



MINNESOTA MOTOR CARRIER IRP AND IFTA AUDIT PROCEDURES

December 2020

This information sheet gives a brief overview of an IRP and IFTA audit and explains rights as a taxpayer.

As a member of the International Registration Plan (IRP) and the International Fuel Tax Agreement (IFTA), DVS is required to conduct audits on vehicles registered in Minnesota's IRP and IFTA programs. An audit is a review of IRP registration taxes and IFTA tax returns and fuel receipts, to ensure accurate reporting and payment of registration fees and fuel taxes to Minnesota and the other jurisdictions.

Audits are selected on a random basis. Notification is given 30 days prior to the audit, via mail and/or telephone, regarding the initial audit process such as records needed for review, time and place of audit. The majority of the audits are completed by mail or electronically and will require three types of documents: vehicle distance records, fuel receipts, and monthly distance and fuel summaries.

The audit process is completed in a series of steps including: an opening conference, selection of sample time frames and vehicles, review of internal controls, testing accuracy of distance and fuel records, an audit report, the audit results, and a closing conference.

Responsibilities of the taxpayer:

- Provide complete and accurate information when filing tax returns
- Maintain compliant distance and fuel records
- Timely filing and payment of registration and fuel taxes

The audit finding may be appealed within 30 days from date of the audit-finding invoice. An appeal must be in writing, request for a meeting, include a statement outlining the reason for the appeal, and include details of the additional records that will be provided to support the appeal.

Taxpayer rights:

- Receive audit notices and invoices that explain the reason for taxes, penalties, and interest
- Know why DVS is asking for the distance and fuel records and what will happen if DVS does not receive the records
- Receive prompt and courteous answers to questions
- Assured that information provided will not be disclosed by DVS, except as authorized by the IRP and IFTA agreements and by MN law
- The right to choose representation
- The right to claim a credit or refund, if the audit result is a credit

Questions?

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