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**IDAPA 35  
TITLE 01  
CHAPTER 05**

**35.01.05 - MOTOR FUELS TAX ADMINISTRATIVE RULES**

**000. LEGAL AUTHORITY (RULE 000).**

According to sections 63-105(2), 63-2427, 40-312 and 41-4909, Idaho Code, the Tax Commission promulgates rules implementing the provisions of the Idaho Transportation Department and the Idaho Motor Fuels Tax Act and the provisions of the Idaho Clean Water Trust Fund Act relating to the Idaho Clean Water Trust Fund Transfer Fee.

(4-6-05)

**001. (RESERVED)**

**002. WRITTEN INTERPRETATIONS (RULE 002).**

This agency has written statements as defined in Section 67-5201(19)(b)(iv), Idaho Code, which pertain to the interpretation of the rules of this chapter or to the documentation of compliance with the rules of this chapter. To the extent that such documents are not confidential under Sections 63-2434, 41-4909, 63-3076, 63-3077, or 9-337 through 9-350, Idaho Code, they are available for public inspection and copying at the main office of the State Tax Commission. See Rule 005 of these rules for the main office address.

(4-6-05)

**003. ADMINISTRATIVE APPEALS (RULE 003).**

This chapter does allow administrative relief in the provisions outlined under Sections 63-2434, 41-4909, and 63-3045 through 63-3049, Idaho Code and pursuant to Rules promulgated by the Commission found in the Commission's administration and enforcement rules relating to income taxation, IDAPA 35.02.01.

(4-6-05)

**004. PUBLIC RECORDS (RULE 004).**

The records associated with this chapter are subject to the provisions of the Idaho Public Records Act, Chapter 3, Title 9, Idaho Code, to the extent that these documents are not confidential under Sections 63-2434, 41-4909, 63-3076, 63-3077, or 9-337 through 9-350, Idaho Code. Nonconfidential records are available for public inspection and copying at the main office of the State Tax Commission. See Rule 005 of these rules for the main office address.

(4-6-05)

**005. OFFICE -- OFFICE HOURS -- STREET AND MAILING ADDRESSES -- WEB SITE ADDRESS -- PHONE AND FACSIMILE NUMBERS -- E-MAIL ADDRESS (RULE 005).**

**01. Main Office.** The State Tax Commission main office is located at 800 Park Blvd., Plaza IV, Boise, Idaho 83712-7742. The correspondence mailing address is P.O. Box 36, Boise, Idaho 83722-0410. The State Tax Commission's Website is [www.tax.idaho.gov](http://www.tax.idaho.gov). The telephone number for Taxpayer Services is (208) 334-7660, or toll free 1-800-972-7660, and the facsimile number is (208) 334-7846. The State Tax Commission's e-mail is [taxrep@tax.idaho.gov](mailto:taxrep@tax.idaho.gov). Main Office hours are from 8 a.m. to 5 p.m. Monday through Friday except for legal holidays.

(4-6-05)

**02. Regional Field Offices.** The address and phone number for each regional field office is listed in IDAPA 35.02.01, "Tax Commission Administration and Enforcement Rules," Rule 005.

(3-15-02)

**03. Hearing Impaired.** Hearing impaired individuals may contact any State Tax Commission office by using the Idaho Relay Service Number 1(800)377-3529.

(3-15-02)

**006. -- 009. (RESERVED)**

**010. DEFINITIONS (RULE 010).**

The definitions provided by statute, including the definitions in Section 63-2401, Idaho Code, apply to these rules. Additionally, the following definitions shall apply.

(6-23-94)

**01. Bond.** A person required to post a bond may, instead of posting a surety bond, deposit with the State Tax Commission any of the following amounts equivalent to the amount of the bond required:

(3-30-01)

**a.** Lawful money. Lawful money of the United States. Cash bonds must be submitted as a cashier's check, money order or other certified funds that are payable to the Idaho State Tax Commission. A cash bond will not accrue interest. The State Tax Commission will cash the funds and hold the money for the duration the taxpayer holds a distributor license. (3-30-01)

**b.** Letters of credit. Irrevocable standby letters of credit, not exceeding the federally insured amount, issued by a bank doing business in Idaho, and insured by the Federal Deposit Insurance Corporation, made to the benefit of the Idaho State Tax Commission. The terms of the letter of credit must allow the State Tax Commission to make demand directly against the issuer of the letter of credit for any taxes, penalties, and interest due and unpaid, upon which the taxpayer's rights to appeal have expired, and for which the letter of credit was submitted to secure. The letter must include the following items: (3-30-01)

- i. Issuing institution; (3-30-01)
- ii. Taxpayer's name; (3-30-01)
- iii. Effective date; (3-30-01)
- iv. Expiration date and place; (3-30-01)
- v. Idaho State Tax Commission as the payee; (3-30-01)
- vi. Dollar amount covered; (3-30-01)
- vii. Terms of letter; (3-30-01)
- viii. Letter number; and (3-30-01)
- ix. Authorized signatures. (3-30-01)

**c.** Time Certificates of Deposit (CD). Automatically renewable time certificates of deposit, not exceeding the federally insured amount, issued by a financial institution doing business in Idaho and federally insured, made in the name of the depositor, payable to the "Idaho State Tax Commission" and containing the provisions that interest earned shall be payable to the depositor. The State Tax Commission will hold the CD. If the financial institution holds the actual CD or does not issue a certificate, a verification form is required by the State Tax Commission confirming the CD. The form may be obtained from the State Tax Commission. (3-30-01)

**d.** Joint Savings Account. Joint savings accounts, not exceeding the federally insured amount, at a financial institution doing business in Idaho and federally insured. The joint savings account should be issued in the name of the taxpayer and the "Idaho State Tax Commission." Evidence of the insured account must be delivered to the State Tax Commission. The taxpayer will be notified by the State Tax Commission of any increases in bonding when it becomes necessary. The taxpayer may send a check to cover the difference which will be deposited in the 2 joint savings account. The interest accrued on the account is the taxpayer's. The terms of the joint savings account agreement must include the following: (3-30-01)

- i. No Automatic Teller Machine (ATM) card may be issued to the account; and (3-30-01)
- ii. Withdrawals require both signatures of the parties of the joint account or by the Idaho State Tax Commission alone. (3-30-01)

**02. Commercial Motor Boat.** A commercial motor boat, as defined in Section 63-2401, Idaho Code, includes a motor boat used in a business that rents boats to others who use the boats for pleasure. (6-23-94)

**03. IFTA.** Means the International Fuel Tax Agreement referred to in the Intermodal Surface Transportation Act of 1991, Public Law 102-240 section 4008, 105 Stat. 1414, codified as 49 USC Sections 31701 through 31708, and in Section 63-2442A, Idaho Code. (3-30-01)

- 04. Indian-Owned Retail Outlet.** An Indian-owned retail outlet is: (4-11-06)
- a.** Located within the boundaries of a federally recognized Indian reservation and (4-11-06)
  - b.** Owned and operated by: (4-11-06)
    - i.** The Coeur d'Alene, Kootenai, Nez Perce, Shoshone/Bannock, or Shoshone/Paiute tribe; or (4-11-06)
    - ii.** An enterprise owned by one (1) of the tribes listed above; or (4-11-06)
    - iii.** An enrolled member of one (1) of the listed tribes on whose reservation the retail outlet is located. (4-11-06)

**05. Pay, Paid, Payable or Payment.** When used in reference to any amount of tax, penalty, interest, fee or other amount of money due to the State Tax Commission, the words pay, paid, payable, or payment mean an irrevocable tender to the Idaho State Tax Commission of lawful money of the United States. As used herein, lawful money of the United States means currency or coin of the United States at face value and negotiable checks that are payable in money of the United States; provided however, acceptance by the State Tax Commission of any check that is subsequently dishonored by the bank upon which it is drawn shall not constitute payment. Additionally, nothing herein shall limit the authority of the State Tax Commission to refuse to accept any check drawn upon the account of a taxpayer who has previously tendered any check that was dishonored by the bank upon which it was drawn. All amounts due the state must be paid by electronic funds transfer whenever the total amount of tax due plus any related fee, interest, penalty or other additional amount is one hundred thousand dollars (\$100,000) or more, according to rules promulgated by the Idaho State Board of Examiners. (3-30-01)

