

What jurisdictions are members of IFTA?

All 48 contiguous states (except the District of Columbia) and all Canadian provinces (except the Northwest Territories and the Yukon Territory).

This brochure briefly explains the laws that apply to motor carriers operating under an IFTA license in Connecticut. It contains information to help you operate legally and to answer some of the questions most often asked by motor carriers.

This brochure does not provide a comprehensive explanation of Connecticut tax laws or regulations. For more information about Connecticut's tax laws or regulations, please contact us by telephone at **860-541-3222** or by mail at:

Department of Revenue Services
Excise Unit
25 Sigourney Street
Hartford CT 06106

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STATE OF CONNECTICUT DEPARTMENT OF REVENUE SERVICES

International Fuel Tax Agreement Information



An Educational Guide to Fuel Tax in
the State of Connecticut

What is IFTA?

IFTA, the International Fuel Tax Agreement, is a cooperative agreement among jurisdictions (states of the United States and provinces of Canada) to simplify the permitting and reporting of fuel use tax by interstate motor carriers. Under IFTA, a carrier can obtain his fuel tax license for all qualified motor vehicles and report to his base jurisdiction his fuel used in all jurisdictions that are IFTA members.

What is a base jurisdiction?

A *jurisdiction* is a state in the United States or a province or territory of Canada.

A *base jurisdiction* is the jurisdiction where:

- Your qualified motor vehicles are based for registration purposes;
- Your operations are controlled and records are kept or can be made available; **and**
- You operate your qualified vehicles.

What is a qualified motor vehicle?

For IFTA fuel tax reporting, a *qualified motor vehicle* is a vehicle that is designed to transport persons or property and that has:

- Two axles and a gross vehicle weight or registered gross vehicle weight over 26,000 pounds; **or**
- Three or more axles regardless of weight; **or**
- When used in combination, a combined gross vehicle weight over 26,000 pounds.

The IFTA definition of a qualified motor vehicle does not include recreational vehicles such as motor homes or pickups with campers.

What are the advantages of operating under an IFTA license?

There are several advantages to operating under an IFTA license including:

- A single IFTA license and decals issued by your base jurisdiction allows you to travel in all IFTA member jurisdictions;
- You file one fuel tax return in your base jurisdiction to report fuel use in all member jurisdictions. You make one payment (or receive one refund) for the total of all tax due or total credits in all jurisdictions; **and**
- Fuel tax audits generally are done only by the base jurisdiction for all member jurisdictions.

If I operate a qualified motor vehicle in Connecticut, must I have an IFTA license?

Generally, if you are based in Connecticut and operate in at least one other IFTA jurisdiction, you must obtain a Connecticut IFTA license and Connecticut decals. For those carriers based in another jurisdiction that is also an IFTA member, the IFTA license and the IFTA decals from that jurisdiction satisfy Connecticut fuel use tax requirements. Carriers based outside Connecticut in non-IFTA jurisdictions must obtain Connecticut fuel tax decals.

However, a carrier may also choose to satisfy motor fuels tax obligations on a trip-by-trip basis. To order a temporary permit, call any of the numbers below:

Comdata Transceiver 1-800-749-6058
Permicom Transceiver 1-800-463-4822

How do I register for the IFTA program?

You may obtain an application for registration by contacting the Department of Revenue Services (DRS) Registration Section at 860-297-4872.

How often must I renew my IFTA license?

Because the IFTA license is good January 1 through December 31, all carriers must renew their license annually. Each year, current license holders receive a renewal application from their base jurisdiction. The carrier must complete the application and indicate the number of decals needed. New decals are issued each year and you are required to have two for each vehicle. You can order additional decals any time during the year.

Must I carry a copy of the license in each vehicle?

Yes. A copy of the license must be kept in the cab of each vehicle. It is a good idea to keep the original in a safe place so copies can be made if additional vehicles are added later. You may wish to order extra decals to have on hand in case one is destroyed or you purchase a new vehicle.

