

Notice. Petitioner continued to promise more documentation would be provided, but it was not. Therefore, the Bureau, after a reasonable amount of time, forwarded the case to the Tax Commission's Appeals unit (Appeals) for review.

Appeals reviewed the case and sent Petitioner a letter which discussed the options for redetermining a Notice. Petitioner responded and Appeals let him know specifically what documentation was needed to resolve the matter. Petitioner sent new documentation, the fuels tax auditor reviewed it, but it did not resolve the issue. Appeals notified Petitioner of the problems with the new data, and they again stated they would provide additional documentation. Petitioner did not provide any additional documentation, did not request an informal hearing and have ceased communications with the Tax Commission.

LAW AND ANALYSIS

IRP is a multijurisdictional agreement which allows carriers to register with one base jurisdiction. A business with vehicles is a carrier, but until the carrier is registered it is not a registrant. The carrier may apply for registration for travel only in the state in which it registers or register under IRP for travel in multiple states. When the carrier applies for registration under IRP it must apply each fleet of apportionable vehicle(s) to one base jurisdiction. More than one jurisdiction may qualify as a base jurisdiction for a carrier. For business reasons the carrier may register fleets in more than one jurisdiction, but each fleet may only have one base jurisdiction.

The following definitions from IRP Article II state, in part:

REGISTRANT — “Registrant” means a Person in whose name a Properly Registered Vehicle is registered.

BASE JURISDICTION — “Base Jurisdiction” means the Member Jurisdiction, selected in accordance with Section 305, to which an Applicant applies for apportioned registration under the Plan or the Member Jurisdiction that issues apportioned registration to a Registrant under the Plan.

APPORTIONABLE VEHICLE — “Apportionable Vehicle” means (except as provided below) any Power Unit that is used or intended for use in two or more Member Jurisdictions and that is used for the transportation of persons for hire or designed, used, or maintained primarily for the transportation of property, and:

- (i) has two Axles and a gross Vehicle weight or registered gross Vehicle weight in excess of 26,000 pounds (11,793.401 kilograms), or
- (ii) has three or more Axles, regardless of weight, or
- (iii) is used in combination, when the gross Vehicle weight of such combination exceeds 26,000 pounds (11,793.401 kilograms).

A Recreational Vehicle, a Vehicle displaying Restricted Plates or a government-owned Vehicle, is not an Apportionable Vehicle; except that a Power Unit, or the Power Unit in a Combination of Vehicles having a gross Vehicle weight of 26,000 pounds (11,793.401 kilograms), or less, nevertheless may be registered under the Plan at the option of the Registrant.

In Petitioner’s case, it did not maintain adequate records during the audit period. Idaho Code 49-435 states in part that a carrier that registers under IRP must maintain the records required by the IRP agreement:

49-435.PROPORTIONAL REGISTRATION OF COMMERCIAL VEHICLES.

(1) Any owner engaged in operating one (1) or more fleets of commercial vehicles may, in lieu of the registration fees imposed by section 49-434, Idaho Code, register each fleet for operation in this state by filing an application with the department that shall contain the information required by the international registration plan (IRP) agreement. Any owner who makes application for proportional registration under the provisions of the international registration plan shall comply with the terms and conditions of the IRP agreement.

Idaho Code 49-439. AUDIT GUIDELINES States in part that the Commission will audit the records of the registrant:

(1) The state tax commission on behalf of the department may audit an owner of motor vehicles subject to fees pursuant to this chapter....

In Petitioner’s case, it provided insufficient distance records. Thus, the Bureau was required to impose an inadequate records assessment. The procedure for applying the inadequate records assessment for the IRP audit is to increase the fees due each IRP jurisdiction by 20 percent. The IRP Article X, Part 1015 states in part that records which do not meet the criterion in Section

1005(a) an assessment may be imposed:

1015 INADEQUATE RECORDS; ASSESSMENT If the Records produced by the Registrant for Audit do not, for the Registrant's Fleet as a whole, meet the criterion in Section 1005(a), or if, within 30 calendar days of the issuance of a written request by the Base Jurisdiction, the Registrant produces no Records, the Base Jurisdiction shall impose on the Registrant an assessment in the amount of twenty percent of the Apportionable Fees paid by the Registrant for the registration of its Fleet in the Registration Year to which the Records pertain. In an instance where the Base Jurisdiction knows that it is the Registrant's second such offense, the Base Jurisdiction shall impose an assessment of fifty percent of the Apportionable Fees paid by the Registrant for the registration of its Fleet in the Registration Year to which the Records pertain. When the Base Jurisdiction knows it is the Registrant's third offense, and on any subsequent offenses of the Registrant known to the Base Jurisdiction, the Base Jurisdiction shall impose an assessment of 100 percent of the Apportionable Fees paid by the Registrant for the registration of its Fleet in the Registration Year to which the Records pertain. The Base Jurisdiction shall distribute the amounts of assessment it collects under this Section on a pro rata basis to the other Jurisdictions in which the Fleet was registered.

Petitioner, being a licensed IRP participant, must maintain one type of record: distance/mileage records. Petitioner's records were not adequate to verify mileage.

The IRP Article X, Part 1010 CONTENTS OF RECORDS states:

Records containing the following elements shall be accepted by the Base Jurisdiction as adequate under Section 1005(a):

- (a) For Records produced by a means other than a vehicle-tracking system:
 - (i) the beginning and ending dates of the trip to which the Records pertain
 - (ii) the origin and destination of the trip
 - (iii) the route of travel
 - (iv) the beginning and ending reading from the odometer, hubodometer, engine control module (ECM), or any similar device for the trip
 - (v) the total distance of the trip
 - (vi) the distance traveled in each Jurisdiction
 - (vii) the Vehicle identification number or Vehicle unit number
- (b) For Records produced by a vehicle-tracking system that utilizes latitudes and longitudes, a Record must be created and maintained at a minimum of every 15 minutes when the Vehicle's engine is on and contain the following data elements:
 - (i) Vehicle identification number or Vehicle unit number (
 - (ii) the date and time of each system reading
 - (iii) the latitude and longitude to include a minimum of 4 decimal places (0.0001) of each system reading

(iv) the odometer reading from the engine control module (ECM) of each system reading. If no ECM odometer is available, a beginning and ending dashboard odometer or hubometer for the trip will be acceptable

Petitioner, being a licensed IRP participant, must maintain one type of record, which is distance records. Each IRP member agrees to follow IRP record keeping when they register. Petitioner did not maintain complete records. Petitioner was given adequate time to add records but was unable to supply any new records.

Since Petitioner did not provide adequate records the Tax Commission finds the Bureau correctly imposed an inadequate records assessment.

CONCLUSION

Petitioner has not provided the Tax Commission with information to establish that the amounts asserted in the Notice of Deficiency Determination 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 taxpayer to show that the deficiency is erroneous. *Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986)*. The Tax Commission considered all the information provided and finds the Notice prepared by the Bureau to be a reasonably accurate representation of Petitioner's IRP liability for the period July 1, 2020, through June 30, 2021. Interest is calculated through January 1, 2024, and will continue to accrue at the rate set forth in Idaho Code section 63-3045 until paid.

THEREFORE, the Notice of Deficiency Determination dated January 17, 2024, is hereby APPROVED, 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>FEES</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$6,838.28	\$78.11	\$6,916.39

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.
