



DRIVING NEVADA

NEVADA INTERNATIONAL FUEL TAX AGREEMENT (IFTA) MANUAL



**DMV MOTOR CARRIER DIVISION
555 WRIGHT WAY
CARSON CITY, NEVADA 89711-0600
(775) 684-4711 FAX (775) 684-4619**

dmvnev.com

Table of Contents

1. Introduction	3
2. Application/Licensing	4
3. Tax Reporting/Refunds & Credits.....	6
4. Cancellation/Revocation/Reinstatement	8
5. Records/Audits	9
6. Appeals	12
7. Taxpayer’s Bill of Rights for Taxes on Fuels	12
8. Definitions	12

1. Introduction

The International Fuel Tax Agreement (IFTA) is an agreement among jurisdictions to simplify the reporting of fuel use taxes by interstate motor carriers. Copies of the Articles of Agreement, Policies & Procedures and the Audit Manual can be obtained from the IFTA Web Site @ www.iftach.org.

Advantages of IFTA include:

- A single fuel tax license, which authorizes your vehicles to travel in all member jurisdictions.
- A single fuel tax report, which details your operations in each of the member jurisdictions.
- Fewer audits, generally performed only by Nevada auditors. Each jurisdiction audits their base carriers.

License your vehicles through Nevada IFTA if:

- You operate IFTA “qualified motor vehicles” (see definition #12, page 13), and;
- You are a Nevada-based interstate motor carrier, and;
- You keep operational control and records for your vehicles in Nevada or can make your records available to us in Nevada.

In lieu of motor fuel tax licensing under the IFTA, persons may elect to satisfy motor fuels use-tax obligations on a trip-by-trip basis by purchasing temporary fuel tax permits. You must inquire with each jurisdiction where you will be traveling if purchasing trip permits on a trip-by-trip basis.

Non-Nevada based companies operating motor vehicles solely within Nevada must obtain registration for those vehicles by purchasing Nevada Only plates. The mileage accrued and fuel purchased by these vehicles must **not** be included on an IFTA tax return; unless the unit has IFTA decal attached (see IFTA section).

This manual will further explain your responsibilities as a participant of IFTA. If you have any questions about IFTA, please call the Department of Motor Vehicles, Motor Carrier Division, Tax & Licensing Team at (775) 684-4711 option 1.

Since IFTA covers only taxation of motor fuels, you will still be required to comply with other requirements in each member jurisdiction, such as vehicle registration, operating authority, and mileage taxes.

All transporters of fuel must be licensed as a Transporter with the Department of Motor Vehicles, Motor Carrier Division. Contact the Department at (775) 684-4711, option 2.

2. Application/Licensing

A. Application for License

Apply for IFTA when registering your IRP Vehicles. Please see form MC090 for a complete list of forms and documents required. Mail required application and all required documents to:

Department of Motor Vehicles
Motor Carrier Division
555 Wright Way
Carson City, NV 89711-0600

You may also apply at any of the DMV branch offices listed below:

RENO
9155 Double Diamond Parkway
Reno, NV 89521

ELKO
3920 E. Idaho Street
Elko, NV 89801

LAS VEGAS
4110 Donovan Way
N. Las Vegas, NV 89030

We will also take applications through our mailbox of: MCTLC@dmv.nv.gov
Please note we do require some documents to be originals before finalizing an application.

The application will request general information about you and your interstate operation. The applicant must also sign the application indicating agreement to comply with reporting, residency, payment, record-keeping, and license display requirements. There is a \$25.00 fee for the IFTA application.

Applications are available through the DMV Web Site at <http://www.dmvnv.com/mcforms.htm>. Annual IFTA license renewals are required and the renewal period begins October of each year.

