



Wyoming Fuel Tax News

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SPECIAL POINTS OF INTEREST:

- **FTA Continues to Evolve**
- **Bonding Explained**
- **FTA Customer Profile**
- **Billed Gallons**
- **We Want To Know More....**

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The Evolution Continues....

Change is good, or at least that is the premise we are operating under. At the minimum, change always keeps us on our toes, and when the intention of the change is improvement, we tend to be optimistic.

Here at FTA we are continuing to evolve our work processes with the intention of improving our effectiveness and level of service provided to our internal and external customers. The evolution of our process redesign continues as we are now organized into what we refer to as “360 Teams”, and we now have a formal Quality Control process in place. These two alterations should increase the “full circle” knowledge of team members, should provide even more consistency in our work product, and provides a formal quality check process that will also increase consistency and thus our effectiveness as a program. We remain mission focused, and the concept of evolutionary change has always been part of the discussion. Many may recall that at the time of deployment we knew that our plan was only about 75% complete and that we would be making adjustments as we worked through the transition. Our theory was that in order to begin the process of catching-up on our work we needed to act, and the paralysis of waiting until our confidence level with the plan was at 99% would likely result in us getting further behind in our work and never implementing the redesigned processes. We believe that we are much further ahead due to the implementation of our redesigned processes, and the most recent changes should get us much closer to the levels of efficiency and effectiveness that we were hoping for.

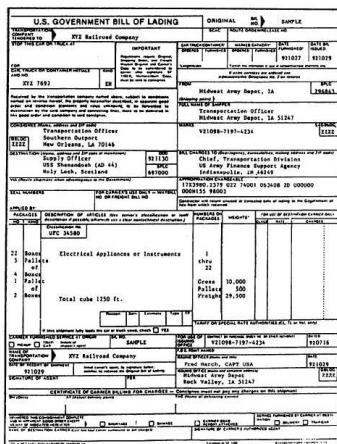
Organizationally, WYDOT has encountered some changes over the past year, and again the intention of these changes is to improve the effectiveness and efficiency of the organization. Director Bill Panos was appointed as the 17th Director of WYDOT in October 2015, and under his leadership other strategic changes have been made. Several of the strategic changes included the reclassification of several Executive Team positions to create a Chief Technology Officer position and a Chief Financial Officer position. Patrick Lewis was named the Chief Technology Officer on October 3, 2016, and Dennis Byrne was named the Chief Financial Officer effective August 1, 2016.

One outcome related to the “reorganization” is that Fuel Tax Administration now reports to the Chief Financial Officer as do the other financial functions at WYDOT. This will no doubt allow for synergy between the financial functions that has not existed in the past, and this concentration has already led to some positive outcomes.

While these are challenging times in state government due to the budget crisis, Director Panos and the Executive Team have a clear vision for the future. At times, challenges can require change, and while it can be difficult to accept, it is likely necessary in order to assimilate into the new reality.

Change is the word of the year, we are embracing it, and our hope is that our customers will benefit from the positive outcomes related to the change. As always, should you have any questions or concerns, please don’t hesitate to contact us.

Bonding Explained



In an effort to clarify Wyoming FTA bonding requirements/waivers, we offer the following information:

Licensees conducting fuel tax business in Wyoming are required to provide a surety bond, cash bond or a certificate of deposit in the amount of fifty thousand dollars (\$50,000) per fuel type, or the equivalent of the licensee's tax liability for six (6) months, whichever is greater, at the discretion of the department.

The criteria FTA uses to determine whether a bond may be waived consists of a few processes. When a customer's license is due for its annual renewal, a review of the account is conducted to ensure that the required reports were filed completely and accurately for the preceding twelve (12) months in addition to receipt of any taxes due if applicable. The account is

also reviewed to determine if the customer was delinquent in filing two times or more during the 12 month period prior to renewal of the license. Additionally, for a return to be considered filed completely and timely, all parts of the return must be received. This requires the coversheet with original signature and monies (if applicable) to be post-marked on or before the last day of the month the report is due. The electronic file must be submitted electronically prior to midnight on the last day of the month the report is due as well.

FTA may determine that the bond requirement will be waived if the licensee has established a good filing record. FTA may also determine that a fuel tax bond be imposed on a customer that does not meet the criteria previously discussed or does not provide requested

documentation in a timely manner.

From the state's perspective, bonds are a tool used to mitigate the risk factor of tax liability related to taxes, penalty and interest due under the fuel tax article. It is always our hope to have customers file timely and accurately and thus not have a need to impose a bond.

The above referenced bonding requirements are discussed in W.S. 39-17-106, W.S. 39-17-206, and W.S. 39-17-306 (although the provision in W.S. 39-17-306 only requires a bond for established customers that violate any provision of the article).

We hope this offers some clarity to our bonding requirements and practices. Please don't hesitate to contact our team with any questions.

