

INTERNATIONAL REGISTRATION PLAN (IRP)  
INTERNATIONAL FUEL TAX AGREEMENT (IFTA)  
RECORD KEEPING REQUIREMENTS

All individuals who license their vehicles under the International Registration Plan (IRP) and/or the International Fuel Tax Agreement (IFTA) are required to maintain adequate records that substantiate distance and fuel reporting for a period of four (4) years. *It is important to note that the account holder – even when leased to another carrier – is responsible for maintaining and retaining adequate records. The consistent maintenance of records containing the following elements shall be accepted by the base jurisdiction as adequate.*

### **Distance Record Keeping**

#### **For records maintained manually:**

1. Beginning and ending dates of each trip
2. Origin and destination of each trip
3. Route of travel
4. Beginning and ending reading from the odometer, hubometer, engine control module (ECM), or similar device
5. Total distance of the trip
6. Distance traveled in each jurisdiction
7. Vehicle identifier (i.e., VIN, IRP unit number, etc.)

#### **For records produced wholly or partly by a vehicle-tracking system, including GPS:**

1. Original GPS or other location data for the vehicle
2. Date and time of each GPS or other system reading
3. Location of each GPS or other system reading
4. Beginning and ending reading from the odometer, hubometer, engine control module (ECM), or similar device
5. Calculated distance between each GPS or other system reading
6. Route of travel
7. Total distance of the trip
8. Distance traveled in each jurisdiction
9. Vehicle identifier (i.e., VIN, equipment number, etc.)

### **Fuel Record Keeping**

Complete records of all motor fuel purchased, received, and used in the conduct of business must be maintained. Separate totals must be compiled for each motor fuel type. Retail fuel purchases and bulk fuel purchases are to be accounted for separately. Receipts that have been altered or reflect erasures may not be accepted for tax-paid credit.

**Retail Purchases** must be supported by a receipt, invoice or other acceptable document (i.e., credit card receipt, vendor invoice or transaction listing, etc.). The following must be reflected:

1. Purchase date
2. Seller's name and address
3. Quantity purchased
4. Fuel type
5. Price per unit or total price
6. Vehicle identifier (i.e., VIN, equipment number, etc.)
7. Purchaser's name (in the case of a lessee/lessor agreement, receipts for tax-paid purchases may be in the name of either party provided a legal connection can be made to the reporting party).

**Bulk Fuel** must be supported by delivery tickets and/or receipts, and inventory reconciliations must be maintained. Records that distinguish withdrawals into IFTA vehicles from other uses must also be maintained. To obtain credit for withdrawals from a licensee owned, leased or controlled bulk storage facility, the following records must be maintained:

1. Withdrawal date
2. Quantity withdrawn
3. Fuel type
4. Vehicle identifier (i.e., VIN, equipment number, etc.)
5. Purchase and inventory records to substantiate the payment of tax

### **Summaries:**

1. Monthly summaries that reflect the distance and fuel by jurisdiction and in total, **per vehicle**
2. Quarterly summaries that reflect the distance and fuel by jurisdiction and in total, **per fleet**
3. Annually a summary of the quarterly summaries (IRP only)

### **Records Reviews**

The Motor Vehicle Division may conduct a Records Review on a carrier to promote the proper maintenance of records. A report indicating any record keeping issues will be issued to the registrant upon completion of the review. No fees will result from the Records Review process.

### **Audits**

Under the provisions of the IFTA and IRP, the State of Alabama is required to audit the records of a percentage of its carrier base. The carrier will be notified at least thirty (30) days prior to the audit engagement date. The information must be accurate, legible and must be presented in a format or manner that is auditable. Adequate records will substantially cover the fleet's operations and will contain the content necessary to verify the fleet's activity. An audit may be conducted at the following locations:

1. Licensee's principal place of business;
2. Offices of the licensing agencies, leasing companies, or service representatives;
3. Offices of the Alabama Department of Revenue; or
4. Other locations as agreed upon by the licensee or its representative.

**If the records are not made available, or if the records as a whole are inadequate for examination purposes, an assessment of liability may be imposed and the license(s) subsequently revoked.**

Upon completion of the audit, the Department of Revenue shall provide the audit findings to the licensee and all affected member jurisdictions. If the licensee does not agree with the audit findings, the licensee will have thirty (30) days from the date it is notified of the audit findings to file a written appeal.

Penalty and/or interest on audit assessments shall be made in accordance with the statute of each jurisdiction and may be individually assessed by affected IRP/IFTA member jurisdictions.

### **Inadequate Records Assessments:**

**IRP:** The Base Jurisdiction shall impose an assessment in the amount of twenty percent (20%) of the Apportionable fees paid by the Registrant for the registration of its fleet in the Registration Year to which the Records pertain, including fees based on estimated distances. The Base Jurisdiction shall impose an assessment of fifty percent (50%) for the second offense. The Base Jurisdiction shall impose an assessment of one hundred percent (100%) for the third or subsequent offenses.

**IFTA:** The base jurisdiction shall have authority to estimate the fuel use on a variety of factors, the result of which will be a reduction in the allowed MPG/KPL to a factor as low as 4 MPG/1.7 KPL.

## Appeals

A licensee or applicant may appeal an action or audit finding issued by the Department of Revenue by making a written request for a hearing within 30 days after the service of notice of the original action or finding. If the hearing is not requested in writing within 30 days, the original finding or action is final.

The hearing shall be held expeditiously, but may be continued for reasonable cause being shown by either party. The base jurisdiction shall give at least 20 days' written notice of the time and place of the hearing.

The licensee may appear in person and/or be represented by counsel at the hearing, and is entitled to produce witnesses, documents, or other pertinent material to substantiate the appeal. If the licensee appeals an assessment for one or more jurisdictions, it will be the responsibility of the base jurisdiction to participate in the appeal process on behalf of the other jurisdictions.

The base jurisdiction will notify the appellant of the findings of fact and the ruling on the appeal.

Further appeal of any jurisdiction's finding will proceed in accordance with the Alabama Taxpayers' Bill of Rights. In the case of an audit, if the licensee is still in disagreement with the original finding, the licensee may request any or every jurisdiction to audit the licensee's records. Each jurisdiction to which a request is made may elect to accept or deny the request. Each jurisdiction electing to audit the licensee's records will audit for its portion of the licensee's operations. The licensee shall make records available at the office of the jurisdiction or at a place designated by the jurisdiction or pay reasonable per diem and travel expenses associated with conducting an audit at the licensee's place of business.

For additional assistance and/or information, you may contact the Motor Carrier Services section of the Motor Vehicle Division in Montgomery by email at [MCS@revenue.alabama.gov](mailto:MCS@revenue.alabama.gov), by telephone at (334) 242-9000 or at the following:

Alabama Department of Revenue  
Motor Carrier Services  
P.O. Box 327620  
Montgomery, AL 36132-7620

You may also access the Alabama Motor Vehicle Division web page for additional helpful information:

<http://www.revenue.alabama.gov/motorvehicle/toc.htm>