



Legislation Details (With Text)

File #:	17-0902	Version:	1	Name:	FM - Refund ck to IRS for LNG fuel tax rebate
Type:	Agenda Item	Status:		Status:	Approved
File created:	9/21/2017	In control:		In control:	City Council
On agenda:	10/10/2017	Final action:		Final action:	10/10/2017
Title:	Recommendation to authorize Financial Management Department to process a refund check in the amount of \$166,700 to the Internal Revenue Service, to correct a calculation error in the 2016 Liquefied Natural Gas fuel tax rebate; and Increase appropriations in the Fleet Fund (IS 386) in the Financial Management Department (FM) by \$166,700. (Citywide)				
Sponsors:	Financial Management				
Indexes:					
Code sections:					
Attachments:	1. 101017-C-9sr.pdf				

Date	Ver.	Action By	Action	Result
10/10/2017	1	City Council	approve recommendation	Pass

Recommendation to authorize Financial Management Department to process a refund check in the amount of \$166,700 to the Internal Revenue Service, to correct a calculation error in the 2016 Liquefied Natural Gas fuel tax rebate; and

Increase appropriations in the Fleet Fund (IS 386) in the Financial Management Department (FM) by \$166,700. (Citywide)

On May 10, 2017, the Internal Revenue Service conducted an audit of the 2015 and 2016 alternative fuel tax filings for the City of Long Beach. In 2016, the unit of measure for LNG gallons was changed to diesel gallon equivalents (DGE), and one LNG gallon is equal to 1.71 DGE. With the revenue credit change from \$0.50 per LNG gallon to \$0.50 per DGE, this reduced the amount of the City's claim by 42 percent. We were reimbursed \$401,445, but should only have received \$236,145. Therefore, a refund of \$166,700 is due to the Internal Revenue Service.

In accordance with Long Beach Municipal Code Section 3.48.040C, which requires that refunds exceeding \$10,000 be approved by the City Attorney and City Council, authorization to process the refund is requested.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on September 21, 2017 and by Assistant Finance Director Lea Eriksen on September 15, 2017.

City Council action is requested on October 10, 2017, to expedite processing of the refund check.

The amount of \$166,700 will be refunded from the Fleet Fund (IS 386) in the Financial Management Department (FM). An appropriation increase of \$166,700 is needed to cover this refund. There is no local job impact associated with this recommendation.

Approve recommendation.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER