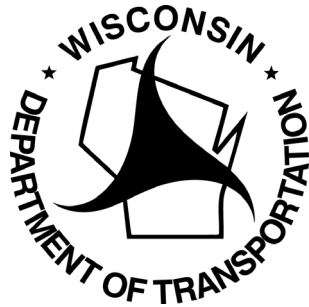


*Wisconsin International
Fuel Tax
Agreement (IFTA)
Instruction Manual*



October 27, 2020

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1.0 DEFINITIONS

Annual Tax Reporting Period means January 1 through December 31.

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

Audit means:

- The physical examination of the source documentation of the licensee's operations either in detail or on a representative sample basis.
- The evaluation of internal controls of the licensee's accounting system and operations; and
- The accumulation of sufficient competent evidential matter to afford a reasonable basis for determining whether there are any material differences between actual and reported operations for each affected jurisdiction in accordance with the provisions of IFTA and all affected jurisdictions' fuel use tax laws.

Base Jurisdiction means the member jurisdiction where qualified motor vehicles are based for vehicle registration purposes and:

- Where the operational control and operational records of the licensee's qualified motor vehicles are maintained and can be made available; and
- Where some travel is accrued by qualified motor vehicles within the fleet. 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.

Cancellation means the termination of a license and its provision by either the licensing jurisdiction or the licensee.

Commissioner means the official designated by the jurisdiction to be responsible for administration of IFTA.

Fleet means one or more vehicles.

Inter-Jurisdictional 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. Inter-jurisdictional distance does not include miles/kilometers operated on fuel tax trip permit or exempted from fuel taxation by a jurisdiction.

Jurisdiction means a state of the United States of America, the District of Columbia, 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 uncanceled IFTA license issued by the base jurisdiction.

Member Jurisdiction means a jurisdiction, which is a member of the International Fuel Tax Agreement.

Motor Fuels means all fuels placed in the supply tank of qualified motor vehicles.

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

Qualified Motor Vehicle (QMV) 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 weight gross vehicle weight exceeding 26,000 pounds; or
- Having three or more axles regardless of weight; or
- Is used in combination, when the weight of such combination exceeds 26,000 pounds gross vehicle or registered gross vehicle weight.

Qualified Motor Vehicle does not include recreational vehicles.

Records means information created, received, and maintained by an organization or person in the transaction of business, or in the pursuance of legal obligations, regardless of media.

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 license plate and a registration card or temporary registration containing owner and vehicle data.

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.

Revocation means withdrawal of license and privileges by the licensing 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 tax 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.

Weight means the maximum weight of the loaded vehicles or combination of vehicles during the registration period.

2.0 INTRODUCTION

The International Fuel Tax Agreement (IFTA) is a cooperative agreement among states and Canadian provinces to simplify the reporting of fuel used by interstate/interjurisdictional motor licensees. Upon application, the licensee's base jurisdiction will issue credentials, which will allow the IFTA licensee to travel in all IFTA member jurisdictions. Any questions or information regarding the IFTA agreement, audit and procedures manual can be referenced under downloads at the IFTA Inc website at www.iftach.org.

This manual provides critical information regarding the International Fuel Tax Agreement (IFTA) program and explains your responsibility as a participant of IFTA. You can obtain IFTA forms at the Wisconsin Department of Transportation website at <https://wisconsindot.gov/Pages/dmv/com-drv-vehs/mtr-car-trkr/mc-forms.aspx>. If you have any questions about IFTA after reviewing these manuals, you can contact the Motor Carrier Service Section by email at irp-ifta@dot.wi.gov or by phone at (608) 266-9900.

2.1 Benefits of IFTA

The benefits of using IFTA include:

- A single fuel tax license and one set of decals that authorizes your vehicles to travel in all member jurisdictions.
- A single fuel tax report that details your operations in each member jurisdictions.
- Ability to credit the fuel tax overpayment for one jurisdiction against the tax liability for another jurisdiction, which reduces or possibly eliminates a payment.
- Ability to remit one check or receive one refund from the base jurisdiction.
- Audit that is conducted by the auditors from your base jurisdiction.