B. Account Identification

The IFTA License number issued consists of eleven characters; the first nine digits are the Federal Employer Identification Number (FEIN) issued by the Internal Revenue Service followed by a two digit sequence. If the company does not have a Federal Employer Identification Number (FEIN), one must be obtained through the IRS Web Site at: <https://www.irs.gov/businesses> (we do not accept social security numbers). Additionally, a motor carrier account number is assigned to your company. Both of these identification numbers are listed on your license. You must also have a US DOT number which can be obtained at: www.fmcsa.dot.gov

C. IFTA License and Decals

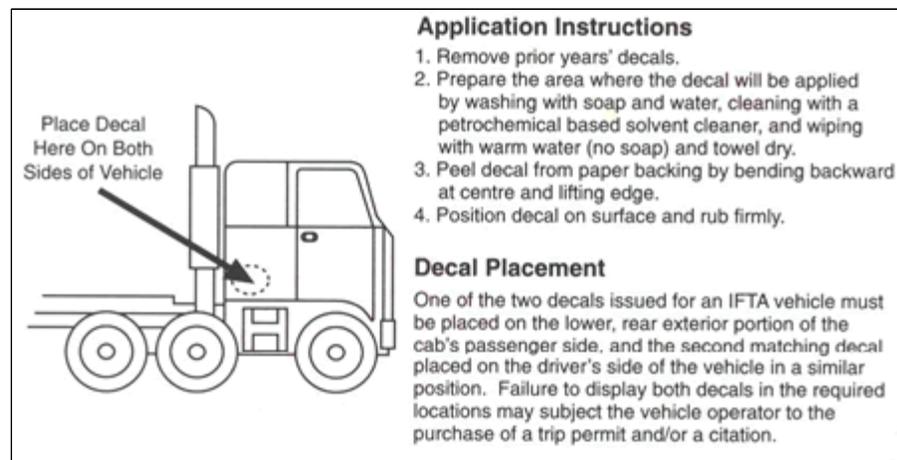
You will be issued a single IFTA license for your fleet of vehicles. Carriers are responsible for ensuring copies of the IFTA license and decals are properly distributed and accounted for (e.g., a log of decals issued, to which vehicle and the date attached). Carriers are also responsible for ensuring that distances traveled by all 'IFTA decaled' motor vehicles are reported on their quarterly tax returns. You must also report all operations you contractually responsible for.

A vehicle will not be considered to be operating under the IFTA Agreement unless a valid and legible copy of the IFTA license is carried in the vehicle and a set of two decals appropriately displayed on the exterior portion of both sides of the vehicle's cab.

- Detailed placement and application instructions are provided on the back of each decal.
- Failure to display a copy of the license or decals may subject the vehicle owner and/or operator to citations and/or fines in each IFTA jurisdiction traveled.
- The IFTA License is valid until December 31st of the year issued

Each vehicle in your fleet will be issued two vehicle identification decals. Additional decals for added vehicles may be obtained from the DMV Nevada Motor Carrier branch offices or by requesting them in writing or using your online access. There is no charge for decals. To receive a replacement decal you must fill out form MC097: Replacement IFTA License/Decal Form. This form can be found on the DMV website at: www.dmvnv.com/pdfforms/mc097.pdf.

- Decal Placement Diagram



D. Yearly renewals

Around 75 days prior to your vehicle registration expiration date as well as your IFTA license expiration date, you will receive a renewal application to complete and return. The notifications will be either sent by mail or electronically based on user preference.

*****Important***** Your vehicle registration period could be different than the IFTA

license registration period. Please be aware of your expiration dates on all documents.

The IFTA license renewal fee is \$25.00. An IFTA license and identification decals for the new license year will be mailed to you once the application is completed, signed, returned to the DMV Motor Carrier office, reviewed and approved by the Motor Carrier Department. After December 1, the new license can be carried with a copy of the previous year's license and the identification decals can be applied to the required location as indicated in the instructions on the back of the decal.

Please note: The expiration date of your vehicle registration may occur at a different month than your IFTA.

If you are leased to a company and operate under their IFTA authority we need a copy of the lease agreement, letter from the company you are leased to stating that you are operating under their IFTA authority and must include their base jurisdiction and IFTA License number. We need this documentation each year with your vehicle registration renewal.

