



**pennsylvania**

DEPARTMENT OF REVENUE

BUREAU OF MOTOR FUEL TAXES



**INTERNATIONAL FUEL  
TAX AGREEMENT  
AND  
MOTOR CARRIERS ROAD TAX  
COMPLIANCE MANUAL**

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## I. INTRODUCTION

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The Pennsylvania Motor Carriers Road Tax (MCRT) requires the payment of a tax equivalent to the rate per gallon times the amount of fuel used on PA highways. Credit is given for Pennsylvania fuel tax paid on purchases where the fuel is placed into vehicles that operated during the quarter.

Any carrier operating a qualified motor vehicle exclusively in Pennsylvania, and not exempted by law or regulation, must register for MCRT. Any carrier operating in Pennsylvania and at least one other jurisdiction must register with a base state pursuant to the International Fuel Tax Agreement (IFTA).

The IFTA is an agreement among taxing jurisdictions that simplifies the reporting of fuel used by interstate motor carriers by consolidating all states' operations into one reporting form. Upon application, the carrier's base jurisdiction will issue credentials that allow the IFTA licensee to travel in all IFTA member jurisdictions. As of Jan. 1, 2002, the only jurisdictions not participating in IFTA are the District of Columbia, the Northwest Territories and the Yukon Territory.

Pennsylvania implemented the IFTA program on Jan. 1, 1996. Pennsylvania-based carriers operating in any other jurisdiction as of Jan. 1, 2002, need only display PA IFTA credentials (IFTA license and decals) to operate, pursuant to fuel tax, in any other jurisdiction.

Generally, Pennsylvania is your base jurisdiction for IFTA licensing and reporting if:

- You have an established place of business in Pennsylvania from which motor carrier operations are conducted;
- You maintain records for qualified motor vehicles in Pennsylvania or will make records available in Pennsylvania for auditing purposes;
- You have a qualified motor vehicle which actually travels on PA highways; and
- You have a qualified motor vehicle registered in Pennsylvania.

The IFTA license offers several benefits to the interstate motor carrier. These benefits include one license, one set of decals, one quarterly tax report which reflects the net tax or refund due and one audit in most circumstances. These advantages lead to cost and time savings for the interstate carrier.

This manual will explain in further detail application, licensing, reporting, record keeping and audit procedures for MCRT and IFTA.

## II. DEFINITIONS

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**Audit**, a physical examination of the records and source documents supporting the licensee's quarterly tax reports.

**Base Jurisdiction**, the member jurisdiction where qualified motor vehicles are based for vehicle registration purposes, and:

- 1). Where operational control and operational records of the licensee's qualified motor vehicles are maintained or will be made available; and
- 2). Where some travel is accrued by qualified motor vehicles within the fleet.

The IFTA Commissioners of two or more affected jurisdictions may allow the consolidation of several fleets which would otherwise be based in two or more jurisdictions.

**Carrier**, a person who operates, or causes to be operated, a qualified motor vehicle on any highway in Pennsylvania.

**Commissioner**, the official designated by the jurisdiction to be responsible for the administration of IFTA.

**Department**, the PA Department of Revenue.

**Highway**, the Pennsylvania Turnpike and every way or place, of whatever nature, open to public use as a matter of right for purposes of vehicular travel.

**In-Jurisdiction Distance**, the total number of miles or kilometers operated by a registrant's/licensee's qualified motor vehicles within a jurisdiction. In-jurisdiction miles or kilometers do not include those operated on fuel tax trip permit or those exempted from fuel taxation by a jurisdiction. Miles operated on a temporary 30-day permit are included as in-jurisdiction miles.

**Jurisdiction**, a state of the United States, the District of Columbia or a province or territory of Canada.

**Licensee**, a person who holds an IFTA license issued by the base jurisdiction that is not canceled, suspended or revoked.

**Member Jurisdiction**, a jurisdiction which is a member of the International Fuel Tax Agreement (IFTA).

**Motor Carrier Registrant**, a carrier registered pursuant to Motor Carriers Road Tax and operating a qualified motor vehicle, not IFTA credentialed, exclusively in Pennsylvania.

**Motor Fuels**, all fuels used for the generation of power for propulsion of qualified motor vehicles.

**Operations**, the operations of all qualified motor vehicles, whether loaded or empty, whether operated singly or in combination with trailers or semi-trailers, whether for compensation or not for compensation and whether owned by or leased to the motor carrier who operates them or causes them to be operated.

**Qualified Motor Vehicle**, a motor vehicle used, designed or maintained for the transportation of persons or property that is:

- 1). A power unit having two axles and a gross vehicle weight or registered gross weight exceeding 26,000 pounds or 11,797 kilograms; or
- 2). A power unit having three or more axles regardless of weight; or
- 3). Vehicles used in combination with a declared combination weight greater than 26,000 pounds or 11,797 kilograms or when the registered weight of such combination truck and trailer exceeds 26,000 pounds or 11,797 kilograms gross vehicle weight.

Qualified motor vehicle does not include recreational vehicles.

**Recreational Vehicles**, are vehicles such as motor homes, pickup trucks with attached campers and buses when used exclusively for personal pleasure by an individual. In order to qualify as a recreational vehicle, the vehicle shall not be used in connection with any business enterprise.

**Reporting Period**, a period of time consistent with the calendar quarterly periods of Jan. 1 through March 31; April 1 through June 30; July 1 through Sept. 30; and Oct. 1 through Dec. 31.

**Revocation**, removal of privileges granted to an IFTA licensee or motor carrier registrant by the licensing jurisdiction.

**Suspension**, temporary removal of privileges granted to the IFTA licensee or motor carrier registrant by the licensing jurisdiction.

**Total Distance**, all miles or kilometers traveled during the reporting period by every qualified motor vehicle in the licensee's fleet, regardless of whether the miles or kilometers are considered taxable or nontaxable by a jurisdiction.

**Weight**, the maximum weight of the loaded vehicle or combination of vehicles during the registration period.

### III. CREDENTIALS

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#### A. IFTA License Application Procedure

Any motor carrier based in Pennsylvania and operating one (1) or more qualified motor vehicles in at least one (1) other IFTA member jurisdiction may file an IFTA License Application in Pennsylvania. If a carrier qualifies as an IFTA licensee but does not wish to participate in the IFTA program, trip permits must be obtained from each IFTA member jurisdiction in which the vehicle travels according to the regulations of each member jurisdiction.

A carrier can request an IFTA license application by contacting the PA Department of Revenue, Bureau of Motor Fuel Taxes. The IFTA license application requests basic information about the carrier. Application forms are also available on the Department's Web site at [www.revenue.state.pa.us](http://www.revenue.state.pa.us). To access the Motor Fuel Tax area, select "Business Taxpayers" on the left, and follow the links to "Motor Fuels Taxes".

Upon completion of the license application, a carrier must submit the application and the appropriate fee to the Department for processing. If any information is omitted from the license application, the carrier will be contacted by the Department, thus delaying the application and licensing process. Once the application is processed by the Department, IFTA credentials will be issued to the licensee. A carrier will not be issued IFTA credentials if the carrier was previously licensed in another IFTA jurisdiction and the carrier's license is under suspension or has been revoked by that jurisdiction. The Department will not issue a license if the license application submitted contains misrepresentations, misstatements or omits required information.

