Oregon Greenhouse Gas Reporting Advisory Committee

Handout Provided by Oregon Department of Transportation
For discussion November 16, 2009

Fuels Tax Group Data Overview

INTRODUCTION

The Fuels Tax Group collects a large amount of data for both Motor Vehicle and Use Fuel. T his includes gallons used, imported and transferred within the state of Oregon. While we collect this information on paper, only a limited amount of it is entered into the Oregon Department of Transportation's Fuels Tax System (FTS). This limits the ability to do analysis.

For your purposes, we have prepared information about the data we collect.

GENERAL OVERVIEW

Fuels Tax Group tracks motor vehicle fuel coming into the state. Motor vehicle fuel (MVF) includes gasoline, gas-ethanol blends, aviation gas, and jet fuel for taxation purposes. Use fuel is typically diesel, propane, and compressed natural gas (CNG). The following chart contains high level summary of the data.

Fuel	Data	Frequency	Paper	Electronic	Notes
Motor Vehicle	**Importation**	Monthly	X	X	
	Intrastate	Monthly	X	X	Some jurisdictions include diesel as MVF, however, this is not entered into the FTS: is captured on paper only
	Gasoline				
	Jet Fuel				
	AvGas				
	Ethanol				
	Diesel – in some jurisdictions				
Use Fuel	**Importation**	N/A	N/A	N/A	No import reporting requirements
	Use Fuel Sold	Monthly	X		Sellers can report monthly, quarterly, or annually. Some provide information on sells to other sellers.
	Propane				
	Diesel				
	CNG				

Motor vehicle fuel dealers are persons who import, export, produce, refine, manufacture, blend or compound motor vehicle fuel or aircraft fuel. Upon the first sale of this fuel, the dealer is responsible for remitting fuels tax.

Use fuel is significantly harder to track than motor vehicle fuel. Use fuel is taxed when it is put into the fuel tank of a motor vehicle with the intent to propel that vehicle on public roads. By taxing use fuel at that level, it is difficult to ascertain who is importing the fuel because FTG mainly interacts with the people who directly dispense the fuel.

MOTOR VEHICLE SCHEDULE DETAIL

On a monthly basis (very few licensees report annually or quarterly: it depends on the average tax liability) FTG receives mandatory schedules from licensees. Motor Vehicle Fuel is taxed at a very high level, thus making it rather easy for FTG to ascertain how many gallons of gasoline and ethanol are imported and used within the state.
There are 155 Motor Vehicle Fuel Licensees in Oregon.

Below is a list of the schedules, what information they provide, and how this information is recorded.

Fuel Type	Data Element	Paper	FTS	Notes
Oregon Tax Report (MVF) Form 735-1302				
Gasoline	Gallons distributed	X	X	
	Deductions due to tax paid purchases	X		
	Deductions due to ex-tax sales	X		
	Gallons exported from OR	X		
	Sales to US Armed Forces	X		
	Total Gallons Subject to Tax	X	X	
Aviation Gas	Gallons distributed	X	X	
	Deductions due to tax paid purchases	X		
	Deductions due to ex-tax sales	X		
	Gallons exported from OR	X		
	Sales to US Armed Forces	X		
	Total Gallons Subject to Tax	X	X	
Jet Fuel	Gallons distributed	X	X	
	Deductions due to tax paid purchases	X		
	Deductions due to ex-tax sales	X		
	Gallons exported from OR	X		
	Sales to US Armed Forces	X		
	Total Gallons Subject to Tax	X	X	

MVF Stock Summary Form 735-1303				
Gasoline Receipts (gallons)	MVF acquired in OR	X		
	Import sales into OR	X		
	Intra state transfers	X		
	From other products (inc, ethanol blended by the reporting party)	X		
Gasoline Disbursements	Deliveries to own service stations, cardlocks/keylocks in OR	X		
	Tax-included sales or distributions to OR licensed dealers	X		

