



**INTERNATIONAL
FUEL TAX
AGREEMENT**

INTRODUCTION

WHAT IS IFTA?

The International Fuel Tax Agreement (IFTA) is an agreement between jurisdictions to simplify the reporting of motor fuel taxes. Under this agreement, a quarterly fuel use tax return is filed representing miles traveled, fuel purchased and used, and taxes/(credits) due in each member jurisdiction. The base jurisdiction then distributes the funds to each affected jurisdiction according to information contained in the quarterly fuel use tax return. A complete listing of the IFTA jurisdictions can be found on the IFTA website at www.iftach.org.

HOW DO I DETERMINE MY BASE JURISDICTION

Your base jurisdiction is determined by your answers to the following questions:

1. In what state/province do you have an established place of business?
2. Where do you maintain the operational control and operational records for your qualified motor vehicles? Where can you make the records available?

Please remember that in order for a jurisdiction to be designated as the base jurisdiction, there must be some accrued travel in the jurisdiction by the qualified motor vehicles within the fleet.

WHAT IS A QUALIFIED MOTOR VEHICLE

A qualified motor vehicle is a motor vehicle used, designed, or maintained for transportation of persons or property having:

1. 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 vehicles do not include “recreational vehicles.”

RECREATIONAL VEHICLES

Vehicles such as motor homes, pickup trucks with attached campers, and buses when used exclusively for personal pleasure by an individual, are generally not qualified vehicles for IFTA purposes, and as such, do not require an IFTA registration. In order to qualify as a recreational vehicle, the vehicle must not be used in, or in connection with, any trade or business.

IFTA LICENSE APPLICATION PROCEDURES

Any motor carrier based in Georgia and operating qualified motor vehicles in at least one (1) other IFTA member jurisdiction should file an application for license and decals in Georgia.

For the initial licensing process, a carrier may request a license application (CRF-IFTA) by contacting the Motor Vehicle Division IFTA Registration Unit at (404) 968-3800, or download the form from the Department's website at www.dor.ga.gov. Please read and follow the instructions as errors may delay the processing of your application.

A carrier will not be issued IFTA credentials (initial or renewal) from the Department if the carrier was previously licensed in another IFTA jurisdiction and the carrier's license is suspended or has been revoked by that jurisdiction; nor will it be renewed if the carrier has an outstanding tax liability with that jurisdiction or Georgia.

POWER OF ATTORNEY FORMS

A Power of Attorney form must be completed if a licensee uses a Reporting Service or a Second Party to fulfill its responsibility for filing tax returns, receiving confidential tax information, and paying liabilities. The filing of the Power of Attorney does not relieve the licensee of the legal obligation associated with the IFTA license. The licensee is ultimately responsible for the reporting and payment of taxes as well as acts of omissions of the Reporting Service or Second Party. The application must be signed by the owner, all partners, a corporate officer listed in the corporate charter, or persons holding power of attorney for the licensee. Applications will be returned for improper signatures.

ANNUAL RENEWAL PROCEDURES

Once IFTA registration is established in Georgia, you will receive an annual pre-printed renewal application. You may also renew on line at www.gaefile.dor.ga.gov.

IFTA CREDENTIAL GRACE PERIOD

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 year or prior year IFTA license and decals. The two month grace period is for **display** of renewal credentials, not to file your renewal application for those credentials.

IFTA ACCOUNT IDENTIFICATION

IFTA account identification numbers are created by using the prefix designation for Georgia (GA) followed by the licensee's nine (9) digit Federal Identification Number (FEIN) issued by the Internal Revenue Service. If an FEIN is not available, the Social Security Number (SSN) of the owner will be used as the licensee's account number.

When the licensee receives a FEIN the Registration Unit should be contacted so that the account number may be changed.

LICENSE

The license is for the calendar year January 1st through December 31st. You will receive only one license; however you are required to carry a legible copy of the license in each qualified motor vehicle. The original should be used to make copies when adding additional vehicles to the fleet during the license year.

DECALS

Georgia charges a fee of \$3.00 per set for decals. One decal must be displayed on the exterior portion on each side of the cab. Decals for the upcoming year should not be displayed prior to December 1st.

