

INTERNATIONAL FUEL TAX AGREEMENT (IFTA) **INTERNATIONAL REGISTRATION PLAN (IRP)**

An acceptable distance and fuel accounting system is necessary to substantiate the information reported on quarterly IFTA fuel consumption returns and annual IRP fleet registrations.

FAILURE TO KEEP ADEQUATE RECORDS COULD RESULT IN SUSPENSION OF PRORATE LICENSING PRIVILEGES AND REVOCATION OF IFTA CREDENTIALS. Please evaluate your current accounting system and verify that your record keeping procedures meet the minimum standards.

AUDIT AND RECORDKEEPING REQUIREMENTS

All registrants in the above programs are required to maintain detailed individual vehicle distance and fuel operational records (see example in Carrier Manual). Such records must be designed to show a pattern of **continuous movement** for each vehicle. **Failure to maintain adequate records may result in penalties being applied** (See the “Penalties for Inadequate Records” section below).

All distance generated by each eligible vehicle must be reported. This includes distance generated by trip permits, empty distance, local distance and deadhead distance from the end of the previous trip to the beginning of the following trip.

Operational records (**including driver log books**) must be maintained for the current year and **four prior years**. Such records must be maintained or made available in Saskatchewan. For records not available in Saskatchewan, we will require reimbursement for the Provincial per diem and all related travel expenses of our auditors.

THE FOLLOWING ARE THE MINIMUM RECORDS WHICH MUST BE MAINTAINED

- **TRIP REPORTS MUST INCLUDE:**
 - Date of trip (starting and ending dates)
 - Trip origin and destination
 - Routes of travel
 - Total trip distance (beginning and ending odometer or hub odometer readings at each jurisdiction line)
 - Distance by jurisdiction (odometer or hub odometer readings at each jurisdiction line)
 - Power unit number or vehicle identification number (VIN)
 - Fleet number and driver’s name
 - Registrant's name
 - Licensees using on-board recording devices or GPS for reporting purposes should refer to the IFTA and IRP manuals for system and reporting requirements.

- Note: Saskatchewan requires odometer readings and routes of travel to be maintained by licensees using electronic data recording systems.

- **FUEL RECORDS MUST INCLUDE:**

- Valid fuel records include original receipts, invoices or credit card receipts. These fuel records must contain all the information listed below.
- A copy of the lease or rental agreement indicating the party responsible for paying fuel taxes.
- All fuel placed in the tank of a qualified unit must be included on the IFTA return.

Over The Road

- Date of fuel purchase
- Seller's name and address
- Number of litres purchased
- Fuel tax paid on number of litres
- Fuel type
- Price per litre or total amount of fuel sale
- Unit number (the vehicle or equipment into which the fuel was placed must be identified)
- Purchaser's name

Bulk

- Date of withdrawal
- Number of litres withdrawn (metered)
- Fuel type
- Unit number (the vehicle into which the fuel was placed must be identified)
- Purchase and inventory records to substantiate that tax was paid on all bulk purchases

- **SUMMARIES:**

Trip reports must be summarized in such a way as to provide an adequate audit trail. Distance and fuel summaries must support the information reported on your quarterly IFTA fuel consumption returns as well as your annual IRP fleet registrations (see examples in Carrier Manual). Summaries must be supported by source documents.

From the information contained on the individual distance and fuel records, the following must be prepared and maintained:

1. A monthly summary to recap jurisdictional and total distance and fuel for each vehicle for each calendar month.
2. A quarterly summary to recap jurisdictional and total distance and fuel for each vehicle for each calendar quarter.
3. A quarterly summary to recap jurisdictional and total distance and fuel for all qualified IFTA units for each calendar quarter.
4. An annual summary (July 1 to June 30) to recap jurisdictional and total distance for each vehicle for each calendar quarter (IRP).
5. An annual summary (July 1 to June 30) to recap jurisdictional and total distance for each fleet (IRP).

- **INADEQUATE RECORDS:**

When an auditor determines a licensee's records are inadequate, they will identify the recordkeeping violation(s) and may proceed as follows:

- Inadequate Trip Records – **A licensee who does not maintain sufficient distance records will be assessed 100% apportion fees.** We are not able to fairly distribute apportion fees to other IRP jurisdictions without this information. A licensee must document intra-jurisdictional and interjurisdictional routes of travel and track total distance travelled in each jurisdiction.
- Deficient Fuel Documentation – Fuel taxes will be assessed for all undocumented fuel purchases. **Credit will not be given for any tax-paid fuel that is not supported by the required documentation.** A licensee must maintain proper fuel records (see page 1) to ensure all tax-paid purchases are properly credited.
- Insufficient Trip Records or Fuel Documentation – In cases where distance and/or fuel records are not properly maintained, **we will take one or more of the following actions:**
 1. Require that you reconstruct your distance and/or fuel records.
 2. Accept the distance as reported on the IFTA return and **apply a reduced standard average of kilometres per litre (KPL) in calculating your fuel tax liability. Documented fuel purchases will be credited, however, the reduced KPL will result in additional fuel being assessed as tax-not-paid.**
 3. **Assess the licensee 100% apportion fees.**
 4. **Estimate** your distance travelled and fuel consumed based on your reporting history or the history of a similar operation.
 5. **Refuse your unsupported claims for exemptions and tax paid purchases.**
 6. **Revoke the licensee's IFTA and IRP licenses.** In this case, the carrier will be required to purchase fuel and trip permits when entering another jurisdiction.

FOR FURTHER INFORMATION

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Internet: Tax bulletins, forms and information are available at www.sets.saskatchewan.ca/taxinfo.
Government website: Saskatchewan.ca.