviously, the more uniform the methods employed in such reporting, the better it is for all taxpayers and taxing jurisdictions involved. Besides making tax reporting more efficient, uniformity in methods and standards also facilitates the sharing of the detailed information contained in the tax reports among taxing jurisdictions, and it enables taxpayers to better respond to the taxing authority requirements for information.

The Electronic Commerce Subcommittee is also developing or has adopted the following uniform mapping for:

- Tax Information Exchange (exchange of information between tax authorities) - 826
- Tax Return Data Acknowledgment and Error Notification - 151

The Motor Fuel Tax Electronic Commerce Subcommittee recommends that state tax administrators adopt a standard Internet interface for motor fuel taxpayers. The standard interface is included in the North American Combined Reporting Methods X.12 and XML Electronic Data Exchange Implementation Guide.
EDI Implementation Guidelines

1. Standard EDI Map (ANSI X.12 4030 format):
   By using the Motor Fuel Uniformity Committee approved EDI map, States and taxpayers can leverage existing work instead of creating custom files to transit tax data. Standard maps pre-define fields and data elements so they are well understood. In addition, States and companies can utilize vendor software to produce standard EDI files.

   FYI – Once the uniform file is received, the state can choose to ignore certain data fields.

2. Testing Timeline:
   - From notifying the taxpayer to go-live, allow 6 months to test and convert current process to EDI. This gives appropriate lead time to align resources, budgets, preparation and testing.

   - Sample Data Test: Require 1 or 2 months of testing sample data. Be flexible as to what month and year the companies provide for testing. Due to development system limitations, only a limited amount of data may be available at any given time and it is very cumbersome to load data from prior month's actual transactions. The point of this portion of the test is to test the systems ability to process the file.

   - Production Data Test: To ensure that EDI is accurate, the state could require both paper and EDI for 2 to 3 months in production.

   - After Go Live, the paper and/or separate electronic submission via fax, email or web site of summary reports contained in the EDI submission should no longer be required.

3. Forms and Schedules:
   It is recommended not to change forms or schedule codes at the same time you are moving to EDI. Moving from paper to EDI is more straight-forward when the forms/schedules remain the same. We recommend changing forms/codes in advance of EDI.

4. State Web Site
   If possible, the state’s web site could provide the following:
   - Allow companies to upload and process test and production files.
   - Provide clear error messages and confirmation that a return was filed. Error messages should allow the filer to identify which records resulted in the error. Recommendations for confirmation information include the name of the file and date submitted.
   - Validation/Pre-Check process: validate a file before submission to catch any data issues (i.e. invalid FEIN).
   - Allow for multiple user logins by filer.
   - Whether through FTP or web site login, EDI filing methods should attempt to use standard technology and settings to minimize the need for supplemental technology support.
   - Contain contact information for problems using web site or filing return. EDI documentation contacts can get out of date.

   FYI – Colorado has good pre-EDI validation process. See “EDI check” at: https://www.cofts.com/goGuest.cfm
5. **Retroactive Filing:**
Requiring companies to re-file paper returns as EDI is not a best or preferred practice. Once a return is filed with the state (paper or EDI), that return should serve as the source.

If a state expects they will be requiring the taxpayer to back file they need to disclose that fact up front, so that the taxpayer can prepare for it while testing. It shouldn’t come as a surprise at the end of the certifications process.

States could also be asked to suspend the paper schedules in exchange for a company’s agreement to back file the returns due during the test period.

6. **EDI Implementation guides:**
It is recommended that state’s begin with FTA Electronic Commerce Guide in designing the state’s guide; then submit that guide to the committee for review and approval. Once approved the state publishes their guide and advises industry allowing 6 months for testing and implementation.

Include comprehensive instructions that address both technical specifications and plain text descriptions. Include testing procedures/requirements, State contacts and any specific file name conventions. Also include schedule description details for determining appropriate schedule assignments as many times the taxpayer and state testers involved in implementing EDI are not experts with the particular returns.
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 placed 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 states 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 EDI, older schedule codes 1A, 2A, 3A are replaced with uniform schedule codes 14A, 14B, 14C
- Face forms will 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 EDI (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.
Electronic Commerce
List of States that have EDI and XML Guides that are “Substantially Compliant” to the FTA Uniform reporting standards

X12 – State Implementation Guides

The following implementation guides were reviewed by the FTA Uniformity Committee and identified as following the standards defined by the committee for electronic file formats.

<table>
<thead>
<tr>
<th>State</th>
<th>Guide Date</th>
<th>Guide Version</th>
<th>X12 Standards Version</th>
<th>FTA Approved Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>January 2000</td>
<td>06202000</td>
<td>3050</td>
<td>June 2000</td>
</tr>
<tr>
<td>California *</td>
<td>May 2003</td>
<td>1</td>
<td>4030</td>
<td>June 2004</td>
</tr>
<tr>
<td></td>
<td>July 2011</td>
<td>3</td>
<td>4030</td>
<td>July 2011</td>
</tr>
<tr>
<td>Colorado</td>
<td>October 2004</td>
<td>1.1</td>
<td>4030</td>
<td>July 2005</td>
</tr>
<tr>
<td>Florida</td>
<td>January 2003</td>
<td>1</td>
<td>3070</td>
<td>September 2004</td>
</tr>
<tr>
<td></td>
<td>September 2008</td>
<td>1.0</td>
<td>4030</td>
<td>January 2009</td>
</tr>
<tr>
<td>Iowa</td>
<td>September 2005</td>
<td>1.00</td>
<td>4030</td>
<td>March 2006</td>
</tr>
<tr>
<td>Kentucky</td>
<td>July 2007</td>
<td>1.0</td>
<td>4030</td>
<td>September 2007</td>
</tr>
<tr>
<td></td>
<td>January 2009</td>
<td></td>
<td></td>
<td>January 2016</td>
</tr>
<tr>
<td>Michigan</td>
<td>March 2003</td>
<td>1.0</td>
<td>4030</td>
<td>May 2003</td>
</tr>
<tr>
<td>Minnesota</td>
<td>October 2004</td>
<td>1.08</td>
<td>4030</td>
<td>April 2005</td>
</tr>
<tr>
<td>Mississippi</td>
<td>September 2005</td>
<td>1.0</td>
<td>4030</td>
<td>December 2005</td>
</tr>
<tr>
<td>Missouri</td>
<td>September 2002</td>
<td>1</td>
<td>4030</td>
<td>May 2003</td>
</tr>
<tr>
<td>Montana - 813</td>
<td>April 2004</td>
<td>1</td>
<td>4030</td>
<td>June 2004</td>
</tr>
<tr>
<td>Montana - 826</td>
<td>March 2004</td>
<td>1</td>
<td>4030</td>
<td>June 2004</td>
</tr>
<tr>
<td>Nebraska</td>
<td>July 2004</td>
<td>1</td>
<td>4030</td>
<td>October 2004</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>March 2009</td>
<td>1</td>
<td>4030</td>
<td>May 2009</td>
</tr>
<tr>
<td>North Carolina</td>
<td>June 2005</td>
<td>1.0</td>
<td>4030</td>
<td>June 2005</td>
</tr>
<tr>
<td></td>
<td>September 2013</td>
<td>2.0</td>
<td></td>
<td>September 2013</td>
</tr>
<tr>
<td></td>
<td>April 2019</td>
<td>3.0</td>
<td></td>
<td>April 2019</td>
</tr>
<tr>
<td>North Dakota *</td>
<td>June 2004</td>
<td>1</td>
<td>4030</td>
<td>June 2004</td>
</tr>
<tr>
<td>South Carolina</td>
<td>September, 2003,</td>
<td>1</td>
<td>4030</td>
<td>September 2003</td>
</tr>
<tr>
<td></td>
<td>Updates Feb 2006</td>
<td></td>
<td></td>
<td>September 2006</td>
</tr>
<tr>
<td>South Dakota</td>
<td>November 2002</td>
<td>1</td>
<td>4030</td>
<td>May 2003</td>
</tr>
<tr>
<td>Wyoming</td>
<td>September 2003</td>
<td>1</td>
<td>4030</td>
<td>September 2003</td>
</tr>
</tbody>
</table>

Footnotes:

*The California and North Dakota EDI guides were approved with minor differences from the FTA uniform guide. See state’s guide for details on the minor differences.

2012 - State of Wisconsin no longer supports an EDI file format so the EDI guide has been removed from this list for 2012

2013 – North Carolina has updated and the FTA has approved the latest version of their EDI Guide (Version 2.0)
XML – State Implementation Guides

The following implementation guides were reviewed by the FTA Uniformity Committee and identified as following the standards defined by the committee for electronic file formats.

<table>
<thead>
<tr>
<th></th>
<th>State</th>
<th>Guide Date</th>
<th>Guide Version</th>
<th>XML Version</th>
<th>FTA Approved Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Georgia</td>
<td>January 2014</td>
<td>1</td>
<td></td>
<td>Jan 2014</td>
</tr>
<tr>
<td>2.</td>
<td>Florida</td>
<td>May 2014</td>
<td>1</td>
<td>1</td>
<td>May 2014</td>
</tr>
<tr>
<td></td>
<td></td>
<td>April 2019</td>
<td></td>
<td></td>
<td>April 2019</td>
</tr>
<tr>
<td>3.</td>
<td>Oregon</td>
<td>June 2015</td>
<td>1</td>
<td></td>
<td>June 2015</td>
</tr>
<tr>
<td>4.</td>
<td>Mississippi</td>
<td>June 2015</td>
<td>1</td>
<td></td>
<td>June 2015</td>
</tr>
<tr>
<td>5.</td>
<td>Vermont</td>
<td>January 2020</td>
<td></td>
<td></td>
<td>January 2020</td>
</tr>
<tr>
<td>6.</td>
<td>Wisconsin</td>
<td>June 2020</td>
<td></td>
<td></td>
<td>June 2020</td>
</tr>
<tr>
<td>7.</td>
<td>Idaho</td>
<td>September 2022</td>
<td></td>
<td></td>
<td>September 2022</td>
</tr>
<tr>
<td>8.</td>
<td>Oregon</td>
<td>September 2022</td>
<td></td>
<td></td>
<td>September 2022</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Footnotes:

2015 – 2 guides (Oregon, Mississippi) were submitted for review and approved by the FTA for their XML guides.

2014 – 2 guides (Georgia, and Florida) were submitted for review and approved by the FTA for their XML guides.
Security Issue in Internet Based Motor Fuel Electronic Tax Filing

File Transfer Protocol (FTP)

File Transfer Protocol (FTP) has been a staple of data file transmission since the inception of the Internet. Today FTP plays an important role in government electronic filing applications. FTP remains a popular choice for electronic filing due to its operating system independence, low cost, and ease of implementation. The startup costs for implementing FTP data exchange between government entities and trading partners are relatively low and the process is well documented.

Most computer operating systems contain built-in FTP functionality that programmers can utilize to develop scripted data file transfers. Additionally, the availability of free and commercial software to support managed FTP sessions simplifies data transfer allowing it to become a common clerical task. Once the trading partner relationship is established and account and directory configuration is completed most data exchange transactions can be completed using drag-and-drop functionality at the user desktop.

FTP is network independent. This flexibility allows government and business trading partners to leverage the same tools and techniques they use for internal platform data exchange with external customers.

FTP is a common method of moving data internally between corporate and government computing platforms. The ability to use FTP to seamlessly transfer data between operating systems has made it the preferred choice of Information Technology shops. Using batch files, IT organizations have used FTP to create multiplatform job-sets for unattended program execution. The ability to create these programs using the operating systems built-in FTP capabilities generates significant cost-savings for organizations versus having to use commercial data migration programs.

The most common medium for trading partner FTP exchange is via the Internet. This cost-effective connectivity only requires that government entities configure an Internet FTP server and that the trading partner have a connection to the Internet. Trading partner Internet access can be dedicated service or dial-up access through an Internet Service Provider. The bandwidth required for the electronic filing process is largely dictated by the size of the data files sent during the filing process.

Extranet networks also provide an ideal environment for utilizing FTP for the exchange of data. A significant drawback to FTP is that it provides no security during the electronic filing process. Many organizations have implemented encrypted networks to provide increased security for data exchange using FTP.

The adoption of FTP as a common mechanism for electronic filing has been greatly facilitated by security programs developed to protect data during the transmission process. FTP transmission over the Internet creates two distinct security concerns for electronic filing applications. The first concern is protecting the data file transmitted during the electronic filing process. The second concern is securing the trading partner login and directory mapping process that occurs prior to transmitting the data file. The common method for protecting data during the transmission process is encrypting the file prior to using FTP to send. Strategies for securing the login process vary from basic password management to establishing secure communications using Secure Socket Layer (SSL) encryption.
Encryption

Encrypting the data prior to transmission has been the established standard for protection data during electronic filing. When combined with an aggressive strategy of capturing and moving data after transmissions, this security has proved effective in protecting trading partner data. The basic strategy is for government organizations and trading partners to exchange encryption keys allowing for the encrypting of the data. Once the data is transmitted, the government entity rapidly collects the data and moves it to a secure location. Since the login and directory mapping process is performed in clear text over the Internet, quickly moving the data files to a secure location reduces the likelihood that the data file may be retrieved by unauthorized entities. Since the data file is encrypted the value of the compromised data is questionable, but trading confidence in the process is improved. Additionally, FTP servers allowing the trading partners to frequently change their passwords also reduces the likelihood that data may be compromised.

For many years PGP (Pretty Good Protection) has been the established standard for encrypting data files prior to transmission using FTP. PGP provides an encryption algorithm that allows trading partners to exchange encryption keys to encrypt and decrypt data files. Established trading partner relationships using PGP to encrypt data remain a visible solution for the protection of valuable government and trading partner data.

To address the concern of account and directory mapping security, the use of SSL and Virtual Private Network (VPN) is gaining in popularity. Products offering SSL FTP are generally available. While providing an additional layer of security, SSL FTP products are more proprietary in nature. Most implementation require the trading partners to use the same product on the server and client platforms. Requiring trading partners to adopt a proprietary software product may represent a significant barrier to electronic filing. Over time, market forces may drive default standards for proprietary security architectures increasing the flexibility offered to government organizations and trading partners for securing FTP transactions.

The security of FTP for electronic filing is benefiting from the investment government organizations and their trading partners are making in Public Key Infrastructure (PKI). As government organizations establish PKI capabilities, trading partners will have a standard set of tools at their disposal to authenticate themselves and protect their data.

Secured Transmission (SSL, HTTPS)

SSL is perhaps the most common way of providing encrypted transmission of data between web browsers and web servers. Built upon private key encryption technology, SSL provides data encryption, server authentication, message integrity, and client authentication for any TCP/IP connection.

Web server certificates have become the de facto standard for organizations to deliver online trust. Web server certificates are used to authenticate the identity of a website to visiting browsers. When a user wants to send confidential information to a web server, the browser will access the server’s digital certificate. The certificate containing the web server’s public key will be used by the browsers to authenticate the identity of the web server (the website) and encrypt information for the server using SSL technology. Since the web server is the only entity with access to its private key, only the server can decrypt the information. This is how the information remains confidential and tamper-proof while in transit across the Internet.

Some organizations use 40-bit encryption but many banks require 128-bit encryption for online banking because 40-bit encryption is considered to be relatively weak. 128-bit encryption is about 309 septillion times (309,485,000,000,000,000,000,000,000) stronger than 40-bit.
Other Benefits:

For the most part, as a developer, implementing SSL is easy. The code remains the same. All that changes is the web server that you serve your application from. When served from an SSL enabled server and directory, the browser and server will do all the work of encryption, no additional software is required.

The browser will even let the client know that they have moved into a secure transmission mode for you.

Possible Issues:

Users need to be aware that sending secure information (e.g., your credit card information) over an SSL connection does not ensure the integrity of the receiving organization. SSL/HTTPS only guarantees the data is secure while it is being transmitted from the Browser to the Web server or the Web server to the Browser. As an example, if you send credit card information across the internet via HTTPS it will be encrypted. Once it arrives on the server, it is decrypted. If the organization that receives the information saves it in its unencrypted form or makes it available to all their employees, obviously the risks increase.

Because all information going back and forth between the client and server is being put through an encryption process instead of being sent plain, the server and browser take longer to process this data. For this reason, many organizations will use SSL/HTTPS for only the pages that may contain sensitive data, while the other pages use HTTP without encryption for efficiency.
Recommended Naming Convention for States Sharing Export Information Electronically

When electronically sending export information to neighboring states, the following naming convention is recommended to ensure other files are not overwritten:

SSXXXRSYYYYMM.txt
XXX = file type ‘826’ = EDI file, ‘XML’ = XML Schema, or ‘FFF’ = flat file format
RS – Receiving state abbreviation
YYYY = 4-digit year of the transmission date
MM = 2-digit month of the transmission date
Electronic Commerce
Moving From a Paper Return to EDI

On the following pages are examples of the paper returns for the Terminal Report, Distributor Fuel Tax Report and Common and Contract Petroleum Products Carrier Report translated to EDI.
Terminal Operator Report  
Mapping Paper to EDI

<table>
<thead>
<tr>
<th>Information maintained in or calculated by State system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Header Information section of FTA EDI X.12 Map</td>
</tr>
<tr>
<td>Report Information section of FTA EDI X.12 Map</td>
</tr>
<tr>
<td>Summary Information section of FTA EDI X.12 Map</td>
</tr>
<tr>
<td>Schedules section of FTA EDI X.12 Map</td>
</tr>
<tr>
<td>Trading Partner Agreement</td>
</tr>
</tbody>
</table>

### Terminal Operator's Report  
State of XXXXXXXXXXXXXXX

<table>
<thead>
<tr>
<th>Month of: (CCYMMDD)</th>
<th>20050131</th>
</tr>
</thead>
<tbody>
<tr>
<td>This information is mapped to the <strong>Tax Filing Period</strong> Date/Time Reference Segment. Specifically to the DTM02 element. See item bolded in the detail records below:</td>
<td></td>
</tr>
<tr>
<td>DTM<del>194</del>20050131~</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Terminal:</th>
<th>ABC Oil Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terminal Control Number:</td>
<td>T99XX9991</td>
</tr>
<tr>
<td>Terminal Location:</td>
<td>XYZ Location</td>
</tr>
<tr>
<td>This information is mapped to the <strong>Report Information</strong> Tax Form Segment. Specifically to the TFS06 element. See item bolded in the detail records below:</td>
<td></td>
</tr>
<tr>
<td>N1<del>TP</del>ABC Oil Company</td>
<td></td>
</tr>
<tr>
<td>TFS<del>T2</del>TOR~~~TC~T99XX9991\</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address 1:</th>
<th>123 Oil Drive</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEIN:</td>
<td>987654321</td>
</tr>
<tr>
<td>This information is mapped to the <strong>Identify Tax Agency Information</strong> Begin Tax Information Segment. Specifically to the BTI08 element. See item bolded in the detail records below:</td>
<td></td>
</tr>
<tr>
<td>BTI<del>T6</del>050<del>47</del>129999999<del>20010523</del>ABC*<del>24</del>987654321<del>49</del>D123456~~~00\</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address 2:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>License Number:</td>
<td>D123456</td>
</tr>
</tbody>
</table>

| City: | Anytown USA |
| State: | XX |
| Zip Code: | 55555-5555 |
| This information is mapped to the **Identify Tax Agency Information** Begin Tax Information Segment. Specifically to the BTI10 element. See item bolded in the detail records below: |
| BTI~T6~050~47~129999999~20010523~ABC*~24~987654321~49~D123456~~~00\ |
Terminal Reconciliation

<table>
<thead>
<tr>
<th>Schedule No.</th>
<th>Net Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>065 (Gasoline)</td>
<td>100,000</td>
</tr>
</tbody>
</table>

8. Beginning Inventory

This information is mapped to the Physical Inventory by Product Form Group Segment. Specifically to the FGS01 element. See item bolded in the following detail record: FGS~BI~PG~167\ and the Inventory Tax Information and Amount Segment. Specifically to the TIA05 element. See item bolded in the following detail record:

TIA~5002----100000~GA\n
9. Total Receipts

15A

400,000

10. Total Gallons Available

500,000

11. Total Disbursements

15B

340,000

12. Gallons Available (less disbursements)

160,000

13. Stock Gains & Losses

1.895

This information is mapped to the Physical Inventory by Product Form Group Segment. Specifically to the FGS01 element. See item bolded in the following detail record: FGS~GL~PG~167\ and the Inventory Tax Information and Amount Segment. Specifically to the TIA05 element. See item bolded in the following detail record:

TIA~5002----1895~GA\n
14. Actual Ending Inventory

158,105

This information is mapped to the Physical Inventory by Product Form Group Segment. Specifically to the FGS01 element. See item bolded in the following detail record: FGS~EI~PG~167\ and the Inventory Tax Information and Amount Segment. Specifically to the TIA05 element. See item bolded in the following detail record:

TIA~5002----158105~GA\n
CERTIFICATION

I certify that I have read this report and all supporting documents; and know and understand their contents and that all information on both the report and supporting documents is true and accurate, and complete.

Authorized Representative’s Name (please print)  
John J Doe

Title  
Owner

Authorized Representative’s Signature  
John J Doe

Date  
4/15/2005

Telephone Number  
(101) 999-2222

Fax Number  
(101) 999-2223

e-mail Address  
njdoe@abcoil.com
### Terminal Operator Schedule of Receipts

#### Mapping Paper to EDI

<table>
<thead>
<tr>
<th>Terminal Operator Schedule of Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Information calculated by State system</strong></td>
</tr>
<tr>
<td><strong>Header Information section of FTA EDI X.12 813 Map</strong></td>
</tr>
<tr>
<td><strong>Report Information section of FTA EDI X.12 Map</strong></td>
</tr>
<tr>
<td><strong>Schedules section of FTA EDI X.12 813 Map</strong></td>
</tr>
</tbody>
</table>

#### Schedule 15A - Terminal Operator’s Schedule of Receipts

<table>
<thead>
<tr>
<th>Company Name: ABC Oil Company</th>
<th>License Number: D123456</th>
<th>FEIN: 987654321</th>
<th>Schedule Type: 15A</th>
<th>Tax Period CCYMMDD: 20050131</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>See Name Detail Name Segment. Specifically the N102 element.</strong></td>
<td>This information is mapped to the <strong>Identify Tax Agency Information</strong> Begin Tax Information Segment. Specifically to the BTI10 element.</td>
<td>This information is mapped to the <strong>Identify Tax Agency Information</strong> Begin Tax Information Segment. Specifically to the BTI08 element.</td>
<td>This information is mapped to the <strong>Beginning of Schedule Tax Form Segment</strong>. Specifically to the TFS02 element. See item bolded in the detail records below:</td>
<td>This information is mapped to the <strong>Tax Filing Period Date/Time Reference Segment</strong>. Specifically to the DTM02 element.</td>
</tr>
<tr>
<td><strong>Terminal Code Number: T99XX9991</strong></td>
<td><strong>Product Type (Circle One)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>This information is mapped to the <strong>Beginning of Schedule Tax Form Segment</strong>. Specifically to the TFS04 element. See item bolded in the detail records below:</strong></td>
<td>TFS<del>T3</del>15A<del>PG</del>167<del>94</del>J</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>This information is mapped to the <strong>Report Information Tax Form Segment</strong>. Specifically to the TFS06 element.</strong></td>
<td>065 Gasoline</td>
<td>130 Jet Fuel</td>
<td>226 High Sulfur Diesel Fuel-Dyed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>124 Gasohol</td>
<td>161 Low Sulfur Diesel #1</td>
<td>227 Low Sulfur Diesel Fuel-Dyed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>125 Aviation Gasoline</td>
<td>167 Low Sulfur Diesel #2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Details of Receipts

<table>
<thead>
<tr>
<th>(1) Carrier Name</th>
<th>(2) Carrier FEIN</th>
<th>(3) Mode</th>
<th>(4) Position Holder</th>
<th>(5) Position Holder’s FEIN</th>
<th>(6) Date Received</th>
<th>(7) Document Number</th>
<th>(8) Net Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>XYZ Carrier Co</td>
<td>234567890</td>
<td>J</td>
<td>J Doe Oil</td>
<td>456789012</td>
<td>01/05/05</td>
<td>999991</td>
<td>8,105</td>
</tr>
<tr>
<td>ABC Carrier Inc</td>
<td>345678901</td>
<td>B</td>
<td>J Doe Oil</td>
<td>456789012</td>
<td>01/15/05</td>
<td>999992</td>
<td>8,099</td>
</tr>
</tbody>
</table>

**Total:** 16,204

See the following pages for details on mapping between paper and EDI.
<table>
<thead>
<tr>
<th>(1) Carrier Name</th>
<th>(2) Carrier FEIN</th>
<th>(3) Mode</th>
<th>(4) Position Holder</th>
<th>(5) Position Holder’s FEIN</th>
<th>(6) Date Received</th>
<th>(7) Document Number</th>
<th>(8) Net Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrier Name: This information is mapped to the <strong>Carrier Information</strong> Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1–CA–XYZ Carrier Co–24–234567890</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrier FEIN: This information is mapped to the <strong>Carrier Information</strong> Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1–CA–XYZ Carrier Co–24–234567890</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mode: This information is mapped to the <strong>Beginning of Schedule</strong> Tax Form Segment. Specifically to the TFS06 element. See item bolded in the following detail record: TFS–T3–15A–PG–167–94–J</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Position Holder: This information is mapped to the <strong>Position Holder Information</strong> Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1–SE–J Doe Oil–24–456789012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Position Holder’s FEIN: This information is mapped to the <strong>Position Holder Information</strong> Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1–SE–J Doe Oil–24–456789012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date Received: This information is mapped to the <strong>Bill of Lading Date</strong> Date/Time Reference Segment. Specifically to the DTM02 element. See item bolded in the following detail record: DTM–095–20050105</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Document Number: This information is mapped to the <strong>Bill of Lading</strong> Forms Group Segment. Specifically to the FGS03 element. See item bolded in the following detail record: FGS–D–BM–999991</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Gallons: This information is mapped to the <strong>Bill of Lading Net</strong> Tax Information and Amount Segment. Specifically to the TIA04 element. See item bolded in the following detail record: TIA–5005–8105–GA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Terminal Operator Schedule of Disbursements  
Mapping Paper to EDI

Information calculated by State system

Header Information section of FTA EDI X.12 813 Map

Report Information section of FTA EDI X.12 Map

Schedules section of FTA EDI X.12 813 Map

Schedule 15B - Terminal Operator's Schedule of Disbursement

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>License Number:</th>
<th>FEIN:</th>
<th>Schedule Type:</th>
<th>Tax Period CCYMMDD:</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Oil Company</td>
<td>D123456</td>
<td>987654321</td>
<td>15B</td>
<td>20050131</td>
</tr>
</tbody>
</table>

See Name Detail Name Segment. Specifically the N102 element.

This information is mapped to the Identity Tax Agency Information Begin Tax Information Segment. Specifically to the BTI08 element.

This information is mapped to the Beginning of Schedule Tax Form Segment. Specifically to the TFS02 element. See item bolded in the detail records below:

TFS-T3-15B-PG-167-94-J

Terminal Code Number: T99XX9991

<table>
<thead>
<tr>
<th>Product Type (Circle One)</th>
<th>TFS-T3-15B-PG-167-94-J</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline</td>
<td>085</td>
</tr>
<tr>
<td>Jet Fuel</td>
<td>130</td>
</tr>
<tr>
<td>High Sulfur Diesel Fuel-Dyed</td>
<td>226</td>
</tr>
<tr>
<td>Low Sulfur Diesel #1</td>
<td>227</td>
</tr>
<tr>
<td>Low Sulfur Diesel Fuel-Dyed</td>
<td>167</td>
</tr>
<tr>
<td>Other (See Product Code List)</td>
<td>___</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(1) Carrier Name</th>
<th>(2) Carrier FEIN</th>
<th>(3) Mode</th>
<th>(4) Dest. State or TCN</th>
<th>(5) Position Holder</th>
<th>(6) Position Holder’s FEIN</th>
<th>(7) Date Received</th>
<th>(8) Document Number</th>
<th>(9) Net Gallons</th>
<th>(10) Gross Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>XYZ Carrier Co</td>
<td>234567890</td>
<td>J</td>
<td>XX</td>
<td>J Doe Oil</td>
<td>456789012</td>
<td>01/05/05</td>
<td>9999991</td>
<td>8,105</td>
<td>8,100</td>
</tr>
<tr>
<td>ABC Carrier Inc</td>
<td>345678901</td>
<td>B</td>
<td>XX</td>
<td>J Doe Oil</td>
<td>456789012</td>
<td>01/15/05</td>
<td>9999922</td>
<td>8,099</td>
<td>8,050</td>
</tr>
</tbody>
</table>

Total: 16,204 16,150

See the following pages for details on mapping between paper and EDI.
<table>
<thead>
<tr>
<th>(1) Carrier Name</th>
<th>(2) Carrier FEIN</th>
<th>(3) Mode</th>
<th>(4) Dest. State or TCN</th>
<th>(5) Position Holder</th>
<th>(6) Position Holder’s FEIN</th>
<th>(7) Date Received</th>
<th>(8) Document Number</th>
<th>(9) Net Gallons</th>
<th>(10) Gross Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>carrier name</td>
<td>carrier fein</td>
<td>mode</td>
<td>destination state or tcn</td>
<td>position holder</td>
<td>position holder's fein</td>
<td>date received</td>
<td>document number</td>
<td>net gallons</td>
<td>gross gallons</td>
</tr>
</tbody>
</table>

1. **Carrier Name**: This information is mapped to the Carrier Information Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1~CA~XYZ Carrier Co~24~234567890.

2. **Carrier FEIN**: This information is mapped to the Carrier Information Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1~CA~XYZ Carrier Co~24~234567890.

3. **Mode**: This information is mapped to the Beginning of Schedule Tax Form Segment. Specifically to the TFS06 element. See item bolded in the following detail record: TFS~T3~15B~PG~167~94~J.

4. **Destination State or TCN**: If the information reported was from a Destination State, the information is mapped to the Option 2 Point of Destination Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1~ST~XX.

   or

   If the information reported was from a Destination TCN, the information is mapped to the Option 1 Point of Destination Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1~DT~TC~T99XX9999.

5. **Position Holder**: This information is mapped to the Position Holder Information Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1~SE~J Doe Oil~24~456789012.

6. **Position Holder’s FEIN**: This information is mapped to the Position Holder Information Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1~SE~J Doe Oil~24~456789012.

7. **Date Received**: This information is mapped to the Bill of Lading Date/Time Reference Segment. Specifically to the DTM02 element. See item bolded in the following detail record: DTM~095~20050105.

8. **Document Number**: This information is mapped to the Bill of Lading Forms Group Segment. Specifically to the FGS03 element. See item bolded in the following detail record: FGS~D~BM~999991.

9. **Net Gallons**: This information is mapped to the Bill of Lading Net Tax Information and Amount Segment. Specifically to the TIA04 element. See item bolded in the following detail record: TIA~5005~~~8105~GA.

10. **Gross Gallons**: This information is mapped to the Bill of Lading Gross Tax Information and Amount Segment. Specifically to the TIA04 element. See item bolded in the following detail record: TIA~5006~~~8100~GA.

---

**Uniformity Project**

211
## Terminal Operator Schedule of Inventories
### Mapping Paper to EDI

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>License Number:</th>
<th>FEIN:</th>
<th>Schedule Type:</th>
<th>Tax Period CCYYMMDD:</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Oil Company</td>
<td>D123456</td>
<td>987654321</td>
<td>15C</td>
<td>20050131</td>
</tr>
</tbody>
</table>

**See Name Detail Name Segment. Specifically the N102 element.**

**Schedule 15C - Terminal Operator's Schedule of Inventories**

<table>
<thead>
<tr>
<th>Terminal Code Number:</th>
<th>Product Type (Circle One)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T99XX9991</td>
<td></td>
</tr>
</tbody>
</table>

**This information is mapped to the Identify Tax Agency Information Begin Tax Information Segment. Specifically to the BTI00 element.**

<table>
<thead>
<tr>
<th>Terminal Code Number:</th>
<th>Product Type (Circle One)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T99XX9991</td>
<td></td>
</tr>
</tbody>
</table>

**This information is mapped to the Tax Filing Period Date/Time Reference Segment. Specifically to the DTM02 element.**

<table>
<thead>
<tr>
<th>Terminal Code Number:</th>
<th>Product Type (Circle One)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T99XX9991</td>
<td></td>
</tr>
</tbody>
</table>

**This information is mapped to the Identify Tax Agency Information Begin Tax Information Segment. Specifically to the BTI10 element.**

### Terminal Operator Schedule of Inventories

<table>
<thead>
<tr>
<th>Position Holder Name</th>
<th>Position Holder FEIN</th>
<th>Beginning Inventory</th>
<th>Total Receipts</th>
<th>Total Disbursements</th>
<th>Gain (Loss)</th>
<th>Ending Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
</tbody>
</table>

**This information is current not included in the FTA EDI mapping but is on FTA paper forms. The Forms and EC Committees are currently working on this issue.**

<table>
<thead>
<tr>
<th>Position Holder Name</th>
<th>Position Holder FEIN</th>
<th>Beginning Inventory</th>
<th>Total Receipts</th>
<th>Total Disbursements</th>
<th>Gain (Loss)</th>
<th>Ending Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
</tbody>
</table>

**See the following pages for details on mapping between paper and EDI.**
<table>
<thead>
<tr>
<th></th>
<th>Beginning Inventory</th>
<th>Total Receipts</th>
<th>Total Disbursements</th>
<th>Gain (Loss)</th>
<th>Ending Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Beginning Inventory: This information is mapped to the Physical Inventory by Product Form Group Segment. Specifically to the FGS01 element. See item bolded in the following detail record: FGS<del>BI</del>PG<del>167/ and the Inventory Tax Information and Amount Segment. Specifically to the TIA05 element. See item bolded in the following detail record: TIA</del>5002~~100000~GA.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2)</td>
<td>Total Receipts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3)</td>
<td>Total Disbursements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4)</td>
<td>Gain (Loss): This information is mapped to the Physical Inventory by Product Form Group Segment. Specifically to the FGS01 element. See item bolded in the following detail record: FGS<del>GL</del>PG<del>167/ and the Inventory Tax Information and Amount Segment. Specifically to the TIA05 element. See item bolded in the following detail record: TIA</del>5002~~1895~GA.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5)</td>
<td>Ending Inventory: This information is mapped to the Physical Inventory by Product Form Group Segment. Specifically to the FGS01 element. See item bolded in the following detail record: FGS<del>EI</del>PG<del>167/ and the Inventory Tax Information and Amount Segment. Specifically to the TIA05 element. See item bolded in the following detail record: TIA</del>5002~~158105~GA.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Uniformity Project 213
Distributor Fuel Tax Report
Mapping Paper to EDI

Information maintained in or calculated by State system

| Header Information section of FTA EDI X.12 Map |
| Report Information section of FTA EDI X.12 Map |
| Summary Information section of FTA EDI X.12 Map |
| Schedules section of FTA EDI X.12 Map |
| Trading Partner Agreement |

<table>
<thead>
<tr>
<th>Distributor’s Fuel Tax Report</th>
<th>State of XXXXXXXXXXXXXXX</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Month of: (CCYYMMDD)</th>
<th>20050131</th>
</tr>
</thead>
</table>

This information is mapped to the **Tax Filing Period** Date/Time Reference Segment. Specifically to the DTM02 element. See item bolded in the detail records below:

DTM~194~20050131\|

<table>
<thead>
<tr>
<th>Name:</th>
<th>ABC Oil Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>License Number:</td>
<td>D123456</td>
</tr>
</tbody>
</table>

**See Name Detail Name Segment. Specifically the N102 element. See item bolded in the detail records below:**

N1~TP~ABC Oil Company\|

| BTI~T6~050~47~129999999~20010523~ABC*~24~987654321~49~D123456----00\|

<table>
<thead>
<tr>
<th>Address 1:</th>
<th>123 Oil Drive</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEIN:</td>
<td>987654321</td>
</tr>
</tbody>
</table>

**This information is mapped to the **Identify Tax Agency Information** Begin Tax Information Segment. Specifically to the BTI10 element. See item bolded in the detail records below:**

BTI~T6~050~47~129999999~20010523~ABC*~24~987654321~49~D123456----00\|

<table>
<thead>
<tr>
<th>Address 2:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>City:</th>
<th>Anytown USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>State:</td>
<td>XX</td>
</tr>
<tr>
<td>Zip Code:</td>
<td>55555-5555</td>
</tr>
<tr>
<td>No.</td>
<td>Description</td>
</tr>
<tr>
<td>-----</td>
<td>-------------</td>
</tr>
<tr>
<td>1.</td>
<td>Beginning Physical Inventory: (Is last month’s ending inventory.)</td>
</tr>
<tr>
<td>2.</td>
<td>Receipts: (From line 6, Section I on back of return)</td>
</tr>
<tr>
<td>3.</td>
<td>Product Available: (Line 1 plus Line 2)</td>
</tr>
<tr>
<td>4.</td>
<td>Disbursements: (From line 7, Section II on back of return)</td>
</tr>
<tr>
<td>5.</td>
<td>Transfers Plus or (Minus): (From one product to another)</td>
</tr>
<tr>
<td>6.</td>
<td>Book Inventory: (Lines 3 minus the Sum of Lines 3 and Line 4)</td>
</tr>
<tr>
<td>7.</td>
<td>Ending Physical Inventory: (Must agree with actual ending inventory.)</td>
</tr>
<tr>
<td>8.</td>
<td>Gain or (Loss): (Line 7 minus Line 6 - Attach explanation)</td>
</tr>
<tr>
<td>9.</td>
<td>Gross Taxable Gallons:</td>
</tr>
<tr>
<td>10.</td>
<td>LESS: Tax-Paid Purchases:</td>
</tr>
<tr>
<td>11.</td>
<td>Net Taxable Gallons:</td>
</tr>
<tr>
<td>12.</td>
<td>Less Handling Allowance</td>
</tr>
<tr>
<td>13.</td>
<td>Total Tax Due:</td>
</tr>
<tr>
<td>14.</td>
<td>ADD: Interest for late payment at ____% per month</td>
</tr>
</tbody>
</table>

This information is mapped to the Physical Inventory by Product Form Group Segment. Specifically to the FG03 element. See item bolded in the detail records below:

FTA Gasoline Gasohol Diesel (167)

Uniformity Project 215
### Uniformity Project

**15. ADD: Penalty for late Payment at ____ %:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>This information is mapped to the <em>Information</em> Tax Information and Amount Segment. Specifically to the TIA01 element. See item bolded in the detail records below:</td>
<td>30.50</td>
</tr>
<tr>
<td>TIA<del>5009</del>3050\</td>
<td>TIA<del>5009</del>3050\</td>
</tr>
</tbody>
</table>

**16. Total Due**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>This information is mapped to the <em>Total Due</em> Tax Information and Amount Segment. Specifically to the TIA02 element. See item bolded in the detail records below:</td>
<td>1,570.75</td>
</tr>
<tr>
<td>TIA<del>5003</del>157075\</td>
<td>TIA<del>5003</del>157075\</td>
</tr>
</tbody>
</table>

### CERTIFICATION

I certify that I have read this report and all supporting documents; and know and understand their contents and that all information on both the report and supporting documents is true and accurate, and complete.

<table>
<thead>
<tr>
<th>Authorized Representative’s Name <em>(please print)</em></th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>John J Doe</td>
<td>Owner</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorized Representative’s Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>John J Doe</td>
<td>4/15/2005</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Telephone Number</th>
<th>Fax Number</th>
<th>e-mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>(101) 999-2222</td>
<td>(101) 999-2223</td>
<td><a href="mailto:jjdoe@abcoil.com">jjdoe@abcoil.com</a></td>
</tr>
</tbody>
</table>
### Section I – Receipts: (See instructions)

<table>
<thead>
<tr>
<th>From Schedule</th>
<th>Gasoline</th>
<th>Gasohol</th>
<th>Diesel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. In-state refinery production:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>This information is mapped to the Information Tax Information and Amount Segment. Specifically to the TIA04 element. See item bolded in the detail records below:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not reported in EDI file because zero gallons</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. Gallons Received (state) tax-paid:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. Gallons received from licensed distributors tax-unpaid:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16,204</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4. Gallons imported direct to customer:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>5. Gallons imported into tax-free storage:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>6. Total Receipts: (total lines 1 through 5) (Transfer to line 2 on front of return)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16,204</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Section II – Disbursements: (See instructions)

<table>
<thead>
<tr>
<th>From Schedule</th>
<th>Gasoline</th>
<th>Gasohol</th>
<th>Diesel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Gallons delivered tax collected:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16,204</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. Gallons delivered to licensed distributors tax not collected:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. Gallons exported:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4. Gallons delivered to U.S. Government tax-exempt:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>5. Gallons delivered to state and local government tax-exempt:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>6. Gallons delivered to other tax-exempt entities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>7. Total Disbursements: (total lines 1 through 6) (Transfer to line 3 on front of return)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16,204</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Distributor Schedule of Receipts
Mapping Paper to EDI

Information calculated by State system

Header Information section of FTA EDI X.12 813 Map
Schedules section of FTA EDI X.12 813 Map

Distributor's Schedule of Receipts

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>License Number:</th>
<th>FEIN:</th>
<th>Schedule Type:</th>
<th>Tax Period CCYYMMDD:</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Oil Company</td>
<td>D123456</td>
<td>987654321</td>
<td>2</td>
<td>20050131</td>
</tr>
</tbody>
</table>

See Name Detail Name Segment. Specifically the N102 element.

This information is mapped to the Identify Tax Agency Information Begin Tax Information Segment. Specifically to the BT110 element.

This information is mapped to the Identify Tax Agency Information Begin Tax Information Segment. Specifically to the BT108 element.

This information is mapped to the Beginning of Schedule Tax Form Segment. Specifically to the TFS02 element. See item bolded in the detail records below:

TFS~T3~2~PG~167~94~J

This information is mapped to the Tax Filing Period Date/Time Reference Segment. Specifically to the DTM02 element.

Schedule Type

<table>
<thead>
<tr>
<th>Product Type (Circle One)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gallons received tax-paid</td>
</tr>
<tr>
<td>Gallons received from licensed motor fuel distributor tax-unpaid</td>
</tr>
<tr>
<td>Gallons imported from another state direct to customer</td>
</tr>
<tr>
<td>Gallons imported from another state into tax-free storage</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(1) Carrier Name</th>
<th>(2) Carrier FEIN</th>
<th>(3) Mode</th>
<th>(4) Origin TCN or State</th>
<th>(5) Dest State or TCN</th>
<th>(6) Acquired From (Seller's Name)</th>
<th>(7) Date Received</th>
<th>(8) Document Number</th>
<th>(9) Net Gallons</th>
<th>(10) Gross Gallons</th>
<th>(11) Billed Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>XYZ Carrier Co</td>
<td>234567890</td>
<td>J</td>
<td>T99XX9991</td>
<td>XX</td>
<td>J Doe Oil</td>
<td>01/5/05</td>
<td>999991</td>
<td>8,105</td>
<td>8,100</td>
<td>8,100</td>
</tr>
<tr>
<td>ABC Carrier Inc</td>
<td>345678901</td>
<td>B</td>
<td>T99XX9992</td>
<td>XX</td>
<td>J Doe Oil</td>
<td>01/15/05</td>
<td>999992</td>
<td>8,099</td>
<td>8,080</td>
<td>8,080</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>16,204</td>
<td>16,180</td>
<td>16,180</td>
</tr>
</tbody>
</table>

Total: 16,204, 16,180, 16,180

See the following pages for details on mapping between paper and EDI.
<table>
<thead>
<tr>
<th></th>
<th>Carrier Name</th>
<th>Carrier FEIN</th>
<th>Mode</th>
<th>Acquired From</th>
<th>Seller’s FEIN</th>
<th>Date Received</th>
<th>Document Number</th>
<th>Net Gallons</th>
<th>Gross Gallons</th>
<th>Billed Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Carrier Name: This information is mapped to the <em>Carrier Information</em> Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1<del>CA</del>XYZ Carrier Co<del>24</del>234567890\</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Carrier FEIN: This information is mapped to the <em>Carrier Information</em> Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1<del>CA</del>XYZ Carrier Co<del>24</del>234567890\</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Mode: This information is mapped to the <em>Beginning of Schedule</em> Tax Form Segment. Specifically to the TFS06 element. See item bolded in the following detail record: TFS<del>T3</del>2<del>PG</del>167<del>94</del>J\</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4a</td>
<td>Original TCN or State: If the information reported was from an Origin TCN, the information is mapped to the <em>Option 1 Point of Origin</em> Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1<del>OT~~TC</del>T99XX9991\ or If the information reported was from an Origin State, the information is mapped to the <em>Option 2 Point of Origin</em> Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1<del>ST</del>XX\</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>4b</td>
<td>Destination State or TCN: If the information reported was from a Destination State, the information is mapped to the <em>Option 2 Point of Destination</em> Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1<del>ST</del>XX\ or If the information reported was from a Destination TCN, the information is mapped to the <em>Option 1 Point of Destination</em> Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1<del>ST</del>XX\</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Acquired From (Seller Name): This information is mapped to the <em>Seller Information</em> Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1<del>SE</del>J Doe Oil<del>24</del>456789012\</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Seller’s FEIN: This information is mapped to the <em>Seller Information</em> Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1<del>SE</del>J Doe Oil<del>24</del>456789012\</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Date Received: This information is mapped to the <em>Bill of Lading</em> Date/Time Reference Segment. Specifically to the DTM02 element. See item bolded in the following detail record: DTM<del>095</del>20050105\</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Document Number: This information is mapped to the <em>Bill of Lading</em> Forms Group Segment. Specifically to the FGS03 element. See item bolded in the following detail record: FGS<del>D</del>BM~999991\</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Net Gallons: This information is mapped to the <em>Bill of Lading Net</em> Tax Information and Amount Segment. Specifically to the TIA04 element. See item bolded in the following detail record: TIA~5005~~~8105~~GA\</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Gross Gallons: This information is mapped to the <em>Bill of Lading Gross</em> Tax Information and Amount Segment. Specifically to the TIA04 element. See item bolded in the following detail record: TIA~5006~~~8100~~GA\</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Billed Gallons: This information is mapped to the <em>Bill of Lading Billed</em> Tax Information and Amount Segment. Specifically to the TIA04 element. See item bolded in the following detail record: TIA~5007~~~8100~~GA\</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Distributor Schedule of Disbursements**

Mapping Paper to EDI

<table>
<thead>
<tr>
<th>Company Name</th>
<th>License Number</th>
<th>FEIN</th>
<th>Schedule Type</th>
<th>Tax Period CCYYMMDD</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Oil Company</td>
<td>D123456</td>
<td>987654321</td>
<td>5</td>
<td>20050131</td>
</tr>
</tbody>
</table>

**See Name Detail Name Segment:** Specifically the N102 element.

This information is mapped to the Identify Tax Agency Information Begin Tax Information Segment. Specifically to the BTI0 element.

<table>
<thead>
<tr>
<th>Schedule Type</th>
<th>Product Type (Circle One)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Gallons delivered tax collected</td>
<td>065 Gasoline 130 Jet Fuel</td>
</tr>
<tr>
<td>6. Gallons delivered to licensed motor fuel distributor tax not collected</td>
<td>124 Gasohol 161 Low Sulfur Diesel #1</td>
</tr>
<tr>
<td>7. Gallons exported to State of</td>
<td>125 Aviation Gasoline 167 Low Sulfur Diesel #2</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Gallons delivered to State and local government tax-exempt</td>
<td>227 Low Sulfur Diesel Fuel-Dyed</td>
</tr>
<tr>
<td>10. Gallons delivered to other tax-exempt entities</td>
<td>____ Other (See Product Code List)</td>
</tr>
</tbody>
</table>

See the following pages for details on mapping between paper and EDI.
<table>
<thead>
<tr>
<th></th>
<th>Carrier Name</th>
<th>Carrier FEIN</th>
<th>Mode</th>
<th>Origin TCN or State</th>
<th>Dest State or TCN</th>
<th>Sold To (Purchaser’s Name)</th>
<th>Purchaser’s FEIN</th>
<th>Date Received</th>
<th>Document Number</th>
<th>Net Gallons</th>
<th>Gross Gallons</th>
<th>Billed Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Carrier Name</td>
<td>This information is mapped to the Carrier Information Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1<del>CA</del>XYZ Carrier Co<del>24</del>234567890</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Carrier FEIN</td>
<td>This information is mapped to the Carrier Information Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1<del>CA</del>XYZ Carrier Co<del>24</del>234567890</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Mode</td>
<td>This information is mapped to the Beginning of Schedule Tax Form Segment. Specifically to the TFS06 element. See item bolded in the following detail record: TFS<del>T3</del>5<del>PG</del>167<del>94</del>J</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>4</td>
<td>Original TCN or State</td>
<td>If the information reported was from an Origin State, the information is mapped to the Option 2 Point of Origin Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1<del>SF</del>XX</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>or</td>
<td>If the information reported was from an Origin TCN, the information is mapped to the Option 1 Point of Origin Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1<del>OT~~TC</del>T99XX9999</td>
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<td></td>
</tr>
<tr>
<td>4</td>
<td>Destination State or TCN</td>
<td>If the information reported was from a Destination State, the information is mapped to the Option 2 Point of Destination Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1<del>ST</del>XX</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>or</td>
<td>If the information reported was from a Destination TCN, the information is mapped to the Option 1 Point of Destination Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1<del>DT~~TC</del>T99XX9999</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Acquired From (Seller Name)</td>
<td>This information is mapped to the Buyer/Consignee Information Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1<del>BY</del>K Doe Oil<del>24</del>456789014</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Seller’s FEIN</td>
<td>This information is mapped to the Buyer/Consignee Information Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1<del>BY</del>K Doe Oil<del>24</del>456789014</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Date Received</td>
<td>This information is mapped to the Bill of Lading Date Date/Time Reference Segment. Specifically to the DTM02 element. See item bolded in the following detail record: DTM<del>095</del>20050105</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>8</td>
<td>Document Number</td>
<td>This information is mapped to the Bill of Lading Forms Group Segment. Specifically to the FGS03 element. See item bolded in the following detail record: FGS<del>D</del>BM~999999</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Net Gallons</td>
<td>This information is mapped to the Bill of Lading Net Tax Information and Amount Segment. Specifically to the TIA04 element. See item bolded in the following detail record: TIA<del>5005~~~8105</del>GA</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Gross Gallons</td>
<td>This information is mapped to the Bill of Lading Gross Tax Information and Amount Segment. Specifically to the TIA04 element. See item bolded in the following detail record: TIA<del>5006~~~8100</del>GA</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Billed Gallons</td>
<td>This information is mapped to the Bill of Lading Billed Tax Information and Amount Segment. Specifically to the TIA04 element. See item bolded in the following detail record: TIA<del>5007~~~8100</del>GA</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
### FTA

**Schedule Detail Section Example:**

<table>
<thead>
<tr>
<th>Information Reported on Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Not Reported on Return</td>
</tr>
</tbody>
</table>

| TFS~T3~5~PG~167~94~J \  |
| REF~SU~IRS~S0'XX'S0'YY\  |
| REF~55~0001234\  |
| N1~SF~XX  |
| N1~CA~XYZ Carrier Co~24~ 234567890  |
| N1~BY~K Doe Oil~24~ 456789014  |
| N1~ST~XX  |
| FGS~D~BM~999991  |
| REF~55~0004567\  |
| DTM~095~20050105  |
| TIA~5005~~~8105~GA\  |
| TIA~5006~~~8100~GA\  |
| TIA~5007~~~8100~GA\  |

| TFS~T3~5~PG~167~94~J \  |
| REF~SU~IRS~S0'XX'S0'YY\  |
| REF~55~0001234\  |
| N1~SF~XX  |
| N1~CA~ABC Carrier Inc~24~ 345678901  |
| N1~BY~K Doe Oil~24~ 456789014  |
| N1~ST~XX  |
| FGS~D~BM~999992  |
| REF~55~0004567\  |
| DTM~095~20050115  |
| TIA~5005~~~8099~GA\  |
| TIA~5006~~~8080~GA\  |
| TIA~5007~~~8080~GA\  |
# Common and Contract Petroleum Products Carrier Report

Mapping Paper to EDI

<table>
<thead>
<tr>
<th>Information maintained in or calculated by State system</th>
<th>State of XXXXXXXXXXXXXXX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Header Information section of FTA EDI X.12 Map</td>
<td>Month of: (CCYYMMDD)</td>
</tr>
<tr>
<td>Report Information section of FTA EDI X.12 Map</td>
<td>20050131</td>
</tr>
<tr>
<td>Summary Information section of FTA EDI X.12 Map</td>
<td>This information is mapped to the <strong>Tax Filing Period</strong> Date/Time Reference Segment. Specifically to the DTM02 element. See item bolded in the detail records below:</td>
</tr>
<tr>
<td>Schedules section of FTA EDI X.12 Map</td>
<td>DTM=194~20050131\</td>
</tr>
<tr>
<td>Trading Partner Agreement</td>
<td></td>
</tr>
</tbody>
</table>

**Common and Contract Petroleum Products Carrier Report**

**Name:** XYZ Carrier Company

See **Name Detail** Name Segment. Specifically the N102 element. See item bolded in the detail records below:

<table>
<thead>
<tr>
<th>N1<del>TP</del>XYZ Carrier Company</th>
<th>FEIN: 987654321</th>
</tr>
</thead>
</table>

**Address 1:** 123 Oil Drive

This information is mapped to the **Identify Tax Agency Information** Begin Tax Information Segment. Specifically to the BTI08 element. See item bolded in the detail records below:

| BTI~T6~050~47~129999999~20010523~ABC*~24~987654321~49~D123456~~~00 |
|--------------------------|--------------------------|

**Address 2:**

**City:** Anytown USA  
**State:** XX  
**Zip Code:** 55555-5555

This information is mapped to the **Identify Tax Agency Information** Begin Tax Information Segment. Specifically to the BTI10 element. See item bolded in the detail records below:

| BTI~T6~050~47~129999999~20010523~ABC*~24~987654321~49~D123456~~~00 |
|--------------------------|--------------------------|

**License Number:** D123456
<table>
<thead>
<tr>
<th>Schedule</th>
<th>Net Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>14A</td>
<td></td>
</tr>
<tr>
<td>14B</td>
<td>16,204</td>
</tr>
<tr>
<td>14C</td>
<td></td>
</tr>
<tr>
<td></td>
<td>16,204</td>
</tr>
</tbody>
</table>

**CERTIFICATION**

I certify that I have read this report and all supporting documents; and know and understand their contents and that all information on both the report and supporting documents is true and accurate, and complete.

<table>
<thead>
<tr>
<th>Authorized Representative’s Name (please print)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>John J Doe</td>
<td>Owner</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorized Representative’s Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>John J Doe</td>
<td>4/15/2005</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Telephone Number</th>
<th>Fax Number</th>
<th>e-mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>(101) 999-2222</td>
<td>(101) 999-2223</td>
<td><a href="mailto:jjdoe@abcoil.com">jjdoe@abcoil.com</a></td>
</tr>
</tbody>
</table>
### Common and Contract Petroleum Product Carrier Report
#### Schedule of Deliveries
#### Mapping Paper to EDI

Information calculated by State system

| Header Information section of FTA EDI X.12 813 Map |
| Report Information section of FTA EDI X.12 Map |
| Schedules section of FTA EDI X.12 813 Map |

**Schedule 14A, 14B, or 14C**

Common and Contract Petroleum Product Carrier Report - Schedule of Deliveries

<table>
<thead>
<tr>
<th>Company Name: ABC Oil Carrier Company</th>
<th>License Number: D123456</th>
<th>FEIN: 987654321</th>
<th>Schedule Type: 14B</th>
<th>Tax Period CCYMMDD: 20050131</th>
</tr>
</thead>
</table>

See Name Detail Name Segment. Specifically the N102 element.

This information is mapped to the Identify Tax Agency Information Begin Tax Information Segment. Specifically to the BTI10 element.

This information is mapped to the Beginning of Schedule Tax Form Segment. Specifically to the TFS04 element. See item bolded in the detail records below:

TFS~T3~14B~PG~167~94~J

**Product Type (Circle One)**

This information is mapped to the **Beginning of Schedule** Tax Form Segment. Specifically to the TFS04 element. See item bolded in the detail records below:

TFS~T3~14B~PG~167~94~J

| 065 | Gasoline | 130 | Jet Fuel | 226 | High Sulfur Diesel Fuel-Dyed |
| 124 | Gasohol  | 161 | Low Sulfur Diesel #1 | 227 | Low Sulfur Diesel Fuel-Dyed |
| 125 | Aviation Gasoline | 167 | Low Sulfur Diesel #2 | ___ | Other (See Product Code List) |

<table>
<thead>
<tr>
<th>(1) Consignor Name</th>
<th>(2) Consignor FEIN</th>
<th>(3) Seller Name</th>
<th>(4) Seller FEIN</th>
<th>(5) Mode</th>
<th>(6) Dest State or TCN</th>
<th>(7) Delivered to Consignee Name</th>
<th>(8) Delivered to Consignee FEIN</th>
<th>(9) Date Received or Delivered</th>
<th>(10) Document Number</th>
<th>(11) Net Gallons</th>
<th>(12) Gross Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>XYZ Oil Co</td>
<td>234567890</td>
<td>XYZ Oil Co</td>
<td>234567890</td>
<td>J</td>
<td>XX</td>
<td>J Doe Oil</td>
<td>456789012</td>
<td>01/05/05</td>
<td>999991</td>
<td>8,105</td>
<td>8,100</td>
</tr>
<tr>
<td>ABC Oil Inc</td>
<td>345678901</td>
<td>XYZ Oil Co</td>
<td>234567890</td>
<td>B</td>
<td>T99XX9991</td>
<td>J Doe Oil</td>
<td>456789012</td>
<td>01/15/05</td>
<td>999992</td>
<td>8,099</td>
<td>8,050</td>
</tr>
</tbody>
</table>

Total: 16,204 16,150

See the following pages for details on mapping between paper and EDI.
<table>
<thead>
<tr>
<th>(1) Consignor Name</th>
<th>(2) Consignor FEIN</th>
<th>(3) Seller Name</th>
<th>(4) Seller FEIN</th>
<th>(5) Mode</th>
<th>(6) Destination State or TCN</th>
<th>(7) Delivered to Consignee Name</th>
<th>(8) Delivered to Consignee FEIN</th>
<th>(9) Date Delivered</th>
<th>(10) Document Number</th>
<th>(11) Net Gallons</th>
<th>(12) Gross Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>[1] Consignor Name: This information is mapped to the <strong>Consignor Information</strong> Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1<del>CI</del>XYZ Oil Co<del>24</del>234567890</td>
<td></td>
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<tr>
<td>[2] Consignor FEIN: This information is mapped to the <strong>Consignor Information</strong> Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1<del>CI</del>XYZ Oil Co<del>24</del>234567890</td>
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<tr>
<td>[3] Acquired From (Seller Name): This information is mapped to the <strong>Seller Information</strong> Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1<del>SE</del>XYZ Oil Co<del>24</del>234567890</td>
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</tr>
<tr>
<td>[4] Seller’s FEIN: This information is mapped to the <strong>Seller Information</strong> Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1<del>SE</del>XYZ Oil Co<del>24</del>234567890</td>
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</tr>
<tr>
<td>[5] Mode: This information is mapped to the <strong>Beginning of Schedule</strong> Tax Form Segment. Specifically to the TFS06 element. See item bolded in the following detail record: TFS<del>T3</del>2<del>PG</del>167<del>94</del>J \</td>
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</tr>
<tr>
<td>[6] Destination State or TCN: If the information reported was from a Destination State, the information is mapped to the <strong>Option 2 Point of Destination</strong> Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1<del>ST</del>XX</td>
<td></td>
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<tr>
<td>If the information reported was from a Destination TCN, the information is mapped to the <strong>Option 1 Point of Destination</strong> Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1<del>DT</del>TC~T99XX9991</td>
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</tr>
<tr>
<td>[7] Consignee Name: This information is mapped to the Consignee Information Name Segment. Specifically to the N102 element. See item bolded in the following detail record: N1<del>BY</del>J Doe Oil<del>24</del>456789012</td>
<td></td>
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</tr>
<tr>
<td>[8] Consignee FEIN: This information is mapped to the Consignee Information Name Segment. Specifically to the N104 element. See item bolded in the following detail record: N1<del>BY</del>J Doe Oil<del>24</del>456789012</td>
<td></td>
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</tr>
<tr>
<td>[9] Date Received: This information is mapped to the <strong>Bill of Lading Date</strong> Date/Time Reference Segment. Specifically to the DTM02 element. See item bolded in the following detail record: DTM<del>095</del>20050105</td>
<td></td>
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</tr>
<tr>
<td>[10] Document Number: This information is mapped to the <strong>Bill of Lading</strong> Forms Group Segment. Specifically to the FGS03 element. See item bolded in the following detail record: FGS<del>D</del>BM~999991</td>
<td></td>
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</tr>
<tr>
<td>[11] Net Gallons: This information is mapped to the <strong>Bill of Lading Net</strong> Tax Information and Amount Segment. Specifically to the TIA04 element. See item bolded in the following detail record: TIA<del>5005</del>8105~GA</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>[12] Gross Gallons: This information is mapped to the <strong>Bill of Lading Gross</strong> Tax Information and Amount Segment. Specifically to the TIA04 element. See item bolded in the following detail record: TIA<del>5006</del>8100~GA</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Rebranding Above the Rack

Book Adjustments Requiring Corresponding Entries

Rebranding of products is to be reported by a book adjustment (BA). Rebranding, the above the rack transfer of one product into storage of another product, must be reported by a book adjustment reflecting a disbursement terminal (15B) of one product and a corresponding terminal receipt (15A) of the second product. The product codes for the disbursements and receipts should be different, but the total gallons for the receipts and disbursements must be the same.

Example 1
You have a customer who needs 10,000 gallons of high-sulfur diesel. Your terminal is low on high sulfur diesel (226) but has an abundance of kerosene (072). You decide to move the kerosene into the high sulfur diesel fuel storage to accommodate your customer’s needs. You would need to create an entry that would decrease your terminal’s kerosene inventory and increase your terminal’s high sulfur diesel inventory. You would need two book adjustment entries, the first being a 10,000 gallon entry to your terminal disbursements (15B) for kerosene (072) and second entry to record the receipt (15A) of the high sulfur diesel (226). The mapping would read as follows:

Disbursement
TFS~T3~15B~PG~072~94~BA\  Book Adjustment for product code 072
REF~55~325\
N1~OT~~TC~T57SC0000\  Terminal where rebrand happened
N1~ON~Tiger Terminal~24~571234567\  Owner of product in terminal
FGS~D~BM~REBRAND\  
REF~55~326\  
DTM~095~20041020\  Date the rebrand took place
TIA~5005~~~10000~GA\  Gross amount of gallons in rebrand
TIA~5006~~~10000~GA

Receipt
TFS~T3~15A~PG~226~94~BA\  Book Adjustment for product code 226
REF~55~327\  
N1~DT~~TC~T57SC0000\  Terminal where rebrand happened
N1~ON~Tiger Terminal~24~571234567\  Owner of product in terminal
FGS~D~BM~REBRAND\  
REF~55~328\  
DTM~095~20041020\  Date the rebrand took place
TIA~5005~~~10000~GA\  Gross amount of gallons in rebrand
TIA~5006~~~10000~GA

Book Adjustments Requiring Only 1 Entry
If there is a transfer that involves a non-reporting product, there would only be an entry showing the disbursement of the non-reporting product. There would be no corresponding entry.

Please see the above Disbursement mapping for an example.
Point 7

(Promoted by the Fed/State Compliance Initiative)

Regional workshops for auditing and investigative techniques to identify tax evasion schemes.

a. Education of the states by the industry regarding accounting procedures and terminal/wholesaler distribution practices.

b. Review of case studies, which inform administrators and auditors of weaknesses in state laws, reporting procedures and auditing techniques. Also suggestions on how to prevent evasion schemes.

Purpose
To keep the states informed of the various and changing ways industry conducts business and keeps its records.

To keep the states informed on weaknesses in laws, new schemes in evading tax and new and old audit techniques.
Point 8

(Promoted by the Communication and Coordination Subcommittee)

Review states’ confidentiality laws. Implement steps necessary, at a minimum, for states to provide licensing number information to industry and to provide licensing and tax information to other governmental jurisdictions.

Purpose
To ensure that all information necessary to track the movement of fuel can be exchanged among the jurisdictions freely. Also to identify potential evasion schemes and dishonest taxpayers moving from one state to another or doing business in more than one state. Such information sharing can avoid or limit losses in some states. It can also avoid duplication of investigations of taxpayers.
**Point 9**

*(Promoted by the Forms Management Subcommittee)*

Require third party reporting on the movement of fuel.

a. **Transporter reports should include the movement of fuel by common or contract carriers.**

b. **Adoption of uniform report forms for third party reporting.**

**Purpose**  
To track fuel movement and verify the accuracy of data reported by taxpayers. Third party reports are a critical link and are often the only clue to missing or fraudulent reported tax liabilities of the taxpayer.

**Common and Contract Petroleum Products Carrier Report**

**Purpose**  
The Common and Contract Petroleum Products Carrier Report gives the state third party verification of all accountable products/motor fuel moving by truck, rail, pipeline, barge, ship or other conveyance. The report is not a tax report. It gives the state and independent source of information that can be used to verify the transactions reported by taxpayers.

**Who Must File**  
All trucks, rails, pipelines, barges, ships or other conveyances transporting accountable products/motor fuel must file the Common and Contract Petroleum Products Carrier Report.

**Schedule of Deliveries**  
Each transportation of accountable products/motor fuel that has an origination or destination in your state is listed on this schedule. For each shipment listed on this schedule, the state can verify the receipt using the following uniform reports:

- Terminal Fuel Tax Report
- Supplier Report
- Distributor Fuel Tax Report
- Retailer Fuel Tax Report
- Bulk Dealer Report

Each state should require a taxpayer to provide net and gross gallons on their schedule of deliveries to facilitate the sharing of tax information among states.

**Conclusion**  
This Common and Contract Petroleum Products Carrier Report is designed to allow any state to modify it for relevance to that state. For example, a state that does not require the movement of intrastate accountable products/motor fuel could exclude those transactions from the reporting requirements.
(State Name)
Common and Contract Petroleum Products Carrier Report

Complete and attach enclosed schedules

<table>
<thead>
<tr>
<th>License Number:</th>
<th>Filing Period End: (CCYMMDD)</th>
<th>For Office Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEIN:</td>
<td>Email Address:</td>
<td></td>
</tr>
</tbody>
</table>

Name and Location Address:                      Name and Mailing Address:

Must be filed every reporting period

1. Total of all deliveries of fuels from in-state locations to out-of-state locations (exports):
   (Attach Schedule 14A).

2. Total of all deliveries of fuel from out-of-state locations to in state (imports):
   (Attach Schedule 14B).

3. Total of all deliveries of fuel between points within the state (intrastate):
   (Attach Schedule 14C).

4. Total gallons of petroleum product transported: (Total of lines 1 through 3).

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is correct and complete.

Authorized Signature                      Telephone Number                   Signature of preparer other than taxpayer                   Telephone Number

Sign Here
Title                                  Date                                    Address                                      Date

Instructions

PPR Revised 9/10, Helena, MT Revised 9/11, Charleston, WV Adopted September 94, Salt Lake City, UT
**Schedule A - Common and Contract Petroleum Products Carrier Report - Schedule of Deliveries**

<table>
<thead>
<tr>
<th>Person Hiring the Carrier</th>
<th>Seller</th>
<th>Delivered To</th>
<th>Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Company Name</td>
<td>(2) FEIN</td>
<td>(3) Company Name</td>
<td>(4) FEIN</td>
</tr>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

**Total:**

---

**Common and Contract Petroleum Products Carrier Report**

**Schedule of Deliveries**

**Schedule A**

**General Instructions**

Schedule of Deliveries provides detail of each delivery included on the Common and Contract Petroleum Products Carrier Report. Prior to recording the information requested in columns (1) through (13), you should organize your records as follows:

- **Schedule 14A**: Total of all deliveries of fuel from in-state locations to out-of-state locations (exports)
- **Schedule 14B**: Total all deliveries of fuel from out-of-state locations to in-state locations (imports)
- **Schedule 14C**: Total all deliveries of fuel between points within the state (intrastate)

**Column Instructions**

Columns (1) & (2): **Person Hiring the Carrier** – Enter the name and FEIN of the company that hired the carrier.

Columns (3) & (4): **Seller** – Enter the name and FEIN of the company from whose account the fuel was withdrawn at the terminal.

Column (5): **Mode of Transport** – Enter one of the following:

- J=Truck
- R=Rail
- B=Barge
- PL=Pipeline
- S=Ship (Great Lakes or ocean marine vessel)
- CE=Summary
- RT=Removal from Terminal (other than by truck or rail for sale or consumption)

Column (6): **Origin** – Enter the city and/or state or country shown on the delivery document (bill of lading, manifest or other loading document issued by the terminal operator) where the petroleum product was loaded for each delivery. If the product was loaded at a terminal, enter the IRS Terminal Control Code assigned to that terminal.

Columns (7) (8) & (9): **Delivered To** – Enter the name, address and FEIN of the final delivery point. If delivered to a terminal, enter the IRS Terminal Control Number for that terminal.

Column (10): **Date Delivered** – Enter the date the petroleum product was delivered for each delivery (MM-DD-CCYY).

Column (11): **Document/Bill of Lading Number** – Enter the identifying number from the manifest issued at the terminal when product was removed over the rack. In the case of pipeline or barge movements, enter the pipeline or barge ticket number. In case of barge, it is the voyage number.

Columns (12) & (13): **Gallons** – Enter the number of net and gross gallons for each delivery.
Point 10

(Promoted by the Communication and Coordination Subcommittee)

Establishment of a fuel tax advisory group in each state to be comprised of state and industry representatives. The purpose of this group will be the implementation of the 11 Point Plan and to address new issues as they occur.

Purpose
To assist in creating a working relationship with the taxpayers. This group could:

➢ Create open lines of communication between State and Industry;
➢ Develop effective audit and investigation techniques;
➢ Draft statutory or regulatory changes;
➢ Coordinate the implementation of the 11 point plan;
➢ Develop ideas to combat fuel tax evasion.

Coordination with States and Industry in the development stages of reporting schedules, policies or proposed legislation will always produce a more workable product.

Advisory Group Member Checklist
Suggested participants for the Advisory Group

✓ Major Fuel Suppliers.
✓ Distributor/Jobbers.
✓ Terminal Operators.
✓ Interest Group Representatives, i.e., Petroleum Marketers Association of America, American Trucking Association, others.
✓ State Agencies, including Departments of Revenue and Transportation, Environmental Protection, others.
✓ Legislative Representatives from transportation and revenue committees.
✓ Border State Representatives.
✓ Provincial/State Representatives from Canada/Mexico, if applicable.

Other Items to Consider

✓ Select participants that offer a good cross-section of your state.
✓ Select different sized companies. Most companies are unique and can offer different perspectives of ideas.
✓ Keep the Advisory Group active. Meet as often as needed, but at least a couple of times a year.
✓ Advisory Group meetings could be regionalized if meeting in one place poses a problem.
**Point 11**

*(Promoted by the Compliance Subcommittee)*

Encourage states to establish and adequately maintain a compliance staff dedicated to fuel tax enforcement.

**Purpose**

While it is imperative that states have comprehensive motor fuel tax audit programs supported by appropriate statutes, those factors alone will not prevent evasion. Audit procedures depend on records being kept and motor fuel shipments being reported. Honest taxpayers will do their best to keep such records, but they are not the problem. Tax evaders will intentionally distort documents or avoid keeping records. Detection of illegal activity, therefore, calls for vigorous surveillance and investigative techniques, not merely additional record keeping requirements.

Maintaining an adequately staffed, well trained and supported auditing and investigative staff is one of the most effective tools in combating fuel tax evasion. This is often resisted when considering the additional costs. Generally these costs are far outweighed by the increased revenue generated from their efforts.

Discovery, prevention and prosecution of evasion schemes will not be accomplished through conventional means. No matter how much detail is accumulated and cross checked, many of the most serious problems can only be discovered through field investigations, surveillance, more stringent licensing and bonding procedures, tax fraud hot lines or other more aggressive compliance measures.
WHITE PAPER DOCUMENTS
Biodiesel (2007)

Points to Consider Relative to Fuel Tax Administration

Introduction

Biodiesel as defined by the FTA Motor Fuel Tax Section Uniformity Committee is “a fuel comprised of mono-alkyl esters of long chain fatty acids generally derived from vegetable oils or animal fats, designated B100, and meeting the requirements of ASTM D6751”.

Biodiesel Blend as defined by the FTA Motor Fuel Tax Section Uniformity Committee is "a blend of Biodiesel fuel meeting the ASTM D6751 with petroleum based diesel fuel, designated BXX, where XX represents the volume percentage of Biodiesel fuel in the blend, i.e. B20 is 20% Biodiesel and 80% petroleum diesel”.

According to the National Biodiesel Board, in 2004 there were 22 biodiesel production facilities in the United States capable of producing 157 million gallons of biodiesel. As of April, 2007, there are 105 plants with a capacity of 864 million gallons of biodiesel.

In the United States, soybean oil, canola oil, palm oil, and animal fats derived from poultry and swine, are most commonly used as feedstock in the production of biodiesel. Biodiesel is also produced from "yellow grease" or re-cycled cooking oil.

It is important to note that biodiesel, unlike petroleum based fuels, can be produced by an individual in a backyard setting with minimal monetary investment in equipment and feedstock. As a result, it is extremely difficult for any regulatory authority to license producers, enforce quality standards, and track the movement of the fuel for taxation purposes.

Licensing Issues

Biodiesel may fall within a taxing authority’s statutory guidelines associated with diesel fuel. If this is the case, licensing requirements, tax return filing requirements, tax payment requirements, associated fee application requirements, dyeing regulations, and refund application procedures may not need to be changed in order to apply to the sale or use of biodiesel as a motor fuel. Additional licenses may be required.

Biodiesel is most often sold at retail as B20. A blender license will provide a mechanism for the payment of the motor fuel tax due on the B100 portion of the product blended with the petroleum diesel in the B20 blend. A manufacturer/producer license may be required if the biodiesel is considered to be a taxable motor fuel at the time it is produced. This will reduce the amount of untaxed biodiesel available for use in a jurisdiction. It may be helpful to statutorily distinguish “backyard producers” from biodiesel manufacturing concerns based on productivity levels. “Backyard producers” are often making biodiesel for their own use with no intention of selling the product. In the interest of increasing voluntary compliance, a permitting system could be developed for “backyard producers” in lieu of licensing and tax return filing requirements. Penalties should be available for imposition if sales were made by individuals without the proper permit and/or license.

Biodiesel marketing internet sites as well as the IRS 637 registrant database may be useful in identifying producers/importers/blenders that should be licensed in a specific state.
Quality Standards

An adopted definition of biodiesel may refer to adherence to the current ASTM (American Society for Testing and Materials) specifications. If so, product testing should be available and appropriate penalties should be in place should the standards not be met. A biodiesel product may not meet ASTM standards and can still be used to power a diesel engine. In order to apply motor fuel tax to the use of this product, it may be necessary to define it as a “biofuel” that would be subject to motor fuel tax. Incentives or refunds may be linked to the adherence to ASTM standards as is the case with the IRS.

Tax Evasion Opportunities

Biodiesel is transported by railcar or transport truck in the United States. It is not shipped via pipeline as is petroleum diesel. The movement of biodiesel is difficult to track as both paper and electronic fuel reporting focus on the barge/pipeline/terminal fuel distribution system. The infusion of the “backyard producer” biodiesel product into the market further complicates the challenge of tracking the product to determine if all applicable taxes have been remitted. The first step in developing a tracking system is to require in-state manufacturers to report all sales and out-of-state manufacturers to report all biodiesel imports. An electronic registration system similar to the FTA Diversion Registry system could be considered for import/export reporting of biodiesel.

Many jurisdictions have dyed fuel inspection programs in place to discourage the illegal use of non-taxed diesel fuel in highway vehicles. These programs should be enhanced to include testing for blends of untaxed, undyed biodiesel with clear petroleum diesel for use in highway vehicles.

Incentives

Several states offer incentives to retailers who sell biodiesel blends of a specific percentage, i.e. B02, B05, or B20. These retailers are required to maintain documentation to substantiate that the product contains the necessary percentage of B100; however, the accuracy of the reported blend percentage is difficult to verify, presenting the potential for fraudulent claims. Incentives are available in some states in the form of income tax credits for production costs associated with a biodiesel manufacturing facility and/or the production cost of constructing additions to a current retail outlet in order to offer biodiesel at the facility. There are states that have a reduced fuel tax rate in place for biodiesel. Another option is to offer an incentive to the producer based on production levels. The IRS offers a refund to blenders of biodiesel of $1.00 per gallon on “agri” (virgin source) product and $.50 per gallon on “non-agri” or recycled product.
Ethanol (2007)

Points to Consider Relative to Fuel Tax Administration

Introduction

Ethanol as defined by the FTA Motor Fuel Tax Section Uniformity Committee is “a colorless, odorless liquid, produced synthetically by cracking the ethane (using ethane from natural gas or naphtha from crude oil) fermentation from crop biomass such as sugar and corn and from waste products such as household waste and paper mill sludge through chemical decomposition and fermentation. Also known as Ethyl-Alcohol or Alcohol.”

"Fuel grade ethanol" or "denatured ethanol" is ethanol that has been blended with at least 2% gasoline per the US Tax and Trade Bureau to render the product unsuitable for human consumption. This product must meet the American Society for Testing and Materials standard in effect January 1, 1995, and successor rules, as the D-4806 specification for denatured fuel grade ethanol for further blending with gasoline for use as automatic spark-ignition engine fuel commonly known as gasohol.

Gasohol as defined by the FTA Motor Fuel Tax Section Uniformity Committee is "an accountable product resulting from a blend of gasoline and ethanol".

Gasohol is commonly referred to as E10 or E85 where the E refers to Ethanol and the numerical value refers to the percentage of ethanol in the blend. E10 is comprised of 10% ethanol and 90% gasoline; E85 is comprised of 85% ethanol and 15% gasoline. E10 can be used to fuel any gasoline powered vehicle, but E85 can only be used in a “flex fuel vehicle” due to the increased level of ethanol in the blend.

Supply and Demand

According to the United States Department of Energy, the number of ethanol plants more than doubled and production capacity tripled in the United States between 2000 and 2007. Currently, ethanol is primarily produced from corn in the United States and from sugar cane in South America. Research is underway to develop additional feedstocks for ethanol, such as woodstocks, switchgrass, and agricultural waste.

The demand for ethanol in the United States has dramatically increased over the last few years. Ethanol is now used as an oxygenating additive for gasoline, increasing octane levels and reducing emissions, creating reformulated gasoline (RFG). RFG use is required in highly populated metropolitan areas of the US. The increase in the cost of gasoline and the nation-wide desire to decrease the US dependency on foreign oil has also had a positive effect on demand.

Licensing Issues

Fuel grade ethanol or denatured ethanol is statutorily defined as a taxable motor fuel in some jurisdictions and taxed in the same manner as gasoline. A manufacturer or producer license is required and a monthly return must be filed in order to remit fuel tax on the amount of ethanol that is produced within the jurisdiction or imported into the jurisdiction. Allowances are provided for tax exempt sales.
In the majority of jurisdictions, fuel grade ethanol or denatured ethanol is not defined as a taxable motor fuel until it is blended with gasoline for use in a motor vehicle, and only then is the fuel tax applicable. A blender license is required and a monthly return must be filed in order to remit fuel tax on the gallons of ethanol that are blended with gasoline during the month. Allowances are provided for tax exempt sales. The FTA Motor Fuel Uniformity Committee has adapted a monthly Fuel Blender’s Report which is included in the Uniformity Project’s yearly publication.

**Tax Evasion Opportunities**

It is important to note that ethanol is not distributed through the petroleum bulk transfer system. Ethanol is typically transported via railcar, barge, or transport truck. For this reason, it is difficult for tax administrators to track the movement of this product, the blending of this product with gasoline and the eventual sale or use of the blended product as fuel for a motor vehicle.

The importer or producer of the ethanol may be unaware of the taxable nature of the product, or may be unwilling to comply with statutory requirements. Ethanol may be stored above the terminal rack and blended into gasoline as it is moved across the rack. In this case, the bill of lading should indicate the product is gasohol and the appropriate tax should be remitted. The ethanol may be stored below the rack and splash blended with gasoline after it has been loaded into the transport truck. If the fuel tax is not imposed until the blending occurs, and the blender does not report the activity, the tax will not be collected on the ethanol portion of the blend. The challenge rests with the taxing authority to identify, educate, and appropriately license producers, importers, and blenders of ethanol.

**Incentives**

Several jurisdictions offer incentives to retailers who sell ethanol blends of a specific percentage, such as E85. A reduced fuel tax rate may be applied to an ethanol blend. Incentives are also available in the form of income tax credits for production costs associated with an ethanol production facility. Producers may be offered an incentive based on production levels. The IRS offers a $.51 per gallon refund to ethanol blenders.
Motor Fuel Tax Issues with Natural Gas (2009) and Other Alternative Fuels

Background

Due to various market forces including the spikes in prices (most evident in 2008), and increasingly restrictive laws and standards the use of alternative fueled vehicles has been expanding. Historical impediments to the expansion of the use of alternative fuels included issues with manufacture and distribution of the fuels; availability of refueling locations; and price of the fuel compared with the traditional fuels, gasoline and diesel. However combinations of forces such as the increases in prices of the traditional fuels and the financial incentives offered by federal and state governments, has made the use of the alternative fuels more affordable. Finally, environmental issues, especially smog and pollution abatement require the use of lower-polluting and toxic fuels and in many cases the alternative fuels help meet the standards.

While not exhaustive, the following list identifies the most used alternative fuels in highway vehicles:

- Biodiesel
- Ethanol
- Compressed Natural Gas
- Propane
- Hydrogen
- Electricity

In addition, in recent years there has been an expansion of the sales of hybrid vehicles which combine gasoline engines with battery power to make the vehicles more efficient. While these would not present potential issues for fuel tax collections, their use would decrease the taxes paid vs. a vehicle that travels the same distance using just gasoline. This discussion of reduction in receipts to federal and state transportation trust fund revenues is a discussion for another day.

