

## **CHAPTER 5**

### **REPORTING REQUIREMENTS**

#### **A. Quarterly Tax Returns**

**You must file an IFTA quarterly tax return and schedule(s) even if you did not travel or did not owe tax in the quarter.** The quarterly tax return indicates the tax due or credit for each member jurisdiction. Only one check is written to the Comptroller of Maryland for the net tax due all member jurisdictions, or the licensee may request one refund check for the net refund. The due date for the quarterly tax return is the last day of the month immediately following the quarter being reported as follows:

<b><u>Reporting Quarter</u></b>	<b><u>Due Date</u></b>
January - March	April 30
April - June	July 31
July - September	October 31
October - December	January 31

The quarterly tax return with schedule(s) must be postmarked or delivered to the IFTA Returns Processing by the filing due date. If the due date is a Saturday, Sunday or legal holiday, the next business day is considered the filing due date. The licensee will be subject to the IFTA penalty and interest provisions if the return is not filed and paid by the due date. Penalty and interest will be assessed when an original return is timely filed/paid but additional tax is owed for that quarter due to a licensee's calculation error or from an amended return.

Information required to compile the IFTA quarterly tax return is as follows:

- 1) Total miles (taxable and nontaxable) traveled by licensee's qualified motor vehicles in all jurisdictions. Include IFTA and non-IFTA miles as well as trip permit miles;
- 2) Total gallons of fuel used (placed into licensee's qualified motor vehicles) in all jurisdictions, IFTA and non-IFTA;
- 3) Total miles and taxable miles traveled in each member jurisdiction;
- 4) Taxable gallons consumed in each member jurisdiction (calculated on return); and
- 5) Tax-paid gallons purchased and placed into qualified motor vehicles in each member jurisdiction.

The IFTA quarterly tax return and schedule(s) will be sent to all IFTA licensees at least thirty (30) days before the due date. Failure to receive the quarterly tax return *does not* relieve the licensee from the reporting requirement.

Duplicate quarterly tax returns and schedules can be obtained by contacting RAD. Every licensee must file a quarterly tax return even if the licensee does not operate in any IFTA member jurisdiction, owe any tax, or use any taxable fuel in a particular quarter.

**Please note that tax returns should be sent to:**

**Comptroller of Maryland  
IFTA Returns Processing  
PO Box 2171  
Annapolis, Md. 21404**

**This address is printed on Form 101-I (page 2).**

Tax rates provided with the IFTA quarterly tax return will be current for all member jurisdictions. As tax rates and procedures change, the base jurisdiction will inform all licensees.

#### **B. IFTA E-File Process**

The Comptroller of Maryland now offers the convenience and accuracy of internet-based filing of IFTA returns. This can be done at no cost to you and is available through most internet connections. You will first register with the Comptroller to file the IFTA returns by using your account number, and a password of your choice. Once that is

done, you will use your account number and password each quarter you choose to file electronically. With the application being internet-based, your return will be checked for errors (such as rounding or addition) before you file thus preventing the need for many amended returns or exchange of information with RAD.

You are no longer restricted to current returns and can now efile any past reporting period and even allow you to make payments using an automatic banking process. For more information, including answers to frequently asked questions, go to:

<https://interactive.marylandtaxes.com/Extranet/red/MFTB/IFTAeFile/User/Home.aspx>

### **C. Revocation, Penalty, and Interest Provisions**

- 1) **Revocation**. When a licensee fails to file a return, files a late return, or fails to remit any tax due, the licensee will be sent a Notice and Demand letter requesting full compliance within thirty (30) days from the date of the letter. If a licensee does not respond within thirty (30) days, a hearing may be scheduled for the licensee to show cause why the IFTA license should not be revoked.
- 2) **Penalties**. Penalty for failure to file a return and pay a tax when due is the greater of 10% of the unpaid tax due or \$50.00. Penalty for failure to file a return when due is \$50.00. Penalty for failure to file a return and pay the tax due after a Notice and Demand letter has been sent is an additional 25% of the unpaid tax. A penalty will also be assessed on timely filed returns where a calculation error results in additional tax being owed to another jurisdiction. Penalties may be waived if the licensee can show reasonable cause for failure to comply.
- 3) **Interest**. For a fleet based in a U.S. jurisdiction, interest shall be set at an annual rate of two (2) percentage points above the underpayment rate established under Section 6621(a)(2) of the Internal Revenue Code, adjusted on an annual basis on January 1 of each year. The interest rate will accrue monthly at 1/12 of this annual rate. For additional information on interest rates please go to the IFTA, Inc. website; <http://www.iftach.org/> under interest rates. The interest rate prior to July 1, 2013 was 12% per annum. Since July 1, 2013, the interest rate has been 5% per annum, in accordance with the IFTA, Inc. definition above. This manual will be updated annually, on or around January 1, for any change in interest rate. Unlike a penalty, interest is computed on the tax due each member jurisdiction. Interest must be paid on tax due to each member jurisdiction and may not be waived by Maryland.

### **D. All Intrastate Maryland Miles or NO Carrier Miles**

Licensees who do not travel outside of Maryland or do not have any travel miles for three (3) or more consecutive quarters may be subject to cancellation. In addition, if records are inadequate, an assessment of motor carrier tax can be made for each vehicle based on the amount of tax calculated for forty (40) gallons of fuel use per day.

### **E. Measurement Conversion Table**

Maryland IFTA licensees are required to report based upon United States measurements. Conversion rates are:

1 gallon = 3.785 liters	1 liter = .2642 gallons
1 mile = 1.6093 kilometers	1 kilometer = .62137 miles

Gallons and miles entered on each quarterly report must be rounded to the nearest whole gallon or mile.

### **F. Tax Exempt Miles**

IFTA recognizes that some jurisdictions have unique economic and geographic characteristics, which have given rise to various definitions of tax-exempt miles. A brief summary is provided IFTA, Inc and can be found on <http://www.iftach.org/exempt/view/general2014.php>

If further questions arise, contact the individual member jurisdictions. All jurisdictions require documentation to support a claim of tax-exempt miles.

**Maryland has no tax exempt miles.**

**G. Signature**

IFTA returns must be signed by an officer or authorized representative of the licensee carrier.