### **B. Motor Carriers Road Tax (MCRT) Application Procedure**

Similar to Section III A above, any carrier operating one or more qualified motor vehicles in PA exclusively must file a MCRT Application with the PA Department of Revenue, Bureau of Motor Fuel Taxes. The MCRT Application requests basic information about the carrier. Upon completing the application, a carrier must submit the application along with appropriate fees to the Department for processing. When the application is processed, PA non-IFTA credentials (road tax registration card and decals) will be issued for the number of vehicles requested.

### **C. Annual License Fee**

IFTA credentials (license and decals) and MCRT credentials (road tax registration cards and decals) must be renewed each year, and cost \$5.00 per vehicle, which must be submitted with an application. All payments must be made in U.S. dollars. Checks and money orders are to be made payable to the PA Dept. of Revenue. The Department will issue applicable credentials to the carrier based on the amount remitted.

### **D. Account Identification**

Account identification numbers are created by using the prefix designated for Pennsylvania (PA) followed by the carrier's nine digit Federal Employer Identification Number (EIN), issued by the Internal Revenue Service (IRS), and a two digit fleet identifier. If an EIN is not available, an applicant must submit a Social Security Number (SSN) which will be used as the carrier's account number. When a carrier receives an EIN, the carrier should notify the Department in writing.

### **E. Bonding**

The Department may require a carrier to post a bond when the carrier fails to file timely reports, when tax has not been remitted or when an audit indicates problems severe enough that, in the Department's discretion, a bond is required to protect the interests of the Commonwealth and other IFTA member jurisdictions.

### **F. IFTA License/Road Tax Registration Cards**

The Department will issue an IFTA license to each IFTA licensee. This license card or a legible photocopy of a license card must be maintained in the cab of each qualified motor vehicle. If a carrier is found operating a qualified motor vehicle without an IFTA license card, the licensee may be subject to citations and/or fines, and the licensee may be required to purchase a trip permit. The IFTA license is valid for the calendar year Jan. 1 through Dec. 31.

The Department will issue a Road Tax Registration Card to motor carrier registrants along with the MCRT decals requested. A carrier found operating a qualified motor vehicle, not IFTA credentialed, and not carrying a Road Tax Registration Card may be subject to citations and/or fines and the registrant may be required to purchase a trip permit. The Road Tax Registration Card is valid for the calendar year Jan. 1 through Dec. 31.

## **G. Decals**

Upon processing the application, the Department will issue IFTA decals or PA non-IFTA decals at a cost of \$5.00 per vehicle. Two decals will be issued for each qualified motor vehicle. MCRT and the IFTA require that decals be placed on the exterior portion of both sides of the power unit. Failure to display decals may subject the carrier to citations and/or fines and may necessitate the purchase of a trip permit.

Additional decals may be purchased throughout the license year by simply forwarding a written request to the Department of Revenue, Bureau of Motor Fuel Taxes, and remitting the required fee of \$5.00 per vehicle. The bureau does not maintain vehicle identification data accordingly carriers need only request additional decals (specify IFTA or PA Non-IFTA) and submit the appropriate fee.

IFTA credentials (license and decals) and Road Tax Registration Cards and decals are not transferable from one vehicle to another. Once assigned and affixed to a vehicle, or from one carrier to another except that qualified motor vehicles being operated on dealer tags or operated by drive-away operators on transporter plates, may temporarily affix decals to such vehicles so that the decals may be reused.

## **H. Displaying IFTA Credentials (Grace Periods)**

Every qualified motor vehicle shall carry an IFTA license or a Road Tax Registration Card and display two decals as described above. Such credentials become valid as of Jan. 1. However, these credentials may be displayed as early as Dec. 1 of the preceding year.

Also, carriers are allowed a two-month grace period to display the ensuing year credentials provided the immediate prior year credentials are displayed. New member jurisdiction carriers shall have this same grace period provided non-IFTA credentials (when applicable) issued by the IFTA member jurisdiction through which the carrier is operating, are displayed.

## **IV. ANNUAL RENEWAL PROCEDURES**

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Each year the Department will issue preprinted IFTA license and MCRT renewal applications/coupons to all active carriers. This is done during the Sept./Oct. period. Decals (\$5.00 per vehicle) are issued upon completion of the decal order information on the renewal application.

Renewal of an IFTA license or PA Non-IFTA credentials may be denied if the Department determines that the carrier has failed to file any report or has failed to remit any fuel tax amounts due the Commonwealth or any other IFTA member jurisdiction.

## **V. LEASE AGREEMENTS**

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Every qualified motor vehicle leased to a carrier is subject to IFTA requirements to the same extent, and in the same manner, as a qualified motor vehicle owned and operated by a carrier.

In the case of lessor, lessee, independent contractors and household goods agents the following will apply:

1. A lessor who is regularly engaged in the business of leasing or renting motor vehicles without drivers for compensation to licensees or other lessees may be deemed to be the licensee, and such lessor may be issued credentials if an application has been properly filed and approved by the base jurisdiction.
2. In the case of a short-term motor vehicle rental by a lessor regularly engaged in the business of leasing or renting motor vehicles without drivers for compensation to licensees or other lessees of 29 days or less, the lessor will report and pay the fuel use tax unless the following two conditions are met:
  - a) The lessor has a written rental contract, which designates the lessee as the party responsible for reporting and paying the fuel use tax; and
  - b) The lessor has a copy of the lessee's IFTA fuel tax license, which is valid for the term of the rental.
3. In the case of a carrier using independent contractors under a long term lease (30 days or more), the lessor and lessee will be given the option of designating which party will report and pay fuel use tax. In the absence of a written agreement or contract, or if the document is silent regarding

responsibility for reporting and paying road tax, the lessee will be responsible for reporting and paying the tax due. If the lessee (the carrier to whom the vehicle is leased) assumes responsibility for reporting and paying motor fuel taxes, the base jurisdiction for purposes of this agreement shall be the base jurisdiction of the lessee regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes by the lessor. The lessee is responsible for reporting all operations of such vehicles including operations under another's operating authority as in the case of a short-term lease for back hauling.

4. In the case of a carrier using independent contractors under short-term/trip leases of 29 days or less, the trip lessor will report and pay fuel taxes on all of its vehicle operations.
5. In the case of a household goods carrier using independent contractors, agents or service representatives, under intermittent leases, the party liable for MCRT shall be:
  - a) The lessee (the carrier to whom the vehicles are leased) when the qualified motor vehicle is being operated under the lessee's jurisdictional operating authority. The base jurisdiction for purposes of this agreement shall be the base jurisdiction of the lessee (carrier) regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes by the lessor or lessee.
  - b) The lessor (independent contractor, agent or service representative) when the qualified motor vehicle is being operated under the lessor's jurisdictional operating authority. The base jurisdiction for purposes of this agreement shall be the base jurisdiction of the lessor regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes.
6. No member jurisdiction shall require the filing of such leases, but such leases shall be made available upon request of any member jurisdiction.