Licensees may request additional decals throughout the license year. Although decals are not vehicle specific records should be maintained of the decals used. Any unused decals should be maintained in the licensee's records for four (4) years.

To avoid a \$25.00 citation per vehicle, all operators of qualified motor vehicles must have proper credentials or a temporary fuel permit, unless otherwise exempt.

TRIP PERMITS

In lieu of motor fuel licensing under IFTA, persons may elect to satisfy motor fuel use tax obligations on a trip by trip basis via the use of trip permits. A trip permit is vehicle specific and is good for ten (10) days. Permits can be obtained from most permitting services and does not require that the purchaser file an IFTA return.

BONDS

In most cases licensees will not be required to furnish a surety bond when applying for an IFTA license. A bond may be required for carriers with a history of delinquency, or who experience delinquency in reporting, recordkeeping, or payment of taxes to the jurisdictions. The amount of the bond will be established by the jurisdiction and will be twice the estimated average quarterly tax liability.

LICENSE CANCELLATIONS

An IFTA license may be canceled at the request of the licensee provided all reporting requirements and tax liabilities to all member jurisdictions have been satisfied. This may be done by a letter from the licensee, or by checking the cancellation box on the final IFTA quarterly return filed. The licensee must return the original IFTA license and all IFTA decals to the Georgia Department of Revenue. A final audit may be conducted by

any member jurisdiction upon cancellation of an IFTA license or for periods not otherwise barred by the statute of limitations.

LICENSE REVOCATION

An IFTA license may be revoked for any of the following reasons:

1. Failure to file an IFTA quarterly tax return, or failure to provide additional information requested related to the report filed;
2. Failure to remit all taxes due all member jurisdictions; or
3. Failure to pay or file an appeal of an audit assessment within the established time period.

QUARTERLY RETURNS

All licensees must file an IFTA quarterly fuel use tax return and schedule (IFTA-100 and IFTA-101-MN) with the Department for the appropriate quarter(s). The quarterly return indicates the tax or refund due each member jurisdiction. Only one payment is submitted to the Department for the net tax due (if a net refund is due, upon request of the licensee, the Department will issue a refund payment to the licensee). IFTA Tax Reports/Returns are due on the last day of the month following the end of the quarter. ***A report is required even if no operations were conducted during the reporting period!***

The IFTA quarterly use tax return and instruction sheet will be mailed to all licensees at least thirty (30) days prior to the due date. Failure to receive the tax return does not relieve the licensee from the reporting requirement. Forms are available on the Department's website at:

http://www.etax.dor.ga.gov/motorfuel/motor_fuel_tax_unit_forms.aspx.

Failure to file a quarterly return will result in applicable penalties and interest being applied. The staff of the Motor Fuel Review section is available to answer questions relating to the IFTA reports/returns at (404) 417-6712, or on a walk-in basis at the Department's headquarters located at 1800 Century Blvd. N.E. Atlanta, GA 30345. However they cannot prepare returns for the licensees.

The due date for IFTA reports/returns is the last day of the month following the end of the quarter for which the return is being filed. These dates are as follows:

Reporting Quarter	Due Date
1st (January, February, March)	April 30th
2 nd (April, May, June)	July 31st
3 rd (July, August, September)	October 31st
4 th (October, November, December)	January 31st

The IFTA return must be postmarked on or before the due date. If the due date falls on a Saturday or Sunday (or Holiday), the next business date is considered to be the due date. The licensee will be subject to IFTA penalties and interest provisions if the return is not filed timely.

RETURNS SHOULD BE MAILED TO:

Georgia Department of Revenue
Motor Fuel Tax Unit
P.O. Box 105088
Atlanta, GA 30348-5088

PENALTY AND INTEREST PROVISIONS

When a licensee fails to file a return, files a late return, or fails to remit any or all tax due, the licensee is subject to penalty and interest. The penalty for failure to pay tax when due is the greater of \$50.00 or 10% of the net tax due to all member jurisdictions. The penalty for failure to file the return when due is \$50.00. Interest is computed on all delinquent taxes at a rate on one percent (1%) per month. Interest is assessed for a full month for any part of a month for each member jurisdiction.

