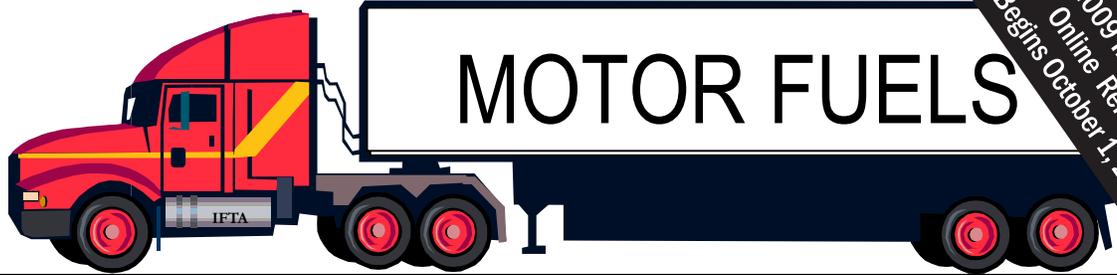


www.dornc.com

September 2008



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

IFTA Web Site

For additional information regarding IFTA and footnotes associated with various jurisdictions' tax rates, visit the IFTA, Inc. web site at: www.iftach.org

No Operations Return

Place an "X" in the box located on the front of the IFTA return if you did not operate in any jurisdiction for any given period. A return must be filed regardless of activity.

Account Closure

An IFTA license may be canceled at the request of any licensee provided all reporting requirements and tax liabilities to all member jurisdictions have been satisfied. The close box on the final IFTA quarterly tax return should be checked to indicate the end of operations under IFTA. The license may also be canceled by submitting a written request for cancellation. A final audit may be conducted by any member jurisdiction upon cancellation of an IFTA license. The record retention period of four (4) years from the due date or date filed, whichever is later, of the final quarterly tax return applies.

IMPORTANT RENEWAL NOTICE TO IFTA AND INTRASTATE MOTOR CARRIERS

The renewal period for IFTA and Intrastate licenses and decals for the 2009 calendar year will begin October 1, 2008 and will continue through December 31, 2008. The IFTA Agreement allows for a 60-day grace period for motor carriers to affix decals to their vehicles as follows:

R655 GRACE PERIOD

.200 Carriers renewing their IFTA license and decals have a two-month grace period (January and February) to display the renewal IFTA license and decals. To operate in IFTA jurisdictions during this grace period, carriers must display either valid current or prior year IFTA license and decals from the jurisdiction in which they were operating or a valid single-trip permit from the IFTA jurisdiction in which they are operating.

The Division mailed renewal notices in July 2008. Carriers may renew their licenses by returning the completed renewal application for processing. To expedite processing, we recommend that you request renewal of licenses and decals via the Internet. Renewal via the Internet will become available effective October 1, 2008. The processing of paper renewal applications will also begin on October 1st. We will begin mailing 2009 licenses and decals on November 1, 2008. The 2009 decals should not be affixed to your vehicles prior to December 1, 2008.

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

NEWSFLASH

- As a security measure, 2009 decals will tear upon removal from vehicle
- Minnesota has a split tax rate for 3rd quarter, for more information: <http://www.iftach.org>

I. D. Requirements

Identification is required from all in-person requests of IFTA licenses and decals.

Power of Attorney

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

Download a POA form at:

