

== Alabama Department of Revenue ==

Office of the Commissioner
Media Affairs Section
Post Office Box 327001
Montgomery, Alabama 36132-7001
For Immediate Release

For More Information Contact:
Carla A. Snellgrove
or Carolyn Blackstock
Telephone: (334) 242-1390
FAX: (334) 242-0550
www.ador.state.al.us

Alabama Gasoline Distributor Convicted

Montgomery, June 29, 2000—Oil South, Inc., an Alabama corporation which sells and distributes gasoline and motor fuel to Alabama retail gas stations, pleaded guilty June 26, 2000, in Montgomery County District Court to willfully filing fraudulent Alabama gasoline tax returns, statements, or other documents with the Alabama Department of Revenue.

The case stemmed from a gasoline fuel tax audit of Oil South, Inc., of 5333 County Road 388, Cusseta, Ala., near the Georgia border. The audit period covered December 1996 through April 1998 and noted discrepancies in the state gasoline taxes reported to the Alabama Department of Revenue by Oil South, Inc.

Investigations revealed that Oil South had made deliveries of gasoline into Alabama during this period and had collected Alabama's 16-cent per gallon state gasoline tax from Alabama retail gas stations on the gasoline deliveries. Instead of reporting and paying the tax due to Alabama, Oil South, Inc., reported the fuel as having been delivered to Georgia gasoline retail outlets and paid the Georgia 7.5-cent per gallon gas tax on the Alabama gasoline shipments to the Georgia Department of Revenue. The investigation revealed that Oil South, Inc., wrongfully paid the Georgia state gas tax, knowing that the tax on the Alabama deliveries should have been paid to Alabama.

The court ordered Oil South, Inc., to pay approximately \$77,045.52 for the taxes determined to be owed to Alabama and a \$50,000 penalty. The court also ordered the corporation to open all of its accounting records to Alabama Department of Revenue motor fuel auditors to determine if additional state fuel taxes may be owed.

—MORE—

Alabama Gasoline Distributor Convicted
Add One
June 29, 2000

“In the past year, the department has increased its audits and investigative checks of gasoline and motor fuel distributors. Other fuel tax audits are pending and will hopefully deter such evasion and help to level the playing field for fair competition among Alabama distributors,” said Alabama Commissioner of Revenue Michael L. Patterson.

Alabama’s gasoline tax revenues are earmarked for Alabama’s Public Road and Bridge Fund, county and city governments, and a small percentage is allocated to the Conservation Department for specific funding purposes.