



MOTOR CARRIER NEWSLETTER



A Quarterly Newsletter

September 2002



Welcome to the 3rd Quarter Edition of the CED/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.

DEPARTMENT OF MOTOR VEHICLES REMEMBERS 9-11-01



Left: Ginny Lewis, DMV Director Right: Mike Kenedy, MC Tax Administrator II

AS A NATION, AS A STATE, AS A COMMUNITY, WE PAUSE TO REFLECT

The Employees of the Department of Motor Vehicles united in raising funds for the dedication of an American Flag and plaque to honor the many American lives that were affected by the tragedy of September 11, 2001. The inscription on the plaque reads: *“ In honor of all the heroes of 9-11-01, and in heartfelt gratitude for the courage displayed and sacrifices made daily by the fire fighters and law enforcement officers who serve our community.”* Our own Mike Kenedy mourns the loss of his cousin, Ted Adderley, whose life was cut short when Tower 1 of the New York World Trade Center collapsed.

Nevada Department of Motor Vehicles Heavy-duty Diesel Emissions Program

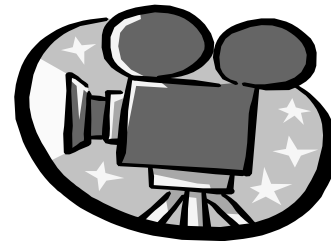
The Nevada Department of Environmental Protection in cooperation with the Nevada Department of Motor Vehicles, have established new and amended regulations to reduce diesel engine opacity standards for heavy-duty diesel powered vehicles. The regulations were reviewed by the Nevada Legislative Council Bureau and have subsequently been adopted by the Nevada Environmental Commission. The regulations will become effective upon filing with the Nevada Secretary of State's Office.

Included in the new regulations are provisions that require testing for the new standards to be completed by utilizing opacity measuring devices that have a built-in capability to adjust readings for ambient conditions. The new standards of opacity are: 70 % for vehicle engine model years 1970 through 1976, 55% opacity for vehicle engine model years 1977 through 1990, and 40% opacity for vehicle engine model years 1991 and newer.

The Department of Motor Vehicles will allow sufficient time for adjustment to the new regulations, and will not take enforcement action based on the new standards until the time allotted for industry awareness and adjustment has passed. Throughout this time period, representatives of the Department of Motor Vehicles, Emission Control Section will be making contact with industry fleet operators, providing information on the new regulations as well as courtesy inspections of all fleet vehicles. This information, along with courtesy inspections, will also be offered at the various roadside inspection sites throughout the state. Fleet and independent operators will be advised of the new regulations and notified as to any non-compliance with the standards as detected. After a sufficient time of familiarization and adjustment has concluded, the Department will resume its program of enforcement to include the new regulations.

For information on the new regulations, or to make arrangements for courtesy testing, you may contact the Nevada Department of Motor Vehicles, Emission Control Section at the following locations:

In the Reno area, contact the Nevada DMV Emission Control Lab at, 305 Galletti Way, telephone number: 775-684-3580. In Las Vegas at: 2701 East Sahara Ave., telephone number 702-486-4981.



“SPOT LIGHT” ON THE FUEL USER TEAM



***Left to right: Michele, Angela, Marian, Cindy, Mike.
Front: Donna***

The Fuel User Team is finally fully staffed. We are ready and eager to assist the public with any of their fuel user questions on IFTA and 100% NV tax returns, Exempt Fuel User refund questions, or any other question you may have. We can be reached at (775) 684-4711 option #2.

