



Department of
the Secretary of State

Bureau of Motor Vehicles

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Secretary of State

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Date: March 10, 2016

Re: IFTA Ballot 2014-03 – distance recordkeeping requirements.

Dear IFTA Licensee:

On January 1, 2017, amendments to the International Fuel Tax Agreement (IFTA) distance and fuel recordkeeping requirements will go into effect. Changes are made to recordkeeping and audit requirements, and include stronger enforcement language. If during the course of an audit, records are determined to be inadequate, the State will reduce reported miles per gallon by 20% or to 4.00 as required by IFTA ballot 2014-03. The items listed below are the new language for record keeping. Your distance and fuel recordkeeping procedures must comply with these requirements. Please visit www.maine.gov/sos/bmv/commercial/fuel to view the ballot. The current IFTA manuals and additional information can be found at www.iftach.org.

P530 Adequacy of Records – defines the purpose for which licensees are required to keep records: to allow the base jurisdiction to (1) verify the distances and fuel reported by a licensee, and (2) evaluate the licensee's distance and fuel accounting systems. If the records made available by a licensee for audit are (a) sufficient and (b) appropriate for these purposes, they are deemed to be adequate.

P540 Distance Records –

- .100 Distance records produced by a means other than a vehicle tracking system,
- the beginning and ending dates of the trip to which the records pertain
 - the origin and destination of the trip
 - the route of travel
 - the beginning and ending reading from the odometer, hub odometer, engine control module (ECM), or any similar device for the trip
 - the total distance of the trip
 - the distance traveled in each jurisdiction
 - the Vehicle Identification Number (VIN) or vehicle unit number
- .200 Distance records produced wholly or partly by a vehicle tracking system, including a system based on a global positions system (GPS),
- the original GPS or other location data for the vehicle to which the records pertain
 - the date and time of each GPS or other system reading
 - the location of each GPS or other system reading

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- the beginning and ending reading from the odometer, hub odometer, engine control module (ECM), or any similar device for the period to which the records pertain
- the calculated distance between each GPS or other system reading
- the route of the vehicle's travel
- the total distance traveled by the vehicle
- the distance traveled in each jurisdiction
- the Vehicle Identification Number (VIN) or the vehicle unit number

P550 Fuel Records - 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.

Retail fuel purchases include all those purchases where a licensee buys fuel from a retail station or a bulk storage facility that the licensee does not own, lease, or control.

For tax-paid credit, a valid retail receipt, invoice, or transaction listing must contain:

- the date of the fuel purchase
- the name and address of the seller of the fuel
- the quantity of fuel purchased
- the type of fuel purchased
- the price of the fuel per gallon or per liter, or the total price of the fuel purchased
- the identification of the qualified motor vehicle into which the fuel was placed
- the name of the purchaser of the

Bulk Fuel Facilities - Tax-paid credit for fuel withdrawn by the licensee from its bulk fuel storage facilities will not be allowed unless the licensee produces records that show tax paid to the member jurisdiction where the bulk storage is located. The licensee shall retain the following records for its bulk storage facilities:

- receipts for all deliveries
- quarterly inventory reconciliations for each tank
- the capacity of each tank
- bulk withdrawal records for every bulk tank at each location

The licensee shall produce for audit records that contain the following elements for each withdrawal from its bulk storage facilities:

- the location of the bulk storage from which the withdrawal was made
- the date of the withdrawal
- the quantity of fuel withdrawn
- the type of fuel withdrawn
- the identification of the vehicle or equipment into which the fuel was placed

Deviation from Calendar Quarter

A licensee's reporting of distance and fuel may deviate slightly from a calendar quarterly basis provided that:

- the beginning and ending dates of the licensee's reported distance and fuel reflects a consistent cut-off procedure,
- the deviations do not materially affect the reporting of the licensee's operations,
- the deviations do not materially delay the payment of taxes due,

- the cut-off dates are the same for distance and fuel, and
- the base jurisdiction can reconcile the fuel reported in the period through audit.

P560 Summaries

A monthly summary of the fleet's operations reported on the corresponding quarterly tax return that includes the distance traveled by and the fuel placed into each vehicle in the fleet during the quarter, both in total and by jurisdiction, may be necessary for the efficient audit of the licensee's records. The licensee shall make such summaries available for audit upon due notice and demand by the base jurisdiction.

P570 Inadequate Records Assessment

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:

- adjusting the licensee's reported fleet MPG to 4.00 or 1.70 KPL; or
- reducing the licensee's reported MPG or KPL by twenty percent.

These record keeping changes are related to IFTA only. The record keeping requirements for the International Registration Plan (IRP) were updated effective July 1, 2013.

If you have any questions please feel free to contact me at (207) 624-9061.

Sincerely,



Stephen Ashcroft, Chief
Motor Carrier Services