

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 1-428-784-128
)	
)	
Petitioner.)	DECISION
)	

doing business as _____ (Petitioner), protested the Notice of Deficiency Determination (Notice), issued by the Fuels Tax and Registration Fee Audit Bureau (Bureau). The Notice was based on a routine International Registration Plan (IRP) audit and proposed additional registration fees and interest in the total amount of \$1,014.83 for the registration years 2020 and 2021 (base periods July 1, 2017 through June 30, 2019). Petitioner is a February Registrant. The Idaho State Tax Commission (Commission) upholds the Bureau’s Notice based on the reasons stated below.

Background

Petitioner is a common carrier _____ based out of _____ Idaho and currently operates an apportionable IRP¹ vehicle. Petitioner claims Idaho as its base jurisdiction² and reports all distance traveled on the annual registration application.

The Bureau conducted an audit for IRP jurisdictions for Petitioner’s mileage for the registration years 2020 and 2021. The Bureau determined Petitioner did not maintain the records

¹ The IRP is a truck registration reciprocity agreement between the contiguous United States and Canadian provinces that provide payments of registration fees, based on the total distance operated in participating jurisdictions.

² According to IRP, Article II ‘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.

as required by IRP; the Bureau applied an assessment. After the Bureau issued the Notice, Petitioner submitted their protest letter. Petitioner stated they had additional documentation for review. The Bureau acknowledged Petitioner's protest and transferred the case to the Commission's Appeal Unit (Appeals).

Appeals contacted Petitioner and they submitted mileage logs, however, the mileage logs submitted failed to meet the requirements of the IRP Plan. Appeals communicated with Petitioner on several occasions between October 2022 and April 2023. Petitioner replied to the Commission's correspondence but did not request an informal hearing. For the reasons that follow, the Commission upholds the modified audit findings.

Analysis

IRP is a multijurisdictional agreement which allows carriers to register with one base jurisdiction. Idaho Code section 46-435(1) states any commercial vehicle not registered with the state may in turn register for IRP:

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.

The authority for the Bureau to audit Petitioner on behalf of IRP is stated in Idaho Code section 49-439(1) "The state tax commission on behalf of the department may audit an owner of motor vehicles subject to fees pursuant to this chapter." It states further the record requirement in Idaho Code section 46-439(4) "Every owner is required to maintain records for the current year and the three (3) years immediately preceding. If an assessment has been made,

such audit assessment may be collected by a proceeding in court within a period of three (3) years after the assessment or a final order entered pursuant to subsection (7) of this section.”

In addition, the IRP Plan section 1000(a) discusses the requirements of a Registrant:

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.

In further detail, IRP Plan section 1010(b) lists the type of information needed for mileage information as:

- (i) the original GPS or other location data for the Vehicle to which the Records pertain
- (ii) the date and time of each GPS or other system reading
- (iii) the location of each GPS or other system reading
- (iv) the beginning and ending reading from the odometer, hubodometer, engine control module (ECM), or any similar device for the period to which the Records pertain
- (v) the calculated distance between each GPS or other system reading
- (vi) the route of the Vehicle’s travel
- (vii) the total distance traveled by the Vehicle
- (viii) the distance traveled in each jurisdiction
- (ix) the Vehicle identification number or Vehicle unit number

In the case of Petitioner, the information they submitted as mileage information contained the following:

- Date of the Trip
- State the Trip Occurred In
- Miles Traveled
- Whether it was a “Load”

Petitioner did not provide information on the following:

- The origin and destination of the trip.
- The beginning and ending odometer readings.
- Route of travel.
- The distance traveled in each jurisdiction.

Petitioner did not provide adequate records; IRP Plan section 1015 discusses the assessment for inadequate records:

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.

The Commission reviewed the Bureau's computation and found it to be appropriate for a Registrant of IRP with inadequate mileage records.

Conclusion

Based on the information available, the Commission finds the Notice prepared by the Bureau to be a reasonably accurate representation of Petitioner's IRP liability for registration years 2020 and 2021.

THEREFORE, the Notice 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 fees, and interest:

<u>Tax Type</u>	<u>Registration Years</u>	<u>Fees Due</u>	<u>Interest</u>	<u>Total Due</u>
IRP	2020 and 2021	\$993	\$34	\$1,027

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

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

DATED this _____ day of _____ 2023.

IDAHO STATE TAX COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2023,
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.