The following descriptions of the uses and benefits of the different fuels are taken from the US Environmental Protection Agency (EPA) website, Alternative Fuel Vehicles and Alternative Fuels, http://www.fueleconomy.gov/Feg/current.shtml, May 2, 2009

**Biodiesel** - Biodiesel is a form of diesel fuel manufactured from vegetable oils, animal fats, or recycled restaurant greases. It is safe, biodegradable, and produces less air pollutants than petroleum-based diesel.

Biodiesel can be used in its pure form (B100) or blended with petroleum diesel. Common blends include B2 (2% biodiesel), B5, and B20. B2 and B5 can be used safely in most diesel engines. However, most vehicle manufacturers do not recommend using blends greater than B5, and engine damage caused by higher blends is not covered by some manufacturer warranties. Check with your owner’s manual or vehicle manufacturer to determine the right blend for your vehicle.

**Ethanol** - Ethanol is an alcohol-based fuel made by fermenting and distilling starch crops, such as corn. It can also be made from "cellulosic biomass" such as trees and grasses. The use of ethanol can reduce our dependence upon foreign oil and reduce greenhouse gas emissions.

**E10** (also called "gasohol") is a blend of 10% ethanol and 90% gasoline sold in many parts of the country. All auto manufacturers approve the use of blends of 10% ethanol or less in their gasoline vehicles.

**E85**, a blend of 85% ethanol and 15% gasoline, can be used in flexible fuel vehicles (FFVs), which are specially designed to run on gasoline, E85, or any mixture of the two. FFVs are offered by several vehicle manufacturers. To determine if your vehicle can use E85, consult your owner’s manual or...
check the inside of your car's fuel filler door for an identification sticker [http://www.e85fuel.com/e85101/flexfuelvehicles.php].

**NATURAL GAS** - a fossil fuel comprised mostly of methane, is one of the cleanest burning alternative fuels. It can be used in the form of compressed natural gas (CNG) or liquefied natural gas (LNG) to fuel cars and trucks.

*Dedicated* natural gas vehicles are designed to run on natural gas only, while *dual-fuel* or *bi-fuel* vehicles can also run on gasoline or diesel. Dual-fuel vehicles allow users to take advantage of the wide-spread availability of gasoline or diesel but use a cleaner, more economical alternative when natural gas is available. Since natural gas is stored in high-pressure fuel tanks, dual-fuel vehicles require two separate fueling systems, which take up passenger/cargo space.

Natural gas vehicles are not produced commercially in large numbers—the Honda GX CNG is the only new vehicle available in the U.S. However, conventional gasoline and diesel vehicles can be retrofitted for CNG.

<table>
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<tr>
<th>Advantages &amp; Disadvantages of Natural Gas</th>
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<tr>
<td><strong>Advantages</strong></td>
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<tr>
<td>• Nearly 87% of U.S. natural gas used is domestically produced</td>
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<tr>
<td>• 60-90% less smog-producing pollutants</td>
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<tr>
<td>• 30-40% less greenhouse gas emissions</td>
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<td>• Less expensive than gasoline</td>
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**PROPANE OR LIQUEFIED PETROLEUM GAS (LPG)** - a clean-burning fossil fuel that can be used to power internal combustion engines. LPG-fueled vehicles produce fewer toxic and smog-forming air pollutants. LPG is usually less expensive than gasoline, and most LPG used in U.S. comes from domestic sources.

No LPG-fueled light-duty passenger cars or trucks have been produced commercially in the U.S. since the 2004 model year, but gasoline and diesel vehicles can be retrofitted to run on LPG in addition to conventional fuel. The LPG is stored in high-pressure fuel tanks, so separate fuel systems are needed in vehicles powered by both LPG and a conventional fuel such as gasoline.

<table>
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<th>Advantages &amp; Disadvantages of LPG</th>
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<tr>
<td><strong>Advantages</strong></td>
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<tr>
<td>• Fewer toxic and smog-forming air pollutants</td>
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<td>• Less expensive than gasoline</td>
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HYDROGEN (H2) - is being aggressively explored as a fuel for passenger vehicles. It can be used in fuel cells to power electric motors or burned in internal combustion engines (ICEs).

It is an environmentally friendly fuel that has the potential to dramatically reduce our dependence on foreign oil, but several significant challenges must be overcome before it can be widely used.

Benefits

Produced Domestically - Hydrogen can be produced domestically from several sources, reducing our dependence on petroleum imports.

Environmentally Friendly - Hydrogen produces no air pollutants or greenhouse gases when used in fuel cells; it produces only NOx when burned in ICEs.

In addition to the various cost, efficiency, and other benefits of these fuels, ethanol in particular has come into wide spread use not only due to its ability to be renewable, but it is in widespread use as an additive to gasoline known as an oxygenate. This is done primarily to reduce the production of carbon monoxide in the burning of the fuel. While the ester compound MTBE was in widespread use as an oxygenate, it has been found that that substance can contaminate groundwater, especially during leaks of underground storage tanks, and states have moved to ban its use. In its place, a blend of gasoline and ethanol, usually E10, is used.

ELECTRICITY – While the EPA site does not list electricity as a fuel type, for purposes of this discussion it being covered. While some people think of the batteries in hybrid vehicles to be an example of electric vehicles, there are also vehicles which have on-board batteries and can be charged at an electricity source.

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<th>Advantages &amp; Disadvantages of Electricity (Plug-Ins)</th>
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<tr>
<td><strong>Advantages</strong></td>
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<tr>
<td>• Energy resilience and petroleum replacement</td>
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<tr>
<td>• Greater fuel efficiency</td>
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<tr>
<td>• Lower greenhouse gas emissions</td>
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<td>• Lower operating costs</td>
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FUEL TAX COMPLIANCE ISSUES

Given the various benefits of alternative fuels and their increasing development, the production, distribution, and sales of the fuel are of interest to those who collect taxes on the fuels and track their movements. With gasoline and diesel, the production process is relatively complex and costly when compared with alternative fuels. It would be difficult to refine gasoline in your back yard, but you could manufacture biofuels (including biodiesel) and ethanol in very small quantities for personal use. As we will also see it becomes more difficult to track electricity in plug-in vehicles, CNG in certain applications, and if hydrogen (fuel cell vehicles are developed) becomes widespread, gas that may be delivered in different methods.
**Ethanol** – the challenges with Ethanol stem in part from the inability to make bulk distribution through traditional liquid fuel pipelines. Thus ethanol moves more on dedicated pipelines, rail cars, and by truck load. While these methods are certainly not difficult to track, most revenue and transportation agencies have not dedicated a lot of resources into tracking product moved that way, and as a result they may not know how much ethanol is moving into their state on rail cars, or even where the product might be loaded or unloaded. Another issue, that while somewhat difficult to quantify, but nonetheless can be a problem, is the fact that a number of ethanol manufacturers have not operated as fuel distributors and do not know the requirements for registering and reporting to the federal and state agencies. Since in some cases the production numbers are lower than gasoline or motor fuel distributors, the administrative agencies may not even be aware of their operations for some time. Attachment A shows a commercial business advertising equipment to make your own ethanol at home. Nowhere on the website is there a mention of motor fuel taxes.

**Biodiesel** – this is a term that can cover a wide range of liquids from vegetable oils and animal fats. Sources of the feed stocks can be soybeans and rapeseed (canola oil), but also include waste vegetable (“used french fry oil”) oils from restaurants, and in theory algae from water sources. It is evident that the sources of these fuels would make it very difficult in many cases, for the tracking of production and distribution of fuel. People not only make small batches of the fuel in for personal use and limited distribution, but restaurants who used to have to pay to have waste oil removed, are glad to have it taken away at no cost, or charging a small fee.

**Compressed Natural Gas** – While the market for CNG vehicles in the United States is primarily transit vehicles, Honda does market a vehicle, the GX. While the sales are limited to California and soon-to-be New York, there is a lack of refueling sites across the US which would limit interstate travel and potential sales markets. However, a company is now marketing a home-based solution. Attachment B shows a device that can be connected to a home natural gas line to be used to fuel the CNG vehicles. Once again, there is no mention of how one is to pay taxes on the fuel being used. While this is a limited application, it should challenge fuel tax administrators to think about what their answer will be when they get the phone call asking about how someone is going to pay fuel taxes. Will this be considered a retail location, and be subject to other state laws and regulations? Can similar issues crop up with other alternative fuels?

**Propane** – This also is a limited market and to this point it seems like propane is generally tracked and taxed by the proper agencies.

**Hydrogen** – Manufacture and widespread use of the vehicles are still in the future, but depending on the delivery method of the fuel there will likely be many of the same issues that affect CNG and Propane.

**Electricity** – The obvious issue is that this fuel is not delivered as a liquid fuel and thus would have to be measured some other way if an effective method of taxation is used which will assess a tax based on the amount of product used. While the amount of energy in a gallon of gasoline (or other liquid fuel) can be computed for comparison to electricity and make for an assignment of an equal tax rate, the question becomes ‘What is the source of the electricity’? If the vehicle can draw from the same source as regular household current, it would be impossible to compute the vehicle usage without some additional metering. Even with that there would be the question of who tracks that portion of the electricity and how is the tax computed and paid. Some states have addressed this issue by having a registration fee in lieu of fuel taxes.
WHAT SHOULD TAX ADMINISTRATORS BE DOING NOW?

The following issues are areas that should be considered in the area of accounting for alternative fuels:

Are they in my state? – While Ethanol and Biodiesel are fairly universal at this point, determine how much product is in your state, and how it gets there.

- Do you have a relationship with the railroads that may travel through your state?
- Is there a state or federal agency that may be able to give you that information?
- Are there fueling locations that may not otherwise be registered with your agency?
- A suggestion would be to look at several websites, including trade groups who are always proud of their market penetration. Their list of retail locations that sell E85 probably will, but may not match the information you already have.
- Did a farmer’s co-op work to build an ethanol plant in your state and somehow no one every registered it as a fuel manufacturing plant?
- Is there an agency in your state that oversees chemical plants (state EPA)? You may check with them to make sure you know where they all are.

Are people using the fuel in my state?

- Check with the Department of Motor Vehicles in your state to see if the can provide you with summary or detail information on the number of vehicles by fuel type. You may find out that there may be 2 CNG vehicles registered to individuals but there may also be a large bus company with 150 CNG buses domiciled in your state.
- Are you providing information about the registration and reporting requirements through your normal news outlets or through your agency website?
- Anticipate the need for types of registrations and information about how people will have to track their usage and pay any taxes due. If someone walked into your office and said they had an electric vehicle, would you know what you would say to them?

Education

The federal government is mandating that by 2017 there is to be 21 billion gallons of cellulosic biomass fuel produced. Do you even know what that is? How it is produced? How it is distributed? Do you know what fuel cells are and how they are used in a vehicle? Short of a change in the method of taxation for motor fuels, it is important to maintain an equitable method for collecting the proper taxes from every user. It doesn’t make a lot of sense that the person driving a vehicle using regular diesel fuel should be paying fuel taxes while his next door neighbor is driving the same vehicle and using French fry oil from the fast food restaurant and not paying any taxes. What information do you have to track these fuels?

It is important to know not only what is out there, but what is on the horizon. You may wish to look on the internet for sites such as the EPA and various Department of Energy pages, including information on their Energy Information Administration portal. Talk to your neighboring states to see if they have information that you may wish to use or to see how they track the fuels.

The following information outlines four alternative methods for calculating fuel tax utilizing an adjustable rate and the administrative issues associated with each method. The first method is based on general sales tax, the second method is a modified version of general sales tax but incorporates a historical average retail price that is pre-paid by the retailer, the third method is a hybrid of method one and method two, and the fourth method is based on an adjusting price index application.

Historically, fuel tax rates have typically been based on cents per gallon rate. This predetermined value is added to the retail or wholesale price of the fuel. The total price is displayed to the customer and includes all excise taxes.

Method One – General Sales Tax Component

In the past three decades, a number of states have integrated their taxation structure to include some form of sales tax, which is typically defined as a percentage of the retail selling price, remitted by the retailer via a monthly sales tax return. This approach to taxing has the advantage of automatically increasing taxes collected per gallon as the price of fuel increases. Adversely, revenue from fuel taxes will decline if the price of fuel decreases.

The following issues should be considered before a state mandates a taxing structure based on a percentage of the retail sales price.

1. Fuel taxes are currently collected by virtually all states somewhere in the wholesale distribution chain. The collection of tax on the retail selling price will require a dramatic increase in the number of registrations and regular filers. This will create a significant administrative cost for both the states and the fuel dealers.

2. Current retail gasoline pumps are designed to include all taxes in a total price (per gallon) of the fuel and are not equipped to calculate an additional percentage tax on the total sale. Customers at a retail station have an expectation that the amount on the pump is the total sale. If a state attempts to collect tax in addition to the selling price, the ability for a customer to buy $20.00 worth fuel will be extremely complicated.

3. The majority of retail service stations are convenience stores. The compliance related to collecting and remitting sales tax, as well as maintaining records to support sales made by many of the independent dealers in this industry, is widely considered to be very poor. This means that not only will there be a significant cost associated with the registration and filing by these dealers, but there will likely be significant compliance issues requiring substantial enforcement resources.

4. Returns and records would be based on sales dollars rather than gallons. This change would affect the current approach to fuel tracking, as gallons are tracked at the wholesale level and dollars would have to be tracked at the retail level.

5. A unique return processing and math audit program dedicated to this sales tax will potentially be required to process the information and tax collected as a sales tax.

6. Special care must be taken to deal with the normal exemptions routinely offered for sales subject to sales tax versus the limited exemptions allowed for most highway fuels. Allowing these exemptions would compound the administrative burdens associated with the administration of this tax.
Method Two - Modified General Sales Tax Component- Prepaid Sales Tax

Based on the problems associated with the implementation of a traditional sales tax, many states have opted for a modified version based on a historical average retail price. This approach calls for periodic determination of an average retail sales price for a recent time period, and a calculation of sales tax associated with the sale of a single gallon. The tax is converted to some number of cents, usually rounded to a tenth of a cent, per gallon that is either added to a fixed rate or is the entire tax amount to be collected per gallon. This sales tax component is pre-paid by the retailer to the wholesaler at the time the fuel is purchased. (The pre-paid sales tax component may be collected by the terminal supplier of the fuel depending upon the state’s fuel tax collection structure.)

The following issues should be considered before a state mandates a modified sales tax approach based on an historical average price. This method has fewer administrative issues than the general sales tax approach but significant issues remain.

1. This approach resolves registration, filing, and collection issues (if there are no varying local taxes) by allowing the tax to be administered and collected in the same manner, from the same businesses, as traditional highway excise taxes.

2. The state must be prepared to routinely gather the necessary information to calculate an average price. In addition, the information should be collected timely and conveyed to all applicable parties. This approach to taxing has the advantage of automatically increasing taxes collected per gallon as the price of fuel increases. Adversely, revenue from fuel taxes will decline if the price of fuel decreases. Also, the average price may be skewed due to the time lag between the period used to establish the average cost and actual costs reported in the current period.

3. The tax rate will change on a periodic basis, usually on an annual or semi-annual basis. The rate changes will require taxpayers to timely change their system to both collect and report tax at the correct rates.

4. Returns, math audit programs, and billing programs used by states to evaluate the accuracy of returns will require revision each time rates change. States will be required to maintain historical rate schedules and historical math audit and billing programs in order to process amended returns and/or adjustments related to prior periods.

5. Taxpayers reporting late loads in current periods may be reporting at the wrong rate. Taxpayers will also need the ability to amend or correct prior period reporting based on the historical rates.

6. Taxpayers will incur liabilities for uncollected taxes if rate changes are not timely implemented.

7. Inventories stored at a point in the wholesale chain after the point of taxation, will have the wrong rate of tax imbedded in the price, potentially requiring the collection of a floor tax or refunds.

Method Three- General Sales Tax in Combination with Pre-Paid Sales Tax Collection (Hybrid of Method One and Method Two)

This option combines method one and method two in that an average sales tax is pre-paid by the retailer to the wholesaler at the time the fuel is sold and the retailer also reports sales of fuel and remits the sales tax on the monthly sales tax return, taking credit for the pre-paid sales tax amount that was paid to the wholesaler. Again, the pre-paid sales tax component may be charged by the terminal supplier of the fuel, depending upon the state’s fuel tax collection structure.
This method would generate additional revenue via the retailers sales tax return if the sales price of the fuel increases during the month. Conversely an overpayment/credit scenario would arise for the retailer if the price of fuel decreases during the month, resulting in a loss of revenue for the state.

The complexities associated with Method One and Method Two would also apply and would be further complicated by the need for the state to process possible credits due the retailer.

**Method Four – Price Indexing Component**

A fourth option is an adjusting rate based on something other than average sales price, such as the federally published consumer price index (CPI) changes or average wholesale prices as compiled by the federal Energy Information Administration (EIA). As with the average sales price, the approach will require certain changes to the traditional cents per gallon fixed tax rate.

1. The state must be prepared to calculate and distribute changes in rate on a timely basis. The rate can still increase or decrease based on the direction of the CPI used in the calculation. These fluctuations should be less dramatic than those created through the use of an average sales price. Also, the time lag between the period used to establish a rate and actual prices reported in the current periods is reduced.

2. The tax rate will change on a periodic basis, usually annually or semi-annually. The rate changes will require taxpayers to timely change their system to both collect and report tax at the correct rates.

3. Returns, math audit programs, and billing programs used by states to evaluate the accuracy of returns will require revision each time rates change. States will be required to maintain historical rate schedules and historical math audit and billing programs in order to process amended returns and/or adjustments related to prior periods.

4. Taxpayers reporting late loads in current periods may be reporting at the wrong rate. Taxpayers will also need the ability to amend or correct prior period reporting based on the historical rates.

5. Inventories stored at a point in the wholesale chain after the point of taxation, will have the wrong rate of tax imbedded in the price, potentially requiring the collection of a floor tax or refunds.

**Conclusion**

Each method of adjusting fuel tax rates offers an opportunity to increase revenues based on the effects of inflation without additional legislation, creating a revenue base that better mirrors rising costs. Each approach also presents administrative burdens for both industry and the states. Any state considering a change from their current taxing structure should be prepared to deal with these issues and costs.
Virtual Auditing

With states facing more and more budget restrictions and travel being one area that is being cut from their budgets, state auditing departments need to come up with innovative constructive ways of continue to perform audits on Motor Fuel Accounts without the cost associated of traveling to the Taxpayers location.

What are Virtual Audits?

Virtual audits are paperless, electronic audits that are conducted without face to face interaction between government and industry. All data is exchanged in electronic formats such as MS Word, Excel, PDF files, text files and EDI files.

Benefits of Virtual Audits:

- Cost savings and efficiency – travel expenses, cost and storage of paper files, and postage.
- Accessibility of data by all personnel within an organization – Audit, Appellate, Litigation, etc.
- Reduction of physical storage space
- Minimize the possibility of losing files
- Faster access to files and information
- No auditing standards, rules, or regulations that prevent use of paperless auditing systems
- Improved performance with consistent data capture and analysis
- Ability to link work papers and evidence directly to audit report
- Disaster recovery capabilities

Issues associated with virtual auditing:

- Audit review process may be more difficult
- Equipment needs such as scanners and monitors – budget issues, compatibility issues with different software types
- Storage capacity limits
- Getting electronic results to the taxpayer – secure email, secure mail box
- Fear of change – resistance to re-engineering of business processes
- Fear of technology
- Requires training and keeping abreast of software developments

What states need to address before performing virtual audits:

- Identify how long to retain records
- Identify when and how to back up files
- Uniform rules for naming and categorizing files
- Know the electronic recordkeeping requirements and professional standards of the IRS, other federal agencies, and state and local governments
- Security systems to ensure authenticity, prevent manipulation of data, and improper access to confidential information
- Strong upper management commitment and resources for automation

The audit process:

When a state decides to begin virtual auditing, management and auditors need to develop procedures that can be followed to ensure all virtual audits are conducted on a consistent basis. The state would need to develop a list of expectations for the taxpayer that would
provide, in advance, information on how the virtual audit process is going to work and what their responsibilities are during the audit. The list of expectations should include: what data is required from them, expectations of response time for both state and industry for all methods of communication, the scope of the audit, and back up phone number and email addresses.

When human interaction is eliminated in this type of auditing extra time and care needs to be dedicated to the taxpayer. This is an integral step as one-on-one communication and hands on training is lost during a virtual audit and these have been vital for on location field audits. All parties involved in the process need to make sure they understand each other completely, or they need to make sure that they are asking questions before specific topics are closed or communication has ended. This type of auditing can lead to longer audits and a lack of focus by both the taxing authority and industry on completion of the audit. Both parties need to be committed to completing the audit in a timely manner and keeping deadlines as they come due.
Excise Tax Online Exchange (ExTOLE) (2011)

What is ExTOLE?
ExTOLE is an internet based data repository administered by the IRS. ExTOLE allows states to exchange Motor Fuel data in a secure manner, based on exchange/disclosure agreements between states and/or applicable statutory authority. Only state data exists in ExTOLE.

Benefits of ExTOLE:
- Not subject to IRS safeguards
- Free
- Secure
- Improves compliance
- Reduces revenue loss
- Enhances enforcement
- Allows for information sharing
- Reduces paper
- Multiple passwords are not needed
- Available to all states

ExTOLE Functionality Includes:
- Contact list
  The contact list provides contact information for participating states in key areas of fuel tax management, such as Audit, Administration, etc. Identified ExTOLE state administrators are responsible for updating needed information.
- Licensee information
  The licensee information includes Taxpayer (company), License (type of license) and Associate (owner/officer) data. The data can be uploaded and obtained by other states through queries.
- Import/Export observations
  - Diversions (no details)
  - Truck sightings
  - Retail/bulk plant/consumer information
- Standardized queries
  Data queries are available for Contact and Licensee information, Imports/Exports, Diversions, Truck Sightings, etc.
- File transfers
  The file transfers option allows states to exchange files/documents in a secure manner without the use of multiple passwords. The functionality includes the ability to transfer a file, download a file or upload flat files.

NOTE: The ExTOLE system was taken off-line in October 2011. Per the IRS, the ExTOLE system/functionality is no longer feasible due to security issues, data/system vulnerability and the cost of needed programming changes.
Shipping Documents Points to Consider Relative to Fuel Tax Administration (2012)
September, 2012

Introduction: What is a Bill of Lading? It is a document signed by a carrier (a transporter of goods) or the carrier’s representative and issued to a consignor (the shipper of goods) that evidences the receipt of goods for shipment to a specified designation and person.

Carriers in all modes of transportation issue bills of lading when they undertake the transportation of cargo. A bill of lading is, in addition to a receipt for the delivery of goods, a contract for their carriage and a document of title to them. Its terms describe the freight for identification purposes; states the name of the consignor and the provisions of the contract for shipment; and directs the cargo to be delivered to the order or assigns of a particular person, the consignee, at a designated location. The Code of Federal Regulation Title 49, part 172.201 authorizes the data requirement for common carriers.

In the motor fuel industry, a manifest or bill of lading is the document that must be issued by the refinery, terminal and/or bulk plant for each withdrawal from that specific location. The manifest or bill of lading shall show the following information: a unique number for the document, date shipped, name of carrier, origin (name and address of the terminal, refinery or bulk plant where product was loaded), the terminal or refinery control number (as issued by the IRS), name of the supplier, the receiving party (consignee), the destination, particular description of the product loaded, and the number of gallons. Some states may require supporting documentation or a separate bill of lading for split loads.

Any manifest, bill of lading, shipping paper or invoice for special fuel which is indelibly dyed in accordance with regulations prescribed pursuant to 26 U.S.C. 4082 shall include the statement “DYED DIESEL FUEL, NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE.”

Some states require the tax due and/or the responsible party for tax to be included on the shipping document. Most states require printed bills of lading although few will authorize the use of handwritten bills of lading.

Problem: One of the biggest problems with shipping documents is that shipping document formats vary by industry and by terminal operator. When printing several copies of the bill of lading, the print becomes illegible. The format of some documents does not clearly identify the physical address of the terminal, refinery and/or bulk plant. The bill of lading number may not be legible or may be confused with other numbers on the document because it is not required to be uniform. The name of the supplier may or may not be on the shipping document.

Solution: A standardized shipping document with a uniform format that designated a specified area for: the name and address of the location where the fuel was loaded; the unique document number; the supplier name; the date product was loaded; identification of product; gallons loaded (net and gross). Any other information required by the domiciled state or the Federal government could be placed on the shipping document in an area according to each terminal’s specification.

Much of the information on a bill of lading is already transmitted electronically to the suppliers. This format must already be standardized. The idea solution would be to transfer that information to a standardized hardcopy which is printed for the transporter.
Compliance Tools (2013)
September, 2013

• Audits
The Webster dictionary defines audit as ‘a formal or official examination and verification of an account book’.

There are many points in the motor fuel distribution chain between refinery and the retail pump at your local station or truck stop in which audits are performed. Even if your state’s point of taxation is at the rack you may not want to rule out auditing other points in the distribution chain. At all points of the distribution chain the objective of an audit is to verify that all gallons are accurately reported and tax paid to the proper taxing authority.

❖ Refiner
❖ Terminal Operator
❖ Supplier
❖ Distributor
❖ Retailer
❖ Blender
❖ Producer/Manufacturer
❖ Alternative Fuel Dealer
❖ User
❖ Liquid Fuel Carrier
❖ IFTA Licensee

Audits are performed at customer sites or through virtual means (see Virtual Audits white paper document in the FTA Motor Fuel Tax Section Uniformity Book), but with either method a good audit plan is necessary to result in a good audit, however an audit does not always result in an assessment of tax.

A good audit plan includes;
✓ Pre-Planning
✓ Understanding the Industry
✓ Understanding Accounting System
✓ Interviewing individual(s) responsible for accounting for and filing motor fuel reports
✓ Determining type of system in use
✓ Assessing internal controls
✓ Knowing your source documents
✓ Determining what the system captures, records and reports
✓ Understanding transaction flow
✓ Verifying how system handles each type of transaction
✓ Keeping an open mind, eyes and always alert, looking for areas that carry the highest risk for error or fraud
✓ Tracking transactions and payments
✓ Validating third party records
✓ Maintaining detailed notes and documentation

You may also find it beneficial to perform a joint audit with the IRS or other states.

• Fuel Tracking
Fuel Tracking is the process of reconciling data elements reported on a source return to the information reported by a third party. A source return or third party data is defined as receipt, disbursement, or delivery schedules that are filed with a taxing jurisdiction. These schedules are found on terminal operator, terminal supplier, distributor, and petroleum carrier reports, among others. The reconciliation process typically links the source record to third party data by means of a license and document (bill of lading) number. If the transaction is found on one report, but not on the other, it is identified as an exception. Exceptions identify recording errors (i.e. source document had the wrong purchaser or seller Federal Employer Identification Number (FEIN)) or transactions that were never reported. Exceptions may be a sign of lost revenue and should be reviewed by a taxing jurisdiction.
Fuel Tracking can also be used to find discrepancies in source or third party data. This is accomplished by comparing the data elements reported on a schedule of receipts (customer) to the data elements reported on a schedule of disbursements (seller). Taxing jurisdictions can also reconcile data elements on an information report (petroleum carrier, terminal operator, etc.) to source returns to identify discrepancies. Data elements include product type, point of destination and origin, mode of transportation, date shipped/received, carrier FEIN, and gallons. If the tracking system is able to link a transaction by document number, product type, and FEIN, all other data elements should match. Discrepancies in data elements, such as gallons, point of origin, or point of destination, may identify lost revenue and should be reviewed by a taxing jurisdiction.

Note - Due to the volume of data that is matched, fuel tracking is typically an automated process that relies on internal or external software.

**Example 1:** The following is an example of an exception. In this case, the distributor failed to report the correct seller FEIN. Instead of listing 104523504 as the seller FEIN, the purchaser listed 104523506. Therefore, the receipt and disbursement schedules could not be linked and an exception was generated.

<table>
<thead>
<tr>
<th>Terminal Supplier (Disbursement)</th>
<th>Wholesaler (Receipt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seller FEIN – 104523504 **** Error</td>
<td>Purchaser FEIN - 161353957</td>
</tr>
<tr>
<td>Document Number – 123AAC</td>
<td>Document Number – 123AAC</td>
</tr>
<tr>
<td>Purchaser FEIN - 161353957</td>
<td>Seller FEIN – 104523506 ****** Error</td>
</tr>
<tr>
<td>Carrier FEIN - 581456987</td>
<td>Carrier FEIN – 581456987</td>
</tr>
<tr>
<td>Product Type - 124</td>
<td>Product Type - 124</td>
</tr>
<tr>
<td>Point of Destination - 18500001</td>
<td>Point of Destination - 18500001</td>
</tr>
<tr>
<td>Point of Origin - 138734427</td>
<td>Point of Origin - 138734427</td>
</tr>
<tr>
<td>Mode of Transport - J</td>
<td>Mode of Transport - J</td>
</tr>
<tr>
<td>Date Shipped – 01/01/2013</td>
<td>Date Received – 01/01/2013</td>
</tr>
<tr>
<td>Gallons – 4,000</td>
<td>Gallons - 4,000</td>
</tr>
</tbody>
</table>

**Example 2:** The following is an example of a detailed exception. In this case, the terminal supplier reported 4,000 gallons instead of 400. Therefore, additional tax is due on 3,600 gallons of gasohol.

<table>
<thead>
<tr>
<th>Terminal Supplier (Disbursement)</th>
<th>Wholesaler (Schedule 1A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEIN - 104523504</td>
<td>FEIN - 161353957</td>
</tr>
<tr>
<td>Document Number – 123AAC</td>
<td>Document Number – 123AAC</td>
</tr>
<tr>
<td>Purchaser FEIN - 161353957</td>
<td>Seller FEIN – 104523504</td>
</tr>
<tr>
<td>Carrier FEIN - 581456987</td>
<td>Carrier FEIN – 581456987</td>
</tr>
<tr>
<td>Product Type - 124</td>
<td>Product Type - 124</td>
</tr>
<tr>
<td>Point of Destination - 18500001</td>
<td>Point of Destination - 18500001</td>
</tr>
<tr>
<td>Point of Origin - 138734427</td>
<td>Point of Origin - 138734427</td>
</tr>
<tr>
<td>Mode of Transport - J</td>
<td>Mode of Transport - J</td>
</tr>
<tr>
<td>Date Shipped – 01/01/2013</td>
<td>Date Received – 01/01/2013</td>
</tr>
<tr>
<td>Gallons – 4,000 ***** Error</td>
<td>Gallons - 400 ***** Error</td>
</tr>
</tbody>
</table>

- **Diversion Review**
  
  Diversion is defined as product shipped from a terminal to a state or jurisdiction other than the destination state or jurisdiction indicated on the original bill of lading issued at the terminal.

  Diversion reporting may or may not be required in your state, but reviewing diversion information even when not required by state law can be a deterrent to motor fuel tax evasion.
If your state subscribes to the National Fuel Diversion Registry Program you will receive notification whenever your state is impacted due to a diversion being filed with the registry, when your state is the origin or destination. This will allow you to review the affected customer’s filing(s) to ensure the proper gallons and tax are reported.

There is an annual fee to subscribe to the National Fuel Diversion Registry Program. Contact the FTA.

Diversion review is a good compliance tool even if your state does not statutorily require diversion reporting.

- **Import/Export Information Exchange Between States**
  Exchanging import/export information between states is an important part of monitoring compliance. Cross-border evasion has been an issue for many years. It is especially true when a state is surrounded by state(s) with lower fuel tax rate(s). Many states exchange export information with destination states today. There are a few different options available for the exchange of information. EDI files can be transmitted safely and translated by the receiving state for review. Other states not using EDI have found exchanging information through e-mail in flat file format to work for them. However, since the discontinuation of ExTOLE, states have found it to be more cumbersome due to the need for multiple passwords for various states secure e-mail systems. There are some states that still wish to receive export information through the postal service either by printed reports or the export schedules submitted with the monthly return by the customer.

You should contact those states that you need to exchange information with to determine what method works best for both states.

- **Dyed Fuel Enforcement Programs**
  Effective January 1, 1994, in an effort to reduce fraudulent use of untaxed diesel fuel, the federal government required diesel fuel sold for off-road use to be dyed red. Penalties were imposed for the use of dyed fuel in highway vehicles of $1,000 or $10 per gallon, whichever is greater. In addition to the penalty, the road tax would also be assessed. The penalty is for each occurrence and is increased for subsequent violations. The federal government’s statute also allows for a penalty of $1,000 if an individual refuses to allow an inspection. If a fuel sample is tested and contains any trace of red dye, the IRS considers this to be a violation. The federal government fuel inspectors are Fuel Compliance Officers (FCO) and Fuel Compliance Agents (FCA) and are employed by the IRS.

Many states have developed their own dyed fuel programs. In some states the diesel fuel compliance programs often involve participation of multiple state agencies. It is preferable for fuel inspectors to have the authority to stop vehicles traveling on the highway in order to check for the use of dyed fuel. Law enforcement personnel such as State Highway Patrol officers or Motor Vehicle Inspectors who routinely inspect vehicles for safety violations may be the best choice to perform inspections for use of dyed diesel. States must determine the penalty amounts that will be assessed at the state level for violations. Some state programs have adopted the federal penalties.

Testing of samples to determine presence of dye may be performed in a petroleum laboratory. These labs are often operated by the state’s Department of Agriculture. States also have the option of contracting with the Internal Revenue Service to do the testing at their labs. If your state is considering developing a dyed fuel program there are several things that should be considered. Some examples are;
Do your statutes support the taking of fuel samples?
Do you have an MOU (Memorandum of Understanding) signed with the IRS to partner with them in dyed fuel enforcement?
Who has the authority to stop a vehicle?
Where will the laboratory testing take place?
Have penalties been determined?
Who will train your fuel inspectors or enforcement personnel?
Talk to states that have an existing dyed fuel program

If your state does not have a dyed fuel enforcement program today, chances are there is dyed fuel being used on your state highways and roads. When dyed fuel programs are first developed you may see a high percentage of violations; but as time goes on, percentages should diminish due to the presence of fuel inspectors in the field.

**Publicity of Prosecuted Fuel Tax Cases**
States have found that publicizing prosecuted fuel tax cases can be a deterrent to evading motor fuel tax. Publicity has ranged from local to national news media and even state websites. When cases are made public, both states and industry can benefit from the information provided. The more known about current trends, evasion schemes and individuals involved, the more diligent we can all be in the fight against motor fuel tax evasion. State confidentiality statutes should always be considered before releasing any information regarding tax evasion.

**ExSTARS**
Excise Summary Terminal and Reporting System (ExSTARS) is a federal Internal Revenue Service (IRS) system. ExSTARS requires monthly reporting and focuses on the terminal distribution level and processes data reported by terminal operators and bulk carriers. Each taxable fuel facilities is issued a facility control number (FCN). Fuel terminals are issued a terminal control number (TCN), and refineries are issued a refinery control number (RCN) by the IRS. Each terminal (TCN), and vessel or pipeline operator is required to electronically file a monthly report in ExSTARS which includes inventory balances and detailed product distribution information.

To participate and review ExSTARS data, each state will need to sign an MOU with the IRS. Each state wishing to receive ExSTARS data will first have to pass the IRS security review. Once approved, individuals will receive a User ID and Password to be used to access the ExSTARS system on the internet to download the data specific to your state. It is important to remember that ExSTARS is an IRS system and IRS confidentiality rules apply; therefore there are special handling guidelines depending on whether the data the state received according to IRC 6103(d), or IRC 6103 (c). If the data is subject to IRC 6103(d) provisions it must be secured to a higher level. Refer to IRS Publication 1075 Tax Information Security Guidelines for Federal, State and Local Agencies and Entities or contact your IRS security liaisons. For IRC 6103(c) data also referred to as 813 data, it is treated as state data, and can be handled with state confidentiality rules.

As a state, if you are relying on terminal reports, manifest and import information from other states, you may not be getting a complete picture of fuel movement in your state. ExSTARS is a national accounting system of all products entering and leaving terminals throughout the United States. ExSTARS allows you the opportunity to view information regarding loads of fuel leaving an out of state terminal destined for your state to verify proper reporting and tax calculations.
Motor Fuel Tax Issues with Natural Gas and Other Alternative Fuels (2013)
Revised September, 2013

Background
Due to various market forces including fluctuating fuel prices and increasingly restrictive laws and standards the use of alternative fueled vehicles has been expanding. Historical impediments to the expansion of the use of alternative fuels included issues with manufacture and distribution of the fuels; availability of refueling locations; and price of the fuel compared with the traditional fuels, gasoline and diesel. However combinations of forces such as the increases in prices of the traditional fuels and the financial incentives offered by federal and state governments, has made the use of the alternative fuels more affordable. Finally, environmental issues, especially smog and pollution abatement require the use of lower-polluting and toxic fuels and in many cases the alternative fuels help meet the standards.

While not exhaustive, the following list identifies the most used alternative fuels in highway vehicles:

- Biodiesel
- Renewable Diesel
- Ethanol
- Natural Gas (CNG & LNG)
- Propane (LPG)
- Hydrogen
- Electricity

In addition, in recent years there has been an expansion of the sales of hybrid vehicles which combine gasoline engines with battery power to make the vehicles more efficient. While these would not present potential issues for fuel tax collections, their use would decrease the taxes paid vs. a vehicle that travels the same distance using just gasoline. This discussion of reduction in receipts to federal and state transportation trust fund revenues is a discussion for another day.

The following descriptions of the uses and benefits of the different fuels are taken from the US Environmental Protection Agency (EPA), Alternative Fuel Vehicles and Alternative Fuels, U.S. Department of Energy website, http://www.fueleconomy.gov/Feg/current.shtml

**BIODIESEL** - Biodiesel is a form of diesel fuel manufactured from vegetable oils, animal fats, or recycled restaurant greases. It is safe, biodegradable, and produces less air pollutants than petroleum-based diesel.

Biodiesel can be used in its pure form (B100) or blended with petroleum diesel. Common blends include B2 (2% biodiesel), B5, and B20. B2 and B5 can be used safely in most diesel engines. However, most vehicle manufacturers do not recommend using blends greater than B5, and engine damage caused by higher blends is not covered by some manufacturer warranties. Check with your owner’s manual or vehicle manufacturer to determine the right blend for your vehicle.

**RENEWABLE DIESEL** - Produced from biological sources Renewable Diesel meets all diesel ASTM D975 (Diesel) or D396 (Fuel Oil) standards. This product can be transported in pipelines with no upgrades required, unlike biodiesel which requires truck or rail transports. Renewable diesel (or green diesel) has a structural difference from biodiesel; it contains no fatty acid methyl esters and has no cold flow issues. Renewable diesel is produced using similar refining processes for producing petroleum diesel.
The key difference between renewable diesel and biodiesel is its chemical structure. Biodiesel contains fatty acid methyl esters (FAME), which are long, complex chains containing carbon, hydrogen, and oxygen. Renewable diesel is made up of totally organic hydrocarbons (hydrogen and carbon atoms only) just like petroleum diesel. Another difference is renewable diesel can be made from the sugars, starches, and cellulose material abundant in plants versus just using the seeds. Furthermore, with renewable diesel, various types of sewage and otherwise unusable waste streams such as used motor oil, fats, greases, waste vegetable oil, waste plastic materials (grocery bags, water bottles, etc.), and municipal solid waste (MSW) can also be used as feedstock.

### Advantages & Disadvantage of Renewable Diesel

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Not reliant on a crude feedstock</td>
<td>• Cost</td>
</tr>
<tr>
<td>• Meets ATSM D975 and D396 standards</td>
<td>• Supply Availability</td>
</tr>
<tr>
<td>• Can be transported via pipeline</td>
<td>• Labeling Requirements</td>
</tr>
<tr>
<td>• Compatible with existing diesel engines</td>
<td></td>
</tr>
</tbody>
</table>

ETHANOL - Ethanol is an alcohol-based fuel made by fermenting and distilling starch crops, such as corn. It can also be made from "cellulosic biomass" such as trees and grasses. The use of ethanol can reduce our dependence upon foreign oil and reduce greenhouse gas emissions.

E10 (also called "gasohol") is a blend of 10% ethanol and 90% gasoline sold in many parts of the country. All auto manufacturers approve the use of blends of 10% ethanol or less in their gasoline vehicles.

E85, ASTM D5798-11 specifications for E85 is a gasoline-ethanol blend containing 51% to 83% ethanol and can be used in flexible fuel vehicles (FFVs), which are specially designed to run on gasoline, E85, or any mixture of the two. State statutes may require a different ethanol % in order to be considered E85. FFVs are offered by several vehicle manufacturers. To determine if your vehicle can use E85, consult your owner’s manual or check the inside of your car’s fuel filler door for an identification sticker.

NATURAL GAS - a fossil fuel comprised mostly of methane, is one of the cleanest burning alternative fuels. It can be used in the form of compressed natural gas (CNG) or liquefied natural gas (LNG) to fuel cars and trucks.

Compressed natural gas (CNG) is typically stored in a tank at a pressure of 3000 to 3600 psi.

Liquefied natural gas (LNG) is super-cooled and stored in its liquid phase at -260°F in special insulated tanks.

Natural gas is usually measured by volume and is stated in cubic feet. For taxing purposes, natural gas consumed as a fuel in motor vehicles would be converted to either gasoline gallon equivalent (GGE) or diesel gallon equivalent (DGE) based on the energy content or British Thermal Units (BTU’s). Conversion equations vary between states, however the Uniformity Committee (January 2013) is researching the issue and hopes to provide guidance to the states when converting natural gas to GGE/DGE gallons. (This paper will be revised to reflect the decision.)

Dedicated natural gas vehicles are designed to run on natural gas only, while dual-fuel or bi-fuel vehicles can also run on gasoline or diesel. Dual-fuel vehicles allow users to take advantage of the wide-spread availability of gasoline or diesel but use a cleaner, more economical alternative when natural gas is available. Since natural gas is stored in high-pressure fuel tanks, dual-fuel vehicles require two separate fueling systems, which take up passenger/cargo space.
Natural Gas Vehicles are growing in popularity in the US. Currently, Natural Gas Cars are in production in many European and South American countries. People are looking for alternative energy vehicles. Natural gas vehicles are gaining demand with about 120,000 NGV’s on U.S. roads today and more than 15.2 million worldwide, but are still way behind other alternative energy vehicles primarily because of the difficulty in refueling these vehicles. In recent years, companies have successfully driven natural gas vehicle use by building fueling stations and supplying natural gas under multi-year contracts to fleets at costs significantly less than the per-gallon cost of gasoline or diesel. Many companies have either purchased Natural Gas Vehicles or are converting their existing fleet to run on natural gas. With the increase in Fleet use, there are large companies with distribution outlets across the country issuing Request for Proposal to heavy-duty CNG Station Operators that are able to provide heavy-duty CNG fueling stations at or nearby their locations. Fleet use should lead to greater consumer use in the future.

Public transportation across the country has been using CNG for decades. Currently, about 12-15% of public transit buses in the U.S. run on natural gas (either CNG – compressed natural gas or LNG – liquefied natural gas). That number is growing, with nearly one in five buses on order today slated to run on natural gas. States with the highest consumption of natural gas for transportation are California, New York, Texas, Georgia, Massachusetts and Washington, D.C.

In the U.S. alone, NGV’s offset the use of nearly 360 million gallons of gasoline in 2011.

At present there are limited natural gas stations available nationwide, but are showing steady growth. Refueling at a fast-fill CNG station takes no longer than tanking up with gasoline. As the fueling infrastructure builds for CNG, the inconvenience of limited public fueling opportunities is softened by the availability of filling up at home. There is at least one company that currently offers an in-home refueling station. This refueling appliance can be installed in a garage or outside a home to allow refueling using a home’s natural gas supply. The refueling appliance requires an extended period of time to fill the fuel tank. In many cases, vehicles fueled up at favorable natural gas home rates can operate at a reduced rate per gallon than gas or diesel.

**Advantages & Disadvantage of CNG & LNG**

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Nearly 87% of U.S. natural gas used is</td>
<td>• Limited vehicle availability</td>
</tr>
<tr>
<td>domestically produced</td>
<td>• Less readily available than gasoline &amp; diesel</td>
</tr>
<tr>
<td>• 60-90% less smog-producing pollutants</td>
<td>• Fewer miles on a tank of fuel</td>
</tr>
<tr>
<td>• 30-40% less greenhouse gas emissions</td>
<td>• Slow fill home fueling can take an extended period of time</td>
</tr>
<tr>
<td>• Less expensive than gasoline &amp; diesel</td>
<td>• Motor fuel tax billing for home refueling stations</td>
</tr>
<tr>
<td>• Convenient slow fill home fueling</td>
<td></td>
</tr>
</tbody>
</table>

**PROPANE OR LIQUEFIED PETROLEUM GAS (LPG)** - a clean-burning fossil fuel that can be used to power internal combustion engines. LPG-fueled vehicles produce fewer toxic and smog-forming air pollutants. LPG is usually less expensive than gasoline, and most LPG used in U.S. comes from domestic sources.

At this time only light-duty propane fleet trucks and vans are available with OEM (original equipment manufacturer); however LPG-fueled light duty passenger cars and trucks can be purchased in the U.S. from a dealer with prep-ready engine packages and be converted to run LPG. In addition gasoline and diesel vehicles can be retrofitted to run on LPG in addition to conventional fuel. The LPG is stored in high-pressure fuel tanks, so separate fuel systems are needed in vehicles powered by both LPG and a conventional fuel such as gasoline.
### Advantages & Disadvantage of LPG

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 85% of LPG used in U.S. comes from domestic sources</td>
<td>• No new passenger cars or trucks commercially available (vehicles can be retrofitted for LPG)</td>
</tr>
<tr>
<td>• Fewer toxic and smog-forming air pollutants</td>
<td>• Less readily available than gasoline &amp; diesel</td>
</tr>
<tr>
<td>• Less expensive than gasoline</td>
<td>• Fewer miles on a tank of fuel</td>
</tr>
</tbody>
</table>

**ELECTRICITY** – While the EPA site does not list electricity as a fuel type, for purposes of this discussion it’s being covered. While some people think of the batteries in hybrid vehicles to be an example of electric vehicles, there are also vehicles which have on-board batteries and can be charged at an electricity source.

### Advantages & Disadvantage of Electricity (Plug-Ins)

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Energy resilience and petroleum replacement</td>
<td>• Cost, size, weight and disposal of batteries</td>
</tr>
<tr>
<td>• Greater fuel efficiency</td>
<td>• Access to electrical outlets (apartment dwellers &amp; long distance travel)</td>
</tr>
<tr>
<td>• Lower greenhouse gas emissions</td>
<td>• Emissions shifted to electric plants</td>
</tr>
<tr>
<td>• Lower operating costs</td>
<td>• Electricity billing issues</td>
</tr>
</tbody>
</table>

**HYDROGEN (H2)** - is being aggressively explored as a fuel for passenger vehicles. It can be used in fuel cells to power electric motors or burned in internal combustion engines (ICEs). It is an environmentally friendly fuel that can be produced domestically from several sources, reducing our dependence on petroleum imports. Several significant challenges must be overcome before it can be widely used.

### Advantages & Disadvantage of Hydrogen

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Can be produced domestically from several sources</td>
<td>• Expensive to produce</td>
</tr>
<tr>
<td>• Environmentally Friendly</td>
<td>• Limited availability</td>
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<td></td>
<td>• Limited vehicle availability</td>
</tr>
<tr>
<td></td>
<td>• Cost of vehicle</td>
</tr>
<tr>
<td></td>
<td>• Contains much less energy than gasoline</td>
</tr>
<tr>
<td></td>
<td>• Danger from very high pressure, low temperature storage tanks</td>
</tr>
</tbody>
</table>

Various costs, efficiencies, ability to be renewable and other benefits have increased use of these fuels. For example, ethanol, has public acceptance and is widely used, not only due to price and its ability to be renewable, but as an additive to gasoline as an oxygenate. The primary use is to reduce the production of carbon monoxide in the burning of the fuel. While the ester compound MTBE was previously used as an oxygenate, it has been found that it contaminates groundwater, especially during leaks of underground storage tanks, and states have moved to ban its use. A blend of gasoline and ethanol, usually E10, is used as a replacement for MTBE.

### FUEL TAX COMPLIANCE ISSUES

Given the various benefits of alternative fuels and their increasing development, the production, distribution, and sales of the fuel are of interest to those who collect taxes on the fuels and track...
their movements. With gasoline and diesel, the production process is relatively complex and costly when compared with alternative fuels. It would be difficult to refine gasoline in your back yard, but you could manufacture biofuels (including biodiesel) and ethanol in very small quantities for personal use. As we will also see it becomes more difficult to track electricity in plug-in vehicles, CNG in certain applications, and if hydrogen (fuel cell vehicles are developed) becomes widespread, gas that may be delivered in different methods.

**Ethanol** – the challenges with Ethanol stem in part from the inability to make bulk distribution through traditional liquid fuel pipelines. Thus ethanol moves more on dedicated pipelines, rail cars, and by truck load. While these methods are certainly not difficult to track, most revenue and transportation agencies have not dedicated a lot of resources into tracking product moved that way, and as a result they may not know how much ethanol is moving into their state on rail cars, or even where the product might be loaded or unloaded. Another issue, that while somewhat difficult to quantify, but nonetheless can be a problem, is the fact that a number of ethanol manufacturers have not operated as fuel distributors and do not know the requirements for registering and reporting to the federal and state agencies. Since in some cases the production numbers are lower than gasoline or motor fuel distributors, the administrative agencies may not even be aware of their operations for some time. Attachment A shows a commercial business advertising equipment to make your own ethanol at home. Nowhere on the website is there a mention of motor fuel taxes.

**Biodiesel** – this is a term that can cover a wide range of liquids from vegetable oils and animal fats. Sources of the feed stocks can be soybeans and rapeseed (canola oil), but also include waste vegetable (“used French fry oil”) oils from restaurants, and in theory algae from water sources. It is evident that the sources of these fuels would make it very difficult in many cases, for the tracking of production and distribution of fuel. People not only make small batches of the fuel for personal use and limited distribution, but restaurants who used to have to pay to have waste oil removed, are glad to have it taken away at no cost, or charging a small fee.

**Renewable Diesel:** The product is often interchanged with biodiesel. States need to have a clear understanding of which product is before them before any categorization occurs. The origin of the feedstock, plant or animal vs. crude, seems to be one determining factor for categorization. As well as the fact that renewable diesel meeting ASTM D975 standards is another.

**Compressed and Liquefied Natural Gas** – Conversion of CNG and LNG to GGE and DGE varies between states and the federal government which causes reporting issues for industry. Each jurisdiction would need to determine how to collect the motor fuel taxes on the fuel dispensed into vehicles from refueling stations at an individual's home. If your state does not require separate metering for the home fill units it will be difficult to determine gallons dispensed into a motor vehicle. While this is a limited application, it should challenge fuel tax administrators to think about what their answer will be when they get the phone call asking about how someone is going to pay fuel taxes. Will this be considered a retail location, and be subject to other state laws and regulations? Can similar issues crop up with other alternative fuels?

**Propane** – This also is a limited market and to this point it seems like propane is generally tracked and taxed by the proper agencies.

**Hydrogen** – Manufacture and widespread use of the vehicles are still in the future, but depending on the delivery method of the fuel there will likely be many of the same issues that affect CNG and Propane.

**Electricity** – The obvious issue is that this fuel is not delivered as a liquid fuel and thus would have to be measured some other way if an effective method of taxation is used which will assess a tax based on the amount of product used. While the amount of energy in a gallon of gasoline (or other liquid fuel) can be computed for comparison to electricity and make for an assignment of an equal tax rate,
the question becomes ‘What is the source of the electricity’? If the vehicle can draw from the same source as regular household current, it would be impossible to compute the vehicle usage without some additional metering. Even with that there would be the question of who tracks that portion of the electricity and how is the tax computed and paid. Some states have addressed this issue by having a registration fee in lieu of fuel taxes.

**WHAT SHOULD TAX ADMINISTRATORS BE DOING NOW?**

The following issues are areas that should be considered in the area of accounting for alternative fuels:

**Are they in my state?** – While Ethanol and Biodiesel are fairly universal at this point, determine how much product is in your state, and how it gets there.

- Do you have a relationship with the railroads that may travel through your state?
- Is there a state or federal agency that may be able to give you that information?
- Are there fueling locations that may not otherwise be registered with your agency?
  - A suggestion would be to look at several websites, including trade groups who are always proud of their market penetration. Their list of retail locations that sell E85 probably will, but may not match the information you already have.
  - Did a farmer’s co-op work to build an ethanol plant in your state and somehow no one ever registered it as a fuel manufacturing plant?
  - Is there an agency in your state that oversees chemical plants (state EPA)? You may check with them to make sure you know where they all are.

**Are people using the fuel in my state?**

- Check with the Department of Motor Vehicles in your state to see if they can provide you with summary or detail information on the number of vehicles by fuel type. Fuel type may be determined by characters in the VIN, however this may not be a reliable or complete picture given the number of aftermarket conversions. You may find out that there may be 2 CNG vehicles registered to individuals but there may also be a large bus company with 150 CNG buses domiciled in your state.
- Are you providing information about the registration and reporting requirements through your normal news outlets or through your agency website?
- Anticipate the need for types of registrations and information about how people will have to track their usage and pay any taxes due. If someone walked into your office and said they had an electric vehicle, would you know what you would say to them?

**Education**

The federal government is mandating that by 2017 there is to be 21 billion gallons of cellulosic biomass fuel produced. Do you even know what that is? How it is produced? How it is distributed? Do you know what fuel cells are and how they are used in a vehicle? Short of a change in the method of taxation for motor fuels, it is important to maintain an equitable method for collecting the proper taxes from every user. It doesn’t make a lot of sense that the person driving a vehicle using regular diesel fuel should be paying fuel taxes while his next door neighbor is driving the same vehicle and using French fry oil from the fast food restaurant and not paying any taxes. What information do you have to track these fuels?

It is important to know not only what is out there, but what is on the horizon. You may wish to look on the internet for sites such as the EPA and various Department of Energy pages, including information on their Energy Information Administration portal. Talk to your neighboring states to see if they have information that you may wish to use or to see how they track the fuels.
Points to Consider for Gains and Losses in the Petroleum Industry (2014)
May, 2014

Any loss in the handling of the petroleum products translates into a loss of income. Petroleum products expand and contract with changes in temperature and as such their Gross volumes can change significantly. The inability to easily measure petroleum product volumes at retail sites can result in fluctuations in storage tank volumes. "Gain/Loss" is a measure of how Receipts, Disbursements (Sales or Shipments), and Inventories compare over a period of time. Gain/loss can be an indicator of the quality of the inventory system. Excessive gain/loss or consistent losses or consistent gains from month to month can signal the need for an investigation to identify causes and possible corrective actions.

Consistent losses may result from:

- Theft
- Leakage
- Unreported sales or shipments
- Incorrect meter calibration
- Terminal operator or station accounting and reporting errors

Consistent gains may result from:

- Hot fuel purchases (only at retail where temperature correction is unavailable)
- Unreported purchases or receipts
- Incorrect meter calibration
- Terminal operator or station accounting and reporting errors

Consistent gains at a terminal due to metering issues could cause related losses at retail locations that purchase product from the terminal. Consistent gains at a retail location due to metering issues could cause potential "consumer protection" issues at the retailer level.

The formula for calculating Gain/Loss is: Beginning Inventory + Receipts – Disbursements- Ending Inventory = (Gain)/Loss. Another way to state this formula is: Beginning Inventory + Receipts – Ending Inventory = Total Gallons to Account For, and then Total Gallons to Account For – Disbursements = (Gain)/Loss. When using these formulas, it is important to remember that a negative result indicates a gain and a positive result indicates a loss. When calculating Gains and Losses at a terminal, you must use net gallons in order to correctly calculate this amount.

Most governmental agencies require a terminal operator to pay taxes on excessive or "unaccounted for motor fuel losses". These "unaccounted for motor fuel losses" are generally defined as losses that exceed one half of one percent of the number of net gallons removed from the terminal during a year. The intent behind this is to stop potential fraudulent movements out of a terminal from taking place without being taxed.
INTRODUCTION

While buy/sell agreements are defined in this document, the purpose of this whitepaper is to address concerns with flash sales where simultaneous sales occur at the terminal rack.

Buy/Sell Agreements – An agreement in which a Supplier or Distributor purchases fuel at the terminal from a position holder and sells to a third party customer. Buy/Sell agreements may be any combination of bulk (pipeline or barge), truck, or rail transactions and Purchaser(s) may carry inventory.

- **Bulk Buy/Sell Agreement (occurring above the rack)** – An agreement in which a position holder (Supplier A) sells fuel to Supplier B (position holder) who in turn sells to Supplier C (position holder in terminal). Terminalling agreement should be in place.

- **Flash Sale (may also be referred to as rack purchase)** – Transactions between parties in which title transfers simultaneously at the terminal rack from position holder to purchaser to purchaser’s customer as fuel is loaded into truck or rail car.

ITEMS FOR CONSIDERATION

**Your state’s taxation point**

Note: This is generally for the flash title with an exporter scenario.

1. Tax at the terminal rack – If your state has destination state rules for collecting taxes, what taxes would you expect the position holder to collect if the product was ultimately exported or imported to your state? The BOL will typically show the out-of-state destination, however, the exporter of record may not always be the first purchaser in the export stream below the terminal rack.
2. Tax below the rack – How many exempt pass-through transactions does your state allow among properly licensed parties once the fuel has crossed the terminal loading rack? It must be considered that there could be multiple flash title holders of a single load of fuel and that the legally responsible party may not know their place in the title chain.

3. Deferral/Indemnification – Generally in states that allow deferral of tax, the transaction between the taxpayer and their properly licensed customer would be the only transaction that can be deferred and the position holder would be indemnified if the licensee defaults. The licensees below this initial transaction may have to file additional bonds/line of credits with their vendor in addition to the bond posted with the state. This causes financial hardship for these licensees. What happens when all parties are “properly licensed” and the 3rd party defaults on their deferred tax payment? Can the second party file for recourse?

4. Collection Allowance – Generally the taxpayer that remits the tax is the party entitled to a collection allowance. Various states have different requirements as to whether a portion of the collection allowance needs to be passed on and to whom. This could be an issue for instate transactions as well.

Tracking and cross matching

1. Depending on what taxes you will require the position holder to collect and remit, will you have issues with your ability to track and cross match your reporting with other states’ information assuming this is part of your verification process? Does your state share exporting/importing data with your border states for verification purposes?
2. Are there other issues with the validation of terminal operator reports to supplier and distributor reports?
3. Will the BOL generated at the terminal reflect the correct parties and information in this type of transaction?
4. Do all parties to the transaction understand the state’s requirements and report them correctly? Are all parties required to report the transaction so the State can follow the BOL from the first sale through the flash title sale to the licensed exporter?

Other concerns

1. In general, fuel suppliers would prefer to charge only one state’s taxes and not have dual taxation.
2. There is still not agreement among states on handling of origin vs destination taxes.
3. If there are different methods of handling these transactions by the states, there will be an increased amount of administrative burden to the states as well as the suppliers and distributors in the form of amended returns, refund requests, revised reporting, etc.
4. In a rack purchase or flash sale transaction, a position holder could take the stance that the transaction between them and their customer occurs at the origin terminal. The generated BOL would not show the ultimate destination but the terminal address. This position would cause the exporter to be responsible to obtain a diversion number for each transaction, file for a refund or origin tax, and pay the destination state tax.
5. Licensing or lack of licensing in a state may determine whether origin or destination taxes are charged.
6. SCENARIO:
   1. State A imposes tax on all ethanol entering the state or received at a terminal in that state.
   2. State A exempts the supplier for exports from the state either by the supplier or a by registered exporter (the supplier’s customer).
   3. Customer A comes to the terminal and orders a 10% blend of ethanol.
   4. Supplier B removes gasoline from its inventory to supply the gasoline portion of the blend.
5. Supplier B purchases ethanol from Supplier A to supply the ethanol portion of the blend.
6. Customer A is billed for 10% gasohol by Supplier B and then exports it to state B.

These transactions exist in Supplier B’s records.

- Terminal operator’s data to Supplier A shows ethanol destination out of state. Since State A exempts exports, Supplier exempt ethanol sales to Supplier B.
- Supplier B’s data shows ethanol destination as gasohol inventory at the terminal (origin). So it does not expect to be exempted and is out of balance with Supplier A.
- Supplier B exempts the gasohol sale to Customer A from State A’s tax, due to the export exemption.
- Terminal operator should not report destination state to the ethanol supplier since the transaction takes place within the terminal at the origin.
- Supplier A should charge State A’s tax to Supplier B.

The above scenario could also apply to biodiesel.
What is the Difference Between Biodiesel and Renewable Diesel? (2017)
September 2017

There is a continuous search for renewable sources of fuels due to the rate of the depletion of fossil fuel. The term "biofuel" is used to define fuels that are obtainable from plants or animals. High-quality renewable diesel and traditional biodiesel are both considered biofuels but they are two different products.

Fossil fuel or petroleum diesel is a petroleum distillate rich in paraffinic hydrocarbons. Petroleum diesel is produced from fractional distillation of crude oil between 392 degrees F and 662 degrees F at atmospheric pressure. Petroleum diesel (or diesel) falls under the specifications outlined by ASTM D975. The fractional distillation process produces other petroleum products including gasoline, kerosene, fuel oil and asphalt. All of the products, including diesel fuel, may be further processed in other refining units before the final product is ready for consumption.

Biodiesel
Biodiesel (or Fatty Acid Methyl Esters) is produced using a transesterification process. Transesterification is the reaction of vegetable oils or animal fats catalytically with a short-chained aliphatic alcohol (usually methanol or ethanol). Glycerol is a by-product of the transesterification process. Biodiesel is defined under the standard of ASTM D 6751 as a fuel containing mono-alkyl esters of long-chain fatty acids derived from vegetable oils or animal fats. Biodiesel is chemically different from petroleum diesel and renewable diesel because it contains oxygen atoms.

Biodiesel can be used in its pure form or blended with petro diesel as an additive. Biodiesel in its pure form is designated B00 where the 100 refers to 100% biodiesel. Biodiesels blended with petroleum diesel are designated by the percentage of biodiesel. For example, a blended fuel comprised of 20% biodiesel and 80% petroleum diesel is referred to as B20. Some of biodiesel’s properties present benefits over traditional petroleum diesel. Biodiesel has a higher cetane number, contains no aromatics, and is non-toxic and biodegradable. Biodiesel has low sulfur content and improves lubricity. Other biodiesel properties present concerns: it may not be compatible with zinc, copper-based alloys, tin and lead, leading to corrosion. Biodiesel can also cause certain elastomers and seals to swell and harden. Biodiesel also negatively impacts low-temperature operability and the energy content is lower than petroleum diesel. This lower value is not noticeable at blend levels around B5, however, there is a drop in power output and fuel efficiency at higher blend levels.

Renewable Diesel
Renewable diesel, often called “green diesel” refers to petroleum diesel-like fuels derived from biological sources that are not esters. Renewable diesel is chemically the same as petroleum diesel but is made of recently living biomass. Renewable diesel can be further distinguished from biodiesel based upon the processing method to create the fuel resulting in petroleum diesel-like chemical composition. The three primary methods for creating renewable diesel are hydrotreating, thermal conversion, and Biomass-to-Liquids.

• Hydrotreating is a process where the feedstock is reacted with hydrogen under elevated temperature and pressure to change the chemical composition of the feedstock.
• The thermal conversion process is currently used to process slaughterhouse waste and other carbon-containing solid waste to create a fuel that meets the standards of ASTM D396 and ASTM D975.
• The Biomass-to-Liquid (BTL) is another process for making renewable diesel fuel by converting biomass (predominately cellulosic material) through high-temperature gasification into synthetic gas or “syngas”, a mixture rich in hydrogen and carbon monoxide. The syngas is then converted to liquid fuel by a set of chemical reactions. Renewable diesel produced using the BTL process can be created using any source
of biomass while the other processes are limited to mainly lipids, oils obtained from recently living biomass.

Renewable diesel blends follow the same nomenclature as biodiesel. Renewable diesel in its pure form is R00. A blend consisting of 20% renewable diesel and 80% petroleum diesel would be R20. Renewable diesel is the same chemically as petroleum diesel (both are considered hydrocarbons) and it can be mixed in any proportion with diesel. Renewable diesel has a higher cetane rating than petroleum diesel which means the fuel burns cleanly and the engine gets more power. This also means the engine may start easier in cold temperatures.

The definition of renewable diesel is not as straight forward as that of biodiesel. Renewable diesel has been defined by the IRS as: fuel derived from biomass using a thermal depolymerization process which meets –

(A) The registration requirements for fuels and fuel additives established by the Environmental Protection Agency (EPA) under section 211 of the Clean Air Act and
(B) The requirements of the American Society of Testing and Materials D975 or D396.

The EPA defines the federal renewable fuel standards for biomass-based diesel to include:

(A) mono-alkyl ester
(b) Non-ester renewable diesel.

The EPA makes a distinction between biodiesel and renewable diesel using equivalence values. The equivalence values determine how to add volumes of different fuels together for the purpose of RFS (Renewable Fuel Standard) tracking. Biodiesel (mono-alkyl esters) has an equivalence of 1.5. Non-ester renewable diesel has an equivalence value of 1.7. The EPA further clarifies the definition of renewable diesel to state: Renewable diesel is derived from non-petroleum renewable resources that has been produced using a refinery hydro-treating process.

**Summary**

Petroleum diesel fuel is a mixture of hydrocarbons obtained by distillation of crude oil. Petroleum diesel is classified as a fossil fuel, a non-renewable source of energy consisting of hydrocarbon-containing materials of biological origin occurring within Earth’s crust. Fossil fuels are the world’s dominant energy source, making up 82% of the global energy supply.

Biodiesel is the result of the chemical process (transesterification) of bio-mass. Biodiesel is the common name for methyl ester. Biodiesel can be used as a motor fuel but is chemically different from traditional petroleum based diesel (biodiesel is not a hydrocarbon).

Renewable diesel is a hydrocarbon fuel produced from non-petroleum renewable resources using one of the following processing methods: hydrotreating, thermal conversion, or Biomass to Liquid (BTL). The result is chemically identical to petroleum based diesel with significant environmental advantages.
Identifying Fuel Imported via Railcar (2018)
April 2018

Introduction:
Tracking fuel transported via railcars can be a difficult task for auditors. Understanding what sources of information are available and how to use this information is vital for auditors attempting to identify and account for taxable gallons imported via railcar. The following items of consideration are provided as a starting point to initiate a discussion on how to better utilize the resources available.

Things to Consider:
Where is the fuel coming from?
- Identify all rail carriers that operate in your state.
- Does your state require carriers to be licensed and/or file a carrier report? If carrier reports can be obtained, what information is provided and how can it be used?
- Does your state have MOUs in place with other states to share import/export information? If so, how is this information being utilized to identify potentially unreported fuel?

Trans loading Facilities
- Identify the Trans loading facilities in your state. Understanding how these facilities operate will help to identify possible areas of concern.
- Does your state require Trans loading facilities to be licensed and/or file a report? If so, what information can be obtained?

Potential Problems
- Reconciling carrier reports to state return information can be challenging.
  - Carrier reports may not contain a bill of lading number, making it difficult to reconcile to return information.
  - Ship dates and delivery dates are often weeks apart creating cut-off issues and other difficulties when reconciling information.
  - Obtaining copies of the BOLs can help because it will often contain a railcar identification number and other useful information making reconciling reports possible.
- How can fuel be identified when it is exported directly from a Trans loading facility?
  - If your state does not require Trans loading facilities to be licensed, it would potentially be easy for unreported fuel imported via railcar to be exported directly to another state. This would make tracking the fuel for excise tax purposes very difficult.
- How can states identify blend products such as ethanol and biodiesel that may be blended directly off the railcar at Trans loading facilities?
  - Some products may not be taxable until blended. In this case, identifying taxable gallons can prove to be very difficult.
Minimizing Fuel Disruptions Due to Declared Emergencies or Natural Disasters (2019)
April, 2019

Introduction
A jurisdiction may be faced with a natural disaster or emergency that inhibits the flow of fuel (i.e., gasoline, diesel, aviation gasoline, jet fuel, heating oil, kerosene etc.) and petroleum products into its state. A natural disaster is defined as a sudden event in nature that usually results in serious damage or loss of life. Examples of natural disasters include, but are not limited to, earthquakes, wildfires, and hurricanes. An emergency is defined as a sudden or unexpected event that may result in injury, property damage, or loss of life and requires immediate attention. In terms of fuel disruptions, a declared emergency could be construed as a damaged pipeline or work stoppage organized by employees. In either case, supply channels would be disrupted inhibiting the ability to distribute fuel or petroleum products to markets or to support disaster recovery. This document outlines steps administrators should consider implementing before an emergency is declared. These strategies limit fuel disruptions and ensure the destination state receives tax revenues on fuel imported into its state.

Mitigation Strategies
Fuel tax administrators have an obligation to minimize the impact of fuel disruptions as much as possible. This can be done by utilizing existing technologies, proposing legislation, and opening lines of communication with applicable state and federal jurisdictions. It is important to note that taxes or fees on fuel and petroleum products may be administered by more than one agency. If this is the case, each agency should be aware of any mitigating strategies prior to a declared emergency or natural disaster.

The following information identifies actions state tax administrators can take before and after a declared emergency or natural disaster to minimize fuel disruptions.

- **License Waiver** - Propose legislation that inhibits the origin state’s tax or fee from being charged if fuel is exported to a state under a declared state of emergency or natural disaster and the exporter does not have the proper licensing.

Sample Legislation

Export of Tax Free Fuels. —
A person may export fuel without an exporter’s license and without paying the tax/fee imposed pursuant to this part only under any of the following circumstances:

- A Governor of a state has declared a state of emergency or the President of the United States has declared a major disaster in a state or territory of the United States, and/or
- Fuel is exported outside this state to a state or territory where an emergency or natural disaster has been declared and/or
- All destination state taxes or fees were paid on the fuel exported out of state.

This provision will remain in effect for the duration of the disaster response period as outlined in the emergency order or declared disaster.

- ** Temporary License** - Propose legislation that creates a temporary importer, exporter, distributor, or transporter license during a declared state of emergency. Prior to drafting this legislation, state taxing jurisdictions should consider the following.

  ✓ Should the state waive bonding requirements, background checks, and fees to expedite the licensing process?
  ✓ Should the state activate the temporary license for a pre-defined period or for the duration of the declared emergency?
What should the state use as a basis for approving the temporary license? Consider using another license type, such as a sales tax license, or another states fuel license as the basis for approving the temporary license.

✓ Should the state require an electronic registration system in case employees are not available to process the application?

✓ Should the state require temporary license holders to file reports identifying fuel imported, exported, or carried to or from the applicable state?

✓ Should state law waive registration or certificate of authority requirements?

Note -
Registration/Certificate of Authority - Waiver language should be incorporated into the emergency/disaster legislation in the event the license registration requires the licensee to obtain this registration/certificate to transact business in the state and obtain a fuel license. You may want to verify with the Secretary of State office if this is acceptable in the event of an emergency/disaster.

✓ Should the state grant tax deferral privileges to the temporary license holder? Recourse should be extended to licensed suppliers in the event temporary license holders do not remit deferred taxes. In the event a state does not take this approach the law should be clear, so the supplier/permission supplier is aware and can evaluate the credit worthiness of their customer if they (supplier/permission supplier) wish to defer the customer’s tax liability.

✓ Will the state allow the temporary license holder to receive a collection allowance? If a jurisdiction does not give the allowance privilege to the temporary licensee, then the state should indicate this position in the proposed law, so suppliers can make appropriate changes. Also, jurisdiction should adjust tax returns to account for the disallowed collection allowance to temporary license holders.

Sample Legislation

Temporary Licenses – Declared Emergency

(1)(a) Notwithstanding any provision to the contrary contained in this chapter, the department may grant a temporary fuel license for immediate use if:

1. The Governor has declared a state of emergency under s. X; or
2. The President of the United States has declared a major disaster in this state or in any other state or territory of the United States.

(b) Notwithstanding the provisions of this chapter requiring a license and a bond or criminal background check, the department may issue a temporary license as an importer, exporter, distributor or transporter.

(c) A temporary license expires on the last day of the month following the month in which the temporary license was issued. The department may extend any temporary license on a month-to-month basis during the period of a declared state of emergency or major disaster as provided in this subsection. If the department extends a temporary license, the extended license expires on the last day of the month in which the temporary license was extended.
(d) To procure a temporary license, a person must provide to the department the following information.

1. The federal identification number of the business or, if such number is unavailable, the social security number of the owner.
2. The name under which the person will transact business within the state.
3. The location, with street number address, of his or her principal office or place of business within this state and the location where records will be made available for inspection.
4. Any other information required by the Department.

(e) A temporary license authorized by this subsection may not be renewed if the licensee has not filed the required returns or made payment of the taxes required under this chapter.

Note –

Destination State Tax - If consideration is given to waiving licensing requirements or issuing a temporary license, states should require the destination state tax to be collected. Terminal suppliers should collect the destination state tax for both rack tax states as well as distributor states. Distributor states should avoid allowing unlicensed distributors or distributors with a temporary license from receiving and selling tax-free fuel.

- **Dyed Fuel Waivers** - Prior to any impending natural disaster, taxing jurisdictions should consider submitting a request to the Internal Revenue Service and Environmental Protection Agency that would allow the use of dyed diesel fuel on-road when the availability of undyed fuel is limited. Alternative filing procedures or system enhancements may be required to provide taxpayers with the ability to report and pay all applicable tax and/or fees on dyed fuel used on-road as if the dyed fuel is clear.

- **Gasoline Volatility Waivers** - In response to a natural disaster or other fuel supply emergency, authorities should consider contacting industry, environmental regulators of State Implementation Plans (SIP), and the Environmental Protection Agency (EPA), in conjunction with the Department of Energy (DOE), to request state and federal gasoline volatility waivers. Volatility defines the evaporation characteristics of a liquid fuel which is measured by and referred to as RVP (Reid Vapor Pressure) and is regulated by the EPA and states to reduce o-zone harming emissions. The waivers could raise federal and state RVP seasonal limits, reduce co-mingling restrictions, or allow industry to produce, sell, and distribute conventional gasoline instead of reformulated gasoline (cleaner burning fuel that produces less smog and toxins) in air quality non-attainment areas. Removing restrictions on RVP will make it easier on industry to supply fungible gasoline to impacted areas.

- **Conditional License** - Prior to any natural disaster or state of emergency, create a pre-registration system that identifies potential importers, exporters, distributors or carriers that currently do not have a license, but are willing to do business in your state during a declared emergency. Qualified applicants would be given a conditional licensing status that would be activated during a declared state of emergency. The temporary license would be active for a pre-defined period of time or for the duration of the declared emergency. States should consider waiving background checks, fees, and bonding requirements when issuing a conditional license. States should also consider using another license type, such as a sales tax license, or another states fuel license as the basis for approving the conditional license. Anyone who qualifies for conditional licensing would be identified by name and posted on a public web site. The posting would notify vendors of potential transporters or suppliers willing to provide fuel during the applicable time frame.

- **Public Facing** - Post information on the taxing jurisdictions website that identifies exceptions to licensing, due dates, fuel usage or points of taxation if a state of emergency is declared.
Information may include, but is not limited to, registration procedures for temporary or conditional licenses, executive orders outlining alternative due dates or exceptions to dyed fuel use, areas impacted by the declared emergency, or tax law that takes effect if an emergency is declared.

- **Contingency Plan** - Develop a regional contingency plan between participating states. The plan will pre-define actions taken by each state if an emergency or natural disaster is declared. The purpose of the plan is to initiate executive orders or administrative actions that would remove barriers that inhibit the movement of fuel between states or cause double taxation. These actions include, but are not limited to, waiving, reducing, or expediting licensing requirements pertaining to imports, exports, distributors and transporters of fuel.

- **Storage Capacity** - Prior to a declared emergency, identify public and private sites where fuel can be stored for emergency use. This includes temporary storage and dispensing facilities such as rail cars or tanker trucks. Tax Administrators should be prepared to provide guidance related to points of taxation, filing, or tank registration requirements if fuel is dispersed directly from these tanks into vehicles or retail stations.

**Conclusion**

Although each state is bound by administrative or statutory requirements, there are actions that can be taken to minimize the effects of an emergency or natural disaster. These actions could expedite the flow of fuel, therefore easing the burden on those impacted by the emergency and in some cases, saving lives. It is important to consider the timing of these actions. Do not wait until the crises occurs to create a contingency plan that addresses licensing, taxation, or filing deficiencies. Ignoring or postponing these actions will put taxing jurisdiction at a disadvantage when responding to its citizens. Finally, it is important for fuel tax administrators to reach out to their state and industry counterparts to discuss viable options. Open lines of communication with colleagues before, during, and after an emergency is paramount to a successful response.
TRANSLOAD ACTIVITIES
Points to Consider Relative to Fuel Tax Administration (2020)
June 2020

When proposing changes to existing motor vehicle fuels and/or accountable products, taxing authorities must decide what the effect will be upon existing taxpayers and any new taxpayers. Just adding a licensee required to file an informational return will increase the licensee base and will require additional cross checking to verify accuracy of reports.

Taxing authorities must also decide where the tax will be collected on accountable products. When considering taxpayer options, the option chosen determines who and how many taxpayers a taxing jurisdiction will have.

Effective licensing and bonding of motor fuel taxpayers helps ensure financial responsibility and protects the millions of dollars of tax liability with which licensees are entrusted each month. Taxpayers are likely to become more trustworthy and reliable when the licensing body performs thorough background checks on potential licensees and requires surety for tax liabilities. These measures will help identify potential tax evaders and places the necessary safeguards on entities that are licensed.

Information on product movement and transactions provide the records necessary to determine the amount of taxes due. Reporting inadequacies and delays provides opportunities for motor fuel tax evasion to go undetected long enough to be successful. The reporting, tax payment and verification processes are vital to a strong tax department.

Requiring prompt reporting improves the tracking process and can help identify companies that have not been licensed or have not remitted tax. The use of transporter returns, terminal operator returns and other informational returns can be vital in tracking reportable product.

Tracking fuel transported via railcars can be difficult. The fuel may be delivered to a transloading facility where it is either off loaded into on site storage tanks, into a pipeline that feeds a nearby terminal, or into trucks that deliver to the customer. This point is where the audit trail usually ends.

Things to consider:

- FTA has defined these three words: **Transloader** is equipment used to transfer product from one mode of transportation to another.
- **Transloading** is the process of transferring product from one mode of transportation to another.
- **Transloader Operator**: Person that engages in the process of transferring product from one mode of transportation to another.

Define your potential licensee. What is a transload facility in your state? Is it a facility with storage or just rail access? How does it differ from other licensees? Be mindful that some transloading occurs using portable meters. Would you want these transloaders licensed?

- What reportable activity do you want? What reports will you want from this facility? States should also consider that fuel can be transloaded from rail transportation to bulk storage that will later be dispensed into transport vehicles.
Will the transload facility need to be licensed or just registered to conduct motor fuel activity in your state? Do you know who the owner and the operator is for all transload facilities in your state?

Does this facility already have a Federal Facility Control Number?

Who do you want to report? Most transload facilities act similarly to a terminal in that they receive and disburse product for hire. Some transload facilities maintain inventory outside a railcar for their inventory holders. Some transload facilities do not consider any product inside a railcar inventory – they simply remove the product using some type of a metered pump and place the product into a truck or a pipeline. All transload facilities can track incoming product by railcar number and outgoing product by bill of lading. In the example of a transload facility that off loads into storage tanks, the inventory on hand cannot be traced back to the individual cars but each receipt is logged by inventory holder. Total gallons in inventory can be accounted for by individual inventory holder.

Transload facilities are not IRS terminals. All product received by them is received outside the terminal transfer system. All imports of taxable products would be taxable because they are imported outside the terminal transfer system. Transload facilities could potentially receive and disburse non-tax paid product. No movement would be reported on ExStars because it is outside the terminal transfer system.

Product may be transported by shortline railroads – most are not licensed as transporters (but should be).

Even if the carrier (railroad) reports the movement of product into your state, the document number may not be a bill of lading number making it difficult to reconcile the movement back to the supplier or importer.

Shipping dates and delivery dates are often weeks apart making cross matching by date impossible.

Requiring transload facilities to be licensed as a transporter or terminal operator may be best solution. Once licensed they can be required to submit informational returns.

States should also review the Transloader Operator Report data elements in the Uniformity Guide.
Electronic Bills of Lading Points to Consider Relative to Fuel Tax Administration (2020)
September 2020

INTRODUCTION
As an action from the January 2020 FTA Uniformity meeting in Myrtle Beach, South Carolina, a subcommittee was formed to create a white-paper analysis on the advantages and disadvantages of electronic bills of lading.

BACKGROUND
This white paper is a companion white paper to the Shipping Documents – Points to Consider Relative to Fuel Tax Administration (September 2012)\(^1\), offering a second solution to the original problem statement:

“Problem: One of the biggest problems with shipping documents is that shipping document formats vary by industry and by terminal operator. When printing several copies of the bill of lading, the print becomes illegible. The format of some documents does not clearly identify the physical address of the terminal, refinery and/or bulk plant. The bill of lading number may not be legible or may be confused with other numbers on the document because it is not required to be uniform. The name of the supplier may or may not be on the shipping document.

Solution: A standardized shipping document with a uniform format that designated a specified area for: the name and address of the location where the fuel was loaded; the unique document number; the supplier name; the date product was loaded; identification of product; gallons loaded (net and gross). Any other information required by the domiciled state or the Federal government could be placed on the shipping document in an area according to each terminal’s specification.

Much of the information on a bill of lading is already transmitted electronically to the suppliers. This format must already be standardized. The idea solution would be to transfer that information to a standardized hardcopy which is printed for the transporter.”

