

March 10, 2017

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WP-03-10-17

ANNOUNCING NEW WPMA MEMBER SERVICE

WPMA has partnered with American Fidelity Assurance Company to provide its Marketer members with supplemental employee benefits, employee benefits education and enrollment, online enrollment tools and communication, and Patient Protection and Affordable Care Act (ACA) compliance.

For more information, visit www.americanfidelity.com.

IRS LEVIES HEFTY FINES FOR FAILURE TO DISPLAY DISPENSER TAX LABELS

PMAA is continuing to receive calls about IRS enforcement of dispenser labeling requirements. IRS fines for incorrect or missing labels are significant. The IRS requires all dyed diesel and dyed kerosene dispensers to have a specific label indicating that the fuel is for nontaxable use only. The labeling requirement has been in place for diesel dyed diesel dispensers since 1993 and for dyed and clear kerosene dispensers since 1998. The IRS has recently stepped up enforcement of the dispenser label requirements nationwide. The following IRS labels must be posted on any retail dispenser or other delivery facility (skid tank, consumer dispensers at bulk plants or card locks) where dyed diesel fuel and/or dyed kerosene are dispensed for use by a purchaser/consumer:

"DYED DIESEL FUEL, NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE" or

"DYED KEROSENE, NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE".

In addition, the following label must be posted on all blocked pumps that sell clear, untaxed kerosene:

"UNDYED UNTAXED KEROSENE, NONTAXABLE USE ONLY".

The labels must be affixed to the dispenser in a conspicuous place within easy sight of the person dispensing the fuel either on the face of the dispenser (on both sides) or on the side of the dispenser just above the nozzle housing.

The penalty for failing to display the dyed fuel notification is severe. Any seller that fails to post the required labels on any applicable dispenser is presumed to know that the fuel will not be used for a nontaxable use and may be responsible for paying the 24.4 cpg federal excise tax on the fuel (the back-up tax) and assessed a \$10 fine for every gallon of fuel in the tank at the time of the violation. Heating oil dealers and petroleum marketers should check dyed diesel fuel, dyed kerosene and clear, untaxed kerosene dispensers for the proper IRS labels.

IRS Dispenser labels are sold by most petroleum advertising companies. Here are two:

http://www.gasolineadvertising.com/product/FSD/Pump_IRSA.php

<http://www.unitedsign.com/Kerosene-Decals-s/1997.htm>

For more information contact Mark S. Morgan, PMAA Regulatory Counsel at mmorgan@pmaa.org

REPUBLICANS BEGIN TO MOVE ON OBAMACARE REPLACEMENT

Earlier this week, House Republicans released their long-awaited healthcare plan which would replace Obamacare. The "American Health Care Act" would eliminate the requirements that all Americans obtain coverage or pay a tax penalty and that businesses with at least 50 employees provide insurance. The plan would also replace income-based subsidies with refundable tax credits based on age and income, impose a 30 percent surcharge if people buy a plan after allowing their coverage to lapse, and phase out the law's Medicaid funding over time. Furthermore, the legislation would preserve two features of Obamacare, including letting young adults stay on their parents' health plans until age 26 and forbidding insurers to deny coverage or charge more to people with preexisting medical conditions.

However, not all Republicans support the current plan for various reasons. Some hard line conservatives are worried about the cost of the plan and how it might create a new federal entitlement. More moderate Republicans want to make sure their constituents who received affordable healthcare under Obamacare continue to receive affordable coverage, including those who received Medicaid.

This week, the House Ways and Means Committee voted 23 to 16, and the House Energy and Commerce Committee voted 31-23 to advance the American Health Care Act, giving the plans' backers their first procedural victory. It is unclear if

the current plan will have the votes to pass the House. If it does pass the House, the Senate has already stated that some changes will have to be made. Therefore, the process of passing this bill could be a lengthy one.

DOT REPORT FOUND NO BENEFIT TO 34 HOUR RESTARTS

On Monday, the DOT Inspector General sent a [letter](#) to Transportation Secretary Elaine Chao and Congressional appropriators on the outcome of the Department's required 34-hour restarts study.

