

Motor Fuels Tax Newsletter

North Carolina Department of Revenue
Motor Fuels Tax Division
1429 Rock Quarry Road, Ste 105, Raleigh, NC 27610
Telephone: 919-733-3409/Toll Free 877-308-9092

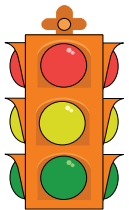


September 2006

Motor Carrier Seminars

Motor Carrier Seminars were conducted during the month of August. Sessions were held in Asheboro, Cary, Greenville, Hickory, Raleigh and Wilmington. Representatives from the Motor Fuels Tax Division, Internal Revenue Service, International Registration Plan Section, and NC State Highway Patrol, Motor Carrier Enforcement Section made presentations on various topics of interest and answered questions.

The seminars were well received and provided an opportunity for motor carriers to have direct contact with several regulatory agencies in one location. We thank all who attended for their participation and feedback.



Important Renewal Notice To IFTA and Intrastate Motor Carriers

The renewal period for IFTA and INTRASTATE licenses and decals for the 2007 calendar will begin October 1, 2006 and will continue through December 31, 2006.

The IFTA Agreement allows for a 60-day grace period for motor carriers to affix decals to their vehicles, as follows:

R655 GRACE PERIOD

.100 Carriers from new member jurisdictions shall be allowed a two-month grace period from the date of the new member's IFTA program implementation to display the IFTA license and decals. However, carriers must maintain the proper credentials for traveling in member jurisdictions until they display the valid IFTA license and decals.

.200 Carriers renewing their IFTA license and decals have a two-month grace period (January and February) to display the renewal IFTA license and decals. To operate in IFTA jurisdictions during this

grace period, carriers must display either valid current or prior year IFTA license and decals from the jurisdiction in which they were operating or a valid single-trip permit from the IFTA jurisdiction in which they are operating.

The Division will be mailing renewal notices in September 2006. Carriers may renew their licenses by returning the completed renewal application for processing. **To expedite processing, we recommend that you request renewal of licenses and decals via the Internet.** Renewal via the Internet will become available effective October 1, 2006. Also on October 1st, we will begin processing the paper renewal notices. We will begin mailing 2007 licenses and decals on November 1, 2006. The 2007 decals should not be affixed to your vehicles prior to December 1, 2006.

Questions or concerns regarding this important notification may be directed to the Motor Fuels Tax Division at (919) 733-3409 or toll free at (877) 308-9092.

Additional Renewal Information

There is **NO FEE** for the license and decals.

If you are requesting IFTA decals, you must travel in at least two (2) IFTA jurisdictions. The Division will be reviewing completed returns from prior periods to ensure that carriers requesting IFTA licenses are traveling in more than one (1) jurisdiction.

North Carolina Highway Fuel Use Tax (NCHFUT) decals are issued to carriers who operate vehicles that travel only in North Carolina.

Your account status will affect the renewal of your 2007 license and decals. If you have not filed all returns due or paid all outstanding assessments, your account may be in a revoked status. If your account has been revoked, we cannot issue decals or a license until your outstanding returns and/or payments have been received either in the Raleigh

office or one of our field offices. Call the Division if you have any questions about your account status.

Important Information for Intrastate Carriers

Effective with the 2007 calendar year, Intrastate decals will be issued in sets of two.

Intrastate Decal Placement:

One decal must be placed on the exterior portion of each side of the vehicle's power unit.

Failure to display decals in the required location may subject the vehicle operator to the purchase of a trip permit and a citation.



Motor Fuels Tax Division Collection Options

The collections unit is utilizing more of the collection tools available to the Department of Revenue. The revenue agents have the ability to garnish wages paid from an employer or a contractor, garnish bank accounts, seize property through a warrant, or request revocation of license plates. The Division is also placing taxpayers on a database with the NC State Highway Patrol. The Highway Patrol officers have the authority to hold the truck until sufficient funds are paid to the officer or the Division.

Taxpayers have several options available to them as well. They can pay the balance due in full. They can protest an assessment before it is final billed if they disagree with the figures used by the Division to calculate the assessment. Taxpayers can also establish a payment plan at any time.



IFTA/Intrastate E-File

www.dorn.com

All registered IFTA/Intrastate carriers can benefit from using this electronic tool. *IFTA* carriers may file their quarterly IFTA returns, pay amounts due and review returns previously filed via this website. *All* carriers may order credentials (license and decals), review credential orders previously filed via the Internet and close accounts. The Department of Revenue's E-File system offers the convenience of completing transactions 24 hours a day, 7 days a week. Payments can be made on-line by bank draft, MasterCard or Visa. Payments made by check or money order may continue to be mailed to the Department of Revenue along with the voucher. Please be certain that your check is postmarked on or before the due date. Payments postmarked after the due date will be subject to assessment of penalties and interest.

Please note that applications for motor carriers registering with North Carolina for the first time will **not** be available on-line. You may contact the Motor Fuels Tax Division for an application to open a Motor Fuels account, or you may download forms from our website. Once the account has been established, you will be eligible to file via the Internet.

If you have filed your IFTA return via the Internet for four (4) consecutive quarters, you will no longer receive paper IFTA returns and tax rate sheets. You will continue to receive the newsletter.

Should you have a need for the paper documents in the future, forms are available at our website www.dorn.com and by selecting "Tax Forms", or you may contact our office for assistance at 919-733-3409 or toll free 1-877-308-9092.