After your application is processed, you will receive your license and the number of decals you requested. Decals must be displayed on the lower rear exterior of each side of the cab.

What are the tax reporting requirements for a motor carrier who is licensed under IFTA and whose base jurisdiction is Connecticut?

Motor carriers licensed under IFTA must submit tax reports each quarter to DRS. We will provide a tax report and return envelope to you by the end of each quarter.

You must complete and return the quarterly tax reports with any payment due. We will verify calculations and, where appropriate, give a credit or a refund, whichever you request. You must file the reports by their due dates or a penalty of \$50 or 10% of the tax due, whichever is greater, will be assessed. Interest is calculated on tax due to all member IFTA jurisdictions.

How often must I file an IFTA report?

All new IFTA accounts are set up on a quarterly filing basis.

RETURN AND TAX FOR THE PERIOD	DUE ON OR BEFORE
January, February, March	April 30
April, May, June	July 31
July, August, September	October 31
October, November, December	January 31

Must I file a report even if I do not operate for the quarter?

Yes. It is important that you file the IFTA return each quarter even if there is no fuel use to report. You will be charged a minimum penalty of \$50 if you fail to file a timely return.

If I am licensed under the IFTA program, will I still be required to file any additional reports with the other states?

Possibly. If the state you are travelling in regulates mileage as well as fuel (such as the ton mileage tax in New York), you will still be responsible for filing that report directly with them.

If you are currently paying a ton mileage tax, you must continue to file these reports **in addition** to your IFTA report.

What records must I keep and how long should I keep them?

You should keep all records that relate to the purchase and use of fuels and all mileage records for each permitted vehicle. You should keep these records for at least four years.

What fuel records must I keep?

Fuel records should include at minimum:

- Fuel receipts;

- Date of purchase;
- Seller's name and address;
- Number of gallons or liters purchased;
- Price per gallon or liter or total amount of purchase;
- Unit number of vehicle;
- Unit numbers of vehicles for which fuel is withdrawn from bulk storage;
- Purchase and inventory records to show tax paid on bulk storage, if claiming a credit; **and**
- Summary records showing separate totals for each fuel type.

What mileage records must I keep?

Mileage records should contain at least:

- Trip origin and destination;
- Travel route with pickup and delivery locations;
- Hubometer or odometer reading for trip, beginning and ending and at crossing of each state border;
- Total trip miles;
- Taxable and nontaxable miles;
- Mileage recaps for each vehicle for each state or jurisdiction;
- Name of registered owner; **and**
- Name of driver.

May I claim a credit on my IFTA return for using off-highway fuel?

IFTA has no provision for making this type of adjustment. If you use off-highway fuel and are entitled to a refund, you may claim a refund of the Connecticut motor vehicles fuel tax paid on the fuel by filing the appropriate form:

- **Form AU-724** for boat and commercial uses;
- **Form AU-725** for farm exemptions; **or**
- **Form AU-736** for bus exemptions.

You must have purchased at least 200 gallons for your refund claim to be considered. All requests must be postmarked on or before March 31 of the following year to be considered. If you have any questions about these refunds or need any of the forms mentioned, call **860-541-3224**. You can also visit the DRS website at www.ct.gov/DRS to preview and download forms and publications.

If I am operating on a lease agreement, who should pay the fuel tax?

On a short-term lease (30 days or less), the registered owner is responsible for reporting fuel use tax. On a long-term lease (31 days or more), the lessor and lessee may decide which party is responsible for reporting and paying the fuel use tax. The lease agreement should state who is responsible for the fuel use tax. You must carry a copy of the agreement in the vehicle.

How do I determine taxable mileage?

Each jurisdiction may have its own definition of taxable mileage. If you operate in several jurisdictions you may wish to contact each jurisdiction in which you might have nontaxable miles (such as certain toll roads). In Connecticut all miles are taxable.

IFTA does not eliminate your responsibilities with other Connecticut state agencies.

In addition to the fuel use tax requirements, you must comply with other Connecticut motor carrier requirements including vehicle licensing and operating authority.