



**MONTANA**

Department of Transportation

***IFTA***

***GUIDELINES***

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## **HISTORY OF IFTA**

The International Fuel Tax Agreement (IFTA) is a tax collection agreement by and among the 48 contiguous States and 10 Canadian Provinces which allows for the uniform administration of motor fuels use taxation laws with respect to qualified motor vehicles operated in more than one member jurisdiction.

IFTA's three core provisions include:

1. The base jurisdiction concept,
2. The retention of sovereign authority by each jurisdiction to determine tax rates, exemptions and other tax authority, and
3. A uniform definition of qualified motor vehicles.

The benefits of belonging to IFTA as a licensee include:

1. Only one IFTA motor fuel license and one set of decals for each qualified motor vehicle is required to operate through all member jurisdictions.
2. Only one tax return is required to be filed each quarter with the base jurisdiction.
3. Only one tax payment or refund.
4. Only one audit by the base jurisdiction.
5. Reduced administrative costs.

The benefits of IFTA to the Jurisdictions are:

1. Fewer taxpayers.
2. Lower administrative costs.
3. Increased audit coverage.
4. Increased enforcement.

An overview of IFTA, all forms, and tutorials can be found online at:

<http://www.mdt.mt.gov/business/fueltax/ifta.shtml>

## **IFTA License**

A single IFTA license will be issued for a fleet of vehicles. The license is valid from January 1 through December 31. Photocopies of the original license must be placed in each of your vehicles. Keep the original license in a safe place. Make additional copies when adding vehicles to the fleet during the licensing year. See the sample IFTA license on page 15.

## **IFTA Identification Decal**

If registered under the IRP, Motor Carrier Services will only issue decals for the number of registered vehicles in your fleet. **You will not receive extra decals.** Each licensee is issued two decals for each qualified vehicle in the fleet. An identification decal **must** be placed on the exterior portion of both sides of the cab. Failure to place the identification decals on the vehicle and carry a copy of the license may subject the vehicle operator to the purchase of a fuel trip permit and/or a citation.

## **Temporary IFTA License**

A temporary license can be issued, **in lieu of the decals only** while waiting for the decals provided you have an **established account** in good standing. Temporary Licenses will not be issued on a new account.

## **LICENSE RENEWAL**

Renewals will be available October of each year after the third quarter tax return has been filed and paid. Carriers who have not been revoked or canceled, have filed all tax returns, and paid all motor fuel use taxes, penalties, and interest due will be eligible for renewal.

Paper renewals can be submitted to:

**MOTOR CARRIER SERVICES**  
**P.O. BOX 4639**  
**HELENA, MT 59604-4639**  
[mdtmcsirpcontact@mt.gov](mailto:mdtmcsirpcontact@mt.gov)

## **Display of Renewal Credentials**

Carriers renewing credentials may operate with the new IFTA decals and license starting on or after December. The carrier must carry a copy of the prior year's license in the vehicle until December 31.

## **Grace Period**

Carriers renewing their IFTA license and whose application has been received prior to December 31<sup>st</sup> have a grace period until the last day of February to receive their new IFTA license and display the new IFTA decals. The previous year's valid credentials must be displayed, and the license must be available.

## **Requesting Additional Decals**

Requests for additional decals are made by submitting the Additional IFTA Decal Order Form shown on page 20 or downloading the form from [http://www.mdt.mt.gov/other/webdata/external/mcs/forms/MDT-IFTA-007\\_IFTA\\_ADD\\_FORM.pdf](http://www.mdt.mt.gov/other/webdata/external/mcs/forms/MDT-IFTA-007_IFTA_ADD_FORM.pdf)

Submit the form to:

**MOTOR CARRIER SERVICES**  
**P.O. BOX 4639**  
**HELENA, MT 59604-4639**  
[mdtmcsirpcontact@mt.gov](mailto:mdtmcsirpcontact@mt.gov)

# TAX REPORTING/REFUNDS & CREDITS

## Quarterly Reporting

### The reporting quarters are:

First Quarter - January, February, March

- Due date April 30<sup>th</sup>\*

Second Quarter - April, May, June

- Due date July 31<sup>st</sup>\*

Third Quarter - July, August, September

- Due date October 31<sup>st</sup>\*

Fourth Quarter - October, November, December

- Due date January 31<sup>st</sup>\*

*\*If due date falls on a Sunday or Holiday the due date will be the next business day.*

Online filing may be used at the following link: <https://mdt.epart.celtic-host.com/MTEnterprise/>. An online account is required. The login credentials should have been emailed at the time of application or can be requested by emailing [mdtftat@mt.gov](mailto:mdtftat@mt.gov). Manual forms are also available on our website: [http://www.mdt.mt.gov/other/webdata/external/administration/forms/fueltax/MDT-IFTA-001-IFTA\\_TAX\\_RETURN.pdf](http://www.mdt.mt.gov/other/webdata/external/administration/forms/fueltax/MDT-IFTA-001-IFTA_TAX_RETURN.pdf) or. The tax rates for all jurisdictions are available at [www.iftach.org](http://www.iftach.org).