Fuel Type	Data Element	Paper	FTS	Notes
	Other taxable sales, use, or distribution	X		
	Ex-tax sales, exchanges or distribution to OR licensed dealers	X		
	Exports from OR	X		
	Sales to Armed Forces for use in ships, aircraft or for export	X		
	Intra-state transfers	X		
	Rebrands	X		
	Storage loss/gain	X		
	Temperature loss/gain	X		
	Transportation loss/gain	X		
Aviation Gas Receipts	Acquired in OR	X		
	Import sales into OR	X		
	Intra state transfers	X		
	Rebrands	X		
Aviation Gas Disbursements	Deliveries to own service stations, cardlocks/keylocks in OR	X		
	Tax-included sales or distributions to OR licensed dealers	X		
	Other taxable sales, use, or distribution	X		
	Ex-tax sales, exchanges or distribution to OR licensed dealers	X		
	Exports from OR	X		
	Sales to Armed Forces for use in ships, aircraft or for export	X		
	Intra-state transfers	X		
	Rebrands	X		
	Storage loss/gain	X		
	Temperature loss/gain	X		
	Transportation loss/gain	X		
Jet Fuel Receipts	Acquired in OR	X		
	Import sales into OR	X		
	Intra state transfers	X		
	Rebrands	X		
Jet Fuel Disbursements	Deliveries to own service stations, cardlocks/keylocks in OR	X		
	Tax-included sales or distributions to OR licensed dealers	X		
	Other taxable sales, use, or distribution	X		
	Ex-tax sales, exchanges or distribution to OR licensed dealers	X		
	Exports from OR	X		

Fuel Type	Data Element	Paper	FTS	Notes
	Sales to Armed Forces for use in ships, aircraft or for export	X		
	Intra-state transfers	X		
	Rebrands	X		
	Storage loss/gain	X		
	Temperature loss/gain	X		
	Transportation loss/gain	X		

Ethanol Stock Summary (Form 735-1303A)				
Ethanol	Oregon receipts of ethanol	X		
	Ethanol blended into gasoline in OR	X		
	Other OR distributions	X		
	Loss or Gain	X		
MVF Schedule of Disbursements (Form 735-1305)				
(ALL)	Deliveries to owned service stations, cardlocks, keylocks by product (gasoline, gasoline-ethanol blends, aviation gas, and jet fuel	X		Includes name of carrier, city of origin, destination city, who it was sold to, date, document number (bill of lading) and gallons
MVF Summary of Ex-Tax Disbursement to Licensed Dealers (Form 735-1305X)				
(ALL)	Gallons sold to other OR-licenses dealers	X		Includes name of purchaser, license number and gallons sold
MVF Deduction Schedule (Form 735-1306)				
(ALL)	Purchaser name or description of transaction	X		Supports "other deductions" on tax report form 1302, line 8 and includes purchaser name, supply and delivery points, document number and gallons
MVF Exemption Certificate (Form 735-1308)				
(ALL)	Total gallons	X		Covers sales to Armed Forces and includes date, contract number, and amount of tax exemption
	In-state delivery point	X		
MVF Schedule of Receipts (Form 735-1304)				
(ALL)	Carrier name	X		Records receipts of MVF by product (gasoline, gasoline-ethanol blends, aviation gas and jet fuel) – requires date and document numbers
	City of Origin	X		
	Destination City	X		
	Gallons	X		

As demonstrated, FTG has an overwhelming amount of information—both general and specific. However, the majority of this information, particularly the details, remains on paper and is not put into FTS. The only numbers in FTS are gallons distributed, and total number of gallons subjected to tax, per fuel type.

USE FUEL SCHEDULE DETAIL

There are two types of use fuel licensees: sellers and users. A seller is a person who sells use fuel to a user. To "sell use fuel for use in a motor vehicle" means to deliver or place use fuel for a price into a receptacle of a motor vehicle, from which receptacle the fuel is supplied to propel the motor vehicle. Sellers can be either retail or non-retail.

A user is a person using fuel other than gasoline to propel any motor vehicle, except those exempted by law. A user is required to first obtain an Oregon use fuel user license and a vehicle emblem (cab card) for each vehicle operated. If a user pays tax on all use fuel purchased to the use fuel seller, then the user is not required to be licensed as a user.