2.2 Base Jurisdiction

Wisconsin is your base jurisdiction for IFTA licensing and reporting if you have the following criteria:

- Qualified motor vehicles display Wisconsin license plates.
- Operational control and records of the qualified motor vehicles are maintained or can be made available at the Wisconsin business address.
- Qualified motor vehicles operate in two or more member jurisdictions.
- Where some travel is accrued by qualified motor vehicles within the fleet. The commissioner of two or more affected jurisdictions may allow a person to consolidate several fleets that would otherwise be based in two or more jurisdictions.

2.3 Qualified Motor Vehicle (QMV)

A Qualified Motor Vehicle is any motor vehicle used, designed, or maintained for the transportation of persons or property having:

- Two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds, or 11,797 kilograms; or,
- Three or more axles regardless of weight; or;
- A combined weight or combined registered gross weight exceeding 26,000 pounds or 11,797 kilograms.

3.0 APPLICATION/LICENSING

3.1 IFTA License Application

The IFTA license application [MV2667](#) requests general information about the licensee and its operations. The IFTA license application may be obtained online at <https://wisconsindot.gov/Pages/dmv/com-drv-vehs/mtr-car-trkr/ifta.aspx>, by email at irp-ifta@dot.wi.gov, or by calling (608) 266-9900.

The following are Wisconsin's fees for IFTA license and decals:

- \$15.00 Application Fee
- \$ 3.00 License Fee
- \$ 2.00 Per Set of Decals

Once the application is processed, the IFTA credentials will be issued. A licensee will not be issued IFTA credentials if the licensee was previously licensed in another IFTA

member jurisdiction and the licensee's license has been revoked by that member jurisdiction. The Department will not issue a license if the licensee application submitted contains misrepresentations or misstatements or omits required information.

3.2 Account Identification Number

The IFTA account identification number is issued by the Department of Transportation. The licensee's 9-digit Federal Employee Identification Number (FEIN) issued by the Internal Revenue Service is the IFTA license number. If you do not have a FEIN, you can use your Social Security Number (SSN), which will be used as the IFTA license number. When you receive a FEIN, you should notify the Department of Transportation with the change and provide a copy of the letter from the IRS that verifies the name and FEIN. You can obtain a FEIN number at www.irs.gov or call 1-800-829-3676.

3.3 IFTA License

The Department will issue one IFTA license that is valid from January 1 through December 31. A legible photocopy of the IFTA license must be carried in the cab of each QMV in the fleet. The original license should be kept with the business records, to be used as a master copy for vehicle additions or loss of the vehicle copy. If a licensee is found operating a QMV without an IFTA license, the licensee may be subject to citations and/or fines and the licensee may be required to purchase a trip permit.

3.4 IFTA Decals

The Department will issue two decals to each QMV operated by the IFTA licensee. The decals must be placed on the exterior portion of both sides of the cab. In the case of transporters, manufacturers, dealers, or drive away operations, the decals may be temporarily displayed in a visible manner on both sides of the cab. Failure to display the IFTA decals properly may subject the licensee to citations and/or fines, and the licensee may be required to purchase a trip permit. Licensees may acquire additional decals throughout the license year from the Department by completing form [MV2667](#).

Online access is also available, contact the Department at (608) 266-9900 or see the following URL for information on how to obtain online access.

<https://wisconsin.gov/Pages/dmv/com-drv-vehs/mtr-car-trkr/wiscrs.aspx>

3.5 Grace Period for Display of License and Decal

Licensees 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.

Licensees renewing their IFTA license are allowed 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.

An IFTA license must be carried by each vehicle and decals displayed in order to be considered by law enforcement to be compliant.

IFTA has a 60-day grace period beyond the license expiration of December 31st to affix the next year's decals. The renewal application must be submitted before the license expires on December 31st to ensure your credentials will be processed and mailed to you before that grace period ends. If the renewal is received after December 31st an additional \$15.00 application fee will be imposed.