**06. These Rules.** The term "these rules" refers to this chapter, IDAPA 35.01.05, of rules relating to the Idaho Motor Fuels Tax and the Idaho Petroleum Transfer Fee. (6-23-94)

**011. -- 104. (RESERVED)**

**105. LICENSED GASEOUS FUELS DISTRIBUTOR'S REPORTS (RULE 105).**

**01. Monthly Reports.** Every licensed gaseous fuels distributor shall file with the State Tax Commission a monthly tax report and supporting detailed schedules on forms prescribed by the State Tax Commission. Such reports shall contain a declaration by the person filing the report that the statements contained therein are true and are made under penalties of perjury. The report shall include the following information together with such other information as the State Tax Commission may require: (7-1-99)

- a.** The total taxable gallons of gaseous fuels delivered into the supply tank of registered motor vehicles; (3-30-07)
- b.** The taxable gallons after deduction of a two percent (2%) allowance. See Rule 140 of these rules; (4-5-00)
- c.** The tax computation; (7-1-99)
- d.** The bad debt amount, if any. (This credit or debit only applies to debt from fuels taxes that have been written off for income tax purposes in the distributor's records before December 1, 2007.) See Rule 140 of these rules; (4-2-08)
- e.** The gaseous fuels permit fees (Attach to the report the yellow copy of the receipt for each gaseous fuels permit sold during that month); and (4-5-00)
- f.** The net tax due; (4-5-00)
- g.** A receipt schedule reporting the total number of taxable gallons of gaseous fuels sold must be

attached to the distributor's report. (4-5-00)

**02. Report Due and Payment Required.** The report shall be due on or before the last day of the month following the month to which the report relates together with the payment of any tax, annual gaseous fuels permit fees, penalty or interest due. See Rule 010 of these rules relating to method of payment and requirement for payments of one hundred thousand dollars (\$100,000) or more. (7-1-99)

**03. Failure to Pay Tax and Permit Fees.** Any gaseous fuels distributor required to pay the tax or permit fee imposed by Section 63-2424, Idaho Code, who fails to pay such tax or permit fee shall be liable to the State Tax Commission for the amount of tax or permit fee not paid plus any applicable penalty or interest. The State Tax Commission may collect such amounts in the manner provided in Section 63-2434, Idaho Code. (4-2-08)

**04. Receipt of Gaseous Fuels.** The special fuels tax is not imposed on gaseous fuels when the fuels are received in Idaho. (4-5-00)

**05. Gaseous Fuels.** Propane and natural gas are presumed to be tax-exempt fuels unless delivered into the supply tank of a registered, or required to be registered, motor vehicle. (3-30-07)

**06. Annual Fees for Gaseous Fuels Permits.** Persons operating vehicles powered by gaseous fuels may pay an annual fee for a gaseous fuels permit instead of paying the special fuel taxes at the time propane or natural gas is purchased. Gaseous fuels distributors who sell these permits shall issue a permit that will be in the form of a decal to be displayed in a conspicuous spot visible from the outside of the permitted vehicle. The fees for gaseous fuels permits are based on the gross vehicle weight of the vehicles and are set by Rule 115 of these rules as is mandated by Section 63-2424(2), Idaho Code. The gaseous fuels permit is valid for the annual permit period of July 1 through June 30 of the following year. The annual permit period displayed on the decal will be the year in which the decal expires. (4-5-00)

**07. Documentation of Untaxed Gaseous Fuels Delivered into Motor Vehicles.** Gaseous fuels delivered into the fuel supply tank of a registered, or required to be registered, motor vehicle are taxable except for: (3-30-07)

**a. Government.** Gaseous fuels used by vehicles owned or leased, and operated by the federal government, or by an instrumentality of the state of Idaho, including all of its political subdivisions, are exempt from the special fuels tax on gaseous fuels. In this case, the licensed distributor must record on the document of sale, the name of the governmental entity, the license or identification number, and the type of vehicle. (7-1-99)

**b. Gaseous Fuels Decal.** Gaseous fuels dispensed into the fuel supply tank of a motor vehicle displaying a valid Gaseous Fuels Decal are exempt from tax. For the exempt status to be valid, the purchaser's name, address, vehicle license number, and the words "gaseous fuels decal" must be recorded on the sales document. (4-5-00)

**08. Completion of Gaseous Fuels Receipt Book(s).** The following information is required to be recorded by a gaseous fuels distributor in his gaseous fuels receipt book for each gaseous fuels permit (decal) sold: (4-5-00)

- a.** The date; (4-5-00)
- b.** The amount; (4-5-00)
- c.** One (1) of the following weight classes: (4-5-00)
  - i.** Zero - eight thousand pounds (0 - 8,000 lbs.); or (4-5-00)
  - ii.** Eight thousand one - sixteen thousand pounds (8,001 - 16,000 lbs.); or (4-5-00)
  - iii.** Sixteen thousand one - twenty-six thousand pounds (16,001 - 26,000 lbs.); or (4-5-00)

- iv. Twenty-six thousand one pounds (26,001 lbs.) and over. (4-5-00)
- d. The current month; (4-5-00)
- e. The annual permit period; (4-5-00)
- f. The customer's name and vehicle license plate number; (4-5-00)
- g. The name and license number of the gaseous fuels distributor who is selling the permit; and (4-5-00)
- h. The signature of the salesperson. (4-5-00)

**09. Annual Reconciliation of Gaseous Fuels Receipt Books and Decals.** A distributor who sells gaseous fuels permits must reconcile its account with the State Tax Commission for the annual permit period ending June 30, by July 31, of the same year. Distributors may begin ordering decals and receipt books in May for the upcoming annual permit period. The following is required to be received by the State Tax Commission for reconciliation: (4-5-00)

- a. All unused/unsold gaseous fuels decals; (4-5-00)
- b. All voided receipts (white and yellow copies) not previously submitted with the distributor report; (4-5-00)
- c. All receipt books (pink copies must be intact); and (4-5-00)
- d. A completed gaseous fuels reconciliation form which includes: (4-5-00)
  - i. The number of decals ordered for the annual permit period; (4-5-00)
  - ii. The number of decals sold for the annual permit period; (4-5-00)
  - iii. The balance of decals at the end of the annual permit period; and (4-5-00)
  - iv. The number, if any, of decals lost or destroyed. If decals are lost or destroyed, a statement describing the circumstances of the loss or destruction must accompany the distributor's gaseous fuels permit reconciliation. (4-5-00)

**10. Assessment for Unaccounted for Decals.** Two hundred and eight dollars (\$208) will be assessed for each decal not accounted for during the annual reconciliation, unless there is clear and convincing evidence the decal was destroyed or mutilated. (4-5-00)

**106. -- 109. (RESERVED)**

**110. CALCULATION OF TAX ON GASEOUS FUELS (RULE 110).**

**01. In General.** In all cases in which any tax under Chapter 24, Title 63, Idaho Code, must be calculated for any special fuel that is a gaseous fuel, the following equivalency formulas shall be used to calculate the amount of tax due. (6-23-94)

- a. One (1) therm of natural gas will be the equivalent of one (1) gallon of liquid. (6-23-94)
- b. Four and one-fourth (4 1/4) pounds of propane will be the equivalent of one (1) gallon of liquid. (6-23-94)

**02. Equivalent BTU's.** Special fuels tax on gaseous fuels will be computed based upon the equivalent BTU's per gallon of gaseous fuels. The following values will be used in a formula establishing the rate:

Gasoline	127,000	BTU's per gallon
Propane	92,000	BTU's per gallon
Natural Gas	100,000	BTU's per gallon

Natural gas 100,000 BTU

Gasoline 127,000 BTU

x current tax rate = tax per therm

Propane 92,000 BTU

Gasoline 127,000 BTU

x current tax rate = tax per 4 1/4 pounds

(6-23-94)

**111. -- 114. (RESERVED)**

**115. WHEN THE GASOLINE TAX RATE INCREASES, USE CONVERSION FACTOR TO ADJUST ANNUAL GASEOUS FUELS PERMIT FEES (RULE 115).**

The following conversion factors for each vehicle weight class should be multiplied by the new tax rate for gasoline found in Section 63-2402, Idaho Code, and rounded to nearest dollar to adjust the annual gaseous fuels permit fees.

