

# The Uniformer

**MESSAGE FROM THE  
NATIONAL CHAIR  
JEREMY NEECK**

Hello FTA Motor Fuel Group! 2023 is off to a fast start and I just attended the Midwest Regional Conference and what a success that was. We had very interesting topics presented, we had one of our largest turnouts and there was great networking taking place among the attendees. Seeing this really energizes me and makes me really look forward to attending the other regional meetings coming up. I cannot wait to see the other regions in action and get out and network with people from the other regions and industry attending the meetings.

I am also looking forward to the May Uniformity Meeting in St. Louis, MO. I feel that there are some very interesting topics that will be discussed with the further advancement of Sustainable Aviation Fuels, Renewable Diesel Fuel and with more and more states researching and passing laws relating to electric vehicles. I also hope we can continue to work and expand our vision for our motor fuel mentorship program at the uniformity meeting. We had an initial meeting where we gathered thoughts and ideas as to what our implementation committee feels that the program should be, but we will be looking for additional input from other what they think the program should offer to them. We are at a time where we are going to be losing a lot of knowledge due to retirement and we need ways to get this knowledge transferred to

new people in the motor fuel realm to keep our uniformity efforts strong.

I appreciate everyone that takes time out of their busy schedules and taking time away from their families to attend our regional meeting, FTA Motor Fuel Uniformity meetings, the annual meeting, or volunteers on committees to report and present to our group. Without you we would not be as successful as we are.

Please feel free to contact me with any suggestions, comments, or feedback,

Thank you,  
Jeremy Neeck  
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[jeremy.neeck@state.mn.us](mailto:jeremy.neeck@state.mn.us).

**MESSAGE FROM THE  
NATIONAL VICE-CHAIR  
JOHN PANZA**

It was good seeing everyone in Anaheim, CA in January, both existing committee members and new members of the FTA Motor Fuels Uniformity Committee from the various states and industry. There were many interesting topics discussed, concerning not only Motor Fuels administration but also one that interested me concerning mentoring Motor Fuels Uniformity Committee members.

There is a wealth of knowledge and experience with committee members and sharing that knowledge with newer members is vital to the uniformity committees continued success. Discussions were held about

developing a pilot program for mentoring uniformity committee members. Various mentoring options were discussed, and a team has been put together to develop a pilot project for uniformity committee members. I look forward to seeing the plan and results from this project and the benefits that it could achieve.

Based on the topics discussed at the full uniformity meeting and in the committee meetings, motor fuels continue to evolve with new products or business processes that states, and industry must adjust to or account for in practice, reporting and paying the appropriate taxes. Collaboration and communication between industry and states is imperative for all parties to have a good understanding of each party's interpretation of the situation.

Continued participation in FTA Motor Fuels Uniformity is essential for both states and industry to use as a platform for discussing and resolving issues. I encourage all parties to bring new members from their state or industry to participate in the Motor Fuels Uniformity Committee. This will allow for the continued success of the committee.

I look forward to seeing existing and new members of the FTA Motor Fuels Uniformity Committee in St. Louis, MO in May.

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**MESSAGE FROM THE  
UNIFORMITY COMMITTEE  
STATE CO-CHAIR  
NANCY LARRIMORE**

Hello to all from the Carolinas! The meeting in Anaheim, CA was a great success! Attendance was up and there were new faces in the room. We had the opportunity to discuss the past, present and future of the Motor Fuels Uniformity. Looking around the room, I was amazed at all those in attendance with years of experience and knowledge of motor fuels. I am so glad they are willing to pass on their vast knowledge before they hang up their hats and move on into retirement! There is no better place to learn than in the midst of such strong leaders from both state and industry.

One of many discussions while in Anaheim was electric vehicles and how they are vastly gaining momentum. To date California, Massachusetts, Washington, New York, and Oregon have moved to require that all new cars sold within their borders be emissions-free by 2035.

Oregon's Environmental Quality Commission also voted to enact new standards that will ban the sale of gasoline-only powered vehicles by 2035. The future is here – and it is only limited by our imaginations!

Times are changing fast and the days of only using conventional petroleum products to fuel vehicles may be a thing of the past sooner than anticipated. We face a multitude of challenges as

we prepare for the increasing use of alternative fuels. The Motor

Fuels Uniformity group will need to work on recommending best practices that will help ensure all states are collecting the tax dollars needed for infrastructure. New alternative sources may require a new way of thinking about taxation – how will we tax electricity, hydrogen, or maybe even solar powered vehicles? Uniformity meetings allow us to learn from each other - educating and challenging both tax administrators and industry.