Effective July 1, 2002 you may no longer claim off-road mileage exemption on your IFTA and Special Fuel User Tax Return. However, you must continue to report your total miles In-State for Nevada on your tax return to determine an accurate MPG. You may file a claim for refund of your off-road mileage directly with the State of Nevada on form MC-45. Please be aware effective January 1, 2002, requirements for requesting Exempt Fuel Use refunds have changed. See NAC 366.220 for refund percentages regarding PTO (Power Take Off) refunds. When submitting your request for refund, you must include an equipment list. Also, for PTO refunds you must list your PTO equipped vehicles, and how much fuel each unit used during the requesting period. In addition, you must send the Department all fuel purchase invoices, receipts, and/or a spreadsheet listing date, address, fuel type, quantity of fuel purchased, and if applicable, a bulk tank or tank truck inventory reconciliation. You may also be asked to supply other documents necessary for the satisfaction of the Department. Finally, you must include an explanation as to why dyed fuel was not used. Failure to follow these guidelines may result in your refunds being delayed or possibly being denied and returned to you for correction.

The 2003 Renewals will be arriving in your mailboxes soon! To help you determine if your vehicles are IFTA qualified and to ensure your renewal process goes smoothly, simply follow the steps listed below:

- You are IFTA qualified if your diesel, CNG, LPG power unit is 2 axles and 26,001 lbs or more, or 3 axles regardless of weight **and** the power unit travels out of Nevada.
- Count each IFTA qualified power unit and place this amount on the last page of your renewal application.
- You will receive one set of IFTA decals for each qualified power unit (one (1) decal for each side of your power unit).

- You are not entitled to IFTA decals if your power unit is not registered to travel in other jurisdictions and only travels in the State of Nevada.
- Trailers are not IFTA qualified.

For your renewal application, to determine the mileage, follow the steps listed below.

- If you are adding a jurisdiction that you are not currently registered in, indicate by placing an "A" next to that jurisdiction and enter the estimated mileage you will be traveling. Note: Each state has a minimum estimated mileage chart provided in your renewal packet.
- To delete a jurisdiction indicate a "D" next to that jurisdiction during the corresponding renewal period.
- You must indicate the actual mileage you traveled in each jurisdiction unless a trip permit was purchased.
- The mileage period is from 7/1/2001 – 6/30/2001

FUEL INDUSTRY TEAM

TRIBAL AGREEMENTS

The State of Nevada has entered into exempt fuel agreements with the following Indian tribes:

Duckwater Shoshone Tribe, Pyramid Lake Paiute Tribe, Elko Band Tie Moak Shoshone Tribe, and Summit Lake Paiute Tribe. If you have been, or are contacted by a Tribal entity for the purpose of entering into a business agreement, please request a copy of the exempt fuel certificate issued by the Department to the Tribe. Please be advised that you must contact each tribe that you intend to enter into business with to obtain a copy of their exempt fuel certificate. **NOTE:** Agreements are **not** identical from tribe to tribe. Copies of the exempt fuel certificates must be kept with your records for audit purposes.

CLEAN UP FEE COLLECTION
REMITTANCE

Reminder: Please do not collect clean-up fees and do not remit them to the State of Nevada. However, if applicable, you **do** need to file a Worksheet 2 listing any gallons of specified fuel that is imported into or exported out of the State of Nevada even though no clean up fees are due.

Note: the change in the collection of clean-up fees does not affect the inspection fee collection.

If you have any questions regarding these matters, please contact our office. Your Tax Examiner is based on the beginning letter of your company name.

- A-D Marina Crounk at 775-684-4885
- E-M Carmen Shipman at 775-684-4812
- N-SH Patti Zahnter at 775-684-4939
- SI-Z Patti Roth at 775-684-4813

REVENUE TEAM

It is very important that you continue to submit your fuel tax returns and installment payments in a timely manner. Failure to do so may result in the imposition of penalty, interest, administrative fines, revocation of credentials, and loss of installment privileges for the following year. Installment reminder notices and tax returns are mailed as a courtesy to our customers. A late or delinquent issue will cease any further activity on all your Motor Carrier accounts until the issues are resolved.

