

Notice. In their protest, Petitioner indicated their intent to provide additional information for review. The Bureau acknowledged the protest and granted Petitioner time to submit the requested information.

After some time, Petitioner provided fuel statements and trip sheets for each unit in their fleet. The Bureau reviewed the information and was able to reconcile Petitioner's fuel purchases to that reported on their IFTA returns and was able to approximate the distance traveled against the miles reported. The Bureau was unable to verify the entire number of miles traveled as the trip sheets did not include odometer readings. The Bureau modified the Notice based on the new information, but Petitioner continued their protest. Therefore, the Bureau forwarded the matter to the Tax Commission's Appeals Unit (Appeals) for administrative review.

Appeals sent Petitioner a letter informing them of their options available for redetermining the Notice. Petitioner did not respond. The Tax Commission having reviewed the matter hereby issues its decision.

Law and Analysis

IFTA is governed by three documents that are equally binding upon the member jurisdictions and IFTA licensees. These governing documents are the IFTA Articles of Agreement, IFTA Audit Manual, and IFTA Procedures Manual. IFTA Procedures Manual, Section P520 places the burden of proof on the licensee in an audit.

To determine the accuracy of a licensee's IFTA return, the base jurisdiction reviews a licensee's distance and fuel records for sufficiency and appropriateness. The adequacy of a licensee's records is addressed in the IFTA Procedures Manual, Section P530, stating:

The records maintained by a licensee under this article shall be adequate to enable the base jurisdiction to verify the distances traveled and fuel purchased by the licensee for the period under audit and to evaluate the accuracy of the licensee's distance and fuel accounting systems for its fleet.

The adequacy of a licensee's records is to be ascertained by the records' sufficiency and appropriateness. Sufficiency is a measure of the quantity of records produced; that is, whether there are enough records to substantially document the operations of the licensee's fleet. The appropriateness of the records is a measure of their quality; that is, whether the records contain the kind of information an auditor needs to audit the licensee for the purposes stated in the preceding paragraph. Records that are sufficient and appropriate are to be deemed adequate.

Provided a licensee's records are adequate under this definition, the records may be produced through any means and retained in any format or medium available to the licensee and accessible by the base jurisdiction. If records are presented in a format or in a manner in which the base jurisdiction cannot audit them, they have not been made available as required.

Licensee records which do not contain all of the elements set out in P540, P550 and P560 may still, depending on the sufficiency and appropriateness of the records and of the licensee's operations, be adequate for an audit.

In this case, Petitioner provided sufficient and appropriate fuel records but the distance records they provided are insufficient. While Petitioner provided trip sheets, without odometer readings, the Bureau was unable to substantiate the miles reported on their IFTA returns.

Conclusion

On appeal, a deficiency determination issued by the Tax Commission "is presumed to be correct, and the burden is on the taxpayer to show that the Tax Commission's decision is erroneous." *Parker v. Idaho State Tax Comm'n.* 148 Idaho 842, 845, 230 P.3d 734, 737 (2010) (citing *Albertson's Inc. v. State Dep't of Revenue*, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984)). The Tax Commission requires Petitioner to provide adequate evidence to establish that the amount asserted in the Notice is incorrect. Here, Petitioner did not provide adequate evidence. They have not met their burden.

THEREFORE, the modified Notice is hereby APPROVED with interest calculated at the rate set forth in Idaho Code section 63-3045(6), in accordance with the provisions of this decision and is AFFIRMED and MADE FINAL.

IT IS ORDERED that Petitioner pay the following tax, and interest:

<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$5,751	\$1,479	\$7,230

DEMAND for immediate payment of the foregoing amount is hereby made and given.

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

DATED this _____ day of _____ 2025.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2025,
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:



Receipt No.