## Tax Return

Returns must be postmarked by the last day of the month immediately following the close of the quarter for which the return is due to avoid penalties and interest. Every licensee **must** submit a tax return, **even if no operations occurred for the quarter. Failure to receive the authorized reporting forms does not relieve the licensee from the obligation of submitting a return.** A sample of the tax return can be found on page 17. **For Assistance:** Contact (406) 444-7664 or email [mdtftat@mt.gov](mailto:mdtftat@mt.gov).

## General Instructions for manual Tax Returns

Each IFTA Licensee shall file an IFTA Tax Return with MDT Fiscal Operation Bureau on or before the last day of April, July, October, and January following the calendar quarters ending March, June, September and December. The United States Postal Service postmark on the mailing envelope, a fax date stamp, the email date or the completing of the return filed online will be accepted as the postmark date.

**Lines 1, 2 and 3:** These lines are for different fuel types. Enter fuel type data on the appropriate line: Line 1 Diesel; Line 2 Propane, Ethanol blended gasoline and Natural Gas; Line 3 Gasoline. Complete Lines 2 and 3 only if you had operations using these fuels in another IFTA state which taxes that type of fuel.

**Column I:** Enter the total miles traveled separated by fuel type for all vehicles that are licensed under IFTA. Entry is in whole numbers.

**Column II:** Enter total gallons of fuel placed in IFTA vehicles. Separate by each fuel type. Entry is in whole numbers.

**Column III:** Divide column I by Column II to figure the mpg (round to 2 decimal places 0.00). Enter by fuel type.

- Line 4:** If you did not travel during this quarter, write **None** in column d.
- Line 5:** Fuel Tax Computation. Use a separate line for each fuel type for each IFTA member jurisdiction. **Important:** Use the correct tax rate and average miles per gallon for the fuel type being reported. **Surcharges (an extra tax on fuel)** are to be computed on the taxable gallons from column f. Use the line directly under the tax computation to calculate the surcharge for jurisdictions charging one.
- Column a:** Enter jurisdiction abbreviation. See tax rate table for other jurisdiction abbreviations.
- Column b:** Enter type of fuel (D = Diesel, G = Gasoline, P = Propane, GH = Ethanol blended gasoline, and NG = Natural Gas).
- Column c:** Enter the tax rate for the fuel type.
- Column d:** Enter the total miles traveled in the jurisdiction. Round to nearest whole number.
- Column e:** Enter the taxable miles traveled in the jurisdiction. Round to nearest whole number.  
**NOTE:** This will be the same as column d unless mileage is driven on roads not for public use or mileage driven using a fuel permit purchased in the jurisdiction. If fuel permits were purchased, mileage during the valid period of the permit can be deducted from the mileage for this column. **A copy of the permit must accompany the tax return.**
- Column f:** Divide column e by the average miles per gallon from column III, line 1, 2 or 3 of the return for the specific type of fuel. Round to nearest whole number. This is the taxable gallons by jurisdiction.
- Column g:** Enter gallons purchased during this reporting period on which fuel taxes have been paid. This total includes all bulk disbursements and at the pump purchases placed into your IFTA vehicles. Invoices from the vendor must support purchases. Retain these for the records. Round to nearest whole number.
- Column h:** Subtract column g from column f and enter under net taxable gallons. If column g is larger than f, enter **figure in brackets**, e.g. (2,180). Round to nearest whole number.
- Column i:** Multiply column h by the fuel tax rate in column c. If the amount is for credit due, enter **figure in brackets**, e.g. (56.80).
- Column j:** If column i is greater than zero and the return is being filed late, enter the interest due by multiplying column i by .005% per month or fraction thereof.
- Column k:** Add column i to column j.
- Line 6** If a return is late, enter ten percent (10%) of the total of column i or \$50.00, whichever is greater. Penalty is due for all late returns, even if the return shows a credit or no miles traveled.
- Line 7:** Enter account balance from previous reporting period. If previous returns had a credit balance and a refund was requested, do not list this amount on line 7.
- Line 8:** Add 6 and 7 to the total line in Column k.
- Cancel IFTA License Check Box:** Place an 'X' in this box to request cancellation of the IFTA License. Enter the date for the cancellation. Attach the license to the return with a written statement attesting all Montana IFTA decals were removed from power units.