3.6 Annual Renewal

Each year the Department will issue pre-printed IFTA license renewal applications to all licensees. After the information on the application is completed and processed, the IFTA decals and license are issued. The next year's decals cannot be displayed until December 1st or later. Renewal of the IFTA license will be denied if the licensee has failed to file any quarterly fuel tax returns, delinquent in any fuel or registration tax payments, or if the IFTA license is in a revoked or cancelled status.

Renewal Applications may also be completed online. Go to <https://wisconsin.gov/Pages/dmv/com-drv-vehs/mtr-car-trkr/wiscrs.aspx> for information on how to obtain online access.

3.7 Bond Requirement

The base jurisdiction, for cause, may require a licensee to post a bond. Bonds may be required for failure to file timely returns or to remit taxes, or when an audit indicates problems severe enough that a bond is required to protect the interests of all member jurisdictions.

3.8 Reciprocity

Wisconsin has a fuel tax licensing reciprocity agreement with Iowa and Minnesota. This agreement replaces fuel tax licensing and reporting requirements for the following vehicles:

- All qualified motor vehicles owned or lease and operated by a resident of either state that operate no further than 30 air miles from the Wisconsin/Iowa or the Wisconsin/Minnesota state border.
- All qualified motor vehicles owned or leased and operated by the state or any political subdivision of the state, while operated in official capacity and displaying tax exempt, municipal or state-owned registration plates.
- All school buses owned and operated by a resident of either state while used in the transportation of pupils to and from school related and/or sponsored events.

4.0 REPORTING REQUIREMENTS

The IFTA quarterly/annual tax report will be sent to all IFTA licensees at least 30 days before the due date. Use of the state authorized form is required. Failure to receive the authorized form does not relieve the licensee from the obligation to submit a return. Filing is required even if no miles were travelled or taxable fuel was used during the reporting period. Quarterly tax reports may be obtained on line at <https://wisconsin.gov/Pages/dmv/com-driv-vehs/mtr-car-trkr/ifta.aspx>, by email at irp-ifta@dot.wi.gov, or by calling (608) 266-9900.

4.1 Quarterly Filing

All licensees are required to file an IFTA quarterly fuel tax return with the base jurisdiction and shall pay all taxes due to all member jurisdictions with one remittance payable to the base jurisdiction. The IFTA returns are filed on a calendar quarterly basis as follows:

REPORTING QUARTER	DUE DATE
January – March	April 30
April – June	July 31
July – September	October 31
October – December	January 31

When filing a quarterly fuel tax return, if you have no fuel purchased in that quarter, your taxes will be calculated using a 4.0 mpg.

4.2 Annual Filing

A licensee whose operations total less than 5,000 miles, or 8,000 kilometres, in all member jurisdictions other than the base jurisdiction during 12 consecutive months may request to report on an annual basis. You are eligible for annual reporting after filing at least 4 consecutive quarterly reports and not showing a balance due. Should a licensee wish to report annually, the licensee must petition the base jurisdiction to do so. Upon receipt of the request, if the base jurisdiction agrees it shall notify the other member jurisdictions in which the licensee operated during the 12 consecutive months preceding

the annual reporting period. If a notified member jurisdiction objects, the licensee's request shall be denied.

REPORTING ANNUALLY	DUE DATE
January – December	January 31

Wisconsin Motor Licensees now have the option to file IFTA electronically using the Wisconsin Carrier Registration System (WisCRS) electronic credentialing system. If you want to learn more about the system, please call (608) 266-9900 or visit <https://wisconsindot.gov/Pages/dmv/com-drv-vehs/mtr-car-trkr/wiscrs.aspx>.

4.3 Due Dates for Timely Filing

The tax return and full payment of taxes are due the last day of the month following the end of the quarter. If the last day of the month falls on a Saturday, Sunday, or legal holiday, the next business day shall be considered the final filing date. Returns shall be considered filed and received on:

- The date shown by the U.S. Postal Service or the Canada Post or Delivery Service cancellation mark stamped on the envelope that contains the return and is properly addressed to the designated department of the base jurisdiction.
- If a return is hand-delivered, it shall be considered filed and received on the date it was delivered to an employee of a department designated by the base jurisdiction to receive fuel tax returns.

