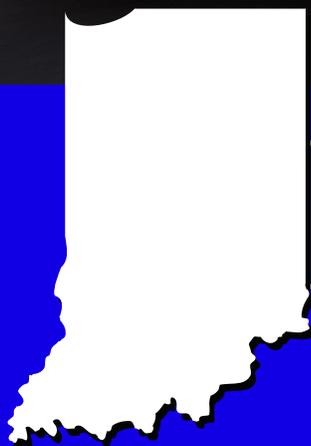


INTRASTATE MOTOR CARRIER



Information Handbook

SP 272
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The Indiana Department of Revenue's Motor Carrier Services Division's (MCSD's) One Stop Shop offers the motor carrier industry a variety of conveniences in conducting their business with the State of Indiana. The following options illustrate how the motor carrier can submit applications, transactions, permits, and filings for processing by the MCSD.

Customers can mail the necessary documents to the appropriate unit for processing within the One Stop Shop. If you receive correspondence from MCSD that includes a self-addressed return envelope, please return mail in the self-addressed envelope provided by MCSD.

Motor Carrier Services Division
ATTN: Fuel Tax Department
7811 Milhouse Rd., Suite M
Indianapolis, IN 46241

Please designate the appropriate unit on the attention line (ATTN:) when using the address above. Some examples are IRP, IFTA/MCFT, and OS/OW Permits.

Customers can personally submit the necessary documents to a One Stop Shop professional team member for processing in the department's facility or utilize one of our computer kiosks to file Motor Carrier documents. The Customer Service Center is located at the physical address shown above. The center is located approximately 2 miles southwest of I-465 on S.R. 67 in the Ameriplex Complex.

Center hours are 8:00 a.m. to 4:30 p.m. Monday through Friday excluding holidays*. (These hours are subject to change.)

Facsimile

Customers can fax the necessary documents to the appropriate unit within the One Stop Shop. All unit fax numbers and telephone numbers are provided on page 3.

Credentials

Credentials are mailed by Motor Carrier Services; however, customers can designate one of the following options:

- A delivery service (at customer expense); or
- Pick-up at the One Stop Shop facility.

Faxed credentials are permissible for specific units; please refer to the appropriate unit's information handbook for the availability of this option.

One Stop Shop forms can be downloaded by accessing the MCSD's webpage located at www.in.gov/dor/4106.htm.

Motor Carrier Services welcomes any questions or comments. Customers can contact the appropriate unit at the telephone or fax numbers listed here:

Unit	Telephone	Fax
Accounting	(317) 615-7232	(317) 615-7388
IFTA/Motor Fuel	(317) 615-7345	(317) 615-7333
IRP	(317) 615-7340	(317) 615-7310
Oversize/Overweight	(317) 615-7320	(317) 615-7241
Safety and Insurance	(317) 615-7350	(317) 615-7374
Voice Response Unit	(317) 615-7433	N/A

Holiday Schedule

* The Department of Revenue will be closed in observance of the following holidays:

New Year's Day
Martin Luther King, Jr. Day
Good Friday
Memorial Day
Independence Day
Labor Day
Columbus Day
Veterans Day
Thanksgiving Holidays
Christmas Holidays

If any due date falls on a day on which the MCSD is closed (including weekends), then the due date defaults to the next available business day.

Additional Information

Indiana State Police
Commercial Motor Vehicle Enforcement
7811 Milhouse Rd., Suite S
Indianapolis, IN 46241
(317) 615-7373
(800) 523-2350
Fax: (317) 821-2350
Web address: www.state.in.us/isp/cmvr

This publication is for informational purposes and is intended to provide nontechnical assistance to the public. Every attempt has been made to provide information that is consistent with the appropriate statutes and rules; however, the Indiana Code should be consulted for specific concerns, or you should consult your tax attorney.

Definitions

Definitions

Audit means a physical examination of the records and source documents supporting the licensee's tax reports.

Department means the Indiana Department of Revenue.

Carrier means a person who operates or causes to be operated a qualified motor vehicle on any highway in Indiana.

Fleet means one or more vehicles.

Lessee means the party acquiring the use of equipment from another, with or without a driver.

Lessor means the party granting the use of equipment to another, with or without a driver.

Motor fuels means all fuels used for the generation of power for propulsion of qualified motor vehicles.

Person means an individual, a corporation, a partnership, an association, a trust, or another entity.

Qualified motor vehicle means a motor vehicle used, designed, or maintained for the transportation of persons or property and:

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

Qualified motor vehicle does not include recreational vehicles. **Note:** A farm-plated vehicle that travels out of Indiana must register in IFTA.

Recreational vehicle means a vehicle such as a motor home, a pickup truck with attached camper, or a bus when used exclusively for personal pleasure by an individual. To qualify as a recreational vehicle, the vehicle must not be used in connection with any business endeavor.