## **VI. REPORTING REQUIREMENTS**

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### **A. IFTA Quarterly Reports and Schedules**

All IFTA licensees must file an IFTA Quarterly Fuel Tax report (IFTA-100) and an IFTA Quarterly Fuel Tax Schedule(s) (IFTA-101) with the Department. Separate schedules are required for each fuel type used. The quarterly tax report indicates the tax or refund due. Only one check is written to the PA Department of Revenue for the net tax due all member jurisdictions, or the licensee will receive one refund check from the Department. The due date for the quarterly tax report is the last day of the month immediately following the quarter for which the report is being filed as follows:

<b><u>Reporting Quarter</u></b>	<b><u>Due Date</u></b>
January - March	April 30
April - June	July 31
July - September	October 31
October - December	January 31

In the event the due date falls on a weekend or on a day recognized by the Department as a holiday, carriers will be given until the next business day to file quarterly reports/payments in a timely manner.

The quarterly tax report with applicable schedule(s) must be postmarked or hand delivered to the Department by the due date to avoid penalties. A licensee will be subject to penalty and interest provisions if the report is not filed/paid in a timely manner. Also, for electronic funds transfer (EFT) purposes, anyone remitting a payment of \$20,000 or more must submit it by EFT. The Department requires a pre-registration for EFT filings. Contact the PA Department of Revenue, Office of E-Commerce, PO BOX 280908, Harrisburg, PA 17128-0908 or telephone (800) 892-9816, (EFT calls only), TT# (800) 447-3020 (services for taxpayers with special hearing and/or speaking needs).

The Bureau of Motor Fuel Taxes forwards to each active IFTA licensee a tax reporting form quarterly. This form should be used rather than your own computer generated version, unless and until your version of the report/schedules are approved by the Department.

Included in the IFTA Quarterly Fuel Tax Schedule is the following information:

**MPG Calculation:**

1. Total miles, (taxable and nontaxable) traveled by licensee's qualified motor vehicles in all jurisdictions. Include IFTA and non-IFTA miles as well as trip permit miles.
2. Total gallons of fuel used, (placed into licensee's qualified motor vehicles) in all jurisdictions, IFTA and non-IFTA.

**Jurisdictional Operations:**

3. Total IFTA miles and taxable miles traveled in each member jurisdiction.
4. Tax-paid gallons (gallons of tax-paid fuel purchased in the jurisdiction) purchased and placed into qualified motor vehicles.
5. The amount of road tax due or credit due for each jurisdiction is calculated. For states that impose a surtax or surcharge, an additional amount due must be calculated based on the surtax rate and the "taxable gallons," or fuel consumed in that jurisdiction.

The IFTA Quarterly Fuel Tax Report and Schedule(s) will be sent to all IFTA licensees at least 30 days prior to the due date. Failure to receive the quarterly tax report does not relieve the licensee from reporting obligations. Quarterly tax reports and schedules (IFTA-100 and IFTA-101) may be obtained from the Department's Bureau of Motor Fuel Taxes or at [www.revenue.state.pa.us](http://www.revenue.state.pa.us). To access the Motor Fuels Taxes area, select "Business Taxpayers" on the left and follow the links to "Motor Fuel Taxes". A quarterly tax report must be filed by every licensee, even if the licensee does not operate in any IFTA member jurisdiction or use any taxable fuel in a particular quarter.

Tax rates provided with the IFTA quarterly tax report will be current for all member jurisdictions. As tax rates and procedures change, the base jurisdiction will inform licensees.

**B. MCRT Report Requirements**

Effective Oct. 1, 1997, Pennsylvania no longer imposes a \$0.06/gallon surtax on fuel consumed in Pennsylvania by qualified motor vehicles. To satisfy the reporting requirement imposed by road tax carriers will be required, via their annual application for PA non-IFTA decals, to report miles traveled and PA fuel purchases for the prior year. For a new account applying for PA non-IFTA decals, a carrier must attest to operations indicating that all of their travel will be in Pennsylvania and that all fuel used for such operations will be PA tax paid fuel. As such, and beginning with the fourth quarter of 1997, the quarterly report requirement will be waived for carriers operating exclusively within Pennsylvania. Carriers are reminded that even though quarterly fuel tax reports are not required, records that will enable the Department to verify total miles traveled and fuel purchases must be maintained.

**C. Annual Reports**

A new IFTA licensee is not eligible to file an annual tax report. After filing four IFTA quarterly tax reports, a qualifying licensee may submit a written request to the Department for annual filing status. To qualify, a licensee's operations must equal less than 5,000 miles or 8,000 kilometers annually in all member jurisdictions. All member jurisdictions must approve such requests prior to the base state granting approval. If any member jurisdiction objects to the request, annual filing status will be denied.

**D. Penalty and Interest Provisions**

When a carrier fails to file a tax report, files a late tax report, or fails to remit any tax due, the carrier is subject to penalty and interest. The penalty is \$50.00 or 10 percent of the tax due, whichever is greater, for each late file occurrence. Interest accrues at the rate of one percent per month or fractional part thereof. Unlike penalty, interest is computed on the tax due each member jurisdiction. Penalty may be waived if the carrier is able to show reasonable cause for failure to comply, by filing an appeal with the Department's Board of Appeals. (See Section XII of this Manual, Appeal Procedures.)

## **E. Measurement Conversion Table**

PA IFTA licensees are required to report based upon U.S. measurements. Conversion rates are

1 gallon = 3.785 liters	1 liter = 0.2642 gallons
1 mile = 1.6093 kilometers	1 kilometer = 0.62137 miles

All numbers must be rounded to the nearest whole gallon or mile.

## **F. Tax Exempt Miles**

IFTA recognizes that some jurisdictions have unique economic and geographic characteristics that give rise to various definitions of tax-exempt miles, fuel and vehicles. It is the carrier's obligation to confirm such exemptions for reporting purposes. Carriers must contact the individual member jurisdictions to acquire documentation to support a claim of tax-exempt miles, vehicles or fuel. A jurisdiction index is provided in Section XIV for contacting the various IFTA member jurisdictions. You may also obtain exemption data from the IFTA clearinghouse at [www.IFTACH.org](http://www.IFTACH.org).

## **VII. REFUNDS AND CREDITS**

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A refund may be claimed on the IFTA Quarterly Fuel Tax Report (IFTA-100) for any overpayment of tax in a reporting quarter by indicating the amount of the refund requested on Line 12 of the tax report. A refund will be issued once the Department determines that all tax liabilities, including any outstanding audit assessments, have been satisfied to all member jurisdictions. A refund may be denied if the licensee is delinquent in filing any quarterly tax report(s). Credits are carried forward to a maximum of eight quarters. Refund requests for credits beyond eight quarters must be made in writing to the PA Department of Revenue, Bureau of Motor Fuel Taxes, PO BOX 280646, Harrisburg, PA 17128-0646. Such requests for refunds must be made within four years of the due date of the quarter in question.

## **VIII. ASSESSMENTS FOR FAILURE TO FILE REPORTS**

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When a carrier fails, neglects, or refuses to file a quarterly tax report, the Department may assess the carrier for the tax delinquency, penalty and interest. This assessment is based on the best information available, including the carrier's filing history. In the absence of adequate records, a standard of four miles per gallon will be used to determine fuel consumption and miles or kilometers traveled. The burden of proof remains with the carrier to show that the assessment is incorrect.

