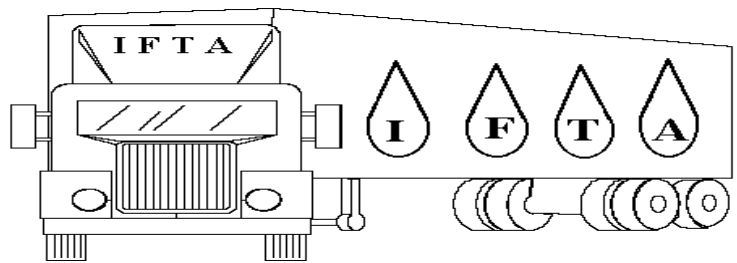


Arkansas IFTA **audit** **assistance**



Arkansas Taxpayers with IFTA licenses are subject to an audit. The Arkansas State Highway and Transportation Department (AHTD) has a team of auditors who conduct IFTA audits. Each year approximately 3% of the IFTA licensees will be audited.

There are two major areas of concern for both the quarterly returns and an audit: complete and accurate records for both mileage and fuel.

MILEAGE RECORDS

An acceptable mileage accounting system is essential. Your mileage records should include the following information for each IFTA vehicle. There are nine requirements for a good mileage accounting system:

- Date of Trip (Starting and Ending)
- Trip Origin (where you began the trip) and Destination (where you end the trip)
- Routes of Travel (which highways you traveled)
- Beginning and Ending Odometer or Hub meter Readings – Arkansas State Law requires any motor vehicle driven in the State to have a working speedometer, odometer and/or hub meter at all times.
- Total trip miles
- Mileage by jurisdiction (odometer readings when crossing state lines is recommended)
- Unit Number or Vehicle Identification Number
- Vehicle fleet number, if possible
- Registrant's (Business Owner's) Name

We recommend that you keep this information on each IFTA vehicle and combine each vehicle's data at the end of each month in a monthly summary. You can then prepare your quarterly tax returns using the three monthly summaries for the quarter.

FUEL RECORDS

There are two types of records involved with fuel: the first type concerns a tax paid fuel purchase. In order to get credit for a tax paid fuel purchase, you must

have an original receipt. An acceptable receipt must include, at a minimum, the following seven requirements:

- Date of Purchase
- Seller's/Vendor's Name and Address
- Number of Gallons or Liters purchased
- Fuel Type (Diesel, Gasoline, CNG, etc.)
- Price Per Gallon or Liter or Total Amount of Sale
- Unit/Vehicle Number or Vehicle Description
- Purchaser's Name/Driver's Signature

The second type of fuel records concerns tax paid bulk withdrawals. If you have your own storage tank/bulk facility, an acceptable record must include, at a minimum, the following five requirements:

- Date of Withdrawal
- Number of Gallons or Liters
- Fuel type (Diesel, Gasoline, Kerosene, Gasohol, etc.)
- Unit/Vehicle Number or Vehicle Description
- Bulk Fuel Invoices (indicating that Arkansas diesel taxes have been included in the price) and Inventory Reconciliation records must be maintained.

GENERAL REMINDERS

- IFTA Vehicle: One that a) travels in more than one IFTA jurisdiction; and b) one that weighs 26,000 pounds or more OR has 3 (three) or more axles.
- Both Mileage and Fuel Records must be kept for 4 (four) Years (16 quarters).
- You cannot "estimate" the number of miles driven or the amount of fuel purchased – you must keep records that support your tax return.
- You cannot use non-tax paid fuel (dyed diesel) in any On Road Vehicle.
- Check your return for errors before you send it in. An easy way to catch mistakes is to subtract the beginning odometer reading (beginning of the quarter) from the ending odometer reading (ending of the quarter) for each vehicle and total these figures. This total should match the total of miles on the three monthly summaries and the total miles reported on the quarterly return.
- If you use On Board Recording Devices or an Automated Vendor Generated fuel billing, your requirements may differ.

If you have questions, please call the Audit staff at the AHTD (501-569-2237).