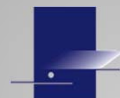


Under-Reported Fuel when Distance Records are Inadequate

Renée Kyser – Alabama
David Nicholson - Oklahoma

- Facts:
 - Distance Records are Inadequate
 - Audit found more fuel than reported
 - The results created a large credit in at least one jurisdiction
- Question?
 - What do we do with the over-reported fuel



Reported Fleet Transcript

2019 Audit Workshop								
IFTA - Reported Transcript by Quarter								
3Q 2018 @								
ST	State Total Miles Taxable	State Total Miles	Taxable Gallons	Tax Paid Gallons	Net Taxable Gallons	Tax Rate	Surcharge	Tax Paid
3-2018								
IN	6,221	6,221	790	1,039	-249	0.48000	0.00000	-119.52
MD	961	961	122	163	-41	0.36050	0.00000	-14.78
OH	3,937	3,937	500	201	299	0.28000	0.00000	83.72
PA	1,024	1,024	130	142	-12	0.74100	0.00000	-8.89
WV	19	19	2	0	2	0.35700	0.00000	0.71
ZZ	0	0	0	0	0	0.00000	0.00000	0.00
3-2018	12,162	12,162	1,544	1,545	-1			-58.76
GRAND TOTALS	12,162	12,162	1,544	1,545	-1			-58.76

2019 Audit Workshop

IFTA - Reported Fleet Transcript

3Q 2018 @

Quarter	Fleet Miles	Fleet Fuel	MPG
3-2018	12,162	1,545	7.87

Audited Fleet Transcript

2019 Audit Workshop								
IFTA - Audited Fuel Transcript								
3Q 2018 @								
Truck #	Invoice #	Trip Date	City	State	Gallons Audited	Gallons Reported	State Diff	OTA
3-2018								
all	all	07/01/2018		Indiana	2,990	1,039	1,951	X
all	all	07/01/2018		Maryland	2,373	163	2,210	X
all	all	07/01/2018		Ohio	621	201	420	X
all	all	07/01/2018		Pennsylvania	142	142	0	X
all	all	07/01/2018		ZZ - Misc	0	0	0	X
3-2018					6,126	1,545	4,581	
GRAND TOTALS					6,126	1,545	4,581	

Adjusting for Audited Fuel

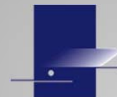
2019 Audit Workshop

IFTA - MPG Calculation

3Q 2018 @

Quarter	Total Adjusted State Miles	Total Adjusted State Fuel	Adjusted MPG
3-2018	12,162	6,126	1.99
GRAND TOTALS	12,162	6,126	

$$12,162 / 6,126 = 1.99$$



Audited Fuel Transcript

2019 Audit Workshop

IFTA - Audited Fuel Transcript

3Q 2018 @

Truck #	Invoice #	Trip Date	City	State	Gallons Audited	Gallons Reported	State Diff	OTA
3-2018								
all	all	07/01/2018		Indiana	2,990	1,039	1,951	X
all	all	07/01/2018		Maryland	2,373	163	2,210	X
all	all	07/01/2018		Ohio	621	201	420	X
all	all	07/01/2018		Pennsylvania	142	142	0	X
all	all	07/01/2018		ZZ - Misc	1,523	0	1,523	X
3-2018					7,649	1,545	6,104	
GRAND TOTALS					7,649	1,545	6,104	

Assessment prior to MPG Reduction

2019 Audit Workshop IFTA - IFTA Audit Billing Statement

Contact:		Bill Date:	02/28/2019
Address:	2101 N Lincoln Blvd	Audit Date:	02/28/2019
	Oklahoma City, OK 73105-	Payment Due Date:	02/28/2019
Telephone:	405-521-6804		
License No:	OK1111111111		
Audit Period:	3rd quarter 2018 - 3rd quarter 2018		

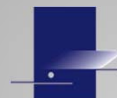
State	Tax Due Per Audit	Tax Paid	Tax Due	Interest	Total Due
Indiana	65.28	-119.52	184.80	3.70	188.50
Maryland	-681.35	-14.78	-666.57	0.00	-666.57
Ohio	379.96	83.72	296.24	5.92	302.16
Pennsylvania	276.39	-8.89	285.28	5.71	290.99
West Virginia	3.57	0.71	2.86	0.06	2.92
ZZ - Misc	0.00	0.00	0.00	0.00	0.00
Grand Totals	43.85	-58.76	102.61	15.39	118.00
Penalty					50.00
Total Due					168.00