## **IX. LICENSE CANCELLATION, SUSPENSION, REVOCATION AND REINSTATEMENT**

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### **A. License Cancellation**

1. An IFTA license may be canceled at the request of any licensee provided all reporting requirements and tax liabilities to all member jurisdictions have been satisfied. The applicable block in the Activity Box on the final IFTA Quarterly Fuel Tax Report (IFTA-100) may be checked to indicate the end of operations under IFTA. The license may also be canceled by submitting a written request for cancellation. Upon cancellation, the licensee must return the original IFTA license and all unused IFTA decals to the Department. The IFTA licensee must also remove IFTA credentials from its vehicles, as these are not transferable to any other motor carrier. A final audit may be conducted by any member jurisdiction upon cancellation of an IFTA license. A record retention period of four years from the due date of the final quarterly tax report applies.
2. Jurisdictions have the right to cancel or deny renewal of an IFTA license to any carrier that does not leave the confines of the borders of the base jurisdiction and reports zero or base jurisdiction distance only for three or more consecutive quarters. The base jurisdiction has the right to require proof of out-of-jurisdiction travel prior to licensing the carrier again under the IFTA agreement.
3. A motor carrier registrant may request cancellation of credentials. Such requests are to be made in writing to the PA Department of Revenue, Bureau of Motor Fuel Taxes. The carrier must either return its credentials or document the destruction of same for subsequent audit purposes.

## **B. Suspension and Revocations**

An IFTA licensee or a motor carrier registrant may be suspended and/or revoked for any failure to comply with the provisions of Motor Carriers Road Tax or the IFTA, such as:

1. Failure to file a quarterly tax report(s);
2. Failure to remit all taxes due;
3. Failure to pay or protest an audit assessment or other assessment within the established time period; and/or
4. Failure to provide valid information requested.

The Department will notify PA Revenue Enforcement Agents and all member jurisdictions when a suspension or revocation has occurred or has been released.

## **C. IFTA License Reinstatement and Reinstatement of MCRT Credentials**

The Department may reinstate a suspended IFTA license or a motor carrier registrant's credentials once the carrier files all required reports and remits all outstanding liabilities due. The department may require the carrier to post a bond in an amount sufficient to satisfy any potential liabilities including those of other IFTA member jurisdictions.

## **X. RECORD KEEPING REQUIREMENTS**

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### **A. Mileage Records**

Every IFTA licensee and PA motor carrier registrant must maintain records of ALL interstate and intrastate operations of qualified motor vehicles. The carrier's records must support the information reported on the tax report or the PA motor carrier registrant's annual renewal application. The records, at a minimum, shall include distance data on each vehicle for each trip and be recapitulated in monthly fleet summaries. An Individual Vehicle Mileage Record (IVMR), as required for the International Registration Plan (IRP) is an acceptable source document for recording vehicle distance information. Mileage must be kept by fuel type. Another acceptable source document is a trip report, which must include:

1. Dates of trip (starting and ending);
2. Trip origin and destination (including city and state);
3. Routes of travel and beginning and ending odometer readings;
4. Total trip miles or kilometers;
5. Distance by jurisdiction;
6. Vehicle unit number;
7. Vehicle fleet number; and
8. Carrier's name.

### **B. Fuel Receipts**

Every carrier must maintain complete records of all fuel purchases. The records, at a minimum, shall include fuel data on each vehicle and be recapitulated in monthly fleet summaries. Separate totals must be compiled for each fuel type. Fuel types include, among others: gasoline, gasohol, diesel, kerosene, liquefied petroleum gas (LPG) and compressed natural gas (CNG/LNG). The fuel records must contain:

1. Date(s) of purchase;
2. Name(s) and address(es) of the seller(s);
3. Number of gallons or liters, converted to gallons, purchased;
4. Type(s) of fuel purchased;
5. Price(s) per gallon or liter;
6. Unit number(s) of the vehicle(s) into which the fuel was placed; and
7. Purchaser's name.

Acceptable fuel receipts include an invoice, a credit card receipt or verifiable microfilm/microfiche. Receipts, which contain alterations or erasures, are not accepted by the Department.

### **C. Bulk Fuel Storage**

A carrier who maintains a bulk fuel storage facility for alternative fuels may obtain credit for tax paid on fuel withdrawn from that storage facility if properly licensed as a PA Alternative Fuel Dealer-User or its equivalent in another jurisdiction. The following records are to be maintained:

1. Date of withdrawal;
2. Number of gallons or liters withdrawn;
3. Fuel type;
4. Unit number of the vehicle into which the fuel was placed;
5. Purchase and inventory records to substantiate that tax was paid on all taxable fuels disbursements; and
6. Cash disbursement and other normal business records.

Also, anyone using a bulk storage facility to fuel its vehicles must maintain receipt and disbursement records for such activity.

### **D. Record Retention Period**

Adequate record keeping is important when seeking a refund or credit for tax-paid fuel and is equally important to the Department to ensure compliance with the reporting and payment requirements. Every carrier shall maintain records to substantiate information reported on a quarterly tax report or its operations. These records must be maintained for a period of four years from the due date of the return, or the date that the return was filed, whichever is later. Records must be made available upon request by any member jurisdiction. Failure to provide records demanded for the purpose of audit extends the statute of limitations until the records are provided.

### **E. Penalty for Failure to Maintain Records**

Licensees shall retain records as described in Section XD above. Non-compliance with any record keeping requirement may be cause for revocation of the license, and the Department may impose a penalty of 100 percent of the amount of tax due based on an assessment calculated on the best information available to the Department.

### **F. Location of Records**

A PA carrier's records should be maintained at a location in Pennsylvania. If these records are not maintained in Pennsylvania, or are not made available in Pennsylvania upon request, the auditor's travel expenses may be billed to the carrier.

## **XI. AUDIT**

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The purpose of an audit is to verify fuel and mileage data reported on quarterly tax reports/schedules. The Department will audit IFTA licensees on behalf of all member jurisdictions.

### **A. Audit Selection**

The Department will audit at least 15 percent of its IFTA licensees every five years. Any PA IFTA licensee may be selected for audit and any motor carrier registrant may likewise be selected for an audit.

### **B. Notification of Audit Date**

Prior to conducting an audit, an auditor will contact the carrier by telephone and/or letter to arrange a date to begin the audit. At that time, the auditor will outline the time period to be audited and the records to be reviewed. To confirm the audit date, the auditor will send a follow-up letter detailing the audit date, time periods to be audited and record requirements. Again, when operational records are not located or are not made available in Pennsylvania, the auditor's travel expenses may be billed to the carrier.

### **C. Audit Conferences**

At the beginning of the audit, the auditor will confer with the carrier to determine background information, reporting methods and records to be reviewed. As the audit progresses, the auditor and the carrier will discuss the sample periods, sampling techniques and any problems discovered. A post-audit conference will be held with the carrier to explain audit findings and recommendations on future tax reporting.

