



# DAN FEYEN

## STATE SENATOR

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To: The Senate Committee on Transportation and Local Government  
From: Sen. Dan Feyen  
Re: Senate Bill 179

Hello members of the committee, thank you for taking the time to hear testimony on SB 179.

2019 Wis. Act 9 eliminated the motor vehicle fuel retailer refund of 0.5% for shrinkage and evaporation losses on tax-paid gasoline. This was done even though fuel retailers continue to lose fuel to evaporation and shrinkage. On top of that, fuel marketers are battling increased expenses for site upgrades, regulations, and credit card fees. The elimination of the retailer refund has placed undue financial stress on fuel marketers and retailers, like gas stations and convenience stores.

Additionally, Wisconsin fuel suppliers are currently permitted a 1.35% administrative allowance when remitting fuel tax on gasoline to the Department of Revenue. However, this allowance does not apply to diesel fuel, even though fuel marketers assume the same financial risk for both fuel types. This legislation aims to treat diesel fuel the same as other motor fuels.

Senate Bill 179 restores the 0.5% retailer refund for shrinkage and evaporation and expands the Motor Vehicle Tax Allowances and the evaporation refund to include diesel fuel.

An amendment to the bill will address the pass along requirement. Under current law, licensed fuel suppliers can deduct the 1.35% allowance. Of that allowance, 1.25% must be passed on by the supplier to a wholesale distributor. The amendment will add diesel fuel to this process. Again, one of the main goals of this legislation is to have diesel fuel treated the same as other motor vehicle fuel under the law. This amendment simply corrects an oversight in the original drafting.

Fuel retailers are facing tighter margins and increased regulations and should not be punished on top of that while fulfilling their role as tax collectors for the state. SB 179 is a good fix to make sure we are supporting our fuel retailers while making sure the state is treating diesel the same as other motor vehicle fuels.

Thank you again for taking the time to hold a hearing on this bill.



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# RICK GUNDRUM

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STATE REPRESENTATIVE • 58<sup>TH</sup> ASSEMBLY DISTRICT

## Senate Bill 179

Senate Committee on Transportation and Local Government | May 6,  
2025 | Room 300SE

Hello, members of the Senate Committee on Transportation and Local Government. Thank you for allowing me to testify on Senate Bill 179, a bill that relates to administrative allowance of the motor vehicle fuel tax.

Senate Bill 179 will restore the 0.5% retailer refund for shrinkage and evaporation and expands the Motor Vehicle Tax Allowances and the evaporation refund to include diesel fuel.

In 2019, state statute eliminated the motor vehicle fuel retailer refund of 0.5% for shrinkage and evaporation losses on tax-paid gasoline. This was done despite the fact that fuel retailers continue to lose fuel as a result of evaporation and shrinkage. In addition to this, fuel marketers are competing against increased expenses for such things as site upgrades, regulations, and credit card fees. This retailer refund being repealed has placed an inordinate financial burden on retailers as well – gas stations and convenience stores – to name a few.

Currently, Wisconsin fuel suppliers are allowed a 1.35% administrative allowance when remitting fuel tax on gasoline to the Department of Revenue. The caveat being: this allowance does not apply to diesel fuel, despite fuel marketers taking on the same financial risk. This bill aims to treat diesel fuel the same as any other motor fuels.

The law right now allows licensed fuel suppliers to deduct 1.35% allowance. Of that numerical configuration, 1.25% must be passed on by the supplier to a wholesale distributor. The aim of this legislation, as stated before, is to have diesel fuel treated the same as other motor vehicle fuel under the law. The amendment to this bill simply corrects this oversight error.

In short, Senate Bill 179 is a necessary fix to help guarantee our state is treating diesel the same as other fuel types. It is a good correction to help struggling fuel retailers who are facing increased costs and regulations.

Thank you again for taking the time to listen to testimony on this bill, and I am happy to answer any questions.



## **CRAWFORD OIL & PROPANE**

*"Family Owned and Operated Since 1935"*

**PO BOX 115 - 416 E. Wisconsin St - Portage, WI 53901**

**608.742.2414 OR 800.236.2414**



### **To the Senate Committee on Transportation & Local Government,**

My name is Jon Crawford, and I'm the third-generation owner of Crawford Oil and Propane based in Portage, Wisconsin. I'm proud to share that our company is celebrating 90 years in business in 2025. I'm reaching out today to respectfully ask for your support in passing SB 179.

I am here testifying before you today to share my perspective as a small/medium sized family business. My company plays a significant role in collecting fuel taxes on behalf of the state and remitting them to the State. SB 179 would benefit my company in a number of important ways.

When the state shifted gasoline fuel tax collection to suppliers, gasoline was the primary fuel used in Wisconsin. Since then, gasoline consumption has declined while diesel sales have grown. Our financial responsibility and exposure related to collecting diesel fuel taxes have increased substantially. The State of Wisconsin requires payment of all road fuel taxes on the 15th of each month, yet many of our customers pay on 30-to-60-day terms. That delay forces us to float the tax payments, impacting our cash flow and sometimes pushing us into temporary higher-interest lines of credit. Additionally, a growing number of customers pay by credit card, which means we incur 2-3% fees on the total payment, taxes included.