3. Tax Reporting/Refunds & Credits

A. Reporting

You are required to submit a quarterly tax return to Nevada showing all fuel purchased and miles traveled in each member jurisdiction by your qualified motor vehicles.

The Nevada IFTA system allows a customer to complete most transactions online. The services include filing your IFTA quarterly tax return as well as paying the taxes due. If you are interested in obtaining access to your account online, please contact Motor Carriers at (775) 684-4711 option #1.

The IFTA quarterly tax return can be found at: www.dmvnv.com/mcforms.htm.

For the latest IFTA tax rates, go to the "Tax Rates" tab at www.iftach.org.

Tax returns and full payment of any taxes owed are due quarterly, **even if there is no inter-jurisdictional travel activity or zero activity**. If you have zero activity you must provide explanation as to why you had no activity.

The return due date is the last day of the month following the last month of the reporting period. If that day is a Saturday, Sunday, or legal holiday, the next business day is considered the due date.

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

B. Late Reporting

- (1) For returns to be considered on time, the following is required:
 - a. Online filers, the return must be filed and paid by the due date.
 - b. Mailed returns with full payment must be postmarked by the US Postal Service of the United States of America, United Mexican States, Canada, or the postal service of any other countries, Fed Ex and UPS on or before the due date; or
 - c. Fax submission of the return and/or credit card authorization form must be received and date-stamped by a Nevada DMV Motor Carrier office/location on or before the due date; and
 - d. In all cases, payments must be negotiable on or before the due date, and payable in US funds to the Nevada Department of Motor Vehicles.

Please do **NOT** file multiple copies of the same return (e.g., do not both mail and fax the same return) as this delays the processing of returns and refunds. Do not fax multiple copies of your credit card authorization form.

- (2) If your return is late or any taxes owed to any IFTA jurisdiction are not paid in full:
 - a. Your license may be suspended or revoked for all IFTA jurisdictions;
 - b. A Notice of Assessment may be issued for the estimated amount of tax due plus a penalty equal to \$50 or 10 percent of the delinquent taxes, whichever is greater. Interest may be assessed for the late return or taxes due. An administrative fine may also be applied.
 - c. We may take action to collect amounts due.

Delinquent returns and payments must be received and processed before a suspension is lifted.

Please notify the Nevada Department of Motor Vehicles, Motor Carrier Division of any changes (e.g., address, phone number etc.) in writing or note your changes directly on your quarterly tax return. If you have a change in your Nevada physical address you could be required to submit at least three (3) proofs of the new address (e.g., utility bill, landline phone bill, lease agreement, etc.).

C. Tax Exempt Miles

Depending on each individual jurisdiction's statutes, IFTA allows for a jurisdiction to exempt distance and/or fuel from the fuel use tax when a vehicle:

- (1) Operates under a fuel tax trip permit; or
- (2) Operates on non-public highways/roads.

Include these miles when calculating your fleet average miles per gallon (MPG)

by keeping them in Total Distance. Also, include them in the total miles for each jurisdiction. Deduct them from the taxable miles for each jurisdiction. To find out if a jurisdiction allows the deduction of off-road miles, visit the IFTA Web Site at www.iftach.org and select the Exemptions link.

Note: Nevada does not allow for off road mileage exemption on the IFTA Tax Return. You must apply for a refund with the department using a MC45 Special Fuel Use Refund Request form.

D. Taxes Due/Refunds/Credits

When completing your tax return, any overpayment (credit) in one jurisdiction will offset the taxes due in another jurisdiction.