**Refund Check Box:** Place an 'X' in this box to request a refund. A Fuel Purchase Summary Form or a spreadsheet with all tax paid fuel purchases separated by jurisdiction must be submitted before a refund will be considered. Refunds will not be processed under \$5.00. Fuel Purchase Summary forms (Example page 18) can be found at: [http://www.mdt.mt.gov/other/webdata/external/administration/forms/MDT-IFTA-006-IFTA\\_FUEL\\_TAX\\_LISITNG.pdf](http://www.mdt.mt.gov/other/webdata/external/administration/forms/MDT-IFTA-006-IFTA_FUEL_TAX_LISITNG.pdf) Bulk fuel summary must also be submitted for each jurisdiction if your company has bulk fuel storage in any jurisdiction. Bulk fuel summary forms (Example page 19) can be found at: [http://www.mdt.mt.gov/other/webdata/external/administration/forms/MDT-IFTA-005-IFTA\\_BULK\\_RECONCILIATION.pdf](http://www.mdt.mt.gov/other/webdata/external/administration/forms/MDT-IFTA-005-IFTA_BULK_RECONCILIATION.pdf) .

**Sign and Date the Return.** Returns must be signed to be considered properly filed. Submit original return and keep a copy for your records. Reports can be completed online, faxed to (406) 444-5411, mailed by the United States Post Office, or sent using the State of Montana's File Transfer Service.

Montana filers **must** report fuel and distance traveled in U.S. measurements. Convert fuel and mileage by using the table below. Round totals to the whole gallon or mile.

**Conversion:** - One liter to .2642 Gallons - One Kilometer to .62137 Miles

### **No Operations**

Tax returns are required even if no operations were conducted or no taxable fuel was used during the reporting period. Failure to file will result in a penalty.

### **Amended and Late Filed Returns (Penalties and Interest)**

Filing on time means the correctly addressed return is **completed online, faxed, postmarked or date sent using the File Transfer Service** prior to or on the last day of the month immediately following the close of the quarter for which the return is due. If a return is hand delivered, it **must** be received by the due date. If the due date is a Sunday or a legal holiday, the next business day is the timely filing date. The penalty for late filed returns is \$50.00 or 10% of the total tax liability, whichever is greater. Interest will be assessed on all taxes due each jurisdiction. The interest rate is .005% per month. A full month of interest is charged for each month or part of a month your report is late. The Montana Department of Transportation (the Department) will waive a penalty once every three years.

Amending a return originally reporting no miles traveled to reporting miles is considered incorrectly filed. The penalty for amending a return that falsely reported no miles traveled is a minimum penalty of \$50.00 or 10% of the total amended tax liability, whichever is greater.

### **Montana Tax Exempt Miles**

Montana exempts fuel from use tax when vehicle(s):

- Operate under a fuel trip permit.
- Operate on private property and/or Forest Service development roads.
- See mileage records requirements on page 10.

Include fuel permit and private property miles and fuel when calculating fleet average miles per gallon (MPG). Also include fuel permit and private property miles when reporting total miles for each IFTA Jurisdiction (tax return column d). Deduct exempt miles from the total miles for each jurisdiction to obtain the taxable miles (tax return column e). Taxable miles are miles used to calculate the taxable gallons.

### **Taxes Due/Refunds/Credits**

When completing the tax return, taxes owed and overpayments in the jurisdictions will be netted. If taxes owed are more than credits for tax paid fuel, send one check for the net tax owed. If credit for tax paid fuel is more than taxes owed, send no money. To request a refund of the remaining credit balance (if more than \$5.00), check the box at the bottom of the form and submit the return with a listing of the tax paid fuel purchases for the quarter. A refund will be issued within 90 days of a properly filed request.

Send requests to:

**MONTANA DEPARTMENT OF TRANSPORTATION  
FISCAL OPERATIONS BUREAU  
P.O. BOX 5895  
HELENA, MT 59604-5895  
[mdtiftatax@mt.gov](mailto:mdtiftatax@mt.gov)**

If the return has been filed online, the fuel purchase summary can be uploaded, and the request refund box checked to request the refund.

**Credits are removed from accounts if not used to offset future tax liabilities within eight calendar quarters (2 years) from the end of the calendar quarter in which the credit accrued per the IFTA Agreement.**

### **Late Penalty Waivers**

For good cause, the Department may grant a taxpayer, once every three years, a reasonable extension of time for filing not to exceed 30 days.

### **Electronic Payments**

Electronic payments using e-checks or credit cards can be done when filing online or by calling (406) 444-9276.

### **No Operations**

If a "No Operations" tax return is filed and it is determined through late filings or an audit that taxes were owed, the licensee will be penalized and responsible for all unpaid taxes, interest on those taxes, and possible revocation of the licensee's IFTA license.

### **Cancellation**

IFTA accounts may be canceled if qualified motor vehicles are no longer operating or travelling outside Montana. The Department may cancel your license for no activity or travel out of Montana for three (3) consecutive quarters. To request cancellation of your IFTA license, place an "X" in the box on the lower left-hand corner of your IFTA tax return and enter the cancellation date, select Cancel IFTA license online and enter the cancellation date, or submit a written request. Attach the license to the return or statement giving the last date of operations and attesting that all Montana IFTA decals were removed from the power units.

