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Introduction to ExSTARS Reporting Compliance

Fuel Compliance Reporting

- Excise Summary Terminal Activity Reporting System
- Compliance reporting for the fuel industry
- Members use the bulk transfer fuel system
- Terminals, pipelines, & barges
- Monthly return requirement



ExSTARS Compliance Team

- National compliance team
- Assist fuel industry taxpayers with electronic filing compliance
- Recommend penalties for noncompliance



Filing Requirements

- Form 720-TO and Form 720-CS
- Electronic filing required if more than 25 transactions per month
- Encourage all taxpayers to file electronically
- Electronic Data Interchange Guide – Publication 3536
- Letter of Application starts the process



Penalties

- IRC Sec. 6725 penalty
- Failure to file timely and/or inaccurate filing
- \$10,000 per period (monthly)
- \$20,000 if both late and inaccurate



Penalties

- IRC Sec. 6719 penalty
- Failure to register a facility
- \$10,000 initial penalty plus \$1,000 per day facility remains unregistered
- Penalty may be abated if reasonable cause established based on case specific facts

Common Problems

- Double check report codes and data for accuracy
- Use correct carrier TIN. The one associated with the 637 registration for that carrier
- Wrong TIN generates a carrier filing condition

Common Problems

- Failure to file timely is most common basis for penalty
- Need to file monthly. Have until the end of next month to file and correct any errors
- Need to monitor 151 acknowledgement – confirmation of EDI filing – for any error status codes showing
- Need to use correct codes e.g. mode code

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Common Problems

- Failure to register a facility prompts IRC Sec 6719 penalty
- Publication 510 is a good resource for on Excise tax compliance
- Form 637 provides guidance on activities and entities required to be registered
- Registration may be verified online

Visit IRS.gov

Topic	Search Word(s)
Basic Tools for Tax Professionals	basic tools
E-File Resources for Providers and EROs	provider resource
E-Services – Online Tools for Tax Pros	Eservice
IRS Stakeholder Partners' Headliners	headliners
Issue Management Resolution System	IMRS
Practitioner Priority Service	priority service
Stakeholder Liaison Local Contacts	SL
Tax Information for Tax Professionals	information for tax professionals

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