Returns not filed or full payment of taxes not made by the due date shall be considered late and any taxes due considered delinquent.

Quarterly returns may also be completed online. See <https://wisconsindot.gov/Pages/dmv/com-drv-vehs/mtr-car-trkr/wiscrs.aspx> for information on how to obtain online access.

4.4 Late Filing Penalties and Interest

When a licensee fails to file a tax report, files a late tax report, or fails to remit any tax due, the licensee is subject to penalty and interest. The penalty is \$50.00 or 10% of the net tax liability; whichever is greater. The one-time penalty may be waived if the licensee can show reasonable cause for failure to comply. Then the penalty may be waived one time in the life of the IFTA account.

Interest is charged on all delinquent taxes due each jurisdiction. Interest will be calculated from the date tax was due for each month or fraction of a month until paid. The interest rate is established under Section 6621(a)(2) of the Internal Revenue Code and adjusted on an annual basis on January 1 of each year. Interest shall accrue

monthly at 1/12 this annual rate. Interest may never be waived since it must be paid to each member jurisdiction where tax was due.

Carriers who file multiple late quarterly tax returns could be subject to provide records for those specific quarters. Carriers may have to provide fuel receipts, beginning and ending odometer readings and trip reports.

4.5 Measurement Conversion Table

Wisconsin IFTA licensees are required to report fuel usage and distance travelled based on United States measurements. Conversion rates are as follows:

1 gallon	=	3.785 liters
1 mile	=	1.6093 kilometers
1 liter	=	0.2642 gallons
1 kilometer	=	0.62137 miles

Gallons and miles entered on each quarterly report must be rounded to the nearest whole gallon or mile.

4.6 Tax Exempt Vehicles

Recreational vehicles such as motor homes, pickup trucks with attached campers, vehicles owned and operated by the United States government, and buses when used exclusively for personal pleasure by an individual are exempt from IFTA fuel tax licensing and reporting. In order to qualify as a recreational vehicle, the vehicle shall not be used in connection with any business endeavour.

4.7 Tax Exempt Miles

IFTA exempts you from reporting taxable miles when your vehicle(s):

- Operate under a fuel trip permit, or
- Operate off road miles (e.g., Logger travelling into a forest, an exempted toll road).

If you have questions about IFTA exempt miles you can visit the IFTA Inc website at www.iftach.org

When audited, you must provide proof of exempt mileage claimed on fuel tax reports.

4.8 Surcharge

Several jurisdictions collect an additional tax for each taxable gallon (column 5 on the tax report) called a surcharge. This surcharge is not collected at the pump or at the time fuel is withdrawn from bulk storage. The surcharge is collected on the quarterly tax return. To accommodate the collections of the surcharge, an additional line has been added to the return. To compute the fuel tax surcharge, multiply the taxable gallons (column 5) by the amount of surcharge. Record that dollar amount in column 8 and column 10 on the quarterly report.

5.0 REFUNDS AND CREDITS

If the net result of a return is a tax credit, the licensee will receive a refund. A refund will be issued once the Department determines that all tax liabilities, including any outstanding audit assessments, have been satisfied to all member jurisdictions. A refund will be denied if the licensee is delinquent in filing any quarterly tax report(s). A refund determined to be properly due will be paid within 90 days. If an account is currently in a revoked status no refunds will be issued. The refunds will be put into an account for the carrier. When the carrier pays for all the fees due along with the reinstatement fees, a refund can be issued by contacting the Department.

