

IFTA General Information

QUALIFIED MOTOR VEHICLE

A motor vehicle used, designed, or maintained for transportation of persons or property and:

1. Having two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds or 11,797 kilograms; or
2. Having three or more axles regardless of weight; or
3. 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.

LICENSING REQUIREMENT

Any person based in a member jurisdiction operating a qualified motor vehicle(s) in two or more member jurisdictions is required to license under this Agreement, except as indicated in IFTA Articles of Agreement Sections R310 and R500. In lieu of motor fuel tax licensing under this Agreement, persons may elect to satisfy motor fuels use tax obligations on a trip-by-trip basis.

LICENSE CANCELLATION

1. A base jurisdiction may, at the request of a licensee or on its own initiative, cancel a license if the licensee has complied with all applicable provisions of this Agreement, including the satisfaction of all motor fuel use tax obligations for the license period. The base jurisdiction shall instruct its licensees that, upon cancellation, the original IFTA license, all license copies, and all decals shall be destroyed.
2. Licenses shall be canceled in accordance with the administrative procedure laws of the base jurisdiction.
3. The base jurisdiction shall notify all member jurisdictions quarterly of all canceled accounts.

LICENSE SUSPENSION AND REVOCATION

1. Failure to comply with all applicable provisions of this Agreement shall be grounds for suspension or revocation of the license issued under this Agreement.
2. Licenses shall be suspended or revoked in accordance with the administrative procedure laws of the base jurisdiction.
3. The base jurisdiction shall notify all member jurisdictions within 10 days of all suspensions and revocations.

LICENSE REINSTATEMENT

1. A former licensee whose license has been revoked may have that license reinstated. Before a license may be reinstated, the base jurisdiction may require a reinstatement fee in accordance with the existing jurisdictional laws.
2. The base jurisdiction may also require the reinstated licensee to post a fuel tax bond in an amount sufficient to satisfy any potential liability to all member jurisdictions.
3. The base jurisdiction shall notify all member jurisdictions within 10 days of all reinstatements.

DISPLAY OF DECALS

Each licensee shall be issued a minimum of two vehicle identification decals for each qualified vehicle in its fleet. The decals must be placed on the exterior portion of both sides of the cab. In the case of transporters, manufacturers, dealers, or driveway operations, the decals need not be permanently affixed, but may be temporarily displayed in a visible manner on both sides of the cab.

GRACE PERIOD

1. Carriers from new member jurisdictions shall be allowed a two-month grace period from the date of the new member's IFTA program implementation to display the IFTA license and decals. However, carriers must maintain the proper credentials for traveling in member jurisdictions until they display the valid IFTA license and decals.
2. Carriers renewing their IFTA license and decals have a two-month grace period (January and February) to display the renewal IFTA license and decals. To operate in IFTA jurisdictions

during this grace period, carriers must display either valid current or prior year IFTA license and decals from the jurisdiction in which they were operating or a valid single-trip permit from the IFTA jurisdiction in which they are operating.

NON-COMPLIANCE

1. Failure to possess a copy of the license in the vehicle may subject the vehicle operator to the purchase of a trip permit, a citation, or both.
2. Failure to display the identification decals in the required locations or to carry a temporary permit may subject the vehicle operator to the purchase of a trip permit, a citation, or both.
3. Improper use of the license or the decals by the licensee may be cause for revocation of the license.

TAX-PAID PURCHASES

1. To obtain credit for tax-paid purchases, the licensee must retain a receipt, invoice, credit card receipt, or automated vendor generated invoice or transaction listing, showing evidence of such purchases and taxes paid. These records may be kept on microfilm, microfiche, or other computerized or condensed record storage system which meets the legal requirement of the base jurisdiction. Licensees are not required to submit proof of tax-paid purchases with their tax returns.
2. Receipts that have been altered or indicate erasures are not accepted for tax-paid credits unless the licensee can demonstrate the receipt is valid.

RETAIL FUEL PURCHASES

1. 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.
2. The receipt must show evidence of tax paid directly to the applicable jurisdiction or at the pump. Specific requirements for these receipts are outlined in the IFTA Procedures Manual Section P560. No member jurisdiction shall require evidence of such purchases beyond what is specified in the Procedures Manual.
3. In the case of a lessee/lessor agreement, receipts for tax-paid purchases may be in the name of either the lessee or the lessor provided a legal connection can be made to the tax reporting party.

BULK FUEL PURCHASES

1. Storage fuel is normally delivered into fuel storage facilities by the licensee, and fuel tax may or may not be paid at the time of delivery.
2. 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.
3. 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 P570.