

# GEORGIA OILMEN'S ASSOCIATION WEEKLY READER

VOLUME 15  
Issue 1  
January 6, 2017

**\*\*\*\* IMPORTANT \*\*\*\***

**GEORGIA GOVERNOR NATHAN DEAL ISSUES STATE OF  
EMERGENCY FOR NUMEROUS COUNTIES – please see  
attached Executive Order**

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## **MOTOR FUEL TAX INCREASE**

**Effective January 1, 2017 there are several motor fuel tax increases occurring.** As I have advised earlier the new State MF Excise tax (.26 gasoline) is increasing to .263 due to the annual indexing required by state law. This increase will continue to occur each year on January 1 for the next 2 years (through 2019). It will be based on increases in CPI and improved vehicle mileage efficiency from the previous year. For 2020 and future annual increases, will be based only on the vehicle mileage efficiency. Attached are the equivalent rates affecting the other fuel types.

The Local Prepaid Tax (local sales tax) changes occur every six months; January and July. These changes are also attached and are posted on the DOR website (<http://dor.georgia.gov>). For gasoline, the increase was from .0544 cent/gal to .0579 cent/gal or about the same as for the Excise increase (.0035).

The last change involves the Federal Oil Spill Liability Tax which increased from .08 cents per barrel to .09 cents per barrel (that is from .001905 to .002143) for gasoline and distillates. This increase is imposed on refiners and terminal operators importing crude oil into the US after January 1, 2017. According to PMAA, it is not supposed to impact existing fuel inventories, but should be only for fuels refined after import into the US on January 1. However, several jobbers in Georgia have already received invoices reflecting the Oil Spill increase. It should also be noted that any fuel blended with ethanol or biodiesel may have lower rates. Since this increase is imposed on refiners and terminal operators, it may be passed downstream as an increase in the cost of the product and may or may not be identified separately on jobber invoices.

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## **GOA 2017 TAX SEMINAR**

The Georgia Oilmen's Association will hold a Tax Seminar on Wednesday, January 25, 2017, covering Georgia Motor Fuel and Prepaid taxes as well as Sales & Use taxes and exemptions. The first of 2 class locations will be held in Perry, Ga. A second location will be added in the North Georgia area in the near future. Please see attached for complete information and registration. **There are a few spots still available for the Perry class – please fax or email your registration asap.**

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## **THE GEORGIA DEPARTMENT OF AGRICULTURE HAS ISSUED ITS BI-MONTHLY REGULATORY REPORT – PLEASE SEE ATTACHED FOR COMPLETE LISTING.**

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The Georgia Oilmen's Association (GOA) is excited to recommend the Gulf Coast Food & Fuel Expo® to its members. Sponsored by the Louisiana Oil Marketers and Convenience Store Association, the Mississippi Petroleum Marketers and Convenience Stores Association and the Petroleum & Convenience Marketers of Alabama, the Expo is held annually in Biloxi, MS. In 2016 the Expo featured more than 220 exhibit booths and drew more than 1300 attendees from 13 states and Canada.

The largest regional petroleum marketing and convenience store trade show held annually in the Deep South, the 2017 Expo will take place March 15-16 and will not only feature a large trade show, but also a golf tournament, several industry specific educational seminars, a welcome reception and supplier brand meetings.

Attendee registration is free to those who own/operate or are employed by a wholesale/retail petroleum marketing company (jobber), retail convenience store company or truck stop. Non-exhibiting associate (supplier) members are not allowed to attend.

For more information visit [www.foodandfuelexpo.com](http://www.foodandfuelexpo.com) or call 225-926-8300.