SOLUTION NUMBER TWO: ADVANTAGES AND DISADVANTAGES OF ELECTRONIC BILLS OF LADING:
Electronic bills of lading must digitize the core functions of a paper bill of lading; namely its legal acceptance as a receipt, as evidence of or containing the contract of carriage and a document of title. For an industry-wide adoption, which is needed to pave the way for parties to use such a system, industry accepted best practices need to be understood. A digital solution to replicate and automate the bill of lading process based on 21st century technology is needed.\(^2\)

\(^1\) FTA Motor Fuel Tax Section Uniformity Guide – White Paper Documents
\(^2\) Kuester, Florian. “Electronic Bill of Lading – How is Paperless Trade Possible?” Combined Transport Magazine (February 2017)
<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed and accuracy (striving to collect most accurate information)</td>
<td>Cost to implement</td>
</tr>
<tr>
<td>Customer service improvement</td>
<td>Mandated vs elective requirement (border state and international considerations)</td>
</tr>
<tr>
<td>Time and money</td>
<td>Non-standardized BOL criteria</td>
</tr>
<tr>
<td>Automate invoicing process</td>
<td>Unknown legislative consideration / Impact at the federal and state levels</td>
</tr>
<tr>
<td>Blockchain</td>
<td></td>
</tr>
</tbody>
</table>

Other considerations
- Diversions
- Security
- Retention requirements
Dyed Diesel Fuel Fraud Detection and Enforcement Best Practices (2022)
March 2022

Note: This white paper document will be put onto the FTA website under the Motor Fuel Tax Section: https://www.taxadmin.org/motor-fuel-tax-section
ELECTRIC VEHICLE TAXATION POSSIBILITIES  
Points to Consider Relative to Fuel Tax Administration  
(2023)  

January 2023  

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Chapter 1 Purpose  
Chapter 2 What is an Electric Vehicle  
Chapter 3 Charging Stations  
Chapter 4 Possible Taxation Solutions  
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Chapter 1  
Purpose  
The current Federal Administration announced intentions to increase the use of alternative fuel vehicles to help lower greenhouse gas emissions and be more environmentally conscious. One of these environmentally friendly options is electric vehicles. Electric vehicles have also been in the news as many major vehicle manufacturers are promising ramped up production and have announced plans to end fossil fuel vehicle production.  

Traditionally, fuel taxes have been the source of funding for highways in various states and the Federal Government. With an increase in the fuel efficiency of vehicles along with unregulated and untaxed alternative fuels, the highway fund may be slowly diminishing. Many states are looking at various methods of taxation of these alternative fuel vehicles.  

During the Motor Fuel Uniformity Meeting in Orlando, Florida on January 28, 2022, a subgroup was formed to provide a white paper on electric vehicles and possible taxation methods for the energy used to propel those vehicles to help with uniformity among the states.  

This subcommittee used Federal Regulations to define various types of electric vehicles that are known today. We also looked at various possible schemes that states may use for the taxation of electric vehicles.  

This white paper intends to give a source of information on Electric Vehicles, charging stations and possible taxation options. This white paper is as inclusive of information we could gather from various sources. We also discussed proposed legislation taxation statutes and other thoughts from various state agencies.
Chapter 2
What is an Electric Vehicle?
In 2010, the first commercially available plug-in hybrid was ready for sale, the Chevy Volt. Since then, models have increased to over 70 different options in 2019. Because the automotive industry is currently developing many types of new electric vehicles, current definitions and regulations must evolve to meet these new technologies. The information to follow is current definitions as of the date of this paper.

From information found on several websites, the average daily distance North Americans drive is 26-31 miles. The average Electric Vehicle gets between 3 and 4 miles per Kilowatt Hour (kWh). This means the average electric vehicle will use about 10 kWh of electricity per day.

Federal Definitions
Code of Federal Regulations Title 16, Chapter 1, Subchapter C Part 309 Subpart A defines an Electric vehicle (“EV”) as a vehicle designed to operate exclusively on electricity stored in a rechargeable battery, multiple batteries, or battery pack.

Code of Federal Regulations Title 49, Subtitle B, Chapter V, Part 523.2 Definitions, defines an electric vehicle as a vehicle that does not include an engine, and is powered solely by an external source of electricity and/or solar power. Note that this does not include electric hybrid or fuel-cell vehicles that use a chemical fuel such as gasoline, diesel fuel, or hydrogen. Electric vehicles may also be referred to as all-electric vehicles to distinguish them from hybrid vehicles.

Code of Federal Regulations Title 40, Chapter 1, Subchapter C, part 86.1803 01 defines “Hybrid electric vehicle (HEV)” as a motor vehicle which draws propulsion energy from onboard sources of stored energy that are both an internal combustion engine or heat engine using consumable fuel, and a rechargeable energy storage system such as a battery, capacitor, hydraulic accumulator, or flywheel. This includes plug-in hybrid electric vehicles.

Alternative Definitions
The committee discussed the Federal Regulations and decided these would be alternative definitions that are less formal. We would not necessarily suggest that you use these in legislation, but to help staff and the public understand the different types of vehicles.

Hybrid vehicle
A hybrid vehicle is a vehicle that uses two or more distinct types of power.

Hybrid electric vehicle
Hybrid electric vehicles are powered by an internal combustion engine and an electric motor, which uses energy stored in batteries. A hybrid electric vehicle cannot be plugged in to charge the battery. Instead, the battery is charged through regenerative braking and by the internal combustion engine. These run mainly on fuel and let you switch between using your fuel engine and using 'EV' mode at the touch of a button.

Plug-in hybrid vehicle
Plug-in-hybrid vehicles are the bridge between gas only and fully electric. These vehicles are mainly run by electricity but also have a traditional fuel engine, so you can use fuel as a backup as necessary.

Electric vehicle
Electric vehicles function by plugging into a charge point and taking electricity from the grid. They store the electricity in rechargeable batteries that power an electric motor, which turns the wheels.
Chapter 3
Charging Stations

Electric vehicles have several different ways they could possibly charge the battery storage fuel cell in their vehicle. Many models allow you to charge at home and there are many commercially available options that are continuing to grow. Electric vehicles are equipped with a way to plug them in much like all other electronic devices and charge with an electrical outlet.

Charging Station Speed

Charging stations have different speeds and power. The length of time it takes to charge depends on the level of station used (information found from Minos, link provided below).

Level 1

A level 1 charging station is the slowest charging station, but possibly the most convenient. The level 1 can be used in a standard 110-volt electrical outlet in a home. This level of charging takes the longest, approximately 4-5 miles range per hour charged.

Level 2

The level 2 charging station is a 240-volt outlet, like an electric clothes dryer outlet. All known public charging stations in the United States are a level 2. If you want one in your home, it must be professionally wired and installed. A level 2 charger takes about half the time as a level 1.

Level 3 / Direct Charge (DC) Charging Station

A DC charging station is considered a level 3 charge, which is the fastest speed of charging, and the power is higher (Gearhungry, 2022).

Home Charging

Electric vehicle charging can occur at home at level 1 and level 2. Level 2 charging will require some additional equipment installation and wiring due to the higher power that comes with the faster charge.

Possible Challenges

- Charging at home will pose many challenges in applying motor fuel tax based on electricity used.
- Local building codes and other regulations may cause home charging stations to be unavailable or have other regulations. A possible solution would be to work with the areas in your state to monitor this if you choose to tax home charging of electric vehicles. This would allow a taxing agency to collect information of locations of home charging stations to determine the correct tax is being applied.

Commercial Charging

There are several options for commercial charging stations. As this new technology advances charging stations may not be found only at the traditional fuel stations. They may be located at places of employment, hotels, and places where customers go for entertainment, for example, a movie theater or grocery stores.

A typical commercial charging station may or may not be separately wired to the electrical grid. This is usually a result of the economic costs associated with operating a charging station. For example, many times electricity rates are determined by the amount of usage that a location would use. Electric Vehicle charging stations may pull more power and could cause the location to pay a higher
rate for all the electricity. The owner may decide to put a separate meter on the charging station, so they do not have to pay higher rates on the electricity used in other areas of the location. Local regulations may also require a charging station to be on a separate meter.

Charging stations may or may not be owned by the location owner. Currently, there are several options for the charging stations ownership.

- The property owner owns the charging station. They will own the equipment, pay for the installation, supply the electric power and determine any charge for use of the charger.
- The property owner may lease area to the owner of the charging station. The owner of the charging station would make lease payments to the property owner. The charging station owner would then install the equipment, infrastructure, and charge for usage of the charging station.
- The property owner and the charging station owner could split the income. This could be done in an infinite number of possible scenarios. In this scenario both the charging station owner and the property owner would be receiving income from the charging station.

Possible Challenges

- The various ways that commercial charging stations can be owned and operated will be a challenge to taxing authorities to administer taxes in a fair and equitable tax structure.

Chapter 4

Possible Taxation Solutions

As the miles per gallon of vehicles increase, there is no doubt that states must find ways to raise more revenue to fund transportation implementation and maintenance. As electric vehicles and hybrids gain in popularity, it makes sense to consider them as part of plans for replacing the revenue. Electric vehicles and hybrid vehicles utilize the roads like gasoline and diesel fueled vehicles. With the increase of electric vehicles and hybrid vehicles, more infrastructure in the form of electrical service will be needed. States have an inherent interest in providing infrastructure to help their citizens utilize this new form of transportation. States also will have a cost associated with providing this infrastructure and may need to find ways to fund the placement and upkeep of this infrastructure.

Any taxation solutions to provide additional funding for roadways and/or possible infrastructure should be constructed to be fairly implemented. No one class of vehicles should have to shoulder a larger share of the tax formula than other similar vehicles.

Section 1 Registration Fee Options

Because of declining fuel tax revenue, additional registration fees for electric vehicles (EV) and hybrid vehicles are added by multiple states to assist in replacing that revenue. Many states’ motor fuel tax revenue is mainly used to repair and maintain roads and bridges in their states. As stated previously, many states do not have laws to replace the fuel taxes for alternative fuels. Alternative fuel vehicles may not be adding to the fuel tax revenue but are utilizing the roads and bridges; the fee is used to continue with equity among drivers. As the sales are increasing of these vehicles, some states have decided rather than tax the electricity as a fuel, an additional fee is added to the yearly registration of the EVs and hybrid vehicles. These fees currently range from $50 to $200 a year in addition to the other set fees.

Some states have dedicated the additional registration fees for the implementation of an electric vehicle infrastructure fund. This fund will provide more charging stations and upkeep for current stations throughout the states.

Some states may look at registration fees for defined electric vehicles. Many states will use this fee for additional road repairs. States have attempted to equate the additional fee to the estimated amount of fuel taxes that have not been paid by electric vehicles. This is difficult as many electric vehicles...
vehicles are heavier than traditional passenger vehicles. The EVs are heavier because of the additional weight of the batteries, reinforced framework and suspension, and the metal armor around the battery to protect it. This extra weight wears on the asphalt surface more than a traditional internal combustion engine. Wearing of the asphalt causes road deterioration and the need for additional maintenance when likened to the upkeep of asphalt roads used by comparable internal combustion vehicles.

### Advantages & Disadvantages of Electric and Hybrid Vehicle Registration Fees

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increase in fuel tax revenue</td>
<td>• Can deter people from purchasing the vehicles</td>
</tr>
<tr>
<td>• Additional fees can be added to an electric infrastructure fund to update the existing structures as well as build new structures</td>
<td>• For states in which the fuel tax does not support the primary source of funding of roads, this fee can be perceived as a political attempt to not raise taxes on fuel to offset that revenue.</td>
</tr>
<tr>
<td>• This may be an easy tax to administer as most states require annual registration of vehicles.</td>
<td>• If electricity is taxed at home, is the EV owner already paying tax for their fuel?</td>
</tr>
</tbody>
</table>

Some states have used this information to determine amount of additional registration fees for electric vehicles.

For a state that is interested in adopting the use of EVs or hybrids to meet emission reduction goals and continue to spur innovation can consider an alternative to the additional set registration fee for these vehicles. As many EV and hybrid drivers are opposed to the additional registration fee, which is claimed to be unfair, other options have been suggested.

1. Slowly phase in the fee. Do not implement the fee at one time. Allow the taxpayer to graduate to pay the final price of the fee.
2. Implement a mileage use tax that requires the EV owner to pay for the actual miles driven. User fees are currently considered in many states and pilot programs have been implemented in others. These programs can be used as a basis for the EV and/or hybrid vehicle miles traveled.
3. Another suggestion is to alter the fee to a formula of justification:

\[
MJF = \frac{\text{Maximum Justifiable Fee}}{\text{Average Vehicle Miles Traveled} / \text{Average Consumer Use} \times \text{State Gas Tax and fees if applicable}}
\]

\[
MJF = \frac{\text{Average Vehicle Miles Traveled}}{\text{Average Consumer Use}} \times \text{(State Gas Taxes and Fees)}
\]

To arrive at a general rate for an annual registration fee, data was collected from the Average Annual Fuels Use by Vehicle Type report from the U.S. Department of Energy from 2016/2017 (pre-COVID and far less electric fuel vehicles during this time). The average fuel usage for Light Trucks/Vans was
660 gallons/year and Cars were 474 gallons/year. By using a simple average of the two (567 gallons/year) and multiplying that by the average motor fuel gasoline tax for all the states in January 2022 – 29.1 cents/gallon – we concluded that a fair electric vehicle registration price may be about $165.00. Notably, motorcycles have a much lower average annual fuel usage rate (53 gallons/year), and it may be suggested that electric motorcycles have a lower annual registration rate or consider a separate rate for all three (3) of these vehicle classes. States may easily tailor their registration fees to replace lost fuel tax revenue using similar data as it fits.

<table>
<thead>
<tr>
<th>VEH. TYPE</th>
<th>AVG U.S. FUEL USAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Bus</td>
<td>13329</td>
</tr>
<tr>
<td>Class 8 Truck</td>
<td>11818</td>
</tr>
<tr>
<td>Refuse Truck</td>
<td>10089</td>
</tr>
<tr>
<td>Para. Shuttle</td>
<td>4157</td>
</tr>
<tr>
<td>Delivery Truck</td>
<td>1899</td>
</tr>
<tr>
<td>School Bus</td>
<td>1937</td>
</tr>
<tr>
<td>Light Truck/Van</td>
<td>660</td>
</tr>
<tr>
<td>Car</td>
<td>474</td>
</tr>
<tr>
<td>Motorcycle</td>
<td>53</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average Consumer Use</th>
<th>567</th>
<th>(2016/2017 rates)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Total Tax/Gallon</td>
<td>0.290849</td>
<td>(2022 rates)</td>
</tr>
<tr>
<td>Average Fuel Tax revenue per consumer vehicle/year</td>
<td>$164.91</td>
<td></td>
</tr>
</tbody>
</table>

Section 2 Fuel Tax Options
Most states currently have fuel taxes collected somewhere in the normal fuel supply chain, pursuant to statute, the normal fuel supply chain is from a refinery/pipeline/barge to a terminal, then to suppliers/distributors/wholesalers to an end retail location and ultimately the end consumer.

A possible solution is to tax electricity used for electric vehicle operation in a similar manner, such as, a state may choose to charge a motor fuel tax on electricity put into the storage batteries of an electric vehicle. Electric vehicles use kilowatts as their fuel, combustion engines use fuel in their fuel tanks. This would require reporting the kilowatt hour from an electric grid that were transferred to the battery of an electric vehicle. The state would need to determine who must report those kilowatts.

A taxation point would be having the electric distributor or electric company report the kilowatts used to power electric vehicles. This can be done through the use of an average based on vehicle manufacturers information. Another possibility is to have the electric company or consumer install smart meters in the homes that are using electric vehicle charging stations to record exact kilowatt hour through the charging station. The advantages to this is it is very similar to the combustion vehicle in practice and depending on the taxation point, will lower the number of possible licenses needed to report the tax. A disadvantage could be the electric companies or distributors do not traditionally collect tax.
Section 3 Vehicle User Fee Options
A pilot study in the Eastern United States (was expanded to most states) studying mileage-based user fees. From the website for The Eastern Transportation Coalition's “Mileage Based User Fees” (MBUF) study: “Right now, most funding used to maintain our transportation system comes from a tax we pay on each gallon of fuel when we fill up at the pump. As fuel efficiency increases and more electric vehicles are on the road, the amount motorists pay to use our transportation system becomes more linked to the amount of fuel purchased versus the number of miles they drive. The MBUF model provides a different approach: “pay for what you use.” The link to the coalition's study can be found in the reference section.

The study is using commercial vehicles that travel interstate to track the miles they travel. The study then applies a per-mile tax rate based on the weight of the vehicle. Currently, there are no dollars being paid for this study. This study is trying to determine if this fee is equitable to the current tax structure.

The advantages of this study would be that each vehicle is going to pay based on the usage of the highways and roads within a state. Since it is based upon the weight of the vehicle, it should have a direct correlation to estimated wear and tear that vehicle could be causing.

Some disadvantages are the average consumer does not track mileage based on the state they drive. Also, there is currently no mechanism to gather this data on noncommercial motor carriers or citizens.

Section 4 Combination
A state could implement a combination of vehicle registration fees, fuel tax fees and vehicle user fees. Some of the first states to enact legislation on electric vehicles have done this. For example, Iowa is charging an additional registration fee on electric vehicles in combination with a fuel tax fee for publicly available charging locations.

An advantage of this is it is easier to administer and has many of the components needed already in statute. A disadvantage of this is that registration fees are higher for electric vehicles which could be challenged as unfair taxation practice. It also could be construed that home vehicle electric charging stations are not taxed as motor fuel when they are using the roadways.

See the Motor Fuel Information by State book for each states’ taxation information of electric vehicles. This is located on FTA’s website at: Motor Fuel Uniformity Project (taxadmin.org).

Chapter 5
Summary / Closing
As alternative fuel vehicles increase in production and become more common, the fossil fuel taxes being contributed to the highway funds are decreasing. We discussed in this white paper methods of possible taxation to replenish those taxes by the taxation of electric vehicles. When looking at each method, there are multiple factors to consider beginning with the type of electric vehicle, weight, and the administration of a fair taxation structure. There are several different kinds of electric vehicles that require different amounts of electric power so they may not fall under the exact same level of taxation. When considering these multiple factors, a state also needs to consider who are we making a taxpayer, how many taxpayers are we creating and how the state will create infrastructure to implement this new tax structure.
<table>
<thead>
<tr>
<th>Tax Solution</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
</table>
| Registration Fees | • Easy to implement as most states have a registration fee structure.  
• Doesn't create a new form of tax administration. | • May deter people from purchasing EVs due to large up-front cost annually.  
• Does it affect current federal highway fund matching (is this a motor fuel tax)? |
| Fuel Tax | • Specific to the user of the electric fuel.  
• Many states have fuel tax administration in place already. | • Depending on point of taxation, may create a large number of taxpayers.  
• May have new industries collecting and remitting fuel taxes that have not historically done so. |
| Vehicle User Tax Fees | • Federal/state studies are ongoing.  
• Tax is based on use of roadways. | • No current tax administration structure to collect or remit these taxes.  
• Average vehicle users do not track mileage daily or in different states. |
| Combination | • Allows several different sources of taxation.  
• Will spread the taxation across many areas. | • Could be construed as unfair and overbearing.  
• May be harder to implement due to multiple taxation sources and legislation required to implement. |

References


Scott Minos, EV Charging at Home, https://www.energy.gov/energysaver/articles/ev-charging-home?msclkid=214f369cb5d811ecbad4a3a0e6314cbf


The Eastern Transportation Coalition MBUF Study The Eastern Transportation Coalition - Mileage Based User Fee Pilot Program (tetcoalitionmbuf.org)
What is a Petroex Number?
Terminal/Pipeline Order Flow Process
(2023)
May 2023

Order process at a terminal / pipeline
1. Driver enters supplier code
2. Driver enters petroex number
3. Driver enters consignee / destination code
4. Driver enters carrier code & driver id
5. Driver enters fuel type and gallons requested
6. Driver loads truck and corrected gallons are put on manifest from pump meters
7. Driver gets printed manifest

Terms related to above:

Supplier Code: A code that shows which supplier product is being pulled from.

Petroex Number: A number created by the supplier that has the following relationships to the load being pulled.

1. Tells supplier who should be billed for the product being pulled.
2. Tells driver what products are available under the Petroex #.
3. A Petroex # is almost like a contract # for a distributor that has certain limits of what can be withdrawn.

Destination Code: A code that is supposed to be the 1st Consignee receiving product and where it is being delivered.
Appendix
Model Legislation Checklist

The subcommittee on Model Legislation was established to provide a checklist as a guide for states who are contemplating changing their point of taxation for motor fuel products and implementing the 11 point plan.

➢ Dyed diesel at each point of taxation.
➢ Taxation at the rack.
➢ First receipts method.
➢ Distributor level.
➢ Taxation at the retail station.
➢ Third party reporting.

The intent of this model legislation checklist is to offer a resource to all taxing jurisdictions who are interested in strengthening their motor fuel tax laws to combat motor fuel tax evasion.

Motor fuel tax evasion is recognized as a nationwide problem that results in revenue losses to state and federal governments. Lost motor fuel tax revenues harm both the public and private sectors, limiting the funds available to construct and maintain roads, highways, bridges, and urban transportation systems. Fuel tax evasion also impacts honest businesses trying to complete with evaders selling motor fuel far below legitimate costs.

Once motor fuel tax evasion is recognized as a serious problem within a taxing jurisdiction, preventive measures should be taken before the matter worsens and more and more tax revenues are lost. Tax evasion can be significantly reduced by establishing stronger legislative remedies and improved administrative efforts by proposing legislative and administrative changes that: 1) strengthen enforcement efforts, 2) track all motor fuel sales, 3) reduce the number of taxpayers, 4) minimize the number of tax-free sales, 5) provide consistency between fuel tax and other state tax laws, and 6) rewrite or strengthen existing motor fuel tax laws.

The following are legislative and administrative recommendations that this model legislation checklist addresses:

➢ Strengthen licensing and bonding requirements.
➢ Strengthen reporting and record keeping requirements.
➢ Strengthen criminal and civil penalties.
➢ Strengthen enforcement and auditing efforts.
➢ Rewrite or strengthen existing motor fuel tax laws.
➢ Implement a change in point of taxation legislation.
Selected References for the Model Legislation Checklist

1. Taxpayer Options

When proposing changes to existing motor vehicle fuel and/or diesel fuel tax laws, taxing authorities must decide who the taxpayer will be. In other words, how far back up the distribution chain should the incidence of the tax be placed. Following are some taxpayer options and a reference to some recent legislative actions taken by both federal and state taxing authorities.

A. Tax at the Terminal Rack
Generally, all gasoline, undyed diesel fuel and kerosene are taxed as they cross the terminal loading rack. Some states have passed variations of the federal tax at the rack legislation. Examples of these variations are as follows:

1. Position Holder at the Rack. Tax is due from the position holder when the product crosses the rack. (the person owning the inventory according to the records of the Terminal Operator).
2. Position Holder or Exchange Receiver at the Rack (Modified Position Holder). If the position holder delivers on exchange, the exchange receiver remits the tax. Exception-Tax is due from the receiver if receiving the product under an exchange agreement.
3. First Receiver below the Rack. The person physically receiving accountable product/motor fuel at the rack remits tax to the taxing jurisdiction, if licensed. If not licensed, then variations 1 or 2 above should be used. Tax is due from the position holder or exchange receiver unless the person physically receiving the product at the rack is a licensed distributor. No subsequent tax-free sales are allowed.

All dyed diesel fuel meeting the United States Environmental Protection Agency (EPA) and Internal Revenue Service (IRS) requirements can be sold tax free and cannot be used on the highways.

B. Tax at the Distributor/Wholesale Level
Sales of gasoline and diesel fuel are taxed at the terminal rack unless the sale is made to another licensed supplier, distributor or wholesaler. It is left up to each taxing jurisdiction to determine and define who qualifies as a license holder for the purpose of purchasing motor fuel tax-free. Examples:

1. Subsequent sales after the rack are exempt, until the product is sold to an unlicensed party. The last licensed distributor in the chain pays the tax.
2. All licensed distributors are exempt. Tax is due from the last licensed distributor who makes a sale to an unlicensed party.
3. Tax jurisdiction may allow only two (2) exempt sales to licensed distributors. And on the third (3) sale the tax is due to the taxing jurisdiction.

C. Tax at the Retail and/or Use Level
Some taxing jurisdictions license all retail dealers and users of diesel fuel within their state and impose an excise tax on sellers and users who place “special fuel” into the fuel supply tank of a motor vehicle. Usually, every person in the distribution chain is licensed, i.e. distributor, importer, exporter, wholesale, dealer, gasoline jobber, seller-user of special fuel, and retail dealer. Fuel sold to each licensee is sold tax-exempt, and the licensee who places the motor fuel into the supply tank of a
motor vehicle becomes the taxpayer. It is left up to each taxing jurisdiction on how and who should be licensed.

**D. Tax on First Importation**
Another taxpayer option for collecting tax on accountable product/motor fuel is to collect the tax from persons who are responsible for importing, refining, manufacturing, producing, blending, or compounding in a state. If this method is used as an option, consideration must be given to the varying refund provisions that have to be developed.

**E. Tax on Importation into State/First Receipt into Storage into a Terminal or Refinery**
Tax is paid by the person first receiving product at a terminal or refinery. Tax is also due from the importer when imported directly to the importer’s customer or for the importer’s use.

**2. Collection and Payment of Tax**

When considering taxpayer options, the option chosen determines who and how many taxpayers a taxing jurisdiction will have. When the Internal Revenue Service implemented its diesel fuel tax at the terminal rack legislation, it decreased the number of motor fuel taxpayers significantly. When state tax authorities are considering tax at the rack legislation, they must address the problem of former licensed taxpayers losing their cash float because they would be paying their suppliers at the time of removing accountable product/motor fuel from the terminal rack. Consideration for refunds and supplier bad debt must also be addressed (discussion on these topics is in section 10).

State taxing authorities can decrease their number of state motor fuel taxpayers by moving the point of taxation to the terminal rack. With fewer taxpayers, taxing authorities will provide for greater scrutiny of taxpayers, will have fewer audits but greater coverage of taxable sales, and may be able to sign more manpower and resources to establish stronger on road enforcement policies. Moving the point of taxation to the rack may increase the number of refund claims depending on state statute.

An argument against decreasing taxpayers is that more tax dollars can be stolen because tax liabilities will be greater. To combat this argument, taxing authorities that allow licensed suppliers, distributors, and/or wholesalers or licensed retailers and/or users to be taxpayers increase their number of taxpayers but decrease the chance that one taxpayer can steal large amounts of tax revenue. These taxpayer options will increase the number of taxpayers, but with strong licensing requirements, an aggressive audit department, and strong on road enforcement policies, tax evasion can be curtailed.

Other items that need to be addressed when taxing authorities are deciding who their taxpayers should be are:

- **A.** Tax payments by importers.
- **B.** Pre-collection of tax by importers.
- **C.** Terminal operator liability.
- **D.** Allowing parties downstream of the taxpayer to defer reimbursement of taxes until the tax is actually remitted to a state.
- **E.** Tax on cross border movements of motor fuel.
- **F.** Bad debt allowance.
- **G.** Back up tax.
- **H.** Collection allowance/Handling allowance.

Based on the U.S. Supreme Court Case, Chickasaw Indian Nation vs. Oklahoma Tax Commission, it is imperative that states identify that the consumer is the ultimate taxpayer. This case made it clear that immune entities such as Native American Tribes cannot be the taxpayer under state law and are
A. Electronic Payments

When states are considering requiring or allowing electronic payments of tax liabilities several sources are available to help. States need to adopt the requirements best suited to meet their business needs. The following guidelines provide a checklist of issues/topics to consider prior to writing legislation. States can look to the FTA for information and surveys on what other states have already implemented or review other states’ legislation. (Check the FTA or individual state web sites as an alternative).

Electronic payments can take numerous forms. There is the traditional electronic funds transfer (EFT) as well as the use of credit or debit cards.

1. Considerations for legislation.
   a. Set a minimum threshold when EFT payments are required.
   b. Allow sufficient time for taxpayers to register and test your process prior to implementation of the legislation.
   c. Allow voluntary payments for smaller than threshold amounts.
   d. Provide a process to refund or otherwise correct duplicate or erroneous payments which includes the EFT option.
   e. Provide an alternative payment method when a failure in the electronic process occurs.
   f. Determine who will pay the fees, taxpayer or state, if fees are incurred.
   g. Provide taxpayers the ability to “warehouse” ACH debit payments. Warehousing the payment allows the taxpayer to initiate the payment prior to the due date but have the settlement of the funds occur on the due date. Industry considers this a critical component of any EFT program.
   h. Recognize that the taxpayer may lose the “float” on their payment using this method.

2. Electronic Funds Transfer (EFT): An electronic mechanism used in the financial industry to make payments between accounts electronically. ACH is the most popular. It is a nation wide network used by the Federal Reserve to handle direct payments.
   a. ACH Credit: When using ACH credit, the payer tells their bank how much and when to send money to the payee. When sending a tax payment to a revenue agency using this method, a tax addenda record approved by FTA is necessary. Financial institutions typically charge customers for this service.
   b. ACH Debit: When using ACH debit, the payer authorizes the payee to take from the payer’s account and send it to the payee. States typically contract through the third party for this service, but it is not required.

3. Credit or Debit Cards:
   a. The state must have the infrastructure in place to handle these payment methods.
   b. Determine what credit/debit cards the state will accept. Credit card companies do business differently.
   c. Determine which payment methods, walk-in, mail-in, telephone (Interactive Voice Recognition), operator assisted or Internet, to offer.
   d. Determine if the state will absorb the merchant fee or if the taxpayer will be charged a convenience fee.
   e. Determine how to market this service.
3. Tax-Exempt Diesel Fuel Must Be Dyed

Diesel fuel can be sold federal excise tax-exempt at a terminal rack, if the fuel meets the dyeing and marking requirements of the Internal Revenue Service under 26 U.S.C. 4082.

Under 4082, certain entities are authorized to operate highway vehicles with untaxed dyed diesel fuel. If new legislation is introduced by state taxing authorities, a section or provision should be made in the law to address this issue.

If a state taxing jurisdiction taxes state and local governments for their own road uses, these entities may want to purchase dyed fuel in order to avoid paying the federal tax. In this instance, the law would need to address some method of taxing dyed diesel fuel sold to state and local governments.

Consideration should also be given about the taxability of kerosene. Currently, under IRS rule, kerosene is taxed when it crosses the terminal rack. In other words, kerosene should be taxed if it is blended into diesel fuel for use as a winter blend highway diesel fuel. If a state decides to tax undyed kerosene and the kerosene is used as a heating fuel or for some other off-highway purposes, then a refund provision should be developed.

A refund section or provision should be developed to address the problem of accidentally contaminating clear taxed diesel fuel with dyed untaxed fuel.

4. Racing Fuel

When considering the taxation or exempt status of racing fuel, the following items should be addressed.

A. Definition of racing fuel. The definition is typically based on the octane level. Refer to the uniform definition for guidance.
B. Determine the status of the product, exempt or taxable. If racing fuel is deemed to be exempt, is it exempt based on:
   1. The product, regardless of use, or
   2. By its use

If racing fuel is deemed to be taxable, are there refund provisions for off-highway use?

C. Determine if exemptions should be separated by leaded and unleaded product.
D. Determine if the exemptions are to be valid at the time of purchase or refundable.
E. Determine if licensing and bonding of persons distributing and/or using racing fuel is necessary. Racing fuel is usually shipped outside the normal fuel distribution chain. The product may be shipped long distances in prepackaged 55-gallon drums.
F. Enforcement - whether taxable or exempt there are areas for evasion. If taxable, need to address registering a taxpayer that is not a typical fuel dealer in the state and registering carriers that are not typical in the state. Also storage is not common. If exempt, need to address blending racing fuel for highway use or diversion to highway use.
G. Nexus issues on remote dealers versus registration of users. The state may need a backup tax to enforce a user tax if fuel is otherwise exempt by use or as a result of no nexus on seller.
H. If exempt from motor fuel tax, is racing fuel then subject to sales or use tax?
I. If subject to refund, will the taxing authority offset motor fuels refund by sales or use tax due?
5. Clear or Dyed Kerosene

When considering the taxation or exempt status of kerosene, the following items should be addressed:

A. Definition of Kerosene. The federal government classifies kerosene as diesel and follows the diesel guidelines for taxation (dyed - for off-highway use, undyed – taxable)

B. Determine the status of the product, exempt or taxable. If kerosene is deemed to be exempt, is it exempt based on:
   1. The product, regardless of use, or
   2. By its use
   If undyed kerosene is deemed to be taxable, are there refund provisions for off-highway use?

C. Determine if the exemptions are to be valid at the time of purchase, or refundable.

D. If refundable, determine who files for the refund (i.e. distributor, retail or user), the filing frequency and documentation required.

E. Determine requirements for invoice markings.

F. Determine requirements for tank marking and blocking/locking.

G. Determine the taxability of the prepackaged kerosene sold at locations such as hardware stores, convenience stores, etc.

H. Enforcement - Regardless of the exempt or taxable status of the product, kerosene can be used in evasion schemes. If taxed at the rack, evasion may stem from refunds. If taxed below the rack, the typical evasion found in other fuels taxed below the rack can occur. Untaxed, untracked kerosene is susceptible to conversion to taxable use. Procedures should be established to address these issues.

I. Be sure that dyed kerosene is not recognized as nontaxable. If the product is used for a taxable purpose a state would want to tax under backup tax provisions.

J. If exempt from motor fuels tax, is kerosene then subject to sales or use tax?

K. If subject to refund will the taxing authority offset motor fuels refund by sales or use taxes due?

6. Exempt Uses and Refunds

When considering exempt use and refund provisions, identify how the following items will be addressed:

A. Exports
   1. Motor fuel sold to a licensed exporter.
   2. Motor fuel exported by a licensed supplier.
   3. Motor fuel sold to a person for immediate export to a state for which the destination state taxable motor fuel tax has been paid to the supplier and proof of export is available in the form of a destination state shipping paper.
   4. Tax-paid motor fuel which has been placed in storage within this state and is subsequently exported to another state.
   5. Tank wagon deliveries exported to another state from a bulk plant within the state.

B. K-1 kerosene
C. Motor fuel sold to the United States or its agencies or instrumentalities.
D. Diesel fuel used to operate equipment attached to a motor vehicle.
E. Diesel fuel used as heating oil or in trains, or used for other non-highway purposes.
F. Motor fuel used on a farm for farming purposes.
G. Diesel fuel which has been accidentally contaminated by dye.
H. Motor fuel used in state owned school buses and in state owned administration and service vehicles used in the pupil transportation program.
I. Motor Fuel sold or dispensed for use in commercial fishing boats.
J. Diesel fuel sold or dispensed for use by state and local government highway vehicles.
K. Erroneous payment refunds.
L. Refund claim procedures, in general.
M. Destination state diversion procedures.
N. Federal considerations (always review current laws).
   1. No power take-off exemption (cannot use dyed fuel).
   2. Allows state and local government to use dyed fuel in highway vehicles.
   3. Federal agencies should not use dyed fuel in highway vehicles and are subject to federal tax.
   4. Highway Vehicles are not allowed to use dyed diesel and must pay all federal taxes, even if used off road.
   5. Vessels of all types are exempt from federal diesel fuel taxes and may use dyed diesel.
   6. Federal Ultimate Vendor (Class UV) refunds are limited to state and local governments and (Class UP) retailers selling kerosene from a blocked pump.
   7. Kerosene and kerosene equivalents are considered to be forms of diesel and are treated basically the same for federal tax purposes.
   8. Clear aviation grades of kerosene may be sold tax exempt over the terminal rack. Only qualifying airlines may be exempt from federal aviation tax.

Note: Research and preparation when drafting dyed fuel legislation can lessen conflicts and confusion that may occur. If a state simply adopts a dyed fuel statute without addressing these issues there is likely to be an unintended burden on the taxpayer or the state.

O. Sales to Third Party Credit Card Companies - Third party credit card companies are defined as card companies not wholly owned by an oil company, which use a credit card for motor fuel transactions.

Considerations for legislation include:
   1. Registration or licensing of these companies.
   2. Bonding of these companies.
   3. Addition of special enforcement and audit processes.
   4. Allow exemptions that apply to eligible governmental entities only.
   5. Determine if the third party company must hold title to the product to be eligible to file the claim.
   6. Establish a retail identification number that is unique to a specific retail location and is used by all credit card companies.
   7. Require reporting of the volume and type of fuel by each retail outlet handling the transaction.
   8. Determine who is eligible to file the refund claim and to whom it will be paid.
   9. Establish a refund process to meet your business need.

7. Licensing and Bonding Requirements.

Effective licensing and bonding of motor fuel taxpayers helps ensure financial responsibility and protects the millions of dollars of tax liability with which licensees are entrusted each month. Taxpayers are likely to become more trustworthy and reliable when the licensing body performs
thorough background checks on potential licensees and requires surety for tax liabilities. These measures will help to identify potential tax evaders and places the necessary safeguards on entities that are licensed.

When taxing authorities are considering fuel tax licensing requirements, they should consider licensing every person dealing in motor fuel within their state.

The following licenses should be considered:

A. Supplier license.
B. Permissive supplier license.
C. Terminal operator license.
D. Exporter license.
E. Carrier license.
F. Importer license.
G. Tank wagon operator importer license.
H. Fuel vendor or retail dealer license.

Other licensing requirements that should be considered are:

A. License application forms.
B. Thorough investigation of a person or persons applying for a license.
C. License application fees.
D. License denial hearings.
E. How long is the license valid (one year; three years; or until suspended, revoked, or cancelled).
F. License nontransferable notice.
G. How the license should be displayed.
H. License surrender upon discontinuance of a business.
I. Publishing and distribution of a license listing to all licensees within the state.

Surety bonds protect taxing authorities from major tax dollar losses resulting from bankruptcy or tax evasion. The following bonding requirements and issues should be considered when bonding provisions are written.

A. Dollar amount of the surety bond.
B. Issued by a surety company approved by the taxing authority.
C. Bond must name the applicant as the principal and the taxing authority as the obliged.
D. Be on forms approved by the taxing authority.
E. New or increase in bond requirements if the liability on the previous bond is discharged or reduced by a judgment rendered, payment made, or if any surety on the previous bond becomes unsatisfactory.
F. Provision to release an existing surety bond.
G. Allowance for cash deposits or an irrevocable letter of credit to be used in lieu of a Surety bond.
H. Taxpayer’s prior payment and audit history.

Note: Be cognizant of federal bankruptcy statutes. In almost all instances, the approval of a bankruptcy declaration by a Federal Bankruptcy Court will cause ANY security you may have received (except for a third party surety bond) to revert to the Court. The state will then have no coverage.
8. Fuel Tax Fraud Penalties

Existing penalty provisions in most state taxing jurisdictions have not kept pace with the growing magnitude of state revenue losses. States that have recently passed new motor fuel tax legislation or are in the process of changing existing laws, are strengthening motor fuel tax fraud penalties. Motor fuel tax fraud penalties should be strong enough to provide a sufficient deterrent to prospective tax evaders, but should be flexible enough to allow a waiver of penalties for unintentional errors made by honest taxpayers. If criminal penalties are strong deterrents and the laws are clear and enforceable, cases against fuel tax evaders can be prosecuted more effectively.

The following are some items to consider when a state taxing authority is trying to strengthen criminal and civil penalties:

A. Allow for the seizure of fuel and property used in illegal operations.
B. Establish personal liability of individual company/corporate officers for the willful evasion of motor fuel tax.
C. Designate that collected fuel taxes constitutes a trust fund and make failure to remit a felony.
D. Establish other offenses as felonies, including:
   1. Meter tampering or conspiracy to elude metered output for the purpose of evading taxes.
   2. Willful nonpayment of fuel taxes.
   3. Illegal collection of fuel taxes.
   4. Illegal importation of fuel.
   5. Conversion of fuel tax by licensees or their representatives for their own use, or attempting to covert with intent to evade taxes.
   6. Importing fuel, or conspiracy to import fuel, with intent to evade taxes.
   7. Failure to place dye in fuel intended to be non-taxable.
   8. Removal of dye from previously dyed fuel for any purpose.
E. Other offenses that should be considered are:
   1. Willfully remitting or maintaining any false or forged records.
   2. Refusing to permit authorized seizures.
   3. Transporting motor fuel without a bill of lading, manifest or shipping documents.
F. Strengthen civil penalties for failure of bulk users, jobbers, distributors, exporters, and resellers to file tax reports.

9. Enforcement

While it is imperative that a state has a comprehensive motor fuel tax audit program backed up by proper laws, those factors alone will not control tax evasion. Effective audit procedures depend on records being kept and motor fuel shipments being reported. Tax evaders, of course, will intentionally distort documents or avoid keeping records. Detection of illegal activity calls for vigorous surveillance and enforcement provisions. For example, a common evasion technique is the shipping of motor fuel from a state with a low tax rate to one with a high tax rate. The bills of lading will show the delivery to the origin state with the lower tax rate being paid in that state. When states do not cross check interstate deliveries, tax is sometimes not paid to either state. States should consider establishing a tax evasion “Hot Line” allowing anyone who suspects a person is evading motor fuel taxes to call a toll free telephone number to report the incident.

Other enforcement provisions that should be considered are:

A. Establishing a fuel tax investigative unit devoting full time efforts to curb fuel tax evasion.
B. Providing sworn members of the enforcement or investigative unit with police power to enforce criminal statutes during the performance of their official duties.
C. Providing the personnel administering the fuel tax and investigating fuel tax evasion with the equipment and resources needed to be effective.
D. Strengthening shipping document requirements and requiring transporters of motor fuel to carry these documents on board where they can be examined by an investigator.

There are a number of recommendations that may be considered in order to reduce the incidence of motor fuel tax evasion:

A. Adequate control of licensing.
B. Increasing audit staff.
C. Clearly define the point of taxation.
D. Balanced inventory reporting.
E. Information sharing between states.
F. Cross checking between licensed suppliers, distributors, wholesalers, etc.

10. Records, Reports, and Payment

Tracking the shipment of fuel from the terminal to its ultimate destination is an important way to intercept and eliminate illegal fuel imports. Bills of lading are issued at the time fuel is pumped from the terminal into tank trucks for delivery, indicating destination state. Driver manifests indicate a more precise destination of the delivery, such as street address and city. Both documents provide solid proof of where the delivery is bound and can be used to verify the intentions of the transporter.

Information on product movements and transactions provide the records necessary to determine the amount of taxes due. Reporting inadequacies and delays provides opportunities for motor fuel tax evasion to go undetected long enough to be successful. The reporting, tax payment and verification process is frequently tested by tax evaders who find weak spots that can be exploited.

Requiring prompt reporting, precise tax payments improves the tracking process and can help identify companies that have not remitted taxes due. Computerization of tax returns and tax payments through electronic filing can further speed up the reporting process and allows for more timely cross-matching of shipments.

Records, reports, and tax payments provisions that should be considered are:

A. Require the following information on all bills of lading and/or manifests:
   1. Address of the terminal or bulk plant from which the motor fuel was removed.
   2. Date the motor fuel was removed.
   3. Type of motor fuel removed.
   4. Number of gallons of motor fuel removed.
   5. State of destination as represented to the terminal operator by the purchaser/transporter.

B. Bills of lading and driver manifests must accompany each delivery.
C. Require licensees to retain records long enough for audit purposes.
D. Adopt the uniform forms for reporting the movement and tax of motor fuel.
E. Allow for uniform electronic reporting systems by adopting the ANSI ASC X12 standards.
11. 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 state.

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 laws may prohibit the pre-collection 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 over paid 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 position holders/suppliers. These businesses may not have nexus in your state and may be willing 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 and invoices?
E. Will you require tax to be separately stated on invoices and the state to be identified?

12. Refunds and Credits for Bad Debts

As taxing jurisdictions implement the tax at the terminal rack option, the marketers of motor fuel who had previously been taxpayers suddenly will lose their cash flow by having to pay the motor fuel tax to their suppliers. Some states have addressed this problem by allowing suppliers to defer collection of motor fuel taxes from their customers until the tax is due the taxing authority. Some supplier customers do not want to defer taxes. This tax deferment program could place a heavy burden on suppliers who find that the taxes become uncollectible from a purchaser. A provision to allow a bad
debt credit or refund would protect suppliers from losses due to bankruptcy. Regulations could be written to specify if the supplier could take credit on the tax return or if the supplier has to file a refund claim. The regulations could also adopt rules establishing the evidence the supplier must provide to receive the deduction or refund. The state taxing authority would be covered by the bonding requirements that were established at the time of licensing the distributor/wholesaler. Also, something to consider is handling allowances that should be given to tax collectors to offset increased administrative costs.

13. License Listing

A detailed listing of all licensed suppliers, distributors, wholesalers, importers, exporters, retail dealers, motor fuel carriers, and pipeline terminal operators should be furnished no less than annually to each licensee within the taxing authority. The listing should include the name of the company, street address, city, state, FEIN number, and the license number for each license held within the taxing authority. If the listing is published less than monthly, a monthly update should be furnished, listing any new licensees, or companies whose licenses have been cancelled, suspended, or revoked since the last published listing. If a monthly listing of changes is furnished, then the monthly listing should be cumulative and should be considered the most recent status. Another item that should be considered is listing all federally approved motor fuel terminals located within a taxing authority. The listing should include the name of the terminal operator, street address, city, state, FEIN number, and the federal terminal code. All listings should clearly indicate additions, deletions, and other changes to assist suppliers in checking against their customer lists. Some taxing jurisdictions consider these listings confidential and, if this is the case, the legislation should address this concern and make it legal to distribute these license listings.

14. Alternative Fuels

As defined in the glossary, alternative fuels are typically products other than gasoline, gasohol, diesel or kerosene. This section provides cross-references to other sections or separate provisions, as necessary, for successful administration.

A. Taxpayer Options

When enacting changes to motor fuel laws, taxing authorities need to consider taxation of alternative fuels and the point of taxation. Sales of alternative fuels are typically exempt at the terminal level. The nature of the fuel is for heating purposes therefore not conducive to taxing at the terminal. There are three common points of taxation for alternative fuels.

1. **Tax at the Wholesale Level**
   A state may license and/or bond an alternative fuels dealer who makes sales to retail dealers or to the end user for highway purposes.

2. **Tax at the Retail or User Level**
   A tax may be imposed on retail dealers or end-users of alternative fuels that deliver or place Alternative fuels into the fuel supply tank or other device of a vehicle for highway purposes. Fuel sold to each licensee is sold tax-free and the licensee who places the alternative fuels into the supply tank or other device of a highway vehicle becomes the taxpayer. Each state determines how and who should be licensed.

3. **Registration Fee**
   In lieu of licensing and reporting sales of alternative fuels, a state may elect to issue a decal and/or license the registration fee of a vehicle when that vehicle is registered for license plate. The state determines the fee.
B. Collection and Payment of Tax/Fee
The point of taxation or fee collection will determine who and how many remitters a jurisdiction will have.

Other items that may need to be addressed are:
1. Collection of monies to be held in trust,
2. Cross border movements,
3. Bad debt allowance,
4. Collection allowance,
5. Exempt entities,
6. Refunds,
7. Conversion rates keeping IFTA requirements in mind.

C. Exempt Uses and Refunds
When considering exempt use and refund provisions, the following are some items to be addressed:
1. US Government
2. State Government and political subdivisions
3. Other states and their political subdivisions
4. Non-profit organizations
5. Farm Use
6. Heating Fuel or other non-highway use
7. School buses
8. Local or Inter-city buses
9. Exports
10. Erroneous payment refund
11. Refund claim procedures, in general
12. Interest on refunds
13. Penalty and/or interest on over-refunded tax

D. Licensing and Bond Requirements
Effective licensing and bonding of alternative fuels taxpayers helps ensure financial responsibilities and protects the tax liability with which licensees are entrusted each month. Taxpayers are likely to become more trustworthy and reliable when the licensing body performs thorough background checks on potential licensees and require surety for tax liabilities.

Licenses should be considered for the following:
1. Alternative Fuels Provider or Dealer.
2. Retailer of Alternative Fuels or Fuel Vendor.

Licensing requirements that should be considered are:
1. Application forms and instructions.
2. Background investigation of license applicant.
3. Application fees.
4. License denial hearings.
5. Period of license validity (one year; three years; or until suspended, revoked or cancelled).
6. License nontransferable notice.
7. Display of license.
8. License surrender upon discontinuance of a business.
9. Publication and distribution of license listing to all licensees within the state.
Surety bonds protect the taxing authorities from major tax dollar losses resulting from bankruptcy or tax evasion. The following bonding requirements and issues should be considered when bonding provisions are written:

1. Dollar amount of the bond.
2. Taxing authority approval of issuing Surety Company.
3. Bond must name the applicant as the principal and the taxing authority as the obliged.
4. Taxing authority approved bond forms.
5. New or increase in bond requirements if the liability on the previous bond is discharged or reduced by a judgment rendered, payment made, or any surety on the previous bond becomes unsatisfactory.
6. Provision to release existing surety bonds.
7. Allowance for cash deposits or an irrevocable letter of credit to be used in lieu of a surety bond.
8. Prior filing, payment and audit history of the taxpayer.

E. Fuel Tax Fraud Penalties
See Section 8 of the Model Legislation Checklist

F. Enforcement
See Section 9 of the Model Legislation Checklist.

G. Refunds and Credits for Bad Debts
Each state will determine if a refund or credit will be given to the Provider/Dealer or Retailer/Vendor if it is determined that the tax is uncollectible from the customer. Areas of concern should be:

1. Deferred collection on taxes.
2. Handling allowance.
3. Refund request for bad debts.
4. Credit request for bad debts.
5. Factors used to determine the uncollectible status.
6. Prorating consideration and collection of product and tax.
7. Recapture provision for write-offs.

H. License Listing
Each state will determine if a detailed listing of all alternative fuel licensees will be made available. The listing should include, but not be limited to:

1. Account Number.
2. Legal Name.
3. Trade Name.
4. Address.
5. License Type.
6. FEIN (if not part of the account number).
7. Effective date.
8. Closed date.
9. Change to license (update listing only).

Some jurisdictions consider these listings confidential and, if this is the case, the legislation should address this concern and make it legal to distribute these license listings both to licensees and on the Internet.

I. Reduced Tax Rates
When considering reduced tax rate provisions for specific alternative fuel blends or fuel uses, the following are some items to be addressed:

A. There is an increase potential for evasion if:
1. Fuel may be purchased at a specific blend to receive a reduced tax rate. The reduced rate is remitted, then the fuel may be further blended and sold at the higher rate, or
2. Fuel may be purchased at a reduced tax rate based on specific use, then later used for a different purpose, which should be taxed at a higher rate.

B. Consider a credit or refund to allow for ease in fuel taxation. This will further ensure accuracy of reduced tax rates/credit situations for specific fuel blends and uses.

**J. Conversion Rates**

When considering taxing CNG (Compressed Natural Gas), LNG (Liquefied Natural Gas) and other alternative fuels, we suggest using the applicable Federal Conversion rates.

**15. Two Party Exchanges**

Introduction:

Two-party exchange is a transaction in which petroleum product is transferred from one supplier to another supplier pursuant to an exchange agreement.

Exchange Agreement is an agreement between two terminal suppliers whereby a terminal supplier agrees to deliver fuel to the other party or the other party’s customer at the loading rack. The transaction is reconciled and financially settled by trading a product at another location and is recorded by the terminal operator as a terminal removal by the receiving supplier.

Simple example of two-party exchange transaction:

Supplier A is a position holder in Terminal X. Supplier B has a customer taking delivery of product in Terminal X, but Supplier B is not a position holder in Terminal X. Supplier A agrees to exchange product with Supplier B so Supplier B can sell product to the customer. Likewise, Supplier B will exchange product in another terminal where Supplier A is not a position holder.

Items to consider:

A. Your state’s taxation point.
   1. Tax at the terminal rack (including position holder, modified position holder, or first receiver).
      Position holder = the one who owns inventory according to the records of the terminal operator.
      Modified position holder = The position holder delivers on exchange and the exchange receiver remits the tax; or if no exchange is involved the position holder remits the tax.
      First receiver = The person physically receiving accountable product/motor fuel at the rack remits tax to the taxing jurisdiction, if licensed. If not licensed, then variations of position holder and modified position holder should be considered.
   2. Tax below the rack (including distributor/wholesale level, retail level, or upon importation)
      a. If taxing below the rack, you should consider the number of pass-throughs allowed and whether two-party exchanges will affect the number of pass-throughs on all products, including ethanol blended with gasoline. (An example of a “pass through” is when the
B. How to handle “stacking” exchange agreements. You might encounter a series of two-party exchanges prior to the product leaving the terminal. States should consider how they want to handle these “stacking” exchange agreements on a single movement of fuel.

C. Tracking and cross matching issues.
   1. Will you be able to track and cross match transactions involving two-party exchanges?
   2. Does fuel lose identity through a series of two-party exchanges? (This means not being able to identify the fuel type, losing track of the original bill of lading number, or not being able to track the product from the original position holder through the exchange partner to the final recipient.)
   3. Does terminal disbursement information properly match recipient’s receipt information? Does the terminal-issued bill of lading reflect the exchange-receiver as the supplier of record as opposed to the position holder? The position holder should not be reported on the bill of lading as the supplier of record.
   4. Does the terminal operator report reflect the exchange receiver as the supplier of record as opposed to the position holder?

D. Enforcement and auditing issues.
   1. Is product transferred via a two-party exchange or is the transaction actually a sale? When does title actually transfer?
   2. Does possession transfer directly from the exchange supplier to the exchange receiver’s customer; title passes instantaneously from the exchange supplier to the exchange receiver to the exchange receiver’s customer.
   3. Are both parties properly reporting the transaction?
   4. Do participants have proper supporting documentation?
   5. If the fuel is exported to an at-the-rack state, will the proper tax be collected and remitted?

16. Minimizing Fuel Disruptions Due to Declared Emergencies or Natural Disasters

   **EMERGENCY/DISASTER READINESS CHECKLIST**

When creating your Emergency Readiness Plan, consider the different threat scenarios to ensure your plan fits any type of emergency/disaster. Potential scenarios include, but are not limited to, weather (tornado, flood, mudslide, earthquake, blizzards, hurricanes, ice storms), bombing, fire, power plant threat, terrorist threats, gun fire, cyber attacks and a pandemic situation.

The following is a ‘readiness’ checklist which can be used as a tool to assist with preparation for a potential emergency or disaster.

- **Alternative Work Location**
  - Other state office buildings or satellite offices.
  - Could employees work from home?
  - Alternative working hours.
✓ Hardware
  o Computer.
  o Printer.
  o Telephone.
  o Fax machine.
  o Calculator.
  o Microfilm/imaging machine.

✓ System
  o System back-up’s.
    • Location of back-up data.
    • Location of system/paper files (if applicable).
  o Deposit system.
  o Processing system.
  o Refund system.
  o Electronic services (e-file, e-pay).
  o Passwords and logins kept secure at an offsite location

✓ Software
  o Network files/folders.
  o Word.
  o Excel.
  o E-mail.
  o Access.
  o Internet/Intranet.
  o Access to statutes, rules, regulations, policy and procedural databases.

✓ Critical Processes/Tasks
  o Determine minimum processing requirements and priorities. (What tasks must be performed)?
    • Deposit.
    • Licensing.
    • Payment processing.
    • Refunds. (To avoid refund interest being paid).
    • Return processing. (Are returns available on the internet)?
  o Determine the impacts of a critical task not being completed.
Determine what the requirements should be for filing fuel tax returns in an industry disaster/threat (Blanket order for some states). This should determine the penalty, due dates etc.

Determine the minimum IFTA and regulatory requirements in order to transport fuel to the affected areas such as waiving the requirements, bonds and taking the applications by any means.

✓ Emergency Notification
  - Notify needed stakeholders.
    - Media.
    - Employees.
      - Develop employee phone call ‘trees’.
    - State agencies.
    - Other States.
    - Federal Government (IRS, FHWA).
    - Petroleum Marketers.
    - Attorney’s, CPA’s.
    - State contractors and/or vendors (Supplies, etc.).
    - Temporary agency (for the full time employees who can not make it in)
    - Website posting of the disaster/threat.

✓ Evacuation
  - Develop an evacuation plan.
    - Employee meeting location.
    - Method to ‘account’ for all employees.
    - Consider special needs or disabled employees.
    - Practice the plan.

✓ Other Considerations
  - Employee safety.
  - Employee emergency contact information.
    - Employee allergies?
  - First Aid.
    - Are kits available in the office?
    - Flashlight.
    - Extra batteries.
    - Emergency numbers and address.
    - Battery operated radio.

  - Communication Plan.
    - Distribution of all readiness plans to employees, including visual posting of the plans.
    - Clear chain of command.
    - Ability to shut off breakers in case of smoke, anthrax or any other airborne illnesses or threats.

  - Disaster Recovery.
    - Develop a plan for restoring the institutions ability to operate.

  - Business Resumption.
    - Develop a plan to identify the tasks and resources required to bring the institution back to full service.
    - Develop a plan for reopening the institution.

  - Test Your Plan.
    - Perform simulation disaster tests to ensure your plan is complete.
Motor Fuels and Alternative Fuels Tax
License Registration Information
(State’s Name)

Purpose
The registration application enables the states to properly register an applicant for a motor fuels or alternative fuels license and identifies the responsible parties of the business. Information gathered may be used to determine the bond amount for the license type, if applicable. This application form is intended as a guide for each state when updating the motor fuels application. States with motor fuel or alternative fuel license types, other than those listed below, will need to add those license types to their application. States may need to modify the instructions or questions based on that state’s requirements. This application is not intended as the only source for gathering information for licensing and bonding purposes.

Who Must Apply
Companies engaged in the fuel distribution business may be required to file an application for license. Refer to the laws of the state(s) in which the company does business. This application covers registration information for the following license types: Refiner, Terminal Operator, Supplier, Distributor, Special Fuels Supplier, Importer, Exporter, Retailer, Blender, Alternative Fuels Provider, and Transporter. Each state should identify its required licenses in this section.

Examples

Refiner - Any person who owns, operates or controls a refinery.

If a bond is required of this license type, each state should identify the bonding requirements for this license type here.

Terminal Operator - A person who owns, operates or controls a terminal.

If a bond is required of this license type, each state should identify the bonding requirements for this license type here.

Supplier - Any person required to collect and remit tax on accountable product removed from a terminal/refinery rack.

If a bond is required of this license type, each state should identify the bonding requirements for this license type here.

Distributor/Wholesaler - A person who either produces, refines, blends, compounds, or Manufactures motor fuel, transports fuel into a state (imports) or exports fuel out of state, or who is engaged in distribution of motor fuel primarily by tank car or tank truck, or both, and who operates a bulk plant where he has active motor fuel bulk storage (capacity may be specified by individual state). It does not, however, include a person who receives or transports into this state and sells or uses motor fuel under such circumstances as preclude the collection of the tax herein imposed, by reason of the provisions of the Constitution and Statues of the United States. Furthermore, a person operating a motor vehicle into the state, may transport motor fuel in the ordinary fuel tank attached to the motor fuel vehicle, and used for the operation of the motor vehicle, without being considered a distributor.

If a bond is required of this license type, each state should identify the bonding requirements for this license type here.
Special Fuels Supplier - A person who does one or more of the following:
   1. Acquires accountable product/motor fuel other than gasoline, gasohol, or alternative fuels for sale or delivery to an end user.
   2. Who maintains an inventory of fuel, part of which the person uses or sells to someone other than the end user.
   3. Imports into the state, by means of other than the usual tank or receptacle connected with the engine of a motor vehicle, for use by that person.

If a bond is required of this license type, each state should identify the bonding requirements for this license type here.

Importer - Any person engaged in the practice of importing accountable product/motor fuel. Accountable product/motor fuel delivered into (name of state) from out-of-state by or for the seller constitutes an import by the seller. Accountable product/motor fuel delivered into (name of state) from out-of-state by or for the purchaser constitutes an import by the purchaser. Each state should list and explain the types of importer licenses.

If a bond is required of this license type, each state should identify the bonding requirements for this license type here.

Exporter - Any person engaged in the practice of exporting accountable product/motor fuel. Accountable product/motor fuel delivered out-of-state by or for the seller constitutes an export by the seller. Accountable product/motor fuel delivered out-of-state by or for the purchaser constitutes an export by the purchaser. Each state should list and explain the types of exporter licenses.

If a bond is required of this license type, each state should identify the bonding requirements for this license type here.

Retailer - Any person who operates any location from which motor fuel is sold to an end user by direct delivery into fuel supply tanks.

If a bond is required of this license type, each state should identify the bonding requirements for this license type here.

Blender - Any person who engages in the process of mixing together by any process whatsoever, of any one or more products with other products, and regardless of the original character of the products so blended, provided the resultant product so obtained is suitable or practicable for use as a motor fuel, except such blending as may occur in the process known as refining by the original refiner of crude petroleum. The commingling of products during transportation in a pipeline is not considered blending.

If a bond is required of this license type, each state should identify the bonding requirements for this license type here.

Alternative Fuels Provider - Any person who does one or more of the following:
   1. Acquires alternative fuel for sale or delivery to a bulk-end user or a retailer.
   2. Maintains storage facilities for alternative fuel, part or all of which the person uses or sells to someone other than a bulk-end user or a retailer to operate a highway vehicle.
   3. Sells alternative fuel and uses part of the fuel acquired for sale to operate a highway vehicle by means of a fuel supply line from the cargo tank of the vehicle to the engine of the vehicle.
4. Imports alternative fuel to the state, by means other than the usual tank or receptacle connected with the engine of a highway vehicle, for use by that person to operate a highway vehicle.

If a bond is required of this license type, each state should identify the bonding requirements for this license type here.

**Transporter** - Any person who engages in the business of transporting for hire, reportable Petroleum products by pipeline, marine vessel, railroad tank car, or transport truck.

If a bond is required of this license type, each state should identify the bonding requirements for this license type here.
### Registration Application
**Motor Fuel Tax License**

*(State’s Name)*

#### Part I. Identifying Information

1. **Type of Ownership:**
   - ☐ Proprietorship
   - ☐ C Corp. S Corp.
   - ☐ LLC Partnership
   - ☐ LLP Fiduciary
   - ☐ Other (Identify)

   If a corporation or LLC, State of Incorporation: ___________ Date ___________ Corporate or LLC Number: ___________

   **Attach copy of Articles of Incorporation, LLC Operating Agreement, Charter or Certificate of Authority To Do Business**

2. **Legal Name**

3. **Trade Name (DBA Name)**

   **Business Location:**
   - Street ___________
   - (Not P.O. Box Number)
   - City ___________ State ___________ Zip Code ___________

4. **Preparer Mailing Address:**
   - Name ___________
   - Street or P.O. Box ___________
   - City ___________ State ___________ Zip Code ___________

5. **E-Mail Address**

6. **MAILING ADDRESS:**
   - Street or P.O. Box ___________
   - City ___________ State ___________ Zip Code ___________

7. **E-Mail Address:**

8. **Location of Records:**
   - Street ___________
   - City ___________ State ___________ Zip Code ___________

9. **Licensing Contract:**
   - Name ___________
   - Telephone Number ___________
   - Fax Number ___________

10. **Filing Contract:**
    - Name ___________
    - Telephone Number ___________
    - Fax Number ___________

11. **FEDERAL EMPLOYER’S IDENTIFICATION NUMBER (FEIN):**
    - __________ - __________ - __________ - __________ - __________ - __________
## Part II. Ownership Information

Each corporate officer, principal, manager, partner or owner must complete the information requested below. If needed, attach additional sheet(s) to provide the information requested in this application.

<table>
<thead>
<tr>
<th>(Mark applicable box for title)</th>
<th>President</th>
<th>Manager</th>
<th>Member</th>
<th>Partner Owner</th>
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<td>1. Full Name (first, middle, last)</td>
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<td>3. Telephone (residence)</td>
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<td>6. Driver’s License Number &amp; State</td>
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I certify that the information contained on Lines 1 through 6 is correct to the best of my knowledge.

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<td>7. Signature (Recommended for companies not publicly traded)</td>
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<td>22. Telephone (residence)</td>
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<td>24. Social Security Number</td>
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<td>25. Driver’s License Number &amp; State</td>
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<td>26. List full name of directors. (Attach additional sheets if necessary)</td>
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<tr>
<td>27. List full name of shareholders with controlling interest in corporation</td>
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Address (mailing address, city, state, zip)
If there are 15 or less shareholders, all shareholders have a controlling interest. If there are more than 15 shareholders, shareholders with 5% or more ownership have a controlling interest.

28. Has the corporation, LLC, LLP, partnership, or any officers, members, controlling shareholders of the corporation or owners of the business been convicted of any felony or misdemeanor involving motor fuel?

☐ Yes  ☐ No  (If yes, please explain)

29. Name of bank or financial institution which you will use to pay the motor fuels tax:

Name ___________________________ Account Number ___________________________

Street or P.O. Box

City ___________________ State ___________ Zip Code ___________________________

Telephone Number __________________ Fax Number ___________________________

30. Other business licenses or permits held by the corporation, LLC, partnership, or proprietorship.

31. If your business is based in another state, list name, address, telephone number, and fax number of this state’s registered agent.

Name ___________________________

Street or P.O. Box ___________________________

City ___________________ State ___________ Zip Code ___________________________

Telephone Number __________________ Fax Number ___________________________

32. Indicate the states in which you do business for which a license is requested. ___/___/______

33. Date business started in this state.

34. Has the corporation, LLC, LLP, partnership or proprietorship now or in the past conducted any other business using a DBA?

☐ Yes  ☐ No  (If yes, please explain)

35. Does the corporation, LLC, LLP, partnership, or proprietorship own any property in this state?

☐ Yes  ☐ No  (If yes, please explain)

36. Does any officer, director, member, controlling shareholder, partner, or owner own or control any petroleum business which operates in this state or any other state? (e.g., other refiners, suppliers, distributors, transportation company, retail outlets, terminal operations, etc.)

☐ Yes  ☐ No  (If yes, please explain)

37. Does any officer, director, member, controlling shareholder, partner, or owner own or control any petroleum transport equipment which operates in this state or any other state?

☐ Yes  ☐ No  (If yes, please explain)
38. List any current or previous officer, director, member, controlling shareholder, partner, or sole proprietor of any entity who holds or has held, within the last seven years, a (state’s name) motor fuel license.

Please provide the information requested to the right for each person listed.

State | Account Number | Relationship to account holder

39. If business was acquired, from whom was it acquired?

List type of fuel and number of gallons in the storage tanks at the time of purchase. (Attach additional sheets, if necessary.)

State | Account Number | Relationship to account holder

Business Operations Information

List the type of license for which you are applying. Complete the section(s) below for license type requested. (See instructions.)

Refiner License

List federal (637) Number (If applicable): __/__/____

[ ] Yes [ ] No

1. Do you have any petroleum product refining capabilities? List each state.

2. List the locations of all refineries in this state from which you intend to refine petroleum products. (Attach additional sheets if necessary.)

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

3. Estimated monthly gallons of refined petroleum products disbursed from in-state refineries only.

<table>
<thead>
<tr>
<th>Gasoline</th>
<th>High Sulfur</th>
<th>Methanol</th>
<th>Kerosene</th>
<th>Low Sulfur</th>
<th>Jet Fuel</th>
<th>Alcohol</th>
<th>Diesel</th>
<th>Aviation</th>
<th>Propane</th>
<th>Gasoline</th>
<th>Ethanol</th>
<th>Kerosene</th>
<th>Ethanol</th>
<th>Kerosene</th>
</tr>
</thead>
</table>

[ ] Yes [ ] No

4. Do you lease storage facilities in a terminal in this state?

5. From whom and where do you lease the storage facilities? (Attach additional sheets if necessary.)

[ ] Yes [ ] No

6. Do you plan to import petroleum products into this state?

7. Indicate the type of petroleum products imported into this state?

[ ] Gasoline [ ] Low Sulfur Kerosene [ ] Aviation Gasoline [ ] Alcohol
[ ] Low Sulfur Diesel [ ] High Sulfur Kerosene [ ] Ethanol [ ] Propane
[ ] High Sulfur Diesel [ ] Jet Fuel [ ] Methanol
8. Indicate the means of transport for this imported product.

- Seagoing Vessel/Barge
- Transport Truck
- Tankwagon Truck
- Pipeline
- Railroad Tank Car
- Other – Describe ____________________

9. List the states from which you import petroleum products and your license number in that state.
(Attach additional sheets if necessary.)

_________________________________    ____________________________________________
_________________________________   _____________________________________________

10. Do you plan to export petroleum products out of state?  

- Yes  
- No

11. Indicate the type of petroleum products exported from this state?

- Gasoline
- Low Sulfur Kerosene
- Aviation Gasoline
- Alcohol
- Low Sulfur Diesel
- High Sulfur
- Ethanol
- Propane
- High Sulfur Diesel
- Jet Fuel
- Methanol

12. Do you own or operate a terminal in this state?  

- Yes  
- No

13. Do you own or operate a terminal in another state from which petroleum products are delivered to this state?

14. List the location, along with the federal terminal control number, for each terminal selling petroleum product with this state’s destination. (Attach additional sheets, if necessary.)

_________________________________            ___________________________     __________
_________________________________            ___________________________      ______________________

15. List all position holders/suppliers owning product in your terminal(s).  
(Attach additional sheets, if necessary.)

_________________________________________     ________________________________________
_________________________________________     ________________________________________

16. Indicate the type of petroleum products exported from this state?

- Gasoline
- Low Sulfur Kerosene
- Aviation Gasoline
- Alcohol
- Low Sulfur Diesel
- High Sulfur Kerosene
- Ethanol
- Propane
- High Sulfur Diesel
- Jet Fuel
- Methanol

17. Do you lease facilities in a terminal in this state?  

- Yes  
- No

18. From whom and where do you lease the storage facilities? (Attach additional sheets if necessary.)

_________________________________________     ________________________________________
19. Do you plan to import petroleum products into this state?

20. Indicate the type of petroleum products imported into this state.
- Gasoline
- Low Sulfur Diesel
- High Sulfur Diesel
- Low Sulfur Kerosene
- High Sulfur Kerosene
- Aviation Gasoline
- Ethanol
- Alcohol
- Propane
- Methanol

21. Indicate the means of transport for this imported product.
- Seagoing Vessel/Barge
- Transport Truck
- Tankwagon Truck
- Pipeline
- Railroad Tank Car
- Other – Describe

22. List the states from which you import petroleum products and your license number in these states.
(Attach additional sheets if necessary.)

23. Estimate the number of taxable gallons that will be sold or used in this state during an average month.

24. Do you plan to export petroleum products out of this state?

25. Indicate the type of petroleum products exported into this state.
- Gasoline
- Low Sulfur Diesel
- High Sulfur Diesel
- Low Sulfur Kerosene
- High Sulfur Kerosene
- Aviation Gasoline
- Ethanol
- Propane
- Methanol

26. Indicate the means of transport for the exported product.
- Seagoing Vessel/Barge
- Transport Truck
- Tankwagon Truck
- Pipeline
- Railroad Tank Car
- Other – Describe

27. List the states from which you exported petroleum products and your license number in these states.
(Attach additional sheets if necessary.)

28. Are you a shipper of record on one of the commercial pipelines serving this state?

29. What other types of motor fuel operations will you be engaged in?
- Exchanges
- Direct shipments
- Sales on consignment
- Sell petroleum products
- Operate service stations
- Trade petroleum products

Uniformity Project 314
30. Provide the following information about suppliers from whom you purchase motor fuels and exchange partners from whom you receive motor fuels. *(Attach additional sheets if necessary.)*

<table>
<thead>
<tr>
<th>Name</th>
<th>Supplier</th>
<th>Shipping/Delivery Point</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Supplier election (Tax at the Rack)**

Suppliers may elect to collect this state’s excise tax on imported fuel from out-of-state terminals. Once this election is made, suppliers must collect excise taxes on all reportable petroleum products removed from out-of-state terminals which reflect this state as the destination state on the shipping documents.

31. Indicate the type of supplier license you are requesting.

- Elective Supplier is required to be licensed in this state and elects to collect motor fuel excise tax on fuel imported from out-of-state terminals that have this state as its destination.
- Permissive Supplier is an out-of-state supplier that is not required to be licensed in this state but elects to be licensed and collect motor fuel excise tax on fuel imported from out-of-state terminals that have this state as its destination.
- In-State Only Supplier is required to be licensed in this state but does not elect to collect motor fuel excise tax on fuel imported from out-of-state terminals that have this state as its destination.

**Distributor License or Special Fuels Supplier/Dealer License**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>List Federal Regulation (637) Number (if applicable)</th>
</tr>
</thead>
</table>

32. Do you maintain bulk storage facilities in this state?

33. Where is your bulk storage located?

34. Fuel Storage Capacity: Above Ground ________________ Below Ground ________________

35. If no bulk storage facility is owned, explain storage arrangements.__________________________

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>List Federal Regulation (637) Number (if applicable)</th>
</tr>
</thead>
</table>

36. Do you plan to import petroleum products into this state?

37. Indicate the type of petroleum products imported into this state.

- Gasoline
- Low Sulfur Kerosene
- Aviation Gasoline
- Alcohol
- High Sulfur Kerosene
- Ethanol
- Propane
- High Sulfur Diesel
- Jet Fuel
- Methanol

38. Indicate the means of transport for this imported product.

- Seagoing Vessel/Barge
- Transport Truck
- Tankwagon Truck
- Pipeline
- Railroad Tank Car
- Other – Describe ________________

39. List the states from which you import petroleum products and your license number in that state. *(Attach additional sheets if necessary.)*

____________________________________________________________________________________

Uniformity Project
40. Estimate the number of taxable gallons that will be sold or used in this state during an average month.

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline</td>
<td></td>
</tr>
<tr>
<td>High Sulfur</td>
<td></td>
</tr>
<tr>
<td>Methanol</td>
<td></td>
</tr>
<tr>
<td>Kerosene</td>
<td></td>
</tr>
<tr>
<td>Low Sulfur</td>
<td></td>
</tr>
<tr>
<td>Jet Fuel</td>
<td></td>
</tr>
<tr>
<td>Alcohol</td>
<td></td>
</tr>
<tr>
<td>Diesel</td>
<td></td>
</tr>
<tr>
<td>High Sulfur</td>
<td></td>
</tr>
<tr>
<td>Aviation</td>
<td></td>
</tr>
<tr>
<td>Propane</td>
<td></td>
</tr>
<tr>
<td>Low Sulfur</td>
<td></td>
</tr>
<tr>
<td>Ethanol</td>
<td></td>
</tr>
<tr>
<td>Kerosene</td>
<td></td>
</tr>
</tbody>
</table>

41. Do you plan to export petroleum products out of this state?

- Yes  
- No

42. Indicate the type of petroleum products exported into this state.

- Gasoline
- Low Sulfur Diesel
- Aviation
- Alcohol
- High Sulfur Diesel
- Kerosene
- Ethanol
- Propane
- Jet Fuel
- Methanol

43. Indicate the means of transport for this exported product.

- Seagoing Vessel/Barge
- Transport Truck
- Tankwagon Truck
- Pipeline
- Railroad Tank Car
- Other – Describe

44. List the states from which you import petroleum products and your license number in that state. (Attach additional sheets if necessary.)

__________________________________                      _________________________________
__________________________________                     __________________________________

- Yes  
- No

45. Are you a shipper of record on one of the commercial pipelines serving this state?

46. What other types of operations will you be engaged in?

- Exchanges
- Direct shipments
- Other (describe)
- Sales on consignment
- Sell petroleum products
- Operate service stations
- Trade petroleum products

47. Provide the following information about suppliers from whom you purchase motor fuels and exchange partners from whom you receive motor fuels. (Attach additional sheets if necessary.)

<table>
<thead>
<tr>
<th>Name</th>
<th>Supplier, Exchange Partner</th>
<th>Shipping/Delivery Point</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 / 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 / 2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Importer License** List Federal Registration (637) Number (if applicable): ________/ ________

48. List the states from which you import accountable product/motor fuel and the motor fuels license numbers in those states.________________________________________________________

- Yes  
- No

49. Do you maintain bulk storage facilities in this state?

50. Where will your bulk storage be located? __________________________________________

51. Fuel Storage Capacity:  Above Ground ______________ Below Ground ______________
52. If no bulk storage facility is owned, explain storage arrangements. ________________________________

☐ Yes ☐ No

53. Do you plan to import petroleum products into this state from a supplier not licensed in this state? ________________________

☐ Yes ☐ No

54. Do you plan to import racing fuel into this state from a supplier not licensed in this state? ________________________

☐ Yes ☐ No

55. Do you plan to import petroleum products into this state from your bulk plant located in another state? ________________________

☐ Yes ☐ No

56. Indicate the type of petroleum products imported into this state.

☐ Gasoline ☐ Low Sulfur Kerosene ☐ Aviation Gasoline ☐ Alcohol
☐ Low Sulfur Diesel ☐ High Sulfur Kerosene ☐ Ethanol ☐ Propane
☐ High Sulfur Diesel ☐ Jet Fuel ☐ Methanol

57. Indicate the means of transport for the imported product.

☐ Seagoing Vessel/Barge ☐ Transport Truck ☐ Tankwagon Truck
☐ Pipeline ☐ Railroad Tank Car ☐ Other – Describe ________________________

58. List the states from which you import petroleum products and your license number in those states.

(Attach additional sheets if necessary.)

__________________________________                      _________________________________

__________________________________                      _________________________________

59. Estimate the number of taxable gallons that will be sold or used in this state during an average month.

Gasoline ____________________ High Sulfur ____________________ Methanol ________________

Kerosene

Low Sulfur ____________________ Jet Fuel ____________________ Alcohol ________________

Diesel

High Sulfur ____________________ Aviation ____________________ Propane ________________

Diesel

Gasoline

Low Sulfur ____________________ Ethanol ____________________ Kerosene

60. Do you plan to export petroleum products out of this state? ________________________

☐ Yes ☐ No

61. Indicate the type of petroleum products exported out of this state.

☐ Gasoline ☐ Low Sulfur Kerosene ☐ Aviation Gasoline ☐ Alcohol
☐ Low Sulfur Diesel ☐ High Sulfur Kerosene ☐ Ethanol ☐ Propane
☐ High Sulfur Diesel ☐ Jet Fuel ☐ Methanol

62. Indicate the means of transport for the exported product.

☐ Seagoing Vessel/Barge ☐ Transport Truck ☐ Tankwagon Truck
☐ Pipeline ☐ Railroad Tank Car ☐ Other – Describe ________________________

63. List the states to which you import petroleum products and your license number in those states.

(Attach additional sheets if necessary.)

__________________________________                      _________________________________

__________________________________                      _________________________________

☐ Yes ☐ No

64. Are you a shipper of record on one of the commercial pipelines serving this state? ________________________

__________________________________________________________________________________
65. What other types of motor fuel operations will you be engaged in?

- Exchanges
- Direct shipments
- Sales on consignment
- Sell petroleum products
- Operate service stations
- Trade petroleum products

66. Provide the following information about suppliers from whom you purchase motor fuels and exchange partners from whom you receive motor fuels. *(Attach additional sheets if necessary.)*

<table>
<thead>
<tr>
<th>Name</th>
<th>Supplier</th>
<th>Exchange</th>
<th>Shipping/Delivery Point</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

**Exporter License** List Federal Registration (637) Number (if applicable): __________ / __________ / __________

67. List the states to which you import accountable product/motor fuel and the motor fuels license numbers in those states.

68. Do you maintain bulk storage facilities in this state?

69. Where will your bulk storage be located?

70. Fuel Storage Capacity: Above Ground __________ Below Ground __________

71. If no bulk storage facility is owned, explain storage arrangements.

72. Do you plan to export petroleum products out of this state?

73. Indicate the type of petroleum products exported out of this state.

- Gasoline
- Low Sulfur Kerosene
- Aviation Gasoline
- Alcohol
- Low Sulfur Diesel
- High Sulfur Kerosene
- Ethanol
- Propane
- High Sulfur Diesel
- Jet Fuel
- Methanol

74. Indicate the means of transport for the exported product.

- Seagoing Vessel/Barge
- Transport Truck
- Tankwagon Truck
- Pipeline
- Railroad Tank Car
- Other – Describe

75. List the destination states for exported petroleum products and your license number in those states. *(Attach additional sheets if necessary.)*

76. Are you a shipper of record on one of the commercial pipelines serving this state?

77. Estimate the number of taxable gallons that will be exported from this state during an average month.

- Gasoline __________
- High Sulfur __________
- Methanol __________
- Kerosene __________
- Low Sulfur __________
- Jet Fuel __________
- Alcohol __________
- Diesel __________
- Aviation __________
- Propane __________
- Gasoline __________
- Ethanol __________
- Kerosene __________
78. Estimate the number of taxable gallons that will be exported from this state during an average month.

- Gasoline
- High Sulfur
- Methanol
- Kerosene
- Low Sulfur
- Jet Fuel
- Alcohol
- Diesel
- High Sulfur
- Aviation
- Propane
- Diesel
- Low Sulfur
- Ethanol
- Kerosene

79. List the states from which motor fuel is imported.

80. List all retail and bulk storage locations for motor fuels. (Attach additional sheets if necessary.)

<table>
<thead>
<tr>
<th>Location</th>
<th>Fuel Type</th>
<th>Tank Capacity</th>
<th>Highway Use</th>
<th>Non-highway Use</th>
<th>Common Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

81. Do you intend to blend taxed motor fuel with an untaxed blending component?

82. Do you plan to purchase gasoline blending stocks such as natural gas?

83. Do you plan to purchase transmix?

84. Do you plan to blend gasoline and alcohol?

85. Where will the blending be done?

86. Describe blending operation.

<table>
<thead>
<tr>
<th>Alternative Fuels Provider License</th>
<th>List Federal Registration (637) Number (If applicable):</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

87. Do you maintain bulk storage for alternative fuels in this state?

88. Where will your bulk storage be located?

89. Fuel Storage Capacity: Above Ground Below Ground

90. If no bulk storage facility is owned, explain storage arrangements.

91. Do you plan to import alternative fuels into this state?

92. Indicate the type of petroleum products imported into this state.

- Compressed Natural Gas
- Propane
- A-55
- E-55
- M-85
- Other – Describe

93. Indicate the means of transport for this exported product.

- Seagoing Vessel/Barge
- Transport Truck
- Tankwagon Truck
- Pipeline
- Railroad Tank Car
- Other – Describe
94. List the states from which you import alternative fuels and your license number in these states. (Attach additional sheets if necessary.)

__________________________________  _________________________________

95. Estimate the number of taxable gallons that will be sold or used in this state during an average month.

Compressed  Propane  A-55  
Natural Gas  
E-55  M-55  Other 

☐ Yes  ☐ No

96. Do you plan to export alternative fuels out of this state?

97. Indicate the type of petroleum products exported out of this state.

☐ Compressed Natural Gas  ☐ Propane  ☐ A-55  ☐ E-55
☐ M-85  ☐ Other – Describe 

98. Indicate the means of transport for this exported product.

☐ Seagoing Vessel/Barge  ☐ Transport Truck  ☐ Tankwagon Truck
☐ Pipeline  ☐ Railroad Tank Car  ☐ Other – Describe 

99. List the destination states for exported alternative fuels and your license number in those states. (Attach additional sheets if necessary.)

