

# update

Michael J. O'Connor, President

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[www.vpcga.com](http://www.vpcga.com)

## Tax Filing Requirements for Heavy Highway Vehicle Use For 2016-2017

*From PMAA*

The IRS has just published a revised Form 2290 and instructions required for payment of the federal heavy highway vehicle use (HHVU) tax for the 2016-2017 reporting year. Most petroleum marketers must pay the annual HHVU tax on each cargo tank vehicle and transport with a gross vehicle weight of 55,000 pounds or greater that travels 5,000 miles or more per year. The HHVU is important to petroleum marketers because proof of payment of the tax is required to obtain or renew state motor vehicle registrations.

**Reporting Year:** The 2016-2017 HHVU tax reporting year runs from July 1, 2016 to June 30, 2017.

**Tax Amount:** The amount of the HHVU tax is calculated based on gross vehicle weight (GVW) and the month the vehicle is first used during the reporting year. The minimum annual HHVU weight tax is \$100 for vehicles in use during the period between July 1, 2016 and July 31, 2017 having a GVW of 55,000 pounds and increases to a maximum \$550 for vehicles with a GVW over 75,000 pounds. For vehicles not in use during July 2016, the applicable annual HHVU weight rate is reduced by 1/12 for each calendar month after July 31 until the vehicle is first used. For example, the annual HHVU tax on a vehicle first used in October of the 2016-2017 reporting year is reduced by 3/12ths of the annual rate based on GVW because it was not in use for the first three months of the reporting year. The weight rates and monthly proration calculations are fully explained in IRS Form 2290 and instructions.

**Payment Due Date:** For vehicles placed in use after June 30, 2016, the due date for the HHVU tax is the last day of the month following the month that the vehicle was first used during the reporting year. Payments received after this deadline are subject to penalties and interest.

**HHUV Forms and Instructions:** IRS Form 2290 (revised 07/16) may be downloaded by

clicking here. The IRS Form 2290 Instructions may be downloaded here.

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## EPA Releases Study of ULSD Corrosion

Last week the USEPA released its much anticipated study of accelerated corrosion of UST systems storing and dispensing ultra-low sulfur diesel fuel (ULSD). Significantly the study found that 83 percent of the 42 UST systems studied had moderate to severe corrosion on metal components. The EPA stated that accelerated corrosion could 'be a very common occurrence in UST systems storing diesel fuel, but acknowledged that the sample used in the study is small and cannot definitively determine whether corrosion will occur at this rate in all systems. The Coordinating Research Council is planning a study later this year to research the causes of accelerated corrosion and PMAA has asked that the study include research possible corrosion causes that may occur above the terminal rack, including potential fuel quality issues.

For a copy of the USEPA study, [click here](#).

For a copy of PMAA's letter to CRC, [click here](#).

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## Deadline for Filing Retroactive

### Biodiesel Blender Claims

*From PMAA*

The filing deadline for the \$1.00 per gallon retroactive biodiesel blender credit for blends created during calendar year 2015 is August 8, 2016. The special claim period was created after Congress reinstated the expired biodiesel tax credit retroactively for all blends created in 2015 under the *Protecting Americans from Tax Hikes Act of 2015* (PATH Act). Petroleum marketers who created biodiesel blends during 2015 and who have not filed a retroactive claim should do so now by following the claim process outlined below. The IRS **will not** accept claims for blends created in 2015 after August 8, 2016.

The IRS established a special one-time claim procedure ([IRS Notice 2016-05](#)) for obtaining the lender credit for blends created in 2015. The biodiesel credit applies to qualified diesel fuel and heating oil blends that comply with ASTM D6751 standard for biodiesel. The IRS special procedures allow for one-time payments covering the entire 2015 claim period. Reinstatement of the biodiesel blender credit is limited to qualified blends created during calendar year 2015. Instead, a straight refund of \$1.00 per

gallon may be taken on IRS Form 8849 or taken as a credit on annual income tax return. Notice 2016-05 also sets forth claim procedures for the \$0.50-per gallon alternative fuel credit and the alternative fuel mixture credit.

The following special procedures must be used when filing a claim for the 2015 retroactive biodiesel blender credit

## **I. ONE-TIME CLAIM PROCEDURE FOR 2015 BIODIESEL BLENDER CREDIT**

- The IRS is allowing a one-time single claim for all biodiesel blender credits (*IRC Section 6426(c)*) earned during calendar year 2015.
- The claim amount is \$1.00 for each gallon of qualified biodiesel blended into diesel fuel or heating oil during calendar year 2015.
- Claimant must have a valid IRS 637M certificate in order to make a claim for biodiesel blends created during calendar year 2015. Claimants who do not currently have a valid 637M certificate must first obtain one from the IRS before filing a claim for 2015 retroactive credits.
- Claim must be made on IRS Form 8849 *Claim for Refund of Excise Taxes* and IRS Form 8849 (Schedule 3) *Certain Fuel Mixtures and the Alternative Fuel Credit*.
- Use a single Form 8849 and Form 8849 (Schedule 3) to claim all biodiesel blend volumes created during calendar year 2015. Enter 2015 volumes on Form 8849 (Schedule 3) line 2. The IRS will not accept multiple claims or quarterly filings for biodiesel blends created during calendar year 2015.
- 2015 retroactive biodiesel blender claims may be filed as early as February 8, 2016, but no claim may be filed later than August 8, 2016. ***The IRS will not accept claims for 2015 retroactive biodiesel blender credits filed after August 8, 2016.***
- **Any 2015 retroactive biodiesel blender credit claim filed with the IRS before January 16, 2016 must be re-filed. The IRS will not honor or process 2015 biodiesel claims filed before January 16, 2015.**
- Claims may be filed electronically, or mailed to the following address:

Internal Revenue Service  
P.O. Box 312  
Covington, KY 41012-0312

Write "Fuel Mixture Claim" on the claim envelope.