MEASUREMENT CONVERSION TABLE

IFTA licensees are required to report based upon United States measurements. If applicable, the conversion rates are:

1 liter = .2642 gallons
1 kilometer = .62137 miles

All converted figures must be rounded to the nearest whole gallon or mile.

EXEMPT FUEL USE

IFTA recognizes that some jurisdictions allow for exemptions for fuel used for off-loading purposes. This exemption is not calculated on the IFTA return. **An exemption must be obtained from the jurisdiction in which the tax was paid.** The licensee must maintain adequate records to support any exemptions claimed. Jurisdiction information may be obtained at www.iftach.org under **Exemptions**.

TAX EXEMPT MILES

IFTA recognizes that some jurisdictions have unique economic and geographic characteristics which have given rise to various definitions of tax exempt miles. Questions concerning tax exempt miles should be directed to the individual member jurisdiction. All jurisdictions require supporting documentation for claims of entitlement

to tax exempt miles. Please refer to the IFTA website at www.iftach.org for mileage exemptions in each jurisdiction.

SURCHARGE

Some jurisdictions have a surcharge which is to be calculated on the IFTA return. Surcharge amounts are based on taxable gallons for fuel types on which the jurisdiction requires a surcharge.

REFUNDS AND CREDITS

A refund may be requested on the licensee's IFTA return by completing line eleven (11) of the quarterly return. A cash refund will be issued once the Department determines that all tax liabilities, including any outstanding audit assessments, have been satisfied to all member jurisdictions. A refund may be denied if the licensee is delinquent in filing any quarterly fuel use tax returns. The Department does not issue cash refunds for amounts less than \$15.00.

If a refund is not requested the credit will be carried forward to the next period. Earned IFTA credits will expire after eight (8) quarters. It is the responsibility of the licensee to monitor the credits printed on the quarterly return. *No notification of expiring credits will be sent to the licensee.*

If the licensee has reason to believe that the credit is incorrect, please contact the Department to determine the correct amount of credit available. The licensee will be responsible for all taxes, penalty, and interest due resulting from the improper use of a credit.

ASSESSMENTS FOR FAILURE TO FILE RETURNS

When a licensee fails, neglects, or refuses to file the IFTA tax return as required, the Department will assess the licensee under one or both of the following methods:

1. The assessment will be for the tax delinquency, penalty, and interest. This assessment will be based on the best information available.
2. The licensee will be subject to a \$50.00 penalty for each offense.

The burden of proof remains with the licensee to show that the assessment is incorrect.

LEASE AGREEMENTS

A. Rental / Leasing

1. Leases of Less than Thirty (30) Days

In the case of a short-term motor vehicle rental, by a lessor regularly engaged in the business of leasing, or renting motor vehicles without drivers, for compensation to licensees or other lessees for 29 days or less, the lessor will report and pay the fuel use tax unless the following two conditions are met:

- a. The lessor has a written rental contract which designates the lessee as the party responsible for reporting and paying the fuel use tax; and
- b. The lessor has a copy of the lessee's IFTA fuel tax license which is valid for the term of the rental.

2. Leases of Thirty (30) Days or More

In the case of a long-term lease, a lessor regularly engaged in the business of leasing or renting motor vehicles without driver for compensation to licensees or other lessees may be deemed to be the licensee, and such lessor may be issued a license if an application has been properly filed and approved by the base jurisdiction.

B. Household Goods Carriers

In the case of a household goods carrier using independent contractors, agents, or service representatives, under intermittent leases, the party liable for motor fuel taxes shall be:

1. The lessee (carrier) when the qualified motor vehicle is being operated under the lessee's jurisdictional operating authority. The base jurisdiction for purposes of the Agreement shall be the base jurisdiction of the lessee (carrier), regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes by the lessor or lessee.
2. The lessor (independent contractor, agent, or service representative) when the qualified motor vehicle is being operated under the lessor's jurisdictional operating authority. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessor, regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration.