IFTA Web Site



For additional information regarding IFTA and footnotes associated with various jurisdictions' tax rates, visit the IFTA Inc. website at www.iftach.org



Decal Accountability

Motor Carriers are responsible for all decals issued. Unused decals must be maintained for a period of at least four (4) years for audit purposes. If a Motor Carrier fails to produce records to account for all decals, they may be held responsible for the operation of the unaccounted for decals based on the best information available.

Effective January 1, 2003, North Carolina law states that a Motor Carrier must keep records of identification markers issued to it and must be able to account for all identification markers it receives.

A penalty may be assessed for either of the following:

- Inability to account for decals issued (\$100 per decal)
- Displaying a decal on a vehicle operated by a Motor Carrier to whom the decal is not issued. Unauthorized use of a decal. (\$1,000 per decal)

Requirements for Non-IFTA Vehicles

Qualified vehicles are required to have a license and fuel decal(s). A qualified vehicle is a motor vehicle used, designed or maintained for the transportation of persons or property and:

1. having two (2) axles and a gross vehicle weight or registered gross vehicle weight exceeding twenty-six thousand (26,000) pounds;
2. having three (3) axles regardless of weight; or
3. used in combination when the weight of such combination exceeds twenty-six thousand (26,000) pounds gross vehicle weight.

Qualified vehicles that only travel in North Carolina are subject to the record keeping requirements of users.

A user is a person who owns or operates a licensed highway vehicle that has a registered gross vehicle weight of at least 10,001 pounds and who does not maintain storage facilities for motor fuel. Users are required to keep mileage and fuel records and are subject to audit by the N C Department of Revenue. Record keeping requirements include:

- Must retain all fuel receipts (highway and non-highway)
- Quarterly odometer readings
- Purchase and disposition dates of vehicles
- List of current vehicles by registered gross weight

Fuel receipts are required to have the following information:

- Date of purchase
- Name and address of seller
- Number of gallons purchased
- Type of fuel purchased
- Price per gallon
- Unit number or license plate number of the vehicle
- Purchaser's name

Users that maintain bulk storage are categorized as bulk users. Bulk users have additional requirements with regard to maintaining fuel accountability records including fuel withdrawal records. For further information, please contact our Division.

Requirements for IFTA Licensed Vehicles

It is the licensee's responsibility to maintain records of all operations of qualified motor vehicles. At a minimum, information must include the following mileage data on each individual vehicle for each trip:

Mileage Records:

- Date of trip (starting and ending)
- Trip origin and destination (city & state)
- Route of travel
- Beginning and ending odometer or hubometer readings
- Total trip miles
- Mileage by jurisdiction
- Vehicle unit number
- Vehicle fleet number
- Licensee's name

Fuel Receipts:

- Date of purchase
- Name and address of seller
- Number of gallons purchased
- Type of fuel purchased
- Price per gallon
- Unit number of vehicle or VIN
- Purchaser name

Quarterly IFTA Reporting

All licensees must file an IFTA quarterly tax return with the Division. The due dates for filing each return are shown below.

<u>Reporting Quarter</u>	<u>Due Date</u>
January – March	April 30
April – June	July 31
July – September	October 31
October – December	January 31

The IFTA quarterly tax return and tax rates are provided each quarter, 30 days prior to the due date. Failure to receive or obtain the quarterly tax return does not release the licensee from reporting obligations. **A quarterly tax return must be filed, even if the licensee does not operate or purchase taxable fuel in any IFTA member jurisdiction in a particular quarter.**

IFTA licenses may be suspended and/or revoked for any of the following reasons:

1. Failure to file an IFTA quarterly tax return;
2. Failure to remit all taxes due all member jurisdictions; or
3. Failure to pay and/or protest an audit assessment within the established time period.

The Division will notify the North Carolina State Highway Patrol, Motor Carrier Enforcement Administration, and all member jurisdictions when a suspension or revocation has occurred or been released. **Do not operate vehicles when a license has been revoked or suspended.**

Holidays

The Motor Fuels Tax Division and its field offices will be closed in observance of these holidays:

Veteran's Day

Friday, November 10, 2006

Thanksgiving

Thursday November 23, 2006

Friday, November 24, 2006

Christmas

Monday, December 25, 2006

Tuesday, December 26, 2006



Motor Fuels Field Offices

Albemarle No physical location	704-982-8911
Asheville 2800 Heart Drive	828-667-0597
Battleboro 110 Fountain Park Dr., Ste. F1	252-467-9222
Charlotte 6016 Brookshire Blvd	704-393-0606
Durham 3326 Durham Chapel Hill Blvd, Bldg. D Ext. 232	919-560-6803
Elizabeth City 401 S. Griffin St., Suite C	252-337-6756 Ext. 236
Fayetteville 225 Green St., Ste. 800, Systel Bldg	910-486-1212
Fletcher No physical location	828-687-9499
Greenville 2995 Radio Station Rd	252-830-2999
Greensboro 5 Centerview Drive, Suite 110	336-834-4320
Hickory 112 2 nd Street Place SE	828-327-2007
Morehead City NC Maritime Building 113 Arendell St., Suite 110	252-726-5021
Vanceboro No physical location	252-244-9912
Wilmington 33 Darlington Ave	910-251-2658

In the event that you need further assistance you may contact our Raleigh office at the number listed on page 1 of this newsletter.