

# Recordkeeping

## A motor carrier's guide to trouble-free tax audits in Oregon

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**COMMERCE AND COMPLIANCE DIVISION**

# Oregon Weight-Mile Tax Recordkeeping

**W**eight-mile tax auditors are responsible for verifying weight-mile tax reports and payments for operations in Oregon. Audit periods vary but usually encompass the previous three years of tax filings. But if there is no tax report filed for a reporting period, there is no statute of limitations.

All motor carriers must maintain records of their operations for a period of three years and must produce these records for inspection upon request. ODOT must give the carrier a reasonable time and place to produce the requested records. Oregon law provides that ODOT shall be reimbursed by the motor carrier if its representatives travel outside the State of Oregon to examine operational records.

## Weight-Mile Tax Records Requirements [OAR 740-055-0120](#)

(1) All carriers must maintain records of their motor vehicle operations and make reports on forms approved by the Department. Such records must be:

- (a) Stored at the carrier's principal office or place of business;
- (b) Made available for inspection by the Department or its representatives upon request; and
- (c) Retained for a period of three (3) years unless otherwise authorized by the Department.

(2) Distance records produced by a means other than a vehicle-tracking system must meet all requirements in section (1) of this rule and contain the following information for each vehicle:

- (a) Origin and destination points;
- (b) Oregon entry and exit points;
- (c) Actual Oregon miles for each trip;
- (d) Pickup and delivery points in Oregon for each trip;
- (e) Routes of travel for each trip;
- (f) Dates of each trip;
- (g) Daily beginning and ending odometer or other mileage recording device readings for each vehicle;

(3) Distance records produced wholly or partly by a vehicle-tracking system, including a system based on a global positioning system (GPS) may be used in lieu of, or in addition to, the records required in this rule provided the electronic records meet all the requirements of section (1) of this rule and contain the following information for each vehicle:

- (a) The original latitude and longitude coordinates carried out to, at minimum, 5 decimal places, for the vehicle to which the records pertain;
- (b) The date and time of each coordinate capture, at a minimum of 15-minute intervals and at every significant event to validate the total distance traveled. A significant event is defined as: Engine being turned on or off and crossing into or out of the State of Oregon;
- (c) The daily beginning and ending reading from the odometer, hubodometer, engine control module (ECM), or any similar device;
- (d) The calculated distance between each GPS or other system reading;
- (e) The total distance traveled by the vehicle in Oregon; and
- (f) Exception reports containing adjustments made to distance traveled in Oregon including equipment malfunction, tampering or random unexplained coordinate capture.

4) In addition to the requirements listed above, all carriers must maintain records containing the following information for each vehicle:

- (a) Identification of any exempt miles claimed, which shall include beginning and ending odometer or other mileage recording device readings for the exempt portion of each trip. If repeated trips are made to and from the same locations, a one-time recording of odometer or other mileage recording device readings for the exempt portion of those trips may be applied to the total number of trips;
- (b) Load tickets and/or bills of lading for each shipment transported;
- (c) Carriers operating motor vehicles that are issued or required to obtain an annual variance permit under ORS 818.200(1)(a) to (c) with a combined weight of more than 80,000 pounds shall also provide for each reporting period:
  - (A) Number of axles in the vehicle configuration; and
  - (B) A record of changes of operation. A change of operation occurs when the vehicle configuration remains the same but the actual weight of the vehicle and load changes from over 80,000 lbs. to 80,000 lbs. or under. Empty movements are not changes in operation; and
- (d) Carriers operating motor vehicles in multiple configurations shall provide the number of miles operated in each motor vehicle configuration for each trip.

(5) All registrants that pay registration fees via registration trip permits must retain a copy of each registration trip permit.

# International Registration Plan Recordkeeping

**O**DOT Commerce and Compliance Division auditors check that Oregon-based carriers participating in the IRP are in compliance with requirements related to their operations in other states and provinces. Audits may cover the current registration year plus three previous registration years.

Motor carriers participating in the IRP are required to preserve the records upon which the apportioned registration application is based for a period of three years after the close of the registration year.

There is a 20 percent assessment per jurisdiction if adequate records are not provided to the auditor. If adequate records are not provided in the next audit, there is a 50 percent assessment per jurisdiction. Any further audits conducted for which adequate records are not provided will result in a 100 percent per jurisdiction assessment. Records need to be sufficient and appropriate to allow the auditor to verify the distance reported on the application in order to be evaluated as “Adequate”.

The registrant must record all movement of apportioned vehicles including loaded, empty, deadhead and/or bobtail distance. The registrant must also record all distance traveled by apportioned vehicles under trip permits.