# THE STATE OF GEORGIA

## EXECUTIVE ORDER

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BY THE GOVERNOR:

**WHEREAS:** The National Weather Service issued a Winter Storm Watch for much of Central and North Georgia to begin on January 6, 2017; and

**WHEREAS:** Accumulated snowfall totals could potentially reach four (4) inches in North Georgia, including Metro Atlanta. Furthermore, temperatures over the next forty-eight (48) hours will allow for melting and refreezing of accumulated snow, producing additional ice related hazards; and

**WHEREAS:** This Winter Storm has the potential to cause significant damages throughout the affected area. Furthermore, roads will be nearly, if not completely, impassable with expected and potential snow and ice accumulations; and

**WHEREAS:** The assistance of the Government of the State of Georgia is necessary to implement protective measures to ensure the public health, preserve the safety of the public, keep property damage to a minimum and to minimize the social and economic impacts of this event on the citizens of Georgia; and

**WHEREAS:** The uninterrupted supply of transportation fuel is an essential need of the public and any shortage threatens the public safety and welfare; and

**WHEREAS:** In light of these circumstances and in conjunction with the authority vested in the Governor by virtue of Article 3, Section 38-3-51, of the Georgia Emergency Management Act of 1981, as amended, to promulgate reasonable orders, rules and regulations necessary to protect public health, safety and welfare, and to bring the emergency situation under control within the acknowledged limitations of the powers of the Governor.

**NOW THEREFORE, PURSUANT TO THE AUTHORITY VESTED IN ME AS GOVERNOR OF THE STATE OF GEORGIA, IT IS HEREBY**

**ORDERED:** That a State of Emergency exists in the following counties: Baldwin, Banks, Barrow, Bartow, Bibb, Butts, Carroll, Catoosa, Chattooga, Cherokee, Clarke,

Clayton, Cobb, Columbia, Coweta, Crawford, Dade, Dawson, DeKalb, Douglas, Elbert, Fannin, Fayette, Floyd, Forsyth, Franklin, Fulton, Gilmer, Gordon, Greene, Gwinnett, Habersham, Hall, Hancock, Haralson, Harris, Hart, Heard, Henry, Jackson, Jasper, Jones, Lamar, Lincoln, Lumpkin, Madison, McDuffie, Meriwether, Monroe, Morgan, Murray, Muscogee, Newton, Oconee, Oglethorpe, Paulding, Pickens, Pike, Polk, Putnam, Rabun, Richmond, Rockdale, Spalding, Stephens, Talbot, Taliaferro, Taylor, Towns, Troup, Union, Upson, Walker, Walton, Warren, White, Whitfield and Wilkes.

**IT IS FURTHER**

**ORDERED:** That all resources of the State of Georgia be made available to assist in preparation, response and recovery activities in the above mentioned counties, and the Georgia Emergency Management and Homeland Security Agency shall activate the Georgia Emergency Operations Plan.

This Executive Order shall be valid for a period of three (3) days, beginning on January 6, 2017 and ending at 11:59 pm on January 8, 2017.

This 5<sup>th</sup> day of January, 2017 at 4:00 ~~AM~~/PM.

  
\_\_\_\_\_  
GOVERNOR



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## Georgia Department of Revenue Sales Tax Bulletin Prepaid Local Tax on Motor Fuel Sales Effective: January 1, 2017

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November 30, 2016

Effective January 1, 2017, the Prepaid Local Tax based on the average retail sales prices set out below must be remitted by duly licensed Georgia distributors (suppliers, wholesalers) on all sales of motor fuel to any purchaser not duly licensed as a Georgia distributor of that fuel type. The average retail sales price is used to calculate the tax on sales subject to Prepaid Local Tax. Prepaid Local Tax due must be remitted at the same time as the applicable State Excise Tax.

The following average retail sales prices will be in effect January 1, 2017 through June 30, 2017, unless subsequently revised by the Department:

<u>Motor Fuel Type</u>	<u>Average Retail Price<sup>1</sup></u>
1. Gasoline	\$ 1.931 Per Gal.
2. Diesel (Clear/Dyed)	\$ 2.061 Per Gal.
3. Aviation Gasoline	\$ 3.000 Per Gal.
4. Liquefied Petroleum Gas	\$ 1.954 Per Gal.
5. Special and Compressed Petroleum Gas	\$ 1.862 Per Gal.

### FOR MORE INFORMATION

The Prepaid Local Tax average retail sales prices are published semi-annually and typically posted to the Department of Revenue website in May and November of each year, or more frequently, if a revision is required. Should you have any questions regarding this bulletin, please visit our website at <http://dor.georgia.gov/> or call the Taxpayer Services Motor Fuel Unit, 8:00 a.m. to 4:30 p.m., EST, Monday through Friday, excluding holidays, at 1-877-423-6711.