Late or delinquent installment payments result in the imposition of penalty and interest. Additionally, with each subsequent late or delinquent installment, progressively increasing administrative fines will be assessed up to \$2,500.00. After a third (3) violation, in addition to an administrative fine, there will be a loss of the installment payment privilege for the next calendar year registration. Possible revocation of

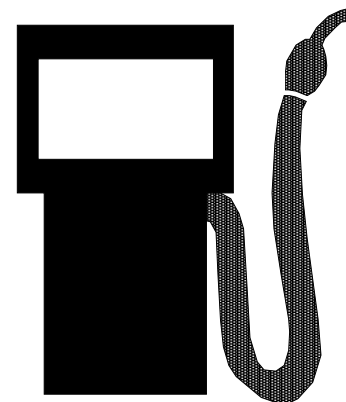
credentials may occur if installment payment(s) and/or administrative fines(s) are left unpaid.

Due dates for remaining installment payments are as follows:

Postmarked or submitted at our offices on or before;

October 1, 2002 – 4th installment payment

Penalty and interest apply to the amount owed on **late fuel tax returns**. Penalty is 10% of the amount owed or \$50.00 whichever is greater. Additionally, progressively increasing administrative fines apply to all subsequent late IFTA returns, up to \$2,500.00, for each instance. Non-filed IFTA returns may result in our Audit Team performing an estimated deficiency determination of the tax due. Revocation of credentials may occur if returns remain delinquent and/or administrative fine(s) are left unpaid. Per Nevada Revised Statute 366.380, 100% Nevada carriers are required to file fuel tax returns, even though the tax is paid at the pump.



Due dates for remaining tax returns are as follows:

Postmarked or submitted at our offices on or before;
 October 31, 2002 – 3rd quarter 2002 fuel tax return
 January 31, 2003 – 4th quarter 2002 fuel tax return



Remember—

The mileage figures reported on your returns are used to obtain Federal funds for Nevada's highways!

AUDIT TEAM

IFTA/Nevada Special Fuel User
 Tax Return, Form 366
 Why and How It's Used

While performing audits of carriers registered under the International Fuel Tax Agreement (IFTA), the Audit Team has determined there appears to be some confusion among IFTA registrants on how to report their non-IFTA (100% Nevada Special Fuel User) fleet of vehicles.

1. A question we hear often is, "What vehicles am I responsible to report on the quarterly IFTA/Nevada Special Fuel User Tax Return?" Please, understand that the return is a combined form. It is designed to be used as an IFTA return, a Nevada only fleet return, or a combined return if the carrier has fleets for both.

Answer: All of their IFTA/Nevada Special Fuel User **qualified** vehicles must be reported on the

quarterly fuel user tax return. The following definition applies in Nevada:

Qualified Motor Vehicle means a motor vehicle used, designed, or maintained for transportation of persons or property and:

Having two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds or 11,797 kilograms; or

Having three or more axles regardless of weight; or

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.

Although the answer is aimed at IFTA registered motor carriers, **it also applies to 100% Nevada Special Fuel Users.**

2. Why does Nevada require carriers registered under the International Fuel Tax Agreement (IFTA) and/or as a 100% Nevada Special Fuel User, to report their highway use of diesel, kerosene, LPG, or CNG? Are those reports important?

There are several reasons; First, under the IFTA program, Nevada and the other jurisdictions agreed to use one standard tax return for reporting, and fair apportionment of highway use taxes among the jurisdictions the fuel was consumed in. For example: you purchased tax paid fuel in Nevada and used 60 percent of the fuel in California. Based on their calculated fleet MPG, Nevada is bound under IFTA to remit to California their fair-share of highway use taxes. **Second,** the Nevada Special Fuel User tax return is basically a reporting of miles traveled and gallons used by their in-state (Nevada non-IFTA registered) fleet of **qualified** vehicles. **Third,** Nevada and the Federal Government use their tax returns to collect highway usage data. The data is compiled by Nevada and then submitted to the Federal Government.

The federal government uses your data to allocate to Nevada a fair-share of the federal excise taxes it collected from us; the allocation is based on the number of gallons you reported as consumed in Nevada.