Reduce MPG by 20%

2019 Audit Workshop IFTA - MPG Calculation

Quarter	Total Adjusted State Miles	Total Adjusted State Fuel	Adjusted MPG
3-2018	12,162	7,649	1.59
GRAND TOTALS	12,162	7,649	

$$12,162 / 7,649 = 1.59$$

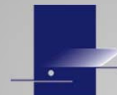


Assessment after 20% Reduction

2019 Audit Workshop IFTA - IFTA Audit Billing Statement

Contact:		Bill Date:	02/28/2019
Address:	2101 N Lincoln Blvd	Audit Date:	02/28/2019
	Oklahoma City, OK 73105-	Payment Due Date:	02/28/2019
Telephone:	405-521-6804		
License No:	OK1111111111		
Audit Period:	3rd quarter 2018 - 3rd quarter 2018		

State	Tax Due Per Audit	Tax Paid	Tax Due	Interest	Total Due
Indiana	443.04	-119.52	562.56	11.25	573.81
Maryland	-637.72	-14.78	-622.94	0.00	-622.94
Ohio	519.40	83.72	435.68	8.71	444.39
Pennsylvania	371.98	-8.89	380.87	7.62	388.49
West Virginia	4.28	0.71	3.57	0.07	3.64
ZZ - Misc	0.00	0.00	0.00	0.00	0.00
Grand Totals	700.98	-58.76	759.74	27.65	787.39
Penalty					75.97
Total Due					863.36

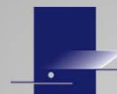


Retaining Reported MPG

2019 Audit Workshop IFTA - MPG Calculation 3Q 2018 @

Quarter	Total Adjusted State Miles	Total Adjusted State Fuel	Adjusted MPG
3-2018	48,212	6,126	7.87
GRAND TOTALS	48,212	6,126	

$$6,126 \times 7.87 = 48,211.6 \text{ or } 48,212$$



Adjust Distance Based on Reported %

2019 Audit Workshop
IFTA - Audited Mileage Transcript
3Q 2018 @

Truck #	Trip Date	Trip #	State	Miles Audited	Miles Reported	Diff	State OTA
3-2018							
all	07/01/2018	all	Maryland	2,884	0	2,884	X
all	07/01/2018	all	Ohio	11,536	0	11,536	X
all	07/01/2018	all	Pennsylvania	2,884	0	2,884	X
all	07/01/2018	all	West Virginia	360	0	360	X
all	07/01/2018	all	Indiana	18,386	0	18,386	X
3-2018				36,050	0	36,050	
GRAND TOTALS				36,050	0	36,050	

MPG 20% Reduction

2019 Audit Workshop
IFTA - MPG Calculation

Quarter	Total Adjusted State Miles	Total Adjusted State Fuel	Adjusted MPG
3-2018	48,212	7,653	6.30
GRAND TOTALS	48,212	7,653	

$$7.87 \times 0.80 = 6.30$$

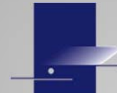


Assessment after 20% Reduction

2019 Audit Workshop IFTA - IFTA Audit Billing Statement

Contact: Bill Date: 02/28/2019
Address: 2101 N Lincoln Blvd Audit Date: 02/28/2019
Oklahoma City, OK 73105- Payment Due Date: 02/28/2019
Telephone: 405-521-6804
License No: OK1111111111
Audit Period: 3rd quarter 2018 - 3rd quarter 2018

State	Tax Due Per Audit	Tax Paid	Tax Due	Interest	Total Due
Indiana	443.04	-119.52	562.56	11.25	573.81
Maryland	-637.72	-14.78	-622.94	0.00	-622.94
Ohio	519.40	83.72	435.68	8.71	444.39
Pennsylvania	371.98	-8.89	380.87	7.62	388.49
West Virginia	4.28	0.71	3.57	0.07	3.64
ZZ - Misc	0.00	0.00	0.00	0.00	0.00
Grand Totals	700.98	-58.76	759.74	27.65	787.39
Penalty					75.97
Total Due					863.36



Assessment with 20% Reduction

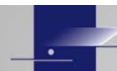
2019 Audit Workshop IFTA - IFTA Audit Billing Statement

Contact: Bill Date: 02/28/2019
Address: 2101 N Lincoln Blvd Audit Date: 02/28/2019
Oklahoma City, OK 73105- Payment Due Date: 02/28/2019
Telephone: 405-521-6804
License No: OK1111111111
Audit Period: 3rd quarter 2018 - 3rd quarter 2018

State	Tax Due Per Audit	Tax Paid	Tax Due	Interest	Total Due
Indiana	439.68	-119.52	559.20	11.18	570.38
Maryland	-635.56	-14.78	-620.78	0.00	-620.78
Ohio	513.80	83.72	430.08	8.60	438.68
Pennsylvania	354.20	-8.89	363.09	7.26	370.35
West Virginia	21.42	0.71	20.71	0.41	21.12
ZZ - Misc	0.00	0.00	0.00	0.00	0.00
Grand Totals	693.54	-58.76	752.30	27.45	779.75
Penalty					75.23
Total Due					854.98