### **Revocation**

If a tax delinquency has not been satisfied or the licensee has not filed a written appeal within thirty days from the initial notification, the IFTA license will be revoked. Non-compliance with the record-keeping requirements outlined below may also be cause for revocation of the license. If revoked, see bonding requirements page 7.

### **Reinstatement**

To reinstate a **revoked** IFTA license the following requirements **must** be satisfied:

- All taxes paid-in-full.
- All reports filed.
- All records requested **must** be received.
- Post a \$500 bond.
- And pay a \$100 reinstatement fee

### **BOND REQUIREMENT**

Licensees may be required to post a bond (surety bond, certificate of deposit or cash) in the amount of \$500 in the event of non-compliance with the filing of a fuel tax return(s) and payment of fuel tax liabilities. The dollar amount of the bond will be increased by \$500 for each additional non-compliance infraction. The requirement for a bond will be removed and the bond released after three years of timely filings and payments.

Non-compliance that triggers the requirement for a licensee to post a bond is as follows:

- (a) three late quarterly filings in a three-year period.

- (b) non-payment of the tax liability of an IFTA quarterly tax return two or more times in a four-quarter period.
- (d) non-payment of an IFTA audit tax liability; or
- (c) the license was previously revoked but has been reinstated.

**Surety Bond** – This is completed by the insurance company of your choice.

**Certificate of Deposit (CD)** – This is issued through a bank. The CD must be in the name of the “company name”, with the word “or” the “Montana Department of Transportation”. **Example:** John Doe or Montana Department of Transportation. The original is to be sent to the Department of Transportation. Interest is earned and belongs to the taxpayer.

**Cash** – This is paid by money order, cashier’s check, currency, or credit card. This bond does not earn interest while with the Department.

### **PTO FUEL USAGE**

Montana allows refund of fuel taxes for PTO usage. For questions contact (406) 444-7664. For forms contact the Department at (406) 444-7284, by email at [mdtfuelrefund@mt.gov](mailto:mdtfuelrefund@mt.gov) or online at: [http://www.mdt.mt.gov/other/webdata/external/administration/forms/fueltax/MDT-ADM-015-PTO\\_Refund.pdf](http://www.mdt.mt.gov/other/webdata/external/administration/forms/fueltax/MDT-ADM-015-PTO_Refund.pdf)

### **REFRIGERATOR FUEL USAGE**

Montana allows refund of fuel taxes for refrigerator fuel usage. For questions contact (406) 444-7664. For forms contact the Department at (406) 444-7284, by email at [mdtrefereffunds@mt.gov](mailto:mdtrefereffunds@mt.gov) or online at: [http://www.mdt.mt.gov/other/webdata/external/administration/forms/fueltax/MDT-ADM-016\\_RefreigeratorFuelRefund.pdf](http://www.mdt.mt.gov/other/webdata/external/administration/forms/fueltax/MDT-ADM-016_RefreigeratorFuelRefund.pdf)

## **RECORD KEEPING REQUIREMENTS**

### **Preservation of Records**

A licensee shall retain the records of its operations to which IFTA reporting requirements apply for a period of four years following the date the IFTA tax return for such operations was due or was filed, whichever is later, plus any period covered by waivers or jeopardy assessments. Failure to provide records demanded for audit purposes extends the four years record retention requirement until the records are provided. Records may be kept on microfilm, microfiche, or other acceptable computerized or condensed record storage system.

### **Mileage Records**

An acceptable distance accounting system is necessary to substantiate the information reported on the quarterly tax return.

A licensee's system, at a minimum, must include:

- Distance data on each individual vehicle for each trip and be recapped in monthly fleet summaries;
- Recap miles traveled for each vehicle for each jurisdiction in which the vehicle operated;
- Document miles traveled for taxable and non-taxable use.

Vehicle distance information is usually recorded on "TRIP REPORTS". All trip reports should include:

- Licensee's name.
- Vehicle fleet number.
- Vehicle identification number or unit number
- Date of trip (starting and ending).
- Trip origin and destination.
- Routes of travel.
- Beginning and ending odometer or hub odometer readings for the trip.
- Total trip miles/kilometers.
- Miles/kilometers by jurisdiction; and
- Nontaxable trip miles.

### **Fuel Records**

The licensee must maintain complete records of all motor fuel purchased, received, and used in the conduct of its business. Separate totals must be compiled for each motor fuel type.

Included fuel types are:

- Gasoline.
- Diesel.
- Ethanol blended gasoline.
- Propane.
- Compressed Natural Gas; and
- Blended Fuels.

Retail and bulk fuel purchases are to be accounted for separately.