__________________________________  _________________________________

☐ Yes  ☐ No

100. Are you a shipper of record on one of the commercial pipelines serving this state?

101. What other types of operations will you be engaged in?

☐ Exchanges  ☐ Direct shipments  ☐ Other (describe)
☐ Sales on consignment  ☐ Sell petroleum products
☐ Operate service stations  ☐ Trade petroleum products

102. Provide the following information about suppliers from whom you purchase motor fuels and exchange partners from whom you receive motor fuels. (Attach additional sheets if necessary.)

<table>
<thead>
<tr>
<th>Name</th>
<th>Supplier</th>
<th>Exchange Partner</th>
<th>Shipping/Delivery Point</th>
<th>Product</th>
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</tr>
</tbody>
</table>

☐ Yes  ☐ No

103. Do you operate vehicles that are fueled from the cargo tank of an alternative fuels vehicle?

Common or Contract Petroleum Carrier License  List Federal Registration (637) Number (If applicable): 

☐ Yes  ☐ No

104. Do you transport motor fuel for hire in this state?
105. Do you transport motor fuel by rail?

106. List number of this state’s licensed vehicles operating on this state’s highways.
   Greater than 10,000 lbs. But less than 26,001 lbs.____________________________________
   Greater than 26,000 lbs.______________________________________________________________

107. Complete the following if your vehicles are involved in a lease agreement
   Name and address of Lessor___________________ Telephone Number ________________________
   Name and address of Lessor_____________________________________________________________

108. List the International Fuel Tax Agreement (IFTA) registration state and account number for the motor carrier operations.______________________________

109. List the International Registration Plan (IRP) base state and account number for the motor carrier operations._____________________________________________________________________

110. List the US DOT Number.________________________________________________________________________

---

**Part IV. Certification**

*Each State's Certification Statements*

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name (type or print)</td>
<td>Date</td>
</tr>
</tbody>
</table>

---

**Mail to:**

STATE’S DEPARTMENT NAME

Division Name
Mailing Address
City, State and 9 Digit Zip Code

Questions:
Contact the Division at:
Telephone Number: (XXX) XXX-XXXX
Fax Number: (XXX) XXX-XXXX
Motor Fuels Tax Irrevocable Letter of Credit
(Your State’s Name and Department)

We,_______________________________________________________________________________,
(Financial Institution)
being authorized to conduct business in the State of (State’s Name), hereby establish our Irrevocable Letter of Credit
(No. ____________) in favor of the (State Agency Commissioner or Secretary Name), and agree to pay to you any
liabilities, up to an aggregate amount_______________________________________________________________Dollars
($________________), hereinafter found by you to be due from _______________________________________________
(Principal - Legal Entity)
under (Place your state’s statute reference in this location), as the same may be from time to time amended, modified,
recodified, or otherwise rewritten, to the payment of which, well and truly to be made, we bind ourselves, our heirs,
administrators, successors and assigns firmly by these presents to be effective as to acts or omissions occuring on or after
the ____________ day of ______________________, ________ hereinafter referred to as the effective date.

Said payment shall be made upon written demand accompanied by a copy of the official notice of assessment or
other document upon which the taxpayer’s obligation to pay is based. We engage with you that any demand or presentment
made under and in compliance with the terms of this credit shall be duly honored by us, as specified, covering acts or
omissions occuring on or after the above-stated effective date on or before the ____________ day of _________________,
hereinafter referred to as the expiration date, or any extended expiration date of this Irrevocable Letter of
Credit as set forth below.

It is a condition of this Irrevocable Letter of Credit that it shall be deemed automatically extended annually without
amendment, with approval of the (State Agency Commissioner or Secretary), for additional period of one year from the
above or any extended expiration date unless we shall notify (State Agency Commissioner or Secretary) by registered mail
postmarked sixty (60) days prior to such expiration date or from future expiration date that we elect not to renew this
Irrevocable Letter of Credit for such additional period. Such annual election shall not relieve, release, or discharge us from
any obligations under this Irrevocable Letter of Credit for any tax, penalty, or interest accrued by the Principal after the effective
date and prior to the expiration date or any extended expiration date, and with respect to any such tax, penalty, or interest, this
Irrevocable Letter of Credit shall remain fully in effect. If for any reason this Irrevocable Letter of Credit is not renewed,
(Your State’s Name and Department Address), will have the right to draw for the outstanding balance of the Letter of Credit
prior to its expiration.

We shall be released from this Irrevocable Letter of Credit three (3) years of the expiration date or extended
expiration date stated above, hereinafter, referred to as the release date, or after a final audit of the Principal’s records has
been cleared, whichever comes first.

We hereby engage with the drawers of drafts drawn under and in compliance with the terms of this credit that such
drafts will be duly honored upon presentation of drafts and documents to us on or before the release date of the Irrevocable
Letter of Credit
We shall accept demand by you in compliance with the terms of this Irrevocable Letter of Credit on its face, and we shall have no duty, responsibility, or liability to the Principal with respect to the underlying validity of said demand.

This ______________ day of _______________________, ____________.

(SEAL)

(Financial Institution)

By: __________________________________________

(Institution’s Officer) (Title)

Attest:

_________________________________________________

(Title)
FTA Subcommittee Accomplishments and Goals 2022-2023
FTA MOTOR FUEL TAX SECTION
September 2023

Sharonne R. Bonardi, FTA Executive Director
Cindy Anders-Robb, Director of Motor Fuels

FTA Motor Fuel Tax Section
Jeremy Neeck, National Chair – Minnesota Dept of Revenue
John Panza, Vice-Chair – North Carolina Dept of Revenue

FTA Motor Fuel Tax Uniformity
Nancy Larrimore, Co-Chair – North Carolina Dept of Revenue
Rae Takai, Co-Chair – Motiva Enterprises LLC

Subcommittees as of September 2022

<table>
<thead>
<tr>
<th>Compliance</th>
<th>State – Patrick Andrews – State of Virginia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Industry - David Hernandez – Valero Energy Corp</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Communication and Coordination</th>
<th>State – Christy Dixon - State of Oklahoma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Industry – Laura Molique - ExxonMobil</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Electronic Commerce</th>
<th>State – Mike Hanson - State of California</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Industry – Scott Foster – Sinclair Oil Corporation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Form Management</th>
<th>State – Jessyca Stafford- State of Oregon</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Industry – Brenda Jo Beck – Avfuel</td>
</tr>
</tbody>
</table>
# FTA Motor Fuel Subcommittee Contact List
## September 2023

<table>
<thead>
<tr>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Patrick Andrews</strong>, State Co-Chair (VA)</td>
</tr>
<tr>
<td>Phone: (804) 516-2630</td>
</tr>
<tr>
<td>E-Mail: <a href="mailto:patrick.andrews@dmv.virginia.gov">patrick.andrews@dmv.virginia.gov</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Communication and Coordination</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Christy Dixon</strong>, State Co-Chair (OK)</td>
</tr>
<tr>
<td>Phone: (405) 522-4197</td>
</tr>
<tr>
<td>E-Mail: <a href="mailto:cdixon@tax.ok.gov">cdixon@tax.ok.gov</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Electronic Commerce</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mike Hanson</strong>, State Co-Chair (CA)</td>
</tr>
<tr>
<td>Phone: (916) 322-6382</td>
</tr>
<tr>
<td>E-Mail: <a href="mailto:michael.hanson@cdtfa.ca.gov">michael.hanson@cdtfa.ca.gov</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Forms Management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Jessyca Stafford</strong>, State Co-Chair (OR)</td>
</tr>
<tr>
<td>Phone: (458) 233-0634</td>
</tr>
<tr>
<td>E-Mail: <a href="mailto:Jessyca.m.stafford@odot.orgon.gov">Jessyca.m.stafford@odot.orgon.gov</a></td>
</tr>
</tbody>
</table>
Compliance Subcommittee

The Compliance Subcommittee promotes point 11 of the 11 Point Plan.

2022-2023 Annual Report

Thank you to all who continue to support the Compliance Sub-committee! Your attendance and active participation in the meetings, raising issues, contributing to discussions, or volunteering for a project are critical to the success of the sub-committee. To foster the implementation and better understanding of the complex State and Federal motor fuel tax laws and regulations. It is important for states and industry to work together to increase better compliance.

Training

Training was for held for the State of North Carolina in Oct 2022. Over 71 individuals were trained.


Training will be held in the future for individual states: February 2024 in Kentucky, March 2024 in RI.

If your state would like to sponsor a training class, please contact Cindy Anders-Robb with the FTA.

Dyed Fuel Project

The Dyed Fuel Project continues to be a good deterrent to tax evasion. The use of dyed fuel on the roads and highways is an issue we all deal with, which negatively impacts highway funds that support the infrastructure needs.

Dyed fuel violation statistics are gathered quarterly, compiled, and presented at the Uniformity meetings. The statistics include number of samples, violations, assessments, type of vehicle and industry. There are many states that have a dyed fuel program and range from State Highway Patrol officers to dedicated fuel inspectors and auditors taking fuel samples.

State Updates

States in attendance reported to the committee members on new and/or potential legislation and other updates of interest or significance. The dominated topics discussed included legislation changes to address taxation of electricity/electric vehicles along with motor fuel tax rate increases.

Covid-related fuel tax relief discussions have faded from general discussion.

Industry Updates

Discussions continued on the Super Fund. January 1, 2023 implementation. Federal tax on crude taken to refinery and product imported into the US.

Continuing conversation of emerging Sustainable Aviation Fuel.

Discussion of Marathon Oil Vs. Cook County appeal involving book out transfers.

Patrick Andrews, State Co-Chair (VA) Phone: 571-286-0158 Email: Patrick.Andrews@DMV.Virginia.com

David Hernandez, Industry Co-Chair (Valero) Phone: (210) 345-2127 Email: David.Hernandez@Valero.com
Communication and Coordination Subcommittee

The Communication and Coordination Subcommittee promotes points 1, 8 and 10 of the 11 Point Plan.

2022-2023 Annual Report

The Communication and Coordination Subcommittee had a productive year.

The full Uniformity Committee approved the following requests:

White Paper Documents:

Currently working on a white paper document for Zero Emission Vehicles (ZEV) Using Fuel Cells with Hydrogen. The following individuals volunteered to work on this document:

- Thea Lonewolf – Musket
- Emilda Santiesteban – Weaver and Tidwell
- Jessyca Stafford – OR
- Michael Tay - FL

The following two (2) White Paper Documents were approved to be put into the 2023 Uniformity Guide:

ELECTRIC VEHICLE TAXATION POSSIBILITIES
Points to Consider Relative to Fuel Tax Administration
January 2023

Authors
Shauna Anker (South Dakota)
Robert Dalton (North Carolina)
Catherine Mitchell (West Virginia)
Verna Carrier (Love’s)

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Chapter 1
Purpose
The current Federal Administration announced intentions to increase the use of alternative fuel vehicles to help lower greenhouse gas emissions and be more environmentally conscious. One of these environmentally friendly options is electric vehicles. Electric vehicles have also been in the news as many major vehicle manufacturers are promising ramped up production and have announced plans to end fossil fuel vehicle production.
Traditionally, fuel taxes have been the source of funding for highways in various states and the Federal Government. With an increase in the fuel efficiency of vehicles along with unregulated and untaxed alternative fuels, the highway fund may be slowly diminishing. Many states are looking at various methods of taxation of these alternative fuel vehicles.

During the Motor Fuel Uniformity Meeting in Orlando, Florida on January 28, 2022, a subgroup was formed to provide a white paper on electric vehicles and possible taxation methods for the energy used to propel those vehicles to help with uniformity among the states.

This subcommittee used Federal Regulations to define various types of electric vehicles that are known today. We also looked at various possible schemes that states may use for the taxation of electric vehicles.

This white paper intends to give a source of information on Electric Vehicles, charging stations and possible taxation options. This white paper is as inclusive of information we could gather from various sources. We also discussed proposed legislation taxation statutes and other thoughts from various state agencies.

Chapter 2
What is an Electric Vehicle?
In 2010, the first commercially available plug-in hybrid was ready for sale, the Chevy Volt. Since then, models have increased to over 70 different options in 2019. Because the automotive industry is currently developing many types of new electric vehicles, current definitions and regulations must evolve to meet these new technologies. The information to follow is current definitions as of the date of this paper.

From information found on several websites, the average daily distance North Americans drive is 26-31 miles. The average Electric Vehicle gets between 3 and 4 miles per Kilowatt Hour (kWh). This means the average electric vehicle will use about 10 kWh of electricity per day.

Federal Definitions
Code of Federal Regulations Title 16, Chapter 1, Subchapter C Part 309 Subpart A defines an Electric vehicle ("EV") as a vehicle designed to operate exclusively on electricity stored in a rechargeable battery, multiple batteries, or battery pack.
Code of Federal Regulations Title 49, Subtitle B, Chapter V, Part 523.2 Definitions, defines an electric vehicle as a vehicle that does not include an engine, and is powered solely by an external source of electricity and/or solar power. Note that this does not include electric hybrid or fuel-cell vehicles that use a chemical fuel such as gasoline, diesel fuel, or hydrogen. Electric vehicles may also be referred to as all-electric vehicles to distinguish them from hybrid vehicles.

Code of Federal Regulations Title 40, Chapter 1, Subchapter C, part 86.1803 01 defines "Hybrid electric vehicle (HEV)" as a motor vehicle which draws propulsion energy from onboard sources of stored energy that are both an internal combustion engine or heat engine using consumable fuel, and a rechargeable energy storage system such as a battery, capacitor, hydraulic accumulator, or flywheel. This includes plug-in hybrid electric vehicles.
**Alternative Definitions**

The committee discussed the Federal Regulations and decided these would be alternative definitions that are less formal. We would not necessarily suggest that you use these in legislation, but to help staff and the public understand the different types of vehicles.

**Hybrid vehicle**

A hybrid vehicle is a vehicle that uses two or more distinct types of power.

**Hybrid electric vehicle**

Hybrid electric vehicles are powered by an internal combustion engine and an electric motor, which uses energy stored in batteries. A hybrid electric vehicle cannot be plugged in to charge the battery. Instead, the battery is charged through regenerative braking and by the internal combustion engine. These run mainly on fuel and let you switch between using your fuel engine and using 'EV' mode at the touch of a button.

**Plug-in hybrid vehicle**

Plug-in hybrid vehicles are the bridge between gas only and fully electric. These vehicles are mainly run by electricity but also have a traditional fuel engine, so you can use fuel as a backup as necessary.

**Electric vehicle**

Electric vehicles function by plugging into a charge point and taking electricity from the grid. They store the electricity in rechargeable batteries that power an electric motor, which turns the wheels.

**Chapter 3**

**Charging Stations**

Electric vehicles have several different ways they could possibly charge the battery storage fuel cell in their vehicle. Many models allow you to charge at home and there are many commercially available options that are continuing to grow. Electric vehicles are equipped with a way to plug them in much like all other electronic devices and charge with an electrical outlet.

**Charging Station Speed**

Charging stations have different speeds and power. The length of time it takes to charge depends on the level of station used (information found from Minos, link provided below).

**Level 1**

A level 1 charging station is the slowest charging station, but possibly the most convenient. The level 1 can be used in a standard 110-volt electrical outlet in a home. This level of charging takes the longest, approximately 4-5 miles range per hour charged.

**Level 2**

The level 2 charging station is a 240-volt outlet, like an electric clothes dryer outlet. All known public charging stations in the United States are a level 2. If you want one in your home, it must be professionally wired and installed. A level 2 charger takes about half the time as a level 1.

**Level 3 / Direct Charge (DC) Charging Station**

A DC charging station is considered a level 3 charge, which is the fastest speed of charging, and the power is higher (Gearhungry, 2022).
Home Charging

Electric vehicle charging can occur at home at level 1 and level 2. Level 2 charging will require some additional equipment installation and wiring due to the higher power that comes with the faster charge.

Possible Challenges

- Charging at home will pose many challenges in applying motor fuel tax based on electricity used.
- Local building codes and other regulations may cause home charging stations to be unavailable or have other regulations. A possible solution would be to work with the areas in your state to monitor this if you choose to tax home charging of electric vehicles. This would allow a taxing agency to collect information of locations of home charging stations to determine the correct tax is being applied.

Commercial Charging

There are several options for commercial charging stations. As this new technology advances charging stations may not be found only at the traditional fuel stations. They may be located at places of employment, hotels, and places where customers go for entertainment, for example, a movie theater or grocery stores.

A typical commercial charging station may or may not be separately wired to the electrical grid. This is usually a result of the economic costs associated with operating a charging station. For example, many times electricity rates are determined by the amount of usage that a location would use. Electric Vehicle charging stations may pull more power and could cause the location to pay a higher rate for all the electricity. The owner may decide to put a separate meter on the charging station, so they do not have to pay higher rates on the electricity used in other areas of the location. Local regulations may also require a charging station to be on a separate meter.

Charging stations may or may not be owned by the location owner. Currently, there are several options for the charging stations ownership.

- The property owner owns the charging station. They will own the equipment, pay for the installation, supply the electric power and determine any charge for use of the charger.
- The property owner may lease area to the owner of the charging station. The owner of the charging station would make lease payments to the property owner. The charging station owner would then install the equipment, infrastructure, and charge for usage of the charging station.
- The property owner and the charging station owner could split the income. This could be done in an infinite number of possible scenarios. In this scenario both the charging station owner and the property owner would be receiving income from the charging station.

Possible Challenges

- The various ways that commercial charging stations can be owned and operated will be a challenge to taxing authorities to administer taxes in a fair and equitable tax structure.

Chapter 4

Possible Taxation Solutions

As the miles per gallon of vehicles increase, there is no doubt that states must find ways to raise more revenue to fund transportation implementation and maintenance. As electric vehicles and hybrids gain in popularity, it makes sense to consider them as part of plans for replacing the revenue. Electric vehicles and hybrid vehicles utilize the roads like gasoline and diesel fueled vehicles. With the increase of electric vehicles and hybrid vehicles, more infrastructure in the form of electrical service will be needed. States have an inherent interest in providing infrastructure to help their
citizens utilize this new form of transportation. States also will have a cost associated with providing this infrastructure and may need to find ways to fund the placement and upkeep of this infrastructure.

Any taxation solutions to provide additional funding for roadways and/or possible infrastructure should be constructed to be fairly implemented. No one class of vehicles should have to shoulder a larger share of the tax formula than other similar vehicles.

Section 1 Registration Fee Options

Because of declining fuel tax revenue, additional registration fees for electric vehicles (EV) and hybrid vehicles are added by multiple states to assist in replacing that revenue. Many states’ motor fuel tax revenue is mainly used to repair and maintain roads and bridges in their states. As stated previously, many states do not have laws to replace the fuel taxes for alternative fuels. Alternative fuel vehicles may not be adding to the fuel tax revenue but are utilizing the roads and bridges; the fee is used to continue with equity among drivers. As the sales are increasing of these vehicles, some states have decided rather than tax the electricity as a fuel, an additional fee is added to the yearly registration of the EVs and hybrid vehicles. These fees currently range from $50 to $200 a year in addition to the other set fees.

Some states have dedicated the additional registration fees for the implementation of an electric vehicle infrastructure fund. This fund will provide more charging stations and upkeep for current stations throughout the states. Some states may look at registration fees for defined electric vehicles. Many states will use this fee for additional road repairs. States have attempted to equate the additional fee to the estimated amount of fuel taxes that have not been paid by electric vehicles. This is difficult as many electric vehicles are heavier than traditional passenger vehicles. The EVs are heavier because of the additional weight of the batteries, reinforced framework and suspension, and the metal armor around the battery to protect it. This extra weight wears on the asphalt surface more than a traditional internal combustion engine. Wearing of the asphalt causes road deterioration and the need for additional maintenance when likened to the upkeep of asphalt roads used by comparable internal combustion vehicles.

Advantages & Disadvantages of Electric and Hybrid Vehicle Registration Fees

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increase in fuel tax revenue</td>
<td>• Can deter people from purchasing the vehicles</td>
</tr>
<tr>
<td>• Additional fees can be added to an electric infrastructure fund to update the existing structures as well as build new structures</td>
<td>• For states in which the fuel tax does not support the primary source of funding of roads, this fee can be perceived as a political attempt to not raise taxes on fuel to offset that revenue.</td>
</tr>
<tr>
<td>• This may be an easy tax to administer as most states require annual registration of vehicles.</td>
<td>• If electricity is taxed at home, is the EV owner already paying tax for their fuel?</td>
</tr>
</tbody>
</table>

Some states have used this information to determine amount of additional registration fees for electric vehicles.
For a state that is interested in adopting the use of EVs or hybrids to meet emission reduction goals and continue to spur innovation can consider an alternative to the additional set registration fee for these vehicles. As many EV and hybrid drivers are opposed to the additional registration fee, which is claimed to be unfair, other options have been suggested.

4. Slowly phase in the fee. Do not implement the fee at one time. Allow the taxpayer to graduate to pay the final price of the fee.

5. Implement a mileage use tax that requires the EV owner to pay for the actual miles driven. User fees are currently considered in many states and pilot programs have been implemented in others. These programs can be used as a basis for the EV and/or hybrid vehicle miles traveled.

6. Another suggestion is to alter the fee to a formula of justification:

MJF= Maximum Justifiable Fee:
MJF = Average Vehicle Miles Traveled / Average Consumer Use x State Gas Tax and fees if applicable

$$MJF = \frac{\text{Average Vehicle Miles Traveled}}{\text{Average Consumer Use}} \times (\text{State Gas Taxes and Fees})$$

To arrive at a general rate for an annual registration fee, data was collected from the Average Annual Fuels Use by Vehicle Type report from the U.S. Department of Energy from 2016/2017 (pre-COVID and far less electric fuel vehicles during this time). The average fuel usage for Light Trucks/Vans was 660 gallons/year and Cars were 474 gallons/year. By using a simple average of the two (567 gallons/year) and multiplying that by the average motor fuel gasoline tax for all the states in January 2022 – 29.1 cents/gallon – we concluded that a fair electric vehicle registration price may be about $165.00. Notably, motorcycles have a much lower average annual fuel usage rate (53 gallons/year), and it may be suggested that electric motorcycles have a lower annual registration rate or consider a separate rate for all three (3) of these vehicle classes. States may easily tailor their registration fees to replace lost fuel tax revenue using similar data as it fits.

<table>
<thead>
<tr>
<th>VEH. TYPE</th>
<th>AVG U.S. FUEL USAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Bus</td>
<td>13329</td>
</tr>
<tr>
<td>Class 8 Truck</td>
<td>11818</td>
</tr>
<tr>
<td>Refuse Truck</td>
<td>10089</td>
</tr>
<tr>
<td>Para. Shuttle</td>
<td>4157</td>
</tr>
<tr>
<td>Delivery Truck</td>
<td>1899</td>
</tr>
<tr>
<td>School Bus</td>
<td>1937</td>
</tr>
<tr>
<td>Light Truck/Van</td>
<td>660</td>
</tr>
<tr>
<td>Car</td>
<td>474</td>
</tr>
<tr>
<td>Motorcycle</td>
<td>53</td>
</tr>
</tbody>
</table>

Average Consumer Use 567 (2016/2017 rates)  
Average Total Tax/Gallon 0.290849 (2022 rates)
Average Fuel Tax

revenue per consumer vehicle/year $164.91

Section 2 Fuel Tax Options
Most states currently have fuel taxes collected somewhere in the normal fuel supply chain, pursuant to statute, the normal fuel supply chain is from a refinery/pipeline/barge to a terminal, then to suppliers/distributors/wholesalers to an end retail location and ultimately the end consumer.

A possible solution is to tax electricity used for electric vehicle operation in a similar manner, such as, a state may choose to charge a motor fuel tax on electricity put into the storage batteries of an electric vehicle. Electric vehicles use kilowatts as their fuel, combustion engines use fuel in their fuel tanks. This would require reporting the kilowatt hour from an electric grid that were transferred to the battery of an electric vehicle. The state would need to determine who must report those kilowatts.

A taxation point would be having the electric distributor or electric company report the kilowatts used to power electric vehicles. This can be done through the use of an average based on vehicle manufacturers information. Another possibility is to have the electric company or consumer install smart meters in the homes that are using electric vehicle charging stations to record exact kilowatt hour through the charging station. The advantages to this is it is very similar to the combustion vehicle in practice and depending on the taxation point, will lower the number of possible licenses needed to report the tax. A disadvantage could be the electric companies or distributors do not traditionally collect tax.

Section 3 Vehicle User Fee Options
A pilot study in the Eastern United States (was expanded to most states) studying mileage-based user fees. From the website for The Eastern Transportation Coalition's "Mileage Based User Fees" (MBUF) study: “Right now, most funding used to maintain our transportation system comes from a tax we pay on each gallon of fuel when we fill up at the pump. As fuel efficiency increases and more electric vehicles are on the road, the amount motorists pay to use our transportation system becomes more linked to the amount of fuel purchased versus the number of miles they drive. The MBUF model provides a different approach: “pay for what you use.” The link to the coalition's study can be found in the reference section.

The study is using commercial vehicles that travel interstate to track the miles they travel. The study then applies a per-mile tax rate based on the weight of the vehicle. Currently, there are no dollars being paid for this study. This study is trying to determine if this fee is equitable to the current tax structure.

The advantages of this study would be that each vehicle is going to pay based on the usage of the highways and roads within a state. Since it is based upon the weight of the vehicle, it should have a direct correlation to estimated wear and tear that vehicle could be causing.

Some disadvantages are the average consumer does not track mileage based on the state they drive. Also, there is currently no mechanism to gather this data on noncommercial motor carriers or citizens.

Section 4 Combination
A state could implement a combination of vehicle registration fees, fuel tax fees and vehicle user fees. Some of the first states to enact legislation on electric vehicles have done this. For example, Iowa is charging an additional registration fee on electric vehicles in combination with a fuel tax fee for publicly available charging locations.
An advantage of this is it is easier to administer and has many of the components needed already in statute. A disadvantage of this is that registration fees are higher for electric vehicles which could be challenged as unfair taxation practice. It also could be construed that home vehicle electric charging stations are not taxed as motor fuel when they are using the roadways.

See the Motor Fuel Information by State book for each states’ taxation information of electric vehicles. This is located on FTA’s website at: Motor Fuel Uniformity Project (taxadmin.org).

Chapter 5
Summary / Closing
As alternative fuel vehicles increase in production and become more common, the fossil fuel taxes being contributed to the highway funds are decreasing. We discussed in this white paper methods of possible taxation to replenish those taxes by the taxation of electric vehicles. When looking at each method, there are multiple factors to consider beginning with the type of electric vehicle, weight, and the administration of a fair taxation structure. There are several different kinds of electric vehicles that require different amounts of electric power so they may not fall under the exact same level of taxation. When considering these multiple factors, a state also needs to consider who are we making a taxpayer, how many taxpayers are we creating and how the state will create infrastructure to implement this new tax structure.

<table>
<thead>
<tr>
<th>Tax Solution</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration Fees</td>
<td>• Easy to implement as most states have a registration fee structure.</td>
<td>• May deter people from purchasing EVs due to large up-front cost annually.</td>
</tr>
<tr>
<td></td>
<td>• Doesn’t create a new form of tax administration.</td>
<td>• Does it affect current federal highway fund matching (is this a motor fuel tax)?</td>
</tr>
<tr>
<td>Fuel Tax</td>
<td>• Specific to the user of the electric fuel.</td>
<td>• Depending on point of taxation, may create a large number of taxpayers.</td>
</tr>
<tr>
<td></td>
<td>• Many states have fuel tax administration in place already.</td>
<td>• May have new industries collecting and remitting fuel taxes that have not historically done so.</td>
</tr>
<tr>
<td>Vehicle User Tax Fees</td>
<td>• Federal/state studies are ongoing.</td>
<td>• No current tax administration structure to collect or remit these taxes.</td>
</tr>
<tr>
<td></td>
<td>• Tax is based on use of roadways.</td>
<td>• Average vehicle users do not track mileage daily or in different states.</td>
</tr>
<tr>
<td>Combination</td>
<td>• Allows several different sources of taxation.</td>
<td>• Could be construed as unfair and overbearing.</td>
</tr>
<tr>
<td></td>
<td>• Will spread the taxation across many areas.</td>
<td>• May be harder to implement due to multiple taxation sources and legislation required to implement.</td>
</tr>
</tbody>
</table>

References

Scott Minos, EV Charging at Home, https://www.energy.gov/energysaver/articles/ev-charging-home?msclkid=214f369cb5d811ecbad4a3a0e6314cbf
What is a Petroex Number?
Terminal/Pipeline Order Flow Process
May 2023

Order process at a terminal / pipeline
1. Driver enters supplier code
2. Driver enters petroex number
3. Driver enters consignee / destination code
4. Driver enters carrier code & driver id
5. Driver enters fuel type and gallons requested
6. Driver loads truck and corrected gallons are put on manifest from pump meters
7. Driver gets printed manifest

Terms related to above:

Supplier Code: A code that shows which supplier product is being pulled from.

Petroex Number: A number created by the supplier that has the following relationships to the load being pulled.

1. Tells supplier who should be billed for the product being pulled.
2. Tells driver what products are available under the Petroex #.
3. A Petroex # is almost like a contract # for a distributor that has certain limits of what can be withdrawn.

Destination Code: A code that is supposed to be the 1st Consignee receiving product and where it is being delivered.

The following definitions were approved:

Excluded Liquid-(FTA adopted 1-23) is any liquid that (1) contains less than four percent normal paraffins; or (2) has a (i) distillation range of 125 °F. or less; (ii) sulfur content of 10 ppm or less; and (iii) minimum color of +27 Saybolt.

Mineral Oil – (FTA adopted 1-23) (aka Liquid Petroleum, Paraffin Oil, Mineral Paraffins, White Mineral Oil) is a clear, odorless liquid made from highly refined, purified and processed petroleum.

2023 Motor Fuel Tax Information by State Book

The following question was raised by Wilda Ice with the State of North Carolina:

- Does your state accept a petroex number instead of a destination state on the bill of lading?
It was decided by the committee that this question should be put out on the Motor Fuel Listserv instead of being put into the 2023 Motor Fuel Tax Information by State Book. John Panza will have Wilda put the question out on the Motor Fuel Listserv.
Approved Question to be added to the book:

**Section 42- Rail Car**

When product is shipped by railcar, does your state accept BOL date (origin sales) or delivery date (delivered sales)?

The following people from each region volunteered to contact the states within their regions to gather the updated information for the 2023 Motor Fuel Tax Information by State Book

A. Midwestern – Edie Martin-State of Kansas  
B. Northeastern – Christy Dixon-State of Oklahoma  
C. Pacific – Matthew Yasui-State of Oregon  
D. Southern – Michael Tay-State of Florida  

**The Uniformer** – The subcommittee published three (3) issues of the Uniformer-January, 2023, May, 2023 and September, 2023.

The subcommittee will also continue working on the following projects for the next year:

A. Continue to review the 11 Point Plan  
B. Current definitions need to be looked at on a yearly basis to insure that they are still correct.  
C. Continue publishing the Uniformer  
D. White Paper Documents  
E. 2024 Motor Fuel Tax Information by State Book  
F. 2024 Native American Survey

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

Christy Dixon, Oklahoma Tax Commission  
Phone: (405) 522-4197  
E-Mail: cdixon@tax.ok.gov

Laura Molique, Exxon/Mobil  
Phone: (832) 624-5130  
E-Mail: laura.l.molique@exxonmobil.com
Electronic Commerce Subcommittee

The Electronic Commerce Subcommittee promotes point 6 of the 11 Point Plan.

2022 – 2023 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants. The groups continue to provide the output needed to support the full subcommittee.

The current working groups and their team leaders are:
➢ XML Schema for Motor Fuel – Mike Hanson, California
➢ XML Documentation Review – Mike Hanson, California
  o Creates XPath document
  o Creates best practices document
➢ EC Survey (Planning, Implementation and Evaluation) – Mike Hanson, California
➢ EDI/EC Implementation Review – Mike Hanson, California
  o Maintains the FTA EDI Guide
  o Reviews and approves state EDI implementation guides

More participation is needed in each of the working groups. Contact any team leader to join a working group.

Annual Electronic Commerce Survey
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses and are available by contacting Mike Hanson of the California Department of Tax and Fee Administration at (916) 309-0358 or michael.hanson@cdtfa.ca.gov.

XML Standards
The XML committee continues to work closely with E-Standards to ensure compliance with the national standards. Schema version 4.2 is the most current version. The changes to 4.2 included the addition of destination and account number to the MFParticipantType, a purchase date and purchase rate to supplier transactions, many data elements to retailer reporting, and many additions to the base schema that had no direct impact on the motor fuels returns.

State Implementation of E-file projects (X12 EDI Guides and XML Guides)
The EC Subcommittee continues to encourage states to submit their EDI guides and/or XML guides for approval to ensure consistent reporting requirements among the states. The schema for Idaho and Oregon were reviewed and approved.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

Mike Hanson – State
Senior Tax Auditor
California Department of Tax and Fee Administration
450 N St. MIC: 48
Sacramento, CA 95814
Phone: 916-309-0358
E-Mail: michael.hanson@cdtfa.ca.gov

Scott Foster – Industry
Transition Supervisor
HF Sinclair
550 E South Temple
Salt Lake City, UT 84102
Phone: (801) 636-8803
E-Mail: scott.foster@hfsinclair.com
**Forms Management Subcommittee**

The Forms Management Subcommittee promotes points 2, 3, 4, 5 and 9 of the 11 Point Plan.

**2022-2023 Annual Report**

The Forms Management Subcommittee is responsible for reviewing forms, instructions, schedules, issuing product codes and schedule codes in addition to reporting on several other ongoing projects.

**Mentorship Program-Fuel Tax Mentoring**

Brenda Jo gave a presentation on developing a mentorship program for Fuel Tax mentoring between industry and state.

The mentorship program would keep and retain knowledge as employees retire or move to different positions. It would also include Skill sharing-real life experiences, etc. Mentoring programs could take place via Zoom and/or FTA event meetings. A blast email will be sent asking for participation.

There are different Mentoring Formats such as:
- Paired One on One (Mentor – Mentee)
- Mentoring Circles – Mentor in groups setting
- Peer Mentoring – Similar level cross mentoring
- Reverse Mentoring – Mentee leads the teaching

Group Mentoring can be:
- Virtual – Coffee Hour
- Virtual – Lunch & Learn
- In person at the Regional Motor Fuel Meetings

Pilot group for the mentoring program includes the following committee members:
- David Hernandez- Valero
- Rae Takai-, Motiva
- Jeremy Neeck-State of Minnesota
- Isa Momoh-State of North Carolina

**Product Code Requests**

The product code request submitted by Mike Hanson, State of California, for Renewable Diesel Undyed and Renewable Diesel Dyed was discussed. PIDX did NOT have existing codes for these. A motion was approved for the following Product Codes:

<table>
<thead>
<tr>
<th>Product Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Diesel – Undyed (Rollup Code)</td>
<td>180</td>
</tr>
<tr>
<td>Renewable Diesel – Undyed (100%)</td>
<td>R00</td>
</tr>
<tr>
<td>Renewable Diesel – Undyed (Percentage of)</td>
<td>R01-R99</td>
</tr>
</tbody>
</table>
Rae Takai requested a new product code for sustainable aviation fuel and gave a presentation as to why the request is being made. Motion was made and approved to for product codes for Sustainable Aviation Fuel (SAF) and blended ratio.

### Sustainable Aviation Fuel (SAF)

<table>
<thead>
<tr>
<th>Product Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>S00</td>
<td>Sustainable Aviation Fuel (100%)</td>
</tr>
<tr>
<td>S01-S99</td>
<td>Sustainable Aviation Fuel (Percentage of)</td>
</tr>
</tbody>
</table>

Love’s withdrew their Iso-Octane product code request and will use Product Code 090 Blending Component/additive miscellaneous gasoline. Iso-octane is also a potential component of aviation gasoline and Product Code 090 could also be used for that.

### Report Forms

The Alternative Fuel Reports were approved for the State of Florida and State of Idaho.

Jessyca Stafford, State Co-Chair  
Oregon Dept of Transportation  
Phone: (458) 233-0634  
e-mail: jessyca.m.staffordl@odot.oregon.gov

Brenda Jo Beck, Industry Co-Chair  
Avfuel Corporation  
Phone: (734) 663-6466  
e-mail: BBeck@avfuel.com
FTA Subcommittee Accomplishments and Goals 2001 – 2022
Compliance Subcommittee (2001)

The Compliance Subcommittee promotes point 11 of the 11 Point Plan.

2001 - 2002 Annual Report

The Enforcement Subcommittee and the Education Subcommittee were merged to create the Compliance Subcommittee in the fall of 2001.

The Compliance Subcommittee’s directive is to enhance compliance of motor fuel laws and regulations through educating and advising government agencies and industry.

The subcommittee met in Charleston, South Carolina, in February 2002, and decided that the task of compiling a “Best Practices” catalogue would be the groups’ first goal. The members agreed that the drafting of a survey to be used to solicit input from fuel administrators and industry representatives would be the first step towards achieving our goal. Suggestions were entertained as to the content of the survey.

The committee discussed the training schedule for 2002, which included two basic fuel tax classes, two advanced fuel tax classes and the new investigation class, which will be offered for the first time in December 2002. Bob Bray, Carol Player, and Peter Steffens of the subcommittee are instructors for these classes.

At the meeting in Portsmouth, Virginia, in May 2002, the subcommittee reviewed a draft version of the survey and offered input for improvement. The revised survey will be sent to potential respondents. The subcommittee will review and categorize survey responses, contact respondents for detailed input, and work toward the publishing of the catalogue in 2002-2003.

2002 - 2003 Annual Report

The Compliance Subcommittee’s directive is to enhance compliance of motor fuel laws and regulations through educating and advising government agencies and industry.

The subcommittee is working toward the publication of a motor fuel tax administration “Best Practices” catalogue. Committee members have solicited input from motor fuel administrators from every state in the country and from the Canadian provinces. The responses will be discussed by committee members and organized for publication. The committee hopes that the catalogue will serve as a valuable asset for motor fuel tax administrators.

Several enforcement initiatives were discussed including the monitoring of fuel being imported into the country and transported via inland waterways, tracking the sale and use of jet fuel/kerosene, insuring the security of terminal loading rack procedures, focusing on the potential danger of terrorist activity in relation to the distribution of motor fuel, and the development of dyed fuel inspection programs. We will continue to discuss these issues in order to enhance our efforts in reducing fuel tax evasion nationwide.
Training classes are continuing with great success. In 2002, seventy-eight students attended a basic motor fuel training class and sixty-five students attended the advanced class. The first investigation class had twenty-six participants and was very well received. The investigation class will be held annually. The first basic training class to be hosted by industry was held in February, 2003, and was attended by one hundred and one students, eighty-one from industry. Committee members are to be commended for dedicating their time and effort in the development and presentation of these classes.

2003 - 2004 Annual Report

The Compliance Subcommittee’s directive is to enhance compliance of motor fuel laws and regulations through educating and advising government agencies and industry.

The subcommittee is working toward the publication of a motor fuel tax administration “Best Practices” catalogue. Responses have been submitted from 30 states and several Canadian jurisdictions. The publication will refer to current practices that are in place and will not refer to a specific state or Canadian jurisdiction as requested by the majority of respondents. The committee hopes that the catalogue will serve as a valuable asset for motor fuel tax administrators.

Several enforcement initiatives were discussed this year including the monitoring of fuel transported via inland waterways, prevention of dye diversion schemes at terminal loading racks, developing an awareness as to the potential for monies netted from fuel tax evasion to be used in funding of terrorist activities, recognizing the potential for fuel tax evasion at the retail level, implementation of tracking and reporting procedures for alternative fuels such as biodiesel and gasohol, and the continued success of dyed fuel inspection programs. We will focus on these activities, and discuss any new issues that impact the enforcement of motor fuel tax initiatives as they develop.

Training classes are continuing with great success. In 2003, two hundred and nine students were educated in motor fuel tax administration and enforcement. Four classes were conducted during the year: (2) basic classes, (1) advanced class and (1) investigations class. The classes have been well received and the efforts of all those who have worked to achieve this success are greatly appreciated.

Three training classes are scheduled for 2004: Basic, August 8-11 in Portsmouth, Virginia; Advanced-August 22-26 in Salt Lake City, Utah; Investigations- September 12-15 in Little Rock, Arkansas.

2004 - 2005 Annual Report

The Compliance Subcommittee’s continuing directive is to enhance compliance of motor fuel laws and regulations through educating and advising government agencies and industry.

The subcommittee has completed the best practices manual and are in the process of formulating a standard formatting for the document. The document will continue to be reviewed for updates.

The subcommittee began distributing articles and information as it pertains to potential evasion schemes. An e-mail distribution list was created to better serve committee members will be kept up-to-date. Presentations included the importance of working together with industry and between states. Information was passed out in regards to how easy it is to make BioDiesel.

An important theme in regards to this subcommittee is to exchange information between members to uncover merging trends in motor fuel tax evasion. During each meeting there was open discussion concerning this matter. It was determined the use of BioDiesel needs to be monitored to assure compliance with various motor fuel tax laws.
Training classes continued to be a success. In 2004, 110 people were educated in motor fuel tax administration and enforcement. Three classes were conducted during the year, (1) basic class, (1) advanced class and (1) investigations class. There is now discussion in regards to preparing an advanced investigation’s class which will give participants a more “hands on” approach to investigation. All meetings are open for discussion as to how to make the classes better and the need for instructors.

**2005 - 2006 Annual Report**

The Compliance Subcommittee’s continuing directive is to enhance compliance of motor fuel laws and regulations through educating and advising government agencies and industry.

The subcommittee has been unable to distribute the best practices manual due to formatting changes and updates. It is planned the manual will be distributed soon.

The subcommittee continued to distribute articles and information as it pertains to potential evasion schemes. An email distribution list was continued from 2004 to better serve committee members with being kept up to date. Presentations included the importance of communicating with each other (industry and states) when new laws are enacted. It was also discussed the potential enforcement issues concerning the ability of fuel delivery drivers to change the destination state on the bill of lading at the terminal.

The transportation of fuels via railroads was discussed. A set of questions were compiled from members of the compliance subcommittee. Railroads were contacted and the lack of response to these questions was a concern to the committee. Currently Canada and the Northeastern States were trying to understand the flow of fuels through this transportation system.

Dyed fuel issues were a constant theme in the subcommittee meetings. The results of Hurricane Katrina and the permission to use dyed fuel for a time period led to many discussions concerning the potential for evasion.

Interstate smuggling of fuel or “bootlegging” was also a large concern to committee members. Throughout the years the opportunity to pay one state’s motor fuel taxes at a lower rate and bring that fuel into a higher tax state has been a constant source of evasion.

A continuation of an important theme in regards to this committee is to exchange information between members to uncover merging trends in motor fuel tax evasion. During each meeting there was open discussion concerning this matter. It was determined the use of Biodiesel needs to continue to be monitored to assure compliance with various motor fuel tax laws.

Training classes continued to be a success. In 2005, 158 people were educated in motor fuel tax administration and enforcement. This is over a 33 % increase from 2004. Four classes were conducted (an increase of one class). During the year, (1) basic class, (1) advanced class and (1) investigations class and (1) class on ExTOLE was held. There were 126 students representing the states, 8 representing the Federal Government, 2 representing the Canadian Government, 15 representing the Petroleum Industry, 1 representing the Transportation Industry, 2 representing reporting firms and 4 representing vendors. The advanced Investigation class was well in the planning stage with the mock to be in 2006 and the first class in January 2007. All meetings are open for discussion as to how to make the classes better and the need for instructors.
**2006 - 2007 Annual Report**

The Compliance Subcommittee’s continuing directive is to enhance compliance of motor fuel laws and regulations through educating and advising government agencies and industry.

The subcommittee has been unable to distribute the best practices manual due to formatting changes and updates. Carol Player will be working on reformatting the manual and will distribute it when completed.

The subcommittee continued to distribute articles and information as it pertains to potential evasion schemes and will continue as articles become available. An email distribution list has been continued from 2004 to better serve committee members with being kept up to date. Presentations were given by Rick Shirk about making Bio Diesel at home. Bruce Johnson gave a presentation about how the barges transport fuel in the inland rivers and how to track the fuel as it moves through the river. This committee also discussed enforcement issues concerning the ability of fuel delivery drivers to change the destination state on the bill of lading at the terminal.

The transportation of fuels via railroads was discussed. A set of questions were compiled from members of the compliance subcommittee. Railroads were contacted and the lack of response to these questions was a concern to the committee. At this time this project has been put on hold due to the lack of cooperation from the railroads. This committee will take another look at this subject as soon as we can obtain a contact with the railroad to help answer the questionnaire.

Dyed fuel issues are a constant theme in the subcommittee meetings. During this time period West Virginia reported about a 4% rate in violations while California, Pennsylvania, Ohio all reported about a 1% rate in violations. Throughout this reporting period many schemes were discussed from blending different types of fuel together to stealing fuel from the pumps in broad daylight.

Some current trends in evasion were discussed and border smuggling seems to be a constant subject. The higher taxed states are seeing allot of border smuggling coming from the lower taxed states.

We discussed Bio Diesel and how each state should keep an eye on the back yard producers and what they are doing. We discussed the Fuel Miser and the web site Greasecar.com in relation to Back yard Bio Diesel Producers. There has been some of discussion about how each state is going to license them and keep track of the Bio produced. It was determined the use of Bio Diesel needs to continue to be monitored to assure compliance with various motor fuel tax laws.

Training classes continued to be a success, the following is the results of the 2006 and 2007 training year.

**2006 Training Statistics**

During 2006, FTA presented four training classes. Two of the classes were co-sponsored. One hundred and twenty-nine (129) students were educated. The breakdown is as follows:

<table>
<thead>
<tr>
<th>States</th>
<th>Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum Industries</td>
<td>111</td>
</tr>
<tr>
<td>National Energy</td>
<td>14</td>
</tr>
<tr>
<td>Reporting Firm</td>
<td>1</td>
</tr>
</tbody>
</table>

| Canadian Government     |       |
| National Energy         | 1      |

| Organization            |       |
| Reporting Firm          | 1      |
The State of Idaho hosted the Basic Motor Fuel Tax training course on August 13-16, 2006 in Boise, Idaho. We had sixty-seven (67) in attendance. Fifty-two (52) represented States, thirteen (13) represented the Petroleum Industry, one (1) represented Canadian Government and one (1) represented the National Energy Control Services. The following is a breakdown:

**Investigation Training**  
**Portland, Oregon**  
**September 10-13, 2006**

The Investigation Motor Fuel Tax training course was held in Portland, Oregon on September 10-13, 2006. We had twenty (20) in attendance.

**Mock Advanced Investigation Class**  
**Austin, Texas**  
**July 31 – August 3, 2006**

The State of Texas hosted the Mock Advanced Investigation Class. We had nineteen (19) in attendance.

**Advanced Training**  
**Myrtle Beach, South Carolina**  
**November 12-16, 2006**

The Advanced Motor Fuel Tax training course was held in Myrtle Beach, South Carolina on November 12-16, 2006. We had twenty-three (23) in attendance. Twenty (20) represented States, one (1) industry, one (1) reporting firm and one (1) organization.

**Motor Fuel Tax Training Courses for 2007**

The Motor Fuel Tax Section training classes have been scheduled for the calendar year 2007. The Advanced Investigation Course was presented on January 28—February 1 with 17 in attendance. The State of North Carolina presented the Basic Training Course April 10-12 for North Carolina employees only with 20 in attendance. The Basic Training Course being sponsored by the State of Montana is scheduled for July 30—August 1, 2007 in Helena, Montana. The Advanced Training is scheduled for August 26-30, 2007 in St. Louis, Missouri. The Basic Investigation Class is scheduled for September 9-12, 2007 in Cleveland, Ohio.

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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2007 - 2008 Annual Report

The Compliance Subcommittee’s continuing directive is to enhance compliance of motor fuel laws and regulations through educating and advising government agencies and industry. The co-chairmen for the Compliance sub-committee are: Wilda Ice, state co-chair from WV and Sharon Templin, industry co-chair from Shell.

Bio-diesel and other alternative fuels have taken the front burner in discussion. The treatment of bio-diesel is not uniform among the states. Several states have requirements for registration and reporting as a producer of alternative fuels. Many states do not have requirements for reporting the alternative fuels until they become a motor fuel or are blended with another known motor fuel product. The committee has been discussing the different ways that alternative fuels are treated in their states. One compliance problem is the blending of biodiesel and ethanol with tax-paid product (without reporting the blending). All committee members were assigned by co-chair Wilda Ice to look into ethanol movement in their states and report back to the committee. They were to determine if the product was moving by truck, rail, or barge as well as determine how it was being used. Not all committee members have reported their findings yet. It appears that there are various evasion schemes out there involving the alternative fuels. The committee is hoping to tabulate a report on the schemes in the near future.

The committee discussed how ethanol is being transported into the states. The product appears to be transported via rail cars and transport trucks. Donna Alderman (NC) discussed the current project in NC in which they are attempting to stop the dispensing of ethanol from railcars directly into transport vehicles. WV had investigated all the rail yards in their state and did not find this problem. Dan Farish (Murphy Oil) stated that many states do not recognize ethanol as a product. States have various ways to treat ethanol (for tax reporting purposes): some treat ethanol as gasoline, some do not consider it a motor fuel and do not track it nor require reporting of the exports. There is also a product known as fuel grade ethanol. This product should be treated as a motor fuel. The committee discussed that if ethanol is taxed as a blend only, the states should require anyone who moves, stores, or sells the ethanol to report the activities so there will be a paper trail. Bob Donnellan had contacted the states and inquired how they treated ethanol. He sent a spreadsheet to Wilda Ice which was then emailed to all committee members for discussion at the September 2008 Compliance meeting.

All committee members with inland waterways were assigned to contact the US Army Corp of Engineers to get the barge movement reports. There may be tax not paid product being used on the highways due to the availability of this product from barges. The State of MD reported that they have been tracking barge movement of motor fuel for several years. They have an ongoing case in which MD identified an unlicensed supplier (via verification reporting) bringing untaxed diesel into Maryland and delivering the product to multiple freight companies. Early assessment numbers are approaching two million dollars. Several other states have been working on evasion problems with barges as well. The states of WV and OH contacted the OH State Highway Patrol to provide a helicopter to fly over the OH River to look for possible barge off-loading locations. There were at least two suspicious locations on the OH and WV sides of the river. At one location (a non-IRS terminal), a transport truck could be seen obtaining something from a barge. That location is under investigation at this time.

The committee continues to discuss the use of dyed diesel fuel in highway vehicles. It appears that the number of offenders has gone up. Most states have reported an increase in the number of violations, possibly due to the increased price of diesel fuel. The type of vehicle with the greatest number of violations is still pickup trucks, followed by flat bed delivery trucks and construction related vehicles (dump trucks, cement trucks, drilling rig trucks).
In the interest of education several presentations were made to the committee. Herman Wisniski presented an update on communicating with the railroads. The railroads are a vital link in the movement of motor fuels products. They should be monitored more closely to ensure that all product is accounted for. Herman explained that railroads use the STCC codes for their bills of lading. They do not differentiate between the different types of diesel products. They are not concerned with FTA approved codes. Additionally, Herman stated that a solution to future fuel shortages in the northern mid-western states could have be alleviated by having permanent railroad terminals for the off-loading of fuel.

A presentation was given to the entire committee by a guest speaker for Gilbarco Veeder-Root Systems. The speaker, Virgil Sandoval, using a power point presentation explained how the system, which was designed for EPA compliance, could be used to verify purchases and inventory at retail stations.

Dan Farish (Murphy Oil) presented a power point about a training program that API has developed to train the IRS in how to audit the major oil companies more efficiently. The presentation gave an overview of the training – how an agent could better conduct the audit. The sub-committee would like to see something developed along the same lines to train the states.

The committee had started a discussion on developing an evasion database (how we found the offenders, how we worked the tax case, and the results) but were told that the Federal Highways are working on a website (FHwA Compliance Outreach Website) that will include a database of fuel evasion. The first Motor Fuels Forum concerning the proposed website was held in Dallas. Mike Dougherty sent a report on the forum to the Compliance committee for discussion at the May 2008 meeting.

2007-2008 Training Classes

During 2007, FTA presented four training classes. Two of the classes were co-sponsored. One hundred and fifty-three (153) students were educated.

The State of Montana hosted the Basic Motor Fuel Tax training course on July 29 through August 1, 2007 in Helena, Montana. They had fifty-four (54) in attendance. Forty-five (43) represented States, eleven (11) represented the Petroleum Industry and one (1) represented a Canada Province.

The State of North Carolina held the Basic Motor Fuel Tax Training course for their staff on April 10-12, 2007. They had 29 in attendance.

The Investigation Motor Fuel Tax training course was held in Cleveland, Ohio on September 9-12, 2007. They had twenty (24) in attendance. Twenty (20) represented States, two (2) represented the Navajo Nation, one (1) represented a Canadian Province and one (1) represented an investigation company.

The Advanced Motor Fuel Tax training course was held in St. Louis, Missouri on August 26-30, 2007. They had twenty-nine (29) in attendance. Twenty-two (22) represented States, three (3) Canadian Governments, four (4) industry.

The Advanced Investigation Course was held in Austin, Texas on January 28 - February 1, 2008. They had seventeen (17) in attendance. This course is open only to government employees.
If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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2008 - 2009 Annual Report

The Compliance Subcommittee’s continuing directive is to enhance compliance of motor fuel laws and regulations through educating and advising government agencies and industry. The co-chairs for the Compliance sub-committee are: Wilda Ice, state co-chair from WV and Sharon Templin, industry co-chair from Shell.

Due to budget constraints most states have had to cut back on travel expenses this year. For that reason, many of the regular participants in Uniformity have not been able to attend the meetings.

There were only two training classes offered this year due to the economic slow down which has resulted in poor attendance. The Advanced Investigators class was held January 25-29 in Austin, TX. The Basic Motor Fuels Class was held August 23-27 at Portsmouth, VA.

The Committee discussed taxing issues for alternative fuels which included discussion on the Oregon study and the current alternative tax experiment underway in six states: MD, NC, CA, ID, IA, and TX. Cindy Anders-Robb presented information on the Mileage Base Fee Study at the University Transportation Center for Mobility (Texas Transportation Institute).

The Committee also had a round table discussion on audit techniques – what has worked to find audit assessments which will increase state revenue. Some of the techniques discussed included:

1) Eliminate exemptions – make everyone pay the tax up front then apply for any refunds that would be pertinent to them.
2) Use the diversion reports
3) Match the export information from other states
4) Use tips generated by industry, other audits, taxpayers; consider a “tax hot line”
5) Research
6) Track fuel from retailer back to supplier; reconcile the inventory
7) Work with other states on cross border issues
8) Work with other agencies

MN has volunteered to become the keeper of the stats for dyed diesel inspections. Herman Wisniski and Jeremy Neeck have been contacting each state to obtain the statistics. They are compiling the information regarding: number of samples conducted, number of violations, type of industry or type of vehicle, and amount of fines.

Quebec has requested a questionnaire to be completed by all states on “Status of Inspectors in Your State with Regard to Fuel and Tobacco”. This will be disseminated directly to the states by Cindy Anders-Robb.

The committee will begin meeting along with the Communication and Coordination subcommittee but will retain the status as a separate committee. Some of the projects for the compliance subcommittee for next year include: looking more closely at alternative fuels, determine how to track the use of alternative fuels for taxation purposes, compile a list of the available tools to detect non-filers, non-
remitters and tax cheats, continue the compilation and comparison of dyed diesel fuel stats, and continue to strive for the enhanced compliance of the motor fuel laws.

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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2009 - 2010 Annual Report

The last year in the FTA Motor Fuels Section has been one of many changes. We lost our Compliance Subcommittee chairperson, Wilda Ice, to become the National Chair of Motor Fuels. Her hard work and dedication will surely be missed in the Compliance Subcommittee. With the hard economic times and constraints on industry and states attendance to uniformity meetings has been down. But with change and misfortune, there are always positives to look at. This year we were able to spread the word of the good work that comes from our uniformity meetings and with that, we have representatives from industries that have not been involved in the past regularly attending the meetings. These industries include a barge shipping company, a railroad company, and representatives from the service station/truck stop industry. This shows that what we do in the FTA Motor Fuels Section is a positive, cooperative effort between industry and states for the betterment of all participants that are involved in the production, distribution, and taxation of motor fuel products.

At the National Meeting last September in Oklahoma City, Wilda Ice accepted the nomination to be the National Chair for motor fuels that opened up her co-chair seat on the Compliance Subcommittee, the committee asked me (Jeremy Neeck, MN) to fill that seat and this has been one decision that I have found very fulfilling and rewarding. I am blessed to work with a great group of people that want to work hard together and achieve a common goal. Without that type of participation, this group would not be as successful as it is. Thank you all for time and effort!

Since the 2009 National Motor Fuel Conference, the FTA has offered an advanced auditor training class in Raleigh, NC in Oct. 2009, with 18 in attendance. In January 2010, there was an advanced investigator training class in Austin, TX, with 18 in attendance.

There will be motor fuel tax basic training class August 1-5, 2010 in Portsmouth, VA and a motor fuel tax advanced training class August 22-26, 2010 in Savannah, GA. Both the basic and advance classes are open to both government and industry employees.

In the past year, the Compliance Subcommittee has been working on several projects that have tax implications that effect all states and Federal Highway funding. The dyed fuel violation statistics spreadsheet is kept to report by state all violations that are found in licensed motor vehicles using dyed fuel. This report has shown that there is a serious problem in tax evasion and that we need to continue to enforce our dyed fuel laws and complete field inspections of diesel powered vehicles to prevent further use of dyed fuel in licensed motor vehicles. It has been discussed in the committee to expand the details of the spreadsheet to include types of vehicles violations are being found in and also what type of industry the violations are being found. This was tabled currently and will be a part of the 2011 spreadsheet.

In late 2010, electric vehicles are going to be available in large quantities and this will pose an issue of how to collect tax for their use on highways. The Chevy Volt which is a gas/electric hybrid and the Nissan Leaf which is 100% electric have been introduced and between government incentives and
the manufacturers selling them under $30,000 people might be attracted to purchase these “Green” vehicles.

There has been a lot of discussion in our committee about the proposed “VMT” taxing system to replace the gallon based system. VMT is vehicle mileage tax that would charge drivers for miles traveled instead of gallons purchased. We are working on bring a speaker to the National meeting in Helena, MT to discuss this topic and offer additional information to us.

Other topics we are currently exploring include, exemption certificates and either eliminating them or having states ease their strict requirements on the timing of them. Several states are trying to setup collaborative efforts with surrounding state on sharing information of imports and exports in their states with each other. Dyed fuel use by Canadian exempt vehicles and crossing the border into the U.S. and how our laws apply to them. What is “G” diesel and the use and taxation of this new product.

The compliance subcommittee was also working on a project of collecting tax data for ethanol and biodiesel from each state and making a matrix of that data. It was decided to add this to a project that is currently being done in the communication subcommittee.

2010 has been a very successful year for this committee and I look forward to continue to work with the people that make up the FTA and this uniformity committee to reach our common goals. Please help spread the word of what good this group does and invite new people to attend our meetings because with large group participation great things can be achieved.

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2010 - 2011 Annual Report

2011 has been a year of many new beginnings with the Motor Fuel Tax Section of the Federation of Tax Administrators. Starting with Rosemary Cleary becoming the National Chair in Helena, MT, Sharon Gostovich (WY) became the State Uniformity Co-chair replacing Marcia Leichner (NE), thank you Marcia for all your hard work and dedication to the success of the motor fuel tax section. The Compliance Sub-Committee is also saying goodbye to industry co-chair Sharon Templin from Shell Oil and will be welcoming Heather Golden from Shell Oil as our new industry co-chair for our committee. 2011 has still be a year of many challenges with the economy and restricted travel to our meetings. We have been able to keep some participation via teleconferencing of the meetings and on positive note, I think that there has been at least one new attendee to every meeting this year. This shows that what we do in the FTA Motor Fuels Section is a positive, cooperative effort between industry and states for the betterment of all participants that are involved in the production, distribution, and taxation of motor fuel products.

In 2011, FTA did not offer any training classes as of June 1st. Cindy Anders-Robb is currently working with both Oregon and Idaho on state sponsored classes. Oregon would like the class to be tailored to their tax laws and practices. Idaho would be willing to allow attendees from other states for a nominal fee. Cindy is also working with the IRS to set up training classes for both ExStars and ExToles.
2011 has seen better participation in the dyed fuel statistics reporting and we wanted to add additional data fields on the report that was tabled again until 2012. These fields will be type of vehicle and industry of the violator. Currently the IRS has MOU’s with 29 states and ND is going to be signing their soon and begin dyed fuel inspections in mid-June. Myself, David Savard (MN Revenue) and John Arroyo from the IRS went to Bismarck and Fargo to train both revenue agents and the ND State patrol on dyed fuel best practices and once their MOU is signed, they will receive formal IRS training. It was a very rewarding and positive experience for all parties involved. The important thing to remember about dyed fuel enforcement is not the fines that are being collected but to get people educated on the proper use of fuels and that the state is collecting the proper tax for the proper use.

At the January meeting in Austin, TX, Rich Little from the IRS discussed the new version of Exstars and was asking for issues that we currently have with the program that we would like to see changed in the new version. We offered password issues, no log out button, consignee information not being provided (it is being provided, but filtered out). Rich also informed us that all password issues must go through Naomi Bancroft with the IRS. The rollout for the new Exstars version should be late 2011. The IRS is considering eliminating ExToles unless more state begin to use the system. Edie Martin was asked to present on the uses of ExToles and she did that at the April meeting in Oklahoma City. Other topics discussed throughout the past year are how states deal with exemption certificates, dyed fuel use in Canadian vehicles crossing the border, “G” diesel (Peter Gunnerman will be at the National Meeting in Charleston, WV to give a year later update), auto maker fuel exports, taxation of electric vehicles, white paper document on best practices for virtual audits, VMT what is it and how is it going to be implemented (a presentation on this topic will be presented at the national meeting in WV.)

2011 has been a very successful year for this committee and I look forward to continue to work with the people that make up the FTA and this uniformity committee to reach our common goals. Please help spread the word of what good this group does and invite new people to attend our meetings because with large group participation great things can be achieved.

Jeremy Neeck, State Co-Chair (MN)
Heather Golden, Industry Co-Chair (Shell Oil Company)

2011 – 2012 Annual Report

It is apparent that change is inevitable and this year seemed to continue with the theme of change from last year. Jeremy Neeck of Minnesota has moved on from Compliance Subcommittee State Co-Chair to State Uniformity Co-Chair. Jeremy accepted the challenging position at the FTA Annual meeting in Sept 2011 in Charleston, WV. The Uniformity Group will be in good hands with Jeremy leading the way. I have accepted the State Co-Chair position of the Compliance Sub-Committee. Let me introduce myself, I’m Cindy Mongold and I have been with the State of Kansas for 35 years, 11 of those years have been in the position of Motor Fuel supervisor. In addition to the change in State Co-chair we’ve also had a change to the Industry Co-Chair. Rae Takai of Shell Oil is the new Industry Co-Chair and we both look forward to working with this committee to identify, research and resolve compliance issues. The economy continues to be an issue when it comes to traveling to the meetings. I would like to stress how important it is for both states and industry to meet and discuss current events, issues and trends. If you are not able to travel then please feel free to contact any of the State or Industry Co-Chairs to bring your issues, concerns or new compliance methods to the meetings. If you would like to participate in the discussions and are unable to travel then teleconferencing may be an option.
After a break in the FTA training schedule during 2011, the trainers updated the Basic and Advanced Training Courses. A Motor Fuel Basic Training Course was held in Minneapolis, MN. The training was provided July 29 – August 2, 2012 and had 62 attendees. In addition to the Basic Training Course the Advanced Training Course will be held November 25 – 29, 2012 in Savannah, GA. Cindy Ander-Robb continues to work with the IRS to schedule a training class for ExStars. Due to security issues and cost to upgrade ExTole the IRS has discontinued support, so training is no longer needed.

The discontinuation of ExTole will cause the exchange of export information between states to be more cumbersome. Exchange of export information is another important compliance tool.

The Dyed Fuel Project is an important compliance tool. Dyed fuel violations are an issue that all states and the federal government have in common. Jeremy Neeck of Minnesota collects statistical information quarterly from the states and maintains a spreadsheet that is shared at the motor fuel meetings throughout the year. The expanded version of the report introduced in 2012, which includes vehicle and industry type data collection, has been well received by the states. The dyed fuel statistical report may be added to the FHWA website in the near future. Dyed fuel programs range from state inspectors and auditors, Highway Patrol, local police, to sharing of violation information between states and the Federal government. Also reported at the June 2012 meeting, the IRS had taken 2,519 samples, 531 of those were taken at terminals and 273 samples resulted in a penalty. If your state does not have an active program and has questions regarding steps to get started or benefits we encourage you to contact the states that have active programs.

This year the committee has had presentations and discussions regarding fuels other than the traditional petroleum based products. Tracking and taxing of these fuels may be a real challenge. CNG, LNG & LPG have been topics that seem to be more readily available in the vehicle fuel market, from retail stations dedicated to alternative fuels to the home fueling station available. With possibly no regulation(s) in place regarding separate metering of the home stations, collecting road tax per gallon may be an issue. States are using other means to collect road tax such as fees at the time of registration of the vehicle, annual decals, to mileage based fees for these fuel types. If these fuel types are not challenging enough there is growing interest in electric vehicles. A White Paper on CNG, LNG & LPG has been suggested.

Blending pumps have also been a topic of discussion this year. There have been concerns in some states regarding the blending of E85, at a reduced tax rate, with gasoline to create an E10 blend which is taxed at a higher rate.

Other topics of discussion this year have been removal, tracking and taxing of "Stale" fuel from airports, disposal of "off spec" or theft of military fuel that has not been taxed, and motor fuel tax refund schemes.

The Uniformity Committee approved the following White Paper Document to be placed in the Uniformity Book at the September 2011 meeting:

**VIRTUAL AUDITS**

**Virtual Auditing**

With states facing more and more budget restrictions and travel being one area that is being cut from their budgets, state auditing departments need to come up with innovative constructive ways of continue to perform audits on Motor Fuel Accounts without the cost associated of traveling to the Taxpayers location.
**What are Virtual Audits?**
Virtual audits are paperless, electronic audits that are conducted without face to face interaction between government and industry. All data is exchanged in electronic formats such as MS Word, Excel, PDF files, text files and EDI files.

**Benefits of Virtual Audits:**
- Cost savings and efficiency – travel expenses, cost and storage of paper files, and postage.
- Accessibility of data by all personnel within an organization – Audit, Appellate, Litigation, etc.
- Reduction of physical storage space
- Minimize the possibility of losing files
- Faster access to files and information
- No auditing standards, rules, or regulations that prevent use of paperless auditing systems
- Improved performance with consistent data capture and analysis
- Ability to link work papers and evidence directly to audit report
- Disaster recovery capabilities

**Issues associated with virtual auditing:**
- Audit review process may be more difficult
- Equipment needs such as scanners and monitors – budget issues, compatibility issues with different software types
- Storage capacity limits
- Getting electronic results to the taxpayer – secure email, secure mail box
- Fear of change – resistance to re-engineering of business processes
- Fear of technology
- Requires training and keeping abreast of software developments

**What states need to address before performing virtual audits:**
- Identify how long to retain records
- Identify when and how to back up files
- Uniform rules for naming and categorizing files
- Know the electronic recordkeeping requirements and professional standards of the IRS, other federal agencies, and state and local governments
- Security systems to ensure authenticity, prevent manipulation of data, and improper access to confidential information
- Strong upper management commitment and resources for automation

**The audit process:**
When a state decides to begin virtual auditing, management and auditors need to develop procedures that can be followed to ensure all virtual audits are conducted on a consistent basis. The state would need to develop a list of expectations for the taxpayer that would provide, in advance, information on how the virtual audit process is going to work and what their responsibilities are during the audit. The list of expectations should include: what data is required from them, expectations of response time for both state and industry for all methods of communication, the scope of the audit, and back up phone number and email addresses.

When human interaction is eliminated in this type of auditing extra time and care needs to be dedicated to the taxpayer. This is an integral step as one-on-one communication and hands on training is lost during a virtual audit and these have been vital for on location field audits. All parties involved in the process need to make sure they understand each other completely, or they need to make sure that they are asking questions before specific topics are closed or communication has
ended. This type of auditing can lead to longer audits and a lack of focus by both the taxing authority and industry on completion of the audit. Both parties need to be committed to completing the audit in a timely manner and keeping deadlines as they come due.

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2012 – 2013 Annual Report

The Compliance Sub-committee continues to identify, research, discuss and resolve compliance issues. It is important for states and industry to work together to reduce motor fuel tax evasion.

Uniformity meetings are a great forum for discussion of current events, issues and trends. If you are not able to travel, then please feel free to contact any of the State or Industry Co-Chairs regarding issues, concerns or new compliance methods to be discussed at the meetings. If you would like to participate in the discussions and are unable to travel then teleconferencing may be an option.

Training
The FTA conducted an Advanced Training class in Savannah, Georgia on November 25 – 29, 2012 and had 30 attendees.

Basic Training is being scheduled for October 2013, however, at this time not all details have been finalized.

No Investigation Training was scheduled for this year.

If your state wishes to sponsor a training class you should contact Cindy Anders-Robb with the FTA.

Dyed Fuel Project
The Dyed Fuel Project continues to be a good deterrent to tax evasion. The use of dyed fuel on the roads and highways is an issue we all deal with, which negatively impacts highway funds that support the infrastructure needs.

Dyed fuel violation statistics are gathered quarterly, compiled and presented at the Uniformity meetings. There are many states that have a dyed fuel program and range from State Highway Patrol officers to dedicated fuel inspectors and auditors taking fuel samples. A comparison of 2012 to the 2011 statistics show fuel samples taken and violations were down, however, dollars assessed increased.

The committee received clarification regarding the IRS Form 916. This form is not to be distributed or referenced by states as their authority to stop and test for dyed fuel. States should not be taking samples as IRS authorized agents, but should be sharing the samples with the IRS.

CNG & LNG Taxing Issues
The committee continues to discuss potential taxing issues regarding alternative fuels such as CNG and LNG. These fuels continue to become more popular as people look for domestically produced fuels and those that are more environmentally friendly. The sub-committee continues to distribute articles as it pertains to the market growth of these products. As seen in these articles several transportation fleets have converted to CNG or LNG and others are planning to convert in the near future. Transport companies are working with natural gas companies to build fueling stations at or
near their locations for easy access. In some cases, these fueling stations are not just dedicated to
the fleets but are open for public access.

Industry dispensing of these products is not in gallon measurement as we’re all accustom to in the
motor fuel arena, but sold in cubic feet or pounds. This has spurred many conversations regarding
conversions of these fuels to Gasoline Gallon Equivalent (GGE) or Diesel Gallon Equivalent (DGE).
Issues regarding how to tax these products and who is the taxpayer in some cases, such as home
fueling equipment are also topics of discussion.

New Projects

The committee began work on a “Compliance Tool” document. It will help states understand the
different tools available in order to reduce motor fuel tax evasion. This document is not a detailed,
step by step, how to, but the document is meant to explain different options states can utilize to
discourage and reduce motor fuel tax evasion. The sections within the document originally agreed on
are:

- Audits
- Terminal Manifest Matching
- Diversion Review
- Import/Export Information Exchange Between States
- Dyed Fuel Enforcement Programs
- Publicity of Prosecuted Fuel Tax Cases
- ExSTARS

The document was presented and a first review completed. The sub-committee hopes to have the
White Paper finalized within the next couple of meetings so it can be published in the 2014 Uniformity
book.

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The Compliance Sub-committee continues to identify, research, discuss and resolve compliance
issues. It is important for states and industry to work together to reduce motor fuel tax evasion.
Uniformity meetings are a great forum for discussion of current events, issues and trends. If you are
not able to travel, then please feel free to contact any of the State or Industry Co-Chairs regarding
issues, concerns or new compliance methods to be discussed at the meetings. If you would like to
participate in the discussions and are unable to travel then teleconferencing may be an option.

Training

The FTA conducted a Basic Training class in Sacramento, CA on October 20 – 24, 2013 and had 52
attendees (25 state and 26 industry).

The FTA conducted a Basic Training class in Kansas City, Mo on July 27 – 31, 2014 and had 40
attendees.

The FTA Advanced Training class is currently scheduled for November, 2014.
If your state wishes to sponsor a training class you should contact Cindy Anders-Robb with the FTA.

**Dyed Fuel Project**
The Dyed Fuel Project continues to be a good deterrent to tax evasion. The use of dyed fuel on the roads and highways is an issue we all deal with, which negatively impacts highway funds that support the infrastructure needs.

Dyed fuel violation statistics are gathered quarterly, compiled and presented at the Uniformity meetings. There are many states that have a dyed fuel program and range from State Highway Patrol officers to dedicated fuel inspectors and auditors taking fuel samples.

The committee discussed the amount of penalties per occurrence and also discussed following up with audits for repeat offenders.

**Discussion Items**
- New Legislation from the states that were in attendance at the meetings.
- LNG/CNG issues:
  - Indiana shared that states should be aware of LNG being changed to CNG.
  - Natural Gas taxation when sold to customer for taxable and non-taxable use-issue provided by Jeff Clarke, NGV America-Examples: Drilling rigs, railroad, marine. This is governed by state statutes and regulations.
- Refineries not delivering regular no lead gas to terminals? Discussions indicated that due to federal blending requirements, RIN’s and cost of refining 84 octane vs 87 octane is driving this trend. 84 octane gas can be blended with ethanol at a cheaper cost to raise octane to required level.
- Ethanol/biodiesel issues, railroad/airline spurs, carrier issues.
- Miscellaneous:
  - Some states are finding a lot of “use tax liability” for companies that have filed for motor fuel tax refunds.
  - Brief discussion regarding what type of ID#s states require to be reported when their taxpayers are dealing with foreign entities, since it was indicated they often do not have 9 digit FEINs, but rather 8, 10 or 11 characters.
  - Discussed upcoming changes with avgas changing from 100LL to a no lead equivalent.
  - Solicited projects for 2015

**The following videos were shown:**
Renewable natural gas from landfill powers refuse vehicles
CNG stations being built
Home Phil station installation and use

**Articles that were distributed:**
Several articles were handed out regarding CNG & LNG and the present & future use of these fuels by commercial fleets.

http://www.fleetsandfuels.com/

Also provided the article "The New Way to Tax: Pay Per Mile Driven" regarding the state of Washington charging a tax of $100 per year on electric cars and VMT (Vehicle Miles Traveled).

http://www.cnbc.com/id/100359287/

"Gulf Coast set for Bakken-like boom with liquefied natural gas"
"The Divvy biker who would fuel America’s trucking industry"

**Compliance Tool Document**
The “Compliance Tool” document was approved by Uniformity Committee on September 21, 2013. The white paper document will be added to the 2014 Uniformity Guide.
Compliance Tools
September, 2013

• Audits
The Webster dictionary defines audit as ‘a formal or official examination and verification of an account book’.

There are many points in the motor fuel distribution chain between refinery and the retail pump at your local station or truck stop in which audits are performed. Even if your state’s point of taxation is at the rack you may not want to rule out auditing other points in the distribution chain. At all points of the distribution chain the objective of an audit is to verify that all gallons are accurately reported and tax paid to the proper taxing authority.

❖ Refiner ❖ Producer/Manufacturer
❖ Terminal Operator ❖ Alternative Fuel Dealer
❖ Supplier ❖ User
❖ Distributor ❖ Liquid Fuel Carrier
❖ Retailer ❖ IFTA Licensee
❖ Blender

Audits are performed at customer sites or through virtual means (see Virtual Audits white paper document in the FTA Motor Fuel Tax Section Uniformity Book), but with either method a good audit plan is necessary to result in a good audit, however an audit does not always result in an assessment of tax.

A good audit plan includes;
✓ Pre-Planning
✓ Understanding the Industry
✓ Understanding Accounting System
✓ Interviewing individual(s) responsible for accounting for and filing motor fuel reports
✓ Determining type of system in use
✓ Assessing internal controls
✓ Knowing your source documents
✓ Determining what the system captures, records and reports
✓ Understanding transaction flow
✓ Verifying how system handles each type of transaction
✓ Keeping an open mind, eyes and always alert, looking for areas that carry the highest risk for error or fraud
✓ Tracking transactions and payments
✓ Validating third party records
✓ Maintaining detailed notes and documentation

You may also find it beneficial to perform a joint audit with the IRS or other states.

• Fuel Tracking
Fuel Tracking is the process of reconciling data elements reported on a source return to the information reported by a third party. A source return or third party data is defined as receipt, disbursement, or delivery schedules that are filed with a taxing jurisdiction. These schedules are found on terminal operator, terminal supplier, distributor, and petroleum carrier reports, among others. The reconciliation process typically links the source record to third party data by means of a license and document (bill of lading) number. If the transaction is found on one report, but not on the other, it is identified as an exception. Exceptions identify recording errors (i.e. source document had the wrong purchaser or seller Federal Employer Identification Number (FEIN)) or
transactions that were never reported. Exceptions may be a sign of lost revenue and should be reviewed by a taxing jurisdiction.

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2014 – 2015 Annual Report

The Compliance Sub-committee continues to identify, research, discuss, and resolve compliance issues. It is important for states and industry to work together to reduce motor fuel tax evasion. Uniformity meetings are a great forum for discussion of current events, issues, and trends. If you are not able to travel, please feel free to contact any of the State or Industry Co-Chairs regarding issues, concerns, or new compliance methods to be discussed at the meetings. If you would like to participate in the discussions and are unable to travel, teleconferencing may be an option.

Training

The FTA conducted an Advanced Motor Fuels Training class in San Diego, CA on December 8 – 11, 2014. There were 31 attendees (17 states and 14 industry).

There is a Basic Motor Fuels Training class scheduled for July 26-30, 2015, in Portland, ME.

If your state wishes to sponsor a training class, please contact Cindy Anders-Robb with the FTA.

Dyed Fuel Project

The Dyed Fuel Project continues to be a good deterrent to tax evasion. The use of dyed fuel on the roads and highways is an issue we all deal with, which negatively impacts highway funds that support the infrastructure needs.

Dyed fuel violation statistics are gathered and compiled quarterly, and presented at the Uniformity meetings. There are many states that have a dyed fuel program and it ranges from State Highway Patrol officers to dedicated fuel inspectors and auditors taking fuel samples.

The committee discussed the penalties generated and noted items of interest, i.e. states with large numbers of samples drawn, large penalties, type of vehicles in violation, etc. In 2014 dyed diesel penalties reported exceeded $1 million.

Discussion Items

- Potential and passed legislation and state updates - With states experiencing budget issues with regard to road funds, several states passed fuel tax increases over the past year. We discussed how fuel tax increases will affect compliance within and between states. Most states present indicated they use the “export information” that is shared between states. We discussed the importance of using the information to ensure fuel is properly reported.
- State Compliance Updates – NE shared that they had a taxpayer inquire about the proper way to bill motor fuel taxes when they blend ethanol and water. This particular taxpayer was planning to blend 60% ethanol and 40% water. No one present had heard of this type of product and questioned whether this could even be a viable product.
Texas CID cases – There was general discussion regarding Texas’ aggressive nature of investigating motor fuels tax cases, along with a hand out of current motor fuels cases in Texas.

Emerging Alternative Fuels – There was brief discussion regarding specific products mentioned on the “Alternative Fuels” website (http://www.afdc.energy.gov/fuels/emerging.html)

Discussed an article titled “The Downside of Cheap Gas” that Cindy Anders-Robb provided and how the lower prices were impacting some states and budgets.

Briefly discussed whether states were aware of a new scenario that was brought up by South Carolina (a rack state).

- Product is being removed from a licensed terminal and placed in a barge. Title of the product transfers at the flange. Product is removed from the barge and placed directly into vessels within the territorial waters of the state. Product never leaves the bulk transfer system. Physical and financial custody occur upon removal from the barge. The general consensus of the states and industry present was that the transaction might be reportable, but fuel tax not applicable, but there could be a potential sales tax issue.

Training manual/material - Discussed the agenda item to review the training manual/material to make suggestions for inclusion in future training. It was decided to leave the training as it currently is. Cindy Anders-Robb explained that the training is customized for the attendees using the materials as a basis for discussion.

Diversion registry & FuelTrac - brief discussion among states on who uses the registry and benefits and among industry on who uses FuelTrac.

Biodiesel blending/dyeing issues - The IRS doesn’t consider biodiesel a taxable product and there have been instances of end users supposedly buying the dye and saying they are dyeing the biodiesel. Most states present said most of the biodiesel being dyed in their states was a result of it being blended with dyed diesel fuel. It appeared the general consensus was that the end user of the biodiesel would have to pay tax and file for a refund if it was used for off-road purposes.

Best practices – sampling/projection - There was discussion whether the group should attempt to recommend some best practices for sampling/projecting for audits involving taxpayers who file paper vs. electronically. The general consensus was that there are too many variables to consider and because the detail is available, the group opted not to pursue a best practice for sampling/projecting.

Articles that were distributed:

- US Navy to turn seawater into jet fuel (April 10, 2014)
- RFA Lauds Quad County Corn Processors at the Grand Opening of New Cellulosic Bolt-on Facility (Sept 9, 2014)
- Two Men Charged in Las Vegas in Biofuels Scheme (Jan 16, 2014)
- Feds order companies to notify state of oil-by-rail cargoes, recommend older cars be retired (May 8, 2014)
- The World’s Biggest Car Company Wants to Get Rid Gasoline, (businessweek.com, December 17, 2014)
- Gas tax will add 10 cents per gallon starting Thursday; registrations, licenses, Inspections also increase (Pennsylvania), (pennlive.comThe Patriot-News, updated December 30, 2014)
- At Least a Dozen States Consider Possible 2015 Increases in Motor Fuels Taxes
Interest Groups Pushing Gas Tax Overall to Fix Illinois Road

Chicagotribune, March 5, 2015

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2015 – 2016 Annual Report

The Compliance Sub-committee continues to identify, research, discuss, and resolve compliance issues. It is important for states and industry to work together to reduce motor fuel tax evasion. Uniformity meetings are a great forum for discussion of current events, issues, and trends. If you are not able to travel, please feel free to contact any of the State or Industry Co-Chairs regarding issues, concerns, or new compliance methods to be discussed at the meetings. If you would like to participate in the discussions and are unable to travel, teleconferencing may be an option.