Refunds of tax-exempt fuel use, such as reefer fuel, ready-mix units, etc., may NOT be claimed on the IFTA tax report. Information regarding such refunds should be directed to:

**Division of Income, Sales and Excise Tax
Wisconsin Department of Revenue
PO Box 8933 Mail Stop 6-40
Madison, WI 53708-8933
Telephone: (608) 266-2772**

6.0 LICENSE REVOCATION

An IFTA license may be revoked for failure to:

- File a timely IFTA quarterly tax return.
- Remit all taxes due.
- Pay and/or protest an audit assessment or other assessment within the established time period.
- Maintain and follow record keeping requirements.
- Pay fees, provide Form 2290 Heavy Vehicle Use Tax (HVUT), or anything that would cause the IRP account to become suspended, or if the vehicle has a Federal out of service notice.

Operation of a QMV under cancellation and revocation means fuel license privileges have been withdrawn and operation of vehicle may result in citation and fines. Wisconsin law enforcement agencies and all IFTA member jurisdictions will be notified when a revocation has occurred or has been released. If your license is revoked, you must destroy the original and all copies of the license. You must also remove all decals from your vehicles and return them along with any unused decals to the Department. **Do not operate vehicles when a license has been revoked.**

7.0 LICENSE REINSTATEMENT

The Department may reinstate an IFTA license if the licensee files all required reports and remits all outstanding liabilities due all member jurisdictions. The Department requires you to complete a reinstatement application and pay the appropriate fees to reactivate your account. The reinstatement form [MV2667](#) can be obtained online at <https://wisconsindot.gov/Pages/dmv/com-driv-vehs/mtr-car-trkr/mc-forms.aspx> or by calling (608) 266-9900. In addition, a bond may be required in an amount sufficient to satisfy any potential liabilities in all member jurisdictions.

8.0 LICENSE CANCELLATION

An IFTA license may be cancelled at the written request of the licensee provided all reporting requirements and tax liabilities have been satisfied. Upon cancellation, the licensee must return the original IFTA license and decals and complete a final IFTA quarterly tax return indicating to cancel your account. Wisconsin requires that your IFTA license cannot be cancelled until your IRP has expired or the IRP plate and cab card have been returned to the department. If you are cancelling your IFTA account and are going to be leasing to a company or individual who will be responsible for filing your fuel tax, you must provide a lease verification form showing who is responsible for filing your fuel tax and supplying you with the IFTA decal(s) and license. The record retention period of 4 years applies.

The Lease Verification [MV2852](#) may be obtained online at <https://wisconsindot.gov/Pages/dmv/com-driv-vehs/mtr-car-trkr/mc-forms.aspx>, by email at irp-ifta@dot.wi.gov, or by calling (608) 266-9900.

9.0 ASSESSMENTS FOR FAILURE TO FILE

When the licensee fails, neglects, or refuses to file an IFTA quarterly tax report, the Department may assess the licensee for tax delinquency, including penalty and interest. This assessment is based on the best information available; including the licensee's filing history. In the absence of adequate records, a standard of 4.0 miles per gallon may be used to determine fuel consumption and miles or kilometers travelled in each jurisdiction. The burden of proof is on the licensee to show that the calculated assessment is incorrect.

10.0 FRAUDULENT CLAIMS

Under Wisconsin State Statute ([Chapter 341.45](#)), anyone who uses a false or fictitious name, gives a false or fictitious address, or commits fraud may be subject to fine or imprisonment if convicted.

11.0 LEASE AGREEMENTS

QMV'S leased to a licensee are subject to IFTA requirements in the same manner as vehicles owned by the licensee. No member jurisdiction shall require the filing of such leases, but such leases shall be made available upon request to any member jurisdiction. The following applies for the lessor, lessee, independent contractors and household goods agents.

11.1 Rental

- Short-Term Leases: In the case of a short-term motor vehicle rental, by a lessor regularly engaged in the business of leasing, or renting motor vehicles without driver, for compensation to licensees or other lessees of 29 days or less, the lessor will report and pay the fuel use tax unless the following two conditions are met:
 - The lessor has a written rental contract which designates the lessee as the party responsible for reporting and paying the fuel use tax; and
 - The lessor has a copy of the lessee's IFTA fuel tax license that is valid for the term of the rental.
- Long-Term Leases: A lessor who is regularly engaged in the business of leasing or renting motor vehicles without drivers for compensation to licensees or other lessees may be deemed to be the licensee, and such lessor may be issued a license if an application has been properly filed and approved by the base jurisdiction.