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<sup>1</sup> Note: By law, Prepaid Local Tax cannot be assessed on amounts in excess of three dollars (\$3.00). Where the average retail sales price exceeds three dollars (\$3.00) for a motor fuel type, this bulletin reflects the maximum taxable amount.



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**Georgia Department of Revenue Excise Tax Bulletin**  
**State Excise Tax on Motor Fuel Sales**  
**Effective: January 1, 2017**

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November 30, 2016

Effective January 1, 2017, the State Excise Tax set out below must be remitted by the licensed distributor (supplier, wholesaler) on all sales of motor fuel to any purchaser not properly licensed as a Georgia distributor of that fuel type. Sales of aviation gasoline are generally subject to a 1 cent per gallon excise tax so long as the sale is made to a duly licensed aviation gasoline distributor ("AL" license type); if not, a 26.3 cent rate per gallon will apply.

The following rates will be in effect from January 1, 2017 until December 31, 2017:

<u>Motor Fuel Type</u>	<u>State Excise Tax Rate</u>
1. Gasoline	\$ 0.263 Per Gal.
2. Diesel	\$ 0.294 Per Gal.
3. Aviation Gasoline	\$ 0.010 Per Gal.
4. Liquefied Petroleum Gas	\$ 0.263 Per Gal.
5. Special Fuel and Compressed Petroleum Gas	\$ 0.263 Per Gal.

**FOR MORE INFORMATION**

The State Excise Tax Rates are published annually and are typically posted to the Department of Revenue website in November. Should you have any questions regarding this bulletin, please visit our website at <http://dor.georgia.gov/> or call the Taxpayer Services Motor Fuel Unit, 8:00 a.m. to 4:30 p.m., EST, Monday through Friday, excluding holidays, at 1-877-423-6711.

## Environmental Taxes

OMB No. 1545-0123

▶ Information about Form 6627 and its instructions is at [www.irs.gov/form6627](http://www.irs.gov/form6627).  
 ▶ Attach to Form 720.

Name (as shown on Form 720)	Quarter ending	Employer identification number
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<b>Part I Tax on Petroleum</b>	(a) Barrels	(b) Rate	(c) Tax
1 Crude oil received at a U.S. refinery . . . . .			
2 Crude oil taxed before receipt at refinery . . . . .			
3 Taxable crude oil. Subtract line 2 from line 1. Multiply column (a) by column (b) and enter the amount of tax in column (c). . . . .		\$.09 bbl.	\$
4 Crude oil used in or exported from the U.S. before the tax was imposed. Multiply column (a) by column (b) and enter the amount of tax in column (c) . . . . .		\$.09 bbl.	\$
5 Total domestic petroleum oil spill tax. Add lines 3 and 4, column (c). Enter the total here and on Form 720 on the line for <b>IRS No. 18</b> . . . . . ▶			\$
6 Imported petroleum products oil spill tax. Enter the number of barrels imported in column (a). Multiply column (a) by column (b) and enter the amount of tax in column (c). Also enter the amount on Form 720 on the line for <b>IRS No. 21</b> . . . . . ▶		\$.09 bbl.	\$

**Part II Tax on Ozone-Depleting Chemicals (ODCs), IRS No. 98**

**Elections.** If you elect to report the tax on post-1989 ODCs at the time you sell or use a mixture containing such chemicals instead of when you make the mixture, check this box (the 1990 election) . . . . . ▶

If you elect to report the tax on post-1990 ODCs at the time you sell or use a mixture containing such chemicals instead of when you make the mixture, check this box (the 1991 election). . . . . ▶

(a) ODC	(b) Number of pounds	(c) Tax per pound (see Part II instructions)	(d) Tax (multiply column (b) by column (c))
1			
2			
3			
4 <b>Total ozone-depleting chemicals tax.</b> Add all amounts in column (d), include amounts from any additional sheets. Enter the total here and on Form 720 on the line for <b>IRS No. 98</b> . . . ▶			\$

