

# IRP/IFTA Recordkeeping Requirements

## Facts

The International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA) are collective agreements among member states of the US, the District of Columbia, and provinces of Canada that allow for the highway system to be maintained by providing for payment of commercial motor carrier registration fees and the collection and distribution of fuel tax revenue.

The maintenance of mileage and fuel records for all registered/licensed vehicles is a requirement of both IRP and IFTA. This includes short-haul operations that travel 100 miles or less. The records are needed to ensure proper tax distribution among member states. Both the carrier and driver are responsible for the maintenance of vehicle trip reports that record by state or province every mile driven and every gallon of fuel that is put into the licensed power unit.

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## Trip Reports

A trip report (see sample) is a source document completed by the driver on which the miles travelled and the fuel purchased is recorded in detail. These reports are later used to complete the annual IRP registration and the quarterly IFTA tax returns.

Both the IRP and IFTA programs require the following information to be recorded on the trip reports:

1. Date of trip (start/ending)
2. Trip origin and destination (including waypoints on the trip)
3. Routes of travel
4. Beginning and ending odometer or hubometer readings
5. Total trip miles
6. Mileage by state/province (jurisdictional breakdown)
7. Unit number or vehicle identification number (VIN)
8. Vehicle fleet number
9. Registrant's name

## Fuel Records

IFTA requires a record of fuel purchased and used by each IFTA licensed vehicle. Proof of tax-paid fuel purchases is required to obtain credit on the quarterly report. Proof includes a receipt or invoice, credit card receipt, or automated vendor-generated invoice showing the tax that was paid for the fuel purchase.

Tax-paid fuel purchase proof must contain:

1. Date of purchase
2. Seller's name and address
3. Number of gallons/liters purchased
4. Fuel type
5. Price per gallon or liter or total amount of sale
6. Unit numbers
7. Purchaser's name

**Note: Altered or Prepaid receipts will not be accepted.**

A bulk metered record can be used when tax-paid fuel is withdrawn from bulk storage. The bulk metered record must show:

1. Date of withdrawal
2. Number of gallons
3. Fuel type
4. Unit number, license plate number or VIN
5. Purchase and inventory records to substantiate that tax was paid on all bulk purchases.



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## Summaries

IRP and IFTA require carriers to maintain monthly and quarterly summaries of miles travelled for each individual unit/vehicle in the fleet. IFTA also requires carriers to maintain monthly and quarterly summaries for fuel purchased for each individual vehicle in the fleet (see samples).

Monthly and quarterly totals for the following items are required for all vehicles in the fleet:

- Miles driven by state/province (jurisdictional breakdown)
- Fuel purchased by state/province
- Total mileage driven
- Total fuel purchased.

## Record Retention

IFTA Retention Requirement- The licensee is required to preserve the records upon which the quarterly tax return or annual tax return is based for **four years** from the tax return due date or filing date, whichever is later, plus any time period included as a result of waivers or jeopardy assessments.

Unused decals are required to be maintained for at least four years and it is the licensee's responsibility to remove decals from the vehicles that are no longer in service. If for any reason a decal is damaged during the year, the licensee shall document the decal number and the number of the replacement and maintain the reconciliation with their mileage and fuel records.

IRP Retention Requirement- A Registrant shall retain the records on which the Registrant's application for apportioned registration is based for a period of **three years** following the close of the registration year to which the application pertains, and on request, shall make such records available for audit.

## Audit

Carriers are audited periodically to ensure that acceptable records are maintained. Failure to provide adequate mileage and fuel documents may result in the following audit assessments:

- IRP Assessment—an assessment in the amount of 20% of the apportionable fees paid by the registrant for registration of the fleet being audited for the year being audited.
- IFTA Assessment—use of MPG equal to 4.0 as the standard used to determine tax liability for all audited quarters. In addition, failure to maintain fuel receipts or invoices will result in denial of fuel tax credits.

## IFTA Filing Dates

IFTA tax returns are filed on a quarterly basis. Returns are due the last day of the month following the end of the quarter. If the last day of the quarter falls during a weekend or a federal holiday, the next business day is considered the filing due date.

All returns are required to be filed electronically using the Ohio Business Gateway by 11:59 PM of the due date:

**April 30**— 1<sup>st</sup> Quarter (January-March)

**July 31** — 2<sup>nd</sup> Quarter (April-June)

**October 31**-3<sup>rd</sup> Quarter (July-September)

**January 31** -4<sup>th</sup> Quarter (October-December) Note:

Filing is required even when no miles were travelled during the quarter.

Penalties for failure to file a return, filing a late return, or underpayment of fuel taxes are:

- \$50.00 or 10% of the net tax liability whichever is greater; and
- Monthly accrued interest

## IRP/IFTA Account Closing Process

If it is necessary to close the account, you must:

1. Complete an Ohio IRP form 4311 Request to Cancel IRP Registration or make the request on your IRP Renewal/Supplement Application and/or IFTA quarterly return;
2. Indicate on the IFTA return that you are filing the final return;
3. Ensure that there are no outstanding tax liabilities; and
4. Retain operational records and IFTA decals for four years *after* the account is closed.

Ohio Department of Taxation  
4485 Northland Ridge Blvd.  
Columbus, OH 43229

Phone: (855) 466-3921  
Fax: (206) 984-4145  
Web: [www.tax.ohio.gov](http://www.tax.ohio.gov)