As a small business in a highly competitive industry, every dollar matters. Expanding the fuel tax collection allowance to include diesel would help us cover the real costs of collecting fuel taxes on behalf of the State of Wisconsin. We are asking for fair compensation for additional time, risk, and money we take on as a company to ensure fuel taxes are collected for the state in a timely manner as well as free of fraud.

If you have questions or would like to discuss the details further, I would be happy to schedule a one-on-one conversation. Thank you for your time and consideration today. Again, I respectfully ask for your support in passing SB 179.

Best regards,

Jon Crawford



**DATE: May 6, 2025**  
**TO: Senate Committee on Transportation and Local Government**  
**FROM: Matthew Hauser, President & CEO**  
**RE: Support for Senate Bill 179**

The Wisconsin Fuel and Retail Association strongly supports Senate Bill 179, which takes important steps to modernize longstanding, fair tax policies critical to Wisconsin's fuel distribution and retailing industry.

Specifically, the bill expands the motor vehicle fuel tax supplier's administrative allowance to include diesel fuel and establishes an evaporation credit for retailers. These two provisions are vital to ensuring a balanced, efficient, and competitive business environment for Wisconsin's independent fuel marketers and convenience store operators.

#### **Expansion of the Administrative Allowance to Diesel**

Under current law, suppliers of motor vehicle fuel (gasoline) are allowed to retain 1.35% of the fuel tax they collect and remit to the state, in recognition of the administrative burden they shoulder in performing a function typically reserved for government. Senate Bill 179 expands this allowance to diesel fuel. This update ensures fair compensation for suppliers and helps preserve our state's competitive business environment.

#### **Refund for Evaporation and Shrinkage**

Retailers pay fuel taxes upfront but lose some fuel to unavoidable evaporation and shrinkage—creating added financial strain. Rising costs for dispenser upgrades, UST compliance, credit card fees, and insurance add to their financial burden. Senate Bill 179 allows retailers to recover a small portion of taxes paid on lost fuel, promoting fair tax policy and supporting the viability of independently owned gas stations across Wisconsin.

The Wisconsin Fuel and Retail Association respectfully urges the members of the Senate Transportation Committee to support Senate Bill 179. These provisions are time-tested components of a tax system that protects fairness while ensuring efficiency in revenue collection.

Should you have any questions or need additional information, please do not hesitate to contact me at (608) 256-7555 or [hauser@wfra.org](mailto:hauser@wfra.org).





# **Collection Allowance for Taxable Diesel**

*Senate Transportation Committee Meeting  
May 6, 2025*



Thank you for taking the time today to consider SB 179. Supporting this bill would make a meaningful impact on mid-sized businesses across the state. A modest collection allowance would help offset the growing administrative burdens that are becoming more difficult to absorb. In a tight-margin industry like fuel distribution, this support would allow us to reinvest in our operations: upgrading equipment, expanding services, retaining skilled employees, and ensure a competitive business environment . It's a fair and practical way to strengthen local businesses and support the infrastructure that collects millions of dollars in state fuel excise tax.



