

International Fuel Tax Agreement

International Registration Plan



The Road to Successful Record Keeping

The goal of this flyer is to present basic information on record keeping requirements for interstate truck/bus operations and reasons why records need to be kept.

(April 2019)

What is IFTA?

IFTA is the International Fuel Tax Agreement. Through IFTA, member states/provinces work together to administer and collect motor fuel use taxes. By filing IFTA returns, tax paid on the purchase of fuel in one state is moved to the state you burn the fuel in (drove miles). Before IFTA you had to file fuel tax returns in each state you drove in.

What is IRP?

IRP is the International Registration Plan. It is an agreement between member states providing for payment of commercial motor carrier registration fees based on miles traveled in each state.

Why do I need to keep Mileage Records?

Tax you pay to each state is, in part, based on the miles you drove in that state. The IRP fees you pay to a state are also based on the miles you drove in that state. Because IFTA and IRP both use miles to determine tax or fees, keeping accurate mileage records is very important. When an auditor reviews your mileage records they are looking for all movement of your truck(s) and that you have the information to test mileage.

Both IFTA and IRP require the same information on truck movement and include:

- Dates of trip
- Trip start/end locations
- Routes of travel
- Trip start/end odometer readings
- Total miles traveled
- Trip miles traveled in each state
- Truck number

It is also required to add up miles for each truck by state for each month. The monthly totals when added together should equal total miles based on odometer readings.

Do you have a Vehicle-Tracking System? (Also called GPS)

If you use one of these systems certain information is required, including:

- Original location data
- Date and time of each GPS type reading
- Location of each reading
- Start and end odometer readings

- Calculated distance between readings
- Routes of travel
- Total miles traveled by each truck
- Miles in each state
- Truck number

You should download and save reports from your system each month. This will make sure they are available for audit in case of hardware or program problems.

What about Fuel Records?

Fuel records come in different forms including a receipt printed at the pump, a receipt from a truck stop, fuel card statements, e-mail, text, and others. No matter how received, must-have items are the same and include:

- Date of purchase
- Name and address of seller
- Number of gallons purchased
- Type of fuel purchased
- Price per gallon / total cost
- Truck number
- Name of purchaser

It is important that receipts have these items. They are proof that taxes have been paid on purchases, and are needed to claim tax paid gallons on IFTA returns.

Gallons should be totaled for each truck by state for each month. A check of each truck's miles per gallon (MPG) can show if any gallons were missed.

How Long do I need to keep records?

IFTA - 4 years from return due date
IRP – 6+ years from reporting period start

A word about audits

Each state in IFTA and IRP is required to conduct audits on the carriers in their State. If you do not have the required information when audited, the following rules will be applied.

No Mileage records or poor mileage records:

IFTA – Miles per gallon will be dropped by 20% or 4.0 MPG.

IRP – Fees paid will be increased by 20% on first audit and 50% on second audit.

No Fuel records – tax paid credit on fuel purchases will not be allowed.

Keep in mind that IFTA is a Tax Return.

Disclaimer

The information provided in this flyer is an introduction to IFTA and IRP record keeping and does not include all the requirements of IFTA and IRP. When this flyer uses the word “state” it includes the Canadian Provinces in IFTA and IRP. The District of Columbia is in IRP.

Additional information:

www.maine.gov/sos/bmv/commercial

IFTA – www.iftach.org/manualnew.php
Open “Procedures Manual” and review section P500.

IRP – www.irponline.org/page/ThePlan
Click “The Plan – Current Version” and review Article X.

Maine IRP - 207-624-9000 EXT 52135
Maine IFTA – 207-624-9000 EXT 52136