Training

The July 24-28, 2016 Basic Training in Des Moines IA is the only training I see for 2016.

The FTA conducted Basic Motor Fuels Training class in Portland, ME on July 26-30, 2015. There were 53 attendees (23 state and 30 industry). The class included a visit to the Sprague terminal hosted by John Penacho.

If your state wishes to sponsor a training class, please contact Cindy Anders-Robb with the FTA.

Dyed Fuel Project

The Dyed Fuel Project continues to be a good deterrent to tax evasion for states which have a roadside enforcement program. According to the 2015 final report, 36 out of 50 states, or 72%, have an enforcement program. Of those, only 26 states reported a violation or assessment during 2015.

Dyed fuel violation statistics are gathered and compiled quarterly, and presented at the Uniformity meetings. In the states which have a dyed fuel programs, fuel samples may be taken by a variety of employees ranging from State Highway Patrol officers to dedicated fuel inspectors and auditors.

The committee discussed the penalties generated and noted items of interest, i.e. states with large numbers of samples drawn, large penalties, type of vehicles in violation, etc. In 2015 dyed diesel penalties reported dropped from over $1 million in 2014 to less than a half million in 2015.

Discussion Items

- Updated the 2009 and 2013 versions of “Motor fuel Tax Issues with Natural Gas and Other Alternative Fuels” white papers. There was discussion about differences in what constitutes a gasoline gallon equivalent (GGE) for compressed natural gas (CNG) and a diesel gallon equivalent (DGE) for liquefied natural gas (LNG). As a result, it was determined that the 2016 update would not be published at this time.

- At the May meeting, a letter was drafted in response to change in IRS High Sulfur Diesel Requirements jointly with the Communications and Coordination sub-committee. The final draft was approved by those involved after the meeting. The final letter was sent to Michel
Monconduit, Motor Fuel Tax Policy Analyst at the IRS on June 2, 2016, signed by Gale Garriot, Executive Director, FTA. A working draft prepared by Laura Lansford, NC, was presented before the full Uniformity Committee for its approval.

**Articles that were distributed:**

- Tax Crimes Fugitive for Almost 20 Years Extradited to US (Federaltaxcrimes.blogspot.com, 23 July 2015)
- Michigan Senate passes increase in gas tax (Detroit Free Press, 1 July 2015)
- 4 Individuals from Florida Sentenced for Biodiesel RIN, Tax Fraud (Biodiesel Magazine, August 27, 2015)
- Lehigh Valley biofuel company owners charged in $50M clean energy scam (The Morning Call, Allentown PA, December 22, 2015)
- Fuel Fraud: Government employees steal millions from taxpayers at the pump (Watchdog.org website, September 23, 2015)
- Central Texas Man Sentenced to 40 Years in Prison for Motor Fuel Tax Fraud (Texas Comptroller’s Criminal Investigation Division website, accessed May 9, 2016)
- Texas Comptroller’s Criminal Investigation Division Stops Motor Fuel Thieves (The Orange Leader, Austin TX, April 7, 2016)

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**2017 – 2018 Annual Report**

Thank you to all that have continued to make the Compliance Sub-committee meetings productive and successful by attending the meetings, raising issues, contributing to discussions or working on a project. It is important for states and industry to work together to reduce motor fuel tax evasion.

**Training**

The 2017 Advanced Training course held in Boise, ID on December 3 – 7 had 38 state and 5 industry attendees.

The 2018 Basic Training course was scheduled for July 29 – August 2, in Kansas City, MO.

The FTA will conduct an Advanced Training class in October 2018, however at this time not all details have been finalized.

No Investigation Training has been scheduled for this year.

If your state would like to sponsor a training class please contact Cindy Anders-Robb with the FTA.
Dyed Fuel Project

The Dyed Fuel Project continues to be a good deterrent to tax evasion. The use of dyed fuel on the roads and highways is an issue we all deal with, which negatively impacts highway funds that support the infrastructure needs.

Dyed fuel violation statistics are gathered quarterly, compiled and presented at the Uniformity meetings. The statistics include number of samples, violations, assessments, type of vehicle and industry. There are many states that have a dyed fuel program and range from State Highway Patrol officers to dedicated fuel inspectors and auditors taking fuel samples.

Discussion Topics

Hydrogen fuel – Point of taxation, should it be at registration, mileage basis or is there other and better options. Several articles regarding hydrogen fuel cells were distributed to participants to assist in the discussion. The availability of hydrogen at this time is very limited with the majority of fueling stations being in California. We will need to continue to monitor this fuel type for expanded use.

Electric Vehicles – How should they be taxed? Registration fee or a conversation of kwh or a combination depending on the type of vehicle? How will this impact IFTA and what are they planning?

Railroad Movement of Fuel and Trans-loaders – A Trans-loader is a mobile devise used for pumping product in and out of railcars. The equipment meters the product and creates a Bill of Lading. The issue is how do we track fuel when it is transported by rail where there will be multiple Bill of Ladings for the same fuel and the reporting could cross months.

A white paper ‘Identifying Fuel Imported via Railcar’ was created, presented, voted on and passed at the April 21, 2018. The white paper document will be placed in the Uniformity Guide.

Identifying Fuel Imported via Railcar

Introduction:
Tracking fuel transported via railcars can be a difficult task for auditors. Understanding what sources of information are available and how to use this information is vital for auditors attempting to identify and account for taxable gallons imported via railcar. The following items of consideration are provided as a starting point to initiate a discussion on how to better utilize the resources available.

Things to Consider:
Where is the fuel coming from?
• Identify all rail carriers that operate in your state.
• Does your state require carriers to be licensed and/or file a carrier report? If carrier reports can be obtained, what information is provided and how can it be used?
• Does your state have MOUs in place with other states to share import/export information? If so, how is this information being utilized to identify potentially unreported fuel?

Trans loading Facilities
• Identify the Trans loading facilities in your state. Understanding how these facilities operate will help to identify possible areas of concern.
• Does your state require Trans loading facilities to be licensed and/or file a report? If so, what information can be obtained?

Potential Problems
• Reconciling carrier reports to state return information can be challenging.
Carrier reports may not contain a bill of lading number, making it difficult to reconcile to return information.

- Ship dates and delivery dates are often weeks apart creating cut-off issues and other difficulties when reconciling information.
- Obtaining copies of the BOLs can help because it will often contain a railcar identification number and other useful information making reconciling reports possible.

- How can fuel be identified when it is exported directly from a Trans loading facility?
  - If your state does not require Trans loading facilities to be licensed, it would potentially be easy for unreported fuel imported via railcar to be exported directly to another state. This would make tracking the fuel for excise tax purposes very difficult.

- How can states identify blend products such as ethanol and biodiesel that may be blended directly off the railcar at Trans loading facilities?
  - Some products may not be taxable until blended. In this case, identifying taxable gallons can prove to be very difficult.

**State Updates** – States in attendance reported to the committee members on new and/or potential legislation and other updates of interest or significance.

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**2018 – 2019 Annual Report**

Thank you to all that have continued to make the Compliance Sub-committee meetings productive and successful by attending the meetings, raising issues, contributing to discussions or working on a project. It is important for states and industry to work together to reduce motor fuel tax evasion.

**Training**

The 2018 Basic Training course was held July 29 – Aug 2 in Kansas City, MO. There were 76 attendees; 44 or 58% were from state, and industry with 32 or 42% attendance.

The 2019 Basic Training course was scheduled for July 28 – August 1, in Kansas City, MO.

The 2019 Advanced Training class is scheduled October 20 – 24, in Austin, TX.

If your state would like to sponsor a training class please contact Cindy Anders-Robb with the FTA.

**Dyed Fuel Project**

The Dyed Fuel Project continues to be a good deterrent to tax evasion. The use of dyed fuel on the roads and highways is an issue we all deal with, which negatively impacts highway funds that support the infrastructure needs.

Dyed fuel violation statistics are gathered quarterly, compiled and presented at the Uniformity meetings. The statistics include number of samples, violations, assessments, type of vehicle and industry. There are many states that have a dyed fuel program and range from State Highway Patrol officers to dedicated fuel inspectors and auditors taking fuel samples.
The 1st quarter 2019 data could be skewed due to government shutdown. The shutdown would impact the IRS testing labs.

**Discussion Topics**

Electric Vehicles – How should they be taxed? Registration fee or a conversation of kwh or a combination depending on the type of vehicle? How will this impact IFTA and what are they planning? Several states have either introduced and/or passed legislation others are looking to introduce legislation regarding taxing the electricity used in electric vehicles.

Railroad Movement of Fuel and Trans loaders – The committee continues to discuss challenges with railcar movement and trans-loading of fuel.

New mobile on-demand app to order fuel.

Chuck Ulm will coordinate obtaining a railroad contact listing by region.

Other topics of discussion are Renewable Hydrocarbon Diesel vs Renewable Diesel, Environmental Greenhouse tax, Exports to Mexico and International imports.

Several articles were distributed and discussed regarding Credit Card Skimmers, Biodiesel fraud and other compliance issues.

**State Updates** – States in attendance reported to the committee members on new and/or potential legislation and other updates of interest or significance.

**Industry Issues** – Industry issues were moved to the Compliance Sub-committee at the April 2019 meeting.

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**2019 – 2020 Annual Report**

Thank you to all who continue to support the Compliance Sub-committee! Your attendance and active participation in the meetings, raising issues, contributing to discussions or volunteering for a project are critical to the success of the sub-committee. It is important for states and industry to work together to reduce motor fuel tax evasion.

**Training**

The 2019 Basic Training course was held July 28 – Aug 1 in Kansas City, MO. There were 66 attendees, with an equal number of state and industry participation.

The 2019 Advanced Training class was held October 20 – 24, in Austin, TX.

Due to COVID-19, the 2020 training schedule has been cancelled.

If your state would like to sponsor a training class, please contact Cindy Anders-Robb with the FTA.
Dyed Fuel Project

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Dyed fuel violation statistics are gathered quarterly, compiled and presented at the Uniformity meetings. The statistics include number of samples, violations, assessments, type of vehicle and industry. There are many states that have a dyed fuel program and range from State Highway Patrol officers to dedicated fuel inspectors and auditors taking fuel samples.

State Updates
- States in attendance reported to the committee members on new and/or potential legislation and other updates of interest or significance
- Impact of COVID-19 roundtable, most states reported; employees working from home, limited field audit work, hiring freeze and/or other cost savings mandates, significant decreases in fuel tax collections

Industry Updates
- FL negative inventory reporting and subsequent consequences
- MD Oil Transfer Fee working group
- Taxpayers in NV creating their own invoices
- International Maritime Organization (IMO) 2020: Effective 1 January 2020, the IMO will implement a new regulation for a 0.50% global sulfur cap for marine fuels. Under the new global cap, ships will have to use marine fuels with a sulfur content of no more than 0.50% versus the current limit of 3.50% sulfur. This is an effort to reduce the amount of sulfur oxide.
- Federal Oil Spill reinstated 1 January 2020
- States that are or have begun initiatives to implement or expand local MVF taxes
- Discussion of TCI (Transportation Climate Initiative)
- Possible bonded Jet Fuel loophole
- Oregon gross receipt tax proposal
- Florida to move to require the reporting of fraction gallons in 1/10ths instead of rounding
- Ruling in TX where supplier was not required to be an aviation dealer
- Impact of COVID-19 roundtable; employees working from home, cost savings mandates, supply chain impact

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2020-2021 Annual Report

Thank you to all who continue to support the Compliance Sub-committee! Your attendance and active participation in the meetings, raising issues, contributing to discussions, or volunteering for a project are critical to the success of the sub-committee. It is important for states and industry to work together to reduce motor fuel tax evasion.

Training

Due to COVID-19, the 2021 training schedule was cancelled.
If your state would like to sponsor a training class, please contact Cindy Anders-Robb with the FTA.

Dyed Fuel Project

The Dyed Fuel Project continues to be a good deterrent to tax evasion. The use of dyed fuel on the roads and highways is an issue we all deal with, which negatively impacts highway funds that support the infrastructure needs.

Dyed fuel violation statistics are gathered quarterly, compiled, and presented at the Uniformity meetings. The statistics include number of samples, violations, assessments, type of vehicle and industry. There are many states that have a dyed fuel program and range from State Highway Patrol officers to dedicated fuel inspectors and auditors taking fuel samples.

State Updates

- 22 States shared their latest updates; AL, AZ, CA, FL, GA, ID, IL, IA, KS, LA, MD, MN, MT, NE, NV, NH, NJ, NM, NC, ND, SD, WI – due to time constraints, some states on the Webinar may not have had time to provide their update
- The following common themes:
  - Most continue to work from home
  - Gas revenues down, diesel stable
  - Limited field audits, most are conducted using electronic records

Industry Updates

- 17 May 2021, an ad hoc meeting convened with industry members from 12 different companies, FTA, and state representatives from AL, FL, GA, NC, SC, and TN to discuss the implications of the suspension of the GA state excise tax pursuant to the Georgia Governor’s Executive Order due to the Colonial Pipeline business operations disruption due to a cyber-attack

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2021-2022 Annual Report

Thank you to all who continue to support the Compliance Sub-committee! Your attendance and active participation in the meetings, raising issues, contributing to discussions, or volunteering for a project are critical to the success of the sub-committee. It is important for states and industry to work together to reduce motor fuel tax evasion.

Training

Training session to be held in Kansas City, MO July 31 – August 4, 2022 at the Marriot Country Club.

If your state would like to sponsor a training class, please contact Cindy Anders-Robb with the FTA.

Dyed Fuel Project

The Dyed Fuel Project continues to be a good deterrent to tax evasion. The use of dyed fuel on the roads and highways is an issue we all deal with, which negatively impacts highway funds that support the infrastructure needs.
Dyed fuel violation statistics are gathered quarterly, compiled, and presented at the Uniformity meetings. The statistics include number of samples, violations, assessments, type of vehicle and industry. There are many states that have a dyed fuel program and range from State Highway Patrol officers to dedicated fuel inspectors and auditors taking fuel samples.

**Electric Vehicle Charging Stations**

During the January 2022 meeting in Orlando a roundtable was held to discuss the many complexities involved with vehicle charging stations and the taxing of electricity as a motor fuel. Various options and hurdles were presented in a roundtable discussion with states and industry.

**State Updates**

States in attendance reported to the committee members on new and/or potential legislation and other updates of interest or significance including, but not limited to fuel tax suspension due to higher fuel prices. GA, FL and MD were states in attendance that discussed passed legislation to provide a tax holiday for motor fuel.

Due to the lingering impact from COVID-19 most states reported; employees continued working from home, continued limited field audit work, and expressed difficulty with retention and hiring. Many states have elected to allow staff to continue to work from home for the foreseeable future.

After reporting decreased motor fuel tax revenue during COVID-19 restrictions, most states reported a noticeable increase in fuel tax revenue due to governmental easement on COVID-19 pandemic restrictions/precautions.

**Industry Updates**

In the *Infrastructure Investment and Jobs Act of 2021* the Super Fund tax was reinstated on chemicals and substances. Industry tax teams are working hard to understand and implement for a July 1, 2022 go-live.

In the *Colorado HB 21-1322*, Colorado moved the collection point of its motor fuel taxes. Impacted was the agreement between Texas and Colorado to collect the destination state taxes on taxable product removed from a Texas terminal destined for Colorado. Suppliers in the Texas terminals are no longer permitted to collect destination state taxes. Therefore, the Texas Suppliers must collect the Texas motor fuel taxes from its customers destined for Colorado. These customers must self-remit the Colorado tax upon import and apply for a refund of the Texas tax.

Tax Holidays - Various state tax holidays have permeated from state legislations to relive the price at the pump. Industry continues to monitor these changes and implement accordingly. As June 2022, thus far the following States have implemented or will implement a tax holiday; Florida, Georgia, Maryland, New York and Connecticut.

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Communication and Coordination Subcommittee (2001)

The Communication and Coordination Subcommittee promotes points 1, 8 and 10 of the 11 Point Plan.

2001 - 2002 Annual Report

This past year the subcommittee tackled three items:

1) Cross border - identify where the lack of uniformity between state laws affects the states’ ability to enforce their law and collect taxes, and the industry’s ability to properly collect and remit the taxes. This is an ongoing process that will continue in the next year.

2) Biodiesel - A survey was prepared and distributed to all states to how the fuel is being administered and taxed. As of July 2002 the District of Columbia and 29 states have responded to this survey. Survey results will be accumulated and shared with the full uniformity committee at the annual meeting in September 2002. The survey results will be submitted at a later date to the full committee to provide definition and model legislation guidelines in the project book.

3) The subcommittee submitted for approval to the full committee in May a rewrite of the Uniformity Committee goals to replace those shown on page 82 of the project book. These new goals were approved and will be included in a resolution at the annual meeting in September.

2002 - 2003 Annual Report

The Communication and Coordination Subcommittee worked on 8 projects during the year.

Project 1, Cross Border - The subcommittee drafted a section for model legislation to list the points to be considered by states in handling exports in their state fuel tax law. The draft was adopted by the Uniformity Committee to be published in the September 2003 version of the FTA Uniformity Book.

Project 2, Federal Energy Bill - The subcommittee continued to monitor the proposals in the federal energy bill and to consider the potential impact on state fuel tax compliance programs.

Project 3, The Uniformer - The subcommittee published 3 issues of The Uniformer.

Project 4, Biodiesel White Paper - The subcommittee completed definitions of “biodiesel” and “biodiesel blend” which were adopted by the Uniformity Committee and will be added to the definitions section of the Uniformity Book. The subcommittee will continue to work on a white paper that will explore the impact of biodiesel on state tax administration and to develop model legislation.

Project 5, Comparison of Definitions - This task was assigned by the Steering Committee in January. The subcommittee started a new project to compare and reconcile the definitions contained in the Model Legislation section and also in the Canadian Fuel Tax Project. A comparison matrix was developed to begin this process. Additional terms were assigned for definitions: Kerosene, Dyed Kerosene, Racing Fuel, and/or Racing Gasoline.
Project 6, Review of 11 Point Plan - This task was assigned by the Steering Committee in January. The subcommittee reviewed the existing 11 Point Plan to determine whether it is still valid or needs to be updated. Work on this project is continuing.

Project 7, Analysis of Revenue Derived from Different Taxation Points and Compliance Methods - This task was assigned by the Steering Committee in January, and preliminary work was begun to discuss possible approaches to the project.

Project 8, Report of Accomplishments of FTA Uniformity - This task was assigned by the Steering Committee in January. The Subcommittee drafted a survey tool.

**2003 - 2004 Annual Report**

The Communication and Coordination Subcommittee was very busy this year working on many projects.

The full Uniformity Committee approved the following requests:

1. Approved the following definitions
   A. **Bulk Plant** – A reportable fuel storage and distribution facility that is supplied by other than barge, pipeline or vessel, and from which reportable fuel may be removed at a rack. A Bulk Plant is not part of the Bulk Transfer System.
   B. **Bulk Transfer** – The physical movement of accountable product/motor fuel from one location to another by barge, pipeline or vessel.
   C. **Terminal Bulk Transfer** – A transfer of title of accountable product/motor fuel within a terminal from one position holder to another position holder.
   D. **Two-Party Exchange** – A transaction in which accountable product/motor fuel is transferred from one licensed supplier to another licensed supplier pursuant to an exchange agreement. The supplier that is the position holder agrees to deliver accountable product/motor fuel to the other supplier or the other supplier’s customer at the rack of the terminal at which the delivering supplier is the position holder.

2. Approved the deletion of the following definition
   A. Highway Vehicle

3. The Uniformer – The subcommittee published three (3) issues of the Uniformer.

The subcommittee will continue working on the following projects for the next year:

A. Definitions for the following:
   - Dyed Kerosene
   - Racing Fuel
   - Carrier
   - Fuel Transporter
   - Kerosene (the current approved definition will be reviewed)

B. Comparison of the FTA to the Canadian Definitions
C. Monitoring of the Federal Energy Bill
D. Biodiesel White Paper and Model Legislation
E. Review the 11 Point Plan
F. Analysis of revenue derived from various taxation methods and compliance tools
G. Report of accomplishments of the FTA Uniformity Committee
H. Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues
If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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2004 - 2005 Annual Report

The Communication and Coordination Subcommittee was again very busy this year working on many projects.

The full Uniformity Committee approved the following requests:

1. Approved the following definitions
   A. **Carrier** – Any person who transports accountable product.
   B. **Dyed Kerosene** – Kerosene that has been colored or marked with the appropriate dye or marker to the concentration specified by the jurisdiction for tax purposes.

2. Approved the deletion of the following definition
   A. **Motor Vehicle Fuel Transporter**

3. Approved the following updated brochures:
   B. Motor Fuel Tax Section Uniformity – Advisory Group Point 10 of the 11 Point Plan

4. The Uniformer – The subcommittee published three (3) issues of the Uniformer.

The subcommittee will continue working on the following projects for the next year:

A. Definitions for the following:
   Racing Fuel
   Kerosene (the current approved definition will be reviewed)

B. Comparison of the FTA to the Canadian Definitions

C. Monitoring of the Federal Energy Bill

D. Biodiesel White Paper and Model Legislation

E. Review the 11 Point Plan

F. Analysis of revenue derived from various taxation methods and compliance tools

G. Report of accomplishments of the FTA Uniformity Committee (This has been postponed until the Battelle study is completed)

H. Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues

I. Add a section to the Model Legislation concerning two-party exchanges

J. Update the FTA Native American Survey

K. Continue publishing the Uniformer

L. Continuing reviewing and updating the current Model Legislation section
If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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2005 - 2006 Annual Report

The Communication and Coordination Subcommittee was again very busy this year working on many projects.

The full Uniformity Committee approved the following requests:
A. The comparison of the US definitions to the Canadian definitions white paper incorporated into the Uniformity Booklet
B. Updated and revised Model Legislation Checklist.

2. Completed the following updated brochures:
A. Benefits of Motor Fuel Tax Uniformity.
B. Advisory Group Point 10 of the 11 Point Plan.

3. Completed the updated Native American Survey.

4. The Uniformer – The subcommittee published three (3) issues of the Uniformer.

The subcommittee will continue working on the following projects for the next year:
A. Definitions for the following:
   Racing Fuel
   Kerosene (the current approved definition will be reviewed)
B. Monitoring of the Federal Energy Bill
C. Biodiesel and other Alternative Fuels White Paper and Model Legislation
D. Review the 11 Point Plan
E. Analysis of revenue derived from various taxation methods and compliance tools
F. Report of accomplishments of the FTA Uniformity Committee (This has been postponed until the Battelle study is completed)
G. Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues
H. Add a section to the Model Legislation concerning two-party exchanges
I. White Paper on the meaning and use of the term Bill of Lading
J. Continue publishing the Uniformer

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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The Communication and Coordination Subcommittee was again very busy this year working on many projects.

The full Uniformity Committee approved the following requests:

1. Approved the following definition
   A. **Diversion** – Product shipped from a terminal to a state or jurisdiction other than the destination state or jurisdiction indicated on the original bill of lading.

2. Approved the following addition to the Model Legislation Checklist:
   A. In Section 14. Alternative Fuels add:
      **I. Reduced Tax Rates**
      When considering reduced tax rate provisions for specific alternative fuel blends or fuel uses, the following are some items to be addressed:
      A. There is an increase potential for evasion if:
         1. Fuel may be purchased at a specific blend to receive a reduced tax rate. The reduced rate is remitted, then the fuel may be further blended and sold at the higher rate, or
         2. Fuel may be purchased at a reduced tax rate based on specific use, then later used for a different purpose, which should be taxed at a higher rate.
      B. Consider a credit or refund to allow for ease in fuel taxation. This will further ensure accuracy of reduced tax rates/credit situations for specific fuel blends and uses.

3. The Uniformer – The subcommittee published three (3) issues of the Uniformer.

3. The subcommittee has been assigned a new on-going task of being responsible for monitoring and tracking all of the current and completed project tracking forms for each of the FTA Motor Fuel Uniformity Subcommittees.

The subcommittee will continue working on the following projects for the next year:

A. Definitions for the following:
   Racing Fuel
   Kerosene (the current approved definition will be reviewed)

B. Monitoring of the Federal Energy Bill
C. Biodiesel and other Alternative Fuels White Paper and Model Legislation
D. Review the 11 Point Plan
E. Analysis of revenue derived from various taxation methods and compliance tools
F. Report of accomplishments of the FTA Uniformity Committee (This has been postponed until the Battelle study is completed)
G. Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues
H. Add a section to the Model Legislation concerning two-party exchanges
I. White Paper on the meaning and use of the term Bill of Lading
J. Add a footnote to the new definition of diversion clarifying that it is the intent for “state” and “jurisdiction” to have the same general connotation for the definition.
K. Continue publishing the Uniformer
L. Continue tracking the Project Tracking Forms for each of the subcommittees.
The Communication and Coordination Subcommittee had another very busy and productive year.

The full Uniformity Committee approved the following requests:

1. Approved the following definitions
   A. Producer/Manufacturer – Any person who produces, refines, prepares, blends, distills, manufacturers or compounds accountable product/motor fuel. (see “accountable product/motor fuel”).
   B. Jurisdiction or Taxing Jurisdiction – The United States of America, a state of the United States of America, the District of Columbia, Canada, a province or territory of Canada, Mexico, a state of the United Mexican States, or a city, county, city and county, municipality, district or other political subdivision this is authorized to levy a motor fuels tax.

2. Approved the following revised definition:
   A. Distributor – A person who transports motor fuel into a state (imports) or exports motor fuel out-of-state; or who is engaged in distribution of motor fuel primarily by tank car or tank truck, or both; and who operates a bulk plant where he has active motor fuel bulk storage (capacity may be specified by individual state). May also includes a person who produces, refines, blends, compounds, or manufacturers motor fuel. It does not, however, include a person who receives or transports into this state and sells or uses motor fuel under such circumstances as preclude the collection of the tax herein imposed, by reason of the provisions of the Constitution of the United States. However, a person operating a motor vehicle into the state, may transport motor fuel in the ordinary fuel tank attached to the motor fuel vehicle, and uses the fuel for the operation of the motor vehicle without being considered a distributor.

3. Approved to add a section to the Uniformity Book between Point 11 and the Appendix that is called White Paper Documents.

4. Approved the following White Paper Documents:
   A. Biodiesel Fuel (see section White Paper Documents)
   B. Ethanol (see section White Paper Document s)

5. Approved Checklist to be added to Model Legislation for National/Natural Disasters.

6. Best Practices Guide – The Uniformity Committee members decided that the original responses were probably no longer current and since the states do not want their states reference, it was decided that it really would not be a benefit to the states since they would not be able to discuss any of the responses with anyone. This project has now been closed.

7. The Uniformer – The subcommittee published three (3) issues of the Uniformer.
8. The subcommittee has been asked to update the 2005 Native American Survey. The subcommittee members decided that someone from each region would contact the states within their region and get any changes or updated to the survey. The following people from each region volunteered to contact the states within their regions:
   A. Midwest – Marcia Leichner – State of Nebraska and Trent Knoles – State of Illinois
   C. Pacific – Ed King – State of California
   D. Southeast – Wilda Ice – State of West Virginia

9. Bill of Lading Project – This project has been completed and that there is no way to have a Uniform Bill of Lading. The subcommittee recommends that each individual state would need to train their employees on all of the different bills of lading.

10. The subcommittee decided that the current definitions need to be looked at on a yearly basis to insure that they are still correct.

The subcommittee will continue working on the following projects for the next year:
   A. Definitions for the following:
      Racing Fuel
      Kerosene (the current approved definition will be reviewed)
      Two-Party Exchange

   B. Review the 11 Point Plan

   C. Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues.

   D. Add a section to the Model Legislation concerning Two-Party Exchanges

   E. Continue publishing the Unifomer

   F. Continue tracking the Project Tracking Forms for each of the subcommittees.

   G. Analysis of revenue derived from various taxation methods and compliance tools.

   H. Report of Accomplishments of the FTA Uniformity Committee (This has still been postponed until the Battelle study is fully completed).

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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2008 - 2009 Annual Report

The Communication and Coordination Subcommittee had another very busy and productive year.

The full Uniformity Committee approved the following requests:

1. Approved the following definitions
   A. Two Party Exchange: A transaction in which petroleum product is transferred from one supplier to another supplier pursuant to an exchange agreement.

   B. Exchange Agreement: An agreement between two terminal suppliers whereby a terminal supplier agrees to deliver fuel to the other party or the other party’s customer at the loading rack.
2. Approved the following section to be added to Model Legislation for Two Party Exchanges:

Introduction:

Two-party exchange is a transaction in which petroleum product is transferred from one supplier to another supplier pursuant to an exchange agreement.

Exchange Agreement is an agreement between two terminal suppliers whereby a terminal supplier agrees to deliver fuel to the other party or the other party's customer at the loading rack.

Simple example of two-party exchange transaction:

Supplier A is a position holder in Terminal X. Supplier B has a customer taking delivery of product in Terminal X, but Supplier B is not a position holder in Terminal X. Supplier A agrees to exchange product with Supplier B so Supplier B can sell product to the customer. Likewise, Supplier B will exchange product in another terminal where Supplier A is not a position holder.

Items to consider:

D. Your state’s taxation point.
   1. Tax at the terminal rack (including position holder, modified position holder, or first receiver)
      Position holder = the one who owns inventory according to the records of the terminal operator.
      Modified position holder = The position holder delivers on exchange and the exchange receiver remits the tax; or if no exchange is involved the position holder remits the tax.
      First receiver = The person physically receiving accountable product/motor fuel at the rack remits tax to the taxing jurisdiction, if licensed. If not licensed, then variations of position holder and modified position holder should be considered.
   2. Tax below the rack (including distributor/wholesale level, retail level, or upon importation)
      a. If taxing below the rack, you should consider the number of pass-throughs allowed and whether two-party exchanges will affect the number of pass-throughs on all products, including ethanol blended with gasoline. (An example of a “pass through” is when the distributor could collect and report the tax to the state, but chooses to sell tax-free product to the wholesaler, who then becomes responsible for reporting and paying the tax to the state.) Keeping in mind that if you decide to limit the number of pass-throughs, the person in the middle may not know that their the taxable party.

E. How to handle “stacking” exchange agreements. You might encounter a series of two-party exchanges prior to the product leaving the terminal. States should consider how they want to handle these “stacking” exchange agreements on a single movement of fuel.
F. Tracking and cross matching issues.
   1. Will you be able to track and cross match transactions involving two-party exchanges?
   2. Does fuel lose identity through a series of two-party exchanges? (This means not being able to identify the fuel type, losing track of the original bill of lading number, or not being able to track the product from the original position holder through the exchange partner to the final recipient.)
   3. Does terminal disbursement information properly match recipient’s receipt information? Does the terminal-issued bill of lading reflect the exchange-receiver as the supplier of record as opposed to the position holder? The position holder should not be reported on the bill of lading as the supplier of record.
   4. Does the terminal operator report reflect the exchange receiver as the supplier of record as opposed to the position holder?

G. Enforcement and auditing issues.
   1. Is product transferred via a two-party exchange or is the transaction actually a sale? When does title actually transfer?
   2. Does possession transfer directly from the exchange supplier to the exchange receiver’s customer; title passes instantaneously from the exchange supplier to the exchange receiver to the exchange receiver’s customer.
   3. Are both parties properly reporting the transaction?
   4. Do participants have proper supporting documentation?
   5. If the fuel is exported to an at-the-rack state, will the proper tax be collected and remitted?

3. Approved the following Invitation Letter to be sent out by the Uniformity Co-Chairs:

FTA Letterhead which includes phone number, website

Date

Recipient
Name of Company/Organization
Address
State, City Zip Code

Dear Recipient:

RE: Federation of Tax Administrators Motor Fuels Tax Section Uniformity Committee

The FTA Motor Fuels Tax Section is pleased to invite your (company/organization) to participate at our next meeting on (Date) at (Location). There is no registration fee to attend.

The FTA Motor Fuels Tax Section is comprised of States, Industry, Federal and Foreign Governments and the Canadian Fuel Tax Council. The FTA Motor Fuels Tax Section Uniformity Committee meets three (3) times a year with one (1) meeting in conjunction with the FTA Motor Fuels Tax Section Annual Meeting. Its purpose is to provide an opportunity for government and industry to partner for the efficient and effective reporting and remittance of fuel taxes, to minimize fuel tax evasion and to act as an information resource to stakeholders.
The FTA Motor Fuels Tax Section would like to include other sectors involved with the manufacturing, distribution, administration and taxation of motor fuels, such as independent refiners, distributors and alternative fuel products.

**Benefit of Participation**
Your company/organization will have a voice in the development of common jurisdictional processes for a more flexible, simplified, efficient and effective fuel tax administration.

The Uniformity Committee which is comprised of four (4) subcommittees developed the Fuel Tax Evasion 11 Point Plan. (see enclosure) The major points of the Plan include uniform definitions for imports and exports; use of Federal numbers as a reference for reporting and information exchange; licensing of all resellers; total accountability of fuel and third party reporting on fuel movement; uniform electronic reporting; and training for auditors and investigators.

Thank you for taking the time to consider being a part of the FTA Motor Fuels Tax Section Uniformity Committee. Please see the attached document which provides you with the Roles and Missions of each of the four (4) subcommittees of the Motor Fuels Tax Section Uniformity Committee.

Should you wish to attend the next meeting, future meetings or require more information, please contact (name) at (website) or (telephone number).

Sincerely,

Your Name
Title
FTA Motor Fuels Tax Section Uniformity Committee

**FTA Motor Fuels Tax Section Uniformity SubCommittees:**

**Communication and Coordination Subcommittee** promotes points 1, 8 and 10 of the 11 Point Plan.
- Model legislation
- Definitions and terms
- Surveys
- STP Funding
- Publications
  - Uniformity Project Booklet
  - Uniformer
- Advisory groups
- Promote single point of filing
- 11 Point Plan maintenance

**Compliance Subcommittee** promotes point 11 of the 11 Point Plan.
- Educate and advise stakeholders by:
  - Publicizing case studies and best practices
  - A liaison to Law Enforcement
  - Involving stakeholders at all levels
  - A clearinghouse for effective tools to combat fuel tax evasion
  - Encourage industry to educate government on accounting and distribution processes
  - Provide guidance to stakeholders on how to integrate ExStars/ExTole in a tracking system
Electronic Commerce Subcommittee promotes point 6 of the 11 Point Plan.
- Develop and maintain a standard electronic filing and remittance process
- Facilitate and encourage the implementation of the standard electronic filing and remittance process
- Educate non-technical staff how to use the standard electronic filing and remittance process
- Monitor ExSTARS/ExTOLE for compatibility

Forms Management Subcommittee promotes points 2, 3, 4, 5 and 9 of the 11 Point Plan.
- Maintains forms and subschedules
- Creates new forms and schedules
- Provides reporting guidance for forms and schedules
- Product code control
- Sub-schedule control

4. Approved the following White Paper Document:
   A. Motor Fuel Tax Issues With Natural Gas and Other Alternative Fuels (see section White Paper Documents)

5. The subcommittee members are working on a booklet that is to be put together for Diversions. Greg Anderson with ConocoPhillips and Brian Serafino with Chevron provided several documents that they had put together concerning what the states’ require or don’t require for diversions. The subcommittee members discussed the documents and decided that all of the information needs to be combined and also to add the states’ contact information and what diversion registry they use. Natalie Cabla will work on combining the document information for each state. It was suggested that we use the same type of format used for the Native American Survey. (Word Document-List each category and then state the response or answer from the state.)

6. The Uniformer – The subcommittee published three (3) issues of the Uniformer.

7. The subcommittee has been asked to update the 2008 Alternative Fuels Incentive and Laws booklet each year and the subcommittee decided that the best way to keep the booklet updated is to have a person from each region contact each of the states in their region for any updates or changes. It was decided that all updates and changes would be sent to the state co-chair by July 15th of each year.

The following people from each region volunteered to contact the states within their regions:
   A. Midwest – Edie Martin-State of Kansas
   B. Northeast – Marc Papandrea-State of Connecticut
   C. Pacific – Christy Dixon-State of Oklahoma
   D. Southeast – Carol Player-State of South Carolina

8. White paper document on price (tax) indexing & sales tax on motor fuel was tabled. A draft will be presented at the next meeting in September, 2009. Peter Steffens – State of Florida

The subcommittee will continue working on the following projects for the next year:
   A. Definitions for the following:
      Racing Fuel
      Kerosene (the current approved definition will be reviewed)
   B. Continue to review the 11 Point Plan
   C. Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues.
   D. Add a section to the Model Legislation concerning Information for Safeguarding of IRS Data. Cindy Anders-Robb is currently working with the IRS on putting together
a standardize document for this.

E. Current definitions need to be looked at on a yearly basis to insure that they are still correct.
F. Continue publishing the Uniformer
G. Continue tracking the Project Tracking Forms for each of the subcommittees.
H. Analysis of revenue derived from various taxation methods and compliance tools.
I. Report of Accomplishments of the FTA Uniformity Committee (This has still been postponed until the Battelle study is fully completed).

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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2010 - 2011 Annual Report

The Communication and Coordination Subcommittee had another very busy and productive year.

The full Uniformity Committee approved the following requests:

1. Approved the following definitions
   A. **Voyage Number (FTA adopted 9-10)** – Is a manifest number or document number in the mariner time industry.
   B. **Racing Fuel (FTA adopted 1-11)** – An accountable product, generally leaded gasoline of one hundred and five octane or more, for off-highway use in competition vehicles, e.g., race cars, snowmobiles and motorcycles (excludes aircraft).
   C. **Buy-Sell Agreement (FTA adopted 4-11)** – An agreement between two terminal suppliers whereby a terminal supplier agrees to deliver fuel to the other party or the other party’s customer at the loading rack. The transaction is reconciled and financially settled by cash and is recorded by the terminal operator as a terminal removal by the receiving supplier. This type of transaction may also be known as a “Supplier Product Authorization”.
   D. **Exchange Agreement (FTA adopted 1-09, Revised 4-11)** – An agreement between two terminal suppliers whereby a terminal supplier agrees to deliver fuel to the other party or the other party’s customer at the loading rack. The transaction is reconciled and financially settled by trading for a product at another location and is recorded by the terminal operator as a terminal removal by the receiving supplier.

2. Greg Anderson with Conoco-Phillips is going to do work on something for Renewable Fuels along with some type of diagram.

3. The committee will continue to work on a section in Model Legislation for Buy/Sell Agreements and a section for Information Exchange Agreement.

4. The Uniformer – The subcommittee published three (3) issues of the Uniformer.

5. The Steering Committee has now asked that the subcommittee make one big booklet that contains the following:
   - State Contact Information
   - Reference to Statues and Rules
   - State Point of Taxation
The changes will be made to the document before it is sent out to the states. The subcommittee recommended that someone from each region be the contact person and send out the questionnaire to each of the states in their region and then send the responses back to chair-or co-chair of the subcommittee to compile all of the information so that it can be printed each year and be handled out at the FTA Motor Fuel Annual Meetings. The following is a list of volunteers from each region:

- Mark Papandrea – Northeast Region
- Wilda Ice - Southern Region
- Edie Martin – Midwest Region
- Sharon Gostovich – Pacific Region

Please note that this project will be printed and handed out at the 2011 FTA Motor Fuel Annual Meeting.

6. Jeremy Neeck of Minnesota lead a discussion on the Uniform Bill of Lading project for Wilda Ice of West Virginia. Herman Wisneski started a draft of a white paper document for Uniform Bill of Ladings. After a lengthy discussion, it was decided that each state needs to send information to Wilda concerning their manifest requirements and also if they have any other items that they would like to have included on a manifest but is not required by their state. Wilda Ice continues to work on the Uniform Bill of Lading project in order to complete a White Paper Document or Best Practices for Bill of Ladings. Wilda Ice has asked each state to furnish her with any requirements they have on bills of Lading. (Rules, statutes, etc)

7. This year the Steering Committee has asked that the Native American Survey be updated, reprinted and handed out at the 2011 FTA Motor Fuels Annual Meeting. Again, the contact person from each region will send out the information to each of the states in their region and then send the responses back to the committee Chair-person to compile the information. The following is a list of the volunteers from each region:

- Tracy Halubka – Pacific Region
- Trent Knoles – Midwest Region
- Donna Alderman – Southern Region
- Rosemary Cleary – Northeast Region

The Native American Survey will be updated every two (2) years.

8. Cindy Anders-Robb led a discussion concerning the MOU for the Motor Fuels Tax Section. The committee will continue to work on a draft MOU for States to sign.

The subcommittee will continue working on the following projects for the next year:

- Definitions for the following:
  Document Number-will need to include Bill of Lading, Manifest and Voyage Number with this definition.
- Continue to review the 11 Point Plan
- Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues.
- Add a section to the Model Legislation concerning Information for Safeguarding of
IRS Data. Cindy Anders-Robb is currently working with the IRS on putting together a standardize document for this.

E. Add a section to the Model Legislation concerning Buy/Sell Agreement.
F. Add a section to the Model Legislation concerning Information Exchange Agreement.
G. Current definitions need to be looked at on a yearly basis to insure that they are still correct.
H. Continue publishing the Uniformer.
I. Continue tracking the Project Tracking Forms for each of the subcommittees.
J. Analysis of revenue derived from various taxation methods and compliance tools.
K. Report of Accomplishments of the FTA Uniformity Committee (This has still been postponed until the Battelle study is fully completed).

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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2011 - 2012 Annual Report

The Communication and Coordination Subcommittee had a very busy and productive year.

The full Uniformity Committee approved the following requests:

1. Approved the following definitions
   A. Liquefied Natural Gas (LNG) (FTA adopted 6-12) – Natural gas (primarily methane) that has been liquefied by reducing its temperature to -260 degrees Fahrenheit at atmospheric pressure.
   B. Compressed Natural Gas (CNG) (FTA adopted 6-12) – Natural Gas compressed to a pressure at or above 200-248 bar (i.e., 2900-3600 pounds per square inch) and stored in high pressure containers. It is used as a fuel for natural gas-powered vehicles.
   C. Natural Gas: A gaseous mixture of hydrocarbon compounds, the primary one being methane.
   D. Document/Bill of lading number – The identifying number from the manifest issued at the terminal or other storage facility when product is removed. In the case of pipeline, railcar, or vessel movements, enter the pipeline, railcar, or vessel (voyage) number.
   E. Manifest number – see document/bill of lading number – also see shipping or transport document.
   F. Bill of Lading – see document/bill of lading number – also see shipping or transport document.

2. Approved the following White Paper Document:

   **Excise Tax Online Exchange (ExTOLE)**
   **2011**

   What is ExTOLE?
   ExTOLE is an internet based data repository administered by the IRS. ExTOLE allows states to exchange Motor Fuel data in a secure manner, based on exchange/disclosure agreements between states and/or applicable statutory authority. Only state data exists in ExTOLE.
Benefits of ExTOLE:
- Not subject to IRS safeguards
- Free
- Secure
- Improves compliance
- Reduces revenue loss
- Enhances enforcement
- Allows for information sharing
- Reduces paper
- Multiple passwords are not needed
- Available to all states

ExTOLE Functionality Includes:
- Contact list
  The contact list provides contact information for participating states in key areas of fuel tax management, such as Audit, Administration, etc. Identified ExTOLE state administrators are responsible for updating needed information.
- Licensee information
  The licensee information includes Taxpayer (company), License (type of license) and Associate (owner/officer) data. The data can be uploaded and obtained by other states through queries.
- Import/Export observations
  - Diversions (no details)
  - Truck sightings
  - Retail/bulk plant/consumer information
- Standardized queries
  Data queries are available for Contact and Licensee information, Imports/Exports, Diversions, Truck Sightings, etc.
- File transfers
  The file transfers option allows states to exchange files/documents in a secure manner without the use of multiple passwords. The functionality includes the ability to transfer a file, download a file or upload flat files.

NOTE: The ExTOLE system was taken off-line in October 2011. Per the IRS, the ExTOLE system/functionality is no longer feasible due to security issues, data/system vulnerability and the cost of needed programming changes.

3. Ann Nicholson with Exxon/Mobil will continue to work on a section in Model Legislation for Buy/Sell Agreements and Renewable Fuels.

4. The Uniformer – The subcommittee published three (3) issues of the Uniformer.

5. The 2011 Taxation, Alternative Fuels, Diversion Booklet was printed and was available at the 2011 FTA Motor Fuels Annual Meeting.

The subcommittee recommended again that someone from each region be the contact person to send out the questionnaire for the Taxation, Alternative Fuels, Diversion Booklet to each of the states in their region and then send the responses back to Christy Dixon to compile the information for the 2012 FTA Motor Fuels Annual Meeting. The following is the list of the volunteers from each region:

Mark Papandrea – Northeast Region
Mike Grammer – Southern Region
6. Bill of Lading Project—Wilda Ice of West Virginia led a discussion of the information that she received from the states concerning statutes, rules, etc for items that are to be included on a manifest. She will continue to compile this information from the states that have not sent her the information. Once she has received the additional information, the subcommittee will decide what the next step is for this project. (White Paper Document, etc). This project has been tabled until October, 2012.

7. The Native American Survey was updated and available at the 2011 FTA Motor Fuels Annual Meeting. The Native American Survey will be updated again in 2013.

8. The subcommittee completed the task of doing a MOU for the Motor Fuels Section for agencies that administer Motor Fuel that are not a Revenue Agency. Cindy Anders-Robb led a discussion concerning the MOU for the Motor Fuels Tax Section. The committee will continue to work on a draft MOU for States to sign. Cindy reported that the MOU for the Motor Fuels Section will be sent out by FTA to be signed by the agencies that administer Motor Fuel Taxes that are not Revenue Agencies.

9. Cindy Anders-Robb led a discussion concerning how the states are going to exchange import/export information since we no longer have ExTole. The states can send the information through their secure e-mail; however, this would require a password for each state. Cindy is going check about using the FTA’s Website, Tax Exchange which is a secure section of the website and this way the state would only have to have 1 password instead of passwords for each state.

Cindy reported that she is still checking with FTA about using the FTA’s Website, Tax Exchange for states to use to exchange import/export

The subcommittee will also continue working on the following projects for the next year:

A. Continue to review the 11 Point Plan
B. Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues.
C. Add a section to the Model Legislation concerning Information for Safeguarding of IRS Data. Cindy Anders-Robb is currently working with the IRS on putting together a standardize document for this.
D. Current definitions need to be looked at on a yearly basis to insure that they are still correct.
E. Continue publishing the Uniformer
F. Continue tracking the Project Tracking Forms for each of the subcommittees.
G. Analysis of revenue derived from various taxation methods and compliance tools.
H. Report of Accomplishments of the FTA Uniformity Committee (This has still been postponed until the Battelle study is fully completed).

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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Uniformity Project
2012 - 2013 Annual Report

The Communication and Coordination Subcommittee had a very busy and productive year.

The full Uniformity Committee approved the following requests:

1. Approved the following White Paper Document:

Shipping Documents
Points to Consider Relative to Fuel Tax Administration
September 2012

Introduction: What is a Bill of Lading? It is a document signed by a carrier (a transporter of goods) or the carrier's representative and issued to a consignor (the shipper of goods) that evidences the receipt of goods for shipment to a specified designation and person.

Carriers in all modes of transportation issue bills of lading when they undertake the transportation of cargo. A bill of lading is, in addition to a receipt for the delivery of goods, a contract for their carriage and a document of title to them. Its terms describe the freight for identification purposes; states the name of the consignor and the provisions of the contract for shipment; and directs the cargo to be delivered to the order or assigns of a particular person, the consignee, at a designated location.

The Code of Federal Regulation Title 49, part 172.201 authorizes the data requirement for common carriers.

In the motor fuel industry, a manifest or bill of lading is the document that must be issued by the refinery, terminal and/or bulk plant for each withdrawal from that specific location. The manifest or bill of lading shall show the following information: a unique number for the document, date shipped, name of carrier, origin (name and address of the terminal, refinery or bulk plant where product was loaded), the terminal or refinery control number (as issued by the IRS), name of the supplier, the receiving party (consignee), the destination, particular description of the product loaded, and the number of gallons. Some states may require supporting documentation or a separate bill of lading for split loads.

Any manifest, bill of lading, shipping paper or invoice for special fuel which is indelibly dyed in accordance with regulations prescribed pursuant to 26 U.S.C. 4082 shall include the statement "DYED DIESEL FUEL, NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE."

Some states require the tax due and/or the responsible party for tax to be included on the shipping document. Most states require printed bills of lading although few will authorize the use of handwritten bills of lading.

Problem: One of the biggest problems with shipping documents is that shipping document formats vary by industry and by terminal operator. When printing several copies of the bill of lading, the print becomes illegible. The format of some documents does not clearly identify the physical address of the terminal, refinery and/or bulk plant. The bill of lading number may not be legible or may be confused with other numbers on the document because it is not required to be uniform. The name of the supplier may or may not be on the shipping document.

Solution: A standardized shipping document with a uniform format that designated a specified area for: the name and address of the location where the fuel was loaded; the unique document number; the supplier name; the date product was loaded; identification of product; gallons loaded (net and gross). Any other information required by the domiciled state or the Federal government could be placed on the shipping document in an area according to each terminal’s specification.
Much of the information on a bill of lading is already transmitted electronically to the suppliers. This format must already be standardized. The idea solution would be to transfer that information to a standardized hardcopy which is printed for the transporter.

2. The project for the Buy/Sell Agreements and Flash Title has been discussed at great lengths this year. An email was sent out to all of the Rack States stating that if they were unable to attend this meeting, please try to call in at 1:30 to join in on the discussion. At 1:30 the following people called in and joined in on our discussion:

- Phillip Kirkpatrick, ExxonMobil
- Joe Ross, Phillips 66
- Bob Johnson, Phillips 66
- Vicki, Phillips, 66
- Sharlene Peterson, Sinclair Oil
- Bonita Calhoun, State of Alabama
- Randy Winkler, State of Alabama
- Ray Grigsby, State of Tennessee
- David Reed, State of Texas
- Tammy West, State of Virginia

Between this meeting and the January, 2013 meeting, the following questions were put on the Motor Fuel Listserv:

For rack states, how do you tax or handle Buy/Sell (flash title) agreements? This fuel is being exported by someone other than the supplier/position holder.

Example:

Company A sells to Company B, then Company B sells to Company C, Company C exports to another state (note: Company C physically picks up the product at the rack). For your State, what taxes would you expect to see?

If you would expect destination state tax to be charged (collected), what documentation would be required in order for the cross matching?

Received nine (9) responses from the states and industry from the listserv questions.

Bob Donnellan led the discussion. He tried to explain how industry has changed the way they do business and the states need to look at their current statutes to see if they can make an administrative ruling or if a legislation change will need to be done in order to accommodate the way industry has changed their practices of doing business.

Rich Little and Ashley Scheele, Deloitte Tax, put together four scenarios concerning Buy/Sell Agreement and Flash Title Issues. They also provided definitions for Buy/Sell Agreement, Flash Title and Ultimate Exporter.

The working group also provided a draft document for the Model Legislation Section of the Uniformity Book which included definitions for Buy/Sell Agreement and Flash Title.

After a very lengthy discussion, the subcommittee agreed upon the following:

1. Another question will be put out on the Motor Fuel Listserv with the four scenarios that were provided by Rich Little and Ashley Scheele
2. Rich Little and Ashley Scheele are going to look at each states statutes to see what
3. The working group will continue to work on a section for Model Legislation, definitions, etc based on the responses from the listserv and the compiled information that is submitted to them concerning definitions.

4. Bill Gray, Sinclair Oil will also get copies of different Bill of Ladings and provided them to working group before the next meeting.

The working group will provide drafts of definitions and model legislation at our next meeting in September, 2013.

The following is a revised list of the working group for this project:

Scott Louie, Chevron
Carol Player, South Carolina
Ann Nicholson, ExxonMobil
Bob Donnellan, Global Companies, LLC
Ashley Scheele, Deloitte Tax
Rich Little, Deloitte Tax
Bill Gray, Sinclair Oil

3. The Uniformer – The subcommittee published three (3) issues of the Uniformer.

4. The 2012 Taxation, Alternative Fuels, Diversion Booklet was printed and was available at the 2012 FTA Motor Fuels Annual Meeting. The 2013 Taxation, Alternative Fuels, Diversion Booklet will include tax rates and conversion rates, etc for Compressed Natural Gas, Liquefied Natural Gas, Propane, etc. Also, the Canadians will be included in the booklet.

The subcommittee recommended again that someone from each region be the contact person to send out the questionnaire for the Taxation, Alternative Fuels, Diversion Booklet to each of the states in their region and then send the responses back to Christy Dixon to compile the information for the 2013 FTA Motor Fuels Annual Meeting. The following is the list of the volunteers from each region:

Chuck Ulm – Northeast Region
Lee Gonzalez – Southern Region
Edie Martin – Midwest Region
Dawn Lietz – Pacific Region

5. The subcommittee is currently working on a White Paper Document for Inventory Gains and Losses. Wilda Ice, State of West Virginia heading up this project.

6. The 2011 Native American Survey were sent out to the following regional contacts on April 30, 2013 to be sent out for updates, edits, revisions, etc so that the survey can be updated and the 2013 Native American Survey can be available at the FTA 2013 Motor Fuels Tax Section Annual Meeting:

Midwest-Marcia Leichner-State of Nebraska
Northeast-Scott Bryer, State of New Hampshire
Pacific-Lou Feletto-State of California
Southern-Lee Gonzalez-State of Florida

7. The subcommittee has been reviewing a draft of revisions/updates for the current White Paper document “Motor Fuel Tax Issues with Natural Gas and Other Alternative Fuels 2009”. We will continue with this project in 2013-2014.
8. Cindy Anders-Robb reported that the states' will not be able to use the FTA's Website in order to exchange import/export information.

The subcommittee will also continue working on the following projects for the next year:

A. Continue to review the 11 Point Plan
B. Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues.
C. Add a section to the Model Legislation concerning Information for Safeguarding of IRS Data. Cindy Anders-Robb is currently working with the IRS on putting together a standardize document for this.
D. Current definitions need to be looked at on a yearly basis to insure that they are still correct.
E. Continue publishing the Uniformer
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2013-2014 Annual Report

The Communication and Coordination Subcommittee had a busy and productive year.

The full Uniformity Committee approved the following requests:

1. Approved the following White Paper Documents:

   Motor Fuel Tax Issues with Natural Gas and Other Alternative Fuels  
   Revised September, 2013

Background

Due to various market forces including fluctuating fuel prices and increasingly restrictive laws and standards the use of alternative fueled vehicles has been expanding. Historical impediments to the expansion of the use of alternative fuels included issues with manufacture and distribution of the fuels; availability of refueling locations; and price of the fuel compared with the traditional fuels, gasoline and diesel. However combinations of forces such as the increases in prices of the traditional fuels and the financial incentives offered by federal and state governments, has made the use of the alternative fuels more affordable. Finally, environmental issues, especially smog and pollution abatement require the use of lower-polluting and toxic fuels and in many cases the alternative fuels help meet the standards.

While not exhaustive, the following list identifies the most used alternative fuels in highway vehicles:
Biodiesel
Renewable Diesel
Ethanol
Natural Gas (CNG & LNG)
Propane (LPG)
Hydrogen
Electricity

In addition, in recent years there has been an expansion of the sales of hybrid vehicles which combine gasoline engines with battery power to make the vehicles more efficient. While these would not present potential issues for fuel tax collections, their use would decrease the taxes paid vs. a vehicle that travels the same distance using just gasoline. This discussion of reduction in receipts to federal and state transportation trust fund revenues is a discussion for another day.

The following descriptions of the uses and benefits of the different fuels are taken from the US Environmental Protection Agency (EPA), Alternative Fuel Vehicles and Alternative Fuels, U.S. Department of Energy website, http://www.fueleconomy.gov/Feg/current.shtml

**Biodiesel** - Biodiesel is a form of diesel fuel manufactured from vegetable oils, animal fats, or recycled restaurant greases. It is safe, biodegradable, and produces less air pollutants than petroleum-based diesel.

Biodiesel can be used in its pure form (B100) or blended with petroleum diesel. Common blends include B2 (2% biodiesel), B5, and B20. B2 and B5 can be used safely in most diesel engines. However, most vehicle manufacturers do not recommend using blends greater than B5, and engine damage caused by higher blends is not covered by some manufacturer warranties. Check with your owner’s manual or vehicle manufacturer to determine the right blend for your vehicle.

**Renewable Diesel** - Produced from biological sources Renewable Diesel meets all diesel ASTM D975 (Diesel) or D396 (Fuel Oil) standards. This product can be transported in pipelines with no upgrades required, unlike biodiesel which requires truck or rail transports. Renewable diesel (or green diesel) has a structural difference from biodiesel; it contains no fatty acid methyl esters and has no cold flow issues. Renewable diesel is produced using similar refining processes for producing petroleum diesel.

The key difference between renewable diesel and biodiesel is its chemical structure. Biodiesel contains fatty acid methyl esters (FAME), which are long, complex chains containing carbon, hydrogen, and oxygen. Renewable diesel is made up of totally organic hydrocarbons (hydrogen and carbon atoms only) just like petroleum diesel. Another difference is renewable diesel can be made from the sugars, starches, and cellulose material abundant in plants versus just using the seeds. Furthermore, with renewable diesel, various types of sewage and otherwise unusable waste streams such as used motor oil, fats, greases, waste vegetable oil, waste plastic materials (grocery bags, water bottles, etc.), and municipal solid waste (MSW) can also be used as feedstock.

### Advantages & Disadvantage of Renewable Diesel

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Not reliant on a crude feedstock</td>
<td>• Cost</td>
</tr>
<tr>
<td>• Meets ATSM D975 and D396 standards</td>
<td>• Supply Availability</td>
</tr>
<tr>
<td>• Can be transported via pipeline</td>
<td>• Labeling Requirements</td>
</tr>
<tr>
<td>• Compatible with existing diesel engines</td>
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</tr>
</tbody>
</table>

Uniformity Project 390
ETHANOL - Ethanol is an alcohol-based fuel made by fermenting and distilling starch crops, such as corn. It can also be made from "cellulosic biomass" such as trees and grasses. The use of ethanol can reduce our dependence upon foreign oil and reduce greenhouse gas emissions.

E10 (also called "gasohol") is a blend of 10% ethanol and 90% gasoline sold in many parts of the country. All auto manufacturers approve the use of blends of 10% ethanol or less in their gasoline vehicles.

E85, ASTM D5798-11 specifications for E85 is a gasoline-ethanol blend containing 51% to 83% ethanol and can be used in flexible fuel vehicles (FFVs), which are specially designed to run on gasoline, E85, or any mixture of the two. State statutes may require a different ethanol % in order to be considered E85. FFVs are offered by several vehicle manufacturers. To determine if your vehicle can use E85, consult your owner’s manual or check the inside of your car's fuel filler door for an identification sticker.

NATURAL GAS - a fossil fuel comprised mostly of methane, is one of the cleanest burning alternative fuels. It can be used in the form of compressed natural gas (CNG) or liquefied natural gas (LNG) to fuel cars and trucks.

Compressed natural gas (CNG) is typically stored in a tank at a pressure of 3000 to 3600 psi.

Liquefied natural gas (LNG) is super-cooled and stored in its liquid phase at -260º F in special insulated tanks.

Natural gas is usually measured by volume and is stated in cubic feet. For taxing purposes, natural gas consumed as a fuel in motor vehicles would be converted to either gasoline gallon equivalent (GGE) or diesel gallon equivalent (DGE) based on the energy content or British Thermal Units (BTU’s). Conversion equations vary between states, however the Uniformity Committee (January 2013) is researching the issue and hopes to provide guidance to the states when converting natural gas to GGE/DGE gallons. (This paper will be revised to reflect the decision.)

Dedicated natural gas vehicles are designed to run on natural gas only, while dual-fuel or bi-fuel vehicles can also run on gasoline or diesel. Dual-fuel vehicles allow users to take advantage of the wide-spread availability of gasoline or diesel but use a cleaner, more economical alternative when natural gas is available. Since natural gas is stored in high-pressure fuel tanks, dual-fuel vehicles require two separate fueling systems, which take up passenger/cargo space.

Natural Gas Vehicles are growing in popularity in the US. Currently, Natural Gas Cars are in production in many European and South American countries. People are looking for alternative energy vehicles. Natural gas vehicles are gaining demand with about 120,000 NGV’s on U.S. roads today and more than 15.2 million worldwide, but are still way behind other alternative energy vehicles primarily because of the difficulty in refueling these vehicles. In recent years, companies have successfully driven natural gas vehicle use by building fueling stations and supplying natural gas under multi-year contracts to fleets at costs significantly less than the per-gallon cost of gasoline or diesel. Many companies have either purchased Natural Gas Vehicles or are converting their existing fleet to run on natural gas. With the increase in Fleet use, there are large companies with distribution outlets across the country issuing Request for Proposal to heavy-duty CNG Station Operators that are able to provide heavy-duty CNG fueling stations at or nearby their locations. Fleet use should lead to greater consumer use in the future.
Public transportation across the country has been using CNG for decades. Currently, about 12-15% of public transit buses in the U.S. run on natural gas (either CNG – compressed natural gas or LNG – liquefied natural gas). That number is growing, with nearly one in five buses on order today slated to run on natural gas. States with the highest consumption of natural gas for transportation are California, New York, Texas, Georgia, Massachusetts and Washington, D.C.

In the U.S. alone, NGV’s offset the use of nearly 360 million gallons of gasoline in 2011.

At present there are limited natural gas stations available nationwide, but are showing steady growth. Refueling at a fast-fill CNG station takes no longer than tanking up with gasoline. As the fueling infrastructure builds for CNG, the inconvenience of limited public fueling opportunities is softened by the availability of filling up at home. There is at least one company that currently offers an in-home refueling station. This refueling appliance can be installed in a garage or outside a home to allow refueling using a home’s natural gas supply. The refueling appliance requires an extended period of time to fill the fuel tank. In many cases, vehicles fueled up at favorable natural gas home rates can operate at a reduced rate per gallon than gas or diesel.

<table>
<thead>
<tr>
<th>Advantages &amp; Disadvantages of CNG &amp; LNG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
</tr>
<tr>
<td>• Nearly 87% of U.S. natural gas used is domestically produced</td>
</tr>
<tr>
<td>• 60-90% less smog-producing pollutants</td>
</tr>
<tr>
<td>• 30-40% less greenhouse gas emissions</td>
</tr>
<tr>
<td>• Less expensive than gasoline &amp; diesel</td>
</tr>
<tr>
<td>• Convenient slow fill home fueling</td>
</tr>
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</table>

PROPANE OR LIQUEFIED PETROLEUM GAS (LPG) - a clean-burning fossil fuel that can be used to power internal combustion engines. LPG-fueled vehicles produce fewer toxic and smog-forming air pollutants. LPG is usually less expensive than gasoline, and most LPG used in U.S. comes from domestic sources.

At this time only light-duty propane fleet trucks and vans are available with OEM (original equipment manufacturer); however LPG-fueled light duty passenger cars and trucks can be purchased in the U.S. from a dealer with prep-ready engine packages and be converted to run LPG. In addition gasoline and diesel vehicles can be retrofitted to run on LPG in addition to conventional fuel. The LPG is stored in high-pressure fuel tanks, so separate fuel systems are needed in vehicles powered by both LPG and a conventional fuel such as gasoline.

<table>
<thead>
<tr>
<th>Advantages &amp; Disadvantage of LPG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
</tr>
<tr>
<td>• 85% of LPG used in U.S. comes from domestic sources</td>
</tr>
<tr>
<td>• Fewer toxic and smog-forming air pollutants</td>
</tr>
<tr>
<td>• Less expensive than gasoline</td>
</tr>
</tbody>
</table>

ELECTRICITY – While the EPA site does not list electricity as a fuel type, for purposes of this discussion it’s being covered. While some people think of the batteries in hybrid vehicles to be an
example of electric vehicles, there are also vehicles which have on-board batteries and can be charged at an electricity source.

### Advantages & Disadvantage of Electricity (Plug-Ins)

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Energy resilience and petroleum replacement</td>
<td>• Cost, size, weight and disposal of batteries</td>
</tr>
<tr>
<td>• Greater fuel efficiency</td>
<td>• Access to electrical outlets (apartment dwellers &amp; long distance travel)</td>
</tr>
<tr>
<td>• Lower greenhouse gas emissions</td>
<td>• Emissions shifted to electric plants</td>
</tr>
<tr>
<td>• Lower operating costs</td>
<td>• Electricity billing issues</td>
</tr>
</tbody>
</table>

**HYDROGEN (H2)** - is being aggressively explored as a fuel for passenger vehicles. It can be used in fuel cells to power electric motors or burned in internal combustion engines (ICEs). It is an environmentally friendly fuel that can be produced domestically from several sources, reducing our dependence on petroleum imports. Several significant challenges must be overcome before it can be widely used.

### Advantages & Disadvantage of Hydrogen

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Can be produced domestically from several sources</td>
<td>• Expensive to produce</td>
</tr>
<tr>
<td>• Environmentally Friendly</td>
<td>• Limited availability</td>
</tr>
<tr>
<td></td>
<td>• Limited vehicle availability</td>
</tr>
<tr>
<td></td>
<td>• Cost of vehicle</td>
</tr>
<tr>
<td></td>
<td>• Contains much less energy than gasoline</td>
</tr>
<tr>
<td></td>
<td>• Danger from very high pressure, low temperature storage tanks</td>
</tr>
</tbody>
</table>

Various costs, efficiencies, ability to be renewable and other benefits have increased use of these fuels. For example, ethanol, has public acceptance and is widely used, not only due to price and its ability to be renewable, but as an additive to gasoline as an oxygenate. The primary use is to reduce the production of carbon monoxide in the burning of the fuel. While the ester compound MTBE was previously used as an oxygenate, it has been found that it contaminates groundwater, especially during leaks of underground storage tanks, and states have moved to ban its use. A blend of gasoline and ethanol, usually E10, is used as a replacement for MTBE.

### FUEL TAX COMPLIANCE ISSUES

Given the various benefits of alternative fuels and their increasing development, the production, distribution, and sales of the fuel are of interest to those who collect taxes on the fuels and track their movements. With gasoline and diesel, the production process is relatively complex and costly when compared with alternative fuels. It would be difficult to refine gasoline in your back yard, but you could manufacture biofuels (including biodiesel) and ethanol in very small quantities for personal use. As we will also see it becomes more difficult to track electricity in plug-in vehicles, CNG in certain applications, and if hydrogen (fuel cell vehicles are developed) becomes widespread, gas that may be delivered in different methods.

**Ethanol** – the challenges with Ethanol stem in part from the inability to make bulk distribution through traditional liquid fuel pipelines. Thus ethanol moves more on dedicated pipelines, rail cars, and by truck load. While these methods are certainly not difficult to track, most revenue and transportation agencies have not dedicated a lot of resources into tracking product moved that way,
and as a result they may not know how much ethanol is moving into their state on rail cars, or even where the product might be loaded or unloaded. Another issue, that while somewhat difficult to quantify, but nonetheless can be a problem, is the fact that a number of ethanol manufacturers have not operated as fuel distributors and do not know the requirements for registering and reporting to the federal and state agencies. Since in some cases the production numbers are lower than gasoline or motor fuel distributors, the administrative agencies may not even be aware of their operations for some time. Attachment A shows a commercial business advertising equipment to make your own ethanol at home. Nowhere on the website is there a mention of motor fuel taxes.

**Biodiesel** – this is a term that can cover a wide range of liquids from vegetable oils and animal fats. Sources of the feed stocks can be soybeans and rapeseed (canola oil), but also include waste vegetable (“used French fry oil”) oils from restaurants, and in theory algae from water sources. It is evident that the sources of these fuels would make it very difficult in many cases, for the tracking of production and distribution of fuel. People not only make small batches of the fuel for personal use and limited distribution, but restaurants who used to have to pay to have waste oil removed, are glad to have it taken away at no cost, or charging a small fee.

**Renewable Diesel:** The product is often interchanged with biodiesel. States need to have a clear understanding of which product is before them before any categorization occurs. The origin of the feedstock, plant or animal vs. crude, seems to be one determining factor for categorization. As well as the fact that renewable diesel meeting ASTM D975 standards is another.

**Compressed and Liquefied Natural Gas** – Conversion of CNG and LNG to GGE and DGE varies between states and the federal government which causes reporting issues for industry.

Each jurisdiction would need to determine how to collect the motor fuel taxes on the fuel dispensed into vehicles from refueling stations at an individual’s home. If your state does not require separate metering for the home fill units it will be difficult to determine gallons dispensed into a motor vehicle. While this is a limited application, it should challenge fuel tax administrators to think about what their answer will be when they get the phone call asking about how someone is going to pay fuel taxes. Will this be considered a retail location, and be subject to other state laws and regulations? Can similar issues crop up with other alternative fuels?

**Propane** – This also is a limited market and to this point it seems like propane is generally tracked and taxed by the proper agencies.

**Hydrogen** – Manufacture and widespread use of the vehicles are still in the future, but depending on the delivery method of the fuel there will likely be many of the same issues that affect CNG and Propane.

**Electricity** – The obvious issue is that this fuel is not delivered as a liquid fuel and thus would have to be measured some other way if an effective method of taxation is used which will assess a tax based on the amount of product used. While the amount of energy in a gallon of gasoline (or other liquid fuel) can be computed for comparison to electricity and make for an assignment of an equal tax rate, the question becomes ‘What is the source of the electricity’? If the vehicle can draw from the same source as regular household current, it would be impossible to compute the vehicle usage without some additional metering. Even with that there would be the question of who tracks that portion of the electricity and how is the tax computed and paid. Some states have addressed this issue by having a registration fee in lieu of fuel taxes.

**WHAT SHOULD TAX ADMINISTRATORS BE DOING NOW?**

The following issues are areas that should be considered in the area of accounting for alternative fuels:

**Are they in my state?** – While Ethanol and Biodiesel are fairly universal at this point, determine how much product is in your state, and how it gets there.
• Do you have a relationship with the railroads that may travel through your state?
• Is there a state or federal agency that may be able to give you that information?
• Are there fueling locations that may not otherwise be registered with your agency?
  • A suggestion would be to look at several websites, including trade groups who are always
    proud of their market penetration. Their list of retail locations that sell E85 probably will, but
    may not match the information you already have.
  • Did a farmer’s co-op work to build an ethanol plant in your state and somehow no one ever
    registered it as a fuel manufacturing plant?
  • Is there an agency in your state that oversees chemical plants (state EPA)? You may check
    with them to make sure you know where they all are.

Are people using the fuel in my state?
• Check with the Department of Motor Vehicles in your state to see if they can provide you with
  summary or detail information on the number of vehicles by fuel type. Fuel type may be
  determined by characters in the VIN, however this may not be a reliable or complete picture
  given the number of aftermarket conversions. You may find out that there may be 2 CNG
  vehicles registered to individuals but there may also be a large bus company with 150 CNG
  buses domiciled in your state.
• Are you providing information about the registration and reporting requirements through your
  normal news outlets or through your agency website?
• Anticipate the need for types of registrations and information about how people will have to
  track their usage and pay any taxes due. If someone walked into your office and said they had
  an electric vehicle, would you know what you would say to them?

Education
The federal government is mandating that by 2017 there is to be 21 billion gallons of cellulosic
biomass fuel produced. Do you even know what that is? How it is produced? How it is distributed? Do
you know what fuel cells are and how they are used in a vehicle? Short of a change in the method
of taxation for motor fuels, it is important to maintain an equitable method for collecting the proper taxes
from every user. It doesn’t make a lot of sense that the person driving a vehicle using regular diesel
fuel should be paying fuel taxes while his next door neighbor is driving the same vehicle and using
French fry oil from the fast food restaurant and not paying any taxes. What information do you have
for these fuels?

It is important to know not only what is out there, but what is on the horizon. You may wish to look
on the internet for sites such as the EPA and various Department of Energy pages, including
information on their Energy Information Administration portal. Talk to your neighboring states to see
if they have information that you may wish to use or to see how they track the fuels.

and

Points to Consider for Gains and Losses in the Petroleum Industry
May, 2014

Any loss in the handling of the petroleum products translates into a loss of income. Petroleum
products expand and contract with changes in temperature and as such their Gross volumes can
change significantly. The inability to easily measure petroleum product volumes at retail sites can
result in fluctuations in storage tank volumes. “Gain/Loss” is a measure of how Receipts,
Disbursements (Sales or Shipments), and Inventories compare over a period of time. Gain/loss can
be an indicator of the quality of the inventory system. Excessive gain/loss or consistent losses or
consistent gains from month to month can signal the need for an investigation to identify causes and
possible corrective actions.
Consistent losses may result from:
- Theft
- Leakage
- Unreported sales or shipments
- Incorrect meter calibration
- Terminal operator or station accounting and reporting errors

Consistent gains may result from:
- Hot fuel purchases (only at retail where temperature correction is unavailable)
- Unreported purchases or receipts
- Incorrect meter calibration
- Terminal operator or station accounting and reporting errors

Consistent gains at a terminal due to metering issues could cause related losses at retail locations that purchase product from the terminal. Consistent gains at a retail location due to metering issues could cause potential “consumer protection” issues at the retailer level.

The formula for calculating Gain/Loss is: Beginning Inventory + Receipts – Disbursements = Ending Inventory = (Gain)/Loss). Another way to state this formula is: Beginning Inventory + Receipts – Ending Inventory = Total Gallons to Account For, and then Total Gallons to Account For – Disbursements = (Gain)/Loss. When using these formulas, it is important to remember that a negative result indicates a gain and a positive result indicates a loss. When calculating Gains and Losses at a terminal, you must use net gallons in order to correctly calculate this amount.

Most governmental agencies require a terminal operator to pay taxes on excessive or “unaccounted for motor fuel losses”. These “unaccounted for motor fuel losses” are generally defined as losses that exceed one half of one percent of the number of net gallons removed from the terminal during a year. The intent behind this is to stop potential fraudulent movements out of a terminal from taking place without being taxed.

2. Buy/Sell Agreements and Flash Title Agreements—a draft document was discussed; and after much discussion, it has been decided to do a White Paper Document. The working group is going to put some scenarios together that shows what reporting problems are caused with the Buy/Sell Agreements and Flash Title Agreements. A draft was presented to the subcommittee and revisions are to be made and discussed at the next meeting in September, 2014. Also a definition will also be discussed.

The following is a list of the working group for this project:

Scott Louie, Chevron
Carol Player, South Carolina
Ann Nicholson, ExxonMobil
Bob Donnellan, Global Companies, LLC
Ashley Scheele, Deloitte Tax
Rich Little, Deloitte Tax
Bill Gray, Sinclair Oil

3. The Uniformer – The subcommittee published three (3) issues of the Uniformer.
The 2013 Taxation, Alternative Fuels, Diversion Booklet was printed and was available at the 2013 FTA Motor Fuels Annual Meeting. The 2014 Taxation, Alternative Fuels, Diversion Booklet will include the following sections:

4. The 2013 Taxation, Alternative Fuels, Diversion Booklet was printed and was available at the 2013 FTA Motor Fuels Annual Meeting. The 2014 Taxation, Alternative Fuels, Diversion Booklet will include the following sections:

**Section 12 Please list what blendstocks are taxable or reportable in your state.**

<table>
<thead>
<tr>
<th>Blendstock</th>
<th>Tax Rate</th>
<th>Reportable</th>
</tr>
</thead>
</table>

**Section 13 How does your state handle contaminated fuel?**

**Section 14 Does your state allow bad debt credits?**

The subcommittee recommended again that someone from each region be the contact person to send out the questionnaire for the Taxation, Alternative Fuels, Diversion Booklet to each of the states in their region and then send the responses back to Christy Dixon to compile the information for the 2014 FTA Motor Fuels Annual Meeting. The following is the list of the volunteers from each region:

- Scott Bryer – Northeast Region
- Tammy West – Southern Region
- Cindy Mongold – Midwest Region
- Dawn Lietz – Pacific Region

5. Alternative Fuels section 14 of the Model Legislation—the subcommittee discussed, added and approved the following:

   **J. Conversion Rates**
   
   When considering taxing CNG (Compressed Natural Gas), LNG (Liquefied Natural Gas) and other alternative fuels, we suggest using the applicable Federal Conversion rates.

6. FTA Brochures, “Benefits of Motor Fuel Tax Uniformity” and “Advisory Group Benefits”—the subcommittee discussed the brochures and it was determined that no revisions need to be made to the brochures at this time.

7. ExSTARS Example Letter to Terminals Regarding Confidentiality—Edie Martin, State of Kansas handed out the IRS approved letter that states can use with their licensees.

8. Definitions—the subcommittee has been asked to do a definition for Fuel Grade Ethanol and Electronic Filing.

The subcommittee will also continue working on the following projects for the next year:

- A. Continue to review the 11 Point Plan
- B. Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues.
- C. Add a section to the Model Legislation concerning Information for Safeguarding of IRS Data. Cindy Anders-Robb is currently working with the IRS on putting together a standardize document for this.
- D. Current definitions need to be looked at on a yearly basis to insure that they are still correct.
- E. Continue publishing the Uniformer
- F. Continue tracking the Project Tracking Forms for each of the subcommittees.
- G. Analysis of revenue derived from various taxation methods and compliance tools.
- H. Report of Accomplishments of the FTA Uniformity Committee (This has still been postponed until the Battelle study is fully completed).
If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

Christy Dixon, Oklahoma Tax Commission
Phone: (405) 522-4197
E-Mail: cdixon@oktax.state.ok.us

Anne Nicholson, Exxon/Mobil
Phone: (713) 431-2844
E-Mail: anne.w.nicholson@exxonmobil.com

2014-2015 Annual Report

The Communication and Coordination Subcommittee had a busy and productive year.

The full Uniformity Committee approved the following requests:

1. Approved the following Definitions:
   - **Fuel Grade Ethanol** – means a product that meets the ASTM standard D-4806 specification for denatured motor fuel grade ethanol for blending with motor fuel to be used as a spark-ignition automotive engine fuel.
   - **Electronic Filing** – is the secure transmission of machine readable structured data between a filer and a government agency and the acknowledgement thereof.

   Electronic filing data may be exchanged in:
   a) Extensible markup language (XML)
   b) ASC X12 electronic data interchange
   c) Spreadsheet or structured text files

   FTA (Motor Fuel Tax and Tobacco Sections) has established national standard electronic filing formats and recommends XML and/or ASC X12 data exchanges for state use.

2. Buy/Sell Agreements and Flash Title Agreements - a draft document continues to be discussed. Revisions will continue to be made and presented at the uniformity meetings until it is approved. Also definitions will also be discussed.

   The following is a list of the working group for this project:

   Scott Louie, Chevron
   Carol Player, South Carolina
   Ann Nicholson, ExxonMobil
   Bob Donnellan, Ryan
   Rich Little, Deloitte Tax
   Bill Gray, Sinclair Oil

3. The Uniformer – The subcommittee published three (3) issues of the Uniformer.

4. The 2014 Taxation, Alternative Fuels, Diversion Booklet was printed and was available at the 2014 FTA Motor Fuels Annual Meeting. The 2015 Taxation, Alternative Fuels, Diversion Booklet will include the following sections:
Section 15-Please provide the following information:

<table>
<thead>
<tr>
<th>Name of Report</th>
<th>Due Date of Report</th>
<th>Due Date of Payment</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

Section 16-Does your state consider postmarked or received by due date as timely filed?

Section 17-When filing a return electronically, what time is considered timely? (Example: 11.59 pm on due date)

Section 18-When the due date of the return(s) and payment(s) falls on a weekend or Holiday, when are the report(s) and payment(s) due?

Section 19-What is your penalties for late filing report(s) and payment(s)?

<table>
<thead>
<tr>
<th>Name of Report</th>
<th>Report Penalties</th>
<th>Payment Penalties</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
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</tbody>
</table>

Section 20-How is E85 treated in your state? What blends are considered to be reported as E85? What percentage range is considered E85?

The following people from each region volunteered to contact the states within their regions to gather the updated information for the 2015 Taxation, Diversion and Alternative Fuels Booklet:

A. Midwest – Cindy Mongold-State of Kansas
B. Northeast – Scott Bryer-State of New Hampshire
C. Pacific – Debbie Kalfsbeek-State of California
D. Southeast – Tammy West-State of Virginia

5. The 2013 Native American Survey was sent out to each state for revisions, edits, updates, etc. so that the 2015 Native American Survey can be printed and available at the 2015 Motor Fuel Annual Meeting.

The following people from each region volunteered to contact the states within their regions to gather the updated information for the 2015 Taxation, Diversion and Alternative Fuels Booklet:

A. Midwest – Marcia Leichner-State of Nebraska
B. Northeast – Marc Papandrea-State of Connecticut
C. Pacific – Carmen Shipman-State of Nevada
D. Southeast – John Panza-State of North Carolina

6. The subcommittee will also continue working on the following projects for the next year:

A. Continue to review the 11 Point Plan
B. Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues.
C. Add a section to the Model Legislation concerning Information for Safeguarding of IRS Data. Cindy Anders-Robb is currently working with the IRS on putting together a standardize document for this.
D. Current definitions need to be looked at on a yearly basis to insure that they are still correct.
E. Continue publishing the Uniformer
F. Continue tracking the Project Tracking Forms for each of the subcommittees.
G. Analysis of revenue derived from various taxation methods and compliance tools.
H. Report of Accomplishments of the FTA Uniformity Committee (This has still been postponed until the Battelle study is fully completed).

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

Christy Dixon, Oklahoma Tax Commission
Phone: (405) 522-4197
E-Mail: cdixon@oktax.state.ok.us

Anne Nicholson, Exxon/Mobil
Phone: (713) 431-2844
E-Mail: anne.w.nicholson@exxonmobil.com

2015-2016 Annual Report

The Communication and Coordination Subcommittee had a busy and productive year.

