

IRP/IFTA Recordkeeping Requirements

Just the Facts

The International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA) are cooperative programs to collect and distribute registration and fuel tax revenue between member states and Canadian provinces. The programs benefit carriers by consolidating licensing and reporting requirements through the base (home) state.

The maintenance of mileage and fuel records is a requirement of IRP and IFTA. Mileage and fuel records are needed to ensure proper tax distribution among jurisdictions. The carrier and driver are responsible for maintaining vehicle trip reports that record by state/province every mile driven and every gallon of fuel put into the licensed power unit.



This fact sheet outlines the IRP/IFTA recordkeeping and reporting requirements. Topics include:

- **Trip Reports**
- **Fuel Records**
- **Recaps (Mileage and Fuel Summaries)**
- **Record Retention**
- **Audit**
- **Account Closing Process**

Trip Reports

A "Trip Report" (see sample form) is the source document completed by the driver that records in detail the vehicle miles traveled and fuel purchased. These reports are used when completing the annual IRP registration renewal and the quarterly IFTA fuel tax returns.

The IRP and IFTA programs require that the vehicle mileage and fuel trip report contain the following items:

1. Date of trip (start and end)
2. Trip origin and destination (destination is the furthest-most point from the trip origin)
3. Routes of travel and/or state line odometer readings
4. Beginning and ending odometer or hub odometer readings.
5. Total trip miles
6. Mileage by state/province (determined by state line odometer reading or route of travel)
7. Unit number or vehicle identification number (VIN)
8. Vehicle fleet number
9. Registrant's name

Fuel Records

IFTA requires a record of the fuel purchased and used by each IFTA licensed vehicle. Evidence of tax-paid fuel purchases is required to obtain credit on the quarterly report. Evidence 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 evidence must contain:

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

Note: Altered receipts will not be accepted.



Fuel Records (cont.)

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

1. Date of withdrawal
2. Number of gallons
3. Fuel type
4. Unit number, license plate number, or VIN
5. Purchase and inventory records to substantiate that tax was paid on all bulk fuel purchases



Print Trip Report form on an 8 ½ x 11" envelope and keep receipts inside.

Recaps

Mileage & Fuel Summaries

IRP and IFTA require carriers to maintain a monthly summary of miles traveled and fuel purchased for each vehicle (see sample form).

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

- Miles driven by state/province.
- Fuel purchased by state/province.
- Total mileage driven.
- Total fuel purchased.

Record Retention

IFTA Retention Requirement – Records used to support the information reported on the fuel tax returns (miles and fuel purchases) must be retained for *four years* from the filing date of the return.

IRP Retention Requirement – Mileage records used to support the information reported on the annual renewal must be retained for *three years* after the close of the registration year.



MINNESOTA DEPARTMENT OF PUBLIC SAFETY
Driver and Vehicle Services Division

Prorate Office
445 Minnesota Street
Saint Paul, Minnesota 55101-5188

Phone: 651/205-4141
Fax: 651.215.0027
TTY: 651/282-6555
Web: www.dps.state.mn.us/

Audit

Carriers are audited periodically to ensure that acceptable records are maintained. If the carrier's records are not located or made available in Minnesota, the auditor's travel expenses and per diem will be billed to the license holder upon completion of the audit.

Failure to provide adequate mileage and fuel documentation may result in the following audit assessments:

IRP Registration Tax Penalty – An additional tax liability of 20% of the Minnesota base registration tax.

Fuel Tax Penalty – Use of four miles per gallon as the standard used to determine fuel tax liability for all audited quarters.

In addition, failure to maintain fuel receipts or invoices will result in denial of a fuel tax credit.

IFTA Filing Dates

IFTA tax reports are filed on a quarterly basis. Reports 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 is considered the filing due date.

All returns must be US postmarked by the deadline (**bold** date) to be considered timely:

April 30 – 1st Quarter (January-March)

July 31 – 2nd Quarter (April-June)

October 31 – 3rd Quarter (July-September)

January 31 – 4th Quarter (October-December)

Note: Filing is required even when no miles were traveled during the quarter.

Penalties for failure to file a report, for filing a late report, or for underpayment of fuel taxes are:

- \$50.00 or 10% of the net tax liability, whichever is greater; and
- Interest at a rate of 1% per month.

Account Closing Process

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

1. Complete Minnesota IRP Renewal/Supplement Application and/or IFTA quarterly report;
2. Ensure that there are no outstanding tax liabilities;
3. Turn in plates, stickers, cab cards, and/or IFTA license and unused IFTA decals; and
4. Retain operational records for four years *after* the account is closed.