### **D. Audit Results**

An audit assessment (determination) will be sent to the carrier after the audit is processed by the Department. Specific audit schedules may be requested by writing to the Department's Bureau of Audits. The carrier has 90 days from the assessment (determination) date to remit payment or file an appeal on an audit assessment (determination). Any audit refund due will be issued after all outstanding tax liabilities have been satisfied. The Department will submit audit reports, for each IFTA audit, to all affected member jurisdictions. Licensees may be subject to a re-examination of the audit findings by any IFTA member jurisdiction. A member jurisdiction may re-audit a licensee, at its own expense, after notifying the base jurisdiction and the licensee of reasonable cause for the re-audit.

Carriers should note for audit assessment purposes that interest is calculated on the cumulative net tax due each jurisdiction, from the due date of the tax until it is paid. An overpayment (credit) for one jurisdiction shall have no effect on the interest calculation for any other jurisdiction.

## **XII. APPEAL PROCEDURES**

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### **A. Ninety Day Appeal Period**

A carrier may appeal any Motor Carrier Road Tax/IFTA assessment (determination) issued by the Department within 90 days of the assessment date. Also, a carrier may appeal an audit finding issued by any member jurisdiction by submitting a petition (written appeal) for a hearing within 90 days of receipt of the original audit assessment. Such petitions must be filed with the PA Department of Revenue, Board of Appeals, PO BOX 281021, Harrisburg, PA 17128-1021.

### **B. Hearing Procedure**

The Department will send written notice of the date, time and place of the hearing at least 20 days prior to the hearing date. The hearing shall be held in a timely manner, but may be rescheduled for reasonable cause shown by either party. The Department will participate in the appeal process of an IFTA assessment on behalf of all member jurisdictions. The licensee may appear in person and/or be represented at the hearing. A person may not represent the licensee unless the licensee is present at all times or the person representing the licensee has a properly executed power of attorney to represent the licensee.

### **C. Notification of Hearing Results**

The Board of Appeals will notify carriers in writing of the findings and rulings on the appeal. An IFTA licensee may request a supplemental audit from any member jurisdiction, if the licensee objects to the findings of the Department. The requested member jurisdiction may accept or deny the request. A motor carrier registrant must adhere to the findings of the Board of Appeals or file a review petition with the Board of Finance and Revenue. (See D., below.)

### **D. Tax Court Procedures**

If a carrier is not satisfied with the Department's Board of Appeals findings, an appeal may be filed with the PA Department of Treasury, Board of Finance and Revenue, 1101 S. Front St., ROC, Ste. 400, Harrisburg, PA 17104-2539. The Board will hear the case in review of action taken by the Department of Revenue's Board of Appeals.

## **XIII. INTERNATIONAL REGISTRATION PLAN**

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The International Registration Plan (IRP), based on mileage, is an apportioned registration program for commercial motor vehicles operating in interstate commerce. As of Jan. 1, 1998, all of the lower 48 states participate in the IRP, including the District of Columbia. As of Jan. 1, 2002, all Canadian jurisdictions participate in the IRP with the exception of the Northwest Territories and the Yukon Territory.

**THE IRP SHOULD NOT BE CONFUSED WITH THE IFTA PROGRAM. ALSO NOTE THAT MILES OPERATED ON IRP TRIP PERMITS ARE TAXABLE MILES FOR IFTA PURPOSES.**

IRP enables member states to share, on a percentage basis, in the vehicle registration fees to the extent of the carriers' operations in a state. Questions concerning IRP in Pennsylvania should be addressed to the:

PA DEPARTMENT OF TRANSPORTATION  
 BUREAU OF MOTOR VEHICLES  
 COMMERCIAL REGISTRATION SECTION  
 PO BOX 68285  
 HARRISBURG PA 17106-8285  
 (717) 783-6095

**XIV. IFTA MEMBER JURISDICTION INFORMATION**

**A. Pennsylvania**

**PHYSICAL ADDRESS:**

PA DEPARTMENT OF REVENUE  
 BUREAU OF MOTOR FUEL TAXES  
 ROOM 541 STRAWBERRY SQUARE  
 4TH AND WALNUT STS  
 HARRISBURG PA 17128

**TELEPHONE:**

(717) 787-5355  
 (800) 482-IFTA (4382)

**MAILING ADDRESS:**

PA DEPARTMENT OF REVENUE  
 BUREAU OF MOTOR FUEL TAXES  
 PO BOX 280646  
 HARRISBURG PA 17128-0646

**FAX:** (717) 787-6261

**BUREAU OF MOTOR FUEL TAXES DISTRICT OFFICES:**

<p>2. a) PA DEPARTMENT OF REVENUE                  BUREAU OF MOTOR FUEL TAXES                  HARRISBURG DISTRICT OFFICE                  1846 BROOKWOOD STREET                  HARRISBURG PA 17104                  (717) 787-3937                  FAX (717) 783-7762</p>	<p>d) PA DEPARTMENT OF REVENUE                  BUREAU OF MOTOR FUEL TAXES                  NORRISTOWN OFFICE                  1ST FL STONEY CREEK OFFICE CTR                  151 W MARSHALL ST                  NORRISTOWN PA 19401-4739                  (610) 270-1638                  FAX (610) 270-1099</p>
<p>b) PA DEPARTMENT OF REVENUE                  BUREAU OF MOTOR FUEL TAXES                  PITTSBURGH DISTRICT OFFICE                  SUITE 150 11 PARKWAY CENTER                  PITTSBURGH PA 15220                  (412) 920-2044                  FAX (412) 920-2048</p>	<p>3. PA DEPARTMENT OF REVENUE                  BUREAU OF AUDITS                  PO BOX 281001                  HARRISBURG PA 17128-1001                  (717) 787-6511                  FAX (717) 783-6242</p>
<p>c) PA DEPARTMENT OF REVENUE                  BUREAU OF MOTOR FUEL TAXES                  WILKES-BARRE DISTRICT OFFICE                  SUITE 202 100 EAST UNION STREET                  WILKES-BARRE PA 18702                  (570) 826-2087                  FAX (570) 826-2085</p>	<p>4. PA DEPARTMENT OF REVENUE                  BOARD OF APPEALS                  PO BOX 281021                  HARRISBURG PA 17128-1021                  (717) 783-3664                  FAX (717) 787-7270</p>

## B. OTHER IFTA MEMBER JURISDICTION INFORMATION

It is the responsibility of each IFTA licensee to ascertain exempt miles, exempt vehicles and exempt fuels from the various IFTA member jurisdictions in order to properly prepare the IFTA Quarterly Fuel Tax Report and Schedules. The following table is provided to facilitate contacting the various jurisdictions.