11.2 Household Goods Licensees

In the case of a household goods licensee using independent contractors, agents or service representatives, the party liable for the motor fuel taxes shall be:

- The lessee (licensee) when the QMV is being operated under the lessee's jurisdictional operating authority. The base jurisdiction for purposes of this agreement shall be the base jurisdiction of the lessee (licensee) regardless of the

jurisdiction in which the QMV is registered for vehicle registration purposes by the lessor or lessee.

- The lessor (independent contractor, agent, or service representative) when the QMV is being operated under the lessor's jurisdictional operating authority. The base jurisdiction for purposes of this agreement shall be the base jurisdiction of the lessor regardless of the jurisdiction in which the QMV is registered for vehicle registration purposes.

11.3 Independent Contractors

- Short-Term Leases: In the case of a licensee using independent contractors under short-term/trip leases of 29 days or less, the trip lessor will report and pay all fuel taxes.
- Long-Term Leases: In the case of a licensee using independent contractors under long-term leases (30 days or more), the lessor and lessee will be given the option of designating which party will report and pay fuel use tax. If the lessee (licensee) through a written agreement of contract assumes responsibility for reporting and paying fuel use taxes, the base jurisdictions for purposes of the agreement shall be the base jurisdiction of the lessee, regardless of the jurisdiction in which the QMV is registered for vehicle registration purposed by the lessor.

11.4 Owner Operators

Carriers who are operating under their own IRP plates and are leased onto another carrier's authority are required to file a Wisconsin Department of Transportation Lease verification [MV2852](#) indicating who is responsible for filing IFTA. The Lease agreement may be obtained online at <https://wisconsin.gov/Pages/dmv/com-driv-vehs/mtr-car-trkr/mc-forms.aspx>, by email at irp-ifta@dot.wi.gov, or by calling (608) 266-9900.

12.0 RECORD KEEPING REQUIREMENTS

Each licensee is responsible to maintain detailed distance and fuel records for all QMV'S.

12.1 Record Retention

The records must support the information reported on the quarterly tax returns and must be retained for four years from the due date of the tax report unless the required tax

report is not filed. If a required tax report is not filed, the licensee shall retain the required records until the department otherwise authorizes.

A licensee's records must include distance data on each vehicle for all movement and summarized in a monthly fleet summary. An acceptable source document is a trip report, which must include:

- Date of trip (starting and ending)
- Trip origin and destination
- Routes of travel
- Beginning and ending odometer hub odometer reading or distance meter
- Total trip distance
- Distance by jurisdiction
- Unit number or Vehicle Identification Number
- Vehicle fleet number
- Registrant's name

In addition to distance verification records, the licensee is required to maintain a record of all fuel purchased and used in the fleets qualified vehicles. In order to obtain credit for a retail tax paid gallon, a receipt or invoice is required. To verify fuel purchases the following information is required on the receipt or invoice:

- Date of purchase
- Seller's name and address
- Number of gallons purchased
- Fuel type purchased
- Price per gallon or total amount of sale
- Unit numbers of the vehicles
- Purchaser's name (in case of a lessee/lessor agreement, receipts will be accepted in either name, provided a legal connection can be made to reporting party).

Acceptable fuel receipts include: Receipt, invoice, a credit card receipt, and an automated vendor generated invoice or transaction listing. Receipts that contain alterations or erasures will not be accepted. Information on record keeping may be obtained at <https://wisconsin.gov/Pages/dmv/com-drv-vehs/mtr-car-trkr/audit.aspx>.

12.2 Decal Accountability

The licensee is responsible to account for all decals issued to licensee. That includes which vehicle decals were placed on and the sequential decal identification number that the vehicle received. Failure to account for all decals issued, for a period of 4 years may result in a 4.0-MPG jeopardy assessment based on Wisconsin average vehicle use.

