

MOTOR FUELS TAX RULE 311 (NEGOTIATED RULE DRAFT 1, A NEW RULE)

311. IFTA LICENSE BOND (RULE 311).

Section 63-2442A, Idaho Code.

01. General. The state tax commission may require an International Fuel Tax Agreement (IFTA) licensee, in order to maintain their license, to post a bond following the requirements of the IFTA Agreement. An IFTA licensee may be required to post a bond when he files returns or remits taxes, separately or in combination, after the due date at least three times within a three year period. When a bond is required, the licensee must post the bond within thirty (30) days from the date of the request. When no bond is posted within the thirty (30) days, the license is automatically revoked and it must be surrendered to the state tax commission. An assessment may be made for any unreported tax liability based on actual records or an estimate. ()

02. Reinstating Revoked Licenses. An applicant may be required to post a bond when he has previously had his IFTA license revoked or is related to a person who has previously had his IFTA license revoked. An applicant is related to a person who has previously had his IFTA license revoked when: ()

a. The applicant is owned at least 25% by a person or persons who has previously had his IFTA license revoked. ()

b. The applicant is operated or controlled by a person or persons who has previously had his IFTA license revoked. Operation and control includes, but is not limited to, an officer or director or other person authorized by the applicant to engage in the business or commercial activity of the applicant. ()

03. Amount and Type of Bond. The amount of the bond will be \$1,000 or twice the estimated tax liability for the licensee's quarterly tax reporting period, whichever is greater, without regard to actual or anticipated tax-paid credits. Any type of bond allowed by the IFTA Agreement or these rules may be secured. The bond amount may be reviewed at any time, but will be reviewed annually. The licensee's returns and records may be reviewed to determine if the bond amount will be raised, lowered, or remain unchanged. ()

04. Bond Waiver Request. The licensee will request a waiver of bond requirement within thirty (30) days from the approval of the license renewal request. The licensee must be a quarterly filer. The licensee must have submitted the quarterly returns and paid the tax due by the due date for one calendar year. An annual filer may not request a bond waiver. ()

05. Denial of Bond Waiver Request and Appeal of Denial. The state tax commission may deny a bond waiver request when it determines that waiving the bond requirement puts the financial interests of IFTA jurisdictions in jeopardy. The licensee must follow the appeal procedure in the IFTA Agreement to appeal the denial of a bond waiver request. ()