ALABAMA (AL) DEPARTMENT OF REVENUE MOTOR VEHICLE DIVISION PO BOX 327620 MONTGOMERY AL 36132-7620 (334) 242-2999	ALBERTA, CANADA (AB) TAX AND REVENUE ADMINISTRATION 9811-109 STREET SIR FREDERICK W HAULTAIN BUILDING EDMONTON ALBERTA CANADA T5K2L5 (780) 644-4119
ARIZONA (AZ) DEPARTMENT OF TRANSPORTATION MOTOR CARRIER SERVICES 1801 WEST JEFFERSON, M D 521M PHOENIX AZ 85007-3204 (602) 712-8896	ARKANSAS (AR) PO BOX 1752 LITTLE ROCK AR 72203 (501) 682-4806
BRITISH COLUMBIA, CANADA (BC) PROVINCE OF BRITISH COLUMBIA CONSUMER TAX BRANCH PO BOX 9442 STN PROV GOVT VICTORIA BC CANADA V8W 9V4 (250) 387-0635	CALIFORNIA (CA) CALIFORNIA STATE BOARD OF EQUALIZATION PO BOX 942879 MIC:65 SACRAMENTO CA 94279-0065 (916) 322-9669
COLORADO (CO) DEPARTMENT OF REVENUE TAXPAYER SERVICES DIVISION 1375 SHERMAN STREET ROOM 200 DENVER CO 80261 (303) 205-8205	CONNECTICUT (CT) DEPARTMENT OF REVENUE SERVICES 25 SIGOURNEY ST HARTFORD CT 06106 (860) 541-3222 OR (860) 541-3216
DELAWARE (DE) MOTOR FUEL TAX ADMINISTRATION MOTOR CARRIER SERVICES SECTION PO DRAWER E DOVER DE 19903-1565 (302) 744-2702	FLORIDA (FL) DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES 2900 APALACHEE PARKWAY ROOM A-110 TALLAHASSEE FL 32399 (850) 617-3002
GEORGIA (GA) DEPARTMENT OF REVENUE TAXPAYER SERVICES DIVISION 1800 CENTURY BLVD SUITE 8223 ATLANTA GA 30354 (404) 417-6712	IDAHO (ID) IDAHO TAX COMMISSION PO BOX 36 BOISE ID 83722-0036 (208) 334-7834

<p>ILLINOIS (IL)  DEPARTMENT OF REVENUE  MOTOR FUEL USE TAX SECTION MC:2-265  PO BOX 19477  SPRINGFIELD IL 62794-9477  (217) 785-1397</p>	<p>INDIANA (IN)  DEPARTMENT OF REVENUE  MOTOR CARRIER SERVICES DIVISION  5252 DECATUR BLVD SUITE R  INDIANAPOLIS IN 46241  (317) 615-7345</p>
<p>IOWA (IA)  DEPARTMENT OF TRANSPORTATION  OFFICE OF MOTOR CARRIER SERVICES  PO BOX 10382  DES MOINES IA 50306-0382  (515) 237-3224</p>	<p>KANSAS (KS)  DEPARTMENT OF REVENUE  CUSTOMER RELATIONS – MOTOR FUEL  915 SW HARRISON STREET  TOPEKA KS 66625-8100  (785) 291-3658</p>
<p>KENTUCKY (KY)  PO BOX 2007  FRANKFORT KY 40602  (502) 564-4540</p>	<p>LOUISIANA (LA)  DEPARTMENT OF REVENUE  PO BOX 66362  BATON ROUGE LA 70896-6362  (225) 219-7656</p>
<p>MAINE (ME)  MAINE BUREAU OF MOTOR VEHICLES  29 STATE HOUSE STATION  AUGUSTA ME 04333-0029  (207) 624-9000 EX 52137</p>	<p>MANITOBA (MB)  MANITOBA FINANCE – TAXATION DIVISION  101-401 YORK AVENUE  WINNIPEG MANITOBA  CANADA R3C 0P8  (204) 945-3194</p>
<p>MARYLAND (MD)  COMPTROLLER OF MARYLAND  MOTOR FUEL TAX BUREAU  PO BOX 1751  ANNAPOLIS MD 21404-1751  (410) 260-7138 OR (888) 784-0141</p>	<p>MASSACHUSETTS (MA)  DEPARTMENT OF REVENUE  PO BOX 7027  BOSTON MA 02204  (617) 887-6909</p>
<p>MICHIGAN (MI)  DEPARTMENT OF TREASURY  CUSTOMER CONTACT DIVISION SPECIAL  TAXES  PO BOX 30474  LANSING MI 48909-7974  (517) 636-4580 OR (517) 636-4597</p>	<p>MINNESOTA (MN)  DEPARTMENT OF PUBLIC SAFETY  DRIVER &amp; VEHICLE SERVICES IRP/IFTA  OFFICE  445 MINNESOTA STREET SUITE 188  ST PAUL MN 55101-5188  (651) 205-4413</p>

<p>MISSISSIPPI (MS)  MISSISSIPPI STATE TAX COMMISSION  PO BOX 1033  JACKSON MS 39215  (601) 923-7150 OR (601) 923-7152</p>	<p>MISSOURI (MO)  MOTOR CARRIER SERVICES  PO BOX 893  JEFFERSON CITY MO 65102-0893  (573) 751-7100</p>
<p>MONTANA (MT)  MOTOR CARRIER SERVICES DIVISION  MT DEPARTMENT OF TRANSPORTATION  PO BOX 4639  HELENA MT 59604-4639  (406) 444-7248</p>	<p>NEBRASKA (NE)  DEPARTMENT OF MOTOR VEHICLES  MOTOR CARRIER SERVICES DIVISION  PO BOX 94729  LINCOLN NE 68509-4729  (888) 622-1222 OR (402) 471-4435</p>
<p>NEVADA (NV)  DEPARTMENT OF MOTOR VEHICLES  MOTOR CARRIER DIVISION  555 WRIGHT WAY  CARSON CITY NV 89711-0625  (775) 684-4711</p>	<p>NEW BRUNSWICK (NB)  DEPARTMENT OF FINANCE REVENUE AND  TAXATION DIVISION  TAX PROGRAM ADMINISTRATION  670 KING STREET  PO BOX 3000  FREDERICTON NEW BRUNSWICK  CANADA CND E3B 5G5  (506) 453-3029 OR (506) 444-4619</p>
<p>NEW HAMPSHIRE (NH)  DEPARTMENT OF SAFETY, ROAD TOLL  BUREAU  33 HAZEN DRIVE  CONCORD NH 03305  (603) 271-2311</p>	<p>NEW JERSEY (NJ)  MOTOR VEHICLE COMMISSION  225 E STATE STREET  PO BOX 133  TRENTON NJ 08666  (609) 633-9400</p>
<p>NEW MEXICO (NM)  COMMERCIAL VEHICLE BUREAU  1100 SO ST FRANCIS DRIVE  ROOM 2111  PO BOX 5188  SANTA FE NM 87502-5188  (505) 476-1552 OR (888) 683-4636</p>	<p>NEW YORK (NY)  DEPARTMENT OF TAXATION &amp; FINANCE  REGISTRATION SECTION – HIGHWAY USE TAX  UNIT  W A HARRIMAN CAMPUS  ALBANY NY 12227  (800) 972-1233</p>
<p>NEWFOUNDLAND (NF)  TAXATION AND FISCAL POLICY BRANCH  CONFEDERATION BUILDING PRINCE PHILIP  PARKWAY  PO BOX 8720  ST JOHNS NEWFOUNDLAND  CANADA A1B 4K1  (709) 729-2935</p>	<p>NORTH CAROLINA (NC)  MOTOR FUELS TAX DIVISION  1429 ROCK QUARRY RD STE 105  RALEIGH NC 27610  (919) 733-3409</p>

