Good documentation is key to ex-tax fuel purchase

As more motor carriers use unattended cardlock stations to fill up in Oregon, it's important they know their fuel supplier is required to collect the Oregon fuel tax unless a carrier has a signed Exemption Certificate on file with the supplier. Each carrier must complete this two-page form to note the reason for purchasing ex-tax fuel and list the qualified vehicles. Once the Certificate is filed, the fuel supplier can issue an "ex-tax card" for each vehicle to use when filling up.

While the Exemption Certificate is a key foundational document, the fueling summary report is critical for justifying ex-tax fuel purchases. Oregon Administrative Rules in Division 170, governing fuel licenses and records, list the same requirements for documenting purchases on invoices from non-retail stations as the Division 740 rules governing invoices from retail stations. So if the fuel purchase invoice does not show a carrier's Oregon plate or weight-mile tax credential, the carrier can't claim a credit on its weight-mile tax report and ends up paying BOTH the fuels tax and weight-mile tax.

ODOT recently implemented a Use Fuel User Simplified Report to make it easier for those who report fuel purchases to ODOT's Fuels Tax Group. But carriers licensed with the Fuels Tax Group and using the simplified report must still maintain all records required for the Oregon weight-mile tax, International Fuel Tax Agreement, and/or International Registration Plan. Failure to maintain records could result in additional assessments at time of audit. Carriers with questions about simplified reporting can contact ODOT's Fuels Tax Group at 503-378-8150 or 888-753-2525.

The ability to purchase tax-exempt fuel does not relieve you of reporting usage and paying any tax liability

OREGON EXEMPTION CERTIFICATE

We hereby request to purchase Use Fuel exempt of the Oregon Use Fuel Tax as permitted by ORS 319.520 for the following reason(s):

1 _____ Vehicles listed have been issued a valid ODOT Motor Carrier permit or pass (weight receipt) and are subject to weight mile taxes. List file number below.

2 _____ Vehicles listed have been issued a valid Use Fuel User emblem by the ODOT Fuels Tax Group (this includes special districts and school districts). List user license number below.

3 _____ Vehicles listed are registered to a US government agency, Oregon state agency, Oregon county or city, and displays a valid Oregon "E" plate

4 _____ Vehicles/equipment listed are farm tractors or other agricultural implements only incidentally operated on the highway as defined in ORS 319.520

5 _____ Vehicles/equipment listed are unlicensed and/or used exclusively on privately owned property (not operated on highways).

The customer will attach a list of vehicles/equipment/containers for which cards are requested, and the seller will indicate the corresponding card issued for each vehicle and tax status.

STATEMENT OF CERTIFICATION:

We hereby certify that all Use Fuel purchased ex-tax using a cardlock card as defined in ORS 319.520 on our account with the seller listed below will only be used for Use Fuel tax-exempt purposes as allowed under ORS 319.510 through 319.880

We further agree that we are responsible for proper reporting and payment of taxes plus applicable interest and penalties of up to 35% of unpaid taxes due the State of Oregon for Use Fuel purchased tax-exempt on this account and used for non-exempt purposes.

We further agree that tax reporting and payment responsibility extends to purchases of use fuel made using any additional or replacement cardlock cards issued under this account.

We therefore indemnify and hold harmless the card issuer (seller) and its subsidiaries and assigns from any and all liability relating to the improper use of tax-exempt cards.

SELLER: _____

CUSTOMER: _____ ACCOUNT NUMBER: _____

ADDRESS: _____

CITY: _____ STATE/ZIP CODE: _____

SIGNATURE: _____ DATE: _____

PRINT NAME: _____ TITLE: _____

MCTD FILE NUMBER IF BOX '1' CHECKED ABOVE: _____

USER LICENSE NUMBER IF BOX '2' CHECKED ABOVE: _____

This form is valid when accompanied by a completed vehicle and card listing.

Motor carriers using a non-retail cardlock fueling station in Oregon must have the above signed Exemption Certificate on file with that fuel seller to document that it qualifies for buying ex-tax fuel for the weight-mile tax-paying vehicles listed on page 2 of the Certificate.

BIG OIL CO. — FUEL SUMMARY REPORT
DATES: 01/01/11 THRU 01/31/11

ACCOUNT NO: 02-0034567
ACME TRUCKING
12345 HWY99, EUGENE OR 97403

FUELING LOCATION	DATE	TIME	ODOM	MPG	PROD	QUANTITY	PRICE	AMOUNT	CARD ID	MISC KBD
VEHICLE#: 501 YCCA123										
AN3 GSHN,OR	01/18/11	07:59A	97,085	5.14	ULS	66.20	3.1434	208.09	DICK WERTMAN	0003456
AIM-ALBY,OR	01/21/11	11:24P	97,424	4.47	ULS	75.91	3.1855	241.81	DONALD MARTIN	0006890
VEHICLE#: 6030 YCBB456										
AHH-EUGN,OR	01/03/11	08:22P	407,102	5.43	ULS	101.92	3.1799	324.10	BILL JONES	0009980
AIM-ALBY,OR	01/22/11	03:14P	408,179	6.72	ULS	36.18	3.1924	115.50	LINDA WILLIAMS	0003443
AN3 GSHN,OR	01/27/11	01:55P	408,992	7.82	ULS	67.04	3.1822	213.33	MIKE ANDREWS	0004677
VEHICLE#: Ford F-250										
K1-KFALL,OR	01/13/11	01:33P	96,231	7.73	ULS	25.32	3.4821	88.17	TERRE AMORY	0008889

State tax is not included in the fuel purchases for weight-mile-tax-paying units when the invoice notes the unit's weight-mile tax credential

State tax of $0.30 a gallon is included in the fuel purchase price for this truck

VEHICLE TOTALS:

PRODUCT	TOTAL QUANTITY	AVERAGE PRICE	SALE AMOUNT	STATE TAX	FEDERAL TAX	LOCAL TAX
ULSD	372.57	3.2276	1,191.00	7.60	90.91	5.10

This Fuel Summary Report example provides the documentation a motor carrier needs to claim a fuels tax credit. It shows the date and location of purchase, from whom the fuel was purchased, the kind of fuel and number of gallons, the truck's Oregon plate number (Oregon Receipt or Pass number would also work), and the amount of Oregon fuel tax paid. Note that it shows the state tax is not included in the fuel purchase price for Vehicle #501 and #6030 and the invoice shows the weight-mile tax credential (YC indicates Oregon Commercial license plate). Also note that it shows the state tax of $0.30 a gallon is included in the fuel purchase price for a Ford F-250 truck that is not paying the weight-mile tax.