VEHICLE WEIGHT	CONVERSION FACTOR
Zero (0) to eight thousand (8,000) lbs	- Two hundred thirty-eight (238)
Eight thousand and one (8,001) to sixteen thousand (16,000) lbs	- Three hundred fifty-seven (357)
Sixteen thousand and one (16,001) to twenty-six thousand (26,000) lbs	- Seven hundred fourteen (714)
Twenty-six thousand and one (26,001) lbs and above	- Eight hundred thirty-three (833)

(5-3-03)

**116. -- 119. (RESERVED)**

**120. MEASUREMENT OF GALLONS (RULE 120).**

Complete all reports using gross gallons.

(7-1-99)

**121. -- 129. (RESERVED)**

**130. DISTRIBUTOR'S FUEL TAX REPORTS (RULE 130).**

**01. Monthly Reports.** Every licensed distributor shall file with the State Tax Commission a monthly tax report and supporting detailed schedules on forms prescribed by the State Tax Commission. The distributor must keep detailed inventory records. All reports which require the reporting of the number of gallons of motor fuels and other petroleum products shall be stated in gross gallons. With respect to the quantity of motor fuels and other petroleum products received during the month, the distributor shall include a listing of each person from inside and/or outside Idaho supplying motor fuels and petroleum products to the distributor during the month and the number of gallons supplied by each supplier, on a load-by-load basis. Such reports shall contain a declaration by the person filing the report that the statements contained therein are true and are made under penalties of perjury. The report shall include the following information together with such other information as the State Tax Commission may require:

(3-30-01)

- a. The beginning inventory of motor fuels and other petroleum products on the first day of the month;



- (7-1-98)
- b.** The total quantity of motor fuels includes natural gasoline, gasoline blend stocks, ethanol, ethanol blended with motor fuel, and other petroleum products received during the month. See Rule 130.06 of these Rules; (4-7-11)
- c.** The total quantity of motor fuels and other petroleum products disbursed during the month. A disbursement is motor fuel that is: (4-7-11)
- i.** Delivered to licensed distributors tax and transfer fee not collected; (4-11-06)
- ii.** Exported tax and transfer fee exempt; (4-7-11)
- iii.** Delivered to the Idaho National Guard tax exempt; (4-7-11)
- iv.** Delivered to a tribe or an Indian-owned retail outlet fuels tax and transfer fee not collected because the fuel is the subject of an agreement authorized by Section 67-4002, Idaho Code, to the extent provided by the agreement, but only if the agreement is signed by the governor and appropriate representative of a tribe before December 1, 2007; or (4-7-11)
- v.** Delivered to an Idaho pipeline terminal and placed into storage fuels tax and transfer fee not collected. (4-7-11)
- d.** The total quantity of motor fuels and other petroleum products transferred or relabeled from one (1) fuel type to another; (7-1-98)
- e.** The casualty loss documented with satisfactory written explanation of proof of loss; (7-1-98)
- f.** The ending inventory of motor fuels and other petroleum products on the last day of the month; (7-1-98)
- g.** The gross taxable gallons of motor fuels and other petroleum products; (7-1-98)
- h.** The tax-paid purchases; (7-1-98)
- i.** The net taxable gallons; (7-1-98)
- j.** The gallons of ethanol reported in ethanol blended fuel. The deduction for ethanol is limited to ten percent (10%) of the total volume of the product that meets the definition of gasohol as defined in Section 63-2401, Idaho Code. Biodiesel reported in biodiesel and biodiesel blended fuel. The deduction for biodiesel is up to ten percent (10%) of the total volume. See Section 63-2407, Idaho Code, for other limitations to these deductions (This Subsection only applies to deductions for ethanol or biodiesel that could be made before June 1, 2009); (3-29-10)
- k.** The gallons after deduction of a one percent (1%) or two percent (2%) allowance, whichever is appropriate. (This subsection only applies to receipts of motor fuels received before December 1, 2007.) See Rule 140 of these rules; (4-2-08)
- l.** The gallons after deduction of a two percent (2%) allowance. (This subsection only applies to receipts of motor fuels received on and after December 1, 2007.) See Rule 140 of these rules; (4-2-08)
- m.** The tax computation; (7-1-98)
- n.** The bad debt amounts; refer to Rule 140 of these rules (This section only applies to debt from fuels taxes that have been written off for income tax purposes in the distributor's records before December 1, 2007.); (3-29-10)
- o.** The gaseous fuels permit fees; and (4-11-06)

- p. The net tax due. (4-11-06)
- 02. Exemption from Licensing and Monthly Reporting.** See Rule 135 for exemptions from obtaining a motor fuels distributor license and filing monthly reports. (3-29-10)
- 03. Machine Tabulated Data.** Machine tabulated data will be accepted in lieu of detailed schedules on State Tax Commission provided forms but only if the data is in the same format as shown on the required schedules. Before any other format may be used, the distributor must make a written request to the State Tax Commission with a copy of the format and must be granted written authorization to use that format. (7-1-98)
- 04. Supplemental Reports.** In addition to a timely filed original monthly report, a supplemental report may be filed in those cases involving additional shipments of motor fuels and other petroleum products to the distributor. The supplemental report may be filed only when the distributor is diligent in reporting shipments in the monthly report. Only shipments received within the last five (5) days of the month may be reported in a supplemental report. Shipments received before that date will be subject to penalty if reported in the supplemental report. If a supplemental report is filed, the State Tax Commission will impose interest, but the report will not be subject to penalty. The supplemental report must be postmarked on or before the tenth day of the month following the month in which a report from which shipments were omitted was due. (4-7-11)
- 05. Timely Reporting.** Any motor fuel and other petroleum product shipments that are: (4-7-11)
- a. Reported on a timely supplemental report shall be subject to interest but are not subject to penalty. (7-1-98)
- b. Not reported on a timely monthly or supplemental report shall be subject to interest and may be subject to penalty. (7-1-99)
- 06. Motor Fuels Receipts.** All gasoline, natural gasoline, gasoline blend stocks, ethanol, ethanol blended fuels, aircraft engine fuel, biodiesel, biodiesel blends, and undyed diesel fuel or other special fuels received by a distributor are subject to the fuels tax and transfer fee. All receipts of dyed diesel fuel and other petroleum products that are not subject to the special fuels tax are subject to the transfer fee. The special fuels tax is not imposed on gaseous fuels when the fuels are received. Refer to Rule 105 of these rules for the taxation and reporting of gaseous fuels used in motor vehicles. (4-7-11)
- 131. REQUIREMENT TO FILE MOTOR FUELS DISTRIBUTOR REPORTS ELECTRONICALLY (RULE 131).**
- 01. Electronic Filing Requirement.** A motor fuels distributor who reports twenty-five (25) or more receipts or disbursements of motor fuels on its monthly distributor report is required to file the distributor report electronically. (3-29-10)
- 02. Failure to File Report Electronically.** A motor fuels distributor who is required to file its distributor report electronically but does not file the report electronically will be treated as if the distributor did not file the monthly report. (3-29-10)
- 03. Waiver from Requirement to File Report Electronically.** A motor fuels distributor can request a waiver from the requirement to file motor fuel distributor reports electronically. The distributor making the request for waiver must show that the cost to comply with this rule is unreasonable. The Commission will review each request for waiver and issue a determination. (3-29-10)
- 132. -- 134. (RESERVED)**
- 135. EXEMPTION FROM OBTAINING A MOTOR FUELS DISTRIBUTOR LICENSE AND MONTHLY REPORTING FOR PERSONS WHO PRODUCE BIODIESEL OR IMPORT MOTOR FUELS INTO IDAHO ONLY FOR USE IN THEIR OWN AIRCRAFT, MOTOR VEHICLES, AND EQUIPMENT (RULE 135).**