<p>NORTH DAKOTA (ND)  MOTOR CARRIER SERVICES  DOT MOTOR VEHICLE DIVISION  608 E BOULEVARD AVENUE  BISMARCK ND 58505-0780  (701) 328-2725</p>	<p>NOVA SCOTIA (NS)  SERVICE NOVA SCOTIA AND MUNICIPAL  RELATIONS  REGISTRY AND INFORMATION MANAGEMENT  SERVICES DIV  PO BOX 755  HALIFAX NOVA SCOTIA  CANADA B3J 2V4  (902) 424-2850</p>
<p>OHIO (OH)  DEPARTMENT OF TAXATION  EXCISE AND MOTOR FUEL TAX DIVISION  PO BOX 530  COLUMBUS OH 43216-0530  (614) 644-5847</p>	<p>OKLAHOMA (OK)  CORPORATION COMMISSION  TRANSPORTATION DIVISION  PO BOX 52948  OKLAHOMA CITY OK 73152-2948  (405) 521-5681</p>
<p>ONTARIO (ON)  MOTOR FUELS &amp; TOBACCO TAX OPERATIONS,  MINISTRY OF REVENUE  BOX 625  33 KING ST WEST 3RD FLOOR  OSHAWA ONTARIO  CANADA L1H 8H9  (905) 433-6412</p>	<p>OREGON (OR)  MOTOR CARRIER TRANSPORTATION DIVISION  550 CAPITOL ST NE  SALEM OR 97301-2530  (503) 373-1634</p>
<p>PRINCE EDWARD ISLAND (PE)  DEPARTMENT OF THE PROVINCIAL TREASURY  TAXATION AND PROPERTY RECORDS DIVISION  PO BOX 1330  CHARLOTTETOWN PRINCE EDWARD ISLAND  CANADA C1A 7N1  (902) 368-6578</p>	<p>QUEBEC (PQ)  REVENUE QUEBEC  DIRECTION GENERALE DES ENTERPRISES  3800 RUE DE MARLY SECTEUR 4-2-6-A  QUEBEC QUEBEC  CANADA G1X 4A5  (418) 652-4382</p>
<p>RHODE ISLAND (RI)  DEPARTMENT OF ADMINISTRATION  DIVISION OF TAXATION – EXCISE TAX SECTION  ONE CAPITOL HILL  PROVIDENCE RI 02908  (401) 222-2237</p>	<p>SASKATCHEWAN (SK)  SASKATCHEWAN FINANCE  REVENUE DIVISION  2350 ALBERT ST  REGINA SASKATCHEWAN  CANADA S4P 4A6  (306) 787-7749</p>
<p>SOUTH CAROLINA (SC)  MOTOR CARRIER SERVICES  10311 WILSON BLVD  PO BOX 1498  BLYTHEWOOD SC 29016  (803) 896-3870</p>	<p>SOUTH DAKOTA (SD)  DEPARTMENT OF REVENUE AND REGULATION  DIVISION OF MOTOR VEHICLES  445 E CAPITOL AVE  PIERRE SD 57501-3100  (605) 773-5335</p>

<p>TENNESSEE (TN)  DEPARTMENT OF REVENUE  MOTOR CARRIER SECTION – IFTA UNIT  301 PLUS PARK  NASHVILLE TN 37217  (615) 399-4258 OR (888) 468-9025</p>	<p>TEXAS (TX)  COMPTROLLER OF PUBLIC ACCOUNTS  LBJ STATE OFFICE BUILDING  111 EAST 17TH STREET  AUSTIN TX 78774  (512) 463-3849</p>
<p>UTAH (UT)  UTAH STATE TAX COMMISSION  210 N 1950 W  SALT LAKE CITY UT 84134  (801) 297-6800</p>	<p>VERMONT (VT)  120 STATE STREET  MONTPELIER VT 05603  (802) 828-2070</p>
<p>VIRGINIA (VA)  DEPARTMENT OF MOTOR VEHICLES  MOTOR CARRIER SERVICES  PO BOX 27412  RICHMOND VA 23269  (866) 878-2582</p>	<p>WASHINGTON (WA)  FUEL TAX SERVICES  PO BOX 9228  OLYMPIA WA 98507-9228  (360) 664-1868</p>
<p>WEST VIRGINIA (WV)  DEPARTMENT OF MOTOR VEHICLES  COMMERCIAL VEHICLE SECTION-FUEL TAX  UNIT  1606 WASHINGTON ST E  CHARLESTON WV 25311  (304) 558-0700 / (304) 558-4448</p>	<p>WISCONSIN (WI)  DEPARTMENT OF TRANSPORTATION  4802 SHEBOYGAN AVENUE ROOM 151  PO BOX 7979  MADISON WI 53707-7979  (608) 267-4382</p>
<p>WYOMING (WY)  DEPARTMENT OF TRANSPORTATION  IFTA FUEL TAX SECTION  5300 BISHOP BLVD  CHEYENNE WY 82009-3340  (307) 777-4827</p>	

**C. JURISDICTIONS THAT DO NOT PARTICIPATE IN IFTA AS OF 1/1/2002**

Miles traveled in the following Non-IFTA jurisdictions are reported on the IFTA Quarterly Fuel Tax Schedule (IFTA-101) as “Total Non-IFTA Miles.” These miles are only used for MPG calculation purposes.

**DISTRICT OF COLUMBIA YUKON TERRITORY  
CANADA (YT) N W TERRITORY CANADA (NT)**  
DEPARTMENT OF FINANCE TAX  
ADMINISTRATION  
BOX 1320  
YELLOWKNIF N W TERRITORY  
CANADA X1A 2L9

## **XV. PENNSYLVANIA MOTOR FUEL TAX REFUND INFORMATION OF INTEREST TO CARRIERS**

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The Pennsylvania Vehicle Code has a number of refund provisions that are significant to carriers. This section is intended to familiarize carriers with these various refund provisions and their applicable forms.

**A. Truck Refrigeration Units** – (Section 9017 e.1.) provides for a reimbursement of the Liquid Fuels and Fuels Tax paid on undyed diesel or undyed kerosene used in truck mounted refrigeration units. Beginning with the fourth quarter of 2000 carriers have 60 days from the end of each quarter to file a timely claim for reimbursement of the Pennsylvania motor fuel taxes paid on fuel purchased and placed in a separate supply tank of a truck and used exclusively for truck refrigeration. See form REV-643.

**B. Agricultural Power Take-off (PTO)** – (Section 9017 e.2.) provides for a reimbursement of Liquid Fuels and Fuels Tax paid on fuel consumed in power take-off equipment while loading, in Pennsylvania, for delivery to a farm, or unloading at a farm in Pennsylvania, feed, feed products, lime or limestone products for agricultural use. Fuel usage must be documented by an electronic monitoring device used in conjunction with an electronically controlled engine. Beginning with the fourth quarter of 2001, claim forms must be filed within 60 days from the end of each calendar quarter. See form DMF-75.

**C. Bus Company Reimbursements** – Chapter 98 of the Pennsylvania Vehicle Code provides for a reimbursement of a portion of the Pennsylvania diesel motor fuels tax that is equivalent to the tax imposed by Section 9502(a)(4) of the Oil Company Franchise Tax (i.e. the PA Surtax Replacement). Beginning with the fourth quarter of 1999 a bus company may be reimbursed an amount equivalent to the PA Surtax Replacement tax that is paid directly or indirectly (via IFTA) on fuel consumed in Pennsylvania in its operation of motorbuses. Bus companies have until the last day of the month following each calendar quarter to file a timely claim. See form REV-642.

