



Wyoming Fuel Tax News

VOLUME 4, ISSUE 4

SEPTEMBER 2014

SPECIAL POINTS OF INTEREST:

- **Change Keeps Coming**
- **More Change**
- **Wyoming Hosts Conference**
- **Supplier BOL Corrections**
- **We Share Your Passion**

INSIDE THIS ISSUE:

- Change Keeps Coming 1
- Change Continued 2
- Annual FTA Conference 3
- Supplier BOL Corrections 3
- Getting to know FTA 4
- Fuel Tax Team Contact Info 4

Change Keeps Coming.....

Well, we are back to being fairly delinquent with the newsletter! Although we may have sound reasoning for the delay, we do apologize for the lateness of our communication with you, our valued customers. As we mentioned in the June newsletter, the changes on the horizon have kept us busy.

Wyoming hosted the Federation of Tax Administrators Annual Meeting in late September (see article on page 3), so that kept us fairly busy over the past few months. We've also been busy testing and re-testing (as some of you are aware of) the new operating system that is being built for us by our Financial Systems team. The build of the new operating system continues to be an onerous and challenging task for all involved, and we are all anticipating implementation day. We also continue to work towards the redesign of the Fuel Tax Program which we anticipate meeting the often lofted goal of "doing more with less." As one can imagine, redesigning a department/program can be challenging, and we have encountered additional challenges with the departures of several team members as well as the aforementioned operating system build and related testing. Additionally, we are continuing our work with the Joint Interim Revenue Committee to address alternative fuels and related taxation. By no means are we complaining, but rather offering some insight into the workings of the current Fuel Tax Program as well as setting the stage for the remainder of this article.

In the last newsletter, we spent some time discussing the redesign of the FTA Program, and while those plans continue to be developed and pushed forward, we have had

to adjust our plans in response to some changes within the team. One paramount change is related to data entry. As of the end of September, we no longer have a Data Entry Specialist in the program, and therefore we have Tax Examiners taking a shot at data entry. Please trust that it is not as easy as it may sound, and while this presents a challenge for us short-term, we believe that long-term (when all data is filed electronically) we will be more effective and efficient.

In light of this change to our program design, we are taking whatever means necessary to have every taxpayer file their information electronically. While our existing rules & regulations address electronic filing for many of our customers (250 lines of data or more), a large number of our customers fall into the "less than 250 lines" category and thus are not officially compelled to file electronically. While a rules & regulations update addressing electronic filing for all customers is anticipated by the end of 2014 (with an anticipated implementation of July 2015), we are asking that customers still filing paper returns work with us to begin filing electronically. We, along with our programmers, will make the process as painless as possible, and we are making this effort using a strategic process to ensure that you get the information you need and that the electronic data you provide is of a high quality. Without question, a beneficial outcome for our customers from an increase in the number of electronic returns we receive is a quicker turnaround on the auditing process performed by our team. We will be contacting customers in the near future to discuss the possibility of
(Continued on Page 2)

Visit us on the web:
www.dot.state.wy.us

Change Continued

(Continued from Page 1)
beginning the electronic filing process.

Due to several other team members departing for retirement and other opportunities, we are currently down two Sr. Tax Examiners and one Tax Examiner. Additionally, we no longer have our administrative support position, but once we are fully staffed we will have an additional Tax Examiner on the team. While certainly not ideal, this team is working hard to keep everything moving until we can get new team members hired and trained. Again, long-term and while considering the redesign plans, we believe that we will be poised to be more successful than ever.

