

I n t e r n a t i o n a l

F u e l T a x A g r e e m e n t

C o m p l i a n c e M a n u a l

I F T A

| INTERNATIONAL FUEL TAX AGREEMENT |

LOUISIANA
DEPARTMENT *of* REVENUE

International Fuel Tax Agreement

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I. Introduction

The International Fuel Tax Agreement (IFTA) is a base jurisdiction fuel tax agreement that allows for single jurisdiction tax reporting. Upon application, the carrier's base jurisdiction will issue credentials that will allow the IFTA licensee to travel in all IFTA member jurisdictions without tax registration and tax reporting in each jurisdiction.

Since January 1997, the IFTA jurisdictions have included all contiguous United States, as well as Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Alberta, British Columbia, Saskatchewan, and Newfoundland. Carriers who do not qualify for IFTA or elect not to join the IFTA Program must continue to follow the statutes, rules, and regulations promulgated by each member jurisdiction in which they travel.

Louisiana is your base jurisdiction for IFTA licensing and reporting if:

- Your qualified motor vehicles are registered in Louisiana;
- You have an established place of business in Louisiana from which motor carrier operations are performed;
- You maintain the operational control and operational records for qualified motor vehicles in Louisiana or can make those records available in Louisiana; and,
- You have qualified motor vehicles that actually travel on Louisiana highways.

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

This manual will explain in further detail the application, licensing, reporting, recordkeeping requirements, and audit procedures. This manual also includes samples of an *Individual Vehicle Mileage and Fuel Report* and a *Quarterly Mile and Fuel Summary* that may be utilized for recordkeeping purposes.

II. Definitions

Audit means the physical examination of the source documentation of the licensee's operations either in detail or on a representative sample basis; the evaluation of the internal controls of the licensee's accounting system and operations; and the accumulation of sufficient competent evidential matter to afford

a reasonable basis for determining whether or not there are any material differences between actual and reported operations for each affected jurisdiction in accordance with the provisions of the International Fuel Tax Agreement and all affected jurisdictions' fuel tax laws.

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

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

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

Carrier means a person who operates or causes to be operated a qualified motor vehicle on any highway in Louisiana.

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

Department means the Louisiana Department of Revenue.

In-Jurisdiction Distance means the total number of miles or kilometers operated by a licensee's qualified motor vehicles within a jurisdiction including miles or kilometers operated under an IFTA temporary permit. In-jurisdiction miles or kilometers does not include those operated on a fuel tax trip permit or those exempted from fuel taxation by a jurisdiction.

Jurisdiction means a State of the United States, the District of Columbia, a Province or Territory of Canada, or a state of the United Mexican States.

Licensee means a person who holds an uncanceled IFTA license issued by the base jurisdiction.

Member Jurisdiction means a jurisdiction that is a member of the International Fuel Tax Agreement.

Motor Fuels means all fuels placed in the supply tank of qualified motor vehicles.

Qualified Motor Vehicle means a motor vehicle used, designed, or maintained for the transportation of persons or property and:

1. Has two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds or 11,797 kilograms;
2. Has three or more axles regardless of weight; or,

by the licensee's nine-digit Federal Employer Identification Number (FEIN) issued by the Internal Revenue Service (IRS). If a FEIN is not available, a licensee will submit a Social Security Number (SSN) that will be used as the licensee's IFTA number. When a licensee receives a FEIN, the licensee must contact the Department or notify the Department in writing. All accounts will also be issued a Louisiana Department of Revenue account number. When contacting our Department for assistance, please have your Revenue Account Number available for prompt processing.

D. Bonding

The Department may require an IFTA licensee to post a bond when a licensee has failed 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 all member jurisdictions. In addition to posting the bond, the carrier will be required to remit the \$35.00 initial license fee again and satisfy all past outstanding liabilities.

IV. IFTA Credentials

A. IFTA License

An IFTA license will be assigned to each IFTA licensee. The Department will issue a license card for the IFTA licensee. A photocopy of the 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 imposed by the Department of Public Safety, Weights and Standards Division. The IFTA license is valid for the calendar year, January 1 through December 31.

B. IFTA Decals

IFTA Decals may be ordered electronically using the LaTap application on the Department's website at www.revenue.louisiana.gov. Information on this process is available through an online taxpayer education course *Excise IFTA - How to order and pay for IFTA Decals online*.

Upon completion of the decal order information that must be submitted along with the IFTA License Application, the Department will issue IFTA decals at the cost of \$1.00 per decal. Two decals are required for each qualified motor vehicle operated by the IFTA licensee. One decal must be placed on the lower rear exterior portion of both the passenger side and the driver side of the power unit. IFTA decals are valid for the calendar year, January 1 through December 31, and may be displayed one month prior to the effective date. If

the licensee chooses to display renewal credentials prior to January 1, the current year license card should also remain in the qualified motor vehicle until January 1.