Reporting period means a period of time consistent with the quarterly calendar periods of January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31.

Revocation means withdrawal of privileges by the department.

Temporary decal permit means a decal permit issued by the department to be carried in a qualified vehicle in lieu of the permanent annual decal. A temporary permit is valid for 30 days and is issued at the discretion of the department.

Introduction

Licensing Procedures

Credentials

Total distance means all miles or kilometers traveled during the reporting period by every qualified vehicle in the licensee's fleet, regardless of whether the miles or kilometers are considered taxable or nontaxable.

Weight means the maximum weight of the loaded vehicle or combination of vehicles during the registration period.

Who Is an Intrastate Motor Carrier?

Any person who operates a qualified motor vehicle on any highway in Indiana is an intrastate motor carrier. Each vehicle must have an annual Motor Carrier Fuel Tax Permit.

New License Application Procedures

Any motor carrier based in Indiana and operating one or more qualified vehicles must complete a Motor Carrier License Application in Indiana. A carrier can request a Motor Carrier application by contacting the department via telephone or in writing. A carrier can also go to www.in.gov/dor/mcs and then follow the links for "Publications" or can walk into our Motor Carrier Division Service Center. The Motor Carrier application requests basic information about the carrier and carrier operations.

You must complete and submit the license application, including the annual fee of \$25, to MCSD for processing. If any information is omitted from the license application, the department will contact you. This will create delays in processing the application, so great care should be taken to complete it thoroughly and accurately. After the department processes the application, your motor carrier credentials will be issued.

Renewal License Application Procedures

Each year the department will issue you a reminder to file your MCFT License Renewal. The renewal application is completed online and must be completed thoroughly and accurately. You must submit it no later than November 1 to ensure that you receive your credentials on time.

Note: Renewal applications **can** be processed using one of the department's computer kiosks our at district offices located throughout Indiana.

Annual Fee

The annual fee is \$25 and must be paid online. All payments must be in United States funds via electronic check, Visa, or MasterCard. The department will then issue, at no additional cost, a decal for each qualified vehicle and one license card.

Motor Carrier License

The department will issue one license card per carrier. This original license card should be retained in your business records, and a photocopy of the license card should be kept in the cab of each qualified vehicle. If you are found operating a qualified motor vehicle without a copy of the license card, you will be subject to citations and/or fines. The Motor Carrier License Card is valid from January 1 through December 31 of the calendar year.

Reports

Motor Carrier Decals

The department will issue motor carrier decals at no cost, based on the decal order information on the license application. A decal will be issued for each qualified motor vehicle and must be placed on the exterior portion of the driver's side of the cab. Motor carrier decals are valid from January 1 through December 31 of the calendar year and can be displayed one month prior to the effective date. However, if you choose to display renewal credentials prior to January 1, the current year's license card must also remain in the vehicle until January 1. If you fail to display the motor carrier decals properly, you will be subject to citations and/or fines. Additional decals can be ordered at no cost throughout the year simply by contacting the department or ordering decals online.

Temporary Decal Permits

After you have received your original order of credentials from the department, you can request a Temporary Decal Permit. The temporary permit allows the driver to operate a specific vehicle prior to receiving a fuel tax decal from the department. This temporary permit is valid for 30 days and allows you to place another qualified vehicle in service immediately. You can log in to your Fuel Tax Account at <https://motorcarrierirp.in.gov/mcsd/mcsdHome> to process and print a Temporary Decal Permit. The Temporary Decal Permit and a copy of the original license card should be placed in the vehicle for which the temporary decal was issued. A Temporary Decal Permit will not be issued unless your account is in good standing. When requesting a Temporary Decal Permit, the department must have the licensee's fax number and the vehicle's tax identification number, licensee number, make, year, VIN, and unit number. A permanent motor carrier decal(s) for the calendar year will be sent to you within 30 days.

Quarterly Reports

All license holders must file a Motor Carrier Quarterly Report. This quarterly tax report is where you calculate the amount of tax you owe, based on miles traveled and gallons of fuel consumed during the quarter. If you did not travel during the quarter, you still must complete a zero return and submit it to the department. The due date for the quarterly reports is the last day of the month immediately following the close of the quarter for which the report is being filed:

Reporting Quarter	Due Date
January – March	April 30
April – June	July 31
July – September	October 31
October – December	January 31

Caution: Your return must be postmarked or hand-delivered on/or before the due date to be considered timely. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is considered the due date. Penalty and interest charges will be applied to all late returns.

The following information is reported on your quarterly tax report:

- The total miles traveled by qualified motor vehicles, and
- The total gallons of fuel consumed by your qualified motor vehicles.