While we work through these data capturing and staffing issues, it appears that we may likely be implementing and “going live” with the new operating system. A degree of the decision to “go live” at this point is related to getting more customers filing electronically and training the new Tax Examiners in the new system rather than in the mainframe. While these two topics would not provide enough momentum independently, when considering our current situation and the fact that

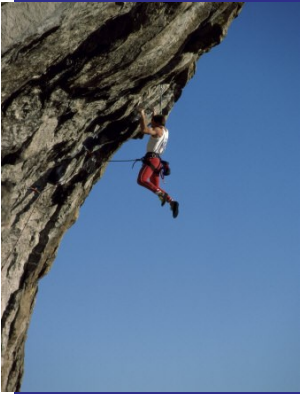
the programmers believe that the programming is at 95%, we believe that now may be the time to make the leap. Things may get fairly intense should we follow-through with the transition in the next 3-4 weeks, but again it becomes a short-term/long-term discussion where the short-term pain may be worth the long-term gain. What we are very confident about is that making the leap sooner rather than later will benefit electronic filing as new filers will not be asked to learn the old process and then in short order be moved to a new process. Without question we have a good amount of apprehension, but we’ve received the necessary commitments to ensure that the transition will be a priority for those that understand how to make the system work. Of course our intention is that the transition is seamless to our customers, but should we experience issues that are going to negatively impact you we are committed to over-communicating until the issues are resolved.

As we’ve shared in previous newsletters, we consistently work on six month timeframes when implementing change within our program meaning that if an *improvement* is not working as designed

after six months, we go back to the drawing board. With redesign it will prove easier to go back to the drawing board, but with the operating system we are committed to continue investing the time and effort to ensure that it works. We appreciate that we may be “jumping in” a little early due to necessity, as with our redesign efforts, but being clear about this allows us to appreciate that there may be a good amount of *tweaking* to be done as we work through implementation.

As has been stated previously, while the timing may not be ideal it appears that we have a great amount of change converging upon us at relatively the same time. We have every intention of diligently working through all of it successfully and being better for it in the end.

We are very excited about the possibilities that the new operating system and program redesign provides. As we work through the transition, please do not hesitate to let us know of any concerns or questions you may have.



Wyoming Hosts Annual FTA Conference

Wyoming Fuel Tax Administration hosted the Federation of Tax Administrators, Motor Fuels Division Annual Conference in Jackson, Wyoming during the last week in September. With close to 200 attendees, this was the largest FTA Motor Fuels conference to date.

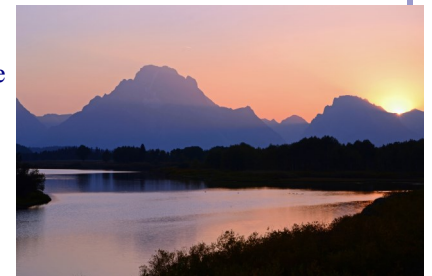
We were very fortunate to have Wyoming Department of Transportation Director John Cox provide opening comments for the conference. Not only did Director Cox provide a great welcome to the state of Wyoming, he also offered some thoughts about leadership and having a positive attitude. Many of those in attendance shared with us how much they enjoyed his comments, and hopefully future conferences will offer some form of leadership presentation.

The scope of the conference was well-rounded as we heard from the Internal Revenue Service and the Federal Highway Administration as well as private industry representatives speaking on topics such as alternative fuels and taxation issues. State representatives led several break-out sessions on auditing best practices and succession planning.

It is always a little easier to host a conference in a beautiful place such as Jackson Hole, and even though it was cloudy and rainy most of the time, attendees did have an opportunity to experience the beauty of Grand Teton National Park. A unique twist to the conference this year is that attendees were treated to a chuckwagon dinner instead of the traditional hotel banquet. The weather was a little chilly for the dinner, but all appeared to enjoy the old west celebration.

As is typical of these conferences, a good amount of information was shared and people in the industry had the opportunity to connect/reconnect with government representatives.

It was a good amount of work to put the conference together, but when it was over we felt as though it was a success and well worth the effort to bring everyone to Wyoming.



Supplier BOL Corrections

FTA is once again seeing a considerable amount of destinations being changed on electronic BOL's by Wyoming licensed suppliers. When documents are requested to confirm discrepancies, we typically receive original copies of BOL's with driver signatures from distributors while suppliers provide copies of electronic BOL's. There are often destination discrepancies between copies of electronic BOL's and BOL's with driver signatures and when suppliers are asked about the discrepancy, we are often told that the destination was corrected on electronic BOL's per supplier customers. Since FTA considers BOL's with driver signatures as original BOL's and use those for auditing purposes, FTA does not allow destination changes to be made unless there are malfunctions in terminal or operating systems.