\$779.75



Reduction to 4.00 MPG

2019 Audit Workshop IFTA - IFTA Audit Billing Statement

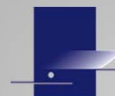
Contact:		Bill Date:	02/28/2019
Address:	2101 N Lincoln Blvd	Audit Date:	02/28/2019
	Oklahoma City, OK 73105-	Payment Due Date:	02/28/2019
Telephone:	405-521-6804		
License No:	OK1111111111		
Audit Period:	3rd quarter 2018 - 3rd quarter 2018		

State	Tax Due Per Audit	Tax Paid	Tax Due	Interest	Total Due
Indiana	1,517.76	-119.52	1,637.28	32.75	1,670.03
Maryland	-509.03	-14.78	-494.25	0.00	-494.25
Ohio	909.16	83.72	825.44	16.51	841.95
Pennsylvania	618.74	-8.89	627.63	12.55	640.18
West Virginia	33.92	0.71	33.21	0.66	33.87
ZZ - Misc	0.00	0.00	0.00	0.00	0.00
Grand Totals	2,570.55	-58.76	2,629.31	62.47	2,691.78
Penalty					262.93
Total Due					2,954.71

Before we Proceed...

Are we opening our minds to see we may be wasting time / effort unnecessarily?

Are there other options we haven't considered?



Adjusted Based on Under-Reported Fuel

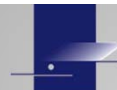
2019 Audit Workshop
IFTA - Audited Mileage Transcript
3Q 2018 @

Truck #	Trip Date	Trip #	State	Miles Audited	Miles Reported	Diff	State OTA
3-2018							
all	07/01/2018	all	Maryland	17,393	0	17,393	X
all	07/01/2018	all	Ohio	3,305	0	3,305	X
all	07/01/2018	all	Pennsylvania	0	0	0	X
all	07/01/2018	all	West Virginia	0	0	0	X
all	07/01/2018	all	Indiana	15,433	0	15,433	X
3-2018				36,131	0	36,131	
GRAND TOTALS				36,131	0	36,131	

Audited MPG

2019 Audit Workshop
IFTA - MPG Calculation
3Q 2018 @

Quarter	Total Adjusted State Miles	Total Adjusted State Fuel	Adjusted MPG
3-2018	48,293	6,126	7.88
GRAND TOTALS	48,293	6,126	

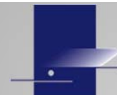


Reduce MPG by 20%

2019 Audit Workshop

IFTA - MPG Calculation

Quarter	Total Adjusted State Miles	Total Adjusted State Fuel	Adjusted MPG
3-2018	48,293	7,666	6.30
GRAND TOTALS	48,293	7,666	



Assessment

2019 Audit Workshop

IFTA - IFTA Audit Billing Statement

Contact: 2101 N Lincoln Blvd
 Address: Oklahoma City, OK 73105-
 Telephone: 405-521-6804
 License No: OK1111111111
 Audit Period: 3rd quarter 2018 - 3rd quarter 2018

Bill Date: 02/28/2019
 Audit Date: 02/28/2019
 Payment Due Date: 02/28/2019

State	Tax Due Per Audit	Tax Paid	Tax Due	Interest	Total Due
Indiana	214.56	-119.52	334.08	6.68	340.76
Maryland	194.67	-14.78	209.45	4.19	213.64
Ohio	148.12	83.72	64.40	1.29	65.69
Pennsylvania	15.56	-8.89	24.45	0.49	24.94
West Virginia	1.07	0.71	0.36	0.01	0.37
ZZ - Misc	0.00	0.00	0.00	0.00	0.00
Grand Totals	573.98	-58.76	632.74	12.66	645.40
Penalty					63.27
Total Due					708.67

Assessment at 4.00 MPG

2019 Audit Workshop IFTA - IFTA Audit Billing Statement

Contact:		Bill Date:	02/28/2019
Address:	2101 N Lincoln Blvd	Audit Date:	02/28/2019
	Oklahoma City, OK 73105-	Payment Due Date:	02/28/2019
Telephone:	405-521-6804		
License No:	OK111111111		
Audit Period:	3rd quarter 2018 - 3rd quarter 2018		

State	Tax Due Per Audit	Tax Paid	Tax Due	Interest	Total Due
Indiana	1,163.52	-119.52	1,283.04	25.66	1,308.70
Maryland	798.87	-14.78	813.65	16.27	829.92
Ohio	333.20	83.72	249.48	4.99	254.47
Pennsylvania	84.47	-8.89	93.36	1.87	95.23
West Virginia	1.79	0.71	1.08	0.02	1.10
ZZ - Misc	0.00	0.00	0.00	0.00	0.00
Grand Totals	2,381.85	-58.76	2,440.61	48.81	2,489.42
Penalty					244.06
Total Due					2,733.48

