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740-200-0040

Adoption of International Fuel Tax Agreement

(1) The provisions contained in the International Fuel Tax Agreement (IFTA) Articles of Agreement, the IFTA Audit Manual and the IFTA Procedures Manual, and all amendments thereto in effect January 1, [2008] **2010**, are hereby adopted and prescribed by the Oregon Department of Transportation (ODOT) and apply to Oregon-based motor carriers who participate in IFTA.

(2) In addition to the requirements described in section (1) of this rule, the following requirements apply to Oregon-based motor carriers who participate in IFTA:

- (a) Records required to be maintained for distance data must denote intermediate trip stops;
- (b) Records of monthly over the road and bulk fuel reconciliations must be maintained;
- (c) The Department shall assess a penalty of \$50 or 10 percent of the amount of delinquent taxes due, whichever is greater, for failing to file a return, filing a late return, or underpaying taxes due on a return;
- (d) Upon proposing an additional assessment as the result of an audit, the Department shall assess a penalty of 10 percent of the amount of delinquent taxes due;
- (e) Any person against whom a proposed assessment is made by the Department may petition the Department for reassessment within 30 days after service upon the person of the assessment notice. If a petition for reassessment is not filed within the 30-day period, the assessment becomes final. If a petition for reassessment is timely filed, the Department will reconsider the assessment. The decision of the Department upon a petition for reassessment will become final 30 days after notice of the decision is served upon the petitioner. A petitioner may submit a request for hearing in the petition for reassessment; and
- (f) If a request for hearing is timely received, a hearing will be scheduled and conducted in accordance with the provisions of ORS Chapter 183. The petitioner will be provided a minimum of 10 days notice of the time and place of the hearing. The Department may assess a penalty of \$150 for failure to appear at a scheduled hearing.

Stat. Auth.: ORS 823.011 & 825.555

Stat. Implemented: ORS 825.490 & 825.555

740-200-0045

Industry Standard Average MPG

The International Fuel Tax Agreement (IFTA) Audit Manual adopted under OAR 740-200-0040 describes that industry averages may be used to determine fuel tax liability when a licensee fails to maintain or provide records adequate to support reported fuel tax.

(1) The Motor Carrier Transportation Division will periodically analyze industry fleet data to determine Oregon industry standard average miles per gallon (MPG) segregated by four vehicle weight groups:

- (a) 26,001-33,000 pounds;
- (b) 33,001-60,000 pounds;
- (c) 60,001-80,000 pounds; and
- (d) Over 80,000 pounds.

(2) Failure to maintain or provide records required by IFTA adequate to support reported fuel tax and described in OAR 740-200-0040(2) may result in assessment of fuel taxes **based on**:

(a) **Prior experience of the licensee;**

(b) **Licensees with similar operations;**

(c) **Industry averages;**

(d) **Records available from fuel distributors; or**

(e) **Other pertinent information the auditor may obtain or examine.**

(3) Absent substantial evidence to the contrary by reviewing the compliance record of the licensee, in the absence of adequate records, a standard of 4 MPG may be used. [*Calculated by using Oregon industry standard MPG averages determined as described in section (1) of this rule for applicable weight groups; or*

(b) *Using 4.0 MPG for all taxable vehicles if the licensee has either:*

(A) *Repeatedly failed to maintain or provide required records and has been assessed in a prior audit using the Oregon industry standard average MPG; or*

(B) *Used the Oregon standard industry average MPG to report taxes without records to support the use.]*

Stat. Auth.: ORS 823.011 & 825.555

Stats. Implemented: ORS 825.494 & 825.555