Once again, I encourage all states to take an active part in Uniformity. It's a valuable investment! That network of colleagues can provide a wealth of knowledge and support as industry and government move into the future.

I look forward to seeing you all in St Louis.

Dr. Nancy P. Larrimore  
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**MESSAGE FROM THE  
UNIFORMITY COMMITTEE  
INDUSTRY CO-CHAIR  
RAE TAKAI**

Greetings Tax Enthusiasts! Keep calm and say hello to May! May is Mental Health Awareness Month – Mental Health America, which was proudly started in 1949, invites you to 'Look Around' and 'Look Within' as we consider every part of our environment and its effect on our mental health and well-being.

What we know for sure is that there are many factors that contribute to mental well-being,

and we all benefit from environments, strong communities, and ready access to needed services. More information at: <https://www.mhanational.org/mental-health-month>

On the Federal Home front:

- IRS Notice 2023-06: Sustainable Aviation Fuel Credit ("SAF"); Registration; Certificates; Request for Comment – comments provided by API, 17 April 2023
- The Inflation Reduction Act ("Act") of 2022 provides incentives for producing clean fuels. Specifically, the Act includes credits for clean hydrogen production, SAF, of transportation clean fuels
- Hydrogen Tax Credit (Section 45V): Under Section 45V of the Code, a producer can receive this credit during ten years after a production facility is placed into service. Facilities must have begun 1 January 2023, or have been modified to produce clean hydrogen in 2023 or later to qualify for the credit
- SAF Production Tax Credit: For these credits the Act defined a two-phase approach to help Biden Administration's goal of producing 3 billion

gallons of SAF in the US by 2030

- The first phase applies to years 2023 and 2024; the biomass-based diesel Blenders Tax Credit established under Section 40A of the US Tax Code Tax, is expanded to include a separate incentive for SAF under Section 40B. The new SAF tax credit depends on the fuel's carbon intensity.

- In the second phase, from 2025-2027, SAF will be eligible for the Credit, Section 45Z

- Clean Fuel Production Tax Credit (Section 45Z): The Act allocated \$1.96 technology-neutral incentives for domestic of qualifying clean fuels, including SAF, produced between 2025 and 2027

Cheers,  
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### **UNIFORMITY COMMITTEE**

The FTA Motor Fuel Tax Section Uniformity Committee met at the Anaheim Majestic Garden Hotel in Anaheim, California. Nancy Larrimore (NC) Uniformity State Chair and Rae Takai (Motiva Enterprises) Uniformity Industry Chair called the meeting to order. 48 were in attendance.

### **Presentations**

RINS 101-Everything You Ever Wanted to Know About RINS and Few Other things....

By John Reese, Weaver

John gave a very informative presentation on RINS (Renewable Identification Numbers). RINS were from the 2005 Energy Policy Act effective 9/1/07-RFS1-Gasoline Only. Renewable Identification Numbers-Producers assign the RINS to the fuel (Example: Ethanol).

Starting in 2007 now included diesel. Cellosic bioduel, biomass-based diesel, advanced biofuel and renewable diesel.

Renewable Fuel producers have to be registered with the EPA (Environmental Protection Agency).

Renewable biomass-crops, trees (planted), animal waste/animal by products, algae, separated yard waste or food waste.

RFS (Renewable Fuel Standard) Pathways A fuel pathway is a specific combination of three components: (1) feedstock, (2) production process and (3) fuel type.

More information can be found under Code of Federal Regulations 40CK 80.1426.

Federal Superfund and Oil Spill Tax OST)-More Than you Probably Wanted to Know Presentation

By David Retz, Chevron

David gave a very informative presentation. David talked about the Love Canal Disaster that was due to a chemical company disposing of hazardous chemicals in the abandoned canal to in Niagara Falls/Buffalo, NY, Exxon Valdez Tanker Oil Spill in Prince William Sound in Alaska in 1989, and the 1984 Bhopal India Disaster at the Union Carbide Limited pesticide plant which resulted in 3800 deaths, 550,000 injuries.

These are a few examples of why we have the Superfund and Oil Spill tax.