- If your taxes owed are more than your overpayments, send one form of payment for the net tax owed. Make the check/money order payable to the Department of Motor Vehicles. If a check is dishonored upon presentation to your financial institution, the submission of the check shall be deemed as an untimely payment of the tax. Penalties, interest and administrative fines will be assessed in addition to a \$25.00 handling fee. Any future payments must be made by cashier's check, traveler's check, money order or cash.
- On-line filers can use the e-payment function where we can accept credit cards and e-checks.
- If your overpayments are more than your taxes owed, send no money. Check the refund box on the return or the credit will be applied to the next quarter. Credits under \$5.00 will not be refunded, but will be carried forward until the amount is greater than \$5.00. Nevada will make the refund to you, regardless of which jurisdiction owes you the refund. However, refunds will be withheld if the licensee is delinquent on any taxes due to any member jurisdiction unless the delinquent taxes are under proper appeal procedures.

4. Cancellation/Revocation/Reinstatement

A. Cancellation

If you cease operations in Nevada, you must advise the DMV so we can cancel your Nevada IFTA license. To request a cancellation, place an "X" in the "check this box if you have discontinued operations in Nevada" on your tax return. Attach a copy of the credential return receipt (MC021) that you received when you turned in your plates and the IFTA license to the return with a written statement giving the last date of operations and attesting that all Nevada IFTA decals were removed from the vehicles in the fleet.

Please note that IFTA returns must be filed for all quarters up to your cancellation date. This includes partial quarters if you cancel your license in the middle of a quarter.

B. Revocation

If you fail to file tax returns or if you fail to pay taxes due to any member jurisdiction, your license may be revoked. Noncompliance with the record keeping requirements may also be cause for revocation of the license. Revocation of your IFTA license by Nevada will revoke your fuel tax authority in all member jurisdictions. The Department may also revoke your IRP registration credentials.

If you go 3 or more quarters without traveling outside the State of Nevada we may cancel your IFTA License and require you to change your vehicle registrations to Nevada only license plates. If you do not travel within the State of Nevada for 3 or more quarters we may cancel your IFTA License and require you to change your IFTA registration to the correct base jurisdiction.

If you have an IFTA license suspended or revoked by another IFTA member jurisdiction, we will not issue you a Nevada based IFTA license and/or we will revoke you current license.

C. Reinstatement

To reinstate your revoked IFTA fuel license and registration credentials, you must satisfy the requirements leading to your revocation: all returns must be filed, all taxes and/or registration fees must be paid in full, all records requested must be received, and you will be required to pay a \$25.00 reinstatement fee. If you were revoked due to another jurisdiction's revocation you will need to provide proof that you have been cleared and are no longer revoked by the other jurisdiction.

5. Records/Audits

A. Records

Carriers are required to keep the "Operational Records" used to support total miles traveled, taxable miles traveled, total fuel consumed and total fuel purchased in each jurisdiction. Records are to be retained for four years (16 quarters) after the return is filed with the DMV. If the carrier fails to file a return, the records are to be retained for eight years after the return should have been filed with the Department.

Electronic Logging Devices (ELD), when used for IFTA record keeping, still must meet all IFTA requirements. This includes the four year retention period. Ensure with your provider that the records will be retained. There are no exceptions allowed.

For the most up-to-date record keeping requirements please go to www.iftach.org and review the Articles of Agreement, Procedures Manual, and Audit Manual.

Individual Vehicle Distance Records (IVDRs) must be completed for each vehicle movement.

Did you know that all miles driven during a quarter must be logged daily? To assist special fuel users in tracking their miles and fuel, the Department has a trip, fuel and distance record which is available on the DMV website at www.dmvnv.com/pdfforms/mc096.pdf. Please feel free to download this form and make as many copies as your company requires.

(1) All special fuel users are required to log the following information:

- Carrier's Name
- Vehicle Unit Number
- Vehicle Fleet Number
- Date of Trip (starting and ending)
- Trip Origin (city and State/Province)
- Trip Destination (city and State/Province)
- Beginning Odometer reading
- Ending Odometer reading
- Route of Travel (highway used for travel)
- Total Miles Traveled for Each State for that Trip
- Grand Total of Miles Traveled for that trip
- Total Off-Road Miles Traveled (if claimed for IFTA or MC45)

Please Note: USDOT hours of service logs generally do not include all of the required information.