**Part III** ODC Tax on Imported Products, IRS No. 19

**Election.** If you elect to report the tax on imported products at the time you import the products instead of when you sell or use the products, check this box

(a) Imported product and the applicable ODC	(b) Number of products	(c) ODC weight of product	(d) Tax per pound	(e) Entry value	(f) Tax (see Part III instructions)
1					
2					
3					
<b>4 Total ODC tax on imported products.</b> Add all amounts in column (f), include amounts from any additional sheets. Enter the total here and on Form 720 on the line for <b>IRS No. 19</b> . . . . . ▶					\$

**Part IV** Tax on Floor Stocks of ODCs, IRS No. 20

(a) ODC	(b) Number of pounds	(c) Tax per pound (see Part IV instructions)	(d) Tax (multiply column (b) by column (c))
1			
2			
3			
<b>4 Total floor stocks tax.</b> Add all amounts in column (d), include amounts from any additional sheets. Enter the total here and on Form 720 on the line for <b>IRS No. 20</b> . . . . . ▶			\$

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future Developments**

For the latest information about developments related to Form 6627 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/form6627](http://www.irs.gov/form6627).

**What's New**

The section 4681 tax rates for ozone-depleting chemicals (ODCs) in Parts II and III have increased for 2017. See the listing below.

The section 4611 rate of tax for crude oil or petroleum products entered after December 31, 2016, is increased to \$.09 a barrel on lines 3, 4, and 6.

**Purpose of Form**

Use this form to figure the environmental tax on petroleum, ODCs, imported products that used ODCs as materials in the manufacture or production of the product, and the floor stocks tax on ODCs. If you need more lines for any part of the form, prepare additional sheets using the same format as the part. Attach the additional sheets with Form 6627 to Form 720, Quarterly Federal Excise Tax Return. See Pub. 510, Excise Taxes, for more information on environmental taxes. See the Instructions for Form 720 for information on when and where to file Form 6627.

**Who Must File**

**For petroleum:**

- The operator of the refinery that receives crude oil;
- The user or exporter of crude oil before tax is imposed; and
- The person entering the petroleum products for consumption, use, or warehousing.

**For ODCs:**

- The manufacturer or importer of ODCs who sells or uses those ODCs;
- The importer of taxable products who sells or uses those products; and
- The person other than the manufacturer or importer of ODCs who holds ODCs for sale or use in manufacturing on January 1, 2017.

**Specific Instructions**

**Part I. Tax on Petroleum (IRS Nos. 18 and 21)**

**Crude oil.** Tax is imposed on domestic crude oil when it is received at a U.S. refinery. Crude oil includes crude oil condensates and natural gasoline. The operator of the refinery is liable for the tax. Tax is imposed on imported crude oil received at a U.S. refinery unless the imported petroleum products tax was imposed when the imported crude oil was entered into the United States. The operator of a U.S. refinery that receives imported crude oil must establish that tax was previously imposed on the imported crude oil.



**User or exporter of crude oil.** Tax is imposed on domestic crude oil used or exported before it is received at a U.S. refinery. The user or exporter is liable for the tax. Crude oil used for extracting oil or natural gas on the premises where the crude oil is produced is not taxable.

**Imported petroleum products.** Tax is imposed on imported petroleum products when they are entered into the United States for use, consumption, or warehousing. Petroleum products include crude oil, refined and residual oil, and other liquid hydrocarbon refinery products. The person entering the petroleum product into the country is liable for the tax.

The tax on petroleum is imposed only once on any imported petroleum product. The enterer must provide documentation of the tax imposed on imported crude oil to the refinery operator if requested by the refinery operator.

**Fractional barrels.** Fractional barrels are taxed at a proportionate rate using the fraction produced by the number of gallons in the barrel over 42 gallons. Multiply the resulting fraction by the \$.09 per barrel tax.

**Part II. Tax on Ozone-Depleting Chemicals (ODCs), IRS No. 98**

The following ODCs are taxable.