Excise tax on domestic Crude Oil-Petrochemicals and on organic chemicals imported or produced.

Gave a history of the Superfund Excise Tax starting in the 70's and extended to 12/31/95. IRS didn't start auditing the superfund tax until 2000 which ended 12/31/95.

7/1/22 the Superfund Excise Tax was reinstated for 42 chemicals and is scheduled to expire on 12/31/31.

Crude and products as of 8/16/22 is being taxed at 18.4 cents per barrel.

How this will affect the State people-Invoices will show Superfund and Oil Spill tax on them. This could be combined or listed separately on the invoices.

There has been no final industry standard on "included price" or "line item on the invoice" for recovery.

David also talked about the Trafigura Oil Spill Case in the Ivory Coast (Federal). IRS denied their refunds for oil spill tax on the exported fuel. After the IRS denied the refund request Trafigura challenged the denial of their refund. The 5<sup>th</sup> Circuit of Appeals (Houston) and Louisiana. The IRS lost and was told to pay the refund request. IRS said they would only pay for companies in the 5<sup>th</sup> Circuit District. If you are in another district you have to sue the IRS.

**Subcommittee Reports**

The **Compliance Subcommittee**  
 Welcome- Patrick Andrews (VA) and David Hernandez (Valero)

1. Approved the minutes from the Stowe, VT meeting.
2. Basic Training Schedule
  - Training was held in Kansas City, MO July 31 – August 4, 2022. There were 98 in attendance.
    - Next training is in Green Bay, WI July 31-August 4, 2023
3. Training Schedule Update:
  - Training was for the State of NC this past Oct 2022. Over 71 individuals were trained.
  - Training will be held in the future for individual states: February KY, March RI.
  - Training will be open to all on July 30 August 30, 2023, in Green Bay, Wisconsin.

4. Dyed Fuel Statistics: Jeremy Neeck (MN) shared the dyed fuel statistics. Discussion further evolved into information of enforcement sharing with states. A new MOU from the IRS sent to several states by region seems to be on the horizon.
5. State Updates:
  - NC-
    - Proposed legislation involving technical updates on excise tax. Clarification on who can sign a refund at the state and record retention rules. Codifying on the processes of tax paid inventory brought into registered terminals.
    - Annual refunds are now quarterly.
    - New tax rate set at 40.5 cgp.
    - Process and procedures set for failure to file.
  - MD –
    - Legislators are reconvening along with a new governor, AG and comptroller.
    - Bill proposals for 2 tier pricing cash and credit. SB 178
    - Bill proposal to repeal the transportation infrastructure act to unlink tax

- increased based on CPI. SB 261.
- KY-
  - Gas tax increase on hold.
  - 3 cent per KH went into effect on 1/1/2024.
- WI- No updates
- SD-
  - New IFTA IRP system in place.
  - Reviewing existing motor fuel tax licenses.
- MN-
  - 2 cpg clean up fee to go into effect April 1, 2023.
  - Discussion in legislation on the repeal of the \$75 EV decal.
  - Cleaning up existing motor fuel tax licenses.
- KS-
  - Governor reelected.
  - New EV task force is being created.
  - EV rate equalization at 3 cent per KWH goes into effect July 1.
- OR
  - ODOT is creating a tolling system in Portland.
- FL
  - New excise tax on natural gas, CNG, LNG, LPG on January 2024. New bills introduced to delay that

- implantation by 2 years.
- There is a possibility for a new tax holiday.
- VA-
  - Bill introduced to collect addition excise tax to be allocated to the general fund.
  - Bill introduced to tie tax increases to the CPI.
- OK-
  - New tax on EV to go into effect on January 2024.
  - Tax on electricity 3 cent per KWH and registration.
- GA
  - Gas rate was instated on January 10, 2023.
- SC-
  - Legislation committee in place to review EV charging.
- WV
  - Bill introduced to remove methanol as a alternative fuel
  - Bill introduced to reduce tax by up to 50 %
  - Bill introduced to repeal alternative fuel registration.
- TX
  - Proposed to increase tax rate to 40 cpg
  - Proposed to have annual increases.
  - Proposed to exempt hospitals from excise tax.