(2) All fuel receipts or spreadsheets must include:

- The Date of Purchase
- Invoice Number
- Number of Gallons Purchased
- Type of Fuel Purchased
- Location of Purchase (Seller name and address including city and state)
- Price per Gallon
- Unit number of vehicle receiving fuel
- Purchaser's name (in case of lessee/lessor agreement, receipts will be accepted in either name, provided a legal connection can be made to the reporting party)

The licensee must maintain complete records, supported by fuel receipts, of all fuel purchases as reported on the fuel tax returns.

The information required for fuel receipts must be imprinted on the receipt by the fuel seller at the time of purchase. Handwritten or illegible receipts will not be accepted. If a fuel purchase is prepaid, please be sure to get a printed fuel receipt that shows the information listed above.

A spreadsheet detailing your fuel purchases may be submitted in lieu of your fuel receipts if the spreadsheet contains all of the information listed above. However, you must maintain records of the actual fuel receipts to support your spreadsheet. Legible photocopies may also be accepted.

B. Bulk Fuel Purchases

The licensee shall retain the following records for its bulk storage facilities and produce for audit:

- (1) Receipts for all deliveries which includes tax paid to the member jurisdiction where the bulk tank is located
- (2) Quarterly inventory reconciliations for each tank
- (3) The capacity of each tank
- (4) Bulk withdrawal records for every bulk tank at each location from which the withdrawal was made which includes:
 - The date of the withdrawal
 - The quantity of the fuel withdrawn
 - The type of fuel withdrawn
 - The identification of the vehicle or equipment into which the fuel was placed
 - When alternative fuels are purchased or stored in bulk, these same requirements shall apply.

C. Audits

Every IFTA license holder is subject to audit. If your operation is chosen for an audit, you will be contacted in writing. Under normal circumstances, you will receive at least 30 days notice of an audit. Every effort will be made to schedule the audit at a mutually convenient time.

The burden of proof rests on the licensee. If your records are not acceptable to the auditor, one or more of the following actions may be taken:

- Gallons may be estimated on prior experience of the licensee or by comparing to similar operations.
- A standard of 4.0 miles per gallon or a 20% reduction in MPG may be used.
- All claims for tax paid fuel without supporting documentation will be disallowed.

Any questions pertaining to an audit should be directed to the DMV Motor Carrier Division, Audit Team at (775) 684-4634.

If a licensee fails to provide records for the purpose of an audit, the statute of limitations is extended until such records are provided.

Upon completion of the audit, the findings will be reported in writing to the licensee and any member jurisdiction in which the licensee traveled. Nevada will collect any tax, penalty and interest owed on behalf of all member jurisdictions. If it is determined that the licensee's operational records are not located in Nevada and it becomes necessary for the Department's auditors to travel to where such records are maintained, the Department will require a licensee to pay reasonable per diem and travel expenses incurred by the auditor(s) in the field.

6. Appeals

The following information is taken from NRS 360A. You may appeal any action or audit finding by completing a written request for a redetermination and/or hearing. Your request must be received within 30 days of the original action or finding date and must include documentation to support the request. If you do not request a redetermination and hearing within 30 days, the action or finding is final.

You will be sent a notice of the time and place of your hearing. The hearing may be rescheduled for good reason. You may appear in person or send an attorney to the hearing. You may bring witnesses, documents or other material to support your appeal.

You will be sent the findings and ruling on your appeal. If the dispute involves an audit and you continue to disagree with the ruling, you may request any or every jurisdiction to audit your records. Each jurisdiction may choose to accept or deny your request. Jurisdictions, which agree to audit your records, will audit only the information involving your operation with them. You will be responsible for any costs related to these audits.

7. Taxpayer's Bill of Rights for Taxes on Fuels

The Department has prepared a Taxpayer's Bill of Rights for Taxes on Fuels that is available on the DMV's website at [Taxpayer Bill of Rights](#), and all DMV Motor Carrier Division offices. This document outlines your rights as a taxpayer and provides information on what to do when you have a problem with your taxes or if you disagree with how much the Department claims you owe in taxes.