www.dornc.com

-Tax Forms

-More

-General Forms

NC Department of Revenue

Motor Fuels Tax Division

1429 Rock Quarry Road, Suite 105

***Raleigh, NC 27610

Tel.: 919-733-3409/Fax: 919-733-8654

Toll Free: 877-308-9092

***License Issuance Location

Motor Fuels Field Offices

ALBEMARLE

Tel.: 704-982-8911/Fax: 704-982-8912

ASHEVILLE

2800 Heart Drive

Tel.: 828-667-0597/Fax: 828-667-0354

BATTLEBORO

110 Fountain Park Dr., Ste F-1

Tel.: 252-467-9222/Fax: 252-467-0190

***CHARLOTTE

6016 Brookshire Blvd

Tel.: 704-393-0606/Fax: 704-393-8720

DURHAM

3326 Durham Chapel Hill Blvd., Bldg D

Tel.: 919-560-6803/Fax: 919-560-3386

ELIZABETH CITY

401 Griffin Street, Ste C

Tel.: 252-337-6756/Fax: 252-331-4808

FAYETTEVILLE

225 Green Street, Systel Bldg - Ste 800

Tel.: 910-486-1212/Fax: 910-485-4936

FLETCHER

Tel.: 828-687-9499/Fax: 828-654-9907

***GREENSBORO

5 Centerview Drive, Ste 110

Tel.: 336-834-4320/Fax: 336-834-4327

GREENVILLE

2995 Radio Station Rd.

Tel.: 252-830-2999/Fax: 252-830-1411

HICKORY

112 2nd St. Place SE

Tel.: 828-327-2007/Fax: 828-327-7730

LUMBERTON

Tel.: 910-739-8080/910-739-8085

MORGANTON

Tel.: 828-391-6982/Fax: 828-391-6983

ROCKWELL

Tel.: 704-279-1473/Fax: 704-279-1475

VANCEBORO

Tel.: 252-244-9912/Fax: 252-244-1664

WILMINGTON

3340 Jaeckle Dr., Ste 202

Tel.: 910-254-5066/Fax: 910-251-5823

WINSTON-SALEM

8025 North Point Blvd., Ste 250

Tel.: 336-896-7026/Fax: 336-896-7030

MOTOR CARRIER SEMINARS

In August, the NC Motor Fuels Tax Division conducted the 2008 Motor Carrier Seminars. This was a combined effort between the NC Motor Fuels Tax Division, NC IRP Registration Unit, the Internal Revenue Service, and the NC State Highway Patrol. Each agency presented vital information to the motor carrier industry attendees on topics such as registration, tax return preparation, internet services, record keeping, audits, on-road enforcement, the administrative review process, safety, and Federal Motor Carrier regulations. The seminars are offered free-of-charge each year in various locations around the state.

This year, seminars were held in Charlotte, Wilmington, Greenville, Hickory, Asheboro, and Cary. Attendance was good and the information presented was well received. All entities registered with the NC Motor Fuels Tax Division are invited to register and attend a seminar next year.

ADDITIONAL RENEWAL INFORMATION

There is NO FEE for the license and decals. If you are requesting IFTA decals, you must travel in at least two (2) IFTA jurisdictions. The Division will be reviewing completed returns from prior periods to ensure that carriers requesting IFTA licenses are traveling in at least (2) jurisdictions.

North Carolina Highway Fuel Use Tax (NCHFUT) decals are issued to carriers who operate vehicles that travel only in North Carolina.

Your account status will affect the renewal of your 2009 license and decals. If you have not filed all returns due or paid all outstanding assessments, your account may be in a revoked status. If your account has been revoked, we cannot issue decals or a license until your outstanding returns and/or payments have been received either in the Raleigh office or one of our field offices. Call the Division if you have any questions about your account status.

DECAL ACCOUNTABILITY

Motor Carriers are responsible for all decals issued. Unused decals must be maintained for a period of at least four (4) years for audit purposes. If a Motor Carrier fails to produce records to account for all decals, they may be held responsible for the operation of the unaccounted for decals based on the best information available.

North Carolina law states that a Motor Carrier must keep records of identification markers issued to the motor carrier and must be able to account for all identification markers the motor carrier receives.

A penalty may be assessed for either of the following:

- Inability to account for decals issued (\$100 per decal) or
- Displaying a decal on a vehicle operated by a Motor Carrier to whom the decal is not issued (\$1,000 per decal).



Decal Placement:

One decal should be placed on the exterior portion of each side of the vehicle's power unit. Failure to display decals in the required location may subject the vehicle operator to the purchase of a trip permit and a citation.