## Records must contain the following elements:

- Date of trip (starting and ending).
- Trip origin and destination.
- Route of travel.
- Beginning and ending reading from the odometer, hubometer or similar device for the trip.
- Total trip distance traveled.
- Distance traveled by jurisdiction.
- Unit number or vehicle identification number.

## Records produced wholly or partly by a vehicle-tracking system, including a GPS must also include:

- The original GPS or other location data.
- Date and time of each GPS or other system reading.
- Location of each GPS or other system reading.
- Calculated distance between each GPS or other system reading.

## Records must also include summaries of:

- A. The Fleet’s operations for each month, which includes both the full distance traveled by each apportioned vehicle in the fleet during the calendar month, and the distance traveled in the month by each apportioned vehicle in each jurisdiction.
- B. The Fleet’s operation for each quarter, which includes both the full distance traveled by vehicles in the fleet during the quarter, and the distance traveled in each jurisdiction by the vehicles in the fleet during the quarter.
- C. The quarterly summaries.



# International Fuel Tax Agreement Recordkeeping

**O**DOT Commerce and Compliance Division auditors check that Oregon-based carriers participating in the IFTA are in compliance with requirements related to their operations in other states and provinces.

Every motor carrier with an IFTA license is required to maintain records that substantiate what is reported on their IFTA Tax Returns. Carriers must keep operational records for four years from the due date of each return or the filing date, whichever is later.

An inadequate records assessment will be imposed for not maintaining or providing adequate records at the time of audit. If the base jurisdiction determines that the records produced by the licensee for audit do not, for the fleet as a whole, meet the criterion for the adequacy of records, or the licensee produces no records for audit, the base jurisdiction shall impose an additional assessment by either: adjusting the reported fleet MPG to 4.00; or reducing the reported MPG by 20 percent.

## Distance records required:

- Date of trip (starting and ending).
- Trip origin and destination.
- Route of travel.
- Beginning and ending odometer or hubometer reading of the trip.
- Total trip miles.
- Intermediate trip stops.
- Miles by jurisdiction.
- Vehicle identification number or unit number.

## Fuel records required:

Receipt, invoice, or transaction listing from the seller that contains:

- Purchaser's name.
- Seller's name and address.
- Date of purchase.
- Fuel type.
- Price per gallon.
- Unit number.
- Number of gallons received.
- Separate totals must be compiled for each fuel type, and retail fuel purchased must be accounted for separately from bulk fuel purchases.

## Distance records produced wholly or partly by a vehicle-tracking system, including a GPS must also include:

- Original GPS or other location for the vehicle.
- Location of each GPS or other system reading.
- Total distance traveled by the vehicle.
- Distance traveled in each jurisdiction.
- Date and time of each GPS or other system reading at intervals sufficient to validate the total distance traveled in each jurisdiction.
- Beginning and ending reading from the odometer, hubometer, engine control module (ECM), or similar device.
- Calculated distance between each GPS or other system reading.

## Bulk fuel records required, if applicable:

- Date of withdrawal.
- Number of gallons.
- Fuel type.
- Unit number.
- Location of bulk tank.
- Records must show that the purchase price of the fuel delivered into the bulk storage tanks includes tax paid, and/or that the licensee has paid fuel tax to the member jurisdiction where the tank is located.
- Receipts for all deliveries, quarterly inventory reconciliations, capacity of each tank, and bulk withdrawal record for every bulk tank at each location.
- Bulk fuel inventory reconciliations must be maintained, and records must distinguish fuel placed in qualified vehicles from other uses.

Records must include monthly distance and fuel summaries. These summaries must include the fleet's operations reported on the corresponding quarterly tax return including distance traveled by and the fuel placed into each vehicle in the fleet during the quarter, both in total and by jurisdiction.

## Fuel Purchase Records and Refunds

Oregon charges heavy trucks a weight-mile tax for road use, rather than a fuel tax. Motor carriers operating trucks with a combined weight over 26,000 pounds can buy fuel in Oregon without paying fuel tax if they are properly enrolled with the Department and paying weight-mile tax. If not enrolled, the fuel provider must charge fuel taxes. (Some stations charge the fuel tax anyway because they can't back it out of the purchase.)



When carriers paying weight-mile taxes also pay Oregon state fuel tax, they can request a refund of the Oregon state fuel tax when they file their weight-mile tax report with ODOT Commerce and Compliance Division.

A claim for credit cannot be processed unless it is supported by proper documentation from the actual seller of the fuel. Claims cannot be based on receipts that lack the required information. They also cannot be based on invoices from processing/billing companies like Voyager and SC Fuels when fuel is purchased at retail stations because they are not the actual seller of the fuel.