**01. In General.** The state of Idaho imposes an excise tax on all motor fuel, except dyed diesel, and the transfer fee on all petroleum and petroleum products received in Idaho. See Rule 510 of these rules for the definition of petroleum and petroleum products. Motor fuel imported into Idaho is received at the time the fuel arrives in Idaho by the person who is the owner of the motor fuel when the fuel arrives in Idaho. Motor fuel produced in Idaho is received when it is placed into any tank or other container from which sales or deliveries not involving transportation are made. Motor fuels are also received by a qualified consumer who produces motor fuels when the motor fuels are placed into storage tanks. For example: 55 gallon barrels, above ground tanks, stilt tanks, underground tanks, tank wagons, old delivery trucks, old tanker trucks, slip tanks in pickups, and any other storage tank used to store the motor fuel. The excise tax and transfer fee due on the motor fuel received in Idaho during a month are normally reported on a monthly Idaho Motor Fuels Distributor Report. (3-29-10)

**02. Alternative to Monthly Reporting for Qualified Consumers.** As an alternative to obtaining an Idaho motor fuel distributor license and filing monthly reports, a qualified consumer may file an annual report to remit the motor fuel tax and transfer fee due to the state of Idaho or to receive a refund of excess tax or transfer fee paid. (7-1-99)

**a.** A qualified consumer is not required to pay the transfer fee on the biodiesel he produces. (3-29-10)

**03. Qualifications.** To be a qualified consumer under this rule, a person must: (7-1-99)

**a.** Use the produced biodiesel or imported motor fuel only in its own aircraft, motor vehicles, or equipment; and (3-29-10)

**b.** Import into Idaho one-hundred thousand (100,000) gallons or less of motor fuel in a calendar year; or (5-8-09)

**c.** Produce in Idaho five thousand (5,000) gallons or less of biodiesel in a calendar year. (3-29-10)

**04. Documentation of Export.** To claim an export of motor fuel or other petroleum products a qualified consumer must have tax reports or other evidence that will verify that the exported fuel was reported to and any tax due was paid to the jurisdiction into which the fuel was claimed to have been exported. (3-30-01)

**05. Limitations.** (7-1-99)

**a.** A qualified consumer may not claim an export from Idaho for fuel in the supply tank of a motor vehicle or aircraft. (7-1-99)

**b.** A licensed Idaho fuel distributor may not file this report. (7-1-99)

**136. (RESERVED)**

**137. INSTATE PIPELINE TERMINAL, PRODUCTION TERMINAL, AND STORAGE REPORTS (RULE 137).**

**01. Monthly Reports.** Every instate pipeline terminal operator and production terminal operator shall file with the state tax commission a monthly tax report and supporting detailed schedules on forms prescribed by the state tax commission. The pipeline terminal operator and production terminal operator must keep detailed inventory records. The number of gallons of motor fuels and other petroleum products shall be stated in gross gallons on all reports. The pipeline terminal operator and production terminal operator shall report the quantity of motor fuels and other petroleum products received during the month including a listing of each person from inside and/or outside Idaho supplying motor fuels and other petroleum products to the pipeline terminal or production terminal. Such reports shall contain a declaration by the person filing the report that the statements contained therein are true and are made under penalties of perjury. The report shall include the following information together with such other information as the state tax commission may require: (4-7-11)

**a.** The beginning inventory of motor fuels and other petroleum products on the first day of the month;

(4-7-11)

b. The total quantity of motor fuels or other petroleum products received or produced during the month including gasoline blend stocks and ethanol; (4-7-11)

c. The total quantity of motor fuels and other petroleum products disbursed during the month on a load-by-load basis; (4-7-11)

d. The ending inventory of motor fuels and other petroleum products on the last day of the month; (4-7-11)

**02. Machine Tabulated Data.** Machine tabulated data will be accepted in lieu of detailed schedules on state tax commission provided forms but only if the data is in the same format as shown on the required schedules. Before any other format may be used, the distributor must make a written request to the state tax commission with a copy of the format and must be granted written authorization to use that format. (4-7-11)

**138. -- 139. (RESERVED)**

**140. DEDUCTIONS (RULE 140).**

**01. Motor Fuels and Petroleum Products Presumed To Be Distributed.** Unless the contrary is established, it shall be presumed that all motor fuels and other petroleum products imported into this state by a distributor, which are no longer in the possession of that distributor, have been distributed. If the licensed distributor has returned to the refinery or pipeline terminal motor fuels and other petroleum products on which the tax and/or transfer fee has been paid or has had an accidental loss, the licensed distributor has the burden of showing the petroleum products were returned to the refinery or pipeline terminal or documenting the accidental loss. No refund of the transfer fee will be allowed for accidental losses of motor fuels or other petroleum products. (7-1-98)

**02. Distributor's and Retail Dealer's Allowances for Motor Fuels.** (This Subsection only applies to sales of motor fuels made before December 1, 2007.) The distributor shall certify on his report that the one percent (1%) credit allowance has been afforded the retail dealer to cover the dealer's shrinkage, evaporation, spillage or handling losses for motor fuel. The State Tax Commission shall then allow the additional one percent (1%) deduction unless a retail dealer claims that he did not receive the credit allowance. If such claim is made, the State Tax Commission shall require the licensed distributor to provide documentary proof that the one percent (1%) credit allowance has been afforded the retail dealer, and unless the distributor establishes that the credit has been afforded to the retail dealer, the deduction will be disallowed. In the case of sales of motor fuel to retail dealers, to establish that the allowance of one percent (1%) of the tax has been passed to the purchaser, the invoice must show either: (4-2-08)

a. That the amount of the allowance has been passed on; or (7-1-98)

b. A statement that the allowance has been deducted in determining the price. (7-1-98)

**03. Distributor's Allowance for Motor Fuels.** (This subsection only applies to sales of motor fuels made on and after December 1, 2007.) The State Tax Commission will allow a two percent (2%) allowance granted in Section 63-2407, Idaho Code, to reimburse the licensed distributor for loss from evaporation, handling, spillage and shrinkage, except losses caused by casualty. (4-2-08)

**04. Exported Fuel.** Motor fuels or other petroleum products claimed as exported from Idaho must be supported by records. Records must include the following: (7-1-98)

a. Tax reports or other evidence that will verify that the exported product was reported to and any tax due was paid to the jurisdiction into which the product was claimed to have been exported or evidence that the purchaser is a licensed distributor in the jurisdiction to which the exported product is destined; and (7-1-98)

b. Common carrier shipping documents, bills of lading, manifests, and cost billings; or (7-1-98)

c. Invoices, manifests, bills of lading or other documentation, signed by the receiving party to

acknowledge receipt of the product; or (7-1-98)

**d.** Accounts payable or receivable information for verifying payments to common carriers or payment by out-of-state parties to verify receipt of exported product. (7-1-98)

**e.** In addition to the above, for a licensed distributor who maintains operations in Idaho, as well as other jurisdictions, evidence such as product inventory and transfer records must be retained to prove the transfer of product out of Idaho. (7-1-98)

**05. Bad Debt Write-Off.** (This section only applies to debt from fuels taxes that have been written off for income tax purposes in the distributor's records before December 1, 2007.) A distributor may take a bad debt tax credit for fuel taxes paid on sales made after July 1, 1995. After the debt has been written off for income tax purposes in the distributor's records, the distributor may claim the credit on its fuel tax report for the month in which it made the bad debt adjustment. (4-2-08)

**a.** First-in/first-out method for partial payments. When a distributor receives partial payments on a fuel account that includes taxable and nontaxable fuel sales, the distributor must apply the payments to the unpaid fuel sales on a first-in/first-out basis before calculating the amount of the bad debt credit. (4-11-06)

**b.** Proration of partial payments. When a distributor receives partial payments on a fuel account, before and/or after claiming a bad debt credit on its fuel tax report, the distributor must prorate the taxable and nontaxable fuel sales that occurred on the same day or on the same invoice for each such account. (4-11-06)