The fuel records shall contain, but not be limited to:

- Date of each receipt of fuel.
- Name and address of the seller where the fuel was purchased or received.
- Type of fuel, number of gallons/liters received.
- The vehicle or equipment into which the fuel was placed; and
- Price per gallons/liters, or total amount of sale

## **Tax Paid Retail Purchases**

Retail purchases must be supported by a receipt or invoice, credit card receipt, automated vendor generated invoice or transaction listing, or microfilm/microfiche of the receipt or invoice. Receipts that have been altered or indicate erasures will not be accepted for tax-paid credits unless the licensee can demonstrate the receipt is valid.

Receipts for retail fuel purchases must identify the vehicle by the plate or unit number or other licensee identifier, as miles traveled, and fuel consumption may be reported only for vehicles identified as part of the licensee's operation.

An acceptable receipt or invoice must include, but shall not be limited to, the following:

- Date of purchase.
- Seller's name and address.
- Number of gallons or liters purchased.
- Fuel type.
- Vehicle identification.
- Price per gallon or liter or total amount of sale.
- Purchaser's name (in case of lessee/lessor agreement, receipts will be accepted in either name, provided a legal connection can be made to the reporting party).

## **TAX PAID BULK PURCHASES**

Bulk storage fuel is normally delivered into storage facilities maintained by the licensee, and the fuel tax may or may not be paid at the time of delivery. Copies of all delivery tickets and /or receipts must be retained by the licensee. Receipts that have been altered or indicate erasures are not accepted for tax-paid credits unless the licensee can demonstrate the receipt is valid. **Bulk fuel inventory reconciliations must be maintained. For withdrawals from bulk storage, records must be maintained to distinguish fuel placed in IFTA qualified vehicles from other uses.**

To obtain credit for withdrawals from licensee-owned, tax paid bulk storage, the following records must be maintained:

- Date of withdrawal.
- Number of gallons/liters.
- Fuel type.
- Unit number or equipment number; and
- Purchase and inventory records to substantiate taxes were paid on all bulk purchases.

Upon application by the licensee, the base jurisdiction may waive the requirement of unit numbers for fuel withdrawn from the licensee's own bulk storage and placed in its qualified motor vehicles. The licensee must show that adequate records are maintained to distinguish fuel placed in qualified vs. non-qualified motor vehicles for all member jurisdictions.

## **Availability of Records**

Records shall be made available upon request by any member jurisdiction and shall be available for audit during normal business hours. If records to be audited are located outside of the base jurisdiction, and the base jurisdiction must send auditors to the place records are kept, the licensee may be required to reimburse the base jurisdiction for reasonable per diem and travel expenses of its auditors as authorized by law.

## **Non-Compliance**

Failure to maintain records upon which the licensee's true liability may be determined or to make records available upon proper request may result in an assessment as stated in IFTA Articles of Agreement Section R1200. Non-compliance with any record-keeping requirement may be cause for revocation of the license. The base jurisdiction may defer license revocation if the licensee shows evidence of compliance for future operations.

## **ELECTRONIC DATA RECORDING SYSTEMS**

Contact the audit section to confirm the system you are considering meets the IFTA record keeping requirements.

### **Acceptable Source Documents**

On-board recording devices, vehicle tracking systems or other electronic data recording systems may be used (at the option of the carrier) in lieu of or in addition to handwritten trip reports for fuel tax reporting. Other equipment monitoring devices that transmit data or may be interrogated as to vehicle location or travel may be used to supplement or verify handwritten or electronically generated trip reports. If the printed trip reports will not be retained for audit, the system must have the capability of producing the reports upon request, which verify the Individual Vehicle Mileage Record. The system must be able to produce the following reports:

**Trip Reports:** An individual vehicle mileage record report for each trip.

**Summary Reports for Individual Vehicles:** Monthly, quarterly, and annual summaries of vehicle trips by vehicle number, showing miles by jurisdiction.

**Summary Reports for Fleets:** Monthly, quarterly, and annual trip summaries by fleet showing the number of miles/kilometers by jurisdiction.

**Exception Reports:** Exceptions that identify all edited data, omissions of required data, system failures, noncontiguous life-to-date odometer readings, travel to noncontiguous jurisdictions, and trips where the location of the beginning trip is not the location of the previous trip.

**Calibration Reports:** Report(s) that indicate when the on-board recording device was last calibrated, and the calibration method used.

### **Minimum Device Requirements**

**Certification of Testing:** The carrier must obtain a certificate from the manufacturer certifying that the design of the on-board recording device has been sufficiently tested to meet the requirements of IFTA reporting.

**Security:** The on-board recording device and associated support systems must be tamperproof and must not permit altering of the information collected. Editing the original information collected will be permitted. All editing must be identified, and both the edited and original data must be recorded and retained.

**Function Warning:** The on-board recording device shall warn the driver visually and/or audibly the device has ceased to function.

**Time and Date Stamping:** The device must time and date stamp all data recorded.

**Memory Full Warning:** The device must not allow data to be overwritten before the data has been extracted. The device must warn the driver visually or audibly the device's memory is full and can no longer record data.

