



## IFTA UNREPORTED DISTANCE – INADEQUATE RECORDS

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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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## P570 INADEQUATE RECORDS ASSESSMENT

.200 This section does not affect the ability of a base jurisdiction to disallow tax-paid credit for fuel purchases which are inadequately documented, or, for cause, **to conduct a best information available audit which may result in adjustments to either the audited or reported MPG or KPL**, suspend, revoke, or cancel the license issued to a licensee.



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## What does this mean?

The language allows the auditing jurisdiction to make audit adjustments for unreported distance when there is documentation that unreported operations occurred.



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You find fuel documentation that supports a purchase in a jurisdiction where no distance was reported.

- Run a round-trip from the base to the fuel stop to determine distance;  
OR
- Multiply the industry average or reported MPG / KPL by the quantity purchased to determine distance;



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Information from DOT inspections showed there were operations in a jurisdiction where no distance was reported;

- Run a round-trip from the base to the inspection location to determine distance. Note: if the inspection is in Query Central, the load's origin / destination is reflected (QC reports reflect past 12 months).



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# Do you have other examples?



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Once the additional distance is determined, recalculate the MPG / KPL.

Can you:

- Adjust the reported per P570.100?
- Adjust the reported using other methods?
- Adjust the audited MPG / KPL?



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P570.100 allows you to adjust the reported MPG/KPL to 4.00/1.70 or reduce the reported by 20%.

P570.200 allows you to make adjustments to the reported distances based upon information obtained during the course of an audit, even though the records have been determined inadequate.

P570.200 also allows you to adjust the audited MPG/KPL as described under .100.



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When would you use the 20% Reduction?  
Maybe due to the weight of the vehicle(s).

When would you adjust the reported MPG/KPL?  
Maybe when the reported distances were accepted, or when after adjustments, the audited MPG/KPL was higher than the reported.

When would you adjust the audited MPG/KPL?  
Maybe as a result of the information provided, the MPG/KPL decreased. Summaries showed less distance than reported.

When would you adjust to 4.00/1.70?



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Comments /  
Questions /  
Concerns



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