The processing/billing company invoices will be accepted when the billing relates to a cardlock station. In that case, the processing/billing company is considered the "seller." Those receipts and invoices still must confirm that Oregon state fuel tax was paid for fuel purchased for a weight-mile-tax-paying vehicle.

### [Oregon Administrative Rule 740-055-0110](#)

#### — Fuel Purchase Records and Refunds —

All motor carriers must obtain an invoice covering every purchase of motor vehicle fuel and preserve the same for a period of three years subject to inspection by the Department or its representatives at all reasonable times.

Such invoice must disclose:

- (a) Date and location of purchase.
- (b) From whom purchased.
- (c) Type of fuel and number of gallons purchased.
- (d) Enrolled plate number or temporary pass number of the vehicle if fuel is delivered directly into such vehicle.
- (e) Amount of fuel tax paid.

Motor carriers purchasing fuel in Oregon may claim a credit for Oregon state fuel tax paid at the pump. Carriers shall deduct the amount of fuel tax paid from the highway use tax due on the highway use tax report for the period in which the fuel was purchased.

Motor carriers taking a deduction on the highway use tax report for fuel tax paid shall attach a copy of all fuel invoices for which credit is claimed. Carriers who purchase fuel in bulk shall attach to the highway use tax report for the period in which the fuel was dispensed into a motor vehicle copies of invoices from fuel suppliers indicating Oregon state fuel tax paid and fueling records showing fuel dispensed for each motor vehicle.

Motor carriers may submit a written request for refund of Oregon state fuel tax paid up to three years after purchase. A written request for refund may be granted for any Oregon fuel tax paid but not deducted from the highway use tax report for the period in which the fuel was purchased. Motor carriers requesting refund must attach copies of all invoices. No such refund will be issued until an audit has been performed.

## Claims for Fuel Tax Credits

**Claims for fuel tax credits will be rejected** if they are not supported by invoices from the actual seller of the fuel that contain the:

- Date and location of the purchase.
- Fuel supplier.
- Type of fuel and gallons purchased.
- Plate number of the enrolled vehicle.
- Temporary Enrollment Document number, or Temporary Pass number.
- Amount of Oregon fuel tax paid.

As more motor carriers use unattended cardlock stations, it is important they know their fuel supplier is required to collect the Oregon fuel tax unless a carrier has a signed [Oregon Exemption Certificate](#) (form 735-1340) 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 enrolled plate number, temporary enrollment document number, or temporary pass number, 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.

Questions?

Contact ODOT’s Fuels Tax Group

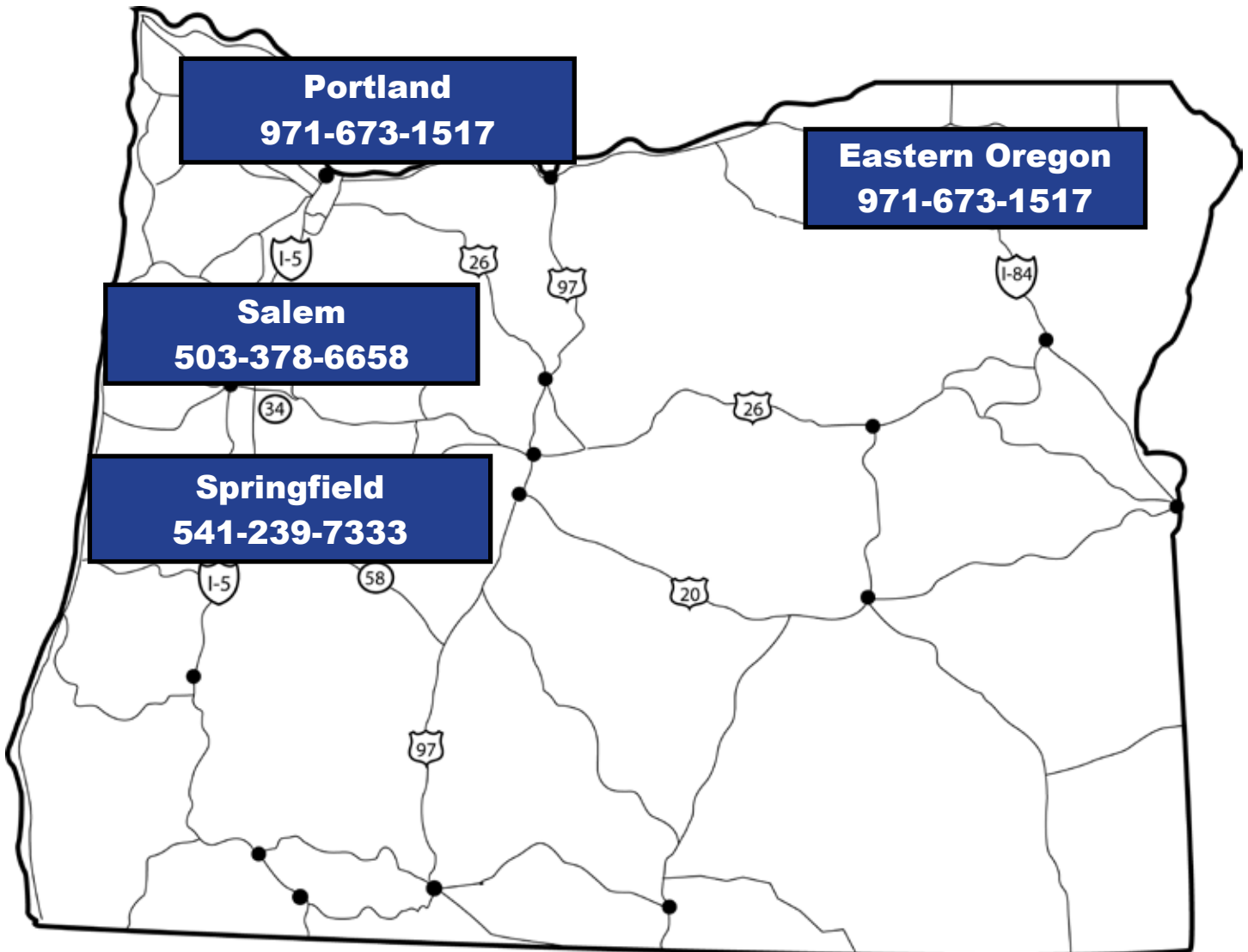
Phone: 503-378-8150 or 888-753-2525.

