



IFTA UNQUALIFIED VEHICLES

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Qualified Motor Vehicle

*R130 PURPOSE

It is the purpose of this Agreement to promote and encourage the fullest and most efficient possible use of the highway system by making uniform the administration of motor fuels use taxation laws with respect to motor vehicles operated in multiple member jurisdictions.

.015 A uniform definition of the vehicles to which the Agreement applies.



Qualified Motor Vehicle

*R245 **Qualified Motor Vehicle** means a motor vehicle used, designed, or maintained for transportation of persons or property and:



.100 Having two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds or 11,797 kilograms; or



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.200 Having three or more axles regardless of weight; or



.300 Is used in combination, when the weight of such combination exceeds 26,000 pounds or 11,797 kilograms gross vehicle or registered gross vehicle weight. Qualified Motor Vehicle does not include recreational vehicles.



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***R800 TAXATION OF MOTOR FUELS**

The procedures contained in this Agreement apply to motor fuel use taxes that are imposed by each jurisdiction on the consumption of motor fuel in **qualified motor vehicles**.





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***R810 QUALIFIED MOTOR VEHICLES**



.100 Tax reporting under this Agreement shall be for **qualified motor vehicles** as defined in this Agreement.

.200 No member jurisdiction may require tax reporting or trip permitting for any vehicles based in any other member jurisdiction, other than **qualified motor vehicles** as defined in IFTA Articles of Agreement R245.





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*R1010 RETAIL FUEL PURCHASES
.100 A licensee may claim a tax-paid credit on the IFTA tax return for fuel purchased at retail only when the fuel is placed into the fuel tank of a **qualified motor vehicle** and the purchase price includes fuel tax paid to a member jurisdiction.



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*R1020 BULK FUEL PURCHASES
.200 A licensee may claim a tax-paid credit on the IFTA tax return for fuel withdrawn from bulk storage only when the fuel is placed into the fuel tank of a **qualified motor vehicle**; the bulk storage tank is owned, leased, or controlled by the licensee; and either the purchase price of the fuel includes fuel tax paid to the member jurisdiction where the bulk fuel storage tank is located or the licensee has paid fuel tax to the member jurisdiction where the bulk fuel storage tank is located.





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*R1020 BULK FUEL PURCHASES
.300 The licensee's records must identify the quantity of fuel taken from the licensee's own bulk storage and placed in its **qualified motor vehicles**. Recordkeeping requirements for tax paid bulk fuel purchases are provided in IFTA Procedures Manual Section P550.





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***P550 FUEL RECORDS**
.100 The licensee shall maintain complete records of all motor fuel purchased, received, or used in the conduct of its business, and on request, produce these records for audit. The records shall be adequate for the auditor to verify the total amount of fuel placed into the licensee's **qualified motor vehicles**, by fuel type.



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.210 The base jurisdiction shall not allow tax-paid credit for any fuel placed into a vehicle other than a **qualified motor vehicle**.



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***P710 GENERAL GUIDELINES**
The IFTA tax return shall cover the previous calendar quarter and shall include the following information:



.100 Total distance traveled during the tax reporting period by **qualified motor vehicles** in the licensee's fleet, regardless of whether the miles or kilometers are taxable or nontaxable by a jurisdiction;



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.200 Total number of gallons or liters of motor fuel used by the licensee in operation of **qualified motor vehicles**;

.300 In-jurisdiction miles or kilometers traveled by **qualified motor vehicles** within each member jurisdiction






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What does this mean with regards to audit?

If the records are adequate and; if the licensee reported distance and fuel for unqualified vehicles can be determined –

Remove the distance and fuel and recalculate the MPGs based upon the operations of the qualified vehicles, including any audit adjustments.

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What if the records are inadequate?

If the reported distance and fuel for unqualified vehicles can be determined or estimated –

Remove the distance and fuel and apply the Inadequate Records Assessment (P570) or;

If the distance and fuel can not be determined for the unqualified vehicles –

The reports as originally filed are adjusted as required under P570.

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P570 INADEQUATE RECORDS ASSESSMENT

.100 If the base jurisdiction determines that the records produced by the licensee for audit do not, for the licensee's fleet as a whole, meet the criterion for the adequacy of records set out in P530, or after the issuance of a written demand for records by the base jurisdiction, the licensee produces no records, the base jurisdiction shall impose an additional assessment by either:



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.005 adjusting the licensee's reported fleet MPG to 4.00 or 1.70 KPL; or

.010 reducing the licensee's reported MPG or KPL by twenty percent.



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