C. Independent Contractors

1. Leases of Less Than Thirty (30) Days

In the case of a carrier using independent contractors under short-term/trip lease, the trip lessor will report and pay all fuel taxes.

2. Leases of Thirty (30) Days or More

In the case of a carrier using independent contractors under long-term leases, the lessor and lessee will be given the option of designating which party will report and pay fuel use tax. In the absence of a written agreement or contract, or if the document is silent regarding responsibility for reporting and paying fuel use tax, the lessee will be responsible for reporting and paying fuel use tax. If the lessee (carrier) through a written agreement or contract assumes responsibility for reporting and paying fuel use taxes, the base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessee, regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes by the lessor. Leases are not required to be filed with the base jurisdiction, but shall be made available upon request.

RECORD KEEPING REQUIREMENTS

A. Mileage Records

It is the responsibility of the licensee to maintain records of ALL operations of qualified motor vehicles. The licensee's records must support the information reported on the quarterly fuel tax return. A licensee's system, at a minimum, must include mileage data on each individual vehicle for each trip. The Individual Mileage Record (IVMR), as required for the International Registration Plan, is an acceptable source document for recording vehicle mileage information. Supporting information should include the following documentation:

1. Date of Trip (starting and ending);
2. Trip origin and destination (including city and state);
3. Route of travel;
4. Beginning and ending odometer reading of the trip;
5. Total trip miles;
6. Mileage by jurisdiction;
7. Vehicle unit number;
8. Vehicle fleet number; and
9. Licensee's name.

On board recording or vehicle tracking devices may be used in conjunction with manual or computer systems, provided that the above listed data can be produced. When the device is used alone, printed reports must be produced which will replace handwritten

reports. These reports must be retained for audit. See the *IFTA Audit and Procedures Manuals* for specific record keeping requirements.

B. Fuel Receipts

The licensee must maintain complete records of all fuel purchases. Separate totals must be compiled for each motor fuel type. Fuel types include Diesel, Gasoline, Gasohol, Propane, Liquid Natural Gas, Compressed Natural gas, Ethanol, Methanol, E-85, M-85 and A-55. The fuel records must contain:

1. Date of purchase;
2. Name and address of the seller;
3. Number of gallons purchased;
4. Type of fuel purchased;
5. Unit number of the vehicle into which the fuel was placed;
6. Price per gallon or total amount of sale; and
7. Purchaser's name.

Retail purchases must be supported by a receipt or invoice, credit card receipt, automated vendor generated invoice or transaction listing, or microfilm/microfiche of the receipt of the receipt of invoice. Receipts that have been altered or indicate erasures are not acceptable for tax paid credits unless the licensee can demonstrate that the receipt is valid. Receipts must identify the vehicle by the plate or unit number or some other identifier. See the *IFTA Audit and Procedures Manuals* for specific record keeping requirements.

C. Bulk Fuel Storage

A licensee who maintains a bulk fuel storage facility may obtain credit for tax-paid fuel withdrawn from that storage facility if the following records are maintained:

1. Date of withdrawal;
2. Number of gallons withdrawn;
3. Fuel type;
4. Unit number of the vehicle into which the fuel was placed; and

5. Purchase and inventory records to substantiate that tax was paid on all bulk fuel purchases. Inventory records should include, but are not limited to, tank location, fuel type, monthly beginning and ending inventories, and monthly total readings.

See the *IFTA Audit and Procedures Manuals* for specific record keeping requirements.

D. Record Retention Period

Adequate record keeping is important to the carrier when seeking a refund or credit for tax-paid fuel and is equally important to the Department to ensure compliance with the reporting and payment of all tax liabilities. Every licensee shall maintain records to substantiate the information reported on the quarterly tax return. These records must be maintained for a period of four (4) years from the due date of the return or the date the return was filed, whichever is later. Records must be made available upon request by any member jurisdiction.

See the *IFTA Audit and Procedures Manuals* for specific requirements.

E. Penalty for Failure to Maintain Records

Noncompliance with any record keeping requirement may be cause for revocation of the license, and make the licensee subject to a best information available (BIA) audit.