**Odometer Update:** The device must automatically update a life-to-date odometer when the vehicle is placed in motion, or the operator must enter the current vehicle odometer reading when the on-board recording device is connected to the vehicle.

**Confirmation of Data Entered:** The device must provide a method for the driver to confirm that the entered data is correct such as a visual display of the data entered.

### **Carrier Responsibilities**

**Recalibration:** It is the carrier's responsibility to recalibrate the on-board recording device when any modifications are made that will affect the accuracy of the on-board recording device. The calibrations must be made in accordance with the manufacturer's specifications. A record of recalibration must be retained for the audit retention period.

**Data Backup:** It is the carrier's responsibility to maintain a second copy of the electronic files either electronically or on paper for the audit retention period.

**Training of Drivers:** It is the carrier's responsibility to assure its drivers are trained in the use of the computer system.

**Burden of Proof:** In an IFTA audit, the burden of proof is on the licensee. The audit will be completed using the best information available to the base jurisdiction.

### **Monthly Summaries**

Summarize trip reports each month into a single fleet report. Summarize both fleet miles and fuel receipts for each jurisdiction. Receipts and invoices for each qualified motor vehicle **must** support the summary.

## **AUDITS**

Every IFTA license holder is subject to audit. If the operation is chosen for an audit, the licensee will be contacted in writing. Under normal circumstance at least 30 days' notice will be given. Every effort will be made to schedule the audit at a mutually convenient time. If the records are not in compliance with IFTA regulations one or more of the following actions may be taken:

1. Fuel consumption may be estimated on prior experience of the licensee or by comparing to similar operations.
2. A standard of 4.0 miles per gallon will be used. All claims for tax paid fuel without supporting documentation will be disallowed (See page 10, fuel records). **The burden of proof lies on the licensee.**

Any questions pertaining to an audit should be directed to:

**AUDIT SERVICES UNIT  
MONTANA DEPARTMENT OF TRANSPORTATION,  
P.O. BOX 201001  
HELENA MT 59620-1001  
(406) 594-8465**

Upon completion of the audit, the findings will be reported in writing to the licensee and any member jurisdiction in which miles were traveled. Montana will collect any tax, penalty and interest owed for all member jurisdictions. If it is determined that the licensee's operational records are not located in Montana, and it becomes necessary for the Department's auditors to travel to where such records are maintained, the Department may require a licensee to pay reasonable per diem and travel expenses incurred by the auditor(s) in the performance of the audit.

### **Appeals - Motor Fuel Dispute Resolution Process**

An informal review may be requested by submitting the form found at:

[http://www.mdt.mt.gov/other/webdata/external/administration/forms/fueltax/informal\\_review\\_request.pdf](http://www.mdt.mt.gov/other/webdata/external/administration/forms/fueltax/informal_review_request.pdf)

with additional documentation or formal hearing in writing for any action or audit finding. The request **must** be received within 30 days of the date on the assessment, original action or finding. If the request is not received within 30 days, the assessment, action or finding is final.

The Department will accept the request form for an informal review with the additional documentation or the written formal hearing request by letter, e-mail – ([mdtappeal@mt.gov](mailto:mdtappeal@mt.gov)), or fax (406) 444-5411. Requests must be addressed to:

**ADMINISTRATOR  
ADMINISTRATION DIVISION  
MONTANA DEPARTMENT OF TRANSPORTATION  
P.O. BOX 201001  
HELENA, MT 59620-1001  
(406) 444-6027**

In the event of an informal review, a panel will review all records and additional information that is supplied, and a decision will be issued within 30 calendar days of the request. If the licensee disagrees with the decision, a formal hearing may be requested within 30 days. If a formal hearing is requested, the information will be forwarded to a hearings officer for a decision.

If the dispute involves an audit and the licensee disagrees with the ruling a request can be made for any or every jurisdiction to audit the records. Each jurisdiction may choose to accept or deny the request. Jurisdictions agreeing to audit the records will audit only the information involving the operation with them. The licensee is responsible for any costs related to these audits.



## APPENDIX

### IFTA License Sample:

**MDT** MONTANA DEPARTMENT OF TRANSPORTATION LICENSING AND PERMITTING BUREAU  
PO BOX 4639 , HELENA MT 59604-4639  
TEL: (406) 444-2998; FAX (406) 444-0800  
[mdtmcsirpcontact@mt.gov](mailto:mdtmcsirpcontact@mt.gov)

**IFTA**

**IFTA LICENSE:** A copy of this license must be placed in each motor vehicle. This license is issued under the International Fuel Tax Agreement and is valid for vehicles operated by the licensee in all IFTA jurisdictions.

IFTA License No.	Expiration Date	Effective Date	License Year	Account No.
MT555888444	12/31/2017	02/15/2017	2017	56454

**Mailing Address:**  
TEST COMPANY A  
5380 TEST ST.  
HELENA, MT 59601

**Physical Address:**  
5380 TEST ST.  
HELENA, MT 59601

### IFTA Decals Sample:



The year showing on the permit and decals will reflect the current year.

