



Wyoming Fuel Tax News

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SPECIAL POINTS OF INTEREST:

- **FTA Update**
- **FTA Schedule Updates**
- **Policy & Procedure Change**
- **Electronic Filing**
- **We Share Your Passion**

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FTA Update

Where did the summer go?! It is unbelievable that it's already October and we're just getting the September newsletter written. As always, we apologize and suggest that we have great reasons for the delay. We've determined that we have a great deal of technical information to share this time around, so we're going to use the front page to share some updates on projects we've been working on, fill the middle with technical information, and of course wrap-it-up with one of our team member's passion statements.

As we shared in the last newsletter, we fully implemented our program redesign between July 15th and August 1st. Overall, we have been pleased with the results. Without question we have had to overcome some barriers as change is not easy for most people, but we have already seen the anticipated benefits of the redesigned processes. Over the past four weeks we have really seen the two work teams coming together independently and collaboratively, and the successful outcomes should continue to grow as we move forward. The added challenge to implementing the redesign was that we have a backlog of work, and in some cases the issues that needed to be resolved were only relevant due to our backlog. For informational purposes, our current backlog is directly related to some healthy attrition (retirements, & promotions) which left us with four team members in training at the same time. There was a lot of upside to implementing the redesigned processes rather than training our new team members in the "old" processes, and the entire team has been very flexible and adaptive during the implementation phase. Our primary focus remains on the customer experience, and we

sincerely hope that nobody has been negatively impacted during this transition. We've identified several areas that we were being inefficient and/or untimely, and solutions have been put in place to address those issues. We will keep refining our processes, and we thank you for your patience as we get it all figured out. Please do not hesitate to contact us with any questions or concerns.

The updated FTA Rules & Regulations process continues with the public comment period ending on September 8th. As there were not any comments to address, the updated rules were presented to the Transportation Commission at the September meeting. They will continue through the process, and barring any unforeseen changes we anticipate their formal adoption prior to the end of the year.

We are currently working with our IT staff to determine the most appropriate process to accept electronic signatures on coversheets. We are extremely aware of the irony wrapped around our electronic filing requirements that do not include the ability to electronically sign and submit coversheets, and we are working diligently to have an electronic signature process in place within the next six months. The ideal outcome is that our customers will have the ability to file all tax documents electronically, and the longer term goal is to offer licensing, dealer reporting and carrier reporting through a web portal.

That's a wrap for now—enjoy your fall and have a happy Halloween and a Happy Thanksgiving!



FTA Reporting Schedule Updates

Distributors:

As we have discussed many times in this newsletter, we have changed operating systems, and with that change comes the ability to accept different schedule types for blending components that we have not been able to accept in the past. In light of these changes, we will be asking that the Blending Components Schedule 2B be used for blending products purchased in Wyoming with a Wyoming destination. The Blending Component Schedule 2C will now be used for blending components purchased out-of-state for import to Wyoming. The Blending Component Schedule 2E will continue to be used for blending components purchased in Wyoming for export.

When using the Blending Component Schedule 2C, you will notice that the second page of the cover sheet still does not allow taxes to be calculated in the Blending Components Column. Since blending components include ethanol and biodiesel the following rules apply:

Ethanol is not taxed until it is blended with gasoline; therefore, taxes are remitted for ethanol when it is transferred to the gasoline column on the cover sheet. If biodiesel (B100) is sold to an end user, taxes must be remitted on Lines 23 and 23A in the undyed or dyed diesel column. If biodiesel is sold to a licensed supplier or distributor, taxes are not due until it is blended and when it is blended by a

distributor, the biodiesel gallons will be transferred to the appropriate column whether dyed or undyed and taxes must be remitted on Lines 23 and 23A.

Suppliers:

On another note, there seems to be a lot of confusion about when a Supplier Schedule 3A is to be used. This schedule is to only be used for supplier imports. To determine if you are the importer the following applies:

- You hire a common carrier and pay the common carrier freight.
- You carry your own fuel.
- When fuel is delivered to another fuel company, freight is a line item on the same invoice as the fuel is invoiced on.

Policy & Procedure Change Concerning BOL's

We recently made changes to our *Policies and Procedures* regarding corrections made on bills of lading. In the past, we did not accept a BOL if any corrections were made by the purchaser or supplier on the document. Prior to the change, the only acceptable change that could be made by a supplier was if there was a malfunction in their system or if it truly was a supplier error. In light of that, diversions or billing changes were required.