There is a **60-day grace period** extending to the last day of February each year to allow for the distribution and affixing of decals to all qualified vehicles. Only decals orders placed by December 31 are eligible for the grace period. Effective March 1, fines will be assessed for vehicles operating without the current year credentials. Failure to display the IFTA decals properly may subject the licensee to citations and/or fines by the Department of Public Safety Weights and Standards Division.

Decals may not be transferred from one company to another.

When vehicles are leased, the party who is responsible for reporting and paying taxes is also responsible for removing all IFTA decals from vehicles when the lease is terminated.

Licensees may receive additional sets of decals at the cost of \$2.00 per set throughout the license year by contacting the Department.

V. Annual Renewal Procedures

Each year, the Department will issue pre-printed IFTA License Renewal Applications to all licensees. There is no cost for a renewal license. IFTA decals are issued at the cost of \$2.00 per set upon completion of the decal order information on the renewal application.

Renewal of the IFTA license may be denied if the Department determines that the licensee has failed to file a report or has failed to remit any monies due a member jurisdiction. In lieu of the pre-printed IFTA renewal applications, the annual renewal may be done electronically using the online application found on the Department's website at www.revenue.louisiana.gov.

VI. Reporting Requirements

A. Quarterly Reports

All licensees must file an IFTA quarterly tax report with the Department. The quarterly tax report indicates the tax or refund due for each member jurisdiction. Only one payment is submitted to the Department for the net tax due on the quarterly report 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 close of the quarter for

1 gallon	=	3.785 liters
1 liter	=	.2642 gallons
1 mile	=	1.6093 kilometers
1 kilometer	=	.62137 miles

All numbers must be rounded to the nearest whole gallon or mile. Tax rates must be calculated to the nearest one-tenth of a cent in US Dollars.

E. Helpful Filing Hints

- Do not use Schedule A, Page 3 unless Schedule A, Page 2 is full. Schedule A, Page 3 can be found with the instructions for completing the return.
- Each jurisdiction should NOT be zeroed out - all figures should be actual. Column F - taxpaid gallons should only be gallons for which an original fuel receipt exists for that jurisdiction.
- Jurisdictions with a surcharge - Surcharge should be listed separate from fuel tax; it is based on total taxable gallons (Column E), not net gallons (Column G). Multiply Column E times surcharge rate.
- If using biodiesel or other fuels not listed on the tax rate schedules, go to www.iftach.org for the applicable rates and other information.

VII. Refunds

A refund must be claimed on the IFTA quarterly tax report for any overpayment of tax in a reporting quarter. 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 shall not be carried forward. Each quarter will stand on its own.)

VIII. Assessments For Failure To File Reports

When the licensee fails, neglects, or refuses to file an IFTA quarterly tax report, the Department will assess the licensee for the tax delinquency, penalty, and interest. This assessment is based on the best information available, including the licensee's filing history.

IX. Lease Agreements

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 by that 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 a license if an application has been properly filed and approved by the base jurisdiction.
2. In the case of a carrier using independent contractors under long-term leases (more than thirty days), the lessor and lessee will be given the option of designating which party will report and pay fuel use tax. If the lessee (carrier) 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.
3. For motor vehicle leases of thirty days or less, the fuels use/miles or kilometers permit holder for the motor vehicle under lease will be liable.
4. In the case of a household goods carrier using independent contractors, agents, or service representatives, under intermittent leases, the party liable for motor fuel tax shall be:
 - a. The lessee (carrier) when the qualified motor vehicle is 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.
5. No member jurisdiction shall require the filing of such leases, but such leases shall be made available upon request of any member jurisdiction.

computer systems, the entire system must meet the requirements stated in IFTA Procedures Manual Sections P640, P650, and P660.

The IFTA Procedures Manual may be found under Manuals on the IFTA website at www.iftach.org.

D. Bulk Fuel Storage

A licensee who maintains a bulk fuel storage facility may obtain credit for tax paid on fuel withdrawn from that storage facility if the following records are 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; and,
5. Purchase and inventory records to substantiate that tax was paid on all bulk fuel purchases.

Bulk fuel listed under Column F **on the quarterly IFTA return** should be the amount of fuel withdrawn from bulk storage for the quarter, NOT the amount of fuel purchased in bulk.

E. Record Retention Period

Adequate recordkeeping is important when seeking a refund or credit for tax paid fuel, and equally important to the Department to ensure compliance with the reporting and payment of all tax liabilities. Every licensee shall maintain records to substantiate information reported on the quarterly tax report. 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. Successive failures to adequately respond to a demand for records relate back to the first demand.

