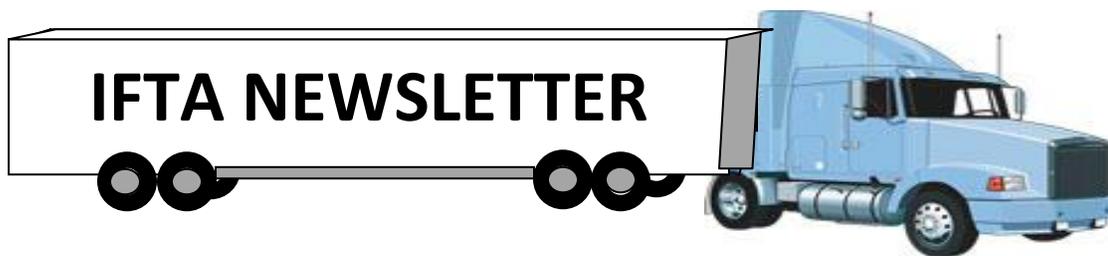


June 2010



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

1429 Rock Quarry Road, Suite 105, Raleigh, NC 27610

Telephone Number: 919-733-3409 - Toll Free: 877-308-9092 - Fax: 919-733-8654 - www.dornrc.com

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

State of Vermont

Effective July 1, 2010, motor buses (motor vehicles which seat more than 20 people) will no longer be exempt from paying Vermont diesel tax. There will be no tax refunds allowed after July 1, 2010 for diesel fuel used by motor buses registered in the state of Vermont, including motor buses being operated under the International Fuel Tax Agreement (IFTA).

Motor Carrier Bonding Requirement

Effective 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:

- A taxpayer who has failed to file the required tax returns for two quarters will receive a proposed bond-warning letter. The letter will advise the taxpayer to file and pay any delinquent returns 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.
- A taxpayer whose account reflects a "Notice of Collection" for liability dated six months or older who is not currently on a payment plan or in 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.
- Based on an audit, a taxpayer may be identified as a candidate requiring a bond due to any of 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 MPGS is improper. Filing No-Ops or All-Ops when business practices indicate differently is improper.)
 - 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.

A Message from the Motor Fuels Tax Division Director.....

2010 Motor Carrier Seminars – Cancelled

Our 2010 Motor Carrier seminars have been cancelled due to the budget shortfall for the State of North Carolina. Businesses across our state are feeling the effects of the national economic crisis. In an effort to lower our budget, we have made changes to various projects.

We strive to continue to educate each taxpayer to ensure compliance. Presentations are available now on the DOR website at www.dornc.com.

We look forward to holding the seminars again in the future.

Julian W. Fitzgerald, Sr.

IFTA Reporting

All licensees must file an IFTA quarterly tax return with the Division. A quarterly tax return must be filed, even if the licensee did not have activity.

IFTA licenses may be suspended and/or revoked for any of the following reasons:

- Failure to file an IFTA quarterly tax return
- Failure to remit all taxes due all member jurisdictions
- Failure to pay and/or protest an audit assessment within the established time period
- Failure to properly register with NCDMV, IRP Section

The Division will notify the North Carolina State Highway Patrol Motor Carrier Enforcement Administration and all member jurisdictions when a suspension or revocation has occurred or has been released.

Do not operate vehicles when a license has been revoked or suspended.

Requirements for IFTA Licensed Vehicles:

It is the licensee's responsibility to maintain records of all operations for qualified motor vehicles.

The following mileage and fuel data is needed for each individual vehicle for each trip.

Mileage Records:

- Date of trip (starting and ending)
- Trip origin and destination (city & state)
- Route of travel
- Beginning and ending odometer or hub-o-meter readings
- Total trip miles
- Mileage by jurisdiction
- Vehicle unit number
- Vehicle fleet number
- Licensee's name

Fuel Receipts:

- Date of purchase
- Name and address of seller
- Number of gallons purchased
- Type of fuel purchased
- Price per gallon
- Unit number of vehicle or VIN
- Purchaser's name

Holidays –

Our offices will be closed.



Independence Day
Monday – July 5, 2010



Monday - September 6, 2010

Filing Due Dates for IFTA Returns

-

1st Quarter - Due April 30, 2010

- January
- February
- March

2nd Quarter – Due August 2, 2010

- April
- May
- June

3rd Quarter – Due November 1, 2010

- July
- August
- September

4th Quarter – January 31, 2011

- October
- November
- December

**NC Department of Revenue
Motor Fuels Tax Division and
Field Offices -**

ALBEMARLE
Telephone: 704-982-8911
Fax: 704-982-8912

ASHEVILLE
2800 Heart Drive
Telephone: 828-667-0597
Fax: 828-667-0354

BATTLEBORO
110 Fountain Park Dr., Ste F-1
Telephone: 252-467-9222
Fax: 252-467-0190

*****CHARLOTTE**
6016 Brookshire Blvd
Telephone: 704-393-0606
Fax: 704-393-8720

ELIZABETH CITY
401 Griffin Street, Ste C
Telephone: 252-337-6756
Fax: 252-331-4808

FAYETTEVILLE
225 Green Street, Systel Bldg - Ste 800
Telephone: 910-486-1212
Fax: 910-485-4936

FLETCHER
Telephone: 828-687-9499
Fax: 828-654-9907

*****GREENSBORO**
(Please call office prior to your visit.)
5 Centerview Drive, Ste 110
Telephone: 336-834-4320
Fax: 336-834-4327

GREENVILLE
2995 Radio Station Rd
Telephone: 252-830-2999
Fax: 252-830-1411

HICKORY
112 2nd St. Place SE
Telephone: 828-327-2007
Fax: 828-327-7615

MORGANTON
Telephone: 828-391-6982
Fax: 828-391-6983

*****RALEIGH**
Motor Fuels Tax Division
1429 Rock Quarry Road – Ste 105
Telephone: 919-733-3409
Fax: 919-733-8654
Toll Free: 877-308-9092

RED SPRINGS
Telephone: 910-843-7080
Fax: 910-843-7085

ROCKWELL
Telephone: 704-279-1473
Fax: 704-279-1475

VANCEBORO
Telephone: 252-244-9912
Fax: 252-244-1664

WILMINGTON
3340 Jaeckle Dr., Ste 202
Telephone: 910-254-5066
Fax: 910-251-5823

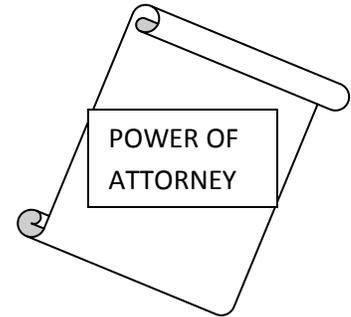
WINSTON-SALEM
8025 North Point Blvd., Ste 250
Telephone: 336-896-7026
Fax: 336-896-7030

***** License Issuance Location**

Power of Attorney (POA)

A POA is required of all persons conducting business on behalf of a Motor Fuels taxpayer.

Download a (POA) form (Gen. 58) at www.dornrc.com (Select Tax Forms, More, and General Forms.)



**IFTA Tax Rates, Forms,
Instructions, and 2010
Renewal Applications
can be found at:**

<http://www.dornrc.com/downloads/ifta.html>



Questions -

Contact the Motor Fuels Tax Division at:
Telephone Number 919-733-3409
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Fax Number 919-733-8654