Recent changes in FTA's *Policies and Procedures* now allow terminals to make corrections to BOL's if a BOL is entered incorrectly by the purchaser for issues such as an incorrect destination. If the fuel never leaves the terminal, a BOL may be voided by the terminal and a BOL with the correct information can be reprinted. The original BOL must include 'voided' stamped on the BOL and the reprinted BOL must be

signed by the driver.

Consignee corrections made by suppliers and submitted on a *Consignee Correction* form provided by FTA are allowed to eliminate incorrect billing for fuel when the fuel is pulled on an incorrect consignee's card; however, excessive corrections must be explained in writing.

We hope you find this policy change to be a positive one.

More About Electronic Filing & Electronic Signature

Over the past year, we have written numerous articles concerning electronic filing and our need to have every customer submit their monthly return data electronically. We continue to work through this process, and we would like to thank everyone for their cooperation. We believe that the updated FTA rules & regulations will be implemented by the end of 2015, and at that time electronic filing will be *mandatory* for every FTA customer.

So, how does electronic filing work? Without getting into a great deal of “programmer speak,” the oversimplified explanation is that every month customers drop their data file into the client software (ie. WinSCP) that is installed on their computer, submit it to our server, and then we go out to the server and retrieve the file. If it were only that simple! The programmers have been great about designing the CSV template (so every customer does not have to file per the EDI specifications) and working through the challenges associated with filing, but there is still a good amount of detail required for a file to be successfully filed. In light of the various challenges, we have been assisting a number of our customers during this transition by having them email their return information directly to us and then we have “dropped” the file into “client software” that securely transfers the file between the

computer and our third party server. We have recently learned that in order to protect the integrity of your data we should not be offering this option. While our intentions were good, we need to stop this practice and require every customer to file their data through the client software. This will result in our customers directly filing their return data to the secure server and it will result in a timestamp being attached to the file.

We are prepared to assist every customer that is still using the “emailing it in” option with setting-up the client software, and our experience is that once the customer has the CSV template perfected, downloading and using the client to submit the file is fairly straightforward.

We believe that our resident EDI Fuel Tax Examiner, Jon Peterson has provided outstanding service in this area, and while we’re not putting him out of business, we do need to make this necessary change. Jon will still be available to assist with client set-up as well as questions about your submitted files.



Strategic Work Update

We found an open spot to offer an update on our strategic work, so here goes:

Strategically, we have been unable to comprehensively and collectively focus on our Balanced Scorecard over the past year due to the transition of the team and the related training of new team members, and the design, testing and implementation of the new operating system has been all encompassing. However, over that time period we have been able to achieve some of the strategies identified in our strategic plan as they were outcomes of much of the transition we’ve been going through.

We have been able to provide outreach to our customers through our taxpayer visits across Wyoming this summer, and we’ve continued publishing our quarterly newsletter. When considering our focus on the customer experience, we have created daily and monthly measurements for service levels, although we have a great deal of work left to do. The goal where we’ve seen the most accomplished is *Improve Program Efficiency and Effectiveness* where program

redesign is the primary measure and the transition to the new operating system was one of the primary strategies. We have not had the opportunity to work very much on focusing on the team experience although we have worked on one community service event and we continue our weekly team meetings. Finally, we have been fairly successful with our goal of *Improving FTA’s Ability to Effectively Administer Fuel Tax Law* through our recent update to our rules & regulations, our review and rewrite of policies and procedures, and our work on several legislative bills, most prominently HB0009 that created the new alternative fuels article in Wyoming statute.

While we are poised to get our team back to a more balanced focus between the technical and strategic work of the program, we feel pretty accomplished considering all that we have taken on and achieved during the past several years. As always, we thank you for your input and patience as we continue to transform Fuel Tax Administration into a more proactive and business friendly government program.

We Share Your **PASSION**

Sabrina Mathews: Tax Examiner

The things I am most passionate about is getting to spend time with my family. My husband and I have 4 children and six grandchildren, so far. It has been a pleasure to get to spend time with adult kids and spoiling our grandkids in the things that we as a family most enjoy which is baseball, wrestling, basketball, rodeo and football.

I also enjoy gardening, reading (and yes) preparing income taxes during the tax season each year. I have been preparing taxes since I

was in high school and I enjoy the new learning experience I get each year with a new batch of rules. I also love to read for pleasure, for me a good book is time well spent.

We have a small bit of land and I am lucky enough to have a vegetable garden each year and get to enjoy this with the grandchildren. We also usually have a variety of different animals at our house, right now we have horses, dogs and cats.

I think the versatility in my life also carries over to the work environment. I always enjoy a new challenge and learning new things, and there is always something new to learn.



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