



DECAL WAIVER/EXEMPT VEHICLE Q&A

The Bureau of Motor and Alternative Fuel Taxes has made changes to the treatment of certain vehicles exempted from Pennsylvania Motor Carrier Road Tax (PA-MCRT) and the International Fuel Tax Agreement (IFTA). These exempt vehicles are now required to complete an IFTA Decal Waiver form (IFTA-200W).

Why did these changes happen?

These changes are warranted because of the Pennsylvania Supreme Court's ruling in *Senex Explosives v. Commonwealth of Pennsylvania*, 91 A.3d 101 (Pa. 2014). The Court ruled that Chapters 21 and 96 (pertaining to motor carriers road tax identification markers and motor carriers road tax, respectively) of the Vehicle Code (Title 75) do not apply to vehicles described in 75 Pa.C.S. § 2105. As a result, it is no longer possible for the Department of Revenue to issue IFTA decals for the affected vehicles while also allowing affected vehicles to be exempt from PA-MCRT.

Which vehicles are considered exempt?

Pennsylvania's Vehicle Code provides for certain types of vehicles to be exempt from reporting and paying PA-MCRT. Specifically, 75 Pa.C.S. § 2105 exempts the following affected vehicles from these requirements:

- Qualified motor vehicles which are farm vehicles bearing farm plates
- Qualified motor vehicles exempted from registration as a farm vehicle
- Emergency vehicles
- Qualified motor vehicles operated by the commonwealth, its political subdivisions, the federal government or its agencies, any foreign country, or any state or political subdivision which grants similar exceptions to publicly owned vehicles registered in this commonwealth
- A school bus
- A motorbus owned by and registered to a church
- An implement of husbandry
- Special mobile equipment
- Unladen or towed motor vehicles or unladen trailers entering the commonwealth solely for securing repairs or reconditioning
- A qualified motor vehicle needing emergency repairs which has secured authorization to enter the commonwealth from the Pennsylvania State Police
- A commercial implement of husbandry

I have vehicles that are exempt and I travel in Pennsylvania and New Jersey. Does this apply to me?

If you are exempt in Pennsylvania, you must check with the jurisdiction into which you are traveling to determine if IFTA credentials are needed. If IFTA credentials are needed, you may either complete the IFTA decal waiver or secure trip permits through a trip permit agency. Note that if you do not complete an IFTA decal waiver for your exempt vehicles, you may not place IFTA decals on such vehicles.

I have vehicles that are exempt and completed the IFTA decal waiver to obtain decals.

Can I claim the taxes paid at the pump in Pennsylvania on the IFTA-101?

No. You must include those gallons on the IFTA-101 Total Gallons (line D) to ascertain the MPG of your fleet; however you may not claim these gallons as tax paid on the Pennsylvania portion of the IFTA-101 (column L).

Are my exempt miles included on the IFTA-101 tax return?

You must include your Pennsylvania miles on the IFTA-101 under "Total IFTA Miles" (line A) to ascertain the MPG of your fleet. You must also include your Pennsylvania miles under "Total IFTA Miles by State" (column H); however you may not include any exempt miles under "Taxable Miles" (column I) for Pennsylvania on the IFTA-101.

The sample return below is a guide on how to file your IFTA-101 when all of your vehicles are considered exempt and all fuel was purchased in Pennsylvania:

(A) TOTAL IFTA MILES: 10,000		+ (B) TOTAL NON-IFTA MILES: 0		= (C) TOTAL MILES: 10,000		+ (D) TOTAL GALLONS: 2,482		= (E) AVERAGE FLEET MPG: 0 4 . 0 3					
				(all jurisdictions)		(all jurisdictions)		(C-D rounded to 2 decimal places XX.XX)					
Round all miles and gallons below to whole numbers. Do not show tenths.													
	F Jurisdiction	G Rate Code	H Total IFTA Miles by State	I Taxable Miles	J MPG From E Above	K Taxable Gallons (Col. I - J)	L Tax Paid Gallons	M Net Taxable Gallons (Col. K - L)	N Tax Rate	O Tax Credit or Tax Due (Col. M x N)	P Interest Due	Q Total Due (Col. O + P)	
1	PA	090	5,000	0	4.03	0	0	0	.6400	\$0.00	\$0.00	\$0.00	1
2	NJ	081	3,000	3,000	4.03	744		744	.1750	\$130.20	\$0.00	\$130.20	2
3	DE	081	2,000	2,000	4.03	496	0	496	.2200	\$109.12	\$0.00	\$109.12	3
4													4
5													5

I have some qualified motor vehicles that are exempt and some that are not. Do I need separate accounts?