Sellers and users have different reporting mechanisms.

Sellers - There are 734 Use Fuel Seller licensees in Oregon.

Operation type	Data Element	Paper	FTS	Notes
Cover Sheet (Form 735-1334)				
(All) per licensee	Total Fuel Handled (Sch. 1)	X		
	Total Taxable- Retail (Sch. 2)	X		
	Total Taxable- Non-retail (Sch. 3)	X		
	Total Taxable- Fleet Fueling (Sch. 4)	X		
	Total Taxable- Bulk/Other (Sch. 5)	X		
	Taxable Propane	X		
	Taxable Natural Gas	X		
	Total Taxable Gallons	X	X	
Schedule 1- Use Fuel Handled				
(ALL) per location	Beginning Inventory	X		
	Purchases	X		
	Fuel Available for Sale	X		
	Ending Inventory	X		
	Total of all Fuel Handled	X		Calculated by adding beginning inventory to purchases, and subtracting ending inventory

Schedule 2- Retail Operations				
Retail per pump, per location	Individual Pump Meter CLOSING Readings	X		
	Individual Pump Meter OPENING Readings	X		
	Gallons sold per pump	X		
	Ex-Tax Sales	X		
	Taxable Sales	X		Calculated by subtracting closing readings from opening readings

Schedule 3- Non-Retail Operations				
Non-Retail per customer	Customer Account #	X		
	Customer Name	X		
	Customer Address, City, State	X		
	Total Gallons Sold	X		
	Ex-Tax Gallons Sold	X		
	Taxable Gallons Sold	X		

Schedule 4- Fleet Fueling Operations				
Fleet Fueling per customer	Customer Account #	X		
	Customer Name	X		
	Customer Address, City, State	X		
	Total Gallons Sold	X		
	Ex-Tax Gallons Sold	X		
	Taxable Gallons Sold	X		

Schedule 5- Bulk & Other Operations				
Bulk & Other per customer	Date	X		
	Invoice #	X		
	User/Seller License #	X		
	Customer Name and Address	X		
	Total Gallons Sold	X		
	Ex-Tax Gallons Sold	X		
	Taxable Gallons Sold	X		

Again, FTG has an overwhelming amount of information from each Seller. However, the only number recorded in FTS is total taxable gallons per licensee. That’s it: the rest of the information remains on paper.

Users - There are 203 Use Fuel User licensees.

Reporting	Data Element	Paper	FTS	Notes
Cover Sheet (Form 735-1325UU)				
(ALL)	Taxable Gallons of Use Fuel	X	X	
Schedule A- Vehicle Operations				
per licensee	Vehicle #	X	X	
	Emblem/Plate #	X	X	
	Ending ODO #	X		
	Beginning ODO #	X		
	Total Miles Traveled	X		
	Out of State/Off Road Miles	X		
	Student Tramps. Miles	X		
	Oregon Use Fuel Miles	X		
	Total Gallons of Fuel Used	X		
	Average Miles per gallon	X		
	Taxable Gallons	X	X	
Schedule B- Bulk Fuel Stock Summary				
Inventory	Inventory at beginning of month	X		
	Total Gallons Purchased	X		
	Use Fuel Consumed (as reported on Sch. A)	X		
	Use Fuel Consumed (NOT reported on Sch. A)	X		
Purchases	Supplier	X		
	Tax Paid Gallons	X		
	Ex-Tax Gallons	X		
Vehicle	Vehicle Emblem/Plate #	X	X	
	Tax Paid Gallons	X		
	Ex-Tax Gallons	X		
Schedule C- Use Fuel Purchased and Produced				
Purchases	Equip number	X		
	Plate or Emblem #	X		
	Invoice Date	X		
	Invoice #	X		
	Purchased From (supplier name)	X		
	Purchase Location	X		
	Fuel Type	X		
	Ex-Tax Gallons	X		
	Tax Paid Gallons	X		

As with sellers, the only user information put into the system is total taxable gallons per licensee.