If there are destination changes made, suppliers or distributors that made the decision to divert the fuel per Wyoming Statutes must:

Notify the department when transporting the motor fuel into a state other than the printed destination state that the person has received instructions for since the shipping document was issued to deliver the

motor fuel to a different destination state by writing on the shipping document the change in destination state, give a copy of the shipping document to the distributor or other person to whom the motor fuel is delivered.

To notify FTA of the changes in fuel destinations, the following is considered acceptable documentation:

- Copies of Fuel Trac diversions.
- Copies of original BOL's with the original destination state crossed through and the change in destination state written in.
- Completed FTA Diversion schedule

In relation to destination changes on BOL's, when fuel is pulled in Wyoming for export from a Wyoming terminal but diverted back to Wyoming, taxes are not billed by suppliers. Since taxes are not billed by suppliers for exported loads, the correct way to report those kind of transactions is to report them on a Schedule 2E under the appropriate fuel type as you typically would and remit the taxes on Lines 23 and 23A. Also, the department must be notified of the diversions as outlined above.

“FTA does not allow destination changes to be made unless there are malfunctions in terminal or operating systems.”

We Share Your **PASSION**



Jan Hertel:
Tax Examiner

Twelve years ago, a couple, Larry and Joan Schwab, from California attended our church. We invited them to lunch with us that Sunday and they became members at Frontier UMC. They brought their talents and their passions to our congregation. As they also became involved in the community, Larry learned there was not a good support system for newly released inmates that would help them when they were released. Many of them just ended up on the street with whatever they had at the time of their arrest, which could be summer clothes in the Wyoming winter. As a teenager, Larry was DUI and had a bad wreck which killed someone. Larry served 5 years in prison in California becoming well aware of the struggles many of the

inmates faced; therefore, his passion for assisting them grew upon release. Larry was so passionate that I caught the fever and wanted to raise funds for Larry to use at Bethel Ministries for the released prisoners. About the 4th year of Frontier’s Christmas Cookie Sale we decided all of the profits would go to the Comea Shelter and Bethel Ministries here in Cheyenne.

Last year only the lunch profits at the sale went to Bethel Ministries. The profit was considerably less than in previous years, but I was determined to make as much as I could to support Bethel. We lost Larry on 12/30/11. I am determined to help his passion continue.

In light of my ongoing commitment to Larry’s passion, I MAKE TONS OF CABBAGE POCKETS WITH THE HELP OF

MY MANY FRIENDS.

A new passion for me this year will be emotionally and financially supporting the creation of the **“OUT OF THE DARK”** fundraising project to support organizations that work to prevent suicide. As it develops, I will keep you informed.



State of Wyoming
Department of
Transportation
Fuel Tax Administration
5300 Bishop Boulevard
Cheyenne, Wyoming
Phone: 307-777-4826
Fax: 307-777-4769
www.dot.state.wy.us

The Fuel Tax Team

Leadership Team

Wayne Hassinger, Program Manager: 307-777-3909

Kimberly Peters, Program Supervisor: 307-777-3926

Vacant, Senior Tax Examiner: 307-777-4833

Vacant, Senior Tax Examiner: 307-777-4856

Team Members

Becky Savastano, Tax Examiner: 307-777-3947

Vacant: Tax Examiner: 307-777-4836

Michael Turner, Tax Examiner: 307-777-3984

Bruce Messer, Tax Examiner: 307-777-4840

Cheryl Porter, Tax Examiner: 307-777-4441

Jan Hertel, Tax Examiner: 307-777-4856

Jon Peterson, Tax Examiner: 307-777-4832

Tiffany Romero, Tax Examiner: 307-777-4845

Main Fuel Tax Line: 307-777-4828