8. Definitions

Applicant: is a person in whose name the IFTA application for licensing is filed with a base jurisdiction for the purpose of motor fuel tax reporting under the provisions of this Agreement.

Apportioned Registration: means registration that allows commercial vehicles to comply with registration requirements of more than one jurisdiction, and to pay registration fees based on the percentage of operation in those jurisdictions.

Audit means:

- (1) The physical examination of the records and source documents supporting the licensee's returns.
- (2) The evaluation of the internal controls of the licensee's accounting system and operations; and
- (3) The accumulation of sufficient and appropriate evidential matter to afford a reasonable basis for determining whether or not there are any material differences between actual and reported operations for each affected jurisdiction in accordance with the provisions of the International Fuel Tax Agreement and all affected jurisdictions' fuel use tax laws.

Base Jurisdiction means:

- (1) The member jurisdiction where "qualified motor vehicles" are based for vehicle registration purposes and:
- (2) Where the operational control and operational records of the licensee's qualified motor vehicles are maintained or can be made available; and
- (3) Where some travel is accrued by qualified motor vehicles within the fleet.
- (4) The commissioners of two or more affected jurisdictions may allow a person to consolidate several fleets that would otherwise be based in two or more jurisdictions.

Fleet: means one or more vehicles.

Gross Vehicle Weight: means the maximum weight of the loaded vehicle or combination of vehicles.

In-Jurisdiction Distance: means the total number of miles or kilometers operated by a licensee's "qualified motor vehicles" within a jurisdiction including miles/kilometers operated under an IFTA temporary permit. These miles do not include miles operated on a fuel tax trip permit or miles exempted from fuel taxation by a jurisdiction.

IRP Registration: (International Registration Plan) means Apportioned Vehicle Registration.

Jurisdiction: means a State of the United States, the District of Columbia, or a Province or Territory of Canada, or a state of the United Mexican States.

Lessee: means the party acquiring the use of equipment with or without a driver from another.

Lessor: means the party granting the use of equipment with or without a driver to another.

Licensee: means a person who holds an un-cancelled IFTA license issued by the base jurisdiction.

Motor Fuels: means all fuels used for the generation of power for propulsion of motor vehicles.

Person: means an individual, corporation, partnership, association, trust or other entity.

Qualified Motor Vehicle: means 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."

Quarterly Tax Reporting Period: means a period of time consistent with the calendar quarterly periods of January 1 - March 31, April 1 - June 30, July 1 - September 30, and October 1 - December 31.

Recreational Vehicle: means vehicles such as motor homes, pickup trucks with attached campers, and buses when used exclusively for personal pleasure by an individual. In order to qualify as a recreational vehicle, the vehicle shall not be used in connection with any business endeavor.

Registration: means the qualification of motor vehicles normally associated with a prepayment of licensing fees for the privilege of using the highway and the issuance of a license plate and a registration card or temporary registration- containing owner and vehicle data.

Revocation: means withdrawal of license and privileges by the licensing jurisdiction.

Roadside Enforcement: means necessary action, by those persons within a jurisdiction, charged with inspection or compliance checks of qualified vehicles being operated within the jurisdiction. It includes any activity by authorized personnel at any permanent or temporary weight or inspection site or any other location as deemed appropriate by the jurisdiction.

Suspension: means temporary removal of privileges granted to the licensee by the licensing jurisdiction.

Temporary Decal Permit: means a permit issued by the base jurisdiction or its agent to be carried in a qualified motor vehicle in lieu of display of the permanent annual decals. A temporary decal permit is valid for a period of 30 days to give the carrier adequate time to affix the annual permanent decals.

Total Distance: means all miles or kilometers traveled during the reporting period by every qualified vehicle in the licensee's fleet, regardless of whether the miles or kilometers are considered taxable or nontaxable by a jurisdiction.