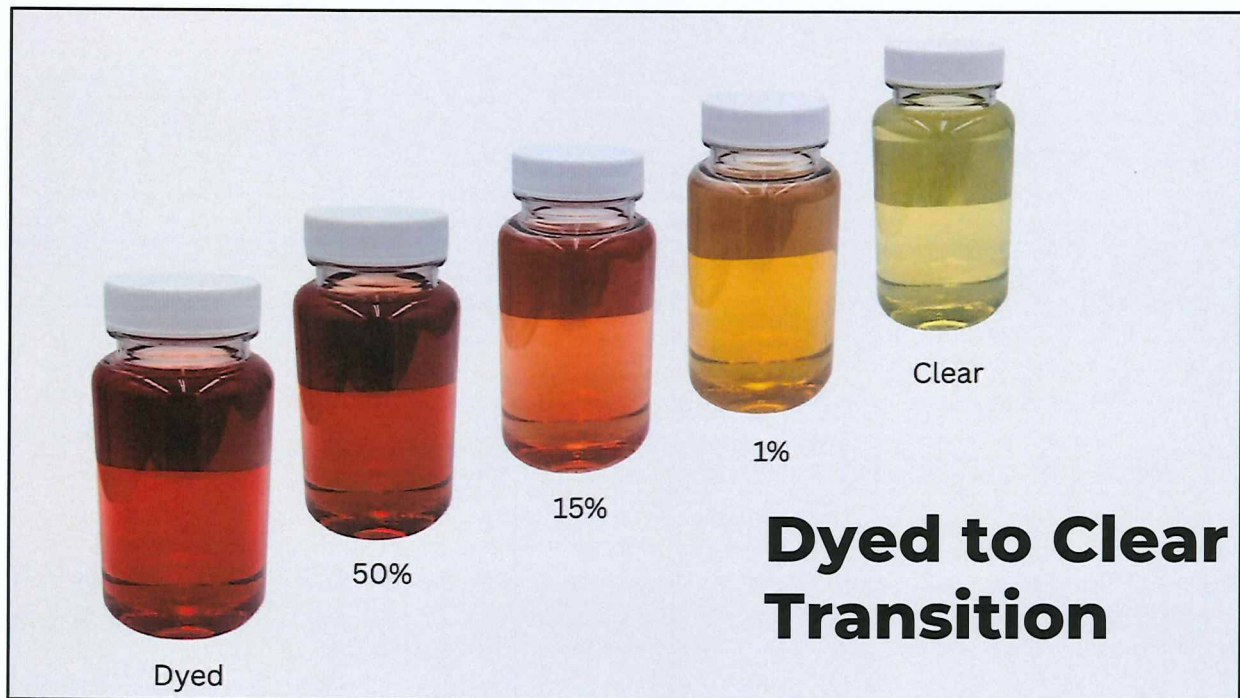


For generations, my family has proudly supplied reliable diesel statewide—fueling the trucks that move goods, the machines that build, and the farms that feed our communities.

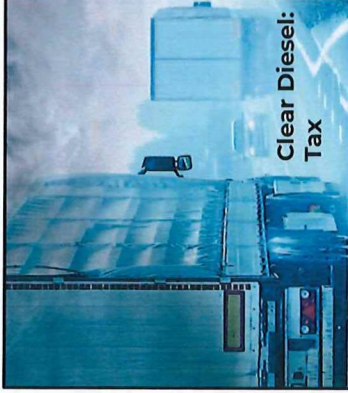


We deliver both clear and dyed diesel daily. Due to the risk of residual dye in the fuel lines, even trace contamination of clear diesel — which is strictly prohibited for on-road use — can result in significant fines for our customers. To prevent this, we thoroughly flush all fuel lines between deliveries to ensure dyed diesel fuel doesn't contaminate clear, on-road diesel fuel.





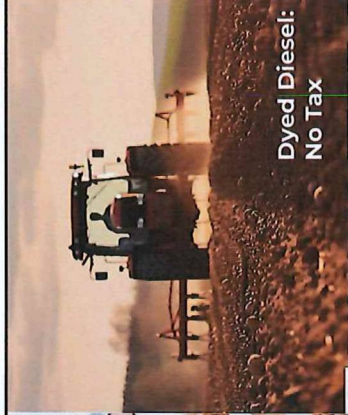
We lose three to five gallons of clear taxable diesel fuel during each fuel line flush. Each year the financial impact to my company is \$15,000 - \$25,000.



Clear Diesel:  
Tax



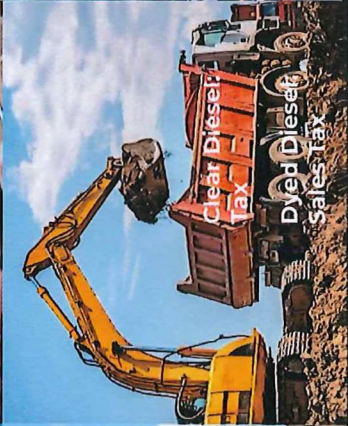
Dyed Diesel:  
No Tax



Dyed Diesel:  
No Tax



Dyed Diesel:  
Sales Tax



Clear Diesel:  
Tax

Dyed Diesel:  
Sales Tax



Clear Diesel:  
Tax Exempt

# Tax Refund:

Urban Mass Transit, State, Counties and Local Municipalities

	Gallons Claimed	Tax Amount	Month Gallons Purchased	Date Tax Paid to Supplier	Submission Date	Check Date	Refund Received	Days
E.H. Wolf	266,549	\$82,363.64	March	04/15/2025	04/30/2025			
E.H. Wolf	266,985	\$82,490.02	February	03/15/2025	03/31/2025	04/08/2025	04/11/2025	11
E.H. Wolf	281,361	\$86,940.55	January	02/15/2025	02/27/2025	03/05/2025	03/10/2025	11
E.H. Wolf	277,954	\$85,887.79	December	01/15/2025	01/31/2025	02/11/2025	02/14/2025	14
E.H. Wolf	258,547	\$79,891.02	November	12/15/2024	12/31/2024	01/10/2025	01/13/2025	13
E.H. Wolf	272,389	\$84,168.20	October	11/15/2024	11/29/2024	12/05/2024	12/09/2024	10
E.H. Wolf	287,391	\$88,803.82	September	10/15/2024	10/31/2024	11/07/2024	11/11/2024	11

Notes:

Exemption Reason: Tax paid fuel exempt for urban mass transit.

Interest is paid by State of WI from date of submission to check date, calculated at 3% annually.



**Please support SB 179**

**Thank You**

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