

International Fuel Tax Agreement And International Registration Plan Recordkeeping



Recordkeeping Reminders

- **Keep IFTA records for four years**
- **Keep IRP records for 3 years**
- **Save fuel receipts**

The International Fuel Tax Agreement and International Registration Plan make it possible for motor carriers to operate in several states and provinces while handling registration and tax transactions in one location.

Keeping up with IFTA and IRP requires careful and consistent recordkeeping. Staying on top of paperwork and keeping good files can be the difference between a clean audit and a burdensome experience with financial penalties.

Qualified Vehicles

Both IFTA and IRP require reporting of all activity of qualified vehicles. A qualified motor vehicle:

1. Has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds.
2. Has three or more axles regardless of weight.
3. Is used in combination where the combined weight exceeds 26,000 pounds.

Neither IFTA nor IRP include recreational vehicles or units with Beyond Local plates that travel only in their base state or province.

IRP also excludes vehicles that display restricted plates (i.e. farm vehicles), city pick up and delivery vehicles, buses used in transportation of chartered parties and government-owned vehicles.



Distance Accounting & Record Preservation

Both IFTA and IRP require carriers to maintain detailed distance records that report operations on an individual vehicle basis.

Carriers may use Individual Vehicle Mileage Records (IMVR), also known as trip sheets or trip reports, for this purpose. All travel (loaded, empty, deadhead, and bobtail) must be reflected on an IVMR. IVMRs must be summarized monthly by vehicle and for the licensee's entire fleet. Monthly records must be summarized in quarterly reports.

IFTA requires licensees to preserve all records used to create quarterly tax returns and or annual tax returns for four years from the tax return due date or filing date, whichever is later.



IRP requires carriers to preserve all records supporting each annual renewal for three years after the close of the registration year.

For either program, records must be made available to any member jurisdiction upon request. If a carrier fails to retain and preserve such records, assessments and penalties are imposed. Failure to comply could result in suspension or revocation of the licensee's operating credentials.

Mileage must be determined using consistent internal controls and cutoff dates. It should be recorded on standardized trip reports. At a minimum, the following information must be maintained:

1. Trip dates (beginning and ending);
2. Trip origin and destination;
3. Route of travel;
4. Beginning and ending odometer readings;
5. Total trip distance traveled;
6. Miles by jurisdiction;
7. Vehicle identification and fleet number; and
8. Licensee's name.

If a licensee fails to maintain records from which their true IFTA liability can be determined, the base jurisdiction will add the appropriate penalties and interest and serve an assessment upon the licensee in the same manner as an audit assessment.

Fuel Accounting For IFTA

Every carrier must maintain complete records of all motor fuel purchased, received and used. Separate totals must be compiled for each motor fuel type. Retail fuel and bulk fuel purchases are to be accounted for separately.

Any receipts or vendor invoices containing erasures or alterations will not be accepted for tax-paid credits unless the licensee can demonstrate the receipt is valid. If tax paid fuel documentation is unavailable, all claims for tax paid fuel will be disallowed.



Retail Fuel

Retail purchases must be supported by a receipt or invoice, credit card receipt, automated vendor generated invoice or transaction listing, or microfilm/microfiche of the receipt or invoice. At a minimum this documentation must include:

1. Date of purchase;
2. Seller's name and address;
3. Numbers of gallons (liters) purchased;
4. Fuel type;
5. Price per gallon or amount of sale;
6. Unit numbers; and
7. Purchasing company's name.

Recording fuel purchases on the IVMR is recommended to increase reporting accuracy.



Bulk Fuel

For IFTA purposes, bulk fuel is defined as fuel delivered into a storage tank owned, leased or controlled by the licensee and not delivered directly to the fuel tank of a qualified vehicle. The licensee must retain copies of all delivery tickets and/or receipts. Bulk fuel inventory reconciliations must be maintained.

A carrier may claim a tax-paid credit on the IFTA tax return for bulk fuel from the storage tank when the fuel is placed into the fuel tank of a qualified motor vehicle and either the purchase price of the fuel includes tax paid to the member jurisdiction where the tank is

located, or the licensee has paid fuel tax to the member jurisdiction where the tank is located. The licensee must maintain the following records:

1. Date of withdrawal;
2. Number of gallons or liters;
3. Fuel type;
4. Unit number; and
5. Purchase and inventory records to substantiate that tax was paid on all bulk purchases.

Off-Road Fuel

Records should be maintained for off-road fuel purchases.

Electronic Data Recording Systems

For tax reporting purposes, on-board recording devices, vehicle tracking systems, or other electronic data recording systems may be used instead of or in addition to handwritten trip reports.

Other equipment-monitoring devices that transmit data or that can be used to determine vehicle location or travel may be used to supplement or verify handwritten or electronically generated trip reports. On-board recording or vehicle tracking devices can be used in conjunction with manual systems or in conjunction with computer systems.

Any device or electronic system used in conjunction with a device must meet all of the requirements stated of the IFTA Procedures Manual (Section P600 through P670).

MoDOT Audit Contacts

Other IFTA or IRP questions can be addressed by calling MoDOT Motor Carrier Services toll-free at 1-866-831-6277.





MoDOT Motor Carrier Services

www.modot.org/mcs

1-866-831-6277