Technical Tidbits

The following bullets represent technical notes that we'd like to pass along:

- ♦ All Bills of Lading that either originate in Wyoming or have a Wyoming destination must be reported to Wyoming on the tax return and/or the diversion report.
 - ♦ Please ensure that, when necessary, you complete and submit a ports or correspondence to our office, please ensure *Fuel Tax Administration* in the address line.

diversion report for all loads that are diverted either out of Wyoming or into Wyoming.

Thank you to our customers that consistently file accurate and timely reports. We are always happy to work through any concerns you may be having with your monthly reporting.

Wyoming FTA Customer Profile

Mike Bailey
Bailey Oil

How long have you been in business? Since 1960

Where is your business located?

We are based out of Riverton, WY and serve all of Wyoming and the surrounding states on a wholesale basis. We have retail locations in Riverton, Lander, Dubois, Powell & Cody

How many people work for your company?

130

What is the biggest challenge your business is facing right now?

Of course the struggling Wyoming energy economy is the BIGGEST thing facing us right now. A close second would be the continuing growth of regulations that we as businesses have to deal with.

What changes would you like to see Fuel Tax Administration implement?

I feel that continuing to improve the tax return process would help very much. The WY Fuel Tax Division has always been very responsive and great to work with. We can work together to implement processes that help the business & the department be more efficient. If we can eliminate the manual entry of data on both sides, we can improve the process by saving time and errors.

Any words of wisdom you would like to share?

I really appreciate the ability to have access to the staff at the Fuel Tax Department. It is very important to have a department that is willing to “work with” the distributors in a cooperative manner.

Thank You
Mike Bailey



Billed Gallons

On the schedule detail contained in the Wyoming Distributor, Importer and Exporter and Supplier Monthly Tax Returns, there are three columns for gallon amounts. They are Net Gallons, Gross Gallons and Billed Gallons.

Lately, FTA has been requesting documentation in relation to gallons in the billed-gallon column. One common question asked of FTA is "Why does it matter what gallon amount is in the billed-gallon column when taxes are calculated and remitted on the gross gallons of the fuel disbursed?" FTA's position is that it does matter for various reasons. One reason is that the return is supposed to be submitted as accurately as possible in order to avoid a fuel tax bond (discussed in another article within this newsletter). Another reason for reporting billed gallons accurately is because companies that meet all of the criteria outlined in Wyoming Statutes and Rules and Regulations are allowed to take shrinkage credit when the

fuel is billed on gross gallons, therefore, the billed gallon column is utilized to determine if a company was billed on net gallons or gross gallons.

The schedule directions which can be found on our website explain this in more detail. They state on the receipt side "Record the gallons that you were billed. These must equal either the net or the gross gallons. Carry forward the total gross gallons to the cover sheet." On the Disbursement schedules it states: "Record the gallons (must equal either the net or gross gallons) that you billed your customer."

In order to avoid requests for documentation, we would appreciate if all net, gross and billed gallons are reported accurately.



We Want To Know More....

Jon Peterson—Senior Tax Examiner

Hidden talent: Helping people

Favorite thing: Golf

Favorite artist: BTO

Favorite quote: "Believe in Yourself."

What does the quote mean to you?

You must try to do which you think you cannot. There are many unknowns in life that you think you cannot do but you will never have the chance to find out if you do not at least try.

Favorite ride:

Golf Cart



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

Bruce Messer—Senior Tax Examiner

Hidden talent: My hidden talent is still hidden from me. Some day maybe I will figure it out.

Favorite thing: Traveling to see new things and cultures.

Favorite ride: The lighthouse tour in Nova Scotia bicycle tour

Favorite artist: Artist Bob Ewing and Alan Parsons Project

Achievements you are most proud of:

Earning the "Eagle Scout" award Being an "Honor Graduate" in the USAF
Finding and marrying my best friend and soul mate



The Fuel Tax Team

Leadership Team

Wayne Hassinger, Program Manager: 307-777-3909

Kimberly Peters, Program Supervisor: 307-777-3926

Jon Peterson, Senior Tax Examiner: 307-777-4832
Service Delivery Coach

Bruce Messer, Senior Tax Examiner: 307-777-4840
Quality Coach

Team Members

Service Delivery Team

Carol Denny, Tax Examiner: 307-777-3947

Jan Hertel, Tax Examiner: 307-777-4856

Kaila Sangster, Tax Examiner: 307-777-4836

Michael Turner, Tax Examiner: 307-777-3984

Quality Team

Richard Sartain, Tax Examiner: 307-777-4831

Tiffany Romero, Tax Examiner: 307-777-4845

Kelli Kolkman, Tax Examiner: 307-777-4828

Sabrina Mathews, Tax Examiner: 307-777-4833

Main Fuel Tax Line: 307-777-4826