

April 12, 2024

Skill Games Update

As we and our allies who support skill games have delved into the proposal released by Governor Youngkin last Tuesday, it is increasingly clear that this is a non-serious proposal designed to benefit out-of-state casinos at the expense of Virginia small business. The link to the governor's proposal may be <u>found here</u>.

In addition to the exclusion of skill games within 35 miles of a casino, the governor also proposes to prohibit skill games within a half mile of a public, private or parochial school, which means that skill games could only be located in a tiny part of (perhaps 5%) Virginia.

This, combined with a 45 percent tax, a reduction in the number of games per store or truck stop, has led Senator Arron Rouse, the Senate sponsor of the bill, to call it a "slap in the face to the small business women and men of Virginia."

This issue will be debated during the one day "veto" session to be held in Richmond next Wednesday. We need you to contact your delegates and senators (see link below to identify yours) and tell them that you do not support the governor's skill games proposal for the following reasons:

- The governor's proposal to exclude skill games within 35 miles of a casino means that approximately 95 percent of Virginia will be prohibited from having skill games.
- The 45 percent tax is punitive and is roughly double what the casinos and Rosie's pay to the state.
- We are looking for a compromise that is fair to all, produces significant new revenue for the Commonwealth, and leaves no

segment of the economy behind.

• We urge you to reject the governor's amendment to Senate bill 212 and seek compromise that is fair to all.

Who's My Legislator?

IRS Revises Form 720 and Instructions for Quarterly Excise Tax Returns From EMA

The IRS has issued an updated Form 720, Quarterly Excise Tax Return which is used by blenders to pay the federal excise tax on the volume of renewable diesel blended into diesel fuels derived from crude oil. The changes to Form 720 are due to changes inflation adjusted excise tax rates for non-petroleum products such as arrow shafts and transportation by air. Nevertheless, the updated Form 720 must be used by all taxpayers with excise tax liability including biodiesel blenders with an IRS 637 M registration. <u>The updated Form 720 and Instructions</u> are identified with the revision date (Rev. March 2024) in the upper left-hand corner of both documents. Do not use the previous Form 720 and Instructions with the revision date (Rev. April 2016) for blends created on or after January 1, 2024.

Important! The revised Form 720 is also updated to include the inflation adjusted rate for the petroleum Superfund tax. However, below the rack blenders should disregard the Superfund tax rate. The Superfund tax is paid by refiners based on the volume of fuel in a blend derived from crude. The Superfund tax does not apply to the volume of renewable diesel added to crude based diesel fuel. Blenders are not required to pay the Superfund tax.

Reminder! The Inflation Reduction Act of 2022 made the following changes to the definition of renewable diesel and the treatment of kerosene, effective for fuel sold or used after 2022.

- Renewable diesel no longer includes fuel derived from biomass that meets the requirements of a Department of Defense specification for military jet fuel or an American Society of Testing Materials (ASTM) specification for aviation turbine fuel.
- Kerosene is no longer treated as diesel fuel for purposes of the renewable diesel mixture credit.
- Butane mixture doesn't qualify for a credit. A mixture of butane (or other gasoline blendstock) and gasoline is a mixture of two taxable fuels. Therefore, it isn't an alternative fuel mixture and doesn't qualify for the section 6426 alternative fuel mixture credit.

National CMV Roadside Inspection Blitz Scheduled for May 14-16 From EMA

A three-day nationwide commercial motor vehicle roadside inspection blitz will take place May 14 -16. The annual RoadCheck inspection blitz is being conducted by the Commercial Vehicle Safety Alliance (CVSA), a national organization of local, state and federal law commercial motor vehicle enforcement agencies. During the three-day period, law enforcement personnel will inspect commercial motor vehicles and drivers at weigh/inspection stations, temporary sites and mobile patrols to verify compliance with state and federal regulations.

Inspectors will conduct a <u>North American Standard Level I Inspection</u>, a thorough 37 step inspection procedure focusing on vehicle components and driver documentation requirements. If out-of-service violations, as outlined in the <u>North American Standard Out of Service Criteria</u> are found during an inspection, the vehicle will be restricted from operating until all out-of-service violations have been properly addressed. During the <u>driver portion</u> of an inspection, law enforcement personnel will check the driver's operating credentials, hours-of-service documentation, FMCSA Drug and Alcohol Clearinghouse status, seat belt usage, and for alcohol and/or drug impairment. If an inspector identifies driver out-of-service violations, such as not possessing a valid or necessary operating license or exhibiting signs of impairment, the inspector will restrict that driver from operating their vehicle.

Each year, in addition to the North American Standard Level I Inspection, CVSA places special emphasis on a category of specific violations. This year, CVSA will have two focus areas: air brakes and alcohol and controlled substance possession. To assist drivers and motor carriers in the proactive assessment and maintenance of those components, CVSA has provided an <u>Inspection Bulletin</u> outlining the steps to properly check tractor protection systems.

Data from the 72 hours of RoadCheck will be collected and the results will be released this summer. Additional Information can be found at the <u>CVSA Website</u>.

2024 VPCMA Scholarship Applications Now Accepted

We are pleased to announce that applications are now being accepted for the VPCMA 2024 Scholarship Program. This program is open to VPCMA members, their employees, and the children of VPCMA member company employees. Awards are made after review by the Association's scholarship committee, which considers need as well as academic achievement in their evaluations. Recipients must be high school graduates by June of this year and attend a post secondary institution of higher education in the fall of 2024. You can view the <u>application here</u>. Complete applications must be received by May 15. You may also distribute or post <u>this flyer</u> for your employees.