12.3 Bulk Fuel Purchases

The licensee normally receives fuel into fuel storage facilities, and fuel tax may or may not be paid at the time of delivery. Motor fuel which is placed into the fuel tank of a QMV from a licensee's own bulk storage, and upon which tax has been paid to the jurisdiction where the bulk fuel storage tank is located, shall be considered a tax-paid bulk fuel purchase. A licensee who maintains a bulk motor fuel storage facility may obtain credit for tax paid on fuel withdrawn from that storage facility if the following records are maintained:

- Date of withdrawal
- Number of gallons withdrawn by unit
- Fuel type
- Unit number
- Purchase receipts
- Inventory records, reconciliation to substantiate that tax was paid on all bulk fuel purchases and quantities remaining in the bulk storage tank

If you have any further questions or need additional information regarding bulk fuel purchases, contact:

**Division of Income, Sales and Excise Tax
Wisconsin Department of Revenue
PO Box 8933 Mail Stop 6-40
Madison, WI 53708-8933
Telephone: (608) 266-2772**

13.0 AUDITS

The purpose of an IFTA audit is to verify the fuel and distance data reported on the IFTA quarterly tax returns. Wisconsin auditors, representing all IFTA member jurisdictions, will conduct the audits.

- Thirty days prior to conducting an IFTA audit, an auditor will contact the licensee in writing advising of the date that the audit is to be conducted and the time period the audit will cover.
- If records to be audited are located outside of Wisconsin, the department shall require the licensee or registrant to reimburse the department for actual and necessary expenses plus wages pursuant to the appropriate state compensation plan or applicable labor agreement.

- At the beginning of the audit, the auditor will talk to the licensee to determine background information, reporting methods, overview of the distance and fuel accounting system and records to be reviewed.
- The audit emphasis will be placed on the distance accounting system to assure that all miles are reported, and fuel receipts maintained to verify tax paid fuel purchases.
- In performing the audit, the auditor will verify fuel receipts and distance generated by all the QMV'S registered. The following procedure will be used:
 1. The audit may be conducted on a sampling basis (vehicles and months).
 2. Reported jurisdiction distance will be verified by routes of travel.
 3. The auditor will compare reported miles and fuel against audited miles and fuel.
 4. The auditor will verify decal use.
 5. The audit adjustment factors that result from the vehicles audited will be used to determine a tax liability or tax refund.
 6. Penalty and interest will be assessed for all member jurisdictions if a tax liability results from the audit finding.
- A final conference will be held with the licensee to explain audit adjustment and future reporting practices. An audit report will be sent to the licensee after the written copy of the audit is processed.

Failure to provide verifiable distance and fuel documentation may result in any of the following actions:

- Estimation of distance travelled, and fuel consumed based on reporting history, or the history of a similar operation.
- Application of a standard average of 4.0 miles per gallon in calculating tax liability.
- Denial of credit for fuel purchases if fuel receipts are altered, erased, or unavailable.
- Revocation of fuel license.

If the audit is not protested, payment, including interest from the original due date must be made within 30 days from the date of the notice of tax due. If additional tax is due, penalties will be assessed based upon the percentage of underpayment.

14.0 APPEALS

A licensee may appeal an action or audit finding issued by the base jurisdiction by making a written request for a hearing within 30 days after the notice of the action or

finding. If a hearing is not requested within 30 days in writing, the original finding or action is final.

The licensee will be sent a written notice of the time and place where the hearing will be given. The hearing may be rescheduled if either party has reasonable cause. The licensee may appear in person and/or be represented by counsel at the hearing and is entitled to produce witnesses, documents or other material to substantiate the appeal.

The licensee will be notified of the findings of fact and the ruling. In the case of an audit, if the licensee still disagrees with the original finding, the licensee may request an additional audit from any member jurisdiction. The requested jurisdiction may accept or deny the request. The licensee will be responsible for all costs related to the audit.