3. How do I report? Use the IFTA/Nevada Special Fuel User Tax Return, Form 366, and Schedule 1. That form is designed to satisfy the fuel tax reporting requirements of the International Fuel Tax Agreement (IFTA) and the fuel tax reporting requirements of NRS366.380, Nevada Special Fuel User. Those regulations require that IFTA registered motor carriers and 100% Nevada Special Fuel Users file quarterly tax returns reporting the miles traveled and the fuel consumed by their **qualified** vehicles. Because of these two requirements, Nevada designed the form 366 and Schedule 1, which will permit combined reporting.

Step 1. Report your total miles traveled In-State, on-road for Nevada, (for carriers that have both IFTA and 100% Nevada Special Fuel User fleets, their total distance is the combined fleet distances). Credit for tax paid fuel used for any exempt purpose must be claimed on form MC45.

Step 2. Report total tax paid fuel consumed in all jurisdictions, (for carriers that have both IFTA and 100% Nevada Special Fuel User fleets, their total fuel consumption is the combined fleet consumption)

Step 3. Divide the total combined fleet distance, both on-road and off-road, by the total combined fleet fuel consumed to determine their average fleet fuel consumption (MPG). Use that MPG to calculate net taxable gallons and your total taxes due.

Step 4. Complete Schedule 1 to determine their total tax due for each jurisdiction traveled in. **Use the MPG derived in step 3 for all calculations.**

If you have any questions, please do not hesitate to call the Audit Team in Carson City at (775) 684-4793 or, the Motor Carrier Audit Section in Las Vegas at (702) 486-8840.

Happy Motoring!

Required Permits

IFTA Compliance Report – Temporary Trip & Special Fuel Permits

The Nevada Highway Patrol is enforcing the International Fuel Tax Agreement (IFTA) program. Also, citations are being issued for not purchasing a temporary trip permit for vehicles that are not apportioned for travel in the State of Nevada.

Temporary Special Fuel Permits – Fuel Issue:
NRS 366.223 requires that a special fuel user of a vehicle that has a declared gross weight in excess of 26,000 pounds must obtain a temporary permit for special fuel use from an authorized vendor or any Nevada DMV office before entering the state. The fee for a temporary special fuel permit is thirty dollars (\$30).

Furthermore, NRS 366.265 requires the conspicuous display of the identifying device on the exterior of the motor vehicle. Please keep the original or a copy of the original license, which should be physically located in the motor vehicle.

Temporary Trip Permits – Registration Issue:
NRS 706.521 states that any vehicle with declared gross vehicle weight in excess of 26,000 pounds must purchase a temporary permit by paying a fee of five dollars (\$5) plus 15 cents for every mile the department estimates the vehicle will drive in Nevada.

Also, NRS 706.541 requires that the permit be purchased from an authorized vendor either before entering the State of Nevada or from the nearest available vendor to the vehicle's point of entry into the State. Hence, it is essential that the permit be purchased at the first vendor station along the route you will be traveling along.

DYED DIESEL

Every gallon of diesel purchased in Nevada for use on the highway is subject to and includes 27 cents of state excise tax. Diesel purchased strictly for off-road purposes, such as farming, mining and construction, is exempt from these taxes. To make the tax-exempt fuel easier to identify, the state has, since 1995, dyed the fuel red. It is unlawful to operate a motor vehicle on the public highway in this state with dyed diesel in the fuel tanks. (NRS 366.203(2)).

If caught on the highway and dyed diesel is found in the tanks, the violator is liable for the unpaid tax, 10% penalty, interest and administrative fines. The minimum fine for violators is either \$1,000 or \$10.00 per gallon whichever is greater. **This is in addition to the citation fine issued by the Nevada Highway Patrol.**

The Audit Team is responsible for auditing motor carriers and individuals found using dyed diesel on Nevada roadways. If a motor carrier is cited for a violation of NRS 366.203(2), the law allows the Department of Motor Vehicles to audit the company's fuel use.

Over Declared/Over Allowable Gross Vehicle Weight

You can and will be cited by Nevada Highway Patrol for overweight transportation without a license and/or permit. Nevada Revised Statute 484.744 states that it is unlawful to operate a motor vehicle or combination of vehicles over any highway if the vehicle or combination exceeds its declared gross weight.

NRS 482.482 requires additional registration fees for vehicles up to 80,000 pounds. NRS 706.531 requires a permit be purchased for vehicles in excess of 80,000 pounds up to a maximum of 129,000 pounds.

Furthermore, NRS 484.745 limits the weight on a single axle to 20,000 pounds, on a tandem axle to 34,000 pounds each if the distance between the first and last axles of the consecutive sets of axles is 36 feet or more. The maximum overall gross weight on any group of two or more consecutive axles (Bridge Weight) should not exceed the values set forth in the following formula: $W=500(LN/(N-1)+12N+36)$ wherein:

W= maximum load in pounds carried on any group of two or more consecutive axles.

L=distance in feet between the extremes of any group of two or more consecutive axles.

N=number of axles in the group under consideration.

It's important to calculate your bridge weight because your vehicle could weigh less than the declared gross vehicle weight and still be in violation of the maximum allowable bridge weight statute. Therefore, before purchasing your registration/permits please calculate the bridge weight to make sure you are within the allowable weight.

The phone number for permits from the Department of Transportation is 775-888-7410. The phone number for the DMV Over-Weight/Over-Length Permit is 775-684-4711 Option # 1.



NOTES & REMINDERS FROM THE LICENSING STAFF

BIG HORN SHEEP PLATES

As directed by the Nevada Legislature, the Department of Motor Vehicles, Motor Carrier Section has until December 31, 2002 to finish replacing all the "Big Horn Sheep License Plates". Motor Carrier had approximately 12,000 license plates to replace and we are down to the last 800!

All plates with a gray sheep pictured in the upper left corner must be replaced by December 31, 2002. A DMV office visit may also be necessary to correct any unusual problems.

We apologize for any inconvenience this may cause you. If you have any questions, please feel free to contact the Compliance Enforcement Division/Motor Carrier Section, Licensing Team at (775) 684-4711 Ext. 1.



2003 RENEWAL SEASON IS UPON US!

The 2003 renewal packages are going to be mailed out during the last two weeks of September 2002. To make the renewal process easier for our Motor Carrier customers, instructions will be included. Remember, to avoid the crunch, mail them in as early as possible!

OVER-WEIGHT & OVER-LENGTH PERMITS

The same permit is issued for both over-weight and over-length. It is called **Application for/and Special Transportation Revocable Permit (70 – 105 Feet Combination)**. The permit is a three-part form, which cannot be duplicated. The permit is valid when payment is received and the permit is embossed with the State of Nevada stamp.

OVER-WEIGHT PERMIT – The fees are calculated on weight exceeding 80,000 lbs. **For Example:** A vehicle that weighs 105,000 lbs. Is 25,000 lbs over the registered legal amount of 80,000 lbs.

FEES ARE CALCULATED AS FOLLOWS:

- 1) \$60.00 PER 1,000 LBS, OR INCREMENTS THEREOF **=\$1,500 FOR A FULL YEAR. 1/01/03 – 12/31/03.
- 2) Divide by 12 to determine the fee per month: \$1,500 divided by 12 = \$125 per month.
- 3) Then multiply (x) by the remaining months in the year. If the permit is issued for June 2003 – December 2003 = (6 months) remaining in the year. You would multiply \$125 x 6 months = \$750.00.
- 4) **If the weight were 1,001 lbs the carrier would be charged an additional \$60.00.

OVER-LENGTH PERMIT – The \$10.00 over-length fee is charged when a carrier's truck and trailer is 70 feet to 105 feet and they are not being assessed for an over weight permit. This is an administrative fee that is charged for processing the permit.