

## Information Concerning Motor Carriers Road Tax

For Carriers Operating Only in Pennsylvania

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### NATURE OF TAX

The Motor Carriers Road Tax (MCRT) requires the payment of a tax equivalent to the rate per gallon multiplied by the amount of fuel used on PA highways. Credit is given for tax paid on fuel purchases in Pennsylvania. The tax rate and credit is equal to the PA motor fuel tax rate currently in effect.

### REGISTRATION

Pennsylvania implemented the International Fuel Tax Agreement (IFTA) on Jan. 1, 1996. In conjunction, the definition of a vehicle subject to the road tax changed to that of a qualified motor vehicle which is a vehicle designed, used or maintained for the transportation of persons or property and which is:

- A. a power unit with two axles and a gross or registered gross weight greater than 26,000 pounds;
- B. a power unit with three or more axles regardless of weight; or
- C. a combination where the declared combination weight exceeds 26,000 pounds, or where the vehicles used in combination (truck and trailer) exceeds 26,000 pounds.

The definition does not include a recreational vehicle that is a camper, a pickup truck with an attached camper, or a bus used exclusively for personal pleasure and not in conjunction with any business enterprise.

### MOTOR CARRIER ROAD TAX AND IFTA CREDENTIALS

- A. Every qualified motor vehicle will be issued two decals. Decals must be displayed on the passenger and driver's sides of the power unit. PA MCRT decals are issued to Pennsylvania-based vehicles that travel exclusively in Pennsylvania.

- B. Pennsylvania-based vehicles that do not operate outside of Pennsylvania will be required to carry a motor carrier road tax registration card in each vehicle.
- C. The fee for each set of decals (two per unit) is \$12. Decals and motor carrier road tax registration cards or IFTA licenses are issued on a calendar year basis, from Jan. 1 to Dec. 31.
- D. Vehicles subject to IFTA (those based in Pennsylvania and operating in Pennsylvania and any other IFTA jurisdiction) must carry an IFTA license or a legible photocopy of the license in each such vehicle.

### TAX REPORTING REQUIREMENTS

Anyone operating a qualified motor vehicle as described above, unless exempted (see exemptions), is a motor carrier.

- A. Effective Oct. 1, 1997, carriers purchasing PA MCRT credentials no longer need to file quarterly reports. Instead, such carriers will report exclusive PA operations on their yearly renewal application. Carriers must maintain records pertaining to miles traveled and fuel purchases.
- B. Carriers purchasing IFTA credentials must file quarterly IFTA Fuel Use Tax reports (IFTA-100) along with applicable IFTA Quarterly Fuel Use Tax schedules (IFTA-101) which must be filed for each fuel type used in operating qualified motor vehicles.
- C. Carriers must renew their accounts annually by purchasing credentials.

### ENFORCEMENT

The Pennsylvania State Police, local municipal forces, employees of the PA Department of Revenue, PA Department of Transportation and the PA Public Utility Commission, qualified in accordance with Section 6117 of the PA Vehicle Code, enforce the decal provisions of MCRT and IFTA. The law requires the display of decals as described above. To avoid prosecution, display decals on all applicable vehicles. Failure to comply with these provisions may, upon summary conviction, result in a fine of up to \$500 and/or imprisonment for 90 days. A carrier also could be required to purchase a trip permit.

## EXEMPTIONS

### A. For vehicle operations conducted exclusively in Pennsylvania, the following exemptions apply to motor carriers road tax and decal/cab card requirements:

- U.S. Government
- Commonwealth of Pennsylvania and its political subdivisions
- Emergency vehicles and tow trucks (Rollbacks are not considered tow trucks)
- Farm truck registered vehicles bearing a farm truck plate, and operated within restrictions of Vehicle Code §1344 including similar plates issued by other jurisdictions
- Vehicles exempt from registration as a farm truck and operated within the restrictions of Vehicle Code §1302(10)
- Motorbus owned by and registered to a church pursuant to Section 1901(c) of the Vehicle Code
- School buses
- Implements and commercial implements of husbandry
- Special mobile equipment
- Vehicles operating on dealer or similar tags in transit from manufacturer to distributor, distributor to dealer or dealer to customer incidental to the sale, demonstration, or repossession of the vehicle itself

### B. Special Exemptions from MCRT but Requires Decal and Cab Card. The following entities operating qualified motor vehicles are exempt from the motor carrier road tax, but any such qualified motor vehicles operated are required to display a decal and carry a cab card (PA MCRT): (see note below regarding out of state travel requirements)

- A. Charitable organizations
- B. PA Rural Electric Cooperatives



#### **NOTE: Regarding out-of-state travel requirements:**

Anyone who operates a qualified motor vehicle in a state outside of Pennsylvania may be required to pay that state's motor carrier road tax. In such cases, all taxes will

be reported and paid to Pennsylvania as its base state under IFTA, and such qualified motor vehicles will be required to obtain PA IFTA decals and IFTA license before operating in such a state.

## GENERAL INFORMATION

If you are required to register under motor carrier road tax and purchase decals, they will be mailed to you as soon as your application is processed.

**RECORDS:** Carriers are required to maintain the following records for four years:

- A. Mileage for each vehicle
- B. Fuel purchases for each vehicle
- C. Equipment lists of all qualifying vehicles



**NOTE:** In addition to maintaining original fuel and mileage documentation, carriers are encouraged to document each trip utilizing trip sheets or an Individual Vehicle Mileage Record (IFTA-300).

## TRIP AND TEMPORARY PERMITS

**Trip permits** - Any motor carrier in lieu of purchasing decals for road tax or IFTA may purchase a trip permit which shall be valid for a period of five days at a cost of \$73. Operations conducted under a trip permit need not be reported.

**Temporary permits** - Any carrier in good standing with the PA Department of Revenue may request a temporary permit from the department to operate a qualifying vehicle for a 30-day period without PA Non-IFTA decals. Conditions under which a temporary permit will be issued are:

- A. Decals were previously requested for additional vehicles and not received by the time the carrier was required to operate, or
- B. The carrier is presently applying for additional decals and must operate immediately.

In the case of (A) and (B) above, the department will provide the carrier, for a fee of \$7 per vehicle, with a facsimile transmission identifying the vehicles and the 30-day period for which temporary operating privileges are being granted. The carrier must carry the temporary permit in each such vehicle operated.