	Tax Per Pound in 2017
<b>Post-1989 ODCs</b>	
CFC-11 . . . . .	\$15.25
CFC-12 . . . . .	15.25
CFC-113 . . . . .	12.20
CFC-114 . . . . .	15.25
CFC-115 . . . . .	9.15
Halon-1211 . . . . .	45.75
Halon-1301 . . . . .	152.50
Halon-2402 . . . . .	91.50
	<b>Tax Per Pound in 2017</b>
<b>Post-1990 ODCs</b>	
Carbon tetrachloride . . . . .	16.775
Methyl chloroform . . . . .	1.525
CFC-13, CFC-111, CFC-112, and CFC-211 through CFC-217 . . . . .	15.25



The tax per pound rates above are figured using the ozone-depletion factor. Do not multiply the tax per pound by the ozone-depletion factor.

**Mixture elections.** Generally, the creation of a mixture containing one or more ODCs by the manufacturer or importer of an ODC is treated as the use of the ODC in the mixture. However, the manufacturer or importer may elect to treat the sale or use of the mixture as the first sale or use of the ODC in the mixture.

**Post-1989 ODCs (the 1990 election).** If this election is made, the tax on the post-1989 ODCs (listed above) contained in the mixture is imposed on the date of sale or use of the mixture. To make the election, check the first box in Part II, under *Elections*. This election may be revoked only with the consent of the IRS.

**Post-1990 ODCs (the 1991 election).** If this election is made, the tax on the post-1990 ODCs (listed above) contained in the mixture is imposed on the date of sale or use of the mixture. To make the election, check the second box in Part II, under *Elections*. This election may be revoked only with the consent of the IRS.

**Column (c).** Enter the tax per pound using the chart above.

**Part III. ODC Tax on Imported Products, IRS No. 19**

An imported taxable product is any product entered into the United States for consumption, use, or warehousing if any ODC was used as material in the manufacture or production of the product. The product must also be listed in the imported products table issued by the IRS. See Regulations section 52.4682-3(f)(6). The tax is based on the weight of ODCs used in the manufacture of the product. If the weight cannot be determined under the exact method or table method (see below), the tax is 1% of the entry value of the product (value method).

**Importer election.** Generally, an imported taxable product is taxed when it is sold or used by the importer. However, an importer may elect to treat the entry of products into the United States as the use of such products. This election applies to all products held by the importer when the election becomes effective. It also applies to all products the importer enters into the United States after the election becomes effective. If an election applies to an imported taxable product, tax is imposed on the product on the date of entry. To make the election, check the box in Part III, under *Election*. This election may be revoked only with the consent of the IRS.

**Figure the ODC weight of the product as follows:**

**Exact method.** If you determine the weight of each ODC used as a material in the manufacture of the product and you can support this determination, the ODC weight is the weight you determine.

**Table method.** If you do not use the exact method and the ODC weight is listed in the imported products table, use the ODC weight listed to figure the tax. See Pub. 510 for more information.

**Figure the tax for Part III:**

**Column (a).** Enter the imported product and the applicable ODC. Use additional lines if there is more than one ODC.

**Column (b).** Enter the number of taxable products imported.

**Column (c).** Enter the ODC weight of the product in pounds. If you are using the value method, do not complete this column.

**Column (d).** Enter the tax per pound from the chart in the instructions for Part II, earlier. If you are using the value method, enter 1% (0.01).

**Column (e).** If you are using the value method to figure the tax, enter the entry value of the total number of imported products.

**Column (f).** Figure the tax due by multiplying the number of products in column (b) by the ODC weight in column (c) by the tax per pound in column (d). If you are using the value method, multiply the 1% (0.01) rate in column (d) by the entry value in column (e).

**Part IV. Tax on Floor Stocks of ODCs, IRS No. 20**

The floor stocks tax for 2017 is imposed on the following ODCs.