## **XVI. APPENDIX OF FORMS:**

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<b>Form</b>	<b>Form Title</b>
IFTA-200A	Motor Carriers Road Tax/IFTA New Account Registration App.*
REV- 1026	Information Concerning Motor Carriers Road Tax and IFTA*
REV-1026 A	Information Concerning Motor Carriers Road Tax*
IFTA-100	IFTA Quarterly Fuel Tax Report*
IFTA 101	IFTA Quarterly Fuel Tax Schedule*
IFTA 101-I	Instructions for Completing IFTA Quarterly Fuel Tax Schedule*
IFTA-300	Individual Vehicle Mileage Record*
REV-642	Bus Company Reimbursement Request*
REV-643	Motor Fuels Tax Reimbursement Claim Form for Undyed Diesel And Undyed Kerosene Used In Truck Refrigeration Units*
DMF-75	Pennsylvania Motor Fuels Tax Reimbursement Claim for Power Take-off Relating to Agricultural Use of Feed, Feed Products,* Lime and Limestone Products*

\*Available on the Department's Web site [www.revenue.state.pa.us](http://www.revenue.state.pa.us)



**DMF-98 (5-08)**

## **MOTOR FUEL TAX BULLETIN 2008-01**

**Issued: May 28, 2008**

### **Changes in Disposition of IFTA Decals**

#### **Introduction/Reminder**

Motor carriers are reminded that when any changes in the circumstances surrounding the original issuance of an International Fuel Tax Agreement ("IFTA") license and the underlying decals for that license, the party to whom the IFTA license was issued must notify the Pennsylvania Department of Revenue's Bureau of Motor Fuel Taxes ("BMFT") of such changed circumstances.

#### **Responsibility For Notification**

Once you establish an IFTA account, you must notify the BMFT, in writing, of any changes to your account including, but not limited to, account cancellations, address changes, changes to the use of issued decals, etc. The account is your responsibility. See 75 Pa.C.S. § 9610.

Proper recordkeeping requires both maintaining proper records for vehicles under your control or ownership, as well as notifying the BMFT when things such as decals and license identification cards (i.e., cab-cards) pass from your control or become unrecoverable. For example, when a vehicle to which IFTA decals have been affixed is sold, traded, or otherwise disposed of by the operator, or passes from control of the operator through lease or otherwise, the motor carrier must notify the BMFT within thirty days after the vehicle leaves the licensee's service. See, e.g., 61 Pa.Code § 313.9.

Proper notification must include the taxpayer/carrier's account number, tractor registration plate number, the date of disposition change, and the name and address of the person having possession of the vehicle. This notification should be mailed, faxed, or emailed to the BMFT using the contact information below. The licensee need not mail the cancelled decals to the BMFT; rather, the decals themselves, if recoverable, should remain in the licensee's files for at least four years for auditing purposes.

## **Tax Liability Remains with Licensee Until BMFT Notified Of Change In Disposition**

The licensee to whom the identification card and decals were issued shall be liable for taxes applicable to the operations of the vehicles licensed until the date the BMFT receives proper notification of disposition or loss of control of the vehicles licensed. See 61 Pa.Code § 313.9. However, if the BMFT receives proper notification of vehicle disposition or loss of control of the licensed vehicles within thirty days of disposition or loss of control, the licensee's liability for such vehicles will terminate upon the date of disposition or loss of control.

In the case of a carrier involved in leasing agreements, please recall the *IFTA Agreement Manual*, which states:

In the case of a carrier using independent contractors under long-term leases (30 days or more), the lessor and lessee will be given the option of designating which party will report and pay fuel use tax. In the absence of a written agreement or contract, or if the document is silent regarding responsibility for reporting and paying fuel use tax, the lessee will be responsible for reporting and paying fuel use tax. *IFTA Agreement Manual*: R530.200.

In any event, the party ultimately deemed responsible for the decals shall be the party required to account for any taxes due the Commonwealth for the activity of the decaled vehicles. Such responsibility for tax liability may include the statutory assessment of four miles per gallon ("4 MPG") for inadequate recordkeeping. See 75 Pa.C.S. § 9609.

## **Disposition Of Cancelled Decals**

Decals *cannot* be transferred from one vehicle to another or from one company to another. You must remove your decals and keep them with your files for four years for auditing purposes. Once decals are removed from a vehicle they are considered void. Similarly, once a decaled/licensed vehicle passes control from one taxpayer to another, the decals and license are immediately voided, unless otherwise provided for by statute.

### **Disposition Of Unused Decals**

Decals that are purchased but unused during the registration year should be kept in the licensee's files for four years for auditing purposes. Unused decals may not be used by any vehicle other than those vehicles employed by or leased to the original licensee.

### **Evidence In Lieu Of Notification**

In the event that a carrier does not notify the BMFT of changes in disposition of decals, such a carrier may provide the Department with:

(1) evidence of the carrier's written policy requiring cancelled decals to be returned and (2) physical evidence that the decals were removed.

Such evidence may be considered by the Department in determining whether any liability exists for unaccounted-for decals.

### **Contact Information For Changes In Disposition:**

PHONE: 1-800-482-4382

FAX: (717) 787-6261

MAILING ADDRESS:

PA Department of Revenue  
Bureau of Motor Fuel Taxes  
P.O. Box 280646  
Harrisburg, PA 17128-0646

Please note that you can request an additional decal application by calling 1-800-482-4382 or visit our Web site at [www.revenue.state.pa.us](http://www.revenue.state.pa.us).

### **Authority For This Notice Reminder**

The foregoing recordkeeping requirements are consistent with the following provisions of the *Pennsylvania Consolidated Statutes*, the *Pennsylvania Code*, and the *IFTA Agreement and Procedures Manuals*:

75 Pa.C.S. § 2101, "Construction"

75 Pa.C.S. § 2102, "Identification markers and license or road tax registration card required"

75 Pa.C.S. § 9602, "Definitions"  
75 Pa.C.S. § 9603, "Imposition of tax"  
75 Pa.C.S. § 9604, "Credit for motor fuel tax payment"  
75 Pa.C.S. § 9610, "Records"  
75 Pa.C.S. § 9613, "Penalty and interest for failure to report or pay tax"  
75 Pa.C.S. § 9615, "Manner of payment and recovery of taxes, penalties and interest"  
75 Pa.C.S. § 9615.1, "Examination of Records"  
75 Pa.C.S. § 9616, "Determination, redetermination and review"  
75 Pa.C.S. § 9621, "Regulations"

61 Pa.Code § 313.7, "Nontransferability"  
61 Pa.Code § 313.9, "Cancellation for disposition of vehicle"  
61 Pa.Code § 313.12, "Records of miles"  
61 Pa.Code § 313.13, "Records of fuel"  
61 Pa.Code § 313.14, "Substantiating evidence"

IFTA Agreement Manual, R530 – Independent Contractors  
IFTA Agreement Manual, R660 – Non-Compliance  
IFTA Procedures Manual, P160 – Certification  
IFTA Procedures Manual, P500 et. seq. – Recordkeeping

### **Effective Date**

This Tax Bulletin is effective immediately.