The full Uniformity Committee approved the following requests:

1. Approved the following Definitions:
   - **Facility Number** – a unique number issued by a Government entity that identifies the location, which includes one or more stationary tanks or storage facilities, that contain or will contain reportable fuel products. The location has received this designation based on certain attributes such as storage/tank size and the type of product stored at the location.
   - **Facility Control Number** – a number that designates a storage location within the motor fuel, or renewable fuel production or bulk transfer/terminal system. Facilities include refineries (RCN), approved terminals (TNC), biodiesel production facilities (BCN), or ethanol production facilities (ECN).
   - **Terminal Code** – See Facility Control Number
   - **Motor oil, engine oil or engine lubricant** – is any of various well-developed lubricants (comprising oil enhanced with additives, for example, in many cases, extreme pressure additives) that are used for lubrication such as for internal combustion engines or state use.

2. Approved Flash Sales Whitepaper.

Flash Sales
Points to Consider Relative to Fuel Tax Administration
September 2015

INTRODUCTION

While buy/sell agreements are defined in this document, the purpose of this whitepaper is to address concerns with flash sales where simultaneous sales occur at the terminal rack.

**Buy/Sell Agreements** – An agreement in which a Supplier or Distributor purchases fuel at the terminal from a position holder and sells to a third party customer. Buy/Sell agreements may be any combination of bulk (pipeline or barge), truck, or rail transactions and Purchaser(s) may carry inventory.
**Bulk Buy/Sell Agreement (occurring above the rack)** – An agreement in which a position holder (Supplier A) sells fuel to Supplier B (position holder) who in turn sells to Supplier C (position holder in terminal). Terminalling agreement should be in place.

**Flash Sale (may also be referred to as rack purchase)** – Transactions between parties in which title transfers simultaneously at the terminal rack from position holder to purchaser to purchaser’s customer as fuel is loaded into truck or rail car.

**ITEMS FOR CONSIDERATION**

Your state’s taxation point

Note: This is generally for the flash title with an exporter scenario.

5. **Tax at the terminal rack** – If your state has destination state rules for collecting taxes, what taxes would you expect the position holder to collect if the product was ultimately exported or imported to your state? The BOL will typically show the out-of-state destination, however, the exporter of record may not always be the first purchaser in the export stream below the terminal rack.

6. **Tax below the rack** – How many exempt pass-through transactions does your state allow among properly licensed parties once the fuel has crossed the terminal loading rack? It must be considered that there could be multiple flash title holders of a single load of fuel and that the legally responsible party may not know their place in the title chain.

7. **Deferral/Indemnification** – Generally in states that allow deferral of tax, the transaction between the taxpayer and their properly licensed customer would be the only transaction that can be deferred and the position holder would be indemnified if the licensee defaults. The licensees below this initial transaction may have to file additional bonds/line of credits with their vendor in addition to the bond posted with the state. This causes financial hardship for these licensees. What happens when all parties are “properly licensed” and the 3rd party defaults on their deferred tax payment? Can the second party file for recourse?

8. **Collection Allowance** – Generally the taxpayer that remits the tax is the party entitled to a collection allowance. Various states have different requirements as to whether a portion of the collection allowance needs to be passed on and to whom. This could be an issue for instate transactions as well.
Tracking and cross matching

5. Depending on what taxes you will require the position holder to collect and remit, will you have issues with your ability to track and cross match your reporting with other states’ information assuming this is part of your verification process? Does your state share exporting/importing data with your border states for verification purposes?

6. Are there other issues with the validation of terminal operator reports to supplier and distributor reports?

7. Will the BOL generated at the terminal reflect the correct parties and information in this type of transaction?

8. Do all parties to the transaction understand the state’s requirements and report them correctly? Are all parties required to report the transaction so the State can follow the BOL from the first sale through the flash title sale to the licensed exporter?

Other concerns

7. In general, fuel suppliers would prefer to charge only one state’s taxes and not have dual taxation.

8. There is still not agreement among states on handling of origin vs destination taxes.

9. If there are different methods of handling these transactions by the states, there will be an increased amount of administrative burden to the states as well as the suppliers and distributors in the form of amended returns, refund requests, revised reporting, etc.

10. In a rack purchase or flash sale transaction, a position holder could take the stance that the transaction between them and their customer occurs at the origin terminal. The generated BOL would not show the ultimate destination but the terminal address. This position would cause the exporter to be responsible to obtain a diversion number for each transaction, file for a refund or origin tax, and pay the destination state tax.

11. Licensing or lack of licensing in a state may determine whether origin or destination taxes are charged.

12. SCENARIO:
   1. State A imposes tax on all ethanol entering the state or received at a terminal in that state.
   2. State A exempts the supplier for exports from the state either by the supplier or a by registered exporter (the supplier’s customer).
   3. Customer A comes to the terminal and orders a 10% blend of ethanol.
   4. Supplier B removes gasoline from its inventory to supply the gasoline portion of the blend.
   5. Supplier B purchases ethanol from Supplier A to supply the ethanol portion of the blend.
   6. Customer A is billed for 10% gasohol by Supplier B and then exports it to state B.

These transactions exist in Supplier B’s records
Terminal operator's data to Supplier A shows ethanol destination out of state. Since State A exempts exports, Supplier exempt ethanol sales to Supplier B.

 Supplier B's data shows ethanol destination as gasohol inventory at the terminal (origin). So it does not expect to be exempted and is out of balance with Supplier A.

 Supplier B exempts the gasohol sale to Customer A from State A’s tax, due to the export exemption.

 Terminal operator should not report destination state to the ethanol supplier since the transaction takes place within the terminal at the origin.

 Supplier A should charge State A’s tax to Supplier B.

 The above scenario could also apply to biodiesel.

The following is a list of the working group for this project:

Scott Louie, Chevron
Carol Player, South Carolina
Ann Nicholson, ExxonMobil
Bob Donnellan, Ryan
Rich Little, Deloitte Tax
Bill Gray, Sinclair Oil

3. The Uniformer – The subcommittee published three (3) issues of the Uniformer.

4. The 2015 Taxation, Alternative Fuels, Diversion Booklet was printed and was available at the 2015 FTA Motor Fuels Annual Meeting. The 2016 book was renamed the “Motor Fuel Tax Information by State” and will include the following sections:

Section 4: Please define “First Receiver” and “Point of Taxation” and site your statutory reference regarding point of taxation.

First Receiver:

Point of Taxation:
Section 22- Does your state require transporter returns and if so, who is required to report?

Section 23- (Tax as the rack states or first receiver states only) How does your state handle flash title transactions?

Section 24- Does your state impose a sales tax on gasoline, clear diesel or dyed diesel? If so, how are the rates calculated? How often does the rate change? Is tax imposed on volume or value and when is it collected?

Section 25- What are your bonding requirements for your motor fuel license(s)?

The following people from each region volunteered to contact the states within their regions to gather the updated information for the 2016 Motor Fuel Tax Information by State Book:

A. Midwest – Edie Martin-State of Kansas
B. Northeast – Scott Bryer-State of New Hampshire
C. Pacific – Carmen Shipman-State of Nevada
D. Southeast – Lara Lansford-State of North Carolina

The Communication and Coordination Subcommittee was asked to work with the Compliance Subcommittee at the end of the day to generate a response to the IRS regarding their proposed policy change related to dyed fuel requirements for high sulfur diesel.

Cindy Anders-Robb mentioned that the Canadian Fuel Tax Council had inquired about how flash sales are handled for cross border transactions. There was some discussion but no follow ups noted for the subcommittee.

The subcommittee will also continue working on the following projects for the next year:

A. Continue to review the 11 Point Plan
B. Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues.
C. Add a section to the Model Legislation concerning Information for Safeguarding of IRS Data. Cindy Anders-Robb is currently working with the IRS on putting together a standardize document for this.
D. Current definitions need to be looked at on a yearly basis to insure that they are still correct.
E. Continue publishing the Uniformer
F. Continue tracking the Project Tracking Forms for each of the subcommittees.
G. Document for the Uniformity Chair and Subcommittee Chair roles Roles and Responsibilities to be placed on the FTA website.
H. Update the 2015 Native American Survey
I. 2017 Motor Fuel Tax Information by State Book
J. Analysis of revenue derived from various taxation methods and compliance tools.
K. Report of Accomplishments of the FTA Uniformity Committee (This has still been postponed until the Battelle study is fully completed).

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.
2016-2017 Annual Report

The Communication and Coordination Subcommittee had a busy and productive year.

The full Uniformity Committee approved the following requests:

1. Approved the following Definitions:
   - **Renewable Diesel** - is a hydrocarbon diesel vehicle fuel produced from non-petroleum renewable resources such as vegetable oils (soy, corn, canola, etc.), animal or poultry fat, used cooking oil, municipal solid waste, and wastewater sludge and oils. The most common process used today to produce this product is hydrotreating, which is used in petroleum refineries currently. Renewable diesel is virtually indistinguishable from conventional (petroleum-based) diesel fuel in its chemical composition and performance. Accordingly, renewable diesel is considered a "drop-in" fuel, which means it can be used in blends with conventional diesel fuel, and its presence will be transparent to vehicles or equipment. Renewable diesel meets or exceeds all ASTM D975 minimum standards. Renewable diesel is not biodiesel.
   - **Reformulated Blendstock for Oxygenate Blending (RBOB)** - Motor gasoline blending components intended for blending with oxygenates to produce finished reformulated motor gasoline.
   - **Conventional Blendstock for Oxygenate Blending (CBOB)** – Motor gasoline blending components intended for blending with oxygenates to produce finished conventional motor gasoline.

2. Approved Roles and Responsibilities of the Uniformity Committee document to be placed following “Why States Consider Adopting the Uniformity Recommendations” in the Uniformity Guide.

**Motor Fuels Tax Section Uniformity Committee**

There are many participants that make up the Motor Fuels Tax Section Uniformity Committee. Everyone’s role and responsibility is important to the success of the organization. The committee is made up of the following:

- **Uniformity Co-Chairs**
  
  *(Appointed by FTA Motor Fuels Tax Section National Chair)*
  
  - State
  - Industry

- **Sub-Committee Co-Chairs**
  
  - State
  - Industry

For the following Sub-committees:

- Forms Management
- Communications and Coordination
- Compliance
- Electronic Commerce

- **Members/Representatives**
➢ State Government
➢ Federal Government
➢ **Roles & Responsibilities**
➢ Industry
➢ Canadian Provinces

To become a member and get involved with the Uniformity Committee all you have to do is attend a meeting in person or via phone, participate in discussions, volunteer to work on a project, or be a sub-committee co-chair or Uniformity Co-Chair.

**Uniformity Co-Chairs – 2 Year Term** *(State Co-Chair only)*

- Respond to inquiries and questions from interested parties
- Set goals and direction for the full Uniformity Committee and sub-committees
- Receive direction from:
  - FTA Motor Fuels Tax Section National Chair
  - FTA Motor Fuels Tax Section Steering Committee
  - FTA Motor Fuels Tax Section Associate
- Participate on the Steering Committee
- Monitor and track sub-committee projects and update the Steering Committee
- Assist with developing Annual Meeting Agenda
- Moderate break-out session(s) at annual meeting
- Conduct meeting with sub-committee co-chairs
- Prepare agenda for full committee meeting. Preparation includes, but not limited to, sub-committee updates, recruiting guest speakers, old and new business.
- Assign projects to sub-committees as needed
- Write an article for *The Uniformer* 3 times a year
- Provide the Uniformity update at (4) Motor Fuel Regional meetings and (1) Annual meeting
- Provide assistance and encouragement to the sub-committees
- Facilitate the full Uniformity Committee meeting *(Note: In the absence of the State Chair, the Industry Chair will conduct the meeting)*
- Participate in the full Uniformity Committee Meeting by advising and guiding discussion where

**Sub-Committee Co-Chairs**

- Implementing the 11 point plan
  - Communication and Coordination Subcommittee: Points 1, 8 & 10
  - Forms Management Subcommittee: Points 2, 3, 4, 5 & 9
  - Compliance Subcommittee: 7 & 11
  - Electronic Commerce Subcommittee: Point 6
- Set goals and objectives for their sub-committee and insure they are met
- Prepare meeting agenda for sub-committee meeting
- Facilitate sub-committee meeting
- Take minutes of sub-committee meeting
- Recruit members to work on projects
- Provide update of the sub-committee meeting at the full committee meeting
- Submit agendas and meeting minutes to the FTA Motor Fuel Associate in a timely manner
• Submit an Annual report for Uniformity Guide

**Members/Representatives**
- Participate in discussions
- Suggest/Volunteer for tasks/projects
- Submit request for product codes, schedule codes, definitions, forms, electronic schemas and user guides for review
- Make, second and vote on motions

**Note: National Chair or Vice Chair cannot serve on any committee**

3. The Uniformer – The subcommittee published three (3) issues of the Uniformer.

4. The 2016 Taxation, Alternative Fuels, Diversion Booklet was printed and was available at the 2016 FTA Motor Fuels Annual Meeting.

The 2017 Motor Fuel Tax Information by State Book will include the following sections:

**Section 26**- Define the hierarchy of licenses in each state and who is responsible for remitting taxes to the state.

**Section 27**- When amending returns does the state require the entire return be amended or amend only the information that is changing?

**Section 28**- Does your state allow credit and rebills on the current month report?

**Section 29**- How many days are allowed to report late loads?

The following people from each region volunteered to contact the states within their regions to gather the updated information for the 2017 Motor Fuel Tax Information by State Book:

A. Midwest – Edie Martin - State of Kansas
B. Northeast – Scott Bryer - State of New Hampshire
C. Pacific – John Manning - State of Utah
D. Southeast – Lee Gonzalez - State of Florida

5. The 2015 Native American Survey was sent out to each state for revisions, edits, updates, etc. so that the 2017 Native American Survey can be printed and available at the 2017 Motor Fuel Annual Meeting.
The following people from each region volunteered to contact the states within their regions to gather the updated information for the 2017 Native American Survey:

- **A. Midwest** – Edie Martin-State of Kansas
- **B. Northeast** – Scott Bryer-State of New Hampshire
- **C. Pacific** – John Manning-State of Utah
- **D. Southeast** – Randy Winkler-State of Alabama

6. It was approved to add Cyber Attack to the **Emergency/Disaster Readiness Checklist** in the Uniformity Guide as a potential scenario. This addition is the result of a survey question regarding the State’s guidelines or preferred options for filing motor fuel tax returns and payments if a taxpayer does not have access to computers or servers due to a cyber attack.

The Communication and Coordination Subcommittee will take the responsibility of The Uniformer, effective January 2017.

The question was raised if the definition for Buy-Sell Agreement in the Uniformity Guide should be updated with the definition of Buy-Sell Agreement in the White Paper document. It was agreed upon to leave the definitions in both the Uniformity Guide and White Paper document as is.

During the subcommittee meeting in Portland, ME, Emilda Santiesteban raised a question regarding the definition of Product Authorizations. Volunteers Emilda Santiesteban, Rich Little, and Scott Foster took on the task of defining Product Authorization. Following further discussion during the current meeting it was determined that no definition of Product Authorization will be needed.

Survey questions will be sent to states regarding questions related to Renewable Diesel. A White Paper document for Renewable Diesel will be created by Wilda Ice, a shortened version of the definition will be included with the survey questions along with the White Paper document.

Renewable Diesel (shortened) - is a hydrocarbon diesel vehicle fuel produced from non-petroleum renewable resources such as vegetable oils (soy, corn, canola, etc.), animal or poultry fat, used cooking oil, municipal solid waste, and wastewater sludge and oils.

Floor price for fuels email; A discussion was held regarding an email from the state of OR in reference to floor pricing for gasoline and diesel. The question of the email was, "... if any states have a floor price for gas or fuel where the price of gasoline and diesel is set a price as if the barrel price were not to drop below a certain floor amount? When the barrel price does drop below the floor, consumers would continue to pay the higher amount and the difference would be placed into a special fund." This is the approach China has taken to fund energy conservation and pollution control. No states present, with the exception of GA, were familiar with a policy such as this. GA explored this approach but legislation never passed.

The subcommittee will also continue working on the following projects for the next year:

- **A.** Continue to review the 11 Point Plan
- **B.** Add a section to the Model Legislation concerning forfeitures of motor fuel relating to tax issues.
- **C.** Add a section to the Model Legislation concerning Information for Safeguarding of IRS Data. Cindy Anders-Robb is currently working with the IRS on putting together a standardize document for this.
- **D.** Current definitions need to be looked at on a yearly basis to insure that they are still correct.
- **E.** Continue publishing the Uniformer
- **F.** A White Paper document for Renewable Diesel
- **G.** Continue tracking the Project Tracking Forms for each of the subcommittees.
- **H.** 2018 Motor Fuel Tax Information by State Book
I. Analysis of revenue derived from various taxation methods and compliance tools.
J. Report of Accomplishments of the FTA Uniformity Committee (This has still been postponed until the Battelle study is fully completed).

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

Christy Dixon, Oklahoma Tax Commission  
Phone: (405) 522-4197  
E-Mail: cdixon@oktax.state.ok.us

Lauren Branch, Exxon/Mobil  
Phone: (832) 624-3921  
E-Mail: lauren.branch@exxonmobil.com

2017-2018 Annual Report

The Communication and Coordination Subcommittee had a busy and productive year.

The full Uniformity Committee approved the following requests:

1. Approved the following white paper document:

   **What is the Difference Between Biodiesel and Renewable Diesel?**
   **September 2017**

There is a continuous search for renewable sources of fuels due to the rate of the depletion of fossil fuel. The term "biofuel" is used to define fuels that are obtainable from plants or animals. High-quality renewable diesel and traditional biodiesel are both considered biofuels but they are two different products.

Fossil fuel or petroleum diesel is a petroleum distillate rich in paraffinic hydrocarbons. Petroleum diesel is produced from fractional distillation of crude oil between 392 degrees F and 662 degrees F at atmospheric pressure. Petroleum diesel (or diesel) falls under the specifications outlined by ASTM D975. The fractional distillation process produces other petroleum products including gasoline, kerosene, fuel oil and asphalt. All of the products, including diesel fuel, may be further processed in other refining units before the final product is ready for consumption.

**Biodiesel**

Biodiesel (or Fatty Acid Methyl Esters) is produced using a transesterification process. Transesterification is the reaction of vegetable oils or animal fats catalytically with a short-chained aliphatic alcohol (usually methanol or ethanol). Glycerol is a by-product of the transesterification process. Biodiesel is defined under the standard of ASTM D 6751 as a fuel containing mono-alkyl esters of long-chain fatty acids derived from vegetable oils or animal fats. Biodiesel is chemically different from petroleum diesel and renewable diesel because it contains oxygen atoms.

Biodiesel can be used in its pure form or blended with petro diesel as an additive. Biodiesel in its pure form is designated B00 where the 100 refers to 100% biodiesel. Biodiesels blended with petroleum diesel are designated by the percentage of biodiesel. For example, a blended fuel comprised of 20% biodiesel and 80% petroleum diesel is referred to as B20. Some of biodiesel’s properties present benefits over traditional petroleum diesel. Biodiesel has a higher cetane number, contains no aromatics, and is non-toxic and biodegradable. Biodiesel has low sulfur content and improves lubricity. Other biodiesel properties present concerns: it may not be compatible with zinc, copper-based alloys, tin and lead, leading to corrosion. Biodiesel can also cause certain elastomers and seals to swell and harden. Biodiesel also negatively impacts low-temperature operability and the
energy content is lower than petroleum diesel. This lower value is not noticeable at blend levels around B5, however, there is a drop in power output and fuel efficiency at higher blend levels.

Renewable Diesel

Renewable diesel, often called “green diesel” refers to petroleum diesel-like fuels derived from biological sources that are not esters. Renewable diesel is chemically the same as petroleum diesel but is made of recently living biomass. Renewable diesel can be further distinguished from biodiesel based upon the processing method to create the fuel resulting in petroleum diesel-like chemical composition. The three primary methods for creating renewable diesel are hydrotreating, thermal conversion, and Biomass-to-Liquids.

- Hydrotreating is a process where the feedstock is reacted with hydrogen under elevated temperature and pressure to change the chemical composition of the feedstock.
- The thermal conversion process is currently used to process slaughterhouse waste and other carbon-containing solid waste to create a fuel that meets the standards of ASTM D396 and ASTM D975.
- The Biomass-to-Liquid (BTL) is another process for making renewable diesel fuel by converting biomass (predominately cellulosic material) through high-temperature gasification into synthetic gas or “syngas”, a mixture rich in hydrogen and carbon monoxide. The syngas is then converted to liquid fuel by a set of chemical reactions. Renewable diesel produced using the BTL process can be created using any source of biomass while the other processes are limited to mainly lipids, oils obtained from recently living biomass.

Renewable diesel blends follow the same nomenclature as biodiesel. Renewable diesel in its pure form is R00. A blend consisting of 20% renewable diesel and 80% petroleum diesel would be R20. Renewable diesel is the same chemically as petroleum diesel (both are considered hydrocarbons) and it can be mixed in any proportion with diesel. Renewable diesel has a higher cetane rating than petroleum diesel which means the fuel burns cleanly and the engine gets more power. This also means the engine may start easier in cold temperatures.

The definition of renewable diesel is not as straightforward as that of biodiesel. Renewable diesel has been defined by the IRS as: fuel derived from biomass using a thermal depolymerization process which meets –

(C) The registration requirements for fuels and fuel additives established by the Environmental Protection Agency (EPA) under section 211 of the Clear Air Act and
(D) The requirements of the American Society of Testing and Materials D975 or D396.

The EPA defines the federal renewable fuel standards for biomass-based diesel to include:

(C) mono-alkyl ester
(D) Non-ester renewable diesel.

The EPA makes a distinction between biodiesel and renewable diesel using equivalence values. The equivalence values determine how to add volumes of different fuels together for the purpose of RFS (Renewable Fuel Standard) tracking. Biodiesel (mono-alkyl esters) has an equivalence of 1.5. Non-ester renewable diesel has an equivalence value of 1.7. The EPA further clarifies the definition of renewable diesel to state: Renewable diesel is derived from non-petroleum renewable resources that has been produced using a refinery hydro-treating process.
Summary
Petroleum diesel fuel is a mixture of hydrocarbons obtained by distillation of crude oil. Petroleum diesel is classified as a fossil fuel, a non-renewable source of energy consisting of hydrocarbon-containing materials of biological origin occurring within Earth’s crust. Fossil fuels are the world’s dominant energy source, making up 82% of the global energy supply.

Biodiesel is the result of the chemical process (transesterification) of bio-mass. Biodiesel is the common name for methyl ester. Biodiesel can be used as a motor fuel but is chemically different from traditional petroleum based diesel (biodiesel is not a hydrocarbon).

Renewable diesel is a hydrocarbon fuel produced from non-petroleum renewable resources using one of the following processing methods: hydrotreating, thermal conversion, or Biomass to Liquid (BTL). The result is chemically identical to petroleum based diesel with significant environmental advantages.

2. The 2018 Motor Fuel Tax Information by State Book will include the following sections:

**Section 6-**What are the fees and rates associated on reportable products (i.e. environmental fee, inspection fee)? What is the statutory reference regarding the fees on reportable products?

Note: In the 2018 Book this will be added as Section 6 and the rest of the questions will be renumbered.

The current Section 22 reads as follows:

**Section 22-**Does your state require transporter returns and if so, who is required to report?

This question will be changed to:

**Section 22-**Does your state require Common and Contract Petroleum Products Carrier/Transporter Reports and if so, who is required to report?

This question will replace section 26 and will be in table format:

**Section 27-**Define the hierarchy of the licenses in each state, who is responsible for remitting taxes to the state and the applicable activity for each license. (Note: Please add any activity descriptions if not listed for your state)

**Examples:**

<table>
<thead>
<tr>
<th>Licenses Issued</th>
<th>Put a Check if Remits Tax</th>
<th>Applicable Activity Number(s)</th>
<th>Activity Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier</td>
<td>X</td>
<td>1, 2, 3, 4, 8, 9</td>
<td>1. Import</td>
</tr>
<tr>
<td>Terminal Operator</td>
<td>10</td>
<td></td>
<td>2. Export</td>
</tr>
<tr>
<td>Distributor</td>
<td>X</td>
<td>1, 2, 3, 4, 5, 9</td>
<td>3. Sell at Wholesale</td>
</tr>
<tr>
<td>Exporter</td>
<td></td>
<td>2</td>
<td>4. Sell at Retail</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Licenses Issued</th>
<th>Put a Check if Remits Tax</th>
<th>Applicable Activity Number(s)</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Import</td>
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<td></td>
<td></td>
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<td>4. Sell at Retail</td>
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<td></td>
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<td>5. Fuel in Terminal</td>
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<td></td>
<td></td>
<td></td>
<td>6. Transport Fuel</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7. Operate IRS</td>
</tr>
</tbody>
</table>
Section 28-Does your state require the seller to collect both origin and destination state taxes?

Section 29-Does your state require pre-collection election?

The following people from each region volunteered to contact the states within their regions to gather the updated information for the 2018 Motor Fuel Tax Information by State Book:

A. Midwest – Scott Fitzgerald-State of Iowa
B. Northeast – Chuck Ulm- State of Maryland
C. Pacific – Tracy Halubka-State of Montana
D. Southeast – Michael Grammer-State of Kentucky

There were no new Definitions added for the 2017-2018 period.
The 2017 Motor Fuel Tax Information by State Book was printed and was available at the 2017 FTA Motor Fuels Annual Meeting

The Uniformer – The subcommittee published three (3) issues of the Uniformer-September, 2017, January, 2018 and April, 2018.

In response to the Tax Stamp News Article, “The Changing Fuel Market and Steps to Counter Illicit Fuel Activities” Christy Dixon and David Lopez will contact states with dyed fuel enforcement programs to obtain existing information around enforcement efforts and statistics. Jeremy Neeck - Minnesota, Tracy Halubka - Montana, and Wilda Ice - North Carolina will be contacted for more information specific to their states. This discussion will be revisited at the September 2018 meeting to determine if a response should be drafted for the article.

There was discussion around the reporting of CNG to jurisdictions whose forms are not conducive to reporting alternative fuels. Pitter Martinez and Kristin Armstrong will provide the list of states that are to be contacted to the Communication & Coordination subcommittee. States were provided with Alternative Fuel report on page 75 of the 2017 Uniformity Book and Alternative Fuel white paper document on page 212 as a reference to encourage uniformity.

The subcommittee has been asked to do a definition for demurrage.

The subcommittee will also continue working on the following projects for the next year:

A. Continue to review the 11 Point Plan
B. Add a section to the Model Legislation concerning Information for Safeguarding of IRS Data. Cindy Anders-Robb is currently working with the IRS on putting together a standardize document for this.
C. Current definitions need to be looked at on a yearly basis to insure that they are still correct.
D. Continue publishing the Uniformer
E. Definition for Demurrage
F. Continue tracking the Project Tracking Forms for each of the subcommittees.
G. 2019 Motor Fuel Tax Information by State Book
H. Update the 2017 Native American Survey
The Communication and Coordination Subcommittee had a busy and productive year.

The full Uniformity Committee approved the following requests:

**Approved White Paper Document Note:** This will be put into the White Paper Document section of the 2019 Uniformity Guide. Also “See White Paper Document” reference will be made in the Model Legislation section of the Uniformity Guide.

**Minimizing Fuel Disruptions Due to Declared Emergencies or Natural Disasters**

**April, 2019**

**Introduction**

A jurisdiction may be faced with a natural disaster or emergency that inhibits the flow of fuel (i.e. gasoline, diesel, aviation gasoline, jet fuel, heating oil, kerosene etc.) and petroleum products into its state. A natural disaster is defined as a sudden event in nature that usually results in serious damage or loss of life. Examples of natural disasters include, but are not limited to, earthquakes, wildfires, and hurricanes. An emergency is defined as a sudden or unexpected event that may result in injury, property damage, or loss of life and requires immediate attention. In terms of fuel disruptions, a declared emergency could be construed as a damaged pipeline or work stoppage organized by employees. In either case, supply channels would be disrupted inhibiting the ability to distribute fuel or petroleum products to markets or to support disaster recovery. This document outlines steps administrators should consider implementing before an emergency is declared. These strategies limit fuel disruptions and ensure the destination state receives tax revenues on fuel imported into its state.

**Mitigation Strategies**

Fuel tax administrators have an obligation to minimize the impact of fuel disruptions as much as possible. This can be done by utilizing existing technologies, proposing legislation, and opening lines of communication with applicable state and federal jurisdictions. It is important to note that taxes or fees on fuel and petroleum products may be administered by more than one agency. If this is the case, each agency should be aware of any mitigating strategies prior to a declared emergency or natural disaster.

The following information identifies actions state tax administrators can take before and after a declared emergency or natural disaster to minimize fuel disruptions.

- **License Waiver** - Propose legislation that inhibits the origin state’s tax or fee from being charged if fuel is exported to a state under a declared state of emergency or natural disaster and the exporter does not have the proper licensing.

Sample Legislation

| Export of Tax Free Fuels. — |
| A person may export fuel without an exporter’s license and without paying the tax/fee imposed pursuant to this part only under any of the following circumstances: |
• A Governor of a state has declared a state of emergency or the President of the United States has declared a major disaster in a state or territory of the United States, and/or
• Fuel is exported outside this state to a state or territory where an emergency or natural disaster has been declared and/or
• All destination state taxes or fees were paid on the fuel exported out of state.

This provision will remain in effect for the duration of the disaster response period as outlined in the emergency order or declared disaster.

• **Temporary License** - Propose legislation that creates a temporary importer, exporter, distributor, or transporter license during a declared state of emergency. Prior to drafting this legislation, state taxing jurisdictions should consider the following.

  ✓ Should the state waive bonding requirements, background checks, and fees to expedite the licensing process?

  ✓ Should the state activate the temporary license for a pre-defined period or for the duration of the declared emergency?

  ✓ What should the state use as a basis for approving the temporary license? Consider using another license type, such as a sales tax license, or another state's fuel license as the basis for approving the temporary license.

  ✓ Should the state require an electronic registration system in case employees are not available to process the application?

  ✓ Should the state require temporary license holders to file reports identifying fuel imported, exported, or carried to or from the applicable state?

  ✓ Should state law waive registration or certificate of authority requirements?

  **Note** -

  Registration/Certificate of Authority - Waiver language should be incorporated into the emergency/disaster legislation in the event the license registration requires the licensee to obtain this registration/certificate to transact business in the state and obtain a fuel license. You may want to verify with the Secretary of State office if this is acceptable in the event of an emergency/disaster.

  ✓ Should the state grant tax deferral privileges to the temporary license holder? Recourse should be extended to licensed suppliers in the event temporary license holders do not remit deferred taxes. In the event a state does not take this approach the law should be clear, so the supplier/permission supplier is aware and can evaluate the credit worthiness of their customer if they (supplier/permission supplier) wish to defer the customer’s tax liability.

  ✓ Will the state allow the temporary license holder to receive a collection allowance? If a jurisdiction does not give the allowance privilege to the temporary licensee, then the state should indicate this position in the proposed law, so suppliers can make appropriate changes. Also, jurisdiction should adjust tax returns to account for the disallowed collection allowance to temporary license holders.
Sample Legislation

Temporary Licenses – Declared Emergency

(1)(a) Notwithstanding any provision to the contrary contained in this chapter, the department may grant a temporary fuel license for immediate use if:

1. The Governor has declared a state of emergency under s. X; or
2. The President of the United States has declared a major disaster in this state or in any other state or territory of the United States.

(b) Notwithstanding the provisions of this chapter requiring a license and a bond or criminal background check, the department may issue a temporary license as an importer, exporter, distributor or transporter.

(c) A temporary license expires on the last day of the month following the month in which the temporary license was issued. The department may extend any temporary license on a month-to-month basis during the period of a declared state of emergency or major disaster as provided in this subsection. If the department extends a temporary license, the extended license expires on the last day of the month in which the temporary license was extended.

(d) To procure a temporary license, a person must provide to the department the following information.

5. The federal identification number of the business or, if such number is unavailable, the social security number of the owner.
6. The name under which the person will transact business within the state.
7. The location, with street number address, of his or her principal office or place of business within this state and the location where records will be made available for inspection.
8. Any other information required by the Department.

(e) A temporary license authorized by this subsection may not be renewed if the licensee has not filed the required returns or made payment of the taxes required under this chapter.

Note –

Destination State Tax - If consideration is given to waiving licensing requirements or issuing a temporary license, states should require the destination state tax to be collected. Terminal suppliers should collect the destination state tax for both rack tax states as well as distributor states. Distributor states should avoid allowing unlicensed distributors or distributors with a temporary license from receiving and selling tax-free fuel.

- **Dyed Fuel Waivers** - Prior to any impending natural disaster, taxing jurisdictions should consider submitting a request to the Internal Revenue Service and Environmental Protection Agency that would allow the use of dyed diesel fuel on-road when the availability of undyed fuel is limited. Alternative filing procedures or system enhancements may be required to provide taxpayers with the ability to report and pay all applicable tax and/or fees on dyed fuel used on-road as if the dyed fuel is clear.

- **Gasoline Volatility Waivers** - In response to a natural disaster or other fuel supply emergency, authorities should consider contacting industry, environmental regulators of State Implementation Plans (SIP), and the Environmental Protection Agency (EPA), in conjunction with the Department of Energy (DOE), to request state and federal gasoline volatility waivers. Volatility defines the evaporation characteristics of a liquid fuel which is measured by and referred to as RVP (Reid Vapor Pressure) and is regulated by the EPA and states to reduce o-zone harming emissions. The waivers could raise federal and state RVP seasonal limits, reduce co-mingling restrictions, or allow industry to produce, sell, and distribute conventional gasoline instead of reformulated gasoline (cleaner burning fuel tha
t produces less smog and toxins) in air quality non-attainment areas. Removing restrictions on RVP will make it easier on industry to supply fungible gasoline to impacted areas.

- **Conditional License** - Prior to any natural disaster or state of emergency, create a pre-registration system that identifies potential importers, exporters, distributors or carriers that currently do not have a license, but are willing to do business in your state during a declared emergency. Qualified applicants would be given a conditional licensing status that would be activated during a declared state of emergency. The temporary license would be active for a pre-defined period of time or for the duration of the declared emergency. States should consider waiving background checks, fees, and bonding requirements when issuing a conditional license. States should also consider using another license type, such as a sales tax license, or another states fuel license as the basis for approving the conditional license. Anyone who qualifies for conditional licensing would be identified by name and posted on a public web site. The posting would notify vendors of potential transporters or suppliers willing to provide fuel during the applicable time frame.

- **Public Facing** - Post information on the taxing jurisdictions website that identifies exceptions to licensing, due dates, fuel usage or points of taxation if a state of emergency is declared. Information may include, but is not limited to, registration procedures for temporary or conditional licenses, executive orders outlining alternative due dates or exceptions to dyed fuel use, areas impacted by the declared emergency, or tax law that takes effect if an emergency is declared.

- **Contingency Plan** - Develop a regional contingency plan between participating states. The plan will pre-define actions taken by each state if an emergency or natural disaster is declared. The purpose of the plan is to initiate executive orders or administrative actions that would remove barriers that inhibit the movement of fuel between states or cause double taxation. These actions include, but are not limited to, waiving, reducing, or expediting licensing requirements pertaining to imports, exports, distributors and transporters of fuel.

- **Storage Capacity** - Prior to a declared emergency, identify public and private sites where fuel can be stored for emergency use. This includes temporary storage and dispensing facilities such as rail cars or tanker trucks. Tax Administrators should be prepared to provide guidance related to points of taxation, filing, or tank registration requirements if fuel is dispersed directly from these tanks into vehicles or retail stations.

**Conclusion**

Although each state is bound by administrative or statutory requirements, there are actions that can be taken to minimize the effects of an emergency or natural disaster. These actions could expedite the flow of fuel, therefore easing the burden on those impacted by the emergency and in some cases, saving lives. It is important to consider the timing of these actions. Do not wait until the crises occurs to create a contingency plan that addresses licensing, taxation, or filing deficiencies. Ignoring or postponing these actions will put taxing jurisdiction at a disadvantage when responding to its citizens. Finally, it is important for fuel tax administrators to reach out to their state and industry counterparts to discuss viable options. Open lines of communication with colleagues before, during, and after an emergency is paramount to a successful response.

The following revised sections/sections were approved for the 2019 Motor Fuel Tax Information by State Book:

**Section 29:**
- **Revised**: If your state taxes at the rack, does your state require pre-collection election?
- **Current**: Does your state require pre-collection election?
Section 27: Activity description column will be removed from the table and numbered descriptions will be listed separately.

- **Revised**: Define the hierarchy of the licenses in each state, who is responsible for remitting taxes to the state and the applicable activity for each license. *(Note: Please select the activity descriptions from the list below and add any activity descriptions not listed for your state.)*
  - Activity Descriptions:
    - 1. Import
    - 2. Export
    - 3. Sell at Wholesale
    - 4. Sell at Retail
    - 5. Fuel in Terminal
    - 6. Transport Fuel
    - 7. Operate IRS Terminal
    - 8. Blends Fuel
    - 9. Refine Fuel
    - 10. Stores Fuel at IRS Terminal (ExStar Report)

- **Current**: Define the hierarchy of the licenses in each state, who is responsible for remitting taxes to the state and the applicable activity for each license. *(Note: Please add any activity descriptions if not listed for your state) This question will replace section 26 and will be in table format.

Examples:

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</tr>
<tr>
<td>Terminal Operator</td>
<td></td>
<td>10</td>
<td>2. Export</td>
</tr>
<tr>
<td>Distributor</td>
<td>X</td>
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<td></td>
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<td>3. Sell at Wholesale</td>
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<td>5. Fuel in Terminal</td>
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<td>6. Transport Fuel</td>
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<td>7. Operate IRS Terminal</td>
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<td>8. Blends Fuel</td>
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<td>9. Refine Fuel</td>
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<td>10. Stores Fuel at IRS Terminal (ExStar Report)</td>
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Section 33—What data elements are required on BOL/Shipping document and or Invoice by your state? Please provide the statutory reference.

In addition, it was recommended and approved by the subcommittee members to have the Section 33 question put out onto the FTA Motor Fuel Listserv so that Industry can get some responses before the 2019 Motor Fuel Information by State Book is published and distributed in September, 2019.
Revisions/Additions to the 2019 Motor Fuel Information by State Book were discussed. No additional questions were brought forward to be added to the book at this time. Bob Donnellan will draft a question around Farmers and Local Government exemptions and will bring to the September 2019 meeting to discuss.

The following people from each region volunteered to contact the states within their regions to gather the updated information for the 2019 Motor Fuel Tax Information by State Book:

A. Midwestern – Edie Martin-State of Kansas
B. Northeastern – Scott Bryer-State of New Hampshire
C. Pacific – Tracy Halubka-State of Montana
D. Southern – Catherine Mitchell-State of West Virginia

The following definitions were approved:

- **Demurrage** is the result of a failure to abide by the terms of a transportation contract. Specifically, it is when a charge is payable to the owner of a contracted transport on the failure to load or discharge of the transport within an agreed time period.

- **Transloader** is equipment used to transfer product from one mode of transportation to another.

- **Transloading** is the process of transferring product from one mode of transportation to another.

**Native American Survey**

The 2017 Native American Survey was sent out to each state for revisions, edits, updates, etc. so that the 2019 Native American Survey can be printed and available at the 2019 Motor Fuel Annual Meeting.

The following people from each region volunteered to contact the states within their regions to gather the updated information for the 2019 Native American Survey:

A. Midwestern – Edie Martin-State of Kansas
B. Northeastern– Scott Bryer-State of New Hampshire
C. Pacific – Tracy Halubka-State of Montana
D. Southern – Michelle Corbett-State of South Carolina

**The Uniformer** – The subcommittee published three (3) issues of the Uniformer-September, 2018, January, 2019 and April, 2019.

In response to the Tax Stamp News Article, "The Changing Fuel Market and Steps to Counter Illicit Fuel Activities" - Tracy Halubka, Wilda Ice, Jeremy Neeck and Stephen Wisyanski provided stats for their dyed fuel enforcement program in response to the Tax Stamp News Article discussion. Tax Stamp News Article discussion was tabled and no article will be written.

Wilda Ice brought forward a concern with some states providing export information in PDF format. It is ideal to have export information in excel format as the data is much easier to sort in this format. A note will be added to the April 2019 Uniformer to request states, that are currently not doing so, to use excel format when sending export information between states.

Discussion was had regarding Model Legislation to require transload locations to become licensed and report their transactions. Wilda Ice will add the definition for transloading, from the Uniformity Book, and additional information regarding registration and filing of returns to the document. The term “Taxpayer” referenced throughout the document will be changed to read “Licensee”.

The need to define new motor fuel terminology was discussed and it was decided that new/unfamiliar terms will be brought to the committee for further discussion as needed. New product code for Isobutanol was mentioned, Jessica McInerny and Bob Donnellan will work on drafting a definition of
this product for the committee to discuss at the September 2019 meeting. Following the discussion of
the definition it will then be determined if a new product code is needed.

Discussion about combining the Motor Fuel Tax Information by State Book and the Native American
Survey Book was had. The decision was to keep the two books separate.

The 2018 Motor Fuel Tax Information by State Book was printed and was available at the 2018 FTA
Motor Fuels Annual Meeting

The subcommittee will also continue working on the following projects for the next year:

A. Continue to review the 11 Point Plan
B. Add a section to the Model Legislation concerning Information for Safeguarding of
   IRS Data. Cindy Anders-Robb is currently working with the IRS on putting together
   a standardize document for this.
C. Current definitions need to be looked at on a yearly basis to insure that they are still
correct.
D. Continue publishing the Uniformer
E. Definition for Isobutanol
F. 2019 Motor Fuel Tax Information by State Book

If you need further information regarding committee activities or need further assistance, please
contact the co-chairs of this committee.

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2019-2020 Annual Report

The Communication and Coordination Subcommittee had a busy and productive year.

The full Uniformity Committee approved the following requests:

Approved White Paper Document Note: This will be put into the White Paper Document
section of the 2020 Uniformity Guide.

TRANSLOAD ACTIVITIES
Points to Consider Relative to Fuel Tax Administration
June 2020

When proposing changes to existing motor vehicle fuels and/or accountable products, taxing
authorities must decide what the effect will be upon existing taxpayers and any new taxpayers. Just
adding a licensee required to file an informational return will increase the licensee base and will
require additional cross checking to verify accuracy of reports.
Taxing authorities must also decide where the tax will be collected on accountable products. When
considering taxpayer options, the option chosen determines who and how many taxpayers a taxing
jurisdiction will have.

Effective licensing and bonding of motor fuel taxpayers helps ensure financial responsibility and
protects the millions of dollars of tax liability with which licensees are entrusted each month.
Taxpayers are likely to become more trustworthy and reliable when the licensing body performs
thorough background checks on potential licensees and requires surety for tax liabilities. These
measures will help identify potential tax evaders and places the necessary safeguards on entities that
are licensed.
Information on product movement and transactions provide the records necessary to determine the amount of taxes due. Reporting inadequacies and delays provides opportunities for motor fuel tax evasion to go undetected long enough to be successful. The reporting, tax payment and verification processes are vital to a strong tax department.

Requiring prompt reporting improves the tracking process and can help identify companies that have not been licensed or have not remitted tax. The use of transporter returns, terminal operator returns and other informational returns can be vital in tracking reportable product.

Tracking fuel transported via railcars can be difficult. The fuel may be delivered to a transloading facility where it is either off loaded into on site storage tanks, into a pipeline that feeds a nearby terminal, or into trucks that deliver to the customer. This point is where the audit trail usually ends.

Things to consider:

- FTA has defined these three words: Transloader is equipment used to transfer product from one mode of transportation to another.
- Transloading is the process of transferring product from one mode of transportation to another.
- Transloader Operator: Person that engages in the process of transferring product from one mode of transportation to another.

Define your potential licensee. What is a transload facility in your state? Is it a facility with storage or just rail access? How does it differ from other licensees? Be mindful that some transloading occurs using portable meters. Would you want these transloaders licensed?

- What reportable activity do you want? What reports will you want from this facility? States should also consider that fuel can be transloaded from rail transportation to bulk storage that will later be dispensed into transport vehicles.

Will the transload facility need to be licensed or just registered to conduct motor fuel activity in your state? Do you know who the owner and the operator is for all transload facilities in your state?

Does this facility already have a Federal Facility Control Number?

Who do you want to report? Most transload facilities act similarly to a terminal in that they receive and disburse product for hire. Some transload facilities maintain inventory outside a railcar for their inventory holders. Some transload facilities do not consider any product inside a railcar inventory – they simply remove the product using some type of a metered pump and place the product into a truck or a pipeline. All transload facilities can track incoming product by railcar number and outgoing product by bill of lading. In the example of a transload facility that off loads into storage tanks, the inventory on hand cannot be traced back to the individual cars but each receipt is logged by inventory holder. Total gallons in inventory can be accounted for by individual inventory holder.

Transload facilities are not IRS terminals. All product received by them is received outside the terminal transfer system. All imports of taxable products would be taxable because they are imported outside the terminal transfer system. Transload facilities could potentially receive and disburse non–tax paid product. No movement would be reported on ExStars because it is outside the terminal transfer system.
Product may be transported by shortline railroads – most are not licensed as transporters (but should be).

Even if the carrier (railroad) reports the movement of product into your state, the document number may not be a bill of lading number making it difficult to reconcile the movement back to the supplier or importer.

Shipping dates and delivery dates are often weeks apart making cross matching by date impossible.

Requiring transload facilities to be licensed as a transporter or terminal operator may be best solution. Once licensed they can be required to submit informational returns.

States should also review the Transloader Operator Report data elements in the Uniformity Guide.

The following revised sections/sections were approved for the 2020 Motor Fuel Tax Information by State Book:

Section 34-What entities are exempt / excluded in your state? Please cite the statutory reference.

Section 35-What is your statute of limitations to file amendments to remit additional tax?

Section 36-What is your statute of limitations to refund motor fuel tax?

Section 37-Is a refund of motor fuel tax via an amended return, specific claim for refund form or both?

The following people from each region volunteered to contact the states within their regions to gather the updated information for the 2020 Motor Fuel Tax Information by State Book:

A. Midwestern – Edie Martin-State of Kansas
B. Northeastern – Scott Bryer-State of New Hampshire
C. Pacific – Tracy Halubka-State of Montana
D. Southern – Lee Gonzalez-State of Florida

Revisions/Additions to the 2021 Motor Fuel Information by State Book will continue to be discussed. A question was brought forward regarding the availability of state licensee lists; further discussions on this question will be tabled until the next Uniformity meeting.

The following definitions were approved:

Additive Gasoline (FTA adopted 1-20) - A product that is added or mixed in small concentration with accountable product. The additives then become part of the accountable product. Additives are used at the rates of 1-300 parts per million.

Alcohol (FTA adopted 1-20) - Family Group of organic chemical compounds composed of carbon hydrogen and oxygen. They are hydrocarbon plus a hydroxyl group. Common fuel alcohols are methanol, ethanol, butanol and propanol.

Asphalt (FTA adopted 1-20) - A thick, sticky, dark-brown mixture of petroleum tars that is found in natural beds and is also obtained as a residue in petroleum refining and that consists chiefly of hydrocarbons; used in paving, roofing and waterproofing.
Aviation Gasoline (FTA adopted 1-20) - A complex mixture of relatively volatile hydrocarbons with or without small quantities of additives, blended to form a fuel suitable for use in aviation reciprocating engines. Fuel specifications are provided in ASTM Specification D 910 and Military Specification MIL-G-5572.

Benzene (FTA adopted 1-20) - Benzene is a clear, colorless, highly flammable and volatile, liquid aromatic hydrocarbon with a gasoline-like odor. Benzene is found in crude oils and as a by-product of oil-refining processes.

Biodiesel - dyed (percentage of) (FTA adopted 1-20) - Diesel fuel blended with up to 99% biodiesel and injected with a dye of a type and concentration level approved by the IRS. The numerical values following the D represents the percentage of biodiesel present in the fuel.

Biodiesel - dyed (may contain up to 5% biodiesel) (FTA adopted 1-20) - Diesel fuel blended with up to 5% biodiesel and injected with dye of a type and concentration level approved by the IRS.

Blending Components (FTA adopted 1-20) - Component blends that can be used without further processing in the production of finished gasoline.

Butane, including butane - propane mix (FTA adopted 1-20) - Butane is a gaseous fuel derived from petroleum. Butane is blended with propane and commercially sold as LPG. Some common uses for butane include refrigeration, heating and fuel for lighters. Butane is a gasoline blending component defined by the IRS.

Butylene (FTA adopted 1-20) - A series of alkenes with the general formula C4H8. May refer to any of the individual compounds, or to a mixture of them. They are colorless gases that are present in crude oil as a minor constituent in quantities that are too small for viable extraction.

Crude Oil (FTA adopted 6-20) - A naturally occurring, unrefined petroleum product composed of hydrocarbon deposits and other organic materials. A type of fossil fuel, crude oil can be refined to produce usable products such as gasoline, diesel and various other forms of petrochemicals.

Diesel Fuel #4 – Dyed (FTA adopted 6-20) - A distillate fuel oil made by blending distillate fuel oil and residual fuel oil stocks that was injected with dye of a type and concentration level approved by the IRS.

ETBE (Ethyl Tertiary Butyl Ether) (FTA adopted 1-20) - An oxygenate blend stock formed by the catalytic etherification of isobutylene with ethanol. ETBE is a gasoline blending component recognized by the IRS.

Ethane (FTA adopted 1-20) - A straight-chain saturated (paraffinic) hydrocarbon extracted predominantly from the natural gas stream, which is gaseous at standard temperature and pressure. It is a colorless gas that boils at a temperature of -127 degrees Fahrenheit.

Ethanol (100%) (FTA adopted 1-20) - An ethyl alcohol that is a colorless, flammable liquid produced by fermentation of sugars that can be denatured for fuel use. Fuel ethanol is used principally for blending in low concentrations with motor gasoline as an oxygenate or octane enhancer. In high concentrations, it is used in alternative-fuel vehicles specifically designed for its use.
Ethylene (FTA adopted 1-20) - An olefinic hydrocarbon recovered from refinery or petrochemical processes, which is gaseous at standard temperature and pressure. Ethylene is used as a petrochemical feedstock for many chemical applications and the production of consumer goods.

High Sulfur Diesel – dyed (FTA adopted 1-20) - Diesel fuel with a sulfur content level greater than 500 ppm that was injected with dye of a type and concentration level approved by the IRS.

Isobutane (FTA adopted 1-20) - A branch-chain saturated (paraffinic) hydrocarbon extracted from both natural gas and refinery gas streams, which is gaseous at standard temperature and pressure. It is a colorless gas that boils at a temperature of 11 degrees Fahrenheit.

Low Sulfur Diesel – dyed (FTA adopted 1-20) - Diesel fuel with a sulfur content level between 15 ppm and 500 ppm that was injected with dye of a type and concentration level approved by the IRS.

Low Sulfur Diesel #1 – Undyed (FTA adopted 6-20) - A light distillate fuel oil that has a sulfur level between 15 ppm and 500 ppm, a distillation temperatures of 550 degrees Fahrenheit at the 90-percent point, and meets the specifications defined in ASTM Specification D 975.

Low Sulfur Kerosene (FTA adopted 6-20) - It has a maximum distillation temperature of 400 degrees Fahrenheit at the 10-percent recovery point, a final boiling point of 572 degrees Fahrenheit, and a minimum flash point of 100 degrees Fahrenheit and that was injected with dye of a type and concentration level approved by the IRS. This also includes 1-K.

Methane (FTA adopted 1-20) - A colorless odorless flammable gaseous hydrocarbon CH4 that is a product of biological decomposition of organic matter and of the carbonization of coal. Methane is used as a fuel and as a starting material in chemical synthesis, and is the simplest of the alkanes.

Metanol (100%) (FTA adopted 1-20) - A methyl alcohol that is a toxic, colorless, volatile flammable liquid alcohol primarily used as a solvent, antifreeze, or denaturant.

MTBE (Methyl Tertiary Butyl Ether) (FTA adopted 1-20) - An ether intended for gasoline blending to increase the amount of oxygen. MTBE is a gasoline blending component recognized by the IRS.

Naptha (FTA adopted 1-20) - A flammable oil containing various hydrocarbons, obtained by the dry distillation of organic substances such as coal, shale, or petroleum. Naptha is a gasoline blending component recognized by the IRS.

No.1 Diesel – Dyed (FTA adopted 6-20) - A light distillate fuel oil that has distillation temperatures of 550 degrees Fahrenheit at the 90-percent point and that was injected with dye of a type and concentration level approved by the IRS.

Pentanes, including isopentanes (FTA adopted 1-20) - A volatile, colorless liquid hydrocarbon with a characteristic gasoline-like odor that can be burned as a fuel that is similar to butane and hexane. Pentane is a gasoline blending component recognized by the IRS.

Propylene (FTA adopted 1-20) - A colorless, flammable gas, of the olefin series.
Raffinate (FTA adopted 1-20) - A low-octane mixture that remains after aromatics extraction from reformate. Raffinate is a gasoline blending component recognized by the IRS.

TAME (Tert-Amyl Methyl Ether) (FTA adopted 1-20) - is an ether used as a fuel oxygenate. An oxygenate blend stock formed by the catalytic etherification of isoamylene with methanol. TAME is a gasoline blending component recognized by the IRS.

Toluene (FTA adopted 1-20) - Colorless liquid of the aromatic group of petroleum hydrocarbons, made by the catalytic reforming of petroleum naphthas containing methyl cyclohexane. A high-octane gasoline-blending agent, solvent, and chemical intermediate. Toluene is a gasoline blending component recognized by the IRS.

Transloader Operator (FTA adopted 9-19) - Person that engages in the process of transferring product from one mode of transportation to another.

Ultra-Low Sulfur Diesel – dyed (FTA adopted 1-20) - Diesel fuel with a sulfur content level less than or equal to 15 ppm that was injected with dye of a type and concentration level approved by the IRS.

Used Oil (FTA adopted 6-20) - Any oil that has been refined from crude oil or any synthetic oil that has been used and as a result of such use is contaminated by physical or chemical impurities.

Waste Oil (FTA adopted 6-20) - Any petroleum based or synthetic oil, through contamination, has become unsuitable for its original purpose due to the presence of impurities or loss of original properties.

Xylene (FTA adopted 1-20) - Colorless liquid of the aromatic group of hydrocarbons made from the catalytic reforming of certain naphthenic petroleum fractions. Used as high-octane motor and aviation gasoline blending agents, solvents, chemical intermediates. Xylene is a gasoline blending component recognized by the IRS.

It was also agreed that there is no need for a separate definition for both Biodiesel - Undyed (may contain up to 5% biodiesel) and Biodiesel - Dyed (may contain up to 5% biodiesel) as there is an existing Biodiesel definition in the Uniformity Book.

Subcommittee members Donna Alderman, Lauren Branch, Brittany Davis, Lee Gonzalez, Emilda Santiesteban and Tina Whitehead drafted 22 product code definitions for the remaining undefined product codes. These will be discussed at the next Uniformity meeting.

The Uniformer – The subcommittee published three (3) issues of the Uniformer-September, 2019, January, 2020 and June, 2020.

Electronic BOLs - A White Paper document will be drafted and discussed at the next Uniformity meeting. Team members are Lauren Branch, Verna Carrier, Wilda Ice, Edie Martin, John Panza, Emilda Santiesteban and Rae Takai.

“Product Authorizations” - Will continue discussion at the next Uniformity Meeting.

There was a discussion around new products entering the market. Synthetic ethanol and Isobutanol. Wilda Ice provided details for synthetic ethanol and will further research the product and its usability on highways. Jessica McInerny provided the definition of Isobutanol and a discussion was held to determine if there was a need for a product code. This has been tabled at this time.
The subcommittee will also continue working on the following projects for the next year:

A. Continue to review the 11 Point Plan
B. Current definitions need to be looked at on a yearly basis to insure that they are still correct.
C. Continue publishing the Uniformer
D. Product Authorizations
E. Electronic BOLs
F. 2021 Motor Fuel Tax Information by State Book
G. 2021 Native American Survey

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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2020-2021 Annual Report

The Communication and Coordination Subcommittee had a productive year.

The full Uniformity Committee approved the following requests:

Approved White Paper Document Note: This will be put into the White Paper Document section of the 2021 Uniformity Guide.

Electronic Bills of Lading
Points to Consider Relative to Fuel Tax Administration
September 2020

INTRODUCTION
As an action from the January 2020 FTA Uniformity meeting in Myrtle Beach, South Carolina, a subcommittee was formed to create a white-paper analysis on the advantages and disadvantages of electronic bills of lading.

BACKGROUND
This white paper is a companion white paper to the Shipping Documents – Points to Consider Relative to Fuel Tax Administration (September 2012)\(^3\), offering a second solution to the original problem statement:

“Problem: One of the biggest problems with shipping documents is that shipping document formats vary by industry and by terminal operator. When printing several copies of the bill of lading, the print becomes illegible. The format of some documents does not clearly identify the physical address of the terminal, refinery and/or bulk plant. The bill of lading number may not be legible or may be confused with other numbers on the document because it is not required to be uniform. The name of the supplier may or may not be on the shipping document.”

\(^3\) FTA Motor Fuel Tax Section Uniformity Guide – White Paper Documents
Solution: A standardized shipping document with a uniform format that designated a specified area for: the name and address of the location where the fuel was loaded; the unique document number; the supplier name; the date product was loaded; identification of product; gallons loaded (net and gross). Any other information required by the domiciled state or the Federal government could be placed on the shipping document in an area according to each terminal’s specification.

Much of the information on a bill of lading is already transmitted electronically to the suppliers. This format must already be standardized. The idea solution would be to transfer that information to a standardized hardcopy which is printed for the transporter.”

SOLUTION NUMBER TWO: ADVANTAGES AND DISADVANTAGES OF ELECTRONIC BILLS OF LADING:

Electronic bills of lading must digitize the core functions of a paper bill of lading; namely its legal acceptance as a receipt, as evidence of or containing the contract of carriage and a document of title.

For an industry-wide adoption, which is needed to pave the way for parties to use such a system, industry accepted best practices need to be understood. A digital solution to replicate and automate the bill of lading process based on 21st century technology is needed.4

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<td>Speed and accuracy (striving to collect most accurate information)</td>
<td>Cost to implement</td>
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<td>Customer service improvement</td>
<td>Mandated vs elective requirement (border state and international considerations)</td>
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<tr>
<td>Time and money</td>
<td>Non-standardized BOL criteria</td>
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<td>Automate invoicing process</td>
<td>Unknown legislative consideration / Impact at the federal and state levels</td>
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<td>Blockchain</td>
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Other considerations

- Diversions
- Security
- Retention requirements

The following definitions were approved:

**Diesel Fuel #4 - Undyed**
A heavy distillate fuel made by blending distillate fuel oil and residual fuel oil stocks. It conforms with ASTM Specification D 396, ASTM Specification D 975, or Federal Specification VV-F-815C.

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4 Kuester, Florian. “Electronic Bill of Lading – How is Paperless Trade Possible?” Combined Transport Magazine (February 2017)
Low Sulfur Diesel #2 - Undyed
A light distillate fuel with a sulfur level between 15 ppm and 500 ppm, a distillation temperatures of 500 degrees Fahrenheit at the 10-percent recovery point and 640 degrees Fahrenheit at the 90-percent recovery point and meets the specifications defined in ASTM Specification D 975.

No.1 Fuel Oil - Undyed
A light distillate fuel oil that has distillation temperatures of 400 degrees Fahrenheit at the 10-percent recovery point and 550 degrees Fahrenheit at the 90-percent point and meets the specifications defined in ASTM Specification D 396.

Ultra Low Sulfur Diesel - Undyed
A light distillate fuel that has a sulfur level no higher than 15 ppm and meets the specifications defined in ASTM Specification D 975.

Definitions
Subcommittee members Donna Alderman, Lauren Branch, Brittany Davis, Lee Gonzalez, Emilda Santiesteban and Tina Whitehead drafted 15 product code definitions for the remaining undefined product codes. These will be discussed in the upcoming year at the next Uniformity meeting.

There were no new sections added for the 2021 Motor Fuel Tax Information by State Book:

The following people from each region volunteered to contact the states within their regions to gather the updated information for the 2021 Motor Fuel Tax Information by State Book:

A. Midwestern – Edie Martin-State of Kansas
B. Northeastern – Scott Bryer-State of New Hampshire
C. Pacific – Tracy Halubka-State of Montana
D. Southern – Lee Gonzalez-State of Florida

The Uniformer – The subcommittee published one (1) issue of the Uniformer-September, 2020.

The subcommittee will also continue working on the following projects for the next year:

A. Continue to review the 11 Point Plan
B. Current definitions need to be looked at on a yearly basis to insure that they are still correct.
C. Continue publishing the Uniformer
D. Product Authorizations
E. 2021 Motor Fuel Tax Information by State Book
F. 2021 Native American Survey
If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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2021-2022 Annual Report

The Communication and Coordination Subcommittee had a productive year.

The full Uniformity Committee approved the following requests:

Approved White Paper Document:

Dyed Diesel Fuel Fraud Detection and Enforcement Best Practices  
March 2022

Note: This white paper document will be put onto the FTA website under the Motor Fuel Tax Section:  
https://www.taxadmin.org/motor-fuel-tax-section

The following definitions were approved:

#1 High Sulphur Diesel -(FTA adopted 1-22) – No. 1 Diesel that has Sulphur levels above 500 ppm.

#2 High Sulphur Diesel -(FTA adopted 1-22) – No. 1 Diesel that has Sulphur levels above 500 ppm.

Low Sulfur Kerosene- Undyed (FTA adopted 1-22) – A combustible hydrocarbon liquid which is derived from petroleum. Kerosene is widely used to power jet engines of aircraft (jet fuel), and is commonly used in space heaters and lamps. K-1 has sulfur levels less than 400 ppm. K-1 grade kerosene burns cleaner with fewer deposits, fewer toxins, and less frequent maintenance than K-2 grade kerosene.

High Sulfur Kerosene- Undyed (FTA adopted 1-22) – A combustible hydrocarbon liquid which is derived from petroleum. Kerosene is widely used to power jet engines of aircraft (jet fuel). K-2 has sulfur levels above 400 ppm and up to 3000 ppm. K-2 is intended to be burned in heaters that have an external flue to remove the exhaust from the room.

Hydrogen – (FTA adopted 5-22) - (Hydrogen is a colorless, odorless, highly flammable gas, and is the lightest of all gases. It occurs chiefly in combination with oxygen in water, and also exists in acids, bases, alcohols, petroleum, and other hydrocarbons.

Jet Fuel - (FTA adopted 5-22) - A product used in the propulsion of jet aircraft engines, which meets the applicable standardized international specification. It includes, but is not limited to, kerosene-type jet fuel and naphtha-type jet fuel.

Marine Gas Oil-( FTA adopted 5-22) - Marine gasoil (MGO) is a fuel composed of various blends of distillates. Marine gasoil is similar to diesel fuel, but has a higher density and does not have to be heated during storage.

Marine Diesel Oil- (FTA adopted 5-22) - Marine fuels that are composed of various blends of distillates (also called marine gasoil) and heavy fuel oil.
**Organic Oils - (FTA adopted 5-22)** - Produced by plants, animals, and other organisms through natural metabolic processes.

**Propane – (FTA adopted 5-22)** - A colorless gas, C₃H₈, found in natural gas and petroleum and widely used as a fuel.

**Residual Fuel Oil – (FTA adopted 5-22)** - Heavier fuel oils known as No. 5 and No. 6, that remain after the distillate fuel oils and lighter hydrocarbons are distilled away in refinery operations.

**Soy Oil – (FTA adopted 5-22)** - An oil derived from soybeans that can be used as a feedstock for renewable diesel or biodiesel.

**Undefined Products- (FTA adopted 5-22)** - Any product that does not meet the characteristics and definitions previously defined.

**Definitions**

Subcommittee members Donna Alderman, Lauren Branch, Brittany Davis, Lee Gonzalez, Emilda Santiesteban and Tina Whitehead drafted 15 product code definitions for the remaining undefined product codes. These will be discussed in the upcoming year at the next Uniformity meeting.

**2022 Motor Fuel Tax Information by State Book**

- **Section 14**- Does your state charge a PERC (Propane Education Research Council Fee) on propane

- **Section 26**- Does your state allow deferral of the State excises tax and/or the Federal excises taxes between the Supplier and their customer? If so, what is the time frame the customer has to pay the excise taxes to the Supplier? Please provide the Statute that supports that deferral.

- **Section 27**- If your state allows deferral of the state excise taxes and/or the Federal excise taxes between the Supplier and their customer, how do you treat the Environmental fees and/or Inspection Fees? Please provide the Statute that supports that deferral.

- **Section 41**- Does your state accept electronic BOLs?

Note: Renumbered the questionnaire to add the first 3 questions within each states’ questionnaire

The following people from each region volunteered to contact the states within their regions to gather the updated information for the 2022 Motor Fuel Tax Information by State Book and the 2022 Native American Survey:

- **A.** Midwestern – Marcia Leichner-State of Nebraska
- **B.** Northeastern – Chuck Ulm-State of Maryland
- **C.** Pacific – Kendra Smith-State of Montana
- **D.** Southern – Catherine Mitchell-State of West Virginia

**The Uniformer** – The subcommittee published two (2) issues of the Uniformer-January, 2022 and September, 2022.
The subcommittee will also continue working on the following projects for the next year:

A. Continue to review the 11 Point Plan
B. Current definitions need to be looked at on a yearly basis to insure that they are still correct.
C. Continue publishing the Uniformer
D. Product Authorizations
E. 2021 Motor Fuel Tax Information by State Book
F. 2021 Native American Survey

If you need further information regarding committee activities or need further assistance, please contact the co-chairs of this committee.

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Electronic Commerce Subcommittee (2001)

The Electronic Commerce Subcommittee promotes point 6 of the 11 Point Plan.

2001 - 2002 Annual Report

Working Groups
The committee established working groups to deal with the heavy workload and the very technical issues that need attention. This has proved successful in focusing the efforts of certain actively involved individuals, has encouraged more participation from others, and has formalized who will track and facilitate many of the ongoing issues. The working groups and their team leader are:
- XML Schema for Motor Fuel - Stuart Beagles, Montana
- EC Survey (Planning, Implementation and Evaluation) - Ray Rhoads, Kansas
- Motor Fuel Web Site & Pages - Bill Gray, Sinclair Oil Corporation
- EDI/EC Implementation Review - Doreen Warren, Idaho
- EDI/EC Training - Dave Skinner, Florida

The committee needs more volunteers to help in the working groups. This is a good way to impact the direction the committee moves and to learn more about electronic commerce. We need your help - contact one of the co-chairs.

FTA Motor Fuel Web Site Design & FTA Motor Fuel Links Page
The Committee recommends that state tax administrators adopt a standard Internet interface for motor fuel taxpayers. A standard interface will help taxpayers to access the forms and information they need, regardless of the number of states in which they do business. Such access will also be helpful to other states as they look for comparable information. Each state motor fuel tax Web site will include a predictable number of links and a standard set of informational categories, although the precise look and feel of each site will remain specific to the state. This will also help states to build Web sites that include all the information taxpayers need, by providing a map to Web developers.

The standard interface will consist of a recommended set of links to pertinent motor fuel tax information, forms, and frequently asked questions. Templates for the standard interface are available in a text-only format, or in a drop-down (combo) box format. States may adopt either or both formats, in accordance with their own laws and guidelines, but the Subcommittee recommends that these categories be standard. Under each category, states may place links to whatever types of information they require.

When each state develops its Motor Fuel Tax Web Interface, it should forward the URL of the interface page to Jonathan Lyon at the FTA at jonathan.lyon@taxadmin.org so that the link may be included on the FTA’s motor fuel tax links to the states. If you already have such a web page, please forward the URL to FTA even though you may be changing the content.

The complete Uniform Guidelines were adopted by the Uniformity Committee and are included in the September 2002 Electronic Commerce Guide. Kansas and Florida have each developed such a web page which can be reviewed as examples.

ExSTARS Data
We’ve spent time considering how ExSTARS electronic data compares to FTA Uniform data maps, and other ExSTARS related issues. We have also just begun a discussion of what additional data is needed or changes would be needed in the Uniform EDI maps to facilitate a single point of filing.
Electronic Commerce Survey
A wealth of information is updated each year by use of the state Electronic Commerce Survey. The survey includes information, by state, on the point of filing, EDI filing and EDI versions, EFT payments, and much, much more. The survey information includes maps and detailed responses, and is available by contacting Ray Rhoads of the Kansas Department of Revenue at (785) 296-4011 or Ray_Rhoads@kdor.state.ks.us.

EDI Translators
The committee has had extensive discussions, led by California, on the evaluation of EDI translator software. California has done an extensive review and has evaluated translators, their cost, any-to-any translation capability and so forth. This information may be obtained from James "JJ" Johnson at (916) 445-1859 or James.Johnson@boe.ca.gov.

XML Schema
The committee has continued its work on the motor fuel XML Schema. Committee members are frontrunners in this area and California will be the first to accept XML electronic filing. There have been changes and refinements to the draft schema and the latest version will be included in the September 2002 FTA Electronic Commerce Guide. As part of this discussion, the committee discussed again the possibility of publishing a glossary of technical terms. We decided not to do that since there are many such glossaries available online. For information on these web sites contact Bill Gray at (801) 524-2887 or bgray@sinclairoil.com.

Summary and TIA Codes
There were some changes to Summary codes. It was also agreed, as a “best practice” that summary totals should not be required of the filer when the totals can be calculated or derived from the schedules. The latest list will be published in the September 2002 FTA Electronic Commerce Guide.

Training Needs
The Training working group is anxious to give non-technical or facilitate technical training on electronic commerce issues where needed. Contact Dave Skinner, Florida, at (850) 922-0668 or skinnerd@dor.state.fl.us, to identify your interests and needs.

997 Functional Acknowledgment Transaction Set
The committee has added a complete map and explanation of the 997 transaction set. It appears that the states are not using the 997 in a uniform way. It should be made available to the filer in a manner that file can be translated. The additional information published in September 2002 FTA Electronic Commerce Guide will assist in becoming uniform in the use of the 997.

Electronic Payment
There have been requests to add the BPR segment back to the uniform map for including electronic funds transfer (EFT) information with the filing of the return. The committee discussed this and agreed that the 820 transactions set (ACH Debit) can be included with the 813 transaction set (Combined Reporting). This is the committee’s recommended method so the BPR will not be added.

Mandates vs. Voluntary Electronic Filing
The survey working group has gathered information regarding mandated vs. voluntary electronic filing. The committee discussed the various forms of mandates and incentives trying to identify the pros and cons of each and a chart was presented illustrating the percentage of electronic filing in various states in conjunction with the mandates and incentives. We have started a "best practices" paper that will be discussed again in the future.
Encryption Standards and Security
Tim Blevins handed out a paper discussing ftp and encryption. He also gave us information on a book, “Handbook of EDI.” PGP is still the standard of encryption, but there are a number of additional security procedures that various states have adopted, including stripping the data received off of the less-secure server as soon as possible. The committee will be working on completing a position paper.

Exchanging Import/Export Data Between States
The 826 Tax Information Exchange Transaction Set is in use by a few states for exchanging information. The committee will also develop a flat-file, delimited, format for exchange of import/export data between states that don’t have an EDI translator available.

New State Implementation
The committee continues to review and comment on proposed Guides and maps submitted by states that are developing electronic filing for the first time or who are making changes. All states in such a position are encouraged to submit their Guides and maps to the EDI/EC Implementation Review Team. It is important to foster uniform methods between the states to ease the compliance burden on industry; also such states can benefit from the extensive experience and perspective of the committee members and the other states that have already been down that road.

Two States’ Demonstrations
We saw a demonstration of the new California motor fuel system and the tools that are available to the filer on line. We will see a demonstration of Wisconsin’s on line (thin client) filing application at our next meeting.

A special thanks goes to Tim Blevins of the Kansas Department of Revenue for his sizeable and significant contributions and leadership as the state co-chair of the Electronic Commerce Subcommittee over the last few years. We'll sorely miss him.

For further information regarding committee activities or for further assistance contact the co-chairs of this Electronic Commerce Subcommittee:

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2002 - 2003 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants, but the groups continue to provide the output needed to support the full subcommittee. A new working group was established to ensure a continued partnership with the IRS’s ExSTARS program. The working groups and their team leaders are:

- XML Schema for Motor Fuel - Stuart Beagles, Montana
- EX Survey (Planning, Implementation and Evaluation) - Ray Rhoads, Kansas
- Motor Fuel Web Site & Pages - Bill Gray, Sinclair Oil Corporation
More participation is needed in each of the working groups. Contact any team leader to join a working group.

**FTA Motor Fuel Web Site Design & FTA Motor Fuel Links Page**
Research continues to determine the usage of and compliance to the Web site guidelines. States are encouraged to adopt the standard to make it easier for industry and other states to research each state’s motor fuel tax requirements.

**ExSTARS Data**
The IRS and its contractor, Battelle, have been working closely with EC Subcommittee as the IRS moved to Version 4030 for ExSTARS reporting requirements. The joint effort has proven to be beneficial to both parties as the ExSTARS and FTA EDI guides have consistent reporting requirements that will make compliance easier for industry.

**Electronic Commerce Survey**
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses, and are available by contacting Ray Rhoads of the Kansas Department of Revenue at (785) 296-4011 or Ray_Rhoads@kdor.state.ks.us.

**XML Schema**
As changes are made to the EDI map, the XML Schema is updated to ensure consistency. The latest version of the XML Schema will be included in the September 2003 FTA Electronic Commerce Guide. Any questions on XML Schemas can be directed to Stuart Beagles, Montana, at (406) 444-7281 or sbeagles@state.mt.us or Larry Hansen, California, at Larry.Hanson@boe.ca.gov

**Training Needs**
The Training working group participated at the 2003 Regional Meetings to solicit feedback on training needs for non-technical or technical training on electronic commerce issues. Training will be scheduled if a need is identified. Contact Dave Skinner, Florida, at (850) 922-0668 or skinnerd@dor.state.fl.us to identify your interest and needs.

**151 Transaction Set**
The 151 Transaction Set has been eliminated from the Electronic Commerce Guide. The transaction set was included in the guide because of its use for the ExSTARS program. The decision was made to eliminate it from the FTA guide until a state is interested in using it.

**Electronic Payment**
The BPR segment has been added back into the guide to provide another submission of payment information option for the submitter.

**Encryption Standards and Security**
Darrell Wissink updated the “Security Issues in Internet Based Motor Fuel Electronic Tax Filing” white paper. The paper was approved at the May meeting and is available as a Best Practice.
Exchanging Import/Export Data Between States
In addition to the 826 Transaction Set, the committee is in the process of developing an XML Schema to use in the transmission of Import/Export data. The committee decided to adopt an XML Schema in lieu of a flatfile format.

New State Implementation
A new section will be added to the Electronic Commerce Guide listing all “approved” guides. The goal is to encourage states to submit their guides for approval through the EC Subcommittee to ensure consistent reporting requirements throughout the states.

Joint Efforts
The change made to the meeting schedule has allowed EC Subcommittee members to meet with other subcommittees. The ability to communicate more effectively with the Forms Subcommittee has resulted in modifying the Summary/TIA Code Request form to include schedule requests also. The new form was approved at the May meeting and has been working well for both the Forms and EC Subcommittees.

Special Thanks
A special thanks goes to Bill Gray, Sinclair Oil Corp for his contributions and leadership skills as the industry co-chair of the Electronic Commerce Subcommittee over the last few years. Bill has accepted the industry co-chair position for the Uniformity Subcommittee, but is still a very active member of the EC Subcommittee for which we are very grateful.

A special thanks also goes to Eldon Andrus, ExxonMobil for his contributions as a member of the Electronic Commerce Subcommittee and for his leadership skills contributed during his short tenure as Industry Co-chair of the EC Subcommittee last year. Eldon has been reassigned within ExxonMobil and will not be participating in the FTA motor Fuel Uniformity project. His participation and dedication will be sorely missed.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

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2003 – 2004 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants, but the groups continue to provide the output needed to support the full subcommittee. We retired the EDI/EC Training team until training needs are identified. We appreciate the time Dave Skinner and Bill Gray took to solicit training needs. The current working groups and their team leaders are:
More participation is needed in each of the working groups. Contact any team leader to join a working group.

**FTA Motor Fuel Web Site Design & FTA Motor Fuel Links Page**
Research continues to determine the usage of and compliance to the Web site guidelines. States are encouraged to adopt the standard to make it easier for industry and other states to research each state’s motor fuel tax requirements.

**ExSTARS Data**
The IRS and its contractor, Battelle, have been working closely with the EC Subcommittee as the IRS moves to Version 4030 for ExSTARS reporting requirements. We appreciate the time and effort Rich Little and Marc Graves have devoted to FTA Uniformity project. The joint effort has proven to be beneficial to both parties as the ExSTARS and FTA EDI guides have consistent reporting requirements that will make compliance easier for industry. The September 2004 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

**Electronic Commerce Survey**
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses, and are available by contacting Ray Rhoads of the Kansas Department of Revenue at (785) 296-4011 or Ray_Rhoads@kdor.state.ks.us.

**XML Schema**
As changes are made to the EDI map, the XML Schema is updated to ensure consistency. This year we added the XML Schema for state-to-state sharing of export information. The latest version of the XML Schema will be included in the September 2004 FTA Electronic Commerce Guide. We appreciate Larry Hanson’s effort to create and maintain the schema. Any questions on XML Schemas can be directed to Larry Hanson, California, at Larry.Hanson@boe.ca.gov

**Training Needs**
The Training working group participated at the 2003 Regional Meetings to solicit feedback on training needs for non-technical or technical training on electronic commerce issues. We identified no specific training need, but we will continue to track interest in training through the EC Survey. As a training need is identified, we will establish a new training team.

**Electronic Payment**
The BPR segment has been added back into the guide to provide another submission of payment information option for the submitter.
Exchanging Import/Export Data Between States

*In addition to the 826 Transaction Set, the committee is in the process of developing an XML Schema to use in the transmission of Import/Export data. The committee decided to adopt an XML Schema in lieu of a flat-file format.*

New State Implementation

The Electronic Commerce Guide lists all “substantially compliant” state EDI guides. The goal is to encourage states to submit their guides for approval through the EC Subcommittee to ensure consistent reporting requirements throughout the states.

Joint Efforts

The EC and Forms Subcommittees have been working closely to ensure states are able to efficiently implement uniform forms and electronic filing. The two subcommittees are currently working on a joint project that will produce a “best practice” that will illustrate the process by which a state will follow to implement uniform forms and uniform electronic filing. The intent is to encourage states to implement “uniformity” as a whole.

Special Thanks

A special thanks goes to Stuart Beagles for his contributions and the Electronic Commerce Subcommittee over the last few years. Stuart’s current duties keep him from being involved in Uniformity. Stuart is still an active proponent of the Uniformity cause for which we are very grateful.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

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2004 – 2005 Annual Report

Working Groups

The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants, but the groups continue to provide the output needed to support the full subcommittee. We added a new working team to support the upcoming National Fuel Diversion Registry. The current working groups and their team leaders are:
More participation is needed in each of the working groups. Contact any team leader to join a working group.

**FTA Motor Fuel Web Site Design & FTA Motor Fuel Links Page**
States are encouraged to adopt the standard to make it easier for industry and other states to research each state’s motor fuel tax requirements.

**ExSTARS Data**
The IRS and its contractor, Battelle, have been working closely with the EC Subcommittee as the IRS moves to Version 4030 for ExSTARS reporting requirements. We appreciate the time and effort Rich Little and Marc Graves have devoted to the FTA Uniformity Project. We welcomed Greg Carlin as the newest IRS Service Center Representative. The joint effort has proven to be beneficial to both parties as the ExSTARS and FTA EDI guides have consistent reporting requirements that will make compliance easier for industry. The EC Subcommittee continues work in ensuring the FTA and ExSTARS EDI guides are in sync. The September 2005 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county information with the next revision.

**State’s use of ExSTARS data**
States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee is considering forming an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting.

**Electronic Commerce Survey**
Each year the Electronic Commerce Survey provided beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses, are available by contacting Ray Rhoads of the Kansas Department of Revenue at (785) 296-4011 or ray_rhoads@kdor.state.ks.us.

**XML Schema**
As changes are made to the EDI map, the XML Schema is updated to ensure consistency. The September 2005 guide will not include the 813 related schema due to lack of interest. The schema will be maintained separately until a state intends to implement XML. The latest version of the XML Schema for state-to-state transfer of export information will be included in the September 2005 FTA Electronic Commerce Guide. We appreciate Larry Hanson’s effort to create and maintain the schemas. Any questions on XML Schemas can be directed to Larry Hanson, California, at larry.hanson@boe.ca.gov

**New State Implementation**
The 2005 FTA Electronic Commerce Guide includes the updated list of all “substantially compliant” version 4030 state EDI guides. The goal is to encourage states to submit their guides for approval through the EC Subcommittee to ensure consistent reporting requirements throughout the states.
States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

**Joint Efforts**

The EC and Forms Management Subcommittee continued holding joint meetings to ensure states are able to efficiently implement uniform forms and electronic filing. The two subcommittees are finalizing the joint project that will produce a “best practice” to illustrate the process by which a state will follow to implement uniform forms and uniform electronic filing. To that end, we have asked for guidance from the Forms and Compliance Subcommittees to resolve an issue relating to special circumstance returns. The intent is to encourage states to implement “uniformity” as a whole. The draft best practice is included in the 2005 FTA Uniformity Guide.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

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**Working Groups**

The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants, but the groups continue to provide the output needed to support the full subcommittee. We disbanded the working team to support the National Fuel Diversion Registry. The current working groups and their team leaders are:

- XML Schema for Motor Fuel – Stan Whaley, Florida  
- EC Survey (Planning, Implementation and Evaluation) – Ray Rhoads, Kansas  
- Motor Fuel Web Site & Pages – Bill Gray, Sinclair Oil Corporation  
- EDI/EC Implementation Review – Darrell Wissink, Nebraska  
  - Maintains the FTA EDI Guide  
  - Reviews and approves state EDI implementation guides  
- ExSTARS Single Point of Filing – Greg Anderson, ConocoPhillips

More participation is needed in each of the working groups. Contact any team leader to join a working group.
FTA Motor Fuel Web Site Design & FTA Motor Fuel Links Page
States are encouraged to adopt the standard motor fuels link page to make it easier for industry and other states to research each state's motor fuel tax requirements. Adoption of this standard page is slow but is still requested by those researching state's requirements.