REQUIREMENTS FOR IFTA LICENSED VEHICLES

It is the licensee's responsibility to maintain records of all operations of qualified motor vehicles. At a minimum, information must include the following mileage data on 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 hubometer 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

Users that maintain bulk storage are categorized as bulk end-users. Bulk end-users have additional requirements with regard to maintaining fuel accountability records, including fuel withdrawal records. For further information, please contact our Division.

IFTA FILING REQUIREMENTS

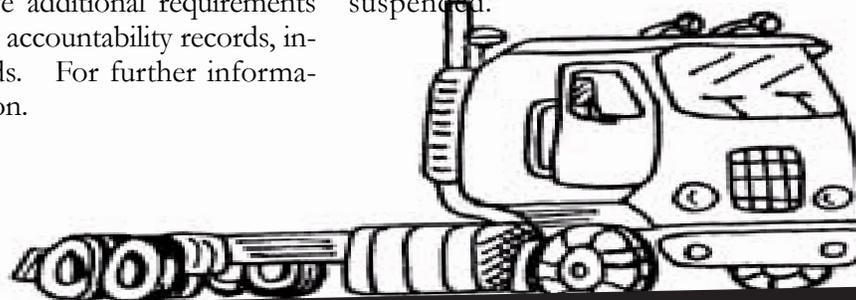
All licensees must file an IFTA quarterly tax return with the Division. The due dates for filing each return are shown on the next page.

The IFTA quarterly tax return and tax rates are provided each quarter, 30 days prior to the due date. Failure to receive or obtain the quarterly tax return does not release the licensee from reporting obligations. A quarterly tax return must be filed, even if the licensee does not operate or purchase taxable fuel in any IFTA member jurisdiction in a particular quarter.

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 be licensed properly

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



REQUIREMENTS FOR NON-IFTA VEHICLES

Qualified vehicles are required to have a license and fuel decal(s). A qualified vehicle is a motor vehicle used, designed, or maintained for the transportation of persons or property and:

- Having two (2) axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds;
- Having three (3) axles regardless of weight; or
- Used in combination when the weight of such combination exceeds 26,000 pounds gross vehicle weight.

Qualified vehicles that only travel in North Carolina are subject to the record keeping requirements of users.

A user is a person who owns or operates a licensed highway vehicle that has a registered gross vehicle weight of at least 10,001 pounds and who does not maintain storage facilities for motor fuel. Users are required to keep mileage and fuel records and are subject to audit by the NC Department of Revenue. Record keeping requirements include:

- Must retain all fuel receipts (highway and non-highway)
- Quarterly odometer readings
- Purchase and disposition dates of vehicles
- List of current vehicles by registered gross weight

LEASE AGREEMENTS

Rental/Leasing

1. Leases of Less than 30 Days

In the case of a short-term motor vehicle rental, a lessor regularly engaged in the business of leasing or renting motor vehicles without drivers to licensees or other lessees for compensation for a period of 29 days or less will report and pay the fuel use tax unless the following two conditions are met:

- The lessor has a written rental contract which designates the lessee as the party responsible for reporting and paying the fuel use tax; and
- The lessor has a copy of the lessee's IFTA fuel tax license which is valid for the term of the rental.

2. Leases of 30 Days or More

In the case of a long-term lease, a lessor regularly engaged in the business of leasing or renting motor vehicles without drivers to licensees or other lessees for compensation may be deemed to be the licensee, and such lessor may be issued a license if an application has been properly filed and approved by the base jurisdiction.

DEADLINES

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	2nd Quarter	3rd Quarter	4th Quarter
January	April	July	October
February	May	August	November
March	June	September	December
due April 30	due July 31	due October 31	due January 31

HOLIDAYS



VETERAN'S DAY
November 11, 2008

THANKSGIVING DAY
November 27 & 28, 2008



CHRISTMAS
December 24, 25 & 26, 2008