The color of decals rotates every three years.

- 2022 will be Blue
- 2023 will be Green
- 2024 will be Red
- 2025 will be Blue
- 2026 will be Green
- 2027 will be Red

# New Carrier Application



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## Montana Department of Transportation International Fuel Tax Agreement (IFTA) New Carrier Application

PO Box 4639  
Helena MT 59604-4639  
(406) 444-2998

**Do Not Write in this Space**

IFTA License # \_\_\_\_\_

1. License Eff Date (1st date of operation): \_\_\_\_\_ 2. Business Federal Employer ID # \_\_\_\_\_ 3. USDOT # \_\_\_\_\_

4. Legal Name \_\_\_\_\_ 5. Trade Name (DBA): \_\_\_\_\_

6. Mailing Address \_\_\_\_\_ 7. Physical Address (if different than mailing) \_\_\_\_\_

City State Zip Code City State Zip Code  
 \_\_\_\_\_ MT \_\_\_\_\_ MT \_\_\_\_\_

8. Business Phone Number \_\_\_\_\_ 9. Fax Number \_\_\_\_\_ 10. Email Address \_\_\_\_\_

11. Fuel Types  
 Diesel  Gasoline  Propane  Other \_\_\_\_\_

12. Type of Organization  
 Individual  Partnership  Corporation  LLC \_\_\_\_\_

13. List Owners, Partners, or Corporate Officers

Name	Address	City	State	Zip	Phone Number	Title	Driver's License #	DL State

14. Three forms of Proof of Residency included?	<input type="radio"/> Yes <input type="radio"/> No	(see Page 2 for types)
15. Do you maintain bulk storage in Montana?	<input type="radio"/> Yes <input type="radio"/> No	
16. List Other States Where Bulk Fuel is Maintained:		
17. If you have ever been licensed in another jurisdiction please list:		
18. Has your IFTA license ever been revoked? If yes Where?	<input type="radio"/> Yes <input type="radio"/> No	
19. Number of IFTA vehicles needing decals		

Under penalties of perjury, I certify with my signature that to the best of my knowledge the information and statements on this application are true and correct and the number shown on this form is my correct taxpayer identification number. I agree to comply with reporting, payment, record keeping and license display requirements as specified in the International Fuel Tax agreement and Montana Statutes. I further agree that Montana may withhold any refunds due me if I become delinquent in payment of fuel taxes, whether due Montana or any IFTA member jurisdiction. I also understand that failure to comply with these provisions shall be grounds for revocation of my IFTA license.

_____	_____	_____
Authorized Signature	Title	Date





# Bulk Fuel Purchase Summary



## Montana Department of Transportation International Fuel Tax Agreement (IFTA) Bulk Reconciliation

PO Box 5895  
Helena, MT 59604-5895  
TTY: (406) 444-7696  
Phone: (406) 444-7270  
(406) 444-9276  
Fax: (406) 444-5411  
www.mdt.mt.gov

Trade Name (DBA)

MT License #:

IF you have bulk storage, a separate summary must be filled out for each jurisdiction.

	Tax Paid	Tax Paid
1) Beginning Inventory: (From last qtr)	<input type="text"/>	5) Total fuel dispensed into Other Vehicles
2) Received into Storage: (Bulk gallons)	<input type="text"/>	6) Total fuel dispensed into IFTA Vehicles: (Add to purchases at the pump for column g)
3) Ending Inventory: (Lines 1+2- 4)	<input type="text"/>	7) Total fuel dispensed into Equipment:
4) Total Fuel Dispensed (1 + 2 less 3): (Must equal the total of lines 5, 6 and 7)	<input type="text"/>	

Sample Only

**Additional IFTA Decals – Order Form Sample**



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Montana Department of Transportation  
Motor Carrier Services Division

**ADDITIONAL IFTA DECAL FORM**

2701 Prospect Avenue  
PO Box 4639  
Helena MT 59604-4639  
mdtmcsircontact@mt.gov  
Phone: (406) 444-2998  
TTY: (800) 335-7592  
Fax: (406) 444-0800

[Print Form](#)

**USED TO ORDER ADDITIONAL IFTA DECALS ONLY AFTER YOUR RENEWAL HAS BEEN PROCESSED**

License Year decals are needed for: \_\_\_\_\_

Legal Name of Company: \_\_\_\_\_

Trade Name of Company (DBA): \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Federal ID Number: \_\_\_\_\_ USDOT Number: \_\_\_\_\_

Montana Fuel (IFTA) License Number: \_\_\_\_\_

Number of New IFTA Unit(s): \_\_\_\_\_

**Please list information below for each vehicle requiring additional decals:**

+	PLATE	TOTAL VIN #	YEAR	MAKE	UNIT #
-					

**ISSUE TEMPORARY AUTHORITY:**  YES  NO

\_\_\_\_\_

**Authorized Signature** **Title** **Date**



## **IFTA DEFINITIONS**

**Applicant:** A person in whose name the application for licensing is filed. The application is filed with a base jurisdiction for the purpose of motor fuel tax reporting under the provisions of the IFTA agreement.