BY JURISDICTION

In addition to administering ORS 319, the Oregon Department of Transportation's Fuels Tax Group administers motor vehicle fuel tax programs for the following jurisdictions:

- State of Oregon (includes gasoline, gasoline blends, aviation fuel & jet fuel)
- Multnomah County (includes gasoline & gasoline blends)
- Washington County (includes gasoline & gasoline blends)
- City of Woodburn (includes gasoline, gasoline blends, diesel)
- City of Eugene (includes gasoline, gasoline blends, diesel)
- City of Springfield (includes gasoline, gasoline blends, diesel)
- City of Cottage Grove (includes gasoline, gasoline blends, diesel)
- City of Veneta (includes gasoline, gasoline blends, diesel)
- City of Tigard (includes gasoline, gasoline blends, diesel)
- City of Milwaukie (includes gasoline, gasoline blends, diesel)
- City of Coquille (includes gasoline, gasoline blends, diesel)
- City of Coburg (includes gasoline and gasoline blends, DOES NOT INCLUDE DIESEL)
- City of Astoria (includes gasoline, gasoline blends, diesel)
- City of Warrenton (includes gasoline, gasoline blends, diesel)
- City of Canby (includes gasoline, gasoline blends, diesel)
- City of Newport (includes gasoline, gasoline blends, diesel)
- City of Hood River (includes gasoline, gasoline blends, diesel)

The total amount of taxable gallons for each of these jurisdictions is put into FTS. The report details, however, is not entered into FTS.

Although much of the information captured by smaller jurisdictions was already captured by the jurisdiction of the state of Oregon, it nevertheless gives us a more detailed picture of where the fuel is going and how much of it is being used.

FUEL NUMBERS

Every month, FTG reports how many taxable gallons were reported. The summary of this information (rounded to the nearest whole number) from January 2008 through September 2009 is below.

	Use Fuel Sellers	Use Fuel Users	MV Fuel	Aviation	Jet Fuel
Jan 08	11,734,546	521,336	119,627,228	162,139	14,886,869
Feb 08	11,604,297	407,921	118,609,233	182,428	15,293,312
Mar 08	12,289,608	724,108	125,364,259	189,422	15,662,122
Apr 08	12,502,245	504,994	124,247,430	241,760	16,149,124
May 08	11,461,568	439,091	132,450,986	305,769	17,600,226
Jun 08	13,716,957	925,326	128,078,177	570,409	19,394,178
Jul 08	13,907,463	464,028	136,667,751	479,499	20,257,511
Aug 08	13,819,471	484,245	137,418,660	550,226	19,378,197
Sep 08	13,561,874	970,611	127,316,880	391,568	16,357,092
Oct 08	13,398,810	577,927	100,121,761	113,693	14,310,853
Nov 08	10,976,179	358,958	148,665,079	366,413	17,044,758
Dec 08	11,251,533	789,597	109,046,786	165,010	14,211,291
Jan 09	11,084,698	394,627	93,653,682	86,499	12,723,842
Feb 09	9,872,907	335,648	140,364,107	351,766	12,546,173
Mar 09	11,602,290	623,604	124,098,314	199,851	8,756,818
Apr 09	12,365,313	420,889	118,965,794	222,357	18,709,093
May 09	12,916,109	661,004	140,965,964	336,243	14,355,293
Jun 09	13,851,960	716,100	132,039,593	370,777	15,865,135
Jul 09	15,036,143	693,713	143,070,033	568,369	14,564,562
Aug 09	15,109,231	399,347	140,843,799	393,965	16,571,822
Sep 09	14,687,246	880,678	128,701,229	373,266	12,393,486

IMPORT REPORTS - Below is a comparison of what FTG knows about fuel imports into the state.