- Defining credit card fraud.
  - Clarifying the definition of hydrogen as a fuel.
  - CA
    - Bills introduced to reduce tax rate were unsuccessful.
  - ID
    - No new bills.
6. Industry Hot Topics
- Super Fund. January 1 implementation. Federal tax on crude taken to refinery and product imported into the US.
  - Rate Changes. 16 states had rate changes effective 01/01/2023. We saw 3 states publish their changes on FTA List serve web site.
  - Sustainable Aviation Fuel.
  - Renewable Gasoline (blendstocks)
  - Regional supply disruption planning. Hurricanes, refinery, and pipeline outages.
  - Refinery closures overtime and the tightening of supply
  - Marathon Illinois/ City of Chicago Book out/transfer case.

7. Articles of Interest:
- ***“Here’s how Oregon plans to replace the gas tax as cars go electric”*** – Highlights Oregon’s decade long.

- study on attempting to find a replacement to fuels tax as more fuel efficient/electric vehicles increases.
- ***“U.S. agency plans to propose new fuel economy standards in April”*** – Discusses speculative factors that may drive The National Highway Traffic Safety Administration’s (NHTSA) upcoming proposed fuel economy standards for 2027.
- ***“US West Coast aligns to ban new gas cars by 2035”*** – The article brings forth California’s ambition to end sales of gasoline powered cars by 2035 and the states that have adopted CA’s “emissions-free” plans.

8. Old Business- Posting rate changes on list serve.

9. New Business-

**The Forms Management Subcommittee**

The meeting began with Introductions.

The September 17, 2022, meeting minutes from Stowe, VT were approved.

**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.

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 for Mentoring will be started with the group setting and the following committee members will begin working on the pilot:

David Hernandez- Valero

Rae Takai-, Motiva

Jeremy Neeck-State of Minnesota

Isa Momoh-State of North Carolina

**Product Code Request:**

Rae Takai will be requesting a new product code for sustainable aviation fuel and will resubmit the paperwork to

the committee. Will probably need codes 00-99.

**Report Forms**

The State of Florida will be taxing natural gas and will be submitting a new form for review.

**Old Business:** None

**New Business:** None

**The Electronic Commerce Subcommittee**

Mike Hanson (California) and Scott Foster (Sinclair Oil) reported there were 48 in attendance. The subcommittee discussed the following:

**Review Minutes**

The minutes from the Stowe, Vermont were approved.

**IRS Move to XML**

No action taken – The group will continue to monitor and be ready to provide support to IRS on this pending project. The proposed project is to move from IRS 4030 X12 map to XML for ExSTARS reporting.

**Emerging Technologies**

Monitor and report to the Uniformity Committee on emerging technologies that could be utilized in motor fuel filings.

**Best Practices Document-XML Implementation**

The document is not ready for review. The document may be ready for review by the May 2023 meeting.

**XPath Document**

The document is not ready for review. The document may be ready for review by the May 2023 meeting.

**XML Schema Idaho**

The Idaho XML schema is found to be uniform.

**XML Schema Additions**

Adding to Meter Reading existing date element Facility Number and new element Pump Status.

Adding to Retailer Schedule existing data elements

Destination and Purchaser and new elements Credential, Card Number, Plate Number, Plate State and Purchase Date.

Adding to Retailer Report Details existing date element Facility Number.

Adding to MF Participant Type existing date elements Account and Address MF Address Type.

Adding to Supplier and Distributor Schedule new date elements Purchase Date and Purchase Rate.

**Electronic Commerce Survey**

The Electronic Commerce Survey will be posted to the website after minor changes.

**XML Schema Export Data**

Scott Foster volunteered to work on the new export schema. E-Commerce will create XML schema and related documentation for the exchange of export data between states.

**Approved by the Full Committee**

**XML Schema Additions**

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Adding to Supplier and Distributor Schedule new date elements Purchase Date and Purchase Rate.

**The Communication and Coordination Subcommittee**

The Communication & Coordination Subcommittee met on Friday, January 27, 2023. State Co-Chair Christy Dixon and Industry Co-Chair Laura Molique conducted the meeting. The meeting was called to order at approximately 1:30 PM local time. There were 48 attendees.

The minutes from the September 16, 2022 meeting were approved with a small correction.

The January 2023 edition of the Uniformer was made available by Cindy Anders-Robb, Federation of Tax Administrators.