ExSTARS Data
The IRS has been working closely with the EC Subcommittee as the IRS moves to Version 4030 for ExSTARS reporting requirements. We appreciate the time and effort Rich Little has devoted to FTA Uniformity project. John Love participated this year also. The IRS was also a key participant in the product code discussion and eventual resolution. The joint effort has proven to be beneficial to both parties as the ExSTARS and FTA EC guides have consistent reporting requirements that will make compliance easier for industry. The EC Subcommittee continues work in ensuring the FTA and ExSTARS EDI guides are in sync. The October 2006 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

State's use of ExSTARS data
States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting. State participants represent Kansas, Colorado, and Mississippi. The IRS and Industry will work closely with the participating states to review the 4030 data coming from ExSTARS. We will anticipate an interactive review and updates at the future meetings.

Electronic Commerce Survey
Each year the Electronic Commerce Survey provides beneficial information on each state's point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses, and are available by contacting Ray Rhoads of the Kansas Department of Revenue at (785) 296-4011 or Ray_Rhoads@kdor.state.ks.us.

XML Schema
The October 2006 guide will not include the 813 related schema, but interest in the schema has revived. Over the next year, the subcommittee will work closely with TIGERS to ensure compliance to the national schema standards. We anticipate approved versions of both the 813 related and state-to-state data sharing schemas included in the 2007 EC Guide. We appreciate Stan Whaley's involvement as we continue the approval process.

New State Implementation
The EC Subcommittee continues to encourage states to submit their EDI guides for approval to ensure consistent reporting requirements throughout the states. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences. The subcommittee approved five state guides as "substantially compliant" during the 2005 – 2006 reporting period.

EDI Implementation Guide
Changes to the October 2006 Electronic Combined Reporting Methods Implementation Guide include:

- Minor modifications to update Chapter 3 - Migration Strategies.
- Addition of Appendix J – Product Regrades, which illustrates the best practice for product reclassifications.
- General upkeep and corrections.
Joint Efforts
The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently
implement uniform forms and electronic filing. The two subcommittees have worked diligently with
states as they implement uniform forms and uniform electronic filing. This past year the two
committees worked together to resolve the issue with the future of product codes (see Forms
Subcommittee Annual Report).

For further information regarding committee activities or for further assistance, contact the co-chairs
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2006 - 2007 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are
challenged with obtaining and maintaining active participants, but the groups continue to provide the
output needed to support the full subcommittee. We disbanded the Motor Fuel Web Site group. The
current working groups and their team leaders are:

➢ XML Schema for Motor Fuel – Stan Whaley, Florida
➢ EC Survey (Planning, Implementation and Evaluation) – Ray Rhoads, Kansas
➢ EDI/EC Implementation Review – Scott Fitzgerald, Iowa
  o Maintains the FTA EDI Guide
  o Reviews and approves state EDI implementation guides
➢ ExSTARS Single Point of Filing – Greg Anderson, ConocoPhillips

More participation is needed in each of the working groups. Contact any team
leader to join a working group.

ExSTARS Data
The IRS has been working closely with the EC Subcommittee as the IRS moves to Version 4030 for
ExSTARS reporting requirements. We appreciate the time and effort Rich Little has devoted to FTA
Uniformity project. Tim Torri, IRS, is involved with ExSTARS 4030 upgrade and making sure industry
is in compliance. He will be involved in our EC Subcommittee meetings. The EC Subcommittee
continues work in ensuring the FTA and ExSTARS EDI guides are in sync. The October 2007 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

**State’s use of ExSTARS data**
States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting. State participants represent Kansas, Colorado, and Mississippi. The IRS and Industry will work closely with the participating states to review the 4030 data coming from ExSTARS. We anticipate an interactive review and updates at the future meetings.

**Electronic Commerce Survey**
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses, and are available by contacting Ray Rhoads of the Kansas Department of Revenue at (785) 296-4011 or Ray_Rhoads@kdor.state.ks.us.

**XML Schema**
The October 2007 guide will not include the production version of the XML schema(s), but will include an overview of the progress in XML. The subcommittee is working closely with TIGERS to ensure compliance to the national schema standards. We anticipate production versions of distributor, supplier, terminal operator, common carrier, and retailer schema(s) included in the October 2008 EC Guide. We appreciate Stan Whaley’s involvement as we continue the approval process.

**New State Implementation**
The EC Subcommittee continues to encourage states to submit their EDI guides for approval to ensure consistent reporting requirements throughout the states. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

**EDI implementation guide**
Changes to the October 2006 Electronic Combined Reporting Methods Implementation Guide include:

- Deleted XML chapters in anticipation of new schemas. It will now include a high level overview of the XML revisions.
- Change schedule 10J to remove product description from schedule description.
- Remove paragraph regarding available templates in Chapter 13 – Motor Fuel Tax Web Pages, under guidelines.
- Add statement to page 1-4 for approving guides when there are major revisions.
- General upkeep and corrections.

**Joint Efforts**
The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing. This past year the two committees worked together to resolve the issue with the future of product codes (see Forms Subcommittee Annual Report).

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:
2007 - 2008 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants, but the groups continue to provide the output needed to support the full subcommittee. We disbanded the Motor Fuel Web Site group. The current working groups and their team leaders are:

- XML Schema for Motor Fuel – Stan Whaley, Florida
- EC Survey (Planning, Implementation and Evaluation) – Ray Rhoads, Kansas
- EDI/EC Implementation Review – Traci Bullock, South Carolina
  - Maintains the FTA EDI Guide
  - Reviews and approves state EDI implementation guides
- ExSTARS Single Point of Filing – Greg Anderson, ConocoPhillips

More participation is needed in each of the working groups. Contact any team leader to join a working group.

ExSTARS Data
The IRS has been working closely with the EC Subcommittee as the IRS moves to Version 4030 for ExSTARS reporting requirements. We appreciate the time and effort Rich Little has devoted to FTA Uniformity project. Tim Torri, IRS, is involved with ExSTARS 4030 upgrade and making sure industry is in compliance. He will be involved in our EC Subcommittee meetings. The EC Subcommittee continues work in ensuring the FTA and ExSTARS EDI guides are in sync. The October 2008 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

State’s use of ExSTARS data
States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting. State participants represent Kansas, Colorado, and
Mississippi. The IRS and Industry will work closely with the participating states to review the 4030 data coming from ExSTARS. We anticipate an interactive review and updates at the future meetings.

**Electronic Commerce Survey**
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses, and are available by contacting Ray Rhoads of the Kansas Department of Revenue at (785) 296-4011 or Ray_Rhoads@kdor.state.ks.us.

**XML Schema**
The inclusion of the XML schema(s) has been moved to 2009. The XML committee continues to work closely with TIGERS to ensure compliance to the national schema standards. We appreciate Stan Whaley’s involvement in the process.

**New State Implementation**
The EC Subcommittee continues to encourage states to submit their EDI guides for approval to ensure consistent reporting requirements throughout the states. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

**EDI implementation guide**
Changes to the October 2007 Electronic Combined Reporting Methods Implementation Guide include:

- Updated the product code table in the EC guide to reference that the codes are also used by Canada
- Inserted a table comparing product codes to the railroad STCC codes.
- General upkeep and corrections.

**Joint Efforts**
The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

Darrell Wissink – State
Applications Developer/Senior
Nebraska Department of Revenue
301 Centennial Mall South
PO Box 94818
Lincoln, NE 68509-4818
Phone: 402-471-5812
Fax: 402-471-5607
E-Mail: darrell.wissink@nebraska.gov

Gene Holland - Industry
Advisor - Excise Tax Compliance
Conoco Phillips
Global Financial Services
680-B Plaza Office Building
Bartlesville, OK 74004
2008 - 2009 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants, but the groups continue to provide the output needed to support the full subcommittee. We disbanded the Motor Fuel Web Site group. The current working groups and their team leaders are:

- XML Schema for Motor Fuel – Stan Whaley, Florida
- EC Survey (Planning, Implementation and Evaluation) – Ray Rhoads, Kansas
- EDI/EC Implementation Review – Traci Bullock, South Carolina
  - Maintains the FTA EDI Guide
  - Reviews and approves state EDI implementation guides
- ExSTARS Single Point of Filing – Greg Anderson, ConocoPhillips

More participation is needed in each of the working groups. Contact any team leader to join a working group.

ExSTARS Data
The IRS has been working closely with the EC Subcommittee as the IRS moves to Version 4030 for ExSTARS reporting requirements. We appreciate the time and effort Rich Little has devoted to FTA Uniformity project. Tim Torri, IRS, is involved with ExSTARS 4030 upgrade and making sure industry is in compliance. He will be involved in our EC Subcommittee meetings. The EC Subcommittee continues work in ensuring the FTA and ExSTARS EDI guides are in sync. The October 2009 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

State’s use of ExSTARS data
States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting. State participants represent Kansas, Colorado, and Mississippi. The IRS and Industry will work closely with the participating states to review the 4030 data coming from ExSTARS. We anticipate an interactive review and updates at the future meetings.

Electronic Commerce Survey
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses, and are available by contacting Ray Rhoads of the Kansas Department of Revenue at (785) 296-4011 or Ray_Rhoads@kdor.state.ks.us.

XML Schema
The 2009 EDI Guide has been updated to include the XML schema(s). The XML committee continues to work closely with TIGERS to ensure compliance to the national schema standards. We appreciate Stan Whaley’s involvement in the process.
New State Implementation
The EC Subcommittee continues to encourage states to submit their EDI guides for approval to ensure consistent reporting requirements throughout the states. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

EDI implementation guide
Changes to the October 2009 Electronic Combined Reporting Methods Implementation Guide include:

- EDI Implementation Guidelines – Best practices for both State and Industry that includes testing procedures/requirements. Thanks to Brian Serafino’s involvement in the process.
- Import/Export file layout provided by Ray Grimm.
- XML Schema(s) provided by Stan Whaley.
- Inserted EDI to Paper Comparison examples.
- New Hampshire Guide approved by Full Committee.
- General upkeep and corrections.

Joint Efforts
The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

Traci Bullock – State Co-Chair
Motor Fuel EDI Coordinator
South Carolina Department of Revenue
301 Gervais Street
PO Box 125
Columbia, SC 29201
Phone: 803-896-1748
Fax: 803-896-1779
E-Mail: bulloct@sctax.org

Gene Holland - Industry
Advisor - Excise Tax Compliance
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680-B Plaza Office Building
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Phone: (918) 661-4035
Fax: (918) 661-7833
E-Mail: Gene.P.Holland@ConocoPhillips.com

2009 - 2010 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants, but the groups continue to provide the
output needed to support the full subcommittee. We disbanded the Motor Fuel Web Site group. The current working groups and their team leaders are:

- XML Schema for Motor Fuel – Traci Bullock, South Carolina
- EC Survey (Planning, Implementation and Evaluation) – Ray Rhoads, Kansas
- EDI/EC Implementation Review – Traci Bullock, South Carolina
  - Maintains the FTA EDI Guide
  - Reviews and approves state EDI implementation guides
- ExSTARS Single Point of Filing – Greg Anderson, ConocoPhillips

More participation is needed in each of the working groups. Contact any team leader to join a working group.

**ExSTARS Data**

The IRS has been working closely with the EC Subcommittee as the IRS moves to Version 4030 for ExSTARS reporting requirements. We appreciate the time and effort Rich Little has devoted to FTA Uniformity project. He will be involved in our EC Subcommittee meetings. Tim Torri, IRS, is involved with ExSTARS 4030 upgrade and making sure industry is in compliance. The EC Subcommittee continues work in ensuring the FTA and ExSTARS EDI guides are in sync. The September 2010 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

**State’s use of ExSTARS data**

States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting. State participants represent Kansas, Colorado, and Mississippi. The IRS and Industry will work closely with the participating states to review the 4030 data coming from ExSTARS. We anticipate an interactive review and updates at the future meetings.

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**XML Schema**

The 2010 EDI Guide has been updated to include the XML schema(s). The XML committee continues to work closely with TIGERS to ensure compliance to the national schema standards. We appreciate Stan Whaley’s involvement in the process.

**New State Implementation**

The EC Subcommittee continues to encourage states to submit their EDI guides for approval to ensure consistent reporting requirements throughout the states. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

**EDI implementation guide**

Changes to the September 2010 Electronic Combined Reporting Methods Implementation Guide include:

- Verbiage changed in Schedule 13J
- Schedules added to include Schedules 13M, 13N and 5AD
- General upkeep and corrections.
Joint Efforts
The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

Traci Bullock – State
Motor Fuel EDI Coordinator
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2010 - 2011 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants, but the groups continue to provide the output needed to support the full subcommittee. We disbanded the Motor Fuel Web Site group. The current working groups and their team leaders are:

➢ XML Schema for Motor Fuel – Stan Whaley, Florida
➢ EC Survey (Planning, Implementation and Evaluation) – Ray Rhoads, Kansas
➢ EDI/EC Implementation Review – Traci Bullock, South Carolina
  o Maintains the FTA EDI Guide
  o Reviews and approves state EDI implementation guides
➢ ExSTARS Single Point of Filing – Greg Anderson, ConocoPhillips

More participation is needed in each of the working groups. Contact any team leader to join a working group.

ExSTARS Data
The IRS has been working closely with the EC Subcommittee as the IRS moves to Version 4030 for ExSTARS reporting requirements. We appreciate the time and effort Rich Little has devoted to FTA Uniformity project. He will be involved in our EC Subcommittee meetings. Tim Torri, IRS, is involved with ExSTARS 4030 upgrade and making sure industry is in compliance. The EC Subcommittee
continues work in ensuring the FTA and ExSTARS EDI guides are in sync. The September 2011 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

**State’s use of ExSTARS data**
States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting. State participants represent Kansas, Colorado, and Mississippi. The IRS and Industry will work closely with the participating states to review the 4030 data coming from ExSTARS. We anticipate an interactive review and updates at the future meetings.

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**XML Schema**
The XML committee continues to work closely with TIGERS to ensure compliance to the national schema standards and also to create a XML Implementation Guide. We appreciate those that are dedicating their time and effort to this process.

**New State Implementation**
The EC Subcommittee continues to encourage states to submit their EDI guides for approval to ensure consistent reporting requirements throughout the states. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

**EDI implementation guide**
Changes to the September 2011 Electronic Combined Reporting Methods Implementation Guide include:
- Dealer Report Code “DLR” added to EDI Report Codes
- General upkeep and corrections.

**Joint Efforts**
The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing. For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

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Columbia, SC 29201
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Fax: 803-896-1779
E-Mail: bulloct@sctax.org
2011 - 2012 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants. But the groups continue to provide the output needed to support the full subcommittee.

This year we disbanded the ExSTARS Single Point of Filing group and changed the focus of the XML schema work group to focus on updating the E-File Guide to incorporate the XML Standards.

The current working groups and their team leaders are:
1) Update to Efile Guide to include XML Standards for Motor Fuel – Stan Whaley, Florida
2) EC Survey (Planning, Implementation and Evaluation) – Ray Rhoads, Kansas
3) EDI/EC Implementation Review – Traci Bullock, South Carolina
   4) Maintains the FTA EDI Guide
   5) Reviews and approves state EDI implementation guides

More participation is needed in each of the working groups. Contact any team leader to join a working group.

ExSTARS Data
The EC Subcommittee continues working to ensure that the FTA and IRS - ExSTARS EDI guides are in sync. The September 2011 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

State’s use of ExSTARS data
States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting. State participants represent Kansas, Colorado, and Mississippi. The IRS and Industry will work closely with the participating states to review the 4030 data coming from ExSTARS. We anticipate an interactive review and updates at future meetings. The last update on ExSTARS data still indicates the majority of the reported terminal data to the IRS is stored under the 826 Files (marked IRS Confidential) than 813 Files (state confidential disclosure rules) for our sample states.

Annual Electronic Commerce Survey
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses, and are available by contacting Ray Rhoads of the Kansas Department of Revenue at (785) 296-4011 or Ray.Rhoads@kdor.ks.gov.
XML Standards
The XML committee continues to work closely with TIGERS to ensure compliance to the national standards and also to create a XML Implementation Guide. Several states this year started XML projects and the EC group and TIGERS group have been working with them to assist in their efforts to be FTA complaint. We also, in June 2012, approved the new Version 2.0 XML Schemas. New members were added and the new focus on updating the FTA e-file guide is underway to add more information on the XML Standards. This is the #1 EC working group project currently being worked by members of EC committee.

State Implementation of E-file projects (X12 EDI Guides and XML Guides)
The EC Subcommittee continues to encourage states to submit their EDI guides and/or XML guides for approval to ensure consistent reporting requirements throughout the states. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences. The EC committee is actively working on an update to the FTA Guide to add more written guidance on the XML Standards.

EDI implementation guide
Changes approved for the September 2012 Electronic Combined Reporting Methods Implementation Guide include:

- Supplier Code “SUR” added to EDI Report Codes in Appendix I
- Distributor Code “DIS” added to EDI Report Codes in Appendix I
- General upkeep and corrections.

Joint Efforts
The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing.

Big thanks go out to Traci Bullock (South Carolina) for all her hard work over the years on our committee. Traci has been the Co-Chair of this sub-committee for many years as the State representative. Newest State Co-chair added this year to the E-Commerce committee is Hal Lovell from California.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

Hal Lovell – State
Data Analysis Manager
California Board of Equalization
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Sacramento, CA 94279-0030
Phone: 916-324-2301
E-Mail: hal.lovell@boe.ca.gov

Gene Holland – Industry
Advisor – Indirect Tax Compliance
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Bartlesville, OK 74005
Phone: (918) 661-4035
Fax: (918) 661-7833
2012 – 2013 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants. But the groups continue to provide the output needed to support the full subcommittee.

The current working groups and their team leaders are:
- Update to Motor Fuel E-filing Guide to include XML Standards for Motor Fuel – Stan Whaley, Florida
- EC Survey (Planning, Implementation and Evaluation) – Ray Rhoads, Kansas
- EDI/EC Implementation Review – Traci Bullock, South Carolina
  - Maintains the FTA EDI Guide
  - Reviews and approves state EDI implementation guides

More participation is needed in each of the working groups. Contact any team leader to join a working group.

ExSTARS Data
The EC Subcommittee continues working to ensure that the FTA and IRS - ExSTARS EDI guides are in sync. The September 2011 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

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XML Standards
The XML committee continues to work closely with TIGERS to ensure compliance to the national standards and also to create a XML Implementation Guide. Several states have been exploring or starting XML projects and the EC group and TIGERS group have been working with them to assist in their efforts to be FTA complaint. The “rewrite” update to the FTA e-file guide was completed this summer in time for publication in the Sept 2013 annual release.
State Implementation of E-file projects (X12 EDI Guides and XML Guides)
The EC Subcommittee continues to encourage states to submit their EDI guides and/or XML guides for approval to ensure consistent reporting requirements throughout the states. One of the State reps went over some question related to their EDI guide at the May 2013 meetings. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences. The EC committee is actively working on an update to the FTA Guide to add more written guidance on the XML Standards.

Motor Fuel E-filing guide
Completely redone for the 2013 publication. The Motor Fuel E-filing Guide was revised to include and XML section and updates to all other sections of this guide. We also reformatted the whole document for ease of maintaining going forward.

Joint Efforts
The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing.

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Hal Lovell – State
Data Analysis Manager
California Board of Equalization
450 N St. MIC:30
Sacramento, CA 94279-0030
Phone: 916-324-2301
E-Mail: hal.lovell@boe.ca.gov

Gene Holland – Industry
Supervisor – Indirect Tax
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560-02 Adams Building
Bartlesville, OK 74005
Phone: (918) 977-5118
Fax: (918) 977-9320
Cell (918) 815-0242
E-Mail: Gene.P.Holland@P66.com


Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants. But the groups continue to provide the output needed to support the full subcommittee.

The current working groups and their team leaders are:

- XML Schema for Motor Fuel – Stan Whaley, Florida
- EC Survey (Planning, Implementation and Evaluation) – Ray Rhoads, Kansas
- EDI/EC Implementation Review – Traci Bullock, South Carolina
  - Maintains the FTA EDI Guide
  - Reviews and approves state EDI implementation guides

More participation is needed in each of the working groups. Contact any team leader to join a working group.

ExSTARS Data
The EC Subcommittee continues working to ensure that the FTA and IRS - ExSTARS EDI guides are in sync. The September 2011 EDI Guide deviates from the current ExSTARS guide by the reporting
of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

**State’s use of ExSTARS data**

States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting. State participants represent Kansas, Colorado, and Mississippi. The IRS and Industry will work with the participating states to review the 4030 data coming from ExSTARS as questions or issues arise. We anticipate an interactive review and updates at future meetings. The last update on ExSTARS data still indicates the majority of the reported terminal data to the IRS is stored under the 826 Files (marked IRS Confidential) rather than 813 Files (state confidential disclosure rules) for our sample states. Due to a majority of the files continuing to be 826, the review is now limited to a 'count' of files by type for statistical tracking purposes.

**Annual Electronic Commerce Survey**

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**XML Standards**

The XML committee continues to work closely with TIGERS to ensure compliance to the national standards and also to create a XML Implementation Guide. Several states submitted their XML schema’s for review and approval this fiscal year. We have approved the State of Georgia and Florida for XML this year.

**State Implementation of E-file projects (X12 EDI Guides and XML Guides)**

The EC Subcommittee continues to encourage states to submit their EDI guides and/or XML guides for approval to ensure consistent reporting requirements throughout the states. Several states submitted their e-file guides for review and comment and we were able to approve two states guides in the last year. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

**Motor Fuel E-filing guide**

Minor revisions were made this year to the guide. In 2013 we completely revised the guide to include an XML section and made other updates to all other sections of this guide. This year there has not been any major revisions to the guide.

**Joint Efforts**

The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:
2014 – 2015 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants. But the groups continue to provide the output needed to support the full subcommittee.

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- XML Schema for Motor Fuel – Stan Whaley, Florida
- EC Survey (Planning, Implementation and Evaluation) – Ray Rhoads, Kansas
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More participation is needed in each of the working groups. Contact any team leader to join a working group.

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XML Standards
The XML committee continues to work closely with TIGERS to ensure compliance to the national standards and also to create a XML Implementation Guide. Several states submitted their XML schema's for review and approval this fiscal year. We have approved the State of Oregon, and Mississippi for XML this fiscal year.

State Implementation of E-file projects (X12 EDI Guides and XML Guides)
The EC Subcommittee continues to encourage states to submit their EDI guides and/or XML guides for approval to ensure consistent reporting requirements throughout the states. Several states submitted their e-file guides for review and comment and we were able to approve two states guides in the last year. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

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Minor revisions were made this year to the guide. In 2013 we completely revised the guide to include an XML section and made other updates to all other sections of this guide. This year there has not been any major revisions to the guide.

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2015 – 2016 Annual Report
Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants. But the groups continue to provide the output needed to support the full subcommittee.

The current working groups and their team leaders are:
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- EC Survey (Planning, Implementation and Evaluation) – Doug Arndt, Kansas
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More participation is needed in each of the working groups. Contact any team leader to join a working group.

**ExSTARS Data**
The EC Subcommittee continues working to ensure that the FTA and IRS - ExSTARS EDI guides are in sync. The September 2011 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

**State’s use of ExSTARS data**
States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting.

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**XML Standards**
The XML committee continues to work closely with TIGERS to ensure compliance to the national standards and also to create a XML Implementation Guide. A work group has been formed to look at making some changes to the XLM schema to address some reporting issues (Postal Code reporting issues, etc.).

**State Implementation of E-file projects (X12 EDI Guides and XML Guides)**
The EC Subcommittee continues to encourage states to submit their EDI guides and/or XML guides for approval to ensure consistent reporting requirements throughout the states. One states submitted their e-file guides for review and comment and we were able to approve this guide in the last year. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

**Motor Fuel E-filing guide**
Minor revisions were again made this year to the guide. In 2013 we completely revised the guide to include an XML section and made other updates to all other sections of this guide.

**Joint Efforts**
The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing.

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Working Groups
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The current working groups and their team leaders are:
- XML Schema for Motor Fuel – Mike Hanson, California
- XML Documentation Review – Mike Hanson, California
  - Create XPath document
  - Create best practices document
- EC Survey (Planning, Implementation and Evaluation) – Doug Arndt, North Dakota
- EDI/EC Implementation Review – Traci Bullock, South Carolina
  - Maintains the FTA EDI Guide
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States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting.

Annual Electronic Commerce Survey
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses, and are available by contacting Doug Arndt of the North Dakota Office of State Tax Commissioner’s office at (701) 328-2050 or darndt@nd.gov.

XML Standards
The XML committee continues to work closely with E-Standards to ensure compliance with the national standards and also to create an XML Implementation Guide. A work group has been formed
to look at making some changes to the XLM schema to address some reporting issues (Postal Code reporting issues, etc.).

**State Implementation of E-file projects (X12 EDI Guides and XML Guides)**

The EC Subcommittee continues to encourage states to submit their EDI guides and/or XML guides for approval to ensure consistent reporting requirements throughout the states. There were no submissions of e-file guides for review in the last year. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

**Motor Fuel E-filing guide**

There were no revisions made this year to the guide. In 2013, we completely revised the guide to include an XML section and made other updates to all other sections of this guide.

**Joint Efforts**

The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

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**2017 – 2018 Annual Report**

**Working Groups**

The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants. The groups continue to provide the output needed to support the full subcommittee.

The current working groups and their team leaders are:

- **XML Schema for Motor Fuel** – Mike Hanson, California
- **XML Documentation Review** – Mike Hanson, California
  - Create XPath document
  - Create best practices document
- **EC Survey (Planning, Implementation and Evaluation)** – Doug Arndt, North Dakota
- **EDI/EC Implementation Review** – Mike Hanson, California
  - Maintains the FTA EDI Guide
  - Reviews and approves state EDI implementation guides

More participation is needed in each of the working groups. Contact any team leader to join a working group.
ExSTARS Data
The EC Subcommittee continues working to ensure that the FTA and IRS - ExSTARS EDI guides are in sync. The September 2011 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

State use of ExSTARS data
States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting.

Annual Electronic Commerce Survey
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses, and are available by contacting Doug Arndt of the North Dakota Office of State Tax Commissioner’s office at (701) 328-2050 or darndt@nd.gov.

XML Standards
The XML committee continues to work closely with E-Standards to ensure compliance with the national standards and also to create an XML Implementation Guide. Schema version 3.0 was approved and implemented to correct identified issues that included adding mode code CE, expanding the number and type of characters for company name and city name, changing enumerated type country code to ISO country code, correcting the Mexican State pattern, and allowing the entry of a country other than USA, Canada, or Mexico without requiring a State, Province, or Mexican State.

State Implementation of E-file projects (X12 EDI Guides and XML Guides)
The EC Subcommittee continues to encourage states to submit their EDI guides and/or XML guides for approval to ensure consistent reporting requirements throughout the states. There were no submissions of e-file guides for review in the last year. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

Motor Fuel E-filing guide
There were no revisions made this year to the guide. In 2013, we completely revised the guide to include an XML section and made other updates to all other sections of this guide.

Joint Efforts
The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:
2018 – 2019 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants. The groups continue to provide the output needed to support the full subcommittee.

The current working groups and their team leaders are:
➢ XML Schema for Motor Fuel – Mike Hanson, California
➢ XML Documentation Review – Mike Hanson, California
  o Create XPath document
  o Create best practices document
➢ EC Survey (Planning, Implementation and Evaluation) – Doug Arndt, North Dakota
➢ EDI/EC Implementation Review – Mike Hanson, California
  o Maintains the FTA EDI Guide
  o Reviews and approves state EDI implementation guides

More participation is needed in each of the working groups. Contact any team leader to join a working group.

ExSTARS Data
The EC Subcommittee continues working to ensure that the FTA and IRS - ExSTARS EDI guides are in sync. The September 2011 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

State use of ExSTARS data
States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting.

Annual Electronic Commerce Survey
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses, and are available by contacting Doug Arndt of the North Dakota Office of State Tax Commissioner’s office at (701) 328-2050 or dardt@nd.gov.

XML Standards
The XML committee continues to work closely with E-Standards to ensure compliance with the national standards and also to create an XML Implementation Guide. Schema version 3.0 continues to be the most current version.
State Implementation of E-file projects (X12 EDI Guides and XML Guides)

The EC Subcommittee continues to encourage states to submit their EDI guides and/or XML guides for approval to ensure consistent reporting requirements throughout the states. The State of North Carolina submitted an X12 EDI guide that was deemed to be substantially compliant. The State of Florida submitted an XML guide, XPath document, and XML schema that were deemed to be substantially compliant. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

Motor Fuel E-filing guide

There were no revisions made this year to the guide. In 2013, we completely revised the guide to include an XML section and made other updates to all other sections of this guide.

Joint Efforts

The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

Mike Hanson – State
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2019 – 2020 Annual Report

Working Groups

The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants. The groups continue to provide the output needed to support the full subcommittee.

The current working groups and their team leaders are:

➢ XML Schema for Motor Fuel – Mike Hanson, California
➢ XML Documentation Review – Mike Hanson, California
  o Creates XPath document
  o Creates best practices document
➢ EC Survey (Planning, Implementation and Evaluation) – Doug Arndt, North Dakota
➢ EDI/EC Implementation Review – Mike Hanson, California
  o Maintains the FTA EDI Guide
  o Reviews and approves state EDI implementation guides

More participation is needed in each of the working groups. Contact any team leader to join a working group.
ExSTARS Data
The EC Subcommittee continues working to ensure that the FTA and IRS - ExSTARS EDI guides are in sync. The September 2011 EDI Guide deviates from the current ExSTARS guide by the reporting of County information. States interested in implementing the current ExSTARS guide by the reporting of County information should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

State use of ExSTARS data
States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting.

Annual Electronic Commerce Survey
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses and are available by contacting Doug Arndt of the North Dakota Office of State Tax Commissioner’s office at (701) 328-2050 or darndt@nd.gov.

XML Standards
The XML committee continues to work closely with E-Standards to ensure compliance with the national standards and also to create an XML Implementation Guide. Changes to the schema included:

➢ adding an attribute to allow reporting of net and gross inventory
➢ adding an element at the transaction level to allow for currency reporting
➢ the element “TypeOfFiling” was removed to eliminate redundancy
➢ the enumerate list for amended reasons added “Replace” and eliminated “Resubmission”
➢ a duplicated block of elements was removed.

Schema version 4.0 is the most current version.

State Implementation of E-file projects (X12 EDI Guides and XML Guides)
The EC Subcommittee continues to encourage states to submit their EDI guides and/or XML guides for approval to ensure consistent reporting requirements throughout the states. The States of Vermont and Wisconsin submitted an XML guide and XML schema that were deemed to be substantially compliant. States that do not meet the FTA requirements are asked to include a footnote at the beginning of their guide to indicate the differences.

Motor Fuel E-filing guide
The guide was updated to reflect working group participant changes and recent changes in the XML schema. In 2013, we completely revised the guide to include an XML section and made other updates to all other sections of this guide.

Joint Efforts
The EC and Forms Subcommittees continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:
2020 – 2021 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants. The groups continue to provide the output needed to support the full subcommittee.

The current working groups and their team leaders are:

➢ XML Schema for Motor Fuel – Mike Hanson, California
➢ XML Documentation Review – Mike Hanson, California
  o Creates XPath document
  o Creates best practices document
➢ EC Survey (Planning, Implementation and Evaluation) – Mike Hanson, California
➢ EDI/EC Implementation Review – Mike Hanson, California
  o Maintains the FTA EDI Guide
  o Reviews and approves state EDI implementation guides

More participation is needed in each of the working groups. Contact any team leader to join a working group.

ExSTARS Data
The EC Subcommittee continues working to ensure that the FTA and IRS - ExSTARS EDI guides are in sync. The September 2011 EDI Guide deviates from the current ExSTARS guide by the reporting of county information. States interested in implementing the ExSTARS fully compliant version should implement the September 2003 map. The ExSTARS guide will incorporate the county reporting information with the next revision.

State use of ExSTARS data
States are encouraged to review terminal reports through the ExSTARS database. The EC Subcommittee formed an ExSTARS user group to determine the most efficient use of the detail provided through ExSTARS reporting.

Annual Electronic Commerce Survey
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses and are available by contacting Mike Hanson of the California Department of Tax and Fee Administration at (916) 309-0358 or michael.hanson@cdtfa.ca.gov.

XML Standards
The XML committee continues to work closely with E-Standards to ensure compliance with the national standards and also to create an XML Implementation Guide. The only change to the schema was to add a Transloader Operator Report. Schema version 4.1 is the most current version.
State Implementation of E-file projects (X12 EDI Guides and XML Guides)
The EC Subcommittee continues to encourage states to submit their EDI guides and/or XML guides for approval to ensure consistent reporting requirements among the states. There were no guides submitted.

Motor Fuel E-filing guide
The guide was updated to reflect co-chair and working group participant changes. In 2013, we completely revised the guide to include an XML section and made other updates to all other sections of this guide.

Joint Efforts
The EC and Forms Subcommittee continued holding joint meetings to ensure states can efficiently implement uniform forms and electronic filing. The two subcommittees have worked diligently with states as they implement uniform forms and uniform electronic filing.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

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2021 – 2022 Annual Report

Working Groups
The working groups have successfully focused efforts on ongoing issues. Many of the groups are challenged with obtaining and maintaining active participants. The groups continue to provide the output needed to support the full subcommittee.

The current working groups and their team leaders are:

➢ XML Schema for Motor Fuel – Mike Hanson, California
➢ XML Documentation Review – Mike Hanson, California
  o Creates XPath document
  o Creates best practices document
➢ EC Survey (Planning, Implementation and Evaluation) – Mike Hanson, California
➢ EDI/EC Implementation Review – Mike Hanson, California
  o Maintains the FTA EDI Guide
  o Reviews and approves state EDI implementation guides

More participation is needed in each of the working groups. Contact any team leader to join a working group.

State use of ExSTARS data
States are encouraged to review terminal reports through the ExSTARS database.
**Annual Electronic Commerce Survey**
Each year the Electronic Commerce Survey provides beneficial information on each state’s point of taxation, electronic filing implementation processes, training needs and much more. The survey results include maps and detailed responses and are available by contacting Mike Hanson of the California Department of Tax and Fee Administration at (916) 309-0358 or michael.hanson@cdtfa.ca.gov.

**XML Standards**
The XML committee continues to work closely with E-Standards to ensure compliance with the national standards. Schema version 4.1 is the most current version.

**State Implementation of E-file projects (X12 EDI Guides and XML Guides)**
The EC Subcommittee continues to encourage states to submit their EDI guides and/or XML guides for approval to ensure consistent reporting requirements among the states. There were no guides submitted.

For further information regarding committee activities or for further assistance, contact the co-chairs of the Electronic Commerce Subcommittee:

<table>
<thead>
<tr>
<th>Mike Hanson – State</th>
<th>Scott Foster – Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Tax Auditor</td>
<td>Transition Supervisor</td>
</tr>
<tr>
<td>California Department of Tax and Fee Administration</td>
<td>Sinclair Oil Corporation</td>
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<td>450 N St. MIC: 48</td>
<td>550 E South Temple</td>
</tr>
<tr>
<td>Sacramento, CA 95814</td>
<td>Salt Lake City, UT 84102</td>
</tr>
<tr>
<td>Phone: 916-309-0358</td>
<td>Phone: (801) 526-3750</td>
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<tr>
<td>E-Mail: <a href="mailto:michael.hanson@cdtfa.ca.gov">michael.hanson@cdtfa.ca.gov</a></td>
<td>E-Mail: <a href="mailto:sfoster@sinclairoil.com">sfoster@sinclairoil.com</a></td>
</tr>
</tbody>
</table>
Forms Management Subcommittee

The Forms Management Subcommittee promotes points 2, 3, 4, 5 and 9 of the 11 Point Plan.

2001 - 2002 Annual Report

The subcommittee was very busy this year with completing the subschedule project, requests for subschedules from the states of California, Florida, North Carolina, Tennessee and Virginia and Product Code requests for undyed biodiesel and soy oil.

The full Uniformity Committee approved the following requests:

1. Approved Subschedule Requests for 2002:
   
   2D  Gallons Received Using a Tax-Exempt Card/Code.
   3X  Imports Below the Terminal Rack.
   4B  Gallons Imported or Transferred From In-State Storage Tax-Free Into In-State Refinery Storage.
   5W  Untaxed Products Blended With or Added to Fuel Resulting in a Product which is Used as or is Usable as a Taxable Fuel.
   6H  Gallons Sold to or Exchanged Tax-Free With a Qualified Refiner.
   6J  Gallons Delivered Tax-Free Into Refinery Storage.
   7F  Exports of Reportable Products Below the Terminal Rack.
   9G  Gallons Sold to Community Colleges.
   10Z Blendstocks Removed Tax-Exempt not in Connection With a Sale Which will not be Used to Produce Finished Fuel.
   10AB Blendstocks Removed Tax-Exempt in Connection With a Sale When the buyer Has Issued a Certificate Stating the Blendstocks Will not be Used to produce Finished Fuel.
   11A Diversion to State of ____________.
   11B Diversion From State of ____________.

2. Approved Subschedule Changes for 2002:
   
   6F  Gallons Sold for Tax-Exempt Purposes From In-State Terminals.
   7C  Gallons Sold for Free Trade Zone
   7D  Gallons Exported in Bulk.

3. Approved Product Code Numbers for 2002:
   
   284  Undyed Bio-Diesel
   285  Soy Oil

   This includes showing the intended use of each subschedule and the states that are currently using each subschedule.
5. Approved Deletion of the Following FTA Subschedules for 2002:

   1G  Gallons Imported From Another State Tax Paid Direct to Customer.
   1H  Gallons Received Tax-Paid Within the State and Shipped Direct to Customer
   8B  Gallons Sold to U.S. Government Tax-Exempt for Import.
   9B  Gallons sold Directly to the State for Imports From.
   9D  Gallons Sold Directly to Local Public Schools for Imports From.
  10L  Gallons of Kerosene Delivered for Heating or Production Tax-Free.
  10N  Gallons of Unenhanced Diesel Product Delivered for Commercial Heating
       and Production, Other Than Manufacturing and Utilities.
  10P  Gallons Delivered for Residential Heating (Totals Only)
  10Q  Gallons Delivered to Utilities.
  10S  Gallons of Kero-Jet Sales Other Than to Airlines and Self Use
       (Sales to Non-Airlines)
  10U  Rural Water District Use.
  10V  Electric Coop Use.
  10W  Volunteer Fire Departments.
  10X  Rural Ambulance Districts.
  10Z  Gallons Sold to Exempt Organizations for Heating Purposes.

The subcommittee still has several projects to continue working on in the next year. They are as follows:

1. Uniform Fuel Blenders Report
2. Uniform Miscellaneous Fuel Tax Report
4. Re-look at the Terminal Operator and Carrier Reports to ensure that the schedules being used on these reports are in line with our FTA approved Subschedules.

If you need further information regarding committee activities or need further assistance with the Uniform Report Forms, please contact the co-chairs of this committee:

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Robert Donnellan, Industry Co-Chair
Global Companies LLC
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2002 - 2003 Annual Report

The subcommittee was very busy this year with completing requests for subschedules, product codes, and creating several request forms.

The full Uniformity Committee approved the following requests:

1. Approved Subschedule Requests for 2003:

   **14 Common Carrier Petroleum Products Carrier Report - Schedule of Deliveries**
   14A  Total all deliveries of fuel from in-state 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 (intrastate)

   **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.)

2. Approved requested Product Codes
   A. 960 - Organic Oils
   B. 290 - Biodiesel Dyed (B100)
   C. 284 - Biodiesel UnDyed (B100)

3. Approved the following new forms:
   A. Developed a uniform sub-schedule request form that both Forms Management and Electronic Commerce can use and share between the two subcommittees.
   B. Developed a new product code request form.

The subcommittee still has several projects to continue working on in the next year. They are as follows:
   1. Uniform Fuel Blenders Report
   2. Updating the information, wording and grammar errors in the current motor fuel uniformity project book
   3. Work with Electronic Commerce on subschedule codes to help states/industry Transfer from paper to electronic filing
   4. Re-Look at developing a Uniform Alternative Fuels Report
   5. Looking at developing a Uniform Surety Bond
   7. Subschedules for Oil Inspection Fees
   8. Do we need to have definitions for product codes?

If you need further information regarding committee activities or need further assistance with the Uniform Report Forms, please contact the co-chairs of this committee:

Patricia Platt, Kansas Dept. of Revenue
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Robert Donnellan, Global Companies LLC
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E-Mail: rdonnellan@globalp.com

2003 - 2004 Annual Report

The subcommittee was very busy this year with completing requests for subschedules and product codes.

The full Uniformity Committee approved the following requests:
1. Approved Subschedule Requests for 2003:
   5V  Gallons disbursed tax collected and subject to oil inspection fee
   5X  Gallons delivered and partially taxed
   5Y  Tax paid sales to railroads
   5HW Aviation fuel converted to highway use
   5LO Fuel distributor subject to local option taxes
   6V  Gallons Disbursed tax not collected and subject to oil inspection fee
   13H Tax-paid fuel sold to state or local government
   13J Tax-paid fuel sold tax-free for temperature control units (reefer) and PTO or with exemption certificate
   14D Carrier Receipts
2. Approved requested Product Codes
   A. 280 – Marine Gas/Oil

The subcommittee still has several projects to continue working on in the next year. They are as follows:

1. Uniform Fuel Blenders Report
2. Work with Electronic Commerce on subschedule codes to help states/industry transfer from paper to electronic filing
3. Compare the Canadian Product Code List to the FTA Product Code List.
4. Obtain rollup Product Codes for Dyed and Undyed Biodiesel
5. Continue to work to get the PIDX and FTA Product Code List differences worked out.
6. Obtain a Product Code for Natural Gasoline
7. Do we need to have definitions for product codes?

If you need further information regarding committee activities or need further assistance with the Uniform Report Forms, please contact the co-chairs of this committee:

Herman Wisneski, Minnesota Dept. of Revenue Robert Donnellan, Global Companies LLC
Phone: (218) 825-2139 Phone: (781) 398-4354
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**2004 – 2005 Annual Report**

2005 was a good year for the Forms Subcommittee. A lot of things were finished and will be voted on at the annual meeting. Some items are still being worked on and the future looks like a lot of work ahead.

The items have been approved by the full Uniformity Committee:

1. Rollup product code for Undyed Biodiesel #170.
2. Rollup product code for Dyed Biodiesel #171.
3. Product code for Natural Gasoline #061.
5. North Carolina forms were reviewed and approved.
6. New Mexico forms were reviewed and approved.
7. Product Code List change "dye added" to "dyed".
8. The IRS and FTA product code comparison.

The items that are still being worked on are as follows:

1. Translation of Paper return information to Electronic information. This will be a section in the manual and will explain who, what, where and when information from a paper return would be shown on an electronic return.
2. The IRS request for product codes for Ag-based and Non Ag-based B-100. The problem is that this is the same product.
3. The comparison of the FTA and Canadian product codes.
4. A survey of the states tax returns to determine how many are in accordance with uniformity.

The future looks like the following:

1. The IRS is looking at product codes for blends of Biodiesel starting with B-1 and going to B-99 with product codes for each point. This would mean codes for dyed and undyed diesel.
2. Ultra low sulfur diesel, both dyed and undyed need product codes.
3. More states are bringing their forms to the subcommittee for review and approval as more states move to electronic filing.

If you want to be part of this interesting and challenging committee just show up at the meeting. We can always use a helping hand and I guarantee that your input will be welcome.

If you need further information regarding committee activities or need further assistance with the Uniform Report Forms, please contact the co-chairs of this committee:

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Vickie Babcock, Chevron/Texaco  
Phone: (925) 827-7071  
E-Mail: vrba@chevron.com

**2005 - 2006 Annual Report**

The Forms Subcommittee had a busy year culminating in the adopting of a new product code system. At the January meeting Iowa requested a product code for E-70 and a schedule code for “products fully taxed but at a lower rate”. The sub-committee recommenced product code E70 and schedule code 1G respectively. The IRS requested codes for “Crude” and “Asphalt”. The subcommittee recommended product code 001 and 188 respectively. New Hampshire requested approval for its’ new motor fuel forms. The forms were reviewed and approved. At that meeting there was a great deal of discussion about the future of product codes in light of what the IRS, states, non-tax governmental agencies (EPA, DOT) and industry needed to report in detail for the ever-changing requirements of the various agencies. The IRS was looking for product codes that were based on the amount of ethanol, methanol, undyed and dyed Biodiesel blended with gas or diesel. An ad-hoc committee was set to work out a solution to the need for more and more product codes for more and more detailed products. This ad-hoc committee had two conference calls and a report was made at the June meeting.

The June meeting had a busy agenda with Kansas requesting a schedule code “Credit or deduction for alternative fuel”. The subcommittee recommended schedule 13K for this purpose. Because of the title of this schedule other states should be able to use this schedule to account for E85, E70 or other alternative fuels. Michigan requested a product code for “Racing Gas”. There was much discussion about just exactly was “Racing Gas”. So many states have different definitions for this product. It was suggested that a schedule code may be more helpful than a product code. Michigan will be looking at that solution and will report back at the October meeting. The issue of Ultra-Low Sulfur diesel product codes was discussed and it was noted the PIDEX has already issued product codes for these products. The ad-hoc committee gave a report the subcommittee about the product code issue. There was much discussion with the result being that FTA and IRS would merge their respective product code lists and the FTA would be the “Keeper of the Codes”. A presentation at the annual meeting will be made to explain the new code system. Maryland requested approval of their new motor fuel forms however, there were some issues that needed to be ironed out before the forms could be approved. These issues will be discussed at the October meeting.
2006 - 2007 Annual Report

The Forms subcommittee bids a sweet goodbye to Vicki Babcock, Industry co-chair, from Chevron/Texaco who has accepted a different position with the company. Vicki was co-chair for the past two years. The subcommittee welcomes Brian Serafino, Chevron/Texaco who will be the industry co-chair.

The subcommittee has had a somewhat busy year. The projects that the subcommittee have worked or are working on include the following.

A. Kentucky’s request for 4 schedule codes. The state was able to use 3 existing codes as listed in the FTA Uniformity book. The other schedule code was handled by changing the name of an existing code. Schedule 10J will be renamed to reflect a more generic use. This change will be voted on at the annual meeting.

B. Maryland forms approval. Maryland requested approval of its new forms in accordance with the Uniformity guidelines. The full committee recommended approval.

C. Michigan’s product code request. Michigan requested a product code for “Racing Gas”. The state has a new law requiring the tracking of at number of fuels, one of which is “racing gas” thus the need for a product code. After much discussion within the subcommittee it was decided that a schedule code rather than a product code was the proper method to track this product. The problem was the definition for “Racing Gas”. FTA Uniformity has not defined this product due to the fact that there are some many possible mixtures, blends and structures for “Racing Gas”.

D. Massachusetts forms approval. Massachusetts requested approval of its new forms. The state is not at this time going to EDI and is still using paper forms. The full committee recommended approval.

E. Louisiana forms approval. The state requested approval for its forms however, there have been many changes in the state personnel and this project has been put on hold until the state is able to put more effort into the project.

F. New York forms approval. New York requested approval for its forms. After reviewing the forms the state co-chair suggested a number of changes to the forms in order to meet the Uniformity requirements at this point these changes have not been acted upon by the state.

G. Arizona forms approval. Arizona requested approval of its new forms. Arizona has designed its new forms using a spreadsheet format. Since Uniformity does not recognize a spreadsheet format as an acceptable filing format the state forms were not approved and will not be approved until the format is changed.

H. STCC/FTA product comparison. Wyoming requested a comparison chart for the product codes listed in the Uniformity book and the product codes used in the railroad industry (STCC). Some states are getting information from the railroads where the FTA product is being used these states were contacted regarding what information was given and in what format.

I. Canadian/FTA product code comparison. Pat Platt had previously done this comparison, the state co-chair and the Canadian representative will be doing an update to this list.

The Forms sub-committee would like to remind all states that if they are planning on changing forms or schedules they should review the FTA Uniformity book to make certain that the changes
meet the guidelines. The FTA has an EDI guide book with all the required EDI information so the state does not have to "reinvent the wheel" regarding EDI. Both books are available on one CD.

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2007 - 2008 Annual Report

The Forms sub-committee worked on the following issues this last year:
1. Michigan request for a product code for racing gas. The state originally requested a product code for "racing gas", however since a uniform definition of racing gas is not available and since states have the "racing gas" term covering a wide array of products the sub-committee recommended that rather than a product code for these types of products a series of schedule codes would be more effective. The following is the recommended codes.
   A. Schedule 5Z: Gallons sold for Racing Use-tax collected
   B. Schedule 6Z: Gallons sold for Racing Use-tax not collected
   C. Schedule 13L: Credit for gallons sold for Racing Fuel-tax collected.

2. Idaho requested 2 schedule codes for sales to Native Americans. After researching the available schedules the sub-committee recommended the following codes.
   A. Schedule 10T: Gallons delivered to Indian Tribes.
   B. Schedule 10U: Gallons delivered fees-exempt.

3. Wyoming requested a comparison of the FTA product codes with the codes used by the railroad industry (Standard Transportation Commodity Codes (STCC)). After much information exchange with the governing body of the STCC codes the result was a comparison that will be in the Uniformity book of these 2 product code systems. This comparison is for information purposes only and the FTA codes should be used by states, industry, IRS and any other organization reporting product for tax purposes.

4. The FTA and Canadian Motor Fuel Council have been working on and have completed a comparison of the product codes used by both entities. The result of this comparison is in the Uniformity book. The council adopted all of the product codes that are being used by the FTA.

Other states requested new schedule codes from the sub-committee however after researching the available codes these request were handled by using the codes that were already in the Uniformity book.

The sub-committee has in progress the following issues:
   A. Uniform Blenders Report
   B. Producers and Manufacturers report for Alcohol and Biodiesel.
   C. Possible uniform refund report.

The new state co-chair for this subcommittee will be Lee Gonzalez of Florida. The current state co-chair will be stepping down to become the National Chair. The industry co-chair will remain the same, Brian Serafini of Chevron/Texaco.
2008 - 2009 Annual Report

The Forms subcommittee worked on the following issues this last year:

1. Forms Review Committee - A forms review committee was appointed to insure new forms are in accordance with uniformity guidelines. The committee consists of Sharon Gostovich, Lou Feletto, Bill Grey, Marcia Leichner, Charles Zwettler, and Wilda Ice. The chairperson of the committee is Cindy Mongold.

2. New Hampshire forms approval - New Hampshire requested approval of its distributor and transporter report in accordance with the uniformity guidelines. Motion made and passed to recommend approval to the full committee.

3. Corrections to the Uniformity Guide - Upon review of the Uniformity Guide, the Forms Review Committee discovered errors and discrepancies in the proposed forms and instructions. A project was started to review each form, correct non-substantive errors, and recommend changes. The committee has completed its review of the Terminal and Supplier/Permissive Report and recommended changes. Full committee approval will be pursued at the September of 2009 uniformity meeting.

4. Fuel Blenders Report – The forms subcommittee received an inquiry to create a uniform blenders report. The report would include the ability to assess tax on blend stocks. The committee determined the reporting of blended product may be achieved in one of two ways. A taxpayer may include blended product on a distributors report or design a blender’s form utilizing the same format as a distributors report. This recommendation was placed on page 62 of the Uniformity guide, along with a listing of other states that currently utilize a blenders report.

5. Amendment to Schedule 13K – FTA forms subcommittee suggested changing the title of schedule 13K (Page 127) from “Credit or Deduction for Alternative Fuel” to “Credit or Deduction for Reduced Tax Rate”. This change allowed states to use schedule 13K to report any product, not just alternative fuel, where credit is granted on fuel that was assessed at a higher tax rate. Motion made and passed to recommend approval to the Uniformity Committee.

6. Forms subcommittee designed documents outlining “best practices” for states creating an electronic filing program. Document outlined the importance of advance notification, uniform forms, testing requirements, etc.

The sub-committee has in progress the following issues:

Producers and Manufacturers report for Alcohol and Biodiesel
   A. Corrections/Additions to the Uniformity Guide
   B. Virginia - Proposed schedule changes
   C. Utah – Forms Approval

Lee Gonzalez, Florida Department of Revenue

Brian Sefarino, Chevron

2009 - 2010 Annual Report
The Forms subcommittee was very busy this year considering requests for schedule changes, new subschedules, new form types, and working on corrections to the uniformity guide. The following is an overview of the items that were approved by the full Uniformity Committee.

Uniform Forms – The Forms Review Committee, chaired by Cindy Mongold, was tasked with reviewing all reports and schedules contained in the uniformity guide to identify errors or discrepancies. The committee recommended changes to the Supplier/Permissive, Terminal, Distributor Fuel Tax, Retailer’s Fuel, Bulk Dealer, and Common and Contract Petroleum Products Carrier Reports. The changes included, but were not limited to, grammar, terminology, and structure. Committee also recommended the elimination of the Combined Supplier’s, Common or Contract Carrier’s, and Terminal Operator’s Report from the Uniformity Guide.

Uniform Producers Report - Steering committee requested a uniform report that would capture detail and calculate tax on the production of fuel alcohol and biodiesel. Upon review of proposed forms designed by committee members and the Internal Revenue Service, a decision was made to utilize existing supplier, operator, and distributor reports currently in the Uniformity Guide. Proposed language outlining this recommendation and a list of existing uniform reports currently used by states were drafted for entry into the uniformity guide.

Utah forms approval - Utah requested approval of its distributor report (TC-109 / Utah Fuel Tax Return) in accordance with the uniformity guidelines. Motion made and passed to recommend approval to the full committee.

Subschedules were requested by the states of Virginia, Utah, and California. The full uniformity committee approved the following:

New Subschedules

- 5XA - Gallons delivered to an airport and partially taxed
- 13M - Refund or credit for the second tax paid when tax paid fuel is removed from a terminal as a second taxable event
- 13N - Tax paid fuel used to produce a nontaxable product such as a fuel additive
- 13J – Tax paid fuel sold tax-free for temperature control units (reefer) and PTO or with exemption certificate or used in an exempt manner
- 3Y - Imports below the terminal rack not subject to tax
- 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 Importer
- 5AC – Gallons received tax paid and sold to a Licensed Supplier

Name Change of existing Subschedule

- Amendment to Schedule 3X – FTA forms sub-committee suggested changing the title of schedule 3X (Page 96 - Version 2009) from “Imports below the terminal rack” to “Imports below the terminal rack subject to tax”.

The subcommittee is still working on the following subschedule code request:

- 12A Gallons of Tax-paid Product Sold or Used Below the Terminal Rack,
- 12B Gallons of Ex-tax Product Sold or Used Below the Terminal Rack, and
- 12C Gallons of Ending Physical Inventory of Product Below the Terminal Rack
If you need further information regarding committee activities or need further assistance with the Uniform Report Forms, please contact the co-chairs of this committee:

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2010 - 2011 Annual Report

The Forms Management Sub-committee worked diligently to review state forms for uniformity, review schedule code requests, update the uniformity guide, and research uniform ways to report alternative fuels. The following is a brief overview of the items that were addressed during the 2010 to 2011 annual reporting period.

First, the uniformity guide was updated to address three items the committee felt were best practices.

1) Verbiage was added to several pages of the uniformity guide recommending the use of gross, net, and billed gallons on each receipt and disbursement schedule. Adding each gallon type will facilitate the sharing of information among states.
2) A survey was conducted that captured information on which gallon type (gross, net, or billed) each state was using on their receipt and disbursements schedules. Information captured in the survey was added to the uniformity guide.
3) Modifications were made to the existing language outlining how states should address “prior period reporting transactions”.

Second, sub-schedules were requested by the states of California. The full uniformity committee approved the following:

New Sub-schedules

- 12A Gallons of Tax-paid Product Sold or Used Below the Terminal Rack,
- 12B Gallons of Ex-tax Product Sold or Used Below the Terminal Rack, and
- 12C Gallons of Ending Physical Inventory of Product Below the Terminal Rack

Finally, the committee began working on the following projects. These projects are currently outstanding and will be addressed by the Forms Sub-committee in the near future.

- Cross walk (FTA and STCC Codes) – A team lead by Ray Mattson-Grimm will create a crosswalk between FTA and STCC product codes.
- New Jersey Forms Review – Forms Review Team lead by Cindy Mongold has been tasked with reviewing new forms for compliance with uniformity guidelines. New forms are based on moving tax to the rack. Suggestions will be forwarded to New Jersey upon completion.
- Reporting Alternative Fuel - A team lead by Bill Gray will create a document outlining “methods for reporting alternative fuel” utilizing uniform forms. Team will be responsible for making recommendations on new product codes and schedules by return type.
- Terminal Operator Report – Forms Sub-team will review a proposal to add gross gallons to the terminal operator report.
If you need further information regarding committee activities or need further assistance with the Uniform Report Forms, please contact the co-chairs of this committee:

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2011 - 2012 Annual Report

The Forms Management Subcommittee has been tasked with developing a uniform means to report taxpayer information associated with fuel tax. This directive requires the subcommittee to oversee changes such as the addition or deletion of product codes, schedule types, filing instructions, or best practices. The Forms Management Subcommittee completed 6 major projects, started two new projects, and continued to work on one project during the 2011 – 2012 year. The following is a brief overview of the items that were addressed during the annual reporting period.

Projects Completed

1) **New Jersey Forms Review** – New Jersey created new tax returns to accommodate tax at the rack. The Forms Management Subcommittee was asked to review the returns for compliance with uniformity. The Forms Review Team led by Cindy Mongold provided suggestions to improve the forms. Committee also invited New Jersey to participate in future uniformity meetings.

2) **Reporting Alternative Fuel** - A team lead by Bill Gray was asked to look at the feasibility of replacing FTA codes with EIA codes to accommodate the recent trend towards alternative fuels. Due to the cost and complexity of converting to new product codes, the team recommended that we should not convert to EIA codes at this time.

3) **Alabama Forms Review** - Alabama asked the Forms Management Subcommittee to review 5 forms for uniformity. The Forms Review Team led by Cindy Mongold reviewed returns and forwarded comments to Alabama. Alabama updated returns and provided revisions to the Forms Review Team. Team reviewed changes and could not find additional problems. The following forms were approved as uniform.

   - Terminal Operator
   - Transporter
   - Supplier / Permissive Supplier
   - Importer/Exporter
   - Blender

4) **Terminal Report** – The Forms Management Subcommittee was asked to consider adding gross gallons to the receipt schedule of the existing uniform terminal report. The request was made to accommodate receipts of fuel at a terminal by rail or truck. A motion was made to add gross gallons to the schedule of receipts and to recommend that each state require a taxpayer to provide net and gross gallons on their schedules of receipts to facilitate the sharing of tax information among states”. Changes were approved by Forms Management Subcommittee and submitted to the Uniformity Committee for approval.
5) **Uniformity Guide** - The Forms Management Subcommittee was asked to review best practices associated with reporting prior period transactions. The committee agreed to amend the following language that pre-existed in the uniformity guide.

Page 59 of the 2011 Uniformity Book

1) Remove the word “proposed” from “Proposed Best Practice Prior Period Transaction Reporting”.
2) Delete the word goal from “Goal: To create a suggested practice to benefit both States and industry, regarding prior period transaction reporting issues”.
3) Remove the word “proposed” from “Proposed Best Practices”.

Table of Contents

1) Remove the word “proposed” from “Proposed Best Practice Prior Period Transaction Reporting”.

Changes were approved by Forms Management Subcommittee and submitted to the Uniformity Committee for approval.

6) **Product Codes** - The Forms Management Subcommittee was asked to consider adding the following product codes to the uniformity guide.

Blending components:

- CBOB (meets the definition of a taxable product)
- CBOB (does not meet the definition of a taxable product)
- RBOB (meets the definition of a taxable product)
- RBOB (does not meet the definition of a taxable product)

Stand-alone product codes:

- Ultra low sulfur diesel (undyed)
- Ultra low sulfur diesel
- Mixed stream NGLs requiring further processing
- Mixed stream NGLs not requiring further processing

After much deliberation, the committee felt there was a need to separately identify ultra low sulfur diesel and blending components typically associated with ethanol. However, the committee decided there was not a need to distinguish taxable from non-taxable blending components. The applicable schedules would identify the taxability of the product. In addition, the committee did not see a need to track mixed stream fuels due to the fact they are not considered a reportable or taxable product at this time. The uniformity committee recommended the following additions to the uniformity guide.

<table>
<thead>
<tr>
<th>Product Code</th>
<th>Product Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>313</td>
<td>Ultra low sulfur diesel (undyed)</td>
</tr>
<tr>
<td>314</td>
<td>Ultra low sulfur diesel (dyed)</td>
</tr>
<tr>
<td>301</td>
<td>CBOB</td>
</tr>
<tr>
<td>302</td>
<td>RBOB</td>
</tr>
</tbody>
</table>

The following projects are currently outstanding and will be addressed by the Forms Subcommittee in the near future.
• **Cross Walk (FTA & STCC Product Codes)** – A team led by Michael Grammer was tasked with creating a cross walk between FTA and STCC (rail) product codes. The cross walk will identify similar products reported by states and the railroad industry and create uniform product codes that could be used by both entities.

• **Schedule Survey** - The Forms Management Subcommittee was asked to conduct a survey of states. The survey would identify uniform schedules and sub-schedules that are currently being used by each state. Schedules that are not being used by a state will be considered for elimination from the uniformity guide.

• **Alternative Fuel Tax Return** - The Forms Management Subcommittee was asked to consider adding an alternative fuel tax return to the uniformity guide. A decision was made by the committee to create a team with the following mission.

  1. Determine if a uniform form is necessary.
  2. If necessary, design a form with instructions that can be used to file and pay alternative fuel tax.

The Forms Management Subcommittee would like to thank Cindy Mongold for the outstanding work she performed as team lead on the Forms Review Team during the past few years. Her committee helped numerous states construct uniform returns that are used by taxpayers to file and pay fuel taxes. Cindy has accepted a new role as state co-chair of the Compliance Subcommittee. Tracy Lenius will be taking her place as team lead of the Forms Review Team.

If you need further information regarding committee activities or need further assistance with the Uniform Report Forms, please contact the co-chairs of this committee:

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**2012 - 2013 Annual Report**

The Forms Management Subcommittee was directed by the Uniformity Committee to promote the accountability of fuel that is imported, exported, or sold within a taxing jurisdiction. This directive requires the subcommittee to oversee changes such as the addition or deletion of product codes, schedule types, filing instructions, or best practices. The Forms Management Subcommittee completed major projects, started new projects, and continued to work on one project during the 2012 – 2013 year. The following is a brief overview of the items that were addressed during the annual reporting period.

**Completed Projects**

1. **Uniform Alternative Fuels Tax Report** - Alternative Fuel Tax Report Team designed a form that could be used by states to report and pay tax on alternative fuels such as CNG and LNG.

2. **Mode Code Discrepancies** – Committee identified problems in the Uniformity Guide regarding mode codes. The following suggestions were made by the Forms Management committee.
- Remove mode GS from Carrier Report. This is not a valid mode of transport.
- Amend "Mode of Transport" to "Transaction Type Mode Code" within form instructions.
- Add a list of all mode codes with definitions to the Uniformity Guide.

Forms Management Committee voted to incorporate all three suggestions into the Uniformity Guide.

3. **Uniformity Guide and Electronic Commerce Implementation Guide Comparison** - Committee identified inconsistencies between the Uniformity Guide and the Electronic Commerce Implementation Guide. The following suggestions were made by the Forms Management committee.

- Add Uniformity Guide to the title page.
- Add sub-committee contact list to the Uniformity Guide.
- Replace "Indian" with the word "Native American" on schedule descriptions (schedule 5R and 10T).
- Move gasohol ethanol blends (E01 – E99) and gasohol methanol blends (M01 – M99) under a separate category called gasoline fuel group under FTA product code list.
- Add product code request form to electronic commerce implementation guide.

4. **Eliminating Unused Schedule Codes (Uniformity)** - Forms Sub-Committee was tasked with identifying schedule codes that were no longer being used by states on motor fuel tax returns. Unused schedule codes would be eliminated from the Uniformity Guide. Survey indicated four codes (1D, 5O, 5U, and 13L) are currently not being used. Committee determined that it would not be cost effective to eliminate only 4 codes. However, notes will be added to the uniformity guide that will classify the four schedules as inactive.

The following projects are currently outstanding and will be addressed by the Forms Subcommittee in the near future.

5. **Georgia Forms Review** - Georgia created a new distributor return. The Forms Management Subcommittee was asked to review the return for compliance with uniformity. The Forms Review Team led by Tracy Lenius identified potential problems with the return. Suggestions were provided to the state of Georgia.

6. **Cross Walk (FTA and STCC Codes)** - A team led by Michael Grammer was tasked with creating a cross walk between FTA and STCC (rail) product codes. The cross walk will identify similar products reported by states and the railroad industry and create uniform product codes that could be used by both entities. The team completed a draft cross walk that was presented to the committee for review. A recommendation on the draft will be made during the 2013/2014 cycle.

If you need further information regarding committee activities or need further assistance with the Uniform Report Forms, please contact the co-chairs of this committee:

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2013 - 2014 Annual Report

The Forms Management Subcommittee is responsible for reviewing forms, instructions, schedules, issuing product codes and schedule codes in addition to reporting on several other ongoing projects.

Completed Projects

1. Sub schedules were requested by the states of Oregon and Ohio. The full Uniformity Committee voted and approved the requests and the following codes were issued:
   - 1H Gallons received – Originating county and city tax paid
   - 7E Gallons sold for export – Originating city and/or county tax paid
   - 10AC Tax exempt sales in city jurisdiction
   - 10AD Tax exempt sales in county jurisdiction
   - 5AD Gallons sold to licensed retailers

2. Uniformity Guide – There was a discrepancy regarding the order in which the “Gross” and “Net” columns appeared on the Carrier Report Schedule, compared to all other schedules. The full Uniformity Committee agreed, for consistency, the two columns on the Carrier Report Schedule should be reversed.

3. The State of Georgia submitted form:
   - Motor Fuel Tax form MFD-04 along with receipt and disbursement schedules.
   The Forms Review Team led by Tracy Lenius provided feedback to Georgia. Georgia’s form was revised, voted on and approved as uniform by the full Uniformity Committee.

4. The State of Oregon submitted forms:
   Motor Vehicle Fuel and Aircraft Fuel License Tax Return and Dealers Schedule of Receipts, Dealers Schedule of Disbursements and City and County Summary Schedule.
   - Carrier Report & Schedules
   - Terminal Report & Schedules
   The Forms Review Team led by Tracy Lenius provided feedback to Oregon during the review process. Oregon forms were revised, presented, voted on and approved as uniform by the full Uniformity Committee.

5. The Forms Subcommittee received a request for new product codes for mixed stream fuels. This request had been considered previously by the Uniformity Committee. Extensive discussion ensued and it was determined that the product code is not needed by any taxing jurisdiction for taxing purposes, thus no action will be taken at this time.

Currently Outstanding Projects

1. Cross Walk (FTA and STCC Codes) – A team led by Michael Grammer has presented a document identifying FTA Codes and corresponding STCC codes. Concerns were raised regarding the possibility of differences in STCC codes from East Coast to West Coast railroads. The team is in the process of contacting a West Coast railroad representative.

2. Ohio Forms Review – The following Ohio forms and schedules were presented at the January 2014 meeting for review. Feedback was provided and Ohio will make needed changes and provide instructions for review.
   - Ohio Terminal Operator Return
   - Terminal Operator Inventory Schedule Detail
3. **Uniform Motor Fuel Sales Tax Form** – A team was created to design a Uniform Motor Fuel Sales Tax Form. The team members are Bob Donnellan, David Hernandez, Jessica McInerny, Tammy West and Amy Drewry. A draft form has been presented to the full committee for review and discussion. The team continues to make revisions on the return and will be creating instructions.

4. **Washington Forms Review** – The State of Washington has provided the following returns and schedules for review.
   - Terminal Report and Schedules
   - Supplier Tax Return and Schedules
   Forms review team led by Tracy Lenius is in the process of reviewing the forms and will provide feedback.

If you need additional information regarding committee projects and activities, or need further assistance with the Uniform Report Forms, please contact the co-chairs of the committee:

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**2014 – 2015 Annual Report**

The Forms Management Subcommittee is responsible for reviewing forms, instructions, schedules, issuing product codes and schedule codes in addition to reporting on several other ongoing projects.

**Completed Projects**

1. **Washington Forms Review**: Washington submitted the following forms and schedules for review:
   - Terminal Report & Schedules
   - Supplier Tax Return & Schedules
   - Distributor Tax Return
   - Aircraft Tax Return
   - Blender Tax Return
   The forms and schedules listed above were approved by the full subcommittee at the September 26, 2014 meeting in Jackson, WY.

2. **New Hampshire Forms Review**: New Hampshire submitted an “Alternative Fuels Dealer Report” for review. The form was reviewed and approved by the full committee at the January 23, 2015 meeting in Sacramento, CA with the addition of a contact email address.
3. **Florida Forms Review:** Florida submitted a “Retailer of Natural Gas Fuels Tax Return” for review. The form was reviewed and approved by the full committee at the June 12, 2015 meeting in Portsmouth, VA.

4. **Uniform Motor Fuel Sales Tax Form:** A team was created to design a Uniform Motor Fuel Sales Tax Form. The team members were Bob Donnellan, David Hernandez, Jessica McInerny, Tammy West and Amy Drewry. After reviewing a couple drafts and revisions of the form the full committee approved the Uniform Motor Fuel Sales Tax Form at the January 23, 2015 meeting in Sacramento, CA.

5. **Schedule Request:** The full committee approved the following schedules to be used with the Motor Fuel Sales Tax Report:
   - 16A – Gallons delivered sales tax collected
   - 16B – Gallons delivered exempt from sales tax

6. **Product Code Request:** The Forms Subcommittee received a request for new product codes for B0 – B5 (dyed & undyed). The following product codes were issued and approved at the January 23, 2015 meeting in Sacramento, CA:
   - BX5 – Biodiesel – Undyed (May contain up to 5% biodiesel)
   - DX5 – Biodiesel – Dyed (May contain up to 5% biodiesel)

7. **Who Can Request a Product Code:** The full committee approved changing the verbiage in the 2014 Uniformity Guide at the January 23, 2015 meeting in Sacramento. It will now read;

   The State Tax Administrator or Fuel Industry should submit the request to the current Forms Management Subcommittee state co-chair detailing the information using the FTA – Motor Fuel Uniformity Committee – Uniform Reporting Subcommittee Request Form for Product Code.

8. **Alternative Fuels Report/Instructions:** The full committee approved the following changes to the 2014 Uniformity Guide at the June 12, 2015 meeting in Portsmouth, VA;
   - Page 65 – Alternative Fuels Tax Report – General Instructions
     a. Insert the following statement on the general instructions form above the “Insert conversion formulas, if appropriate” box:
        i. Convert unit of measure to applicable units (cubic foot, kilowatt hour, pound, unit, gallon equivalent) using the State’s relevant conversion factors.
   - Page 66 – Alternative Fuel Tax Report
     b. Change “Gallons” to “Units” in columns (b), (c), and (e).
     c. Include “Gallon Equivalent” in parenthesis in columns (b), (c), (d), and (e).
   - Page 67 – Alternative Fuels Tax Report Summary Schedule
     d. Change “Gallons” to “Units” in each applicable line 1-10.

9. **RT Mode Description Changed:** The full committee approved the revised description for Mode Code RT as found in the 2014 Uniformity Guide:
   - Page 143 – Transaction Type Mode Codes
     e. Description for RT changed from “Removal from Terminal (other than by truck or rail) for sale or consumption” to “Removal from Terminal or Facility (other than by truck or rail) for sale or consumption”.

**Currently Outstanding Projects**

1. **New York** has submitted the following forms for review:
• FT-942 Diesel Moto Fuel and Motor Fuel Transporter’s Monthly Report
• PT-100 Petroleum Business Tax Return
• PT-101 Tax on Motor Fuel
• PT-102 Tax on Diesel Motor Fuel
• PT-103 Tax of Residual Petroleum Product Businesses
• PT-104 Tax on Kero-Jet Fuel
• PT-105 Credit-Reimbursement for Registered Electric Corporations
• PT-106.1-201.1 Retailers of Non-Highway Diesel MF Only – Receipts and Sales
• PT-350 Petroleum Business Tax Return for Fuel Consumption – Commercial Vessels

Topics of Discussion

There have been several topics of discussion this past year, such as;
• ExSTARS adoption and use of new product codes issued by FTA Uniformity Committee:
  a) RBOB – 302
  b) CBOB – 301
  c) ULSD (undyed) – 313
  d) ULSD (dyed) – 314
  e) B0 – B5 (undyed) – BX5
  f) B0 – B5 (dyed) – DX5
• E-Commerce Survey
• Late file penalty when electronic filed return is rejected
• Alternative Fuel conversions

The following topics have been removed from the Forms Subcommittee agenda at this time. If there is a need to look at them in the future the committee will look at them at that time:
• Ohio Forms Review – additional information requested
• Crosswalk (FTA and STCC Codes)
• State usage of ExSTARS reporting

Scott Louie of Chevron has accepted the Uniformity Industry Co-Chair position. Jessica McInerny of Cargill is the new Forms Sub-Committee Industry Co-Chair.

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2015-2016 Annual Report

The Forms Management Subcommittee is responsible for reviewing forms, instructions, schedules, issuing product codes and schedule codes in addition to reporting on several other ongoing projects.

Completed Projects

1. New York Forms Review: New York submitted the following forms and schedules for review:
   • FT-941 Terminal Operator’s Monthly Report of Diesel Motor Fuel and Motor Fuel Inventory
   • FT-942 Diesel Moto Fuel and Motor Fuel Transporter’s Monthly Report
   • PT-100 Petroleum Business Tax Return
• PT-101 Tax on Motor Fuel
• PT-102 Tax on Diesel Motor Fuel
• PT-103 Tax of Residual Petroleum Product Businesses
• PT-104 Tax on Kero-Jet Fuel
• PT-105 Credit-Reimbursement for Registered Electric Corporations
• PT-106.1-201.1 Retailers of Non-Highway Diesel MF Only – Receipts and Sales
• PT-350 Petroleum Business Tax Return for Fuel Consumption – Commercial Vessels

The forms and schedules listed above were not considered uniform by the full committee at the September 18, 2015 meeting in Chattanooga, TN for the following reasons:

• FTA Uniform Transportation Modes are not used.
• FTA Uniform Schedule Codes are not used.
• FTA Uniform Schedules require Product Code as a header field and not a column within the schedule.
• FTA Uniform Forms require a contact name, phone number, and email address on all forms.
• FTA Uniform Forms requires a Document Number on all receipts/disbursements.
• FTA Uniform Forms requires no additional column headers on schedules.

Recommendation from E-Commerce Committee is to maintain consistency with FTA schedule columns for ease of reporting. Additionally, grouping separate columns together (Carrier/FEIN) into one column does not meet Uniformity requirements.

2. Uniform Sales Tax “Purpose Sheet”: The full committee approved the Uniform Sales Tax Purpose Sheet submitted by Jessica McInerny that details the purpose of the Uniform Sales Tax Form that was approved on January 23, 2015. The Sales Tax Purpose Sheet will be added to the Uniformity Guide.

3. Alabama Forms Review: Alabama submitted their Alternative Fuel Monthly Tax Return, form B&L – MFT-AFT for review. The form was approved by the full subcommittee at the September 18, 2015 meeting in Chattanooga, TN.

4. Idaho Forms Review: Idaho submitted their Distributor’s Fuel Tax Report Form 1450 for review. The form was approved by the full subcommittee at the September 18, 2015 meeting in Chattanooga, TN.

5. Product Code Request – Motor Oil: New Hampshire submitted a product code request form for “Automotive Oil” at the January 29, 2016 meeting in Pensacola Beach, FL. After review and discussion by the full committee the Product Code name was changed to “Motor Oil”, and would include “automotive oil” in the definition. The full committee reviewed and approved the application for a new product code for “Motor Oil”. The Communications Sub-Committee was then tasked with defining “Motor Oil” for inclusion in the Uniformity Booklet. PIDX was contacted to determine if a code already existed for Motor Oil within their Downstream Workgroup. As no code currently existed and the Downstream Workgroup considers it out of scope they would not assign a new code. The full subcommittee approved the use of 800 as the new Uniform code for Motor Oil at the May 13, 2016 meeting in Albuquerque, NM.
6. **Mode Code Change**: The full subcommittee reviewed and approved the change of the definition for Mode Code “GS” from “gas station” to “fuel station” at the January 29, 2016 meeting in Pensacola Beach, FL.

7. **Uniform Alternative Fuel Tax Schedule of Disbursements**: The full committee reviewed, modified, and approved the Uniform Alternative Fuel Tax Schedule of Disbursements to be used in conjunction with the Alternative Fuel Tax Report at the January 29, 2016 meeting in Pensacola Beach, FL.

8. **Kentucky Forms Review**: Kentucky submitted the following forms and schedules for review:
   - Monthly Terminal Report
   - Terminal Operator Schedules
   - Licensed Gasoline Dealer’s Monthly Report
   - Licensed Special Fuel Dealer’s Monthly Report
   - Distributor’s Receipt/Disbursement Schedules
   - Transporter’s Report of Motor Fuel Delivered
   - Transporter’s Report Schedule 14 – Delivery
   - LPG Dealer
   - Petroleum Storage Tank Environmental Assurance Fee Monthly Report
   The forms were approved by the full subcommittee at the January 29, 2016 meeting in Pensacola Beach, FL.

9. **Mode Code Addition**: It was identified that the mode code “CE-Summary” needs to be added to the Mode Code listing, as it is used throughout the Uniform Book and currently not listed. The full subcommittee discussed and approved the addition of “CE-Summary” to the mode code list at the January 29, 2016 meeting in Pensacola Beach, FL.

10. **Forms Management – FTA Uniform Reporting Forms**: The full subcommittee reviewed and approved a proposal to update the Forms Management FTA Uniform Reporting Forms State compliance summary by adding a review date column to the summary at the May 13, 2016 meeting in Albuquerque, NM.

**Currently Outstanding Projects**

**Forms Review Document**: It was proposed at the September 18, 2015 meeting in Chattanooga, TN that the Forms Subcommittee create a “Forms Review Document” which will provide information regarding the requirements for a form to be considered uniform. Since that time a subcommittee was formed headed by Lee Gonzalez (FL) along with Marcia Leichner (NE), Randy Winkler (AL), Amy Drewry (Louis Dreyfus), and Cynthia Johnson (PwC), and drafts have been reviewed, discussed, and modified based upon their comparison to the current approved forms and schedules. Another draft will be reviewed at the September 16, 2016 meeting in Portland, ME for further discussion, updating and potential approval.

**Topics of Discussion**

1. **North Carolina Forms**: North Carolina inquired as to if they needed committee approval to add a line to one of their already uniform forms. The line item was discussed, and it was
determined that they would not need FTA Forms Sub-committee to approve the addition of the line item and that they would still be considered Uniform.

2. Blending Components Review: Xerox discussed the need for clarification on blending products/components and what fuel they are most commonly blended with Gasoline or Diesel. A subcommittee was formed with Ray Grimm as lead; David Hernandez (Valero) and Scott Louie (Chevron) will assist with the analysis. Additionally, the committee discussed how this information would be used, and it was determined that it would most likely fit best as a white paper document.

3. Potential Product Code Request – Racing Fuel: Arizona requested a sub-code for racing fuel used on the highway. After research it was determined that Michigan requested a product code for tax-paid racing fuel, and because most of the States recognize it as Gasoline, Schedule 5Z was created for gallons sold for racing use – tax collected.

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2016-2017 Annual Report

The Forms Management Subcommittee is responsible for reviewing forms, instructions, schedules, issuing product codes and schedule codes in addition to reporting on several other ongoing projects.

Completed Projects

1. Forms Review Document – The full committee approved the revisions to the Forms Review Document matrix. A comparison was done between the Forms Review Document draft to the current forms and schedules in the Uniformity Guide, and to ensure that page 25 was complete and assisting States in determining whether or not their forms were uniform. Lee presented a revised draft of the updates he and his group made.

2. Product Code Request – Racing Fuel – Arizona

Arizona requested and subsequently withdrew a product code request for racing fuel. Arizona has decided to use existing schedule codes to meet their needs. They will be using:

- 3Y – Receipt – Imports below the terminal rack not subject to tax
- 6Z – Disbursement – Gallons sold for Racing Use – Tax Not Collected
- 5Z – Disbursement – Gallons sold for Racing Use-Tax Collected

3. Definition of RBOB/CBOB – The full committee voted and approved the new definitions of RBOB/CBOB to be added to the book, and those approved definitions were sent to the Communication & Coordination committee for inclusion.
Currently Outstanding Projects

1. **Product Code Request – Renewable Diesel** – Discussion was had surrounding the need for a product code for Renewable Diesel. There has been no word from the IRS on how they will require Renewable Diesel to be categorized for tax purposes, and it is unknown if States will require the renewable diesel to be separately identified from diesel.

The entire subcommittee worked to develop a listing of questions that FTA will put into a survey and send out to all States and on the listserv.

**The questions developed are as follows:**

Renewable diesel, also known as biomass-based diesel, is a hydrocarbon diesel vehicle fuel produced from non-petroleum renewable resources such as vegetable oils (soy, corn, canola, etc.), animal or poultry fat, used cooking oil, municipal solid waste, and wastewater sludge and oils. The most common process used today to produce this product is through hydrotreating, which is used in petroleum refineries currently. Renewable diesel is virtually indistinguishable from conventional (petroleum-based) diesel fuel in its chemical composition and performance. Accordingly, renewable diesel is considered a “drop-in” fuel, which means it can be used in blends with conventional diesel fuel, and its presence will be transparent to vehicles or equipment. Renewable diesel meets or exceeds all ASTM D975 minimum standards. This is NOT biodiesel. Due to the fact that it is indistinguishable when compared to diesel the FTA Uniformity committee has no intention of assigning a product code at this time.

1. Does your State currently have a statute defining renewable diesel? If so, what is the statutory reference/definition?
2. Does your State have any credits and incentives related to renewable diesel, or any legislation relating to renewable diesel?
3. Does your State require a separate product code for renewable diesel?
4. Is your State currently receiving renewable diesel? Has your State seen this product on an invoice or BOL?