	Motor Vehicle Fuel	**Use Fuel**
KNOWN (Reports)	(1) Imports of Motor Vehicle Fuel – Licensed Dealers are required to report these quantities on lines 3 and 4 of the Oregon form 735-1303. (2) Ethanol, a non-motor vehicle fuel, is received into Oregon by rail car. Ethanol importers are not required to be licensed as a motor vehicle fuel dealer unless they are the ones blending the motor vehicle fuel and/or if they import an ethanol blend that can be used in a Flex-vehicle (E-85), or standard vehicles (E-10). FTG receives export disbursement reports from the ethanol producing states. Dealers of motor vehicle fuel report ethanol that they blend to produce a motor vehicle fuel on line 6B of the Oregon form 735-1303. Ethanol can also be produced instate. Licensing as a dealer is only required if the producer is creating an ethanol-blended product that can be used in a Flex-vehicle (E-85), or standard vehicles (E-10). Dealers of motor vehicle fuel report ethanol that they blend to produce a motor vehicle fuel on line 6B of the Oregon form 735-1303. All of this information is put into FTS.	Use Fuel is significantly harder to track than Motor Vehicle Fuel. Use Fuel is taxed when it is put into the fuel tank of a motor vehicle with the intent to propel that vehicle on public roads. By taxing Use Fuel at such a low level, it is difficult to ascertain who is importing the fuel because FTG mainly interacts with the people who directly dispense the fuel. FTG obtains some information about the amount of Use Fuel imported into the state the following ways: (1) On Schedule 1, required to be filled out by all Use Fuel Sellers with Oregon operations, FTG requests that sellers list their suppliers—many of them give partial lists or none at all. This information may give us a clue as to who is buying this fuel and selling it to sellers; however, exactly where *they* are getting the fuel remains unclear or the information is unavailable. (2) Also on Schedule 1, sellers are required to fill out the total amount of fuel handled, both taxable and tax-exempt. This, again, gives us only a partial view of how many gallons of Use Fuel are brought into the state. FTG only has access to the information that sellers provide us, if they report at all. None of this information is put into FTS. It remains on paper.

	Motor Vehicle Fuel	Use Fuel
UNKNOWN	To track the unknown, we must first exhaust all of the possible methods of importation, and subtract what we do know. Motor Vehicle Fuel is imported into the state the following ways: • Olympic Pipeline – The Olympic Pipeline accounts for around 70% of motor vehicle fuel imported to Oregon to the Portland terminals. We currently receive the Olympic Pipeline report which provides this information from the pipeline operator. • Tanker/Barge – It is the marine traffic that transports petroleum products between the Portland terminal and Pasco, Washington terminal, as well as off shore or interstate locations. Shippers/ carriers are not required to report monthly transported quantities, but ODOT has authority under ORS 319 to request the information from the carrier/shipper. Other possible sources of information include DEQ, US Coast Guard, Ports, Department of Homeland Security, and terminal operator. Downstream from Portland, a tanker can hold millions of gallons of product. Upstream from Portland, a barge can hold hundred of thousands gallons of product (constraints due to the depth of the channel). • Truck and Trailer Motor Carrier Fuel Transport – The majority in this category comes from Pasco, Washington or Boise, Idaho. Shippers/carriers are not required to report monthly transported quantities, but ODOT has authority	To track the unknown, we must first exhaust all of the possible methods of importation, and subtract what we do know. Use Fuel is imported into the state the following ways: • Tanker/Barge- Because we tax at such a low level, it is difficult to ascertain who is shipping the product. Options for obtaining this information: track the suppliers or mandate reporting, with a penalty structure that drives compliance. • Truck and Trailer- Shippers/carriers are not required to report monthly transported quantities, but ODOT has authority under ORS 319 to request the information from the carrier/shipper. ODOT receives reports from disbursement states, indicating the amounts that dealers are showing to be exported to Oregon. Again, if we track the suppliers, we might be able to get this information. • Olympic Pipeline- We currently receive the Olympic Pipeline report which provides this information from the pipeline operator. • Rail- If we further track the suppliers, we might be able to get this information. In sum, the various state export and the Olympic pipeline reports are the only resources we have, thus far, to know how many gallons of Use Fuel are imported in the state.

	under ORS 319 to request the information from the carrier/shipper. ODOT receives reports from disbursement states, indicating the amounts that dealers are showing to be exported to Oregon.	

In short, we know the majority of motor vehicle fuel imports, and hardly any use fuel imports. The data from Olympic Pipeline reports, which track the majority of Motor Vehicle Fuel that is imported into the state, are not put into FTS.