**2023 Motor Fuel Tax Information by State Book-**

David Hernandez with Valero and Laura Molique with ExxonMobil both echoed that the State Book provides good information and is a valuable reference industry utilizes. Several states also stated that the book is a valuable resource for their state. There were no new questions requested to be put into the book. Please email Laura Molique and Christy Dixon for any new questions that you would like added to the book.

**Definitions-**We reviewed and discussed the two remaining product code definitions for Excluded Liquid (Mineral Oil) and Mineral Oils. The following definitions were approved.

- **Excluded Liquid-** 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 -** (aka Liquid Petroleum, Paraffin Oil, Mineral Paraffins, White Mineral Oil) is a clear, odorless liquid made from highly refined, purified and processed petroleum.

This completes the definition project for defining the products listed in the Uniformity Guide.

**Electric Vehicles White Paper Document –**

The committee reviewed all eleven pages of the updated 'Electric Vehicle Taxation

Possibilities – Points to Consider Relative to Fuel Tax Administration – January 2023' White Paper draft and made recommended changes. The white paper was approved as amended. Shauna Anker will incorporate the recommended changes and will send it to Christy Dixon and Cindy Anders-Robb. The White Paper Document will be included in the 2023 Uniformity Guidebook. Credits to these committee members who worked on the white paper:

- Verna Carrier – Love's
- Shauna Anker – SD (Chair)
- Catherine Mitchell – WV
- Robert Dalton - NC

Please see the minutes for the White Paper Document

**Zero Emission Vehicles (ZEV) White Paper Document**

It was recommended by the committee to write another white paper document concerning zero emission vehicles (ZEV) using fuel cells with hydrogen. Scott Fitzgerald with Iowa volunteered to help if needed.

**Approved by the Full Committee**

**Electric Vehicles White Paper Document –**

Please see the minutes for the White Paper Document

**Definitions**

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of 125 °F. or less; (ii) sulfur content of 10 ppm or less; and (iii) minimum color of + 27 Saybolt.

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

**Canadian Update**

No updated given.

**Old Business**

None

**New Business**

None

The meeting was adjourned.

**2023 Uniformity Chairs**

**State Uniformity Co-Chair**

Nancy Larrimore, State of North Carolina

**Industry Uniformity Co-Chair**

Rae Takai, Motiva

**SUBCOMMITTEE CHAIRS**

**Compliance Subcommittee**

**State Co-Chair**

Patrick Andrews, State of Virginia

**Industry Co-Chair**

David Hernandez, Valero Energy

**Communication and**

**Coordination Subcommittee**

**State Co-Chair**

Christy Dixon, State of Oklahoma

**Industry Co-Chair**

Laura Molique, ExxonMobil

**Electronic Commerce**

**Subcommittee**

**State Co-Chair**

Michael Hanson, State of California

**Industry Co-Chair**

Scott Foster, Sinclair Oil

**Forms Management**

**Subcommittee**

**State Co-Chair**

Jessyca Stafford, State of Oregon

**Industry Co-Chair**

Becky Jo Beck, AvFuel

**2022-2023 MOTOR FUEL  
STEERING COMMITTEE  
MEMBERS**

**National Officers**

Jeremy Neeck, National Chair,  
State of Minnesota

John Panza, National Vice Chair,  
State of North Carolina

**Past Chairs**

Chuck Ulm, State of Maryland

**Uniformity Chairs**

Nancy Larrimore, State of North Carolina

Rae Takai, Motiva

**MOTOR FUEL REGIONAL  
GOVERNORS for 2023**

**Midwestern Region**

Jeremy Neeck

State of Minnesota

**Northeastern Region**

Russell Glenn

State of New Jersey

**Pacific Region**

Katherine Ataman

State of Washington

**Southern Region**

Emmanuel Nwogor

State of Georgia

**2023 UPCOMING MEETINGS**

**Northeast Region**

May 21-23, 2023

Salem, Massachusetts

**Southern Region**

June 25-27, 2023

Savannah, Georgia

**Uniformity Meeting**

September 15-16, 2023

Orlando, Florida

**Annual Meeting**

September 17-20, 2023

Orlando, Florida

**2023 FTA MOTOR FUEL  
TRAINING SCHEDULE**

**Motor Fuel Basic Training**

July 31-August 4, 2023

Green Bay, Wisconsin

**Editor**

Christy Dixon

State of Oklahoma

Laura Molique

ExxonMobil