No. You simply complete the IFTA decal waiver for the vehicles that are exempt; your exempt vehicles and non-exempt vehicles are reported under one account.

If my fleet has both exempt vehicles and non-exempt vehicles, do I need to file two separate schedules?

No. You may file one IFTA schedule for all of your vehicles. You would report all of your miles and gallons to ascertain the MPG. You would only claim Pennsylvania taxable miles (column I) and Pennsylvania tax paid gallons (column L) for the non-exempt vehicles.

(A) TOTAL IFTA MILES: 10,000		+ (B) TOTAL NON-IFTA MILES: 0		= (C) TOTAL MILES: 10,000		+ (D) TOTAL GALLONS: 2,482		= (E) AVERAGE FLEET MPG: 0 4 . 0 3					
				(all jurisdictions)		(all jurisdictions)		(C-D rounded to 2 decimal places XX.XX)					
Round all miles and gallons below to whole numbers. Do not show tenths.													
	F Jurisdiction	G Rate Code	H Total IFTA Miles by State	I Taxable Miles	J MPG From E Above	K Taxable Gallons (Col. I - J)	L Tax Paid Gallons	M Net Taxable Gallons (Col. K - L)	N Tax Rate	O Tax Credit or Tax Due (Col. M x N)	P Interest Due	Q Total Due (Col. O + P)	
1	PA	090	5,000	2,500	4.03	620	1,860	-1,240	.6400	-\$793.60	\$0.00	-\$793.60	1
2	NJ	081	3,000	3,000	4.03	744		744	.1750	\$130.20	\$0.00	\$130.20	2
3	DE	081	2,000	2,000	4.03	496	0	496	.2200	\$109.12	\$0.00	\$109.12	3
4													4
5													5

The sample return below is a guide on how to file your IFTA 101 when you have exempt and non-exempt vehicles in your fleet and all of the fuel was purchased in Pennsylvania:

How do I report my miles and gallons for my exempt vehicle(s) outside of Pennsylvania?

Miles incurred and gallons purchased outside of Pennsylvania are reported on the IFTA quarterly report as per the IFTA 101 instructions. Visit the IFTA website at www.iftach.org to determine if you may have exemptions in another member jurisdiction.

Do I need to keep records for my exempt vehicles?

Yes. If you have qualified motor vehicles that are provided for under 75 Pa.C.S. § 2105 and choose to display IFTA decals, then you must follow the IFTA record keeping requirements.

If I choose to obtain IFTA decals, even though I am exempt am I still subject to audit?

Yes. By signing the waiver you are acknowledging you are waiving that status of the affected vehicle(s) as protected by Chapters 21 and 96 of the Vehicle Code. Election of this waiver means the vehicle is required to report and pay IFTA taxes, but the vehicle remains exempt from PA-MCRT.

If I submit the IFTA decal waiver and agree to display IFTA decals, can I change my mind?

Yes. Once you request the IFTA decal waiver, it will remain in effect for all exempt vehicles that you display IFTA credentials that you currently own or any newly purchased vehicles that display IFTA credentials until such time as you send the Bureau of Motor and Alternative Fuels (bureau) notification that you are declining the waiver.

If I choose to remove my IFTA decals from my exempt vehicles do I still need to obtain PA-MCRT decals?

No. If your vehicle(s) is exempt and you will only be traveling in Pennsylvania, you do not need to obtain a PA-MCRT decal. If you remove an IFTA decal during a permit year, you must notify the bureau in writing. Motor Fuel Tax Bulletin 2008-01 Changes in Disposition of IFTA Decals (DMF-98) provides guidance on how to notify the bureau when removing a decal. Please visit the department's website at www.revenue.pa.gov.

If you have any questions pertaining to any of the above information, please contact our office at 800.482.4382.