

for the audit period. The IFTA records consisted of quarterly IFTA returns filed with the Idaho State Tax Commission. The auditor was unable to utilize sample periods as no records were submitted for review. Also, internal controls could not be evaluated. No fuel receipts or mileage records were provided for review. IFTA mileage was compared to the IRP application and ITD reports from sightings at ports of entry. Discrepancies found between the IFTA quarterly returns and the IRP application were treated as one-time adjustments.

The IFTA PROCEDURES MANUAL outlines the type of records an IFTA licensee is required to maintain for distance records, fuel records, and tax-paid fuel purchases.

The IFTA PROCEDURES MANUAL P540 DISTANCE RECORDS states, in part:

.100 Licensees shall maintain detailed distance records which show operations on an individual-vehicle basis. The operational records shall contain, but not be limited to:

.005 Taxable and non-taxable usage of fuel;

.010 Distance traveled for taxable and non-taxable use; and

.015 Distance recaps for each vehicle for each jurisdiction in which the vehicle operated.

.200 An acceptable distance accounting system is necessary to substantiate the information reported on the tax return filed quarterly or annually. A licensee's system at a minimum must include distance data on each individual vehicle for each trip and be recapitulated in monthly fleet summaries. Supporting information should include:

.005 Date of trip (starting and ending);

.010 Trip origin and destination;

.015 Route of travel (may be waived by base jurisdiction);

.020 Beginning and ending odometer or hub odometer reading of the trip (may be waived by base jurisdiction);

.025 Total trip miles/kilometers;

.030 Miles/kilometers by jurisdiction;

.035 Unit number or vehicle identification number;

.040 Vehicle fleet number;

.045 Registrant's name; and

.050 may include additional information at the discretion of the base jurisdiction.

Idaho Motor Fuels Tax Administrative Rule 35.01.05.420.03 states, in part:

f. Hubometer or odometer readings from the beginning and ending of each trip and at the crossing of each jurisdiction's border. Interstate motor vehicles that, for certain time periods, do not cross jurisdiction borders need only record daily hubometer or odometer readings for those time periods; (7-1-98)

g. Complete routes of travel, including pick up and delivery locations; (7-1-98)

The IFTA PROCEDURES MANUAL *P550 FUEL RECORDS states:

.100 The licensee must maintain complete records of all motor fuel purchased, received, and used in the conduct of its business.

.200 Separate totals must be compiled for each motor fuel type.

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

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

.005 The date of each receipt of fuel;

.010 The name and address of the person from whom purchased or received;

.015 The number of gallons or liters received;

.020 The type of fuel; and

.025 The vehicle or equipment into which the fuel was placed.

The IFTA PROCEDURES MANUAL *P560 TAX PAID RETAIL PURCHASES states:

.100 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 are not accepted for tax-paid credits unless the licensee can demonstrate the receipt is valid.

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

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

.005 Date of purchase;

.010 Seller's name and address;

.015 Number of gallons or liters purchased;

- .020 Fuel type;
- .025 Price per gallon or liter or total amount of sale;
- .030 Unit numbers; and
- .035 Purchaser's name (See R1010.300 of the IFTA Articles of Agreement).

The findings show [Redacted], did not comply with the IFTA requirements. The petitioner did not provide mileage or fuel records for the audit. Per Idaho Code section 63-2438, Idaho Motor Fuels Tax Administrative Rule 420, and the IFTA Procedures Manual, the petitioner is required to keep mileage and fuel records and provide those records for audit.

The petitioner has not provided the Commission with information to establish that the amounts asserted in the NODD are incorrect. A determination of the State Tax Commission is presumed to be correct. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). The burden is on the petitioner to show that the deficiency is erroneous. Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986). Therefore, the Commission must uphold the deficiency as asserted.

THEREFORE, the NODD dated May 25, 2011, is hereby APPROVED, AFFIRMED, and MADE FINAL .

IT IS ORDERED and THIS DOES ORDER that the petitioner pay the following tax, penalty, and interest:

<u>PERIOD</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1/1/08-12/31/10	3,126.09	312.61	969.47	4,408.17

Interest is computed through February 29, 2012.

An explanation of the petitioner's right to appeal this decision is enclosed.

DATED this ___ day of _____ 2012.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ___ day of _____ 2012, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.