**c.** Amount of credit allowed. A distributor may claim a credit or refund on its monthly fuels tax report for fuels tax that is found to be uncollectible. If both nontaxable and taxable fuel sales are included in the fuel account, a distributor may take credit only for the portion of the bad debt that represents unpaid fuels tax. (4-11-06)

**d.** Multiple accounts - allocation of unspecified payments. If a distributor receives an unspecified payment from a customer that may be applied to an unpaid fuel account and nonfuel accounts, the distributor must allocate the payment to the various accounts upon receipt of the partial payment. If the distributor fails to make the allocation at the time the payment is received, the entire amount of the payment will be allocated to the customer's fuel account for purposes of calculating the amount of the credit. (4-11-06)

**e.** Statute of limitations for bad debt claim. A distributor may receive a credit or refund of fuels taxes in Subsection 140.04 of this rule if a written claim is filed with the State Tax Commission within three (3) years from the date the tax was paid to the State Tax Commission. The State Tax Commission will review all such refund claims. (4-11-06)

#### **141. REPORTING AND CALCULATION OF LINE FLUSH ALLOWANCE (RULE 141).**

**01. Eligibility.** Any licensed or unlicensed fuel distributor may use the Line Flush Allowance worksheet to calculate a refund of special fuels tax if the distributor delivers both dyed and undyed diesel fuel to customers from the same fuel delivery truck. These "mixed" deliveries may cause undyed, tax-paid, diesel fuel to be contaminated with red dye. This fuel must then be put into the truck's dyed diesel fuel tank. This situation occurs when: (3-15-02)

**a.** Dyed diesel fuel is used to flush undyed diesel fuel from the truck's pressurized line; or (3-15-02)

**b.** Undyed diesel fuel is used to flush dyed diesel fuel from the truck's pressurized line. (3-15-02)

**02. Calculation Methods.** Two (2) methods are available to calculate the total nontaxable gallons used to flush lines for the filing period. Both methods may be used throughout the filing period, but only one (1) method may be used to account for each separate flush. Check the box on the worksheet to indicate the methodology used to calculate nontaxable gallons. The two (2) methods are: (4-5-00)

**a.** A standard allowance of five (5) gallons multiplied by the number of flushes; or (4-5-00)

- b.** The actual gallons used to flush the lines. (4-5-00)

**03. Records Required.** Records supporting this claim should not be submitted with this claim, but must be retained by the claimant. All fuels tax refund claims are subject to review and/or audit by the Idaho State Tax Commission. The fuel distributor must keep records in accordance with one (1) or both of the methodologies that follow: (4-5-00)

- a.** Standard allowance. Logs prepared by the delivery truck driver indicating the truck number, date, number of flushes, and the type of each flush; and/or (4-5-00)

- b.** Actual gallons. Delivery tickets or totalizer log readings for each flush. (4-5-00)

**04. Calculation of Line Flush Allowance.** The line flush allowance worksheet contains the following elements: (4-5-00)

- a.** Total number of times the pressurized line was flushed during the filing period. (4-5-00)

- b.** Number of times the line was flushed using the standard allowance. (4-5-00)

- c.** Number of gallons to be claimed using the standard allowance (Subsection 141.04.b. multiplied by five (5) gallons per flush). (4-5-00)

- d.** Number of times the line was flushed using actual gallons. (4-5-00)

- e.** Number of gallons to be claimed using actual gallons (Delivery tickets/totalizer log readings). (4-5-00)

- f.** Nontaxable gallons to be reported on Form 75. (Add Subsections 141.04.c. and 141.04.e. Enter the total nontaxable gallons in the Refund Section under Undyed Diesel Fuel on the Form 75). (4-5-00)

**142. -- 149. (RESERVED)**

**150. DOCUMENTATION REQUIRED (RULE 150).**

**01. Retail Sales Invoices for Delivered, Bulk Plant, and Station Sales.** Any distributor who sells motor fuels and other petroleum products in this state must issue an original invoice to the purchaser; provided, however, that when sales are accounted for on a monthly basis the invoices may be issued to the purchaser at the time of billing. All sales invoices (including a credit card receipt used as a sales invoice) for motor fuels and other petroleum products sold at retail stations, bulk plants, or delivered to the customer's location must contain the following: (4-11-06)

- a.** A preprinted identification number, except when invoices are automatically assigned a unique identification number by a computer or similar machine when issued; (4-11-06)

- b.** Name and address of the distributor; (7-1-98)

- c.** Name of the purchaser; (7-1-98)

- d.** Date of sale or delivery; (7-1-98)

- e.** Type of fuel; (7-1-98)

- f.** Gallons invoiced - reported as required in Section 120 of these rules; (7-1-98)

- g.** Price per gallon and total amount charged. When taxable motor fuels products are sold, at least one (1) of the following must be used to establish that the Idaho state fuel tax has been charged: (7-1-98)

- i. The amount of Idaho state fuels tax; (7-1-98)
- ii. The rate of Idaho state fuels tax; or (7-1-98)
- iii. A statement that the Idaho state fuels tax is included in the price. (7-1-98)
- h.** Delivered sales invoices must also contain the purchaser's address along with the Origin and Destination of the motor fuels and other petroleum products. (7-1-98)
- i.** The sales invoice shall contain double-faced carbons on the original of the first copy, unless invoices are automatically prepared by a computer or similar machine when issued. (7-1-98)

**02. Correcting Sales Invoice Errors.** When an original invoice is issued containing incorrect information, it may be canceled by a credit invoice and cross-referenced to all copies of the invoice covering the transaction being corrected. If a second sales invoice is issued, it shall show the date and serial number of the original invoice and that the second invoice is in replacement or correction thereof. (7-1-98)

**03. Documentation Is Required.** Failure to include all the above documentation will result in an invalid sales invoice for a tax-paid fuel claim by the distributor's customer. (7-1-98)

**04. Documentation Requirements for Dyed Diesel Fuel.** The state of Idaho is following the Internal Revenue Service requirements for sales of dyed diesel fuel. The Internal Revenue Code requires that a notice stating "Dyed Diesel Fuel, Nontaxable Use Only, Penalty for Taxable Use" must be: (7-1-98)

- a.** Provided by the terminal operator to any person who receives dyed diesel fuel at a terminal rack of that operator; and (7-1-98)
- b.** Provided by any seller of dyed diesel fuel to the buyer if the fuel is located outside the bulk transfer/terminal system and is not sold from a posted retail pump; and (7-1-98)
- c.** Posted by a seller on any retail pump where the dyed diesel fuel is sold for use by the buyer. (7-1-98)
- d.** The documentation notice found in this rule must be provided at the time of removal or sale and must appear on shipping papers, bills of lading, and sales invoices accompanying the sale or removal of the fuel. Any person who fails to provide or post the required notice is presumed to know that the fuel will be used for a taxable use and is subject to penalties imposed by the Internal Revenue Service. (7-1-98)

**151. -- 159. (RESERVED)**

**160. AIRCRAFT ENGINE FUEL TAX (RULE 160).**

All provisions of Chapter 24, Title 63, Idaho Code, and of these rules relating to the payment of the tax on gasoline shall be applicable to the payment of the aircraft engine fuel tax imposed by Section 63-2408, Idaho Code. (4-2-08)

**161. -- 169. (RESERVED)**

**170. INFORMATION ON DYED & UNDYED DIESEL FUEL (RULE 170).**

**01. Undyed Diesel Fuel Used for Heating Purposes.** The consumer must apply directly to the State Tax Commission for a refund of the special fuels taxes included in the purchase price on purchases of undyed diesel fuel which are used for heating a dwelling or building. The distributor may assist the consumer who is claiming a refund of the special fuels tax from the State Tax Commission by: (4-2-08)

- a.** Properly documenting information on the sales invoice; and (7-1-98)
- b.** Providing the customer with a Form 75. (3-29-10)

**02. Red-Dyed Low-Sulfur and Ultra Low-Sulfur Fuel.** It is illegal to use red-dyed low-sulfur and ultra low-sulfur fuel in the supply tank of a licensed, or required to be licensed, motor vehicle in this state unless the type of user is listed in Subsection 170.03 of this rule. Penalties for illegal use of red-dyed low-sulfur and ultra low-sulfur fuel in a motor vehicle are found in Section 63-2425, Idaho Code. (3-29-10)