Reporting Requirements

A reminder to file the Motor Carrier Quarterly Tax Report will be sent to the current mailing address or email address on file for all license holders at least 30 days prior to the due date. If you have changed your address, it is your responsibility to notify the department of your new address. This includes your email address. Failure to receive the reminder notice does not relieve you from reporting obligations. A quarterly tax report must be filed by every licensee even if the licensee does not operate or purchase fuel in a particular quarter. If your account is in a revoked status, a quarterly tax report will not be issued and you will have to contact the department to request one.

Measurement Conversion Table

Indiana Motor Carrier licensees are required to report gallons and miles based on United States measurements. Metric conversion rates are:

- 1 Gallon = 3.785 Liters
- 1 Liter = .2642 Gallons
- 1 Mile = 1.6093 Kilometers
- 1 Kilometer = .62137 Miles

(All numbers must be rounded to the nearest whole gallon or mile.)

Penalty and Interest

When a licensee fails to file a tax report, files a late tax report, or fails to remit all of the tax due, the licensee will be charged penalty and interest. The penalty is the greater of \$50 or 10% of the net tax due. Interest accrues at the variable rate of 1% per month. The interest should be calculated from the date the tax was due for each month or fraction thereof until the month that the tax is paid.

Assessments for Failure to File Reports

If the license holder fails, neglects, or refuses to file a Motor Carrier Quarterly Tax Report, the department will assess the licensee for the tax, penalty, and interest. This assessment will be based on the best information available, including your past filing history. In the absence of adequate records, a standard of four miles per gallon will be used to determine fuel consumption and miles traveled. A \$300 civil penalty for each report will also be issued.

Status Change to License

License Cancellation

Simply not renewing your license does **not** mean that your license will be canceled. The license must be canceled by a written request from you, provided all your reporting requirements and tax liabilities have been satisfied. Upon cancellation, you must return the original license card and all used and unused motor carrier decals to the department. We may conduct a final audit upon the cancellation of your license.

License Revocation

A Motor Carrier License can be revoked for any failure to comply with the provisions set by the department such as, but not limited to, the following:

- Failure to file a Motor Carrier Quarterly Tax Report;
- Failure to remit all taxes due; and/or
- Failure to pay and/or protest an audit assessment within the established time period.

Proportional Use Credit

The department will notify the Indiana State Police when a revocation has occurred or has been released.

License Reinstatement

The department may reinstate a revoked Motor Carrier License after the licensee files all required reports and remits all outstanding liabilities to the department. The department may require the licensee to post a bond in an amount sufficient to satisfy any potential liabilities. A reinstatement fee of \$25 is required after an account has been revoked.

Proportional Use Credit

Certain vehicles might qualify for a Proportional Fuel Use Credit (PUC). Any carrier that files a Motor Carrier Fuel Tax Return and has any vehicle(s) equipped with a power take-off (PTO) unit must be certified by the department to qualify for the PUC. The credit applies only to gallons consumed in Indiana. Carriers must maintain adequate records to support the credit and file a claim for PUC (Form MCS-1789). **Caution:** This claim and a subsequent refund cannot be claimed on the quarterly return; rather, the previously mentioned MCS-1789 must be filed with the quarterly return.

To be certified, the carrier must complete the Proportional Use Credit Certification (Form PROP-1) and remit a one-time fee in the amount of \$7. The carrier must be certified before April 1 to claim a PUC for the first quarter of the same year and every subsequent year.

The claim for PUC must be filed with the quarterly tax return. The quarterly tax returns must be submitted with the proper payment and filed timely.

Filing your quarterly tax returns late (due date shown on the tax return) or failing to submit the quarterly tax return (MCFT-101) with payment will result in denial of your claim for credit.

Alternative Claim for Refund

Certain vehicles might qualify for an Alternative Fuel Refund (AFR). Any carrier that files a Motor Carrier Fuel Tax Return and has any vehicle(s) utilizing compressed natural gas to propel it may receive a 12% refund. The credit applies only to gallons consumed in Indiana. The carrier must maintain adequate records to support the credit and must file a claim for refund (Form MCS-AF101).

Caution: This claim and any resulting refund cannot be claimed on the quarterly return. The MCS-AF101 must be filed at the same time as the quarterly return, however. The quarterly tax returns must be submitted with the proper payment and filed timely.

Filing quarterly tax returns late (per the due date shown on the tax return) or failing to submit the quarterly tax return (MCFT-101) with payment will result in denial of your claim for credit.

Record Keeping Requirements

It is the license holder's responsibility to maintain records of all intrastate operations for qualified motor vehicles. The records must support the information reported on the quarterly tax report. The Individual Vehicle Mileage Record (IVMR) is an acceptable source document for recording vehicle distance information. Another acceptable source document is a trip report, which must include the following:

- The starting and ending date(s) of the trip;
- The trip origin and destination, including city and state;
- The routes of travel and/or beginning and ending odometer readings;
- The total trip miles or kilometers;
- The distance;
- The vehicle unit number;
- The vehicle fleet number; and
- The licensee's name.