**Audit:** A physical examination of the records and source documents supporting the licensee's reports.

**Base Jurisdiction:** The member jurisdiction where qualified motor vehicles are based for vehicle registration purposes, where the operational control and operational records of the licensee's qualified motor vehicles are maintained or can be made available, and where some mileage is accrued by qualified motor vehicles within the fleet. The commissioners of two or more affected jurisdictions may allow a person to consolidate several fleets that would otherwise be based in two or more jurisdictions.

**Bulk Storage:** A container or tank holding any fuels for storage, other than the supply tank of a motor vehicle or any internal combustable engine.

**Cancellation:** The annulment of a license and its provisions by either the licensing jurisdiction or the licensee.

**Commissioner:** The official designated by the jurisdiction to be responsible for the administration of this agreement.

**Dispersal Records:** Detailed documentation showing how bulk fuel was used. This should include the number of gallons, the date dispensed from the bulk fuel tank into the supply tank of a vehicle and the vehicle unit number.

**Dispute Resolution:** Is a conflict resolution process, which includes an informal review and formal hearings, which find solutions and resolve differences of fuel tax, penalty and assessments.

**Exempt Miles:** Montana exempts fuel from tax when your vehicle (s):

- 1) Operate under a temporary fuel trip permit, or
- 2) Operate on private or forest service development roads.

**Fleet:** One or more vehicles that are licensed under IFTA. Not including agricultural vehicles.

**Forest Service Development Roads:** Roads used by Logging or Mining Contractors. It is built and maintained by the contractor. When the contractor is finished using the road, the road is destroyed.

**Gross Vehicle Weight:** The maximum weight of the loaded vehicle or combination of vehicles during the registration period.

**In-Jurisdiction Mileage:** The total number of miles/kilometers operated by a licensee's qualified motor vehicles within a jurisdiction. In-jurisdiction mileage does not include miles/kilometers operated on a fuel tax trip permit or miles exempted from fuel taxation by a jurisdiction.

**Interstate travel:** Travel between states and any place outside of that state, including the District of Columbia.

**Intrastate travel:** Travel within a state's boundaries. Not traveling from one state to another state or jurisdiction.

**Jurisdiction:** A State of the United States, the District of Columbia, or a Province or Territory of Canada.

**Licensee:** A person who holds an un-cancelled IFTA license issued by the base jurisdiction.

**Motor Fuels:** All fuels used for the generation of power for propulsion of qualified motor vehicles.



**Non-Taxable miles:** Travel on private property and private Forest Service development roads.

**Operational control:** The actual business is normally located and operated from the base state jurisdiction.

**Person:** An individual, corporation, partnership, association, trust or other entity.

**Physical Address:** Where the business office is located.

**Qualified IFTA Motor Vehicle:** A motor vehicle used, designed or maintained for the transportation of persons or property and:

1. Having two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds or 11,797 kilograms; or
2. Having three or more axles regardless of weight; or
3. Is used in combination, when the weight of such combination exceeds 26,000 pounds or 11,797 kilograms gross vehicle or registered gross vehicle weight.

A qualified IFTA motor vehicle does not include recreational vehicles.

**Recreational Vehicle:** Vehicles such as motor homes, pickup trucks with attached campers, and buses when used exclusively for personal pleasure by an individual. In order to qualify as a recreational vehicle, the vehicle shall not be used in connection with any business endeavor.

**Registration:** The qualification of motor vehicles normally associated with a prepayment of licensing fees for the privilege of using the highway and the issuance of a license plate and a registration card or temporary registration containing owner and vehicle data.

**Reporting Period:** A period of time consistent with the calendar quarterly periods of January 1 - March 31, April 1 - June 30, July 1 - September 30 and October 1 - December 31.

**Revocation:** The withdrawal of license and privileges by the licensing jurisdiction.

**Taxable Miles:** Travel on public roads and highways.

**Total Mileage:** All miles/kilometers traveled during the reporting period by every qualified vehicle in the licensee's fleet, regardless of whether the miles/kilometers are considered taxable or nontaxable by a jurisdiction.

The Montana Department of Transportation attempts to provide reasonable accommodations for any known disability that may interfere with a person participating in any service, program, or activity of the Department. Alternative accessible formats of this document will be provided upon request. For further information call (406) 444-7664 – voice, or (406) 444-7696 – TDD. For questions regarding other IFTA jurisdictions go to IFTA Inc. at [www.IFTACH.org](http://www.IFTACH.org) for their contact information.