**03. Red-Dyed Low-Sulfur and Ultra Low-Sulfur Fuel.** The Internal Revenue Code does allow certain types of users to purchase tax-exempt red-dyed low-sulfur and ultra low-sulfur diesel fuel for use in their vehicles. The use of untaxed low-sulfur and ultra low-sulfur red-dyed diesel fuel in motor vehicles may be subject to Idaho's special fuels tax if the motor vehicles are not owned or leased, and operated by the state of Idaho, or any of its political subdivisions such as a city, county, or fire district. The red-dyed low-sulfur and ultra low-sulfur diesel fuel may be used: (4-2-08)

- a. By state and local governments (political subdivisions of the state) for their exclusive use; (7-1-98)
- b. In the engine of a train; (7-1-98)
- c. In a school bus while the bus is engaged in the transportation of students and school employees; (7-1-98)
- d. In a vehicle (such as a ground servicing vehicle for aircraft) owned by an aircraft museum; (4-11-06)
- e. In a highway vehicle that is not registered (and is not required to be registered) for highway use under the laws of any state or foreign country and is used in the operator's trade or business or for the production of income; (4-11-06)
- f. In a highway vehicle owned by the United States that is not used on a highway; (4-11-06)
- g. Exclusively by a nonprofit educational organization as defined in Internal Revenue Code Section 4221 (d)(5). (4-11-06)

**171. MOTOR FUELS EXEMPTION FROM SALES TAX (RULE 171).**

Any sale of motor fuels by any fuel distributor that is subject to motor fuels tax is exempt from Idaho sales tax under Chapter 36, Title 63, Idaho Code. If such purchases are later included in credits or refunds for motor fuels tax paid and not subject to taxes imposed by Title 63, Chapter 24, Idaho Code, and no other exemption applies, sales and use taxes will be applicable. If dyed fuel products are sold without the motor fuels tax, the sale is subject to the Idaho sales tax unless exempted under the Idaho Sales Tax Act and Rules. Sales of dyed fuel that do not include the motor fuels tax are exempt from Idaho sales tax only if the seller has taken from the purchaser a sales tax exemption certificate in the manner required by IDAPA 35.01.02, "Idaho Sales and Use Tax Administrative Rules," Rule 128. However, if the dyed fuel product delivered into a bulk storage tank is used exclusively for home heating purposes, a sales tax exemption certificate is not required. (3-29-10)

**172. -- 179. (RESERVED)**

**180. REFUNDS TO LICENSED FUEL DISTRIBUTORS (RULE 180).**

**01. Requirements of a Valid Refund Claim.** Before the State Tax Commission can credit or refund motor fuels taxes or transfer fee, the licensed fuel distributor making the claim must establish both of the following: (4-2-08)

- a. The basis for the credit or refund claim, and (4-2-08)
- b. The amount of the credit or refund. (4-2-08)

**02. Refund Claim.** Any licensed fuel distributor believing that he has paid motor fuels taxes or transfer fees in any amount more than properly imposed may file a claim with the State Tax Commission for a refund of such excess motor fuels taxes or transfer fee on forms prescribed by the State Tax Commission. The claim for refund must



conform with the requirements of this rule. (3-15-02)

**03. Refund Claim Documentation.** The claim must be filed on a distributor's fuel tax report and must include the full name and address of the claimant and his fuel distributor's license number. If the claim is for a casualty loss, the claim must include a detailed statement of the reason the claimant believes a refund is due. The statement should include a description of the transactions, if any, to which the motor fuel tax relates and must be filed on a distributor's fuel tax report for the period for which the claimed excess motor fuel tax or transfer fee amount was paid. (4-11-06)

**04. Refund as a Credit.** A licensed fuel distributor may claim a refund for motor fuels taxes or transfer fee as a credit against motor fuels taxes or transfer fee due on his distributor's fuel tax report. (4-2-08)

**05. Statute of Limitation.** No claim for refund will be allowed by the State Tax Commission if it is filed more than three (3) years from the time the payment of the claimed excess motor fuels taxes or transfer fee was made. The time the payment was made is the date upon which the distributor's fuel tax report relating to the payment was filed or was required to be filed, whichever occurred first. (3-15-02)

**06. Appeal Procedures.** No claim for refund may be filed relating to any motor fuels taxes or transfer fees that have been asserted by a Notice of Deficiency Determination. A taxpayer contending that motor fuels taxes or transfer fee have been erroneously or illegally collected by the State Tax Commission pursuant to a Notice of Deficiency Determination must seek a redetermination by using the appeal procedures required by law. (3-15-02)

**07. Notice of Denial.** All claims for refund or credit will be reviewed by the State Tax Commission's staff. If the staff concludes that all or any part of the claim should not be allowed to the claimant, notice of denial of the claim shall be mailed to the claimant by certified mail. The notice shall include a statement of the reasons for the denial. When seeking an appeal or redetermination of a denial of a claimed refund or credit, the notice of denial shall be the equivalent of a Notice of Deficiency Determination. If the taxpayer wishes to seek a redetermination of the denial notice, he must do so by filing a petition for redetermination in the manner prescribed in Idaho Administration and Enforcement Rule 300, as incorporated herein by Rule 330 of these rules. Such a petition for redetermination must be filed no later than sixty-three (63) days from the date upon which the notice of denial is mailed to, or served upon, the claimant. (7-1-98)

**181. -- 184. (RESERVED)**

**185. AUTHORITY TO GIVE THE CONSENT TO JURISDICTION OF IDAHO COURTS (RULE 185).**

**01. Authorized Signature on Application.** All Idaho Fuel Distributor License Applications must be signed by an individual with the authority to give the consent to jurisdiction of Idaho courts on behalf of the applicant. (5-8-09)

**02. Authority to Waive Sovereign Immunity.** If the applicant is a state, local or tribal governmental entity, the application must be accompanied by a separate authorization by the governing authority of the entity waiving sovereign immunity that the entity may otherwise assert against any action to enforce Idaho motor fuels tax laws in state court and setting forth the authority of the individual who signs the application to bind the applicant. (5-8-09)

**03. Irrevocable Submission and Waiver of Sovereign Immunity.** The application constitutes an irrevocable submission to the jurisdiction of Idaho state courts, and the waiver of any sovereign immunity that may otherwise be asserted, as to all disputes related to the enforcement of Title 63, Chapter 24 of the Idaho Code. (5-8-09)

**186. -- 229. (RESERVED)**

**230. MOTOR FUELS SUBJECT TO USE TAX -- REPORTING (RULE 230).**

Any person who has purchased tax-exempt motor fuels and subsequently uses the motor fuels in a licensed motor vehicle, not subject to Rule 400 of these rules, upon highways in Idaho, shall annually report to the State Tax Commission the amount of motor fuels tax due. (5-3-03)

**01. Reporting.** A person who wishes to pay their fuel taxes due more frequently may file Form 75 for any time period that is not less than one (1) month. The report shall be made on forms prescribed by the State Tax Commission and may be made together with the claimant's Idaho income tax return, if such a return is required. The amount of fuels tax due on motor fuels may be off-set against any refund due from other motor fuels taxes or income taxes. In the case of persons not required to file an income tax return, the amount of motor fuels tax due or any refund claim shall be filed for a time period of not less than one (1) month on forms provided by the State Tax Commission for that purpose. See Rule 250 of these rules. (5-3-03)

**02. Lack of Records to Compute Fuel Consumption Rate.** In the event that the motor fuels consumer fails to keep sufficiently detailed records to determine motor fuels consumed by its motor vehicles, the consumption rates found in Subsection 290.01 of these rules shall be presumed to be correct. (5-3-03)

**03. Fuel Records.** If the motor fuels consumer fails to keep sufficiently detailed records to determine taxable gallons, all tax-exempt motor fuels purchased will be subject to the fuels tax unless the number of such gallons placed into the supply tank of the licensed or required to be licensed motor vehicle can be determined. (5-3-03)