Confirming what petroleum marketers have long believed, the finding was no net benefit due to the restart regulation's effect on driver operations, fatigue, health, longevity and safety. According to the study, truckers abiding by the July 1, 2013, regulations, those requiring the early morning periods to be included in the restart, operated no more safely than truckers not abiding by the rules.

Congress suspended the 1 a.m. to 5 a.m. requirement and the once-weekly limit in December 2014, pending the issuance of the study. Furthermore, the FY 2017 continuing resolution (CR) dictated the removal of the 1 a.m. to 5 a.m. provision and the removal of the once-weekly limit. The 2017 CR also ensured that the rule in effect preceding the 2013 update would be applied if the study failed to show net benefits.

As a consequence, 34-hour restarts will not require two 1 a.m. to 5 a.m. periods and will not be subject to a once-weekly limit.

The Federal Motor Carrier Safety Administration will need to issue a formal notice to permanently remove the rules, but petroleum marketers should continue to operate as they have been since December 2014.

DAKOTA ACCESS PIPELINE OPERATIONAL SOON

On Tuesday, U.S. District Judge James Boasberg in Washington rejected the latest effort to prevent completion of the Dakota Access Pipeline. The Judge denied the Cheyenne River Indian tribe request to stop construction because the pipeline violated its members' religious freedom. As a consequence of the Judges' decision, Energy Transfer Partners announced that the pipeline should become operational this month, possibly as early as next week.

The pipeline, which is strongly supported by PMAA, will transport 500,000 barrels of crude oil daily from western North Dakota to Patoka, Illinois.

NORTH CENTRAL REGION SENATORS INTRODUCE BILL TO EXPAND MARKET FOR BIOFUELS

Last week, Senators Grassley (R-IA), Fischer (R-NE) and Donnelly (D-IN) introduced a bill known as the "Consumer and Fuel Retailer Choice Act" which would extend the Reid vapor pressure (RVP) waiver to ethanol blends above 10 percent. The bill would allow retailers across the country to sell E15 and other higher-ethanol/gasoline fuel blends year-round. Each year, the EPA regulates RVP for gasoline and gasoline-ethanol blended from June 1 until September 15. During these months, the EPA restricts the retail sale of fuels with ethanol above 10 percent.

PMAA opposes this bill due to concerns with compatibility and liability issues with any fuel above an E10 blend. PMAA will continue to pursue a cap on the maximum amount of ethanol blended into gasoline at 9.7 percent because PMAA believes that capping the ethanol mandate at this level is the most effective way to lower the value of RINS and, in turn, allow small business retailers to compete on a level playing field.

PLAN TO ATTEND THE 2018 WPMAEXPO



Mark your calendars for February 20-22, 2018. Make plans now to attend the 2018 WPMAEXPO. It will be held once again at the Mirage in Las Vegas, Nevada.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

May 4-5, 2017– Nevada (NPM&CSA) Big Dogs Shootout – Las Vegas, Nevada

June 6-8, 2017 – Montana (MPMCSA) Convention – Northern Hotel – Billings, Montana

June 19-22, 2017 – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington

June 22, 2017 – Utah (UPMRA) Summer Classic PAC Golf Outing – TBD, Utah

August 2-4, 2017 – Idaho (IPM&CSA) Convention – Sun Valley Resort – Sun Valley, Idaho

August 21-23, 2017 – New Mexico (NMPMA) Convention – Sandia Resort – Albuquerque, New Mexico

September 13-15, 2017 – Utah (UPMRA) Convention – Zermatt Resort – Midway, Utah

February 20-22, 2018 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, Nevada
June 18-21, 2018 – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington
August 8-10, 2018 – Idaho (IPM&CSA) Convention – Coeur d’Alene Resort – Coeur d’Alene, Idaho

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Petro Pete: “A wise man once said...Nothing, he only listened.”

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