## **II. ONE-TIME CLAIM PROCEDURE FOR 2015 ALTERNATIVE FUEL CREDIT:**

The IRS is accepting retroactive claims for alternative fuel sold or used during calendar

year 2015 (*IRC Section 6426(d)*) The IRS allows a person that sells or uses alternative fuel as a fuel in a motor vehicle or motorboat and in aviation to claim a \$0.50-per-gallon credit against the claimant's motor fuel excise tax liability (relating to the tax imposed on diesel fuel and alternative fuel).

- **Alternative Fuels Include:** liquefied petroleum gas; P Series; compressed or liquefied natural gas; liquefied hydrogen, qualified liquids derived from coal (including peat); compressed or liquefied gas derived from biomass; and liquid fuel derived from biomass.
- Alternative fuels subject to the \$0.50-per gallon credit **do not** include ethanol, methanol, biodiesel, or any fuel (including lignin, wood residues, or spent pulping liquors) derived from the production of paper or pulp.
- Procedures for filing the alternative fuel claim are the same as for biodiesel credit above except the \$0.50-per gallon credit is taken on line 3 of IRS Form 8894 Schedule 3. Write "Alternative Fuel Claim" on envelope.

### **III. ONE TIME CLAIM PROCEDURE FOR 2015 ALTERNATIVE FUEL MIXTURE CREDIT:**

Refer to IRS Notice 2016-16 to claim the \$0.50-per gallon credit on the alternative fuel mixture credit (*IRC Section 6427(e)*). This credit is for the mixture of alternative fuels into conventional fuel.

- Alternative fuels subject to the \$0.50-per gallon alternative fuel mixture credit **do not** include ethanol, methanol, biodiesel, or any fuel (including lignin, wood residues, or spent pulping liquors) derived from the production of paper or pulp.

### **IV. OBTAINING IRS FORMS:**

IRS Forms 637, 8849, and 8849 (Schedule 3) are available at [www.irs.gov](http://www.irs.gov) click on "Forms and Pubs", then click on "Find All Current Forms and Pubs" and scroll down to the appropriate IRS form. Forms are listed in numerical order.

IRS Notice 2016-05 outlining the special claim procedures for 2015 retroactive biodiesel blender credits, alternative fuel credits and alternative fuel mixture credits is available by clicking [here](#).

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## **Customer Service Seminars**

The VPCGA will be conducting customer service training in three Virginia regions (see below) in August and September. For scheduling convenience, two seminars will be conducted daily, so that you may schedule your employees without disrupting your work day. There are two employee categories and each program will be presented twice so that one group can attend one day and another group can attend on the

second day. Morning seminars are from 8:30am to Noon and afternoon seminars are from 1:00pm to 4:30pm. Call 804-282-7534 to reserve space for your employees. you can also e-mail [rob@vpcga.com](mailto:rob@vpcga.com).

### **Mount Jackson on August 24th**

Morning seminar for office staff, phone reps, managers, supervisors, etc.  
Afternoon seminar for technicians, installers, drivers, plumbers, etc.

### **Mount Jackson on August 25th**

Morning seminar for technicians, installers, drivers, plumbers, etc.  
Afternoon seminar for office staff, phone reps, managers, supervisors, etc.

### **Tidewater on August 30th**

Morning seminar for office staff, phone reps, managers, supervisors, etc.  
Afternoon seminar for technicians, installers, drivers, plumbers, etc.

### **Tidewater on August 31st**

Morning seminar for technicians, installers, drivers, plumbers, etc.  
Afternoon seminar for office staff, phone reps, managers, supervisors, etc.

### **Richmond on September 13th**

Morning seminar for office staff, phone reps, managers, supervisors, etc.  
Afternoon seminar for technicians, installers, drivers, plumbers, etc.

### **Richmond on September 14th**

Morning seminar for technicians, installers, drivers, plumbers, etc.  
Afternoon seminar for office staff, phone reps, managers, supervisors, etc.

All this is coming to you at no charge whatsoever from your NORA funds. All we ask is that you give us a best idea head count for your firm for each of the sessions.

Employees will learn to....

- \* Maximize your first impression when serving customers
- \* Shift customer mindset from price to value

- \* Boost your revenue using relationship skills that customers appreciate
- \* Develop "Power Scripts" that elevate your company image on every call
- \* Reduce stress & increase productivity for your Customer Service team
- \* Transform angry callers into fans
- \* Double or triple referral rates

Steve Coscia is the seminar leader. Steve is one of the most widely published and quoted authorities in the customer service industry. Steve has published more than 200 articles, four books, and a series of training DVDs. His college curriculum is taught at institutions of higher learning throughout the USA and Canada. You can learn more about Steve and his programs at [www.coscia.com](http://www.coscia.com).

We look forward to seeing your employees at one of these seminars.

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## **Thank You PMAA PAC Contributors**

The following additional individuals have also made contributions to the Petroleum Marketers Association of America Political Action Committee. This committee supports members of the Virginia congressional delegation and other key congressmen and senators who impact the petroleum marketing industry on a federal level. If you have not already done so, please make out your personal check for \$125 and send to:

VPCGA  
7275 Glen Forest Drive  
Suite 204  
Richmond, VA 23226

Thank you to these additional contributors:

Bob Claytor  
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