F. Penalty for Failure to Maintain Records

Licensees shall retain the previously described records for a period of four years from the date of filing the quarterly tax report. Noncompliance with any recordkeeping requirement may be cause for revocation of the license and the Department may impose a penalty of one hundred percent (100%) of the amount of tax due based on an assessment calculated on the best information available to the Department.

G. Location of Records

A licensee's records should be maintained at a location in Louisiana. If these records are not maintained in Louisiana or are not made available in Louisiana, the auditor's expenses will be billed to the licensee upon completion of the audit.

XII. Audit

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

A. Audit Selection

The Department will audit an average of at least three percent (3%) of its IFTA licensees per year. Any Louisiana IFTA licensee may be selected at random for audit.

B. Notification of Audit Date

At least 30 days prior to conducting an IFTA audit, an auditor will contact the licensee by telephone to arrange an acceptable 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. When operational records are not located or are not made available in Louisiana, the auditor's expenses will be billed to the licensee upon completion of the audit.

C. Audit Conferences

At the beginning of the audit, the auditor will confer with the licensee to determine background information, reporting methods, and records to be reviewed. As the audit progresses, the auditor and the licensee will discuss the sample periods used, sampling techniques, or any problem areas discovered. A final conference will be held with the licensee to explain audit adjustments and future reporting practices.

D. Audit Results

An audit report will be sent to the licensee after the written copy of the audit is processed through the Department's Audit Review Division. The licensee has 30 days to remit a payment or file a protest on an audit assessment. A refund due will be issued after all outstanding tax liabilities have been satisfied. The Department will submit audit reports to all member jurisdictions. The licensee may be subject to a re-examination of the audit findings by any 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.

XIII. Appeal Procedures

A licensee may appeal an audit finding issued by any member jurisdiction by submitting a written request for a hearing within 30 days after it has received final notice of the action or finding that is being appealed. If the hearing is not requested within 30 days, the audit finding is final.

B. Member Jurisdiction Information Chart

Listed below is the contact person(s) for general IFTA information in each jurisdiction.

Jurisdiction	Contact Person(s)	Telephone
Alabama	Trishawn Bell	334-242-9621
Alberta	John Chiarella	780-644-4122
Arizona	Barbara Budde	602-712-4167
Arkansas	Rodney Richard	501-682-4805
British Columbia	Fuel and Carbon Tax Section	250-387-9686
California	Thaya Lopes-Jones	916-373-3061
Colorado	Taxpayer Services Division	303-205-8205
Connecticut	IFTA Field Audit	860-541-3222 or 3216
Delaware	Bonnie Yoder	302-744-2702
Florida	Ada Grant	850-617-2733
Georgia	Renita White	404-724-7514
Idaho	Jeanne Brown	208-334-7806
Illinois	Kathleen Blessing	217-782-6909
Indiana	Motor Carrier Services	317-615-7345
Iowa	Alexander Jansen	515-237-3239
Kansas	Mindy Sieve	785-296-4466
Kentucky	Joseph Puckett	502-782-5389
Louisiana	Sinceria Lewis	225-219-2520
Maine	Sherry McKinley	207-624-9000, ext. 52136
Manitoba	Taxpayer Information Services	204-945-5603
Maryland	Natasha Jones-Watkins	410-260-7216
Massachusetts	IFTA Operations Unit	617-887-5080
Michigan	Omero Guzman	517-636-0711
Minnesota	General Information	651-205-4141
Mississippi	Amanda King	601-923-7132
Missouri	Nathan Fontaine	573-526-4186
Montana	Vanessa Olson	406-444-7276
Nebraska	Motor Carrier Services Division	402-471-4435
Nevada	Fuel User Team	775-684-4711 ext 1
New Brunswick	Annie Graham	506-444-4619
New Hampshire	Kristie Zanis	603-223-8079
New Jersey	Christine Inglin	609-777-4018
New Mexico	Diane Perea	505-476-1551
New York	Taxpayer Call Center	518-457-5735
Newfoundland	Lora Bungay	709-729-2033
North Carolina	Excise Tax Division	919-707-7500
North Dakota	Mel Horner	701-328-1287

C. Sample Forms and Instructions

LOUISIANA
DEPARTMENT of REVENUE

Quarterly Mile and Fuel Summary
(IFTA Information only)

Taxpayer Compliance
Excise Taxes Section

Unit Number	Beginning date		Ending date		Fleet Number			
Month 							TOTALS	
Jurisdiction	Miles	Fuel	Miles	Fuel	Miles	Fuel	Miles	Fuel
Louisiana								
TOTALS								

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