231. -- 249. (RESERVED)

**250. REFUND CLAIMS -- REPORTING (RULE 250).**

**01. Requirements of a Valid Refund Claim.** Before the Tax Commission can credit or refund motor fuels taxes, the taxpayer making the claim must establish both of the following: (4-2-08)

- a. The basis for the credit or refund claim, and (4-2-08)
- b. The amount of the credit or refund. (4-2-08)

**02. Refund Claim.** Consumers claiming refunds of motor fuels taxes may file the claim together with their Idaho income tax return in the manner required for gasoline tax refunds, under Section 63-2410, Idaho Code, or in the case of claimants not required to file an income tax return, in the manner required by Section 63-2410(5)(b), Idaho Code. (7-1-98)

**03. Minimum Filing Period for Refund Claims.** Any taxpayer entitled to a refund of motor fuels taxes may file a refund claim which covers a time period of not less than one (1) month. (7-1-98)

**04. Refund May Be Claimed Only by Final Consumer.** Refunds of motor fuels taxes may be claimed on Form 75 by the person who purchased and used the motor fuels upon which the tax has been paid and for which a refund may be claimed. In the case of all partnerships and any corporations filing Idaho Form 41S, relating to S Corporations, any refund of motor fuels taxes paid by the partnership or S Corporation must be claimed by the partnership or corporation. The refund may not be applied to the individual returns filed by partners or shareholders. (7-1-98)

**05. Statute of Limitations.** For limitations of time for consumers to file refund claims for motor fuels taxes, see Section 63-2410(5)(c), Idaho Code. (5-3-03)

**06. Refund May Be Filed Separately.** Refunds of motor fuels taxes are claimed using Form 75 and must be filed by the final purchaser and user of the motor fuels in conjunction with that person's Idaho income tax return or separately as a stand-alone refund claim. (7-1-98)

**07. Refund Applied to Taxes Due.** Any refund due to a consumer will be applied first to any liability due under any law administered by the State Tax Commission, including any liability under IFTA, which is due and unpaid at the time the claim is filed. In addition, no refund will be paid if the claimant has failed to file any tax return required to be filed with the State Tax Commission. Any balance of the refund exceeding taxes due shall be paid as a refund to the entity filing the return. (7-1-98)

251. -- 269. (RESERVED)

**270. REFUND CLAIMS -- DOCUMENTATION (RULE 270).**

**01. Refunds to Consumers.** Any buyer of motor fuels, claiming a refund under Chapter 24, Title 63, Idaho Code, must retain in his records the original invoices from the seller, showing the number of gallons purchased. All invoices, except those prepared by a computer or similar machine, shall be prepared in ink or a double-faced carbon must be used between the original and first duplicate. Only one (1) original invoice may be issued for each delivery. Each invoice must contain or show the following, in addition to the requirements outlined above: (4-11-06)

- a. A preprinted identification number; (4-11-06)
- b. Name and address of seller; (7-1-98)
- c. Name of purchaser; (7-1-98)
- d. Date of delivery; (7-1-98)
- e. Type of motor fuel; (7-1-98)
- f. Gallons invoiced; (7-1-98)
- g. Price per gallon; (7-1-98)
- h. At least one (1) of the following to establish that tax has been charged: (7-1-98)
  - i. The amount of Idaho state fuels tax; (7-1-98)
  - ii. The rate of Idaho state fuels tax; or (7-1-98)
  - iii. A statement that the Idaho state fuels tax is included in the price. (7-1-98)

**02. Indian-Owned Retail Outlet.** Motor fuels purchased after December 1, 2007, from an Indian-owned retail outlet do not include the Idaho motor fuels tax and do not qualify as an Idaho tax-paid purchase, unless otherwise provided in an agreement between the state and appropriate tribe under the authority of sections 63-2444 or 67-4002, Idaho Code. See definition of Indian-owned retail outlet in Rule 010 of these rules. (4-2-08)

**03. Corrected Invoices.** No altered or corrected invoice will be accepted for refund purposes. When errors occur, the original invoice must not be altered or corrected, but must be voided and a new original invoice issued. All altered or corrected invoices must be marked as voided and retained by the seller for at least three (3) years from the date issued. (7-1-98)

**04. Invoice Retention.** The original invoices required by Subsection 270.01 of this rule shall be retained for the greater of either three (3) years or the time during which the taxpayer's Idaho income tax return is subject to adjustment by either the State Tax Commission or by voluntary action of the taxpayer. (7-1-98)

**05. Refund Documents.** For refund claims under Section 63-2410(5)(c), Idaho Code, an original invoice includes any duplicate of the original that is created with the same impression as the original, for example, with carbon paper or NCR paper, if the original is retained by the seller and only the duplicate is provided to the customer. An original invoice does not include any document produced by a copy machine or similar device capable of producing a copy of an existing document. (7-1-98)

**06. Records Required for Motor Fuels Tax Refunds.** Each claimant shall maintain records that are sufficient to prove the accuracy of the fuels tax refund claim. Such records shall include all motor fuels receipts, the gallons of tax-paid fuel used in each type of equipment, both taxable and nontaxable, and other uses. The records must show the date of receipt or disbursements and identify the equipment into which the tax-paid fuel is dispensed. Failure of the claimant to maintain the required records and to provide them for examination is a waiver of all rights to the refund. The following rules shall govern records maintained to support claims for refund. (4-11-06)

**a.** Use of Fuel from a Single Storage Tank. Idaho tax-paid fuel (other than fuel purchased by persons who operate motor vehicles that are licensed under IFTA or by persons who operate non-IFTA motor vehicles who claim refunds for nontaxable uses of motor fuels in motor vehicles granted in Rule 290 and Rule 292 of these rules) purchased and delivered into a single bulk storage tank and withdrawn for both nontaxable and taxable uses must be accounted for using either the proration provided by this paragraph or by records showing actual taxable and nontaxable usage. If the proration is used, sixty percent (60%) of all taxed diesel fuel or twenty-five percent (25%) of all taxed gasoline delivered into bulk storage shall be presumed to be for exempt uses unless an alternate percentage is requested by the taxpayer and authorized by the State Tax Commission. The request shall itemize anticipated uses by type of equipment based on previously experienced use. The State Tax Commission will refund taxes paid on the percentage of taxed fuel presumed to be exempt. If refunds are claimed based on records of actual use, the records must be made available upon request. In either case, invoices showing the fuel purchases on which tax was paid must be retained to support each refund claim. The proration or another percentage granted by this paragraph cannot be used if you have separate storage tanks for undyed diesel and dyed diesel. (3-30-07)

**b.** Use of Fuel from Multiple Storage Tanks. When separate bulk storage tanks are maintained for both exempt and taxable uses, the seller must mark the invoices at the time of delivery, identifying the storage tanks into which the fuel was delivered. Detailed withdrawal records will only be required if fuel is purchased by persons who operate motor vehicles that are licensed under IFTA or by persons who operate non-IFTA motor vehicles who claim refunds for nontaxable uses of motor fuels in motor vehicles granted in Rule 290 and Rule 292 of these rules. All fuel invoices must be retained as required by Subsection 270.03 of this rule. Exempt fuel may not be used in motor vehicles registered or required to be registered. (3-30-07)

**c.** Use of Fuel for Other Than Bulk Storage. Fuel dispensed into small containers for use in, or into the supply tank of, stationary engines, equipment, commercial motorboats, or vehicles other than registered motor vehicles, must be identified on the purchase invoice. No other records will be required. (3-30-07)

**271. -- 279. (RESERVED)**

**280. REFUND TO CONSUMERS FOR NONTAXABLE USES OF MOTOR FUELS (RULE 280).**

The Idaho Form 75 must be used to claim a fuels tax refund for all nontaxable uses of Idaho tax-paid motor fuels, except for refunds claimed by IFTA licensees for nontaxable miles which must be claimed on the licensee's IFTA return. (5-3-03)

**281. -- 289. (RESERVED)**

**290. RECORDS REQUIRED FOR INTRASTATE SPECIAL FUELS USERS CLAIMING REFUNDS FOR NONTAXABLE SPECIAL FUELS USED IN MOTOR VEHICLES (RULE 290).**