Quarterly odometer readings are also an acceptable method to record miles for intrastate operations.

Part of your recordkeeping must include quarterly recaps for each vehicle. These summaries should contain at least the following information, *per vehicle*:

- Both taxable and nontaxable use of fuel;
- Distance traveled for taxable and nontaxable use; and

Onboard recording devices can be used, at the option of the carrier. Contact the department for more details.

Fuel Receipts

The license holder must maintain complete records of all fuel purchases. Separate totals must be compiled for each fuel type. Fuel types include gasoline, gasohol, diesel, kerosene, liquefied petroleum gas (LPG), and compressed natural gas (CNG). Fuel records must contain the following information

- The date of the purchase;
- The name and address of the seller;
- The number of gallons or liters purchased;
- The type of fuel purchased;
- The price per gallon or liter or the total amount of sale
- The unit number of the vehicle into which the fuel was placed; and
- The purchaser's signature.

Acceptable fuel receipts include an invoice, a credit card receipt, or an automated vendor-generated invoice or transaction showing evidence of the purchase and the taxes paid. These records can be kept on microfilm/microfiche or other computerized or another condensed record storage system that meets department requirements. The department will not accept receipts that contain alterations or erasures.

Bulk Fuel Storage

A license holder who maintains a bulk fuel storage facility may obtain credit for taxes paid on fuel withdrawn from that storage facility if the following records are maintained:

- The date of withdrawal;
- The number of gallons or liters withdrawn;
- The fuel type;
- The unit number of the vehicle into which the fuel was placed (this must include all vehicles, both subject and non-subject); and
- The purchase and inventory records to substantiate that tax was paid on all bulk fuel purchases.

Record Retention Period

Adequate recordkeeping is important when seeking a refund or credit for tax paid fuel and is equally important to the department to ensure compliance with the reporting and payment of all tax liabilities. The license holder must maintain records to substantiate information reported on the quarterly tax report. These records must be maintained for a period of four years from the due date of the return or the date that the return was filed, whichever is later. Records must be made available upon request. Failure to provide records demanded for the purpose of an audit extends the statute of limitations until the records are provided.

Penalty for Failure to Maintain Records

You must retain the previously described records for a period of four years from the date of filing the quarterly tax report. Noncompliance with any recordkeeping requirement may be cause for revocation of your license. Also, the department may impose a penalty of 100% of the amount of tax due based on an estimated assessment.

Audit Selection

Any Indiana licensee may be selected for audit; however, 15% of audits will be selected from the smallest licensees and 25% will be selected from the largest licensees. Unless problems are discovered on the quarterly returns, audits are selected randomly.

Notification of Audit Date

Prior to conducting an audit, an auditor will contact you by telephone to arrange an acceptable date to begin the audit. At that time, the auditor will outline the time period to be audited and the records to be reviewed. To confirm the audit date, the auditor will send a follow-up letter detailing the audit date, time periods to be audited, and record requirements.

The Audit Conferences

At the beginning of the audit, the auditor will confer with you to determine background information, reporting methods, and records to be reviewed. As the audit progresses, the auditor will discuss with you the sample periods, the sampling techniques, and any problem areas. A final conference will be held with you to explain the audit adjustment and future reporting practices.

The Audit Results

An audit report will be sent to you after the written copy of the audit is processed through the department's audit review and billing processes. You will have 30 days to send a payment or to file a protest on an audit assessment. If a refund is due, it will be issued after any outstanding tax liabilities have been offset or satisfied.

30-day Protest Period

You may appeal an audit finding by sending a written request for a hearing within 30 days of receipt of the original notice of tax due. If the hearing is not requested within 30 days, you have forfeited your protest period and the audit finding is final. To protest an audit finding within 30 days of receipt of the original notice of tax due, your written protest should include the taxpayer's name, address, and tax identification number and a copy of the audit assessment. You should include a written explanation of your objections to the audit findings and state that you would like a hearing. The department may contact you to gather information and clarify issues prior to the hearing.

Hearing Procedure

If you protest the assessment within 30 days and request a hearing, the department will send written notice of the date, time, and place of the hearing at least 20 days prior to the hearing date. The hearing will be held in a timely manner but can be rescheduled for a reasonable cause shown by either party. You may appeal in person and/or be represented at the hearing. However, a person may not represent you unless either you are present at all times or the person representing you has a properly executed power of attorney.

Notification of Hearing Results

The department will notify you in writing of the findings and rulings on the appeal.

The Tax Court

If all administrative remedies have been exhausted and you are not satisfied with the department's findings, an appeal may be filed with the Indiana Tax Court. The Indiana Tax Court will hear the case as if no action had been taken by the department. Therefore, the Indiana Tax Court will hear and consider all evidence presented by all parties.