

MOTOR CARRIER NEWSLETTER



Published Quarterly

March 2006

Welcome to the 2006 1st Quarter Edition of the Motor Carrier Newsletter. We hope you find the information contained herein beneficial to you and your company. We encourage you to provide your ideas and comments so that we may include them in future issues.

Helpful Guidelines

To allow us to assist you more rapidly, please provide us with your account number, also known as your VISTA number, or your Nevada Motor Carrier Number. You will find this number on your registration, invoices, fuel tax returns, and your yearly renewal.

When filling out the IFTA & Nevada Special Fuel User Tax Return, lines 1 through 3 are for carriers that are 100% Nevada, with vehicles that are registered to travel in Nevada only. Lines 4 through 8 are for carriers that are IFTA, with vehicles that are registered IRP to travel to other states. If you have vehicles that are registered for Nevada only and some that are registered IRP (only vehicles over 26,000 pounds), then you need to separate your miles and gallons on the tax return.

When reporting travel through Oregon, you need to report your total and taxable miles and gallons purchased on the IFTA tax return. The tax due will be zero since Oregon does not have a tax rate but we still need all the miles and gallons.

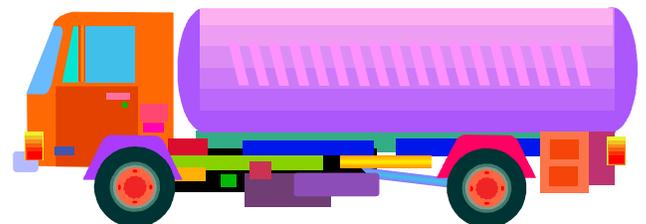
When a carrier has purchased trip permits to travel to other states not listed on their

registration, the miles and gallons still need to be reported on the fuel tax return and a copy of the trip permit sent in with the tax return.

When a carrier files a zero tax return (with no miles traveled and no fuel purchased), please provide an explanation on the tax return as to why you had zero miles. This will prevent us from calling or sending you a letter requesting the explanation.

When filling out your tax return please round only the figures for your miles and gallons. Do not round the tax due or the tax credit amounts.

Remember: Unless your license plates and cab cards have been turned in, you will continue to receive IFTA & Nevada Special Fuel User Tax Returns.



If you receive a letter from us regarding a tax return, you have 10 days to reply. Failure to respond within the 10 days will result in your account being sent to the Motor Carrier Revenue Section for further possible sanctions and fines.

The following transactions may be performed at any full-service DMV:

- Registration for vehicles up to and including 26,000 pounds
- Title-only transfers
- Registration for Motor Homes
- Registration for tractors pulling 5th wheel travel trailers only
- Registration for trailers
- Registration for farm vehicles with an unladen weight up to and including 26,000 pounds

REPORTING GAINS/LOSSES

A book adjustment must be made on any gain or loss that occurs during the reporting period. The purpose of these adjustments is to keep an accurate inventory.

In accordance with NRS 365.330 (2) (b) each supplier may retain an amount equal to 2% of the amount of the tax collected by the supplier to cover the supplier's costs of collection of the tax and of compliance with this chapter, and the supplier's handling losses occasioned by evaporation, spillage, or other similar causes.

NRS 366.390 (1) except as otherwise provided in subsection 2, the Department shall allow each special fuel supplier to retain amount equal to 2% of the amount of the tax collected by the special fuel supplier to cover the supplier's costs of collection of the tax and of compliance with this chapter, and the

supplier's handling losses occasioned by evaporation, spillage, or other similar causes.



Pipeline/Terminal Level

- Report any gains as a book adjustment on Schedule 2
- Report any losses as a book adjustment on Schedule 10

Below Pipeline/Terminal Level

- Report any gains as a book adjustment on Schedule 2
- Report any losses as a book adjustment on Schedule 5

Gain adjustments on Schedule 2 will keep an accurate record of inventory increase, loss adjustments on Schedule 5 will allow for the appropriate payment of tax, and loss adjustments reported on Schedule 10 will allow for the accurate reporting of all distributed fuel and/or reduction of non-taxable inventory, occurring at the terminal.

TAXPAYER RECORDS

All Nevada licensed motor fuel and special fuel suppliers, dealers, exporters, and transporters must keep adequate records for a period of **four years** after the return or report is filed with the Department. The records must substantiate all motor fuel and special fuels purchased, refined, or sold. Records should include, but are not limited to, bills of lading, highway transportation receipts, manifests, inventory records including monthly stock reports, pipeline delivery tickets, refinery tickets, purchase and sales journals, purchase and sales invoices, disbursements journals, bank statements, cancelled checks, tax returns, worksheets, and schedules.

If gains/losses are not reported in the above manner, any unaccounted for gallons will be assessed full tax, including the 2% discount, penalty and interest due per statute. (NRS 360A.100, NRS 365.500, NRS 366.150)

FUEL INDUSTRY

As previously mentioned in earlier newsletters, with the passage of AB255, the Department, by regulation, is allowed to establish procedures requiring suppliers to submit tax returns and payment electronically, but no sooner than July 1, 2006.

The following is the proposed mandated schedule all suppliers will have to meet:

- July 1, 2006 if the supplier receives 1,000,000 gallons or more of taxable fuel or if the supplier receives 5,000,000 gallons or more of all fuel types in a monthly period.

- January 1, 2007 if the supplier receives 100,000 to 999,999 gallons or more of taxable fuel or if the supplier receives 1,000,000 to 4,999,999 gallons of all fuel types in a monthly period.
- January 1, 2008 for all suppliers



The Regulation Workshops and Hearings will be held in Reno on Tuesday, March 14, 2006 at 1:00 pm at the Washoe County Health Center Central Conference Room, 1001 East 9th Street and in Las Vegas on Thursday, March 16, 2006 at 1:00 pm at the Spring Valley Library Conference Room A and B.

The purpose of the workshops and hearings is to receive comments from all interested persons regarding the adoption of regulations.

LICENSING

We have made it through another renewal season. All renewals have been completed and credentials issued. If you have not received your 2006 credentials, then please contact the Licensing Unit at (775) 684-4711, option 1. Please remember that the extension letter expired February 28, 2006 and that Law Enforcement will be notified of any carrier that has not renewed for the 2006 registration year.



The second quarter installment invoices have been mailed and are due on or must be postmarked no later than April 3rd to avoid penalty & interest.

Although the Motor Carrier Section does mail courtesy reminder invoices, we are unable to guarantee that you will receive them.

If you made your initial registration payment in a timely manner, it is assumed that you received the initial invoice. The initial invoice provides a break down of the fees due and the amount of both your initial and subsequent payments. These figures will not usually change.

If you add a vehicle after the initial invoice has been sent and paid, you will be required to pay the additional registration in full.

If you delete a vehicle after the initial invoice has been sent and paid and a credit is forthcoming, the amount of the remaining installment payments will not necessarily change. The Motor Carrier employee processing your credential return can explain this further.

Due to the growing amount of delinquent payments, the Department of Motor Vehicles has recently instituted a monetary sanction program for noncompliance. Please make every effort to pay your installment payments on time.

Please note: The installment option is a privilege offered to our carriers. Most states and jurisdictions require the carriers to make the complete payment before credentials are issued.

We look forward to assisting you, our Nevada Carriers, again this year with your commercial licensing and fuel tax reporting needs. If you have any questions, please contact us at the Licensing Unit at (775) 684-4711, option 1.