See the *IFTA Audit and Procedures Manuals* for specific requirements.

LOCATION OF RECORDS

A licensee's records should be maintained at a location in Georgia. If these records are not maintained in Georgia or are not made available in Georgia, the travel expense for the auditor(s) will be billed to the licensee upon completion of the audit.

AUDITS

The purpose of an IFTA audit is the verification of fuel and mileage data reported on the IFTA quarterly tax returns. The Compliance Division of the Georgia Department of Revenue conducts audits of Georgia IFTA registrants on behalf of all member jurisdictions.

A. Audit Selections

The Department is required to audit an average of three percent (3%) of its licensees each year. Any Georgia IFTA licensee may be selected for audit.

B. Notification of Audit Date

Prior to conducting an IFTA audit, an auditor will contact the licensee to arrange an acceptable date to begin the audit. At that time, the auditor will outline the time period to be audited and the records to be reviewed. To confirm the audit date, the auditor will send a follow-up letter detailing the audit date, time periods to be audited, and records required.

C. Audit Conferences

At the beginning of the audit, the auditor will hold an opening conference with the licensee to gather background information, determine reporting methods, and discuss and obtain records to be reviewed. As the audit progresses, the auditor and the licensee will discuss the sample periods, sampling techniques, as well as any problem areas. A final conference will be held with the licensee to explain audit adjustments and future reporting practices.

D. Audit Results

An audit report will be sent to the licensee after the written copy of the audit is processed and reviewed by supervisory staff. The licensee has thirty (30) days to make payment or file a protest of the audit assessment. An audit reflecting a refund due will be issued after all outstanding tax liabilities have been satisfied. The Compliance Division will submit audit reports to all affected member jurisdictions. The licensee may be subject to a supplemental audit if any member jurisdiction disagrees with the audit results.

APPEALS PROCEDURES

A. Proposed Assessment

When a licensee is issued a proposed assessment of a tax liability, they are entitled to file a protest. The protest should be filed in accordance with the instructions contained therein, and within the time frame (30 days) given to the licensee in the Notice of Proposed Assessment. If the licensee wants to schedule a conference to discuss the protest, they must request it in the written protest. Otherwise, the licensee may submit any documentation, evidence, or additional information in writing to the Commissioner's agent who is assigned to review their case.

B. Official Assessment and Demand for Payment

Once an Official Assessment and Demand for Payment is issued (subsequent to the Notice of Proposed Assessment), the licensee has thirty (30) days to either pay the liability or to appeal the assessment. The Official Assessment may be appealed either under the Administrative Procedure Act (via the Office of State Administrative Hearings) or through the Superior Court in the licensee's county of residence. If you are not a resident of Georgia, an appeal through the Superior Court must be filed in Fulton County.

ASSISTANCE

For information on registration, cancellation of licenses, changes in ownership/ names/address, issuance of license and/or decals, contact:

By Phone: **(404) 968-3800**

By Mail: Georgia Department of Revenue
 Motor Vehicle Division/IFTA
 P.O. Box 161029
 Atlanta, GA 30321-1029

For information on reports, assessments, suspensions, bonds, refunds, account credits (refunds), or missing/late reports contact:

By Phone: **(404) 417-6712**

By Mail: Georgia Department of Revenue
 MOTOR FUEL TAX UNIT
 1800 Century Blvd. NE, Suite 8223
 Atlanta, GA 30345-3205

For information regarding Audit Assessments and protests of Audit Assessments contact:

By Phone: **(404) 417-6369**

By Mail: Georgia Department of Revenue
 COMPLIANCE DIVISION
 1800 Century Blvd. NE, Suite 16300
 Atlanta, GA 30345-3205

OTHER IMPORTANT NUMBERS:

Citations	(404) 417- 4490
International Registration Plan (IRP)	(404) 968- 3800
Hazardous Materials Permits	(404) 624-7226
Unified Carrier Registration	(404) 968 -3750
Oversize/ Overweight Permits	1-(888) 262-8306
Heavy Vehicle Tax (Form 2290)	1-(866) 699-4096 or (404) 338-7962