|  |  |
|--|--|
| The ability to purchase tax-exempt fuel does not relieve you of reporting usage and paying any tax liability   |  |
| <b>OREGON EXEMPTION CERTIFICATE</b>  |  |
| 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  | <input type="checkbox"/> Vehicles listed have been enrolled in the Oregon Weight-Mile Tax Program or issued an ODOT Temporary Pass. List MCTD account number below.  |
| 2  | <input type="checkbox"/> 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  | <input type="checkbox"/> Vehicles listed are registered to a US government agency, Oregon state agency, Oregon County or city, and displays a valid Oregon "E" plate.                                      |
| 4  | <input type="checkbox"/> Vehicles/equipment listed are farm tractors or other agricultural implements only incidentally operated on the highway as defined in ORS 319.S20.                                 |
| 5  | <input type="checkbox"/> Vehicles/equipment listed are unlicensed and/or used exclusively on private 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.  |  |
| <b>STATEMENT OF CERTIFICATION:</b>   |  |
| 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 ACCOUNT 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.   |  |
| FORM 735-1340 (2-19)   |  |

**NOTE:** The Oregon Exemption Certificate form is used to note the reason for purchasing ex-tax fuel and qualified vehicles.

— Specialists available to help with questions. —

# Motor Carrier Audit Offices



# MISSION

**ODOT PROVIDES A SAFE AND RELIABLE MULTIMODAL TRANSPORTATION SYSTEM THAT CONNECTS PEOPLE AND HELPS OREGON'S COMMUNITIES AND ECONOMY THRIVE.**

## 5-YEAR VISION

ODOT works together to be a recognized leader in transportation, an employer of choice in our local communities, and well positioned to deliver transportation solutions for Oregon's future.

**Specifically we have:**

- A high-performing and collaborative **workplace where staff at all levels are aligned** in our shared mission.
- Flexible processes and mechanisms that adapt to changing needs and proactively respond to trends and opportunities.
- Modernized systems, technology and services to maximize resources and **improve productivity and efficiency.**
- Strong and informed governance for priority-setting, decision-making and evaluating progress on initiatives.

## VALUES

These principles inform decision making and guide our behavior in working with each other, our partners and the **communities we serve:**

**INTEGRITY:** We are accountable and transparent with public funds and hold ourselves to the highest ethical standards.

**SAFETY:** We share ownership and responsibility for ensuring safety in all that we do.

**EQUITY:** We embrace diversity and foster a culture of inclusion.

**EXCELLENCE:** We use our skills and expertise to continuously strive to be **more efficient, effective and innovative.**

**UNITY:** We work together as One ODOT to provide better solutions and ensure alignment in our work.

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[www.oregon.gov/ODOT/MCT](http://www.oregon.gov/ODOT/MCT)

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