MOTOR FUELS TAX DIVISION

www.dornc.com

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A Quarterly Publication of the North Carolina Department of Revenue – Motor Fuels Tax Division

New Computer System

The Department of Revenue (DOR) is in the process of implementing a new Tax Information Management System (TIMS). TIMS will transform the way the DOR does business and will replace the existing computer systems to provide for improved customer service and responsiveness.

The Motor Fuels application, renewal form and IFTA return will be redesigned. The system should achieve faster and more accurate processing of all tax returns.

At the time of conversion to the new system each taxpayer will be assigned a NCDOR ID to use in lieu of using the state number. There will also be upgrades to the IFTA Internet application.

TIMS will provide taxpayers and agency staff with a complete picture of tax liabilities, allowing the DOR to provide a higher level of customer service and a more timely and accurate resolution of taxpayer issues and questions.

More details will be provided as we move closer to implementation.

Motor Fuels Tax Rate Increase

From 29.9 to 30.3 effective 1/1/10

Reminder: IFTA E-File Mandate

The 2009 General Assembly enacted legislation authorizing the Secretary of Revenue to mandate electronic filing of International Fuel Tax Agreement (IFTA) returns. The mandate will be based on the number of decals issued during the previous registration year and will be implemented in a three-step process.

- Businesses that were issued **100 or more decals** during the previous registration period will be required to file electronically beginning with the first quarter 2010 IFTA return.
- Businesses that were issued **25 or more decals** during the previous registration period will be required to file electronically beginning with the second quarter 2010 IFTA return.
- Businesses that were issued **10 or more decals** during the previous registration period will be required to file electronically beginning with the third quarter 2010 IFTA return.

To file the IFTA return electronically, access the online system at www.dornc.com/electronic/ifta.html. An access code is required to initially set up your online account. Please contact the Division if you no longer have the access code letter previously sent to you or if you need assistance setting up your online account.

There are provisions in place to consider requests to waive this requirement when a filer is unable to comply with the electronic filing mandate. All waivers must have approval from the Division and must be approved annually. Please submit a letter detailing the reason for your waiver request to NC Dept of Revenue Motor Fuels Tax Division, PO Box 25000, Raleigh, NC 27610 Attn: Carren Bowling

Questions regarding this mandate may be directed to the Motor Fuels Tax Division at (919) 733-3409 or toll free (877) 308-9092.

IFTA Tax Rates, Forms, Instructions, and 2010 Renewal Applications can be found at: http://www.dornc.com/downloads/ifta.html

* * * Motor Carrier Bonding Requirement * * *

August 1, 2009 N.C. G.S. 105-449.40 authorized the Secretary of Revenue to require a motor carrier to post a bond when any of the following occurs:

1. A taxpayer who has failed to file the required tax return for two quarters will receive a proposed bond-warning letter. The letter will advise the taxpayer to file and pay any delinquent return within 30 days. Failure to do so will result in the Division sending a second letter, along with copies of "Best Information Available" assessments for the delinquent periods, requiring the taxpayer to obtain a bond equivalent to the larger of $500.00 or four times the taxpayer's average tax liability or refund for a reporting period.

2. Taxpayers whose accounts reflect a final billed liability dated six months or older who are neither in a payment plan nor bankruptcy will receive a proposed bond-warning letter. The letter will inform them that they must respond within 30 days by paying the outstanding liabilities due. Failure to pay the outstanding liability will result in the Division sending a second letter requiring the taxpayer to obtain a bond equivalent to the larger of $500.00 or four times the taxpayer's average tax liability or refund for a reporting period.

3. Based on an audit, a taxpayer may be identified as a candidate requiring a bond due to the following circumstances:

   - Taxpayer fails to maintain the necessary records to keep its account in compliance
   - Taxpayer fails to file tax returns properly (estimating miles, fuel or MPG; filing No-Ops or All-Ops when business practices indicate differently),
   - Taxpayer is not compliant per IFTA, Inc. requirements
   - A Best Information Available audit is conducted.

Once a taxpayer has been identified as requiring a bond based on an audit, the Motor Fuels Tax Division will send a letter imposing the requirement for the taxpayer to obtain a bond. The bond should equal the equivalent of the larger of $500.00 or four times the taxpayer's average tax liability or refund for a reporting period.

Barring any further incidences of non-compliance, all bonds imposed will remain in effect for three years or until an audit is conducted to verify compliance.

Notice regarding GAS 1276 IFTA Return…

When completing the return the circle in the upper right corner should only be darkened if you intend to close your account. The circle should not be darkened to indicate that you are filing IFTA or INTRASTATE.

Licenses and decals are issued from the following Motor Fuel Tax Division Offices:

Raleigh Office Location
1429 Rock Quarry Road, Suite 105
Tel.: 919-733-3409/Fax: 919-733-8654
Toll Free: 877-308-9092

Charlotte Office Location:
6016 Brookshire Blvd
Tel.: 704-393-0606/Fax: 704-393-8720

Greensboro Office Location:
December - February only
5 Centerview Drive, Suite 110
Tel.: 336-834-4320/Fax: 336-834-4327

RETURN RECEIVED DATE:

The Department uses the postmark date stamped by the U.S. Post Office to determine if your return is on time. If you use a postage meter to stamp your mail, the Department will use the meter stamp as long as the Post Office does not also postmark the envelope.

1st Quarter
January, February, March
Due April 30

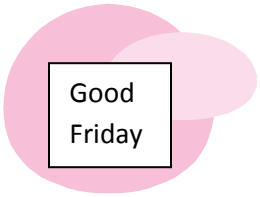
2nd Quarter
April, May, June
Due August 2

3rd Quarter
July, August, September
Due November 1

4th Quarter
October, November, December
Due January 31

Office Closed for the Holiday…

April 2, 2010



May 31, 2010