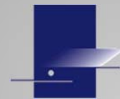
Accepting Fuel as Reported

2019 Audit Workshop IFTA - Audited Fuel Transcript 3Q 2018 @

Truck #	Invoice #	Trip Date	City	State	Gallons Audited	Gallons Reported	Diff	OTA
3-2018								
all	all	07/01/2018		Indiana	1,039	1,039	0	X
all	all	07/01/2018		Maryland	163	163	0	X
all	all	07/01/2018		Ohio	201	201	0	X
all	all	07/01/2018		Pennsylvania	142	142	0	X
all	all	07/01/2018		ZZ - Misc	385	0	385	X
3-2018					1,930	1,545	385	
GRAND TOTALS					1,930	1,545	385	

Must we Give Credit?

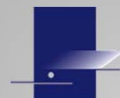
- R1210 – Assessment
 - .100.015
 - .200.005
- P520 – Burden of Proof
- P530 – Adequacy of Records



Must we Give Credit?

- P550 – Fuel Records
 - .100
 - .300

For tax-paid credit a valid receipt must contain specific elements...



Assessment 20%

2019 Audit Workshop IFTA - IFTA Audit Billing Statement

Contact:		Bill Date:	02/28/2019
Address:	2101 N Lincoln Blvd	Audit Date:	02/28/2019
	Oklahoma City, OK 73105-	Payment Due Date:	02/28/2019
Telephone:	405-521-6804		
License No:	OK111111111		
Audit Period:	3rd quarter 2018 - 3rd quarter 2018		

State	Tax Due Per Audit	Tax Paid	Tax Due	Interest	Total Due
Indiana	-24.96	-119.52	94.56	1.89	96.45
Maryland	-3.61	-14.78	11.17	0.22	11.39
Ohio	118.72	83.72	35.00	0.70	35.70
Pennsylvania	15.56	-8.89	24.45	0.49	24.94
West Virginia	1.07	0.71	0.36	0.01	0.37
ZZ - Misc	0.00	0.00	0.00	0.00	0.00
Grand Totals	106.78	-58.76	165.54	3.31	168.85
Penalty					50.00
Total Due					218.85

Assessment at 4.00 MPG

2019 Audit Workshop IFTA - IFTA Audit Billing Statement

Contact:		Bill Date:	02/28/2019
Address:	2101 N Lincoln Blvd	Audit Date:	02/28/2019
	Oklahoma City, OK 73105-	Payment Due Date:	02/28/2019
Telephone:	405-521-6804		
License No:	OK111111111		
Audit Period:	3rd quarter 2018 - 3rd quarter 2018		

State	Tax Due Per Audit	Tax Paid	Tax Due	Interest	Total Due
Indiana	247.68	-119.52	367.20	7.34	374.54
Maryland	27.76	-14.78	42.54	0.85	43.39
Ohio	219.24	83.72	135.52	2.71	138.23
Pennsylvania	84.47	-8.89	93.36	1.87	95.23
West Virginia	1.79	0.71	1.08	0.02	1.10
ZZ - Misc	0.00	0.00	0.00	0.00	0.00
Grand Totals	580.94	-58.76	639.70	12.79	652.49
Penalty					63.97
Total Due					716.46

Comparisons

	#1	#2	#3	#4
Scenario	Use calculated MPG of 1.99	Reduce calculated MPG by 20%	Increase miles before 20% MPG reduction	Same as #3 but applying 4.00
IN	188.50	573.81	570.38	1,670.03
MD	(666.67)	(622.94)	(620.78)	(494.25)
OH	302.16	444.39	438.68	841.96
PA	290.99	388.49	370.35	640.18
WV	<u>2.92</u>	<u>3.04</u>	<u>21.12</u>	<u>33.87</u>
	\$ 117.90	\$ 787.39	\$ 779.75	\$ 2,691.79

Comparisons

	#5 - Add miles using additional gallons & reported MPG		#6 - Limit credit to lesser of audited or reported	
Scenario	Reduced reported MPG by 20%	Applying a 4.00	Reduced reported MPG by 20%	Applying a 4.00
IN	340.76	1,308.70	96.45	374.54
MD	213.64	829.92	11.39	43.39
OH	65.69	254.47	35.70	138.23
PA	24.94	95.23	24.94	95.23
WV	<u>0.37</u>	<u>1.10</u>	<u>0.37</u>	<u>1.10</u>
	\$ 645.40	\$2,489.42	\$ 168.85	\$ 652.49



If you prefer to text your
question:

(334) 479-3101