2. **Blending Components Review** – An analysis was completed regarding the blending components matrix and what components are blended into what Product Groups. They identified what products cannot be used in the U.S. legally for potential removal from our list, as well as the components that could be blended into multiple products groups. Discussion was had on whether we should assign new product codes for each of the component/product blends that occur, as well as whether or not we should remove the components not able to be used in the U.S. The entire subcommittee worked to develop a listing of questions that FTA will put into a survey and send out to all States and on the listserv.
Product Code Questions:

1. How do you require your companies to report blending components?

2. Do you use these four product codes?
   • 122 – Blending Components
   • 090 – Additives Miscellaneous
   • 100 – Transmix
   • 092 – Undefined Products

3. How do you differentiate these codes between gasoline and diesel?

4. Would it be helpful to have additional product codes to differentiate between gasoline and diesel in the aforementioned codes?

5. Are you currently using product code 285 – soy oil?

Product Code Questions:

1. Does your State require transloading facilities to be licensed and report?

3. Multi-Jurisdiction Motor Fuel License List – The white paper document that can be used by Industry for collection of motor fuel licenses numbers will continue to be modified by the working group. We determined to only provide the database list format to Industry along with instructions. Additionally, we added Seller’s FEIN to the header of the form. The working group consisting of Jessica McInerny, Rae Takei, Neil Likens, Scott Louie, Bob Donnellan, Lee Gonzalez, and Emilda Santiesteban will also provide a description for how the form should be used by Industry in addition to adding an asterisk to those States that require annual renewals.

Topics of Discussion

1. Railcar Issues - Discussion was had surrounding the short rail bills of lading and how they don’t necessarily match the ticket numbers, and that some are using railcar numbers for reporting. A committee was formed to do some research about railcar shipments, how they are transported, the information that is received/transmitted, etc. The committee consists of Lauren Branch, Wilda Ice, Jessica McInerny, Josh Breland, Emilda Santiesteban, Lee Gonzalez, Hal Lovell, John Manning/Doug Smith, Randy Winkler, and Krstin Armstrong. After our initial research we will discuss the creation of a white paper document regarding Railcar/Transloading.

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2017-2018 Annual Report
The Forms Management Subcommittee is responsible for reviewing forms, instructions, schedules, issuing product codes and schedule codes in addition to reporting on several other ongoing projects.

Completed Projects

1. **Multi-Jurisdiction Motor Fuel License List** – The white paper document that can be used by Industry for collection of motor fuel licenses numbers was finalized by the working group. We determined to only provide the database list format to Industry along with instructions. The group reviewed the updated form and instructions. After discussion and some questions and answers, we decided to add the form and instructions to the Uniformity book.

2. **Product Code Request – Renewable Diesel** – Discussion was had surrounding the need for a product code for Renewable Diesel. There has been no word from the IRS on how they will require Renewable Diesel to be categorized for tax purposes, and it is unknown if States will require the renewable diesel to be separately identified from diesel.

   The entire subcommittee worked to develop a listing of questions that FTA will put into a survey and send out to all States and on the listserv.

   The questions developed are as follows:

   Renewable diesel, also known as biomass-based diesel, is a hydrocarbon diesel vehicle fuel produced from non-petroleum renewable resources such as vegetable oils (soy, corn, canola, etc.), animal or poultry fat, used cooking oil, municipal solid waste, and wastewater sludge and oils. The most common process used today to produce this product is through hydrotreating, which is used in petroleum refineries currently. Renewable diesel is virtually indistinguishable from conventional (petroleum-based) diesel fuel in its chemical composition and performance. Accordingly, renewable diesel is considered a “drop-in” fuel, which means it can be used in blends with conventional diesel fuel, and its presence will be transparent to vehicles or equipment. Renewable diesel meets or exceeds all ASTM D975 minimum standards. This is NOT biodiesel. Due to the fact that it is indistinguishable when compared to diesel the FTA Uniformity committee has no intention of assigning a product code at this time.

   1. Does your State currently have a statute defining renewable diesel? If so, what is the statutory reference/definition?

   2. Does your State have any credits and incentives related to renewable diesel, or any legislation relating to renewable diesel.

   3. Does your State require a separate product code for renewable diesel?

   4. Is your State currently receiving renewable diesel? Has your State seen this product on an invoice or BOL?

The surveys were sent and only 16 states responded. After discussion, it seems there is no need for a specific product code for renewable diesel.

Currently Outstanding Projects

1. **Blending Components Review** - An analysis was completed regarding the blending components matrix and what components are blended into what Product Groups. They
identified what products cannot be used in the U.S. legally for potential removal from our list, as well as the components that could be blended into multiple products groups. Discussion was had on whether we should assign new product codes for each of the component/product blends that occur, as well as whether or not we should remove the components not able to be used in the U.S. The entire subcommittee worked to develop a listing of questions that FTA will put into a survey and send out to all States and on the listserv.

**Product Code Questions:**

1. How do you require your companies to report blending components?

2. Do you use these four product codes?
   - 122 – Blending Components
   - 090 – Additives Miscellaneous
   - 100 – Transmix
   - 092 – Undefined Products

3. How do you differentiate these codes between gasoline and diesel?

4. Would it be helpful to have additional product codes to differentiate between gasoline and diesel in the aforementioned codes?

5. Are you currently using product code 285 – soy oil?

The survey received limited responses. It was determined that only 4 codes were issues.

   122 – Blending Components
   090 – Additives
   100 – Transmix
   092 – Undefined Products

After a lot of discussion, it was determined that industry and various states have determined how to use the codes to file reports. This issue has been tabled for this time.

### Uniform Forms – State Review

There are currently 9 States that do not have uniform forms according to our most recent uniformity book. Discussion was had on what/if anything should be done to see about assisting those States with becoming Uniform. A committee was formed to review each of the States forms to determine what they would need to become uniform, and then draft an e-mail to each State addressing the issues, the benefits of becoming uniform, and asking if they would like FTA to assist them in becoming Uniform. The committee will be Jessica McInerny, Doug Kleeb, Stephen Nutter, Josh Breland, Jason Turnbo, and Pitter Martinez. The full committee reviewed all the non-uniform forms (AK, AZ, HI, IL, RI, TX, VT) at the April 2018 meeting. All non-uniform items were noted and will be sent by the committee to the States to determine if they would like assistance from the committee in becoming uniform in their forms. The email will outline the benefits of uniformity, point out each states deficiencies, and offer help in becoming uniform.

**Topics of Discussion**
1. **Railcar Issues** - Discussion was had surrounding the short rail bills of lading and how they don’t necessarily match the ticket numbers, and that some are using railcar numbers for reporting. A committee was formed to do some research about railcar shipments, how they
are transported, the information that is received/transmitted, etc. The committee consists of Lauren Branch, Wilda Ice, Jessica McInerny, Josh Breland, Emilda Santiesteban, Lee Gonzalez, Hal Lovell, John Manning/Doug Smith, Randy Winkler, and Kristin Armstrong. After our initial research we will discuss the creation of a white paper document regarding Railcar/Transloading.

2. Fuel Marking Article Review – Tax Stamp News published an article in their monthly newsletter, “The Changing Fuel Market and Steps to Counter Illicit Fuel Activities”. The article was passed out for the group to review prior to the afternoon Communications & Coordination Meeting. In that meeting we will discuss the article and determine what/if any response should come from FTA.

3. Texas – Texas is requiring unlicensed customers to be charged tax on international vessels destined for export out of the U.S. and then requiring the unlicensed purchaser to file a refund claim. Industry has volunteered to bring State Comptroller representatives out to the facilities to show that these exported products cannot be distributed other than by bulk transfer, so that they can gain a better understanding of how the process works. This discussion led to a brief discussion on succession planning for State employees, as to the importance of educating their new staff on how motor fuel taxes work. Discussion about Texas rule changes and their attempts to tax exports. Valero hosted a terminal facility tour that was attended by 10 representatives of the state. It was determined that even though these attendees are policy and decision makers, none had ever visited a terminal, or had a thorough understanding of the fuel industry. Scott used this as a reminder to states to do succession planning. He also stated that industry is willing to host facility tours and give education to the states regarding the fuel industry. A second issue was raised regarding late loads. Historically Texas has allowed a 90 day grace period for late loads, and this was changed to no grace period without notice to the industry. It was brought up that Texas had a new schedule for late loads, but apparently very few knew it existed.

4. Multiple State Taxation – Discussion was had regarding whether industry is required to charge multiple motor fuel taxes for both origin and destination States for several different scenarios.

5. Pipeline Biodiesel Blends – Discussion was had regarding biodiesel blends in pipelines that are further blended and not knowing what the true end blend percentage is on the final product. Since diesel can contain up to 4.999 biodiesel when that product is comingled and then further blended you don’t truly know what your final blend is without testing every load. This causes issues with pricing due to credits or exemptions on biodiesel that may be in the final blended product.

6. Motor Fuel Tax Refunds – Freight Ticket Issue – Discussion was had regarding suppliers not receiving delivery or freight tickets to support their refund claims. As more carriers are going paperless it is becoming increasingly more difficult for suppliers to obtain those delivery/freight tickets to support their claims. Currently industry is having to request the information from the 3rd party carriers, which can lead to delays in refund submissions as they wait for the required data to support the claim; if they even get it at all. US Oil currently uses an affidavit system for these type of situations in that they provide a refund claim package which includes the invoice, BOL, and an affidavit from the 3rd party carrier attesting to the location and delivery quantities of the fuel in lieu of providing a printed delivery/freight ticket for each delivery.

7. Exports to Mexico - Industry asked states to review their laws and rules regarding these exports. As the market opens up, the volume of exports will increase.
2018-2019 Annual Report

The Forms Management Subcommittee is responsible for reviewing forms, instructions, schedules, issuing product codes and schedule codes in addition to reporting on several other ongoing projects.

Completed Projects

- **Uniform Forms – State Review** – The committee identified seven states that have forms that were not uniform. Jessica McInerny contacted the states outlining the benefits of uniformity and offered help in becoming uniform. Four of the seven states responded. Rhode Island and Texas have no plans to change their forms. Vermont is working with a vendor to implement a new tax filing system and is working with the committee to ensure their new forms are uniform. After reviewing Arizona’s forms, the committee voted to consider them uniform. Alaska, Hawaii, and New Jersey did not respond.

- **Blending Components Review** - An analysis was completed regarding the blending components matrix and what components are blended into what Product Groups. The subcommittee identified products that cannot be used in the U.S. legally for potential removal from our list, as well as the components that could be blended into multiple products groups. The group discussed whether we should assign new product codes for each of the component/product blends that occur, as well as whether or not we should remove the components not able to be used in the U.S. The subcommittee developed a survey and sent it to all the states on the listserv. The survey received limited responses. The subcommittee determined that only four codes were issues. 122 – Blending Components 090 – Additives 100 – Transmix 092 – Undefined Products

After discussing the issues, the subcommittee determined that industry and the various states have determined how to use the codes to file reports.

Current Outstanding Projects

- **Vermont Forms Review** – Brigitte Codling (VT) attended the April meeting in Oklahoma City. She told the subcommittee that Vermont was working with FAST Enterprises on a new tax reporting system, and wanted our assistance to ensure the new process and forms were uniform. A group consisting of Doug Kleeb, Peter Steffans, Lee Gonzalez, and David Hernandez will assist the state and FAST in the project. The plan is to have draft forms available for review at the September 2019 meeting in Louisville, KY. **Update:** After the meeting, Brigitte Codling informed Doug Kleeb that she had accepted another position. Brigitte’s replacement on this project is Jennifer Pittsley, jennifer.pittsley@vermont.gov.

- **Railroad / Transloading Schedule / Report** – At the January meeting in Montgomery, AL, a group, consisting of Wendy Thompson, Debi Anderson, Vanessa Olson, Scott Fitzgerald, Wilda Ice, and Doug Kleeb, was formed to develop schedules related to transportation of
• motor fuels by railcar that is subsequently offloaded at a transloading facility rather than at a terminal. At the April meeting, the draft forms were discussed, and the group, with the additions of David Hernandez and JD Daniels, will work to refine the schedules, create instructions, request schedule codes, and will bring these to the September 2019 meeting.

• Uniformity Book Schedule Updates – A group, consisting of Pitter Martinez and Catherine Mitchell, was formed to reach out to states and gather updated information so that pages 112-155 of the Uniformity Book could be updated. During this research, it was discovered that Washington was using a Schedule 13X, that had not been approved by the Forms Subcommittee. Doug Kleeb will reach out to Washington to get some information, then bring it back to the September meeting where the subcommittee will discuss approval of the form.

Topics of Discussion

• Bunker Fuel Standards – In 2020, all bunker fuel will be required to be low sulfur diesel. This fuel will run highway vehicles, so States should be aware of this change and prepare to make potential accommodations.

• Aviation Gasoline – In 2024/2025, the EPA will require leaded aviation gasoline to become unleaded. In some states, the definition of aviation fuel is tied to ASTM standards, so states should review their definitions to determine if any statutory changes are required.

• Pipeline Changes – The Colonial and Buckeye Pipelines are proposing to have an open system that would allow industry to input fuel at one location and immediately withdraw fuel from another location – similar to Magellan. Industry feels like this may be a major challenge to report in an open system.

• Renewable Diesel – Industry brought up the continued growth in the use of renewable diesel, and the possibility of needing a product code. At this time, the subcommittee decided a code was not necessary, but will continue to monitor the need.

• Industry Issues – It was decided to have these conversations in the Compliance Subcommittee meeting moving forward.

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2019-2020 Annual Report

The Forms Management Subcommittee is responsible for reviewing forms, instructions, schedules, issuing product codes and schedule codes in addition to reporting on several other ongoing projects.

Completed Projects

The Forms Management Subcommittee is responsible for reviewing forms, instructions, schedules, issuing product codes and schedule codes in addition to reporting on several other ongoing projects. 2020 has been an interesting year. Because of the COVID-19 pandemic, the June 2020 Uniformity Meeting was held by webinar. We want to give special thanks to Terri Steenblock for all her work setting up and moderating the webinar.
Completed Projects

- **Uniformity Book Schedule Updates** – Catherine Mitchell from West Virginia and Jessica McInerny worked on a project to make sure the listing of schedules and sub-schedules used by each is up to date. Most states have responded and updates have been provided to update the Uniformity Book.

- **Vermont Forms Review** – The state of Vermont has been working with FAST Enterprises to update their tax reporting system and reached out to the Uniformity Committee to ensure their updated forms were considered uniform. A subcommittee consisting of Doug Kleeb, Peter Steffens, Lee Gonzalez, and David Hernandez worked with the state. The updated forms were approved as uniform, and the state went live with their new system in May 2020.

- **Transloader Operator Report** – After seeing several presentations about transloading, and determining that this type of operation created a fuel tracking gap in most states it was decided to form a subcommittee with a goal of creating a Transloader Operator Report and schedules. The subcommittee consisted of Wendy Thompson, Debi Anderson, Vanessa Olson, Scott Fitzgerald, Wilda Ice, Doug Kleeb, David Hernandez and JD Daniels. At the annual meeting in Louisville, the report and schedules 17A, 17B, and 17C were approved.

- **Product Code Requests** – Iowa requested a product code for electricity. Beginning in 2023 they will be taxing electricity as a motor fuel. After some discussion, the committee approved the request and assigned product code 400. Michigan had requested two product codes, one for a proprietary diesel additive. The request was approved. The Uniformity Book will update the description of Additive Miscellaneous, sub-product code 090 to Additive Miscellaneous – Gasoline, and added Additive Miscellaneous – Diesel and assigned sub-product code 310 to the Product Code table under Blending Components.

Current Outstanding Projects

- **Michigan Product Code Request** – Michigan requested the committee assign product code 286 to #5 and #6 fuel oil, bunker C, and Navy Special. Doug Kleeb is following up with the state, and this will be brought back to the next meeting for discussion.

Topics of Discussion

- **Alternative Jet Fuel** - Brendajo Beck from Avfuel discussed the new NEAT jet fuel that they are blending. The FAA considers the NEAT jet fuel as aviation fuel under ASTM 1655, so it was decided that until a State decides to tax it differently we will not assign a product code. At the January 2020 meeting Wilda Ice, North Carolina, presented a paper on “What is Sustainable Alternative Jet Fuel (SAJF)?” to help educate the committee on the differences between sustainable alternative jet fuel and renewable jet fuel.

- **Potential Name Change for Uniformity** – Discussion was had regarding a possible name change to better reflect the committee’s current activities.

- **Electronic Bills of Lading** - Discussion on the use of Electronic Bill of Ladings was had as the industry is moving more towards the use of them. Edie Martin and Jessica McInerny will reach out to DTN or some other electronic bill of lading company to request a presentation for our June 2020 meeting in Boise, Idaho. Additionally, it was determined that a white paper document should be done on the topic, so that is being moved to the Communication & Coordination committee.
2020-2021 Annual Report

The Forms Management Subcommittee is responsible for reviewing forms, instructions, schedules, issuing product codes and schedule codes in addition to reporting on several other ongoing projects.

This year was a continuation of last year, and the pandemic kept us from meeting in person. The group’s only meeting of the year was held in September 2020 by webinar.

Completed Projects

- **Michigan Product Codes** – The State of Michigan requested a product code for #5 and #6 fuel oil, Bunker C, and Navy Special. After some discussion, the group approved code 286 for those products.

- **Pennsylvania Alternative Fuel Return** – The state of Pennsylvania submitted an updated Alternative Fuel Return for review and approval. After reviewing the form, the group determined it met the uniformity requirements and the form was approved.

Current Outstanding Projects

- **Love’s Product Code Request** – In October 2020, Love’s Travel Stops submitted a request for us to issue a product code for Isooctane. The product is blended with gasoline to raise the octane rating. After doing some research, and suggesting some existing codes, which did not meet Love’s needs, Doug Kleeb assigned product code 060 for them to use pending approval at the next Uniformity meeting.

2021-2022 Annual Report

The Forms Management Subcommittee is responsible for reviewing forms, instructions, schedules, issuing product codes and schedule codes in addition to reporting on several other ongoing projects.

After nearly two years meeting virtually, we met in person in Orlando, FL on January 28, 2022 and Boise, ID on May 13, 2022!

The previous co-chairs, Doug Kleeb of the state of Oregon and Jessica McInerny of Cargill have stepped down from the positions. We would like to thank both for an outstanding job.
The new co-chairs are Brenda Beck of Avfuel Corporation and Catherine Mitchell of West Virginia.

**Completed Projects**

- **Colorado requested a new sub-schedule.** Schedule 6K for Supplier Gallons Removed from Terminal. Colorado had indicated they have a reporting gap when a supplier sells to a distributor at the rack. This new schedule code would show who the supplier is selling to, so CDOR can bill them the tax, if unreported on a distributor’s return. There was much discussion and Colorado began using this schedule effective January 1, 2022, so tabling this item could result in issues for Colorado and re-programming by Industry. It was ultimately decided to add Schedule 6K to the Uniformity Booklet. The new sub-schedule name was reformatted to match the wording of other schedules as follows: ‘Gallons Removed from Terminal by Supplier’.

**Current Outstanding Projects**

- **Love’s Product Code Request** – In October 2020, Love’s Travel Stops submitted a request for us to issue a product code for Isooctane. The product is blended with gasoline to raise the octane rating. After doing some research, and suggesting some existing codes, which did not meet Love’s needs, Doug Kleeb assigned product code 060 for them to use pending approval at the next Uniformity meeting. As of the May 13, 2022 meeting, Love’s was to provide more information on the Isooctane including use to determine if licensing was needed in different states. The committee decided to assign product Code 090 until more specific information was provided.

- **CA to Request Product Code for Renewable Diesel.** As the Uniformity Codes only have product code 160 available for use for diesel, California requested a new product code for renewable diesel. There are federal credits available for the renewable fuels and to ease in reporting and tracking, California asks for the new product Code. They were advised to complete a FTA Motor Fuel Request Form for Product Code and present to the Uniform Reporting Subcommittee.

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FTA Subcommittee Accomplishments and Goals 1994 - 2001
**Uniform Forms Subcommittee (1994)**

Given the need for total accountability of motor fuel transactions, the Uniformity Committee has a subcommittee devoted to developing a uniform/consistent means of reporting taxpayer information. The Uniform Forms Subcommittee has developed a complete package of uniform tax reports and schedules, which would enable states to collect similar information and totally account for fuel sales. These forms are designed to allow each state to document the different types of transactions and record tax payments regardless of the point of taxation or how the state calculates the fuel tax. The committee has created six different types of forms to collect data from all segments of the fuel distribution system. They include the supplier, distributor, terminal operator, bulk dealer, retailer, and common/contract carriers. A complete set of these forms is enclosed.

**1994 - 1995 Uniform Forms Subcommittee Report**

1. The committee recommends the adoption of the following forms:
   - Distributor’s Fuel Tax Report
   - Retailer’s Fuel Tax Report
   - Bulk Dealer Report
     a) Schedule of Receipts
     b) Schedule of Disbursements
   - Flowcharts Depicting
     a) Cross States Border Movement
     b) Fuel Accountability
     c) Terminal Receipts
     d) Terminal Deliveries

2. The committee recommends the adoption of the words “Document Number” to replace the words “Manifest Number” on the Distributor Schedules of Receipts and Disbursements. These forms were adopted in September 1993.

3. The committee has been studying the bill of lading form to determine what federal or state agencies put requirements on these documents. The committee does not anticipate recommending or dictating information on the bill of lading.

4. The committee recommends the adoption of two Mode of Transport Codes on the Terminal Report and Instructions: BA=Book Adjustment and ST=Stock Transfers.

5. There are now 26 states using some or all of the uniform forms. One of our biggest challenges has been to assist states in the implementation of these forms. In all cases, we have been able to show them the flexibility of the forms and how they can adapt these forms to their needs.

6. In the next year, the committee sees its responsibilities more as a liaison; that is, to negotiate issues that will come up, to maintain uniformity on adopted forms and to ensure there is a parallel process for automation that complements the forms. We also see a need to ensure that the numbering of subschedules is maintained between states. If a state has a need for a subschedule and numbers it 2A, we need to ensure that another state using a subschedule for the same purpose uses the same number.

**1995 - 1996 Uniform Forms Subcommittee Report**

As states have adopted and implemented the uniform forms, there has been a proliferation of subschedules developed. Unfortunately, the subcommittee has not provided any guidance as to how these should be numbered to maintain consistency between the states. A proposal to number those subschedules will be submitted to the full Uniformity Committee during the October 1996 meeting.
At the request of various states, the two modes of transportation BA and ST shown on the Terminal Report will also be recommended for adoption for the Distributor Report.

The bill of lading was analyzed. This analysis resulted in the committee’s recommendation against adopting a uniform bill of lading form.

The subcommittee continues to encourage states adopting uniformity to allow us to review new forms and schedules. During 1996, North Carolina, Florida, Ohio and Alaska requested a review of their new forms against the official adopted uniform forms. We appreciate the opportunity to help any state. The subcommittee will look at a proposal to adopt a “Supplier or Position Holder” return over the next year.

1997 - 1998 Uniform Forms Subcommittee Report

The Uniform Forms Subcommittee started the year with a small agenda, but ended up keeping quite busy with new issues. The committee has been working with the Electronic Commerce Subcommittee to develop a uniform method and form for use by those who have to report the same loads as a distributor or supplier, as a carrier and also as a terminal operator. The concepts and the form are still under discussion. The committee discussed and approved the following mission statement, “The Uniform Forms Subcommittee of the Fuel Tax Uniformity Committee will develop reporting methods, forms and schedules that foster implementation of the 11Point Plan with an eye to curbing fuel tax evasion.”

The committee considered developing a uniform form for refund claims, but it was ultimately decided that the various states’ requirements differed too much to make this practical. The states are encouraged to pattern such forms after the existing uniform forms, and to provide a copy to the committee. The committee has also requested a copy of all states’ fuel tax forms and has them on file for future reference. All states are encouraged to use this resource and to keep it up to date when changes are made. New product codes were adopted for dyed and undyed kerosene and for gasoline blended with MTBE.

Finally, the committee has developed and approved a “Uniform Guidelines for Reporting Credit Card Transactions.” This will be printed in the new Uniformity Booklet with the notation “Circulating for Comment.” This is designed to explain how to report such transactions and to develop uniformity in the procedure using the existing uniform forms.

1998 - 1999 Uniform Forms Subcommittee Report

As more states are implementing uniform forms and schedules, we have added two more sub-schedules to our list. We have also corrected and clarified a number of product codes on the “Uniform Forms FTA Product List.”

Last year we requested copies of states’ forms and schedules with the intent of keeping a file for all states’ to reference and to review them for uniformity. After reviewing, it was found that many of the forms appeared to be outdated. We will make another request to update the forms. As states start implementing uniform forms and schedules, we will continue to provide feedback, as requested.

In the upcoming year, the subcommittee will review states’ license applications. We will determine if it is possible to provide a uniform license application for the states to use. This will allow the states to collect similar information as well as allow industry members a uniform application to complete.
We agree to review and provide feedback to any state updating or changing forms. A four-member industry/state panel will review the forms and provide comments or suggestions, which may make the forms more uniform or easier to use by industry.

We will continue to work on a uniform Combined Supplier and Combined Distributor reporting form as well as instructions. Also, we will provide input on ExSTARS reporting forms once they are near completion.

1999 - 2000 Uniform Forms Subcommittee Report

With the ExSTARS project moving toward completion and work on the new 4030 version of the EDI map, the committee works jointly with the Electronic Commerce Committee on the TIA code versus The subschedule issue. Also, new product codes were issued to replace some of the old codes that contained alpha characters.

Work continued throughout the year on the uniform license application. The subcommittee members offered many suggestions for change. We hope to approve this document and move to the full committee early next year. The subcommittee also devoted much of its time to two other significant projects. The combined reporting form for the supplier/distributor, carrier, and terminal operator, after several revisions, was approved and moved to the full committee. Likewise, the committee worked on an example of how a supplier, blending different products, would show the receipts and disbursements on the uniform schedules. This guide for reporting was approved and moved to the full committee.

The Internal Revenue Service presented new forms 720-TO and 720-CS to the committee for review and approval. A new “Mode of Transportation” code was also adopted by the committee.

Cindy Anders-Robb, FTA, suggested that the committee review the use of sub-schedules with the idea that some of the schedules are not currently in use. The committee selected a small subcommittee to review all sub-schedules. This will be a major emphasis of the committee over the next year. Also, the committee will be looking at bank letters of credit and possible uniform use.

2000 - 2001 Uniform Forms Subcommittee Report

As the committee entered the new year, there were several projects still outstanding that needed additional work. The Uniform License Application was distributed for comment and was then approved and moved to the full committee. We completed work on the Letter of Credit and will send this out for comment before moving to the full committee. The Combined Reporting Form was moved back to the working committee and was distributed for comment and finally approved and moved to the full committee this year. The same was also true of the working example for blending different products and subsequent reporting on the uniform schedules. The full committee finally approved both the Combined Reporting form and the working example for blending.

The committee recognized the need to review all the sub-schedules that had been approved over the years to determine the schedules each state uses. This involved sending surveys to each state for their response. This was a large project and is still in process. We should be able to finalize the results and recommend some action by the start of the next year. In addition to the existing sub-schedules, there were several additional requests that came before the committee this year. Those states requesting new sub-schedules requests this year include New York, Michigan, Kansas, Pennsylvania, Tennessee, and Missouri.
The committee reviewed both the FTA product codes list and the product codes for ExSTARS to insure that the codes in use were consistent and that the lists were the same. We also reviewed the final draft of the ExSTARS information reporting forms, 720-TO and 720-CS and approved several requests for new product codes and a new transport code.

The new Forms Management Subcommittee will continue work on the sub-schedule review project and establish new goals based on the new organizational structure and new mission of the Uniformity Committee.
Information Sharing Subcommittee (1994)
The information Sharing Subcommittee is compiling information on the states' ability to share information. Through this, the subcommittee expects to identify any problems concerning the ability of states to share taxpayer information. The subcommittee also expects to propose several recommendations to the Uniformity Committee on ways to improve the flow of information among states.

The subcommittee conducted a survey with the critical data elements directly relevant to why so many joyous get togethers occurred concerning “The 11-Point Plan;” how many states have adopted all or some points of the plan, as well as timing on adoption; implementation and use of incredibly crafted “Uniform Forms;” problems, if any, with sharing highly sensitive confidential information with other state and federal organizations, and creation of advisory groups made up of state and industry gurus to discuss and resolve sensitive fuel reporting matters.

The response was overwhelming and the results realized were beneficial for several segments of the Uniformity Committee. The Committee can now focus on specific targets to achieve nationwide and eventually international implementation of the full plan and use of the forms. The dynamic subcommittee can now direct full attention to existing information sharing roadblocks. This may be accomplished by expanding the use of existing Memorandums of Understanding (MOU).

The subcommittee was excited about acting as the information repository for the Committee of all related state and federal news or accomplishments concerning “Fuel Tax Fraud.” At this time nothing has developed but the concept is a dandy one and needs to be used and participation encouraged for the upcoming year.

This year the subcommittee was giving three new projects that expanded its focus beyond doing surveys and being the information repository for the Uniformity Committee.

The first project was to publish a newsletter following each Uniformity Committee meeting to report on the committees’ and various subcommittee’s activities and accomplishments. Co-chairs of each subcommittee that meets prepares summaries of their meetings to be included in the newsletter. The first edition of “The Uniformer” was published in February 1996, the second edition was published in April, and the next edition will be published following the annual meeting in Harrisburg, Pennsylvania in October. This is an excellent way to communicate what is being worked on and what has been accomplished. All committee and subcommittee members are encouraged to contribute ideas, articles, etc.

The other two projects are evaluating the feasibility of a below the rack tracking system and a destination state concept. Discussion on these began in March in Raleigh, North Carolina and continued in July at a subcommittee meeting in Denver, Colorado. At the meeting in July the attendees got a technical overview of a tracking system and identified some pros and cons of three potential destination state concepts. With the interstate movement of fuel, the different point of taxing fuel and different tax rates there appears to be a realistic application for these ideas.
1996 - 1997 Information Sharing Subcommittee Report

The subcommittee began focusing on specific areas of concern in continuing its responsibility to improve the flow of information. Those specific areas are the “destination state tax-concept” and a viable “fuel tracking system.”

A need was also felt to conduct a survey to review the progress of each state with “The 11-Point Plan” and compare with surveys conducted earlier.

During subcommittee meetings input was received from states that are presently working with a destination state tax program. With an issue such as a destination state concept, it has become necessary for interaction from the other subcommittees, most notably model legislation, electronic data interchange and uniform forms. In conjunction with the methods utilized in a destination state tax program the subcommittee will continue to address the situation to achieve uniformity in the taxation and reporting of fuel.

With the movement of fuel it becomes a necessity to develop a tracking system that not only deals with uniformity, but fairness in reporting.

The subcommittee discussed the need to account for the product on a per load basis and this information should be collected at several points in the distribution chain. The subcommittee, as is all of uniformity, is a joint effort of industry and government and any fuel tracking system could never reach a high level of success without this cooperation. Uniformity’s own, Peter Steffens provided the subcommittee with reports showing the tracking methods presently in place in the State of Florida. These tracking forms were distributed at the March meeting. In the coming year the subcommittee intends to begin work on the mapping needed to develop a tracking system.

A survey was prepared and mailed to all states to further establish the status of each state on the original “11 Point Plan.”

The survey also concerns itself with several issues facing states as we head into the next millennium. Those issues are funding, the changing of the point of taxation and electronic filing.

The subcommittee looks forward to the upcoming year with more projects, greater plans and even more production. Even “The Uniformer” is expected to make its presence felt once again.


The subcommittee undertook the task of developing a fuel tracking system to fulfill the needs of both government and industry. Presentations were given showing a prototype terminal tracking system and an existing system tracking fuel through the entire fuel chain. The prototype system dealt with the movement of fuel above the rack. Fuel is tracked from its entrance to the terminal and its removal from the terminal, be it by pipeline or tank truck. The existing system tracks the fuel through its physical movement and the resolution of all filed returns. The subcommittee has sent a survey to each state inquiring as to the present tracking status of the states and the states needs in the fuel tracking area. The subcommittee is looking forward to working on the ExFirs projects of the IRS in the next year.

1998 - 1999 Information Sharing Subcommittee Report

The information sharing subcommittee has been assigned resolution eleven for review. Resolution eleven was referred to the uniformity committee at the 1998 annual meeting in Denver, Colorado to
study the impact of the terminal operator becoming the tax collector. After discussion at the subcommittee meeting in June 1998, it was agreed that a survey would be developed and sent to both the states and industry to evaluate the advantages and disadvantages of this method of tax collection. The survey will be finalized by the September 1999 meeting in South Carolina with distribution to the states and industry during the fourth quarter of 1999.

The Information Sharing Subcommittee is continuing to review the feasibility of a base state reporting concept and plans to include questions relating to this issue on the survey mentioned above. Two states have shown an interest in participating in a pilot study.

The Information Sharing Subcommittee has also discussed the dissemination of ExSTARS information to the states. It was agreed that no action would be taken until the Outreach Subcommittee of ExSTARS developed the brochure for distribution to the states. It was also agreed that a copy of the current ExBAT (ExSTARS Benefit Analysis Team) issues paper would be attached to the Information Sharing Subcommittee minutes of the June 1999 meeting as a means to provide information to the states during the interim period.

1999 - 2000 Information Sharing Subcommittee Report

The information Sharing Subcommittee sent to all the states and industry a survey on base jurisdiction reporting by the terminal operator or the position holder. Once the surveys are returned, the subcommittee will put together a summary of the survey.

The subcommittee reviewed and revised an ExSTARS training questionnaire.

The Information Sharing Subcommittee has reinstated the publishing of “The Uniformer.” The newsletter is published after each Uniformity meeting and includes summaries of the previous meetings. We have found this to be an excellent way to communicate. The newsletter explains what projects the Uniformity Subcommittees are working on. It also provides information in connection with enforcement efforts relating to fuel tax evasion and other notable accomplishments. All committee and subcommittee members are encouraged to contribute ideas, articles, etc.

2000 - 2001 Information Sharing Subcommittee Report

The Information Sharing subcommittee continued to publish “The Uniformer” (The Uniformity Newsletter) each quarter, which provides updates on the work of the uniformity subcommittees and other fuel tax administration articles of general interest. The subcommittee continues to work on finalizing the results from the survey on the impact of the terminal operator becoming the tax collector and base state reporting. We are waiting on responses from some states and industry. The subcommittee has started a new project in an effort to increase communications between Canadian provinces and the border states. A task force was developed with members from the Information Sharing subcommittee and the Canadian Fuel Tax Project and will be looking at state and province memorandums of understanding.
Fuel Accountability Subcommittee (1994)

Another important subcommittee working to improve fuel tax compliance is the Fuel Accountability Subcommittee. This subcommittee is responsible for developing uniform definitions states’ can use when sharing taxpayer information. These definitions are very important in ensuring that all states speak the same language. Several key definitions developed by this subcommittee include exports and imports, which are part of the 11 Point Plan (point 2) and have been formally adopted by 25 states.

The Fuel Accountability Subcommittee is currently working on definitions for gross and net gallons, and other terms referenced on the uniform forms. They are also developing a survey on states’ use of carrier reports in order to understand their effectiveness and how to utilize this information.

One of the missions of the Fuel Accountability Subcommittee is to provide model definitions of terms for use by both state taxing authorities and the motor fuel industry, to promote understanding by federal and state governments, the transportation industry and the petroleum distribution industry, and to allow the advancement of uniformity through a clear understanding of universally used terms.

The Fuel Accountability Subcommittee develops surveys to determine the implementation level of the 11 Point Plan among the states. Information gathered from these surveys provides guidance for the direction of the Uniformity Committee.

The Fuel Accountability Subcommittee stays abreast of alternative fuel development and the potential impact on fuel accountability and taxation issues for the states.

1994 - 1995 Fuel Accountability Subcommittee Reports

1. Alternative Fuels Survey
   Fifty-one surveys were sent requesting the individual state’s interpretation of “Alternative Fuels”. Forty-one states responded.

   Diesel fuel/kerosene, position holder, net/gross, retail station, sale, accountable product/motor fuel, bulk dealer, dyed diesel fuel, pipeline, retailer, import/export, gasoline, gasoline blend stock, point of delivery, terminal, terminal operator.

   Forty-nine surveys were sent requesting information on state use of carrier reports. Forty-nine states responded.


The subcommittee is working on the definitions for distributor, blending, blender, stationary transfer, book adjustment and kerosene.


The subcommittee finished the definitions for distributor, blending, blender, stationary transfer and kerosene.

The subcommittee is working on definitions for:
   Alternative Fuels, Blended Fuel Bulk End User, Bulk Transfer, Bulk Transfer System, Elective


The Fuel Accountability Subcommittee adopted the following definitions during 1997: Distributor, Blending, Blender, Stock Transfer, Book Adjustment, and Kerosene. The definitions were presented to the full committee for adoption at the Houston, Texas meeting in December 1997.

The Fuel Accountability Subcommittee were assigned 28 new terms to be defined for 1998. The full Uniformity Committee in Pittsburgh, PA approved eighteen terms. The eighteen terms are:

- Alternative Fuels
- Blended Fuel
- Bulk End User
- Diversion Number
- Exporter
- Importer
- Heating Oil
- Import Verification Number
- Permissive Supplier
- Person
- Rack
- Refiner
- Refinery
- Removal
- Special Fuel
- Supplier
- Transmix
- Undyed Diesel Fuel

The focus and direction of Fuel Accountability Subcommittee is to provide model definitions of terms which are used by state taxing authorities and motor fuel industry to promote understanding and assist in communications. The definitions we recommended are not considered to be legislative or legal and may be modified at the discretion of the users. Our mission is to offer motor fuel related definitions in the simplest form possible, as we strive to eliminate communication barriers among those of us sharing information.

The FTA Fuel Accountability subcommittee welcomes any interested participant at our meetings. Current Co-Chairs are:

Roland Marr - State Co-chair - Illinois Department of Revenue,
Ann Price - Industry Co-chair - American Petroleum Industry

Committee Members
Donna Alderman - North Carolina; Dick Beckner - Ohio; Wilda Briggs Ice - West Virginia; Tim Keigher - Illinois Petroleum Marketers Association; Joe O’Gorman - New Jersey; John Panza - West Virginia; Don Paswater - Maryland; Carol McCord Player - South Carolina; Paul Sload - Pennsylvania; Tina Towsley, Illinois Department of Revenue.


The Motor Fuel Accountability Subcommittee met in Pittsburgh prior to the full Committee meeting in September 1998, to finalize definitions for 19 terms. Those 19 definitions were presented to the Uniformity Committee on September 12th, with 18 definitions being approved by the Committee. The 18 definitions were adopted by the Uniformity Committee at the FTA Annual Business Meeting in November 1998, in Denver, Colorado. The 18 definitions were:

- Alternative Fuel
- Blended Fuel
- Bulk End User
- Diversion Number
- Exporter
- Importer
- Heating Oil
- Import Verification Number
- Permissive Supplier
- Person
- Rack
- Refiner
- Removal
- Special Fuel
- Supplier
- Transmix
- Undyed Diesel Fuel

The Subcommittee met next in St. Louis on April 16 and 17, 1999, to refine the one remaining term from Pittsburgh, and define 13 additional terms. Those 14 definitions were presented in Edmonton, Alberta, Canada on June 26th, to the Full Committee. Ten were approved, four were returned to the Subcommittee for further refinement and will be addressed during the upcoming year. The 10 definitions approved in Edmonton are being offered for adoption at the FTA Annual Business Meeting in Myrtle Beach in September 1999. The 10 definitions are:

The Motor Fuel Accountability Subcommittee requests that future terms identified for definition be forwarded in writing by the requesting party to the Chair of the Fuel Accountability Subcommittee via Uniformity Committee Chair with an explanation of the need for the definition.


Having served for nine years as Government Co-Chair of the Fuel Accountability Subcommittee, Roland Marr (Illinois) was nominated for and voted in as Vice-Chair of the FTA Motor Fuel Tax Section. Linda Dollens (Indiana) was chosen to succeed Mr. Marr as Government Co-Chair of the Fuel Accountability Subcommittee. Ann Price (Tax Council American Petroleum Institute) continues to serve as Industry Co-Chair.

In Myrtle Beach, South Carolina, Resolution Number 7 was adopted, which included the following 10 definitions to assist states in the exchange of information:

- Bulk Transfer, Bulk Transfer System, Elective Supplier, Tank Wagon,
- Terminal Bulk Transfer System, Transport Truck, Ultimate Purchaser,
- Ultimate Vendor, Wholesaler

At the Tallahassee, Florida meeting, the Motor Fuel Accountability Subcommittee submitted a "Procedure For Requesting Definitions" to the Uniformity Committee for acceptance. The procedure was approved.

The following four terms, under review by the Motor Fuel Accountability Subcommittee, were returned to the Uniformity Committee so they may be resubmitted under the new procedure:

- Buy/Sell Agreement, Highway Vehicle/Motor Vehicle, Motor Vehicle,
- Two Party Exchange

In Lincoln, Nebraska, the Motor Fuel Accountability Subcommittee met to further define the subcommittee’s purpose and goals. Additionally, the Model Legislation Subcommittee, using the "Procedure for Requesting Definitions," submitted the following two terms for our defining:

- Kerosene, Racing Fuel

Initial discussions of these terms lead to a request for a clarification from the Model Legislation Subcommittee as to whether they intended for "racing gasoline" to be defined, rather than all "racing fuel".

2000 - 2001 - Fuel Accountability Subcommittee Report

The Fuel Accountability Subcommittee set several goals for the 2000/2001 year. One of the primary goals was to look at the Canadian Project definitions and compare them to the FTA Uniformity definitions. In addition, we still have kerosene to define.

At the Portland, Oregon meeting in February, the Fuel Accountability subcommittee looked at the new IRS definition for kerosene and began to review Canadian definitions. A checklist of terms was prepared to give us an ideal as to what terms we were looking at and which group or groups had existing definitions. It was determined at that meeting that we would begin the review of the definitions by looking at only those terms where both groups had a published definition.
By the Portland, Maine meeting, a list of the 20 or so terms that have been defined was provided. In reviewing both the Canadian Project and FTA Uniformity definitions, it was decided that we needed more time and some additional resource material to review the terms properly. Each committee member will provide an analysis of his or her comparison to the co-chair for review. A draft definition for kerosene will be prepared and sent to the Model Legislation Subcommittee for review. A discussion was also entertained on "biodiesel" and the committee determined that the process should be started to obtain a definition. A request will be sent to the Uniformity Committee Chair. Because of some changes within the Uniformity Committee, it was not known if this subcommittee would meet again or would become part of another subcommittee, therefore no final determination as to the next step was made.
Electronic Commerce (Reporting) Subcommittee (1994)
The vast amount of information necessary to totally account for all fuel transactions has led some states to explore the using of electronic reporting of data. Indeed, four states Florida, Illinois, Nebraska and Wisconsin currently have electronic filing programs for motor fuel taxes in operation, and several other states are exploring this option. Thus, the Uniformity Committee has created a subcommittee to coordinate states’ implementation of electronic reporting.

The Electronic Reporting Subcommittee has already completed several important projects. At the recommendation of this subcommittee, the full FTA Motor Fuel Section has endorsed the ANSI ASC X12 standard for motor fuel tax reporting using EDI (see point 6 of the 11 Point Plan). It has also developed a uniform list of TIA codes for EDI mapping which will be maintained by the subcommittee. Adoption of this list by states will ensure that all current and future electronic filing programs use a common format (map), easing the burden on multi-state taxpayers. This would also enable each state’s system to communicate information to other states. Any state planning to implement an EDI program is encouraged to participate in this subcommittee.

The Uniform Maps of the EDI Transaction Set 813 for the Motor Fuel Excise Tax Distributor’s Fuel Tax Report and the Terminal Operator’s Report, with one slight amendment, were formally adopted by the full Uniformity Committee. The one amendment made to the proposed Version 1.0, date February 1996, was with the Position Holder Name segment of the Terminal Operator Schedule of Receipts. The original proposal for a “Mandatory” segment was changed to an “Optional” segment. It should be noted that any segments designated as “Mandatory” represent the preferred manner in reporting information electronically. Those segments designated as “Optional” indicate various items of information which each taxing state may or may not require to be reported. Those companies filing either report should contact the states individually to determine whether the segment is required.

The next item on the subcommittee’s agenda is formulation of a Uniform Map for EDI Transaction Set 813 for the “Motor Fuel Carrier Report.”

The full Uniformity Committee formally adopted the Uniform Maps of the EDI Transaction Set 813 for the “Motor Fuel Carrier Report.” Modifications to the “Motor Fuel Excise Tax Distributor’s Fuel Tax Report” were adopted by the full Uniformity Committee.

The next item on the subcommittee’s agenda is formulation of a Uniform Map for EDI Transaction Sect 813 for the “Motor Fuel Supplier/Permissive Supplier Report.”

The subcommittee worked on an EDI Combined Reporting Map that was formally adopted by the full Uniformity Committee.

Worked closely with the TIGERS ANSI 12 group on electronic commerce issues.
Working on a solution to the electronic transmission problems.

The subcommittee changed their name to Electronic Commerce Subcommittee, which was formally adopted by the full Uniformity Committee.

**1998 - 1999 Electronic Commerce Subcommittee Report**

**Electronic Commerce Survey** - Maps and overheads were presented at the January 1999 meeting showing the results of two Electronic Commerce surveys. The two EC surveys were an extrapolation of Information Sharing Subcommittee and the Electronic Commerce Subcommittee surveys that were sent out in August and October 1998. Twenty-eight states responded to the EC survey. Forty-five states responded to the Information Sharing Subcommittee survey. The survey results are the starting point for continuing discussions about what each state is doing and how they can communicate. The goal of the survey process is to establish focused measurement questions around activities concerning electronic commerce and electronic tax filing as related to motor fuel taxation. The results of this survey can be reviewed on the FTA Home Page.

**FTA EDI Combined Reporting Map Modifications** - There was a discussion at the January, and June 1999 meetings on the specific implementations of the EDI Transaction Set 813 for motor fuel tax filing. While several states have now implemented EDI motor fuel filing, there is not a single consistent standard on how to implement a "pure" EDI transaction set on the filers end and then specifically tailor the EDI translation software on the receiver (or State's) end. This type of standardized implementation would eliminate a multistate motor fuel tax filer from needing different specific EDI maps to file the same EDI transactions set to different states on the same map version. This is a confusing topic that is just now becoming understood by the states and private sector entities who are involved with EDI tax filing for motor fuel.

**Update on IRS Activities Focusing on ExSTARS** - There was a briefing given at the June 1999 meeting on the IRS program on the ExSTARS project. The briefing was focused on implementation time lines, current issues being worked, the network which is being envisioned to run ExSTARS, and the hardware and software that will be provided to each state.

The current direction for the ExSTARS physical transmission system is by use of a Virtual Private Network running on the Internet. The network diagram and technical configuration documents were distributed and discussed. These documents describe the relationship from the Internet to the servers that will hold the transmission data as it is received from the motor fuel tax filers. The servers are outside the IRS firewall and will be available for individual states to sign on to the system and bring data down to the state level.

Confidentially issues were also discussed and the IRS is currently in a review process on how confidentially will be handled on this information.

There was a discussion of how the ExSTARS EDI map was implemented. There was additional discussion on the issue of how to roll out a new map after you get several hundred filers up in a production environment. Wisconsin is presently going through this transition. It was agreed that the Motor Fuel Electronic Commerce Subcommittee would create a white paper with best practices and avoidance strategies to use as other states go through this map migration process.

**Electronic Commerce Security Architectures** - A security briefing on current issues and strategies for security architectures was presented.

The presentation focused on three issues: 1) What Security Risk is there in the EDI process? 2) What
could actually happen with your EDI file when you transmit it to the state? 3) How much of a risk are you taking?

The objective of the presentation was to: 1) provide an overview of Internet terminology; 2) review the potential file transmission methods; 3) make a recommendation to the uniformity committee.

The presentation is specifically oriented to how competitors might try to get at your data. It does not discuss issues like disgruntled employees of your own organization who comprise roughly 70% of the security threat to all organizations. There is a brief discussion on Internet basics: how Internet traffic flows across the world wide web; different networks traversed when going over the network; file interception techniques for both line taps and network sniffers; the IP packet physical transmission; encryption techniques; and different protocols.

Specific encryption levels are discussed and issues related to specific transport technologies are reviewed such as FTP, HTTP, EMAIL, VAN, and VPN. There are recommendations for security policies and practices and gives some product data and pricing information.

Y2K Electronic Commerce Subcommittee Survey Draft/Fall 1999 - The goal of the survey process is to establish focused measurement questions around activities related to electronic commerce and electronic tax filing as related to motor fuel taxation. The FTA Motor Fuel Uniformity survey questions will be developed for the September meeting. At the September meeting, the Motor Fuel Uniformity Electronic Commerce subcommittee will review and agree on the questions it would like asked the states in the yearly survey process. After the Electronic Commerce questions are agreed upon, they will be coordinated with questions from other Motor Fuel subcommittees. The answers to the survey questions for Electronic Commerce Subcommittee will be reviewed at the February 2000 meeting.

FTA Motor Fuel Uniformity Electronic Commerce Planning Document - Began process during the past year of developing planning document to benefit states that are considering implementing of EDI for motor fuels within the next 24 months. Developed write-ups on various transmissions methods currently in use by states with EDI programs. Created a model that could be used for evaluating VANs. Will be including a security white paper for reference and use by states and industry who are interested in EDI Motor Fuel filing.


Electronic Filing Status: We have gathered a large amount of information from 48 states regarding their electronic filing status and methods. The information is available from Ray Rhoads at the Kansas Department of Revenue at phone number (785) 296-4011 or email (ray_rhoads@kdor.state.ks.us). The survey indicated eight states currently have motor fuel EDI programs, and within 24 months, an additional fourteen states expect to implement motor fuel EDI programs. We plan to add IRS program participation to future survey results. If you have any additional questions that you would like included in the survey, please send them to the email address noted earlier. We have allocated time on the September 2000, agenda to review the upcoming Electronic Commerce survey and make modifications to the survey instrument where needed. Your participation and suggestions would be appreciated.

TIA Codes: We continue to discuss different strategies when using TIA codes. Unused and unnecessary codes are being eliminated and additional codes are being added, as needed. We have made a proposal about the possibility of having a tax or fee type, along with the tax, penalty and interest, and possible other fields to identify tax type, rather than having a separate set of codes for each tax or fee. We believe the proposal is a way to make it generic and differentiate somehow with a tax or fee type. We drafted a form for requesting a TIA code. The form and procedural process to request new TIA codes will be published in Appendix D and the EDI Implementation Guide, Version
4030. The background information and proposals are available from Bill Gray at Sinclair Oil Corporation at phone number (801) 524-2887 or email (bgray@sinclairoil.com).

813 Map, Version 4030: The full committee adopted the EDI Implementation Guide with the following changes or caveats:

- The TIA code list will be reviewed, modified and approved by the committee (via email).
- Add a Map Migration Document to the EDI Implementation Guide.
- The TS 151, Validation Acknowledgment will do data validations, and errors will be noticed to the taxpayer with a TX 151, notice. Appendix G shows the error codes that will be used on TX 151 and will be updated prior to publication of the EDI Implementation Guide.
- TX 826, Tax Information Exchange Between States should be marked in the EDI Implementation guide as “draft.”

This version will be the easiest, most uniform map yet and should handle virtually any situation. We are trying to make the “EDI Implementation Guide” more user-friendly and readable by technical as well as non-technical users.

TS 826 Map for Information Exchange between Government Agencies: We initially anticipated the use of this map for exchanging import and export information between states. The IRS indicated their plan to use TX 826 to forward ExSTARS data to the state when it is confidential (the filer has not signed a 6103 consent form). They suggested mirroring the TS 813 format. It can also be used to exchange other information between states. Kansas and Nebraska plan to initiate an EDI exchange of export information between states using the TX 826 and report back at the EC Subcommittee meeting September 22, 2000.

TS 151, Validation Acknowledgment: The IRS is developing the TS 151 map for sending error resolution notices to filers in the ExSTARS program.

- TX 151 was set up to mirror TX 813 in structure. Each of the areas in TX 813 transmission could cause an error, and thus notices could be issued on each of these areas.
- TX 151 notice includes a problem identification “PBI” loop that indicates what the problem is. There is a PBI loop, the transaction header, the TFS loop and the FGS loop.
- Appendix G shows the error codes.
- The PB101 code has a primary and secondary code. The first four digits are the primary code; the last two digits are the secondary code.
- There are four levels of remedies required, see PB103 (which needs to be changed in our EDI Guide) showing what the filer must do.
  1. Fatal Error - file not accepted by the IRS as a filed report;
  2. Major Error - filing is unusable by the IRS. The file must be corrected and resubmitted. File is accepted as a filed report.
  3. Correction Error - error must be corrected and resubmitted with your next month’s filing. File is accepted as a filed report.
  4. Minor Error - information provider will not have to resubmit the correction, just correct the system for next month’s filing. File is accepted as a filed report.

- There was some discussion on how TX 151 information would be provided to the states, what they might do with it, how they could avoid sending same notice if they so choose. TS 151 notice is still pretty much a data validation process, checking FEINs, and such, and some minor edits on large truckloads, small pipeline movements, etc. The 151 notice does not include “tracking exceptions” such as cross-checking terminal operator reports against carrier reports. There will be an
entirely different evaluation and notice process for these types of cross-checking exceptions.

**EDI Map Migration Strategic Document:** As state agencies, it is important to consider all the implications when moving to new map versions. Two states - Wisconsin and Nebraska have migrated to new map versions and other states are expected to follow in the near future. A 'white paper' was presented in Lincoln with best practices and avoidance strategies to use as other states go through this map migration process. This document is available from Ray Rhoads at the Kansas Department of Revenue at phone number (785) 296-4011 or email (ray_rhoads@kdor.state.ks.us).

**Implementing a Uniform EDI Map and Process:** Presented by Stan Farmer of the Missouri Department of Revenue, for Tax Information Group for E-commerce Requirements Standardization (TIGERS). Purpose of TIGERS is to foster data standards and develop consensus implantation conventions. Stan reviewed the many issues faced by tax administrators related to E-Commerce issues. Talked about some tools to decide how to deal with each of the issues.

- Volume I of TIGERS’ “EDI Business Reference Model for Taxing Authorities,” says to consider the business issues, legal considerations, environments, maintain standards, data communications, and business models. (available at http://www.disa.org/)
- Volume II has of TIGERS’ “Technical Reference Model for Taxing Authorities” (will be available at http://www.disa.org/), and has
- Standards, reference models and conventions
- Interchange control
- Electronic filing of tax return data - TS 813
- Mapping choices - form faithful vs. logical
- Where do codes come from?
- Functional acknowledgments such as 997
- Other transactions sets
- Models and examples
- Volume III Draft, “Electronic Commerce Best Practices Guide” (included in today’s handout)
- Documents tax E-Commerce technologies and methods in use today
- Documents “Best Practices” in tax E-Commerce with examples of what states have used successfully
- Raises issues to be considered.
- Suggests areas of corporation among tax agencies within or across states.
- Makes recommendations that may facilitate and encourage more rapid mass adoption of tax Ecommerce of customers.
- One size does not fit all. There are a variety of possible and desirable methods to transmit the data, pay the tax, etc. Data formats - one that is rising in prominence is Extensible Markup Language (XML).

**FTA Fuel Tax Web Site:** The FTA web site (http://www.taxadmin.org/) has links to state revenue departments, state tax forms, and EFT information, but does not link well to similar motor fuel issues. We believe it is better to organize these issues under the motor fuel section of the FTA web site (see the link at the former site or go directly to (http://www.taxadmin.org/fta/mf/). We ask that all states email their web site addresses for fuel tax form, EDI Implementation Guides, and licensee lists, to Jonathan Lyon of FTA at (jonathan.lyon@taxadmin.org). These sites can then be catalogued and linked under the fuel tax section for easier access by states and industry.

For further information regarding subcommittee activities or for further assistance contact the co-chairmen of the Electronic Commerce Subcommittee:
2000 - 2001 Electronic Commerce Subcommittee Report

The Electronic Commerce Subcommittee initiated a new practice with the September 2000 meeting by dividing up the day into two sessions, an Administrative (not too technical) Session and a Technical Session.

Issues addressed during the Administrative Sessions have included a tutorial on how to read an EDI map, a discussion and overview of “What is XML?”, updates on the progress being made with the ExSTARS /ExTOLE projects by representatives from the Internal Revenue Service, presentation and handouts from the Electronic Commerce Survey, and continued discussions to improve the FTA motor fuel web site.

Technical Session have provided opportunities for states that are in the planning stages to present their EDI map and guides to the subcommittee for review and comments. Missouri and Tennessee have both made presentations during the past year. Indiana, Virginia and California have worked with the Electronic Commerce Subcommittee members in developing their implementation plans. Continued effort to enhance the “North American Combined Reporting Methods, X.12 and XML Electronic Data Exchange Implementation Guide”. Reviewed various views of XML Schema Development, including Logical Data Model.

Administrative (Not Too Technical) Session

Electronic Filing Status: We have gathered a large amount of information form 50 states regarding their electronic filing status and methods. The information is available from Ray Rhoads at the Kansas Department of Revenue at phone number (785) 296-4011 or email (ray_rhoads@kdor.state.ks.us). The survey indicated ten states currently have Motor Fuel EDI programs and within 24 months an additional fourteen states expect to implement motor fuel EDI programs. If you have any additional questions that you would like included in the survey, please send them to the email address noted earlier. We have allocated time on the agenda to review the upcoming EC survey and make modifications to the survey instrument where needed. Your participation and suggestions would be appreciated.

Implementing a Uniform Map: Ray Grimm, Synergy Inc. substituting for Stuart Beagles, Montana Department of Transportation explained the value of implementing a uniform map.

• States that have implemented EDI filing started with the FTA Uniform EDI map. Based on their individual requirements, each state and the IRS created and published an EDI implementation guide with a map that is a subset of the FTA Uniform EDI Map. These subsets created unique maps for each state and the IRS. We do not have uniformity.

• The Electronic Commerce Subcommittee goal is one map, the FTA Uniform EDI map, populated by the fuel reporting industry and used by all states and the IRS.

• To achieve this goal - Industry needs each state and the IRS to produce an implementation guide that contains the complete and full FTA Uniform EDI map with data requirements to populate the map. The state receiving the
software then only reads the data required by the state. This allows a uniform map implementation on the industry side and a unique receiving map on the state side (i.e. only read data redo).

- Industry populates the map based on the data requirements published in the implementation guides for each state and the IRS. One method for industry is to look at all the data requirements of the states where they operate and create a super set of the data element requirements. In your application, flag each record associated with the appropriate state. Translate the records associated with a given state based on the element super set to the FTA EDI map. The file industry transmit in a Uniform EDI file.

- Example: Montana receives EDI files based on the full FTA Uniform map. The EDI file received by Montana may contain more information than required by Montana. Montana only requires information for Fuel Distributors and schedules associated with distributors. All other information is not translated into Montana’s applications.

- Final thought, if there is anything that the 4030 map does not handle, it needs to be brought to the EC Subcommittee’s attention so it can be addressed.

This version will be easiest, most uniform map yet and should handle virtually any situation. We are trying to make the “Electronic Data Exchange Implementation Guide” more user-friendly and readable by nontechnical as well as technical users.

**ExSTARS Update:** Tim Torri and John Love, IRS provided updates on ExSTARS activities at the three EC Subcommittee meetings.

- **ExSTARS**
  - The EDI Guide will be officially known as IRS Publication 3536. Disclosure provision IRC 6103(c)
  - New requirement to specifically identify state agency
  - **IRS will send TXT files if a state does not have an EDI translator.**
    - 6103 disclosure. Agree to rules & regulations, point of contracts, and significant testing process.
      - 6103(c) data industry signed affidavit
      - 6103(d) if industry does not sign affidavit, use of information will be somewhat limited. States will have the understanding how to handle TS 151 if they eliminate terminal filing to them and go to the single point of filing concept.
  - John Love, IRS, indicated that they expect 100% ExSTARS compliance. They do not know yet how many will file EDI and how much paper they will receive. Their strategy on dealing with the paper filers is an open issue. They will not, at least initially, be keypunching the paper-filed returns in detail. They may at some point provide a web-based input for these forms, but this could be a political issue where they would be completing with software providers. There was also a discussion of when they can expect data to be available.
  - It is contemplated that the FTA will sponsor further ExSTARS/ExTOLE training in about a year, after the states have had a chance to work with the training.
  - There were 146 attendees at the ExSTARS query screens. Dave Skinner gave an overview of the workshops and what was taught.
  - There should be a flag on each record provided to the states, indicating whether the record is 6103(c) or 6103(d) data. This was a requirement of the system, but we are not sure whether it has actually been incorporated. John Love will follow up.

**What is XML? XML Overview:** Jonathan Lyon did an Introduction to XML, using Terry Garber’s Power Point Presentation

- XML=Extensible Markup Language (Extensible, means the user makes up the tags.)
XML is a way of marking up a document to indicate what the data is. Selected language has start and end tags. (start) <> (end) <>. XML is a recommendation of the World Wide Web consortium (W3C). XML itself is NOT a standard. Some browsers will display it in a readable list format.

Tamino is the database California is using for XML. It can interact with other databases. California will take X.12 formats, and they will data-enter paper returns and convert them to XML for their own data storage.

Business rules in XML - you can use

Data type definitions, and

Schema - you can check rules against the data to validate it according to defined Business rules and structure.

The schema can include URLs that will allow interactive exchange of data; example - when a filer connects, the state will automatically send a new tax rate, which will automatically be incorporated in the filer’s data.

There were many examples of where XML is currently being used or under development.

There are a number of organizations (including TIGERS) working on standardized tags.

X.12 to XML translator - We discussed the possibility of either creating a service bureau to do such translations or should FTA or some other group develop a translator that all states could use, rather than buying more expensive commercial software. Most of the translator companies claim they can translate anything to anything (flat file, X.12, XML). Each state needs to evaluate their own current translator’s capabilities in this regard and be ready for further discussion at the next meeting. California is evaluating what translator they will use. They hope to make a decision by the end of May.

In XML, your schema can reference other schema, i.e. entity information such as being developed by other groups. Jonathan Lyons therefore feels we should concentrate on motor fuel specific schema; we can use the schema being developed by other groups for non-motor fuel specific information.

XML could be an excellent tool for exchange of data between states. There’s a free parser available to read XML files; since many states do not have translation software this will open up state-to-state data exchange. States will still have development costs for storing the data once they get it. Nebraska and Kansas will be discussing XML possibilities for state-to-state data exchange before the next meeting.

Future XML discussion items: Migration Strategies, Common Implementation Strategies and Translation software. The migration strategy is important so that industry will not be forced by any state, in the near future, to an XML only filing when they currently have put all their resources into X.12 filing. Timing for the “single point of filing” is important in what the “standard(s)” would be.

FTA Fuel Tax Web Site: The FTA web site (http://www.taxadmin.org/) has links to state revenue departments, state tax forms, and EFT information, but does not link well to similar motor fuel issues.

Ray Watley showed a draft boiler-plate (motor fuel page) web page that the FTA web page would link. Each state would maintain their standardized page linking to their existing or to-be-developed resources on the state’s webs.

Missouri, Florida, Idaho and Kansas will try putting together a functional mock-up to look at next time.

We should consider whether any of the links at www.homestead.com/grayexcise/home ought to be included on the FTA Motor Fuel page. We are also soliciting industry comments on what they would like to see added to the FTA motor fuel page - links, etc.
**Technical Session**

**Review/Discussion of Enhancements to the EDI Implementation Guide:** Ray Grimm, Synergy, Inc. substituted for Stuart Beagles, Montana Department of Transportation.

- Indicated that IRS would use TS 826 to transfer confidential information.
- SUM added to map - Developed to allow taxing authority to pass summary information. Information that is not derivable from the schedule section of the map. i.e. gaseous permit fee. Can report this summary information to handle non-uniform reporting. Attempt to reduce the number of TIA codes. Different way to get standardized TIA code for information, interest and penalty. Just loop through again for each change.
- Most significant change made was to reduce the number of TIA codes.
- **If you do not plan to use a segment in your state, then just gray it out. That way it keeps it uniform among states.** It makes it easier for industry trading partners.
- Action item - Electronic Commerce Subcommittee needs to make a proposal that Forms Subcommittee and Electronic Commerce Subcommittee make a detailed analysis of the schedules and sub-schedules.

**EDI 4030 Implementation Guide:** Stuart Beagles reviewed the Draft September, 2001, Version 4030 EDI guide.

- Added Chapter II - Implementing the Uniform EDI Process
- Added XML chapter - Draft Schema for Motor Fuel
- Added TX 997
- Removed TS 820
- Modify TS 826
- The glossary is still blank. California will work on it.
- Stuart Beagles will use Missouri and ExSTARS examples as a basis for adding data examples to each segment for TS 813. He also will create TS 826 examples for each segment for TS 826. Stuart will adapt the IRS TS 151 examples.
- We will ask the full committee at the annual meeting to approve the September 2001 “North American Combined Reporting Methods, X.12 and XML Electronic Data Exchange Implementation Guide.” (ANSI ASC X.12 V.4030; W3C XML Version 1.0) The Version.4030 map is not changing. We are adding further clarification, a glossary and data examples.

**Tennessee EDI Implementation Guide, Version 4030:** Presented by Ray Gribsby, Tennessee Department of Revenue, Cheryl Gilson and Michele Schilawski, ZyQuest

- Eight pilots scheduled to start filing via EDI in Tennessee.
- Tennessee is providing ZyQuest software to trading partners.
- Light version of software distributed free to trading partners.
- With their Full Version (system receives imported detail), they have received successful filings from 2 partners.
- They also have a web filing option and a fax option where the return is faxed to the vendor who in turn keys the return.
- Phase 1 (distributors filing electronically) will be completed by the fall. They expect approximately 160 distributors to file.
- Electronic filing is mandatory. There are no incentives except that software is provided. Penalties do apply if a distributor does not file electronically.
- Their Lite Version (system receives information from filer keying it in)
has some problems. It is not compatible with ZyQuest’s application.

**Missouri Implementation Guide: Presented by Pat Gifford**
- Implementation of EDI (Version 4030) in Missouri is on a volunteer basis with testing beginning in July, 2001. They are also looking at possible incentives.
- The files will be sent ftp over the Internet.
- This implementation will be our first test Version 4030 to see if a taxpayer sends more data than required and whether the state can ignore the information that it does not require.
- They have learned a few things about the EDI guide. Some of the things that are required for IRS and by other states, if Missouri does not need they do not have to use data. If not used, Missouri will gray them out in their guide.

**Indiana EDI Implementation Plans: Presented by Linda Dollens**
- Hope to have their whole new fuel tax system up by January 1, 2002.
- They will be testing through July, 2002, which is their planned implementation date.
- They had a good response on their EDI survey to Indiana filers.

**Transaction Set 826:** Darrell Wissink reviewed Transaction Set 826. They are using it to share export reports with other states.
- Recommendation was made for states to receive and store net, billed and gross gallons. This makes it possible to share information with neighboring states that may require gallons to be reported differently.
- No place in the TS 826 to report “No Activity”. Stuart will fix this!
- Need to know if the TS 826 can be sent through ExTOLE. Bob will take this question to ExTOLE.
- Nebraska and Kansas are currently testing this.
- Decision was made to define ISA06 and ISA08 (ID qualifier) to be the 2-character state abbreviation code.

**Secure Environment to Transmit ExSTARS/ExTOLE Data and Data File Naming Conventions:**
- John Love indicated that once you are logged in, you are in a secure environment whether you are on-line querying data, or submitting information. There is no email in this system, but there is a secure messaging system when you are logged onto the system.
- Naming conventions in ExTOLE are necessary to avoid overwriting a file someone else had sent to the same state. John Love suggests adding a data/time stamp to your file name to make it unique.
- He says ExSTARS will put something in the file names for the files they post for the states indicating that it is 6103(d) data.
- We will look for their naming conventions, then consider using this for ideas on developing further standards.

**TIGERS - XML**
- XML is a tagged file not connected to the Internet until the file is ready to be submitted.
- Architecture has to be discussed.
- XML itself is more self-explanatory than EDI, easier for people to learn how to read more efficiently, and does not need as much staff to implement.
- California is implementing Motor Fuel XML by January 2002. They are
working closely with TIGERS and the Electronic Commerce Subcommittee.  
• Stuart has started the draft of the base schema for motor fuels by starting with the 813 map and modifying it from their building on the current EDI rules.  
• XML and EDI need to be aligned  
• Electronic Commerce Subcommittee will spend 80% of the time working on EDI issues and 20% of the time looking into and developing XML.  
• Need to create an XML document by the end of this year.  
• An XML overview (What is XML?) will be covered in the May agenda.  
• The reason to move forward with XML now is to create a uniform standard before states start adopting unique standards.

**Development of a Motor Fuel XML Schema:** Stuart Beagles led the discussion on developing the Motor Fuel XML schema.  
• EC Subcommittee spent over an hour reviewing various views of the XML development, including a Logical Data Model.  
• TIGERS is working on having general tax XML guidelines by June, 2001. Other groups are working on name schema, etc., but we can not wait for them. California is actively working with TIGERS and has already developed a sales tax XML procedure.  
• The motor fuel Schema can incorporate name schema, etc. as sort of plug-ins to its schema. You can also incorporate a URL in XML schema.  
• California is now testing volume, stress, etc., on the impact XML file size increases over 813 file sizes. They will report the results at the Rapid City meeting on September 21, 2001.

For further information regarding committee activities or for further assistance contact the co-chairs of this Electronic Commerce Subcommittee:

Tim Blevins, Kansas Department of Revenue  
Phone: (785) 296-5041  
Email: trb@kdor.state.ks.us

Bill Gray, Sinclair Oil Corporation  
Phone: (801) 524-2887  
Email: bgray@sinclairoil.com
**Model Legislation Subcommittee (1994)**

The Model Legislation Subcommittee is currently developing model legislation for diesel fuel dyeing. State and federal officials have long recognized the benefits of working together in their efforts at combating fuel tax evasion. With the recent changes at the federal level to move the taxation point to the terminal and requiring dyeing of untaxed diesel fuel, many states are working with the IRS to enforce specific provisions of this new law. While states can sign an agreement to enforce the federal law, additional strength is provided through enactment of individual state laws.

The model legislation being developed in this subcommittee would require all untaxed fuel to be dyed and make it illegal for unauthorized vehicles to use dyed fuel on the states’ highways. It will give the state tax agency the authority to check vehicle fuel tanks and levy fines for using dyed fuel on the road. A possible option to be included would move the state taxation point to the terminal, following the federal standard. However, the dye enforcement provision would be separate from any optional provision on moving the point of taxation.


Currently, this subcommittee is working on model legislation for dyed diesel fuel and moving the point of taxation to the terminal rack.

**1995 - 1996 Model Legislation Subcommittee Report**

The Model Legislation Subcommittee decided, and gained approval from the FTA Uniformity Committee, in Williamsburg, Virginia, in September 1995, for the model legislation document to be a legislation checklist instead of draft legislation.

The first draft of the Model Legislation Checklist was presented at the FTA Uniformity Committee meeting in Scottsdale, Arizona, in December 1995. Many excellent suggestions were made by the members of the Model Legislation subcommittee to improve upon the first draft of the document. These changes were incorporated into the checklist and presented again to the subcommittee in March 1996 in Raleigh, North Carolina. Again, many changes were recommended and incorporated into the draft checklist. The subcommittee presented these suggestions to the full FTA Uniformity Committee, in Raleigh, and they were approved. Most of the changes in the checklist dealt with definitions. After long discussions, it was decided to leave the definitions in the checklist and place a statement at the beginning of the definitions section that these definitions are for reference only and should be modified to fit any taxing authority legislative changes. The definitions used in the checklist have been defined for tax reporting purposes only and are not intended to be used as legal definitions. Other minor changes to the checklist were as follows:

- Place the “introduction” before the “Table of Contents.”
- Move the “Definitions” section to the end of the document.
- List the different taxpayers’ variations on tax-at-the-rack legislation and reference the states that use the different variations. The different variations are Position Holder, Modified Position Holders, and First Receiver.

The Model Legislation Checklist is still in draft form and the subcommittee will be working 1996-97 to finalize the document and have it ready to be adopted at the 1997 FTA Annual Motor Fuel Conference.
1996 - 1997 Model Legislation Subcommittee Report

The subcommittee completed the Model Legislation Checklist and it was adopted July 97 by the full Uniformity Committee in St. Louis.


The Motor Fuel Tax Section adopted the Model Legislation Checklist in St Louis.

Since the adoption, the subcommittee has been working on seven topics that will eventually be included in the Model Legislation Checklist. The items are as follows: 1) Clear and Dyed Kerosene, 2) Buy/Sell Agreements between Suppliers, 3) Taxation of Alternative Fuels, 4) Racing Fuel, 5) Bad Debt Credits, 6) Exemptions, and 7) Third Party Credit Card Sales.


The subcommittee has been working on the seven topics that will eventually be added to the checklist. The main discussion has been on “Third Party Credit Card Sales”. Future plans are to complete analysis of all items plus review the current checklist to make sure it is up to date.


The subcommittee has reviewed various checklist topics during this year. The majority of the discussion has centered on third party credit card sales, racing fuel, alternative fuels and tax on dyed kerosene. At the meeting in Lincoln, Nebraska, the subcommittee approved three checklists that were presented to the full committee and approved. The approved checklists are Racing Fuel, Tax on Dyed Kerosene and Alternative Fuel.

A change was requested to the motor fuels checklist in the Licensing and Bonding Requirements. Under bonding requirements for sureties, section H should read “Taxpayer’s prior filing, payment and audit history.” The full Uniformity Committee approved this change.

The subcommittee also referred two requests for definitions to the Uniformity Chair, along with proposed definitions, for review.

The goals of the subcommittee for the next year will be to complete the third party credit card sales checklist and develop a checklist for the following issues:

1. Exemptions different from the Federal
2. Legislation to accept data through ExSTARS
3. Payment by credit cards
4. ACH Payment (Warehousing)

The subcommittee will also review the motor fuels checklist for consistency and propose corrections as necessary.

The subcommittee completed three of the four agenda items left over from the previous year. Three checklists were worked on in Portland, Oregon, and completed at the Portland, Maine, meeting. These checklists were submitted and adopted by the full Uniformity Committee. They are:

- Federal and State Exemption Differences
- Accepted Third Party Credit Cards
- Electronic Payments

The goals of the subcommittee are not defined for the next year due to the merging of this subcommittee with various other subcommittees.
Advisory Group Subcommittee (1994)
The Advisory Group Subcommittee (Point 10) is currently developing information on which states have not formed advisory groups. This subcommittee is expected to propose ways to improve the coverage of advisory groups.

Currently, this subcommittee is working on achieving advisory groups in all states.

This subcommittee is continuing working on achieving advisory groups in all states.

No activities. Plan to start again late 97.

The subcommittee completed the Advisory Group Member Checklist on September 12, 1998, and the full Uniformity Committee recommended that this document be adopted at the FTA Annual Motor Fuel Tax Conference in Denver, Colorado.

The subcommittee sent an Advisory Group Survey to all of the states. Once these surveys are returned, the subcommittee will start working in 1999 to put together a brochure to send out to all states to assist them in forming an Advisory Group.

The subcommittee received all the Advisory Group Surveys from all of the States.

The subcommittee worked on taking the information from the surveys to put together a brochure to send out to all of the States.

The subcommittee will continue to work in 2000 to complete the brochure.

The subcommittee completed the Advisory Group Brochure and the letter to be sent out with the brochures. The results of the Advisory Group Survey will accompany this mailing. The mailing is scheduled for fall of 2000.

In 2000-2001 the subcommittee will work on a new project focusing on how states handle compliance issues.

In 2000-2001, the subcommittee will continue their efforts to promote advisory groups in each state.

The subcommittee did not start any new projects for this year. The subcommittee met and worked with the Information Sharing Subcommittee, since both subcommittees could jointly work on some of the projects.

The subcommittee did send out letters to all levels of the petroleum distribution chain and related entities for their participation and attendance at the September, 2001 Uniformity Meetings and the 2001 Motor Fuel Annual Meeting.

The Advisory Group Subcommittee has been merged with the Communication and Coordination Subcommittee.
Enforcement Subcommittee (1994)

1997 - 1998 Enforcement Subcommittee Report

Recognizing the efforts of the Uniformity Committee to curb tax evasion and to reduce inefficiency in state fuel tax administration, this subcommittee was announced at the last annual meeting. Janet Stege, Nebraska agreed to chair. Al Howard serves as the Industry Co-Chair.

Obviously, no program is successful without enforcement. Enforcement and education must go hand in hand. Education ensures taxpayers are aware of their responsibilities, and enforcement ensures taxpayer compliance.

It could be said that there are actually two aspects to law enforcement. One is the carrier enforcement officer actually on the road, checking for dyed diesel and for appropriate documentation for those hauling fuel. The second aspect is more administrative: processors knowing what to refer to investigators; auditors knowing when an audit should become an investigation; profiling information from processing information; sufficient penalties in place to warrant compliance.

This group should first focus on the coordination of the efforts of law enforcement officials. At this time, it appears many tax-collecting agencies do not have a close relationship with their carrier enforcement agencies. This committee could help the administrators become more aware of issues faced when checking on road vehicles.

Some goals for this subcommittee:
1. Serve to increase communication between tax administrators and law enforcement agencies.
2. Review the work of all other subcommittees to ensure the enforcement aspects are realistic.
3. Work toward having a breakout session at our annual meetings.
4. Share information to learn both success stories and failures.
5. Develop recommended guidelines for penalties for fuel tax.

Toward achieving goal number 5, a survey was distributed regarding penalty and enforcement issues. We have also been working with carrier enforcement officers to understand the many different organizations they already belong to. It appears our best way of working with these officers is to develop a coordinated effort with other organizations such as IFTA and IRP.

1998 - 1999 Enforcement Subcommittee Report

The subcommittee met in January 1999 in Norfolk, Virginia, with 20 persons in attendance and again in June 1999 in Edmonton, Alberta, with 22 percent. Responses from the Enforcement Survey were distributed to all.

Al Howard, co-chair participated in the IFTA Law Enforcement training held in October 1998. We find this an effective way of reaching many officers who are also responsible for checking for dyed diesel violations and hope to continue our good working relationship with this group. We continue to look for ways to identify other organizations with enforcement committees to coordinate our efforts.

The group continues to discuss enforcement issues on the Canadian and Mexican borders. We are also studying possible forged documents.

The group studied Resolution 9 from 1998 and recommended revisions in the language.
The Enforcement Subcommittee will sponsor a panel of audit and enforcement personnel in a breakout session at the annual meeting in South Carolina.

We are trying to monitor proposed federal legislation. Senator Chafee has introduced a transportation bill in the Senate containing a national weight distance tax.

1999 - 2000 Enforcement Subcommittee Report

Suzanne Heidenreich serves as State Co-Chair and Al Howard serves as Industry Co-Chair for the FTA Enforcement Subcommittee. A special thanks to Janet Lake, Nebraska, for all her past work as co-chair. The Enforcement Subcommittee encourages attendance and welcomes any interested participants at our meetings. Participation has increased three-fold over the short life of the subcommittee.

The subcommittee sponsored an enforcement breakout session at the 1999 FTA Motor Fuel Annual Meeting in Myrtle Beach, South Carolina. A panel comprised of investigative, administrative, and audit speakers addressed various aspects of enforcement.

The subcommittee met in February 2000 in Tallahassee, Florida with 21 persons in attendance. During this meeting, the subcommittee focused on developing a list of objectives for the upcoming year. The objectives defined were:

- Develop clearinghouse for enforcement tools
- Identify Best Practices, What worked? - What didn’t?
- Identify ExSTARS & ExTOLE successes
- Publicize case law successes and failures
- Publish Enforcement guides
- Identify Best use of limited enforcement personnel
- Gain Industry involvement
- Promote interest from Department of Transportation
- Encourage joint operations and/or audits
- Develop core group to train and inform
- Encourage more on-road enforcement officers to attend
- Don’t overlook gasoline tax

The subcommittee again met in June 2000 in Lincoln, Nebraska with 38 persons in attendance. The goal of this meeting was to prioritize the list of objectives and select major objectives to focus efforts on during the next year.

At the September 2000 subcommittee meeting in Rochester, New York, team leaders will be chosen to develop strategies for each objective. The objectives defined for the upcoming year are:

- Train and Inform
- Encourage Joint Operations and Cooperative Efforts
- Import and Border Issues
- Promote Interest from Department of Transportation
- Encourage Use of ExTOLE
- Encourage Use of ExSTARS
- Encourage Industry participation

This subcommittee continues to serve as a “clearinghouse” for successful enforcement practices and to facilitate information sharing concerning new trends in fuel tax evasion. It has been the goal of the subcommittee to present a special guest speaker at each meeting to discuss successful programs/procedures in enforcement. These speakers are from state and federal agencies.
recognized for strong enforcement programs and to serve as models to other states. Feedback from participants has been very positive. We will continue to schedule guest speakers for future meetings.

2000 - 2001 Enforcement Subcommittee Report

Suzanne Flynn (Heidenreich) served as State Co-Chair and Al Howard served as Industry Co-Chair for the FTA Enforcement Subcommittee. The Enforcement Subcommittee has become part of the Compliance Subcommittee. Enforcement will continue to be a major concern for the Uniformity Committee.

The Enforcement Committee has been very active in the following objectives during the last 12 months:

- Encourage Joint Operations and Cooperative Efforts
  Leader -- Amber Carpenter (Montana)

- Import and Border Issues
  Leader -- Dina Hay (California)

- Promote Interest for/from Department of Transportation personnel
  Leader -- J.W. Bryan (Kentucky)

- Encourage Use of ExTOLE
  Leader -- Angela Altice (North Carolina)

- Encourage Use of ExSTARS
  Leader -- Dave Skinner (Florida)

- Encourage Industry Participation in Subcommittee
  Leader -- Eldon Andrus (Exxon-Mobil)

The Enforcement Subcommittee pledges its support to the Compliance Subcommittee.
Education Subcommittee (1994)

2000 - 2001 Education Subcommittee Report

This was a new subcommittee created in 2000 - 2001. The Subcommittee worked on the Motor Fuel Tax Advanced Training and revising the Motor Fuel Tax Basic Training.