**01. Refund Claims, Required Records.** Special fuel users, except IFTA licensees, must file a Form 75 with the relevant supplemental worksheet to claim a fuels tax refund. The following information is required to qualify for a refund except for claims based only on the power take-off allowances provided for in Rule 292 of these rules. (4-5-00)

**a.** Total miles. The total miles traveled should be included for motor vehicles which have nontaxable uses of special fuels. Special fuel users who qualify to use one of the "Standard MPGs" found in Subsection 290.02 need only record and report Idaho taxable miles. (4-5-00)

**b.** Total fuel. The total number of gallons of fuel delivered into the supply tanks of the motor vehicles should be included for motor vehicles which have nontaxable uses of special fuels. The total miles figure and the total fuel figure must be for the same vehicles. (7-1-98)

**c.** Actual miles per gallon. The miles per gallon shall be computed by dividing gallons determined according to Subsection 290.01.b. into the number of miles determined according to Subsection 290.01.a. The computation of fleet miles per gallon should be carried to three (3) decimal places and rounded to two (2) decimal places. Example:  $4.514 = 4.51$  and  $4.515 = 4.52$ . (4-5-00)

d. Presumed miles per gallon. In the event that the claimant fails to keep sufficiently detailed records showing the number of miles actually operated per gallon of special fuel consumed, it shall be presumed that one (1) gallon of special fuel was consumed for every: (3-30-07)

i. Four (4) miles traveled by vehicles over forty thousand (40,000) pounds gross registered vehicle weight; or (7-1-98)

ii. Five and one-half (5 1/2) miles traveled by vehicles from twenty-six thousand one (26,001) to forty thousand (40,000) pounds gross registered vehicle weight; or (7-1-98)

iii. Seven (7) miles traveled by vehicles from twelve thousand one (12,001) to twenty-six thousand (26,000) pounds gross registered vehicle weight; or (7-1-98)

iv. Ten (10) miles traveled by vehicles twelve thousand (12,000) pounds or less gross registered vehicle weight. (3-30-07)

e. The total taxable miles traveled in Idaho. Only taxable miles traveled in Idaho by the motor vehicles which have nontaxable uses of special fuels should be included. Taxable miles are miles driven on any road that is open to the use of the public and maintained by a governmental entity. Such roads may be constructed using concrete, asphalt, gravel, composition, dirt, or other surfaces. (7-1-98)

f. The number of gallons of special fuels consumed in Idaho. The gallons consumed in Idaho shall be computed by dividing the miles per gallon determined according to Subsection 290.01.c. and 290.01.d. into the total taxable miles in Idaho according to Subsection 290.01.e. (4-5-00)

**02. Alternative Refund Calculation for Special Fuels Users Engaged in Certain Industries.** A special rule may be applied for motor vehicles, except IFTA licensees, that use special fuels and accrue both taxable and nontaxable miles. Operators of motor vehicles that use special fuels, except those licensed under IFTA, may, instead of using the computations provided in Subsections 290.01.c. and 290.01.d., presume that when engaged in operations in the following industries and accruing taxable miles in Idaho, that such motor vehicles consume fuel at the following rates:

Logging	4.3 MPG
Agricultural	4.5 MPG
Sand, gravel & rock hauling	4.0 MPG
Construction	4.4 MPG

(4-5-00)

**03. Actual MPG Calculation.** If an operator has reason to believe the standard on-road miles per gallon (MPG) in Subsection 290.02 is not an accurate reflection of his specific operation, the operator can calculate an actual MPG using the computations provided in Subsection 290.01.c. or presumed MPG provided in Subsection 290.01.d. (3-30-07)

**04. Claims Subject to Review or Audit.** All fuels tax refund claims are subject to review or audit by the State Tax Commission. (4-5-00)

**291. (RESERVED)**

**292. CALCULATION OF REFUNDS FOR NONTAXABLE USES OF MOTOR FUELS IN MOTOR VEHICLES. (RULE 292).**

**01. Fuel Records Required for Refund Claims.** Special fuels users may be eligible for a fuels tax refund of tax-paid special fuels if their motor vehicles have accrued nontaxable miles or have power take-off (PTO) equipment. Records must be kept as described in Subsection 290.01 of these rules. (4-5-00)

**02. Nontaxable Miles Defined.** Nontaxable miles are miles driven on roads which are not open to the public, not maintained by a governmental entity, located on private property that are maintained by the property owner, or defined in Subsection 292.03 of this rule. Miles driven on a construction site would also be considered nontaxable miles and may be eligible for a special fuels tax refund. See Rule 171 of these rules regarding application of Idaho Sales and Use Taxes. (4-6-05)

**03. Additional Nontaxable Roadways.** Roadways defined in Section 63-2401, Idaho Code, include those constructed and maintained by the United States Forest Service, the United States Bureau of Land Management, the Idaho Department of Lands, or forest protective associations with which the state of Idaho has contracted or become a member pursuant to Chapter 1, Title 38, Idaho Code. The special fuels user must maintain records documenting nontaxable miles traveled on roadways that qualify for exclusion under this provision, unless using the “standard MPG” for its industry found in Subsection 290.02 of these rules. When special fuels users compute their special fuels tax liability or refund, they may exclude from total taxable miles traveled in Idaho the miles traveled on these roadways if the cost of maintaining the roadway pursuant to a contract or permit is primarily borne by them or if the special fuel user is a subcontractor of a prime contractor required by contract to bear the primary cost of maintaining the roadway. (3-15-02)

**04. Calculation.** Determine the number of taxable miles driven in Idaho following the procedure established in Subsection 290.01 of these rules. Divide this number by the actual MPG, the presumed MPG established by Subsection 290.01 of these rules, or the industry standard MPG provided by Subsection 290.02 of these rules. Subtract this number of gallons from the total Idaho tax-paid gallons purchased for the subject vehicles. Motor fuels purchased after December 1, 2007, from an Indian-owned retail outlet do not include the Idaho motor fuels tax and do not qualify as an Idaho tax-paid purchase, unless otherwise provided in an agreement between the state and appropriate tribe under the authority of Sections 63-2444 or 67-4002, Idaho Code. See definition of Indian-owned retail outlet in Rule 010 of these rules. (4-2-08)

**05. Power Take-Off and Auxiliary Engine Allowances (Allowances).** Power-take-off (PTO) allowances are available for special fuels powered vehicles. Auxiliary engine allowances are available for both special fuels and gasoline-powered vehicles. (4-5-00)

**a. Standard Allowances for Special Fuels.** Nontaxable gallons of special fuels may be claimed when special fuels are used for purposes other than to operate, propel, or idle, as defined in Section 63-2401, Idaho Code, a motor vehicle and the fuel is drawn from the main supply tank of the motor vehicle. Examples of uses that qualify for allowances are turning a vehicle-mounted cement mixer or off-loading product. (4-6-05)

**b. Standard Allowances for Gasoline.** Nontaxable gallons of gasoline may be claimed when gasoline is used in an auxiliary engine and the fuel is drawn from the main supply tank of the registered motor vehicle. No claim for gasoline is allowed when gasoline is used by the registered motor vehicle’s main engine even to operate the motor vehicle’s PTO unit. (3-30-07)

**c. Rates for Standard Allowances.** The number of gallons of fuel actually delivered into the fuel tank of the vehicle may be reduced by the following allowances: (4-5-00)

i. Allowances based on unit quantities:

Allowance Type	Allowance Rates	x	Unit Quantities
Gasoline/fuel oil	0.00015 gallons	x	Gallons pumped
Bulk cement	0.1858 gallons	x	Tons pumped
Refrigeration unit/reefer	0.75 gallons	x	Hours unit operated
Tree length timber/logs	0.0503 gallons	x	Tons Hauled
Tree length timber/logs	3.46 gallons	x	Hours unit operated
Carpet cleaning	0.75 gallons	x	Hours unit operated

Allowance Type	Allowance Rates	x	Unit Quantities
Concrete Pumping	0.142857 gallons	x	Yