IRP/IFTA Recordkeeping Requirement Facts

The International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP) are collective agreements among member states of the US, the District of Columbia, and provinces of Canada that allow for the highway system to be maintained by providing for payment of commercial motor carrier registration fees and the collection and distribution of fuel tax revenue.

The maintenance of distance and fuel records for all registered/licensed vehicles is a requirement of both IFTA and IRP. This includes short-haul operations that travel 100 miles or less. The records are needed to ensure proper tax distribution among member jurisdictions and provinces. Both the carrier and driver are responsible for the maintenance of distance records that record by jurisdiction or province distance traveled and fuel placed into the licensed power unit.

Distance Record

A distance record is a source document completed by the driver on which the distance traveled, and the fuel purchased is recorded in detail. These records are later used to complete the annual IRP registration and the quarterly IFTA tax returns.

Both the IFTA and IRP programs require the following information to be recorded on the distance records:

- Date of trip (start/ending)
- Trip origin and destination (including waypoints on the trip)
- Routes of travel
- Beginning and ending odometer or hubometer readings
- Total trip distance
- Distance by jurisdiction/province (jurisdictional breakdown)
- Unit number or Vehicle Identification Number (VIN)

For records produced by a vehicle tracking system that utilizes latitude and longitude a record must be created and maintained at a minimum of 15 minutes for IRP and 10 minutes for IFTA. The documents must contain the following data:

- VIN or vehicle unit number
- Date and time of each system reading
- Latitude and longitude to include a minimum of 4 decimal places of each reading
- Beginning and ending odometer reading or hubometer readings

*GPS data must be accessible in an electronic format e.g. XLS, EXLSX, CSV, or delimited text.

Fuel Records

IFTA requires a record of fuel purchased and used by each IFTA licensed vehicle. Proof of tax-paid fuel purchases is required to obtain credit on the quarterly report. Proof includes a receipt or invoice, credit card receipt, or automated vendor-generated invoice showing the tax that was paid for the fuel purchase.

Tax-paid fuel purchase proof must contain:

- Date of purchase
- Seller's name and address
- Quantity of fuel purchased
- Fuel type
- Price per gallon or liter or total price of fuel purchased
- Identification of qualified vehicle (i.e. unit number)
- Purchaser's name

*Note: Altered or prepaid receipts will not be accepted

Bulk metered record can be used when tax-paid fuel is withdrawn from bulk storage. The bulk metered record must show:

- Date of withdrawal
- Number of gallons
- Fuel type
- Unit number, license plate number or VIN
- Purchase and inventory records to substantiate that tax was paid on all bulk purchases

Summaries

IFTA and IRP require carriers to maintain monthly and quarterly summaries of distance travelled for each individual unit/vehicle in the fleet. IFTA also requires carriers to maintain monthly and quarterly summaries for fuel purchased for each individual vehicle in the fleet (see samples).

Monthly and quarterly totals for the following items are required for all vehicles in the fleet:

- Distance by jurisdiction/province
- Fuel purchased by jurisdiction/province
- Total distance travelled
- Total fuel purchased

Record Retention

IFTA Retention Requirement- The licensee is required to preserve the records upon which the quarterly tax return or annual tax return is based for **four years** from the tax return due date or filing date, whichever is later, plus any period included because of waivers or jeopardy assessments.

Unused decals are required to be maintained for at least four years, and it is the licensee's responsibility to remove decals from the vehicles that are no longer in service. If for any reason a decal is damaged during the year, the licensee shall document the decal number and the number of the replacement and maintain the reconciliation with their distance and fuel records.

IRP Retention Requirement- A Registrant shall retain the records on which the Registrant's application for apportioned registration is based for a period of **three years** following the close of the registration year to which the application pertains, and on request, shall make such records available for audit.

Audit

Carriers are audited periodically to ensure that acceptable records are maintained. Failure to provide adequate mileage and fuel documents may result in the following audit assessments:

- IFTA Assessment—use of MPG equal to 4.0 as the standard used to determine tax liability for all audited quarters. In addition, failure to maintain fuel receipts or invoices will result in denial of fuel tax credits.
- IRP Assessment—an assessment in the amount of 20% of the apportionable fees paid by the registrant for registration of the fleet being audited for the year being audited. Second offense is 50% and third is 100% of the fees paid.

IFTA Filing Dates

IFTA tax returns are filed on a quarterly basis. Returns are due on the last day of the month following the end of the quarter. If the last day of the quarter falls during a weekend or a federal holiday, the next business day is considered the filing due date.

All returns are required to be filed electronically using the OH|TAX eServices by 11:59 PM of the due date:

April 30	Quarter 1 (January-March)
July 31	Quarter 2 (April-June)
October 31	Quarter 3 (July – September)
January 31	Quarter 4 (October-December)

Note: Filing is required even with no distance traveled during the quarter.
Penalties for failure to file a return, filing a late return, or underpayment of fuel taxes are:

- $50.00 or 10% of the net tax liability whichever is greater; and
- Monthly accrued interest

IRP Account Closing

- Contact information:
  - Ohio BMV at 1-800-IRP-0007 or 1-614-777-8400
  - Email OHIRP@dps.ohio.gov

IFTA Account Closing Process

If it is necessary to close the account, you must:

- Follow instructions on OH|TAX eServices to close your account.
- Ensure that there are no outstanding tax liabilities; and
- Retain operational records and IFTA decals for four years **after** the account is closed.

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