ODCs	Tax Per Pound in 2017
CFC-11 . . . . .	\$.045
CFC-12 . . . . .	0.45
CFC-113 . . . . .	0.36
CFC-114 . . . . .	0.45
CFC-115 . . . . .	0.27
Halon-1211 . . . . .	1.35
Halon-1301 . . . . .	4.50
Halon-2402 . . . . .	2.70
Carbon tetrachloride . . . . .	0.495
Methyl chloroform . . . . .	0.045
CFC-13, CFC-111, CFC-112, and CFC-211 through CFC-217 . . . . .	0.45



*The tax per pound rates above are figured using the ozone-depletion factor. Do not multiply the tax per pound by the ozone-depletion factor.*

For 2017, you are liable for the floor stocks tax if, on January 1, you hold any of the following.

1. At least 400 pounds of ODCs, other than halons or methyl chloroform, subject to the floor stocks tax,
2. At least 50 pounds of halons, or
3. At least 1,000 pounds of methyl chloroform.

Report the tax on Form 6627 and Form 720 for the second calendar quarter of 2017. Payment of the tax is due by June 30, 2017.

**Column (c).** Enter the tax per pound using the chart above.



# **GEORGIA OILMEN'S ASSOCIATION**



## **2017 TAX SEMINAR**

**WEDNESDAY, JANUARY 25, 2017**

**Who should attend?** - your tax staff and personnel responsible for filing and training your sales staff on tax responsibilities and requirements.

**What it will cover?** - Georgia Motor Fuel and Prepaid taxes, Sales and Use taxes and exemptions, federal Excise taxes and fees, Georgia Tax Center procedures and functions, Motor Carrier requirements and recent law changes affecting motor fuels and sales taxes.

The seminar will last about 2 hours, depending on questions and everyone attending will receive a hard copy of the presentation and handouts for reference.

**WHEN:** *Wednesday, January 25, 2017*

**WHERE:** *Holiday Inn Express  
1502 Sam Nunn Blvd.  
Perry, GA 31069*

<b><u>Program Agenda:</u></b>	8:30 a.m.	Registration
	9:00 a.m.	Seminar Phil Embry – Embry Tax Consulting Jon Galbraith
	12:00 p.m.	Adjournment (approx.)

Hotel Reservations (if needed): Contact Holiday Inn Express 478-224-3000  
(Room Block – Georgia Oilmen's Association – cut-off date is January 15th)

Sponsored by the Georgia Oilmen's Association – Roger T. Lane, President  
James D. Johnson, Chairman of the Board

Please register upon receipt – Seminar will be limited to first 50 registrants

**REGISTRATION FORM**  
**TAX Seminar – Sponsored by GOA**  
**Wednesday, January 25, 2017**

**How to register:** Please complete and return this registration form to GOA via email or fax. If you have any questions, telephone Karen Carter at 770-995-7570.

**When to register:** **NOW!** – You may email (kcarter@gaoilassoc.com) or FAX (770) 995-9757 this Registration Form. **SEND CHECK & COPY OF REGISTRATION FORM BY MAIL TO:**

Georgia Oilmen's Association  
1775 Spectrum Drive, Ste 100  
Lawrenceville, GA 30043

Name (s) of those attending: (please print clearly)

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Company Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone #: \_\_\_\_\_

Email: \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Date \_\_\_\_\_

**Registration Fees:**

\$ 50.00 first person # \_\_\_\_\_ \$ \_\_\_\_\_

\$ 25.00 each additional person # \_\_\_\_\_ \$ \_\_\_\_\_

**Total Due** \$ \_\_\_\_\_

(Payable to Ga. Oilmen's Assoc.)

**\*\*Seminar will be limited to first 50 registrants\*\***



# Georgia Department of Agriculture

Fuel & Measures Division • Capitol Square • Atlanta, Georgia 30334-4201

Phone 404-656-3605 • Fax 404-656-9648 E-mail [fmdiv@AGR.state.ga.us](mailto:fmdiv@AGR.state.ga.us)

Gary W. Black  
Commissioner

## MEMORANDUM

<b>FROM:</b>	Doug Killingsworth, Fuel & Measures Asst. Director
<b>DATE:</b>	1-3-17
<b>SUBJECT:</b>	Fuel Sample Data for 12-16-16 through 12-31-16

During the two week period from 12-16-16 through 12-31-16 the Fuel & Measures Division took 178 fuel samples. Of the total we had 22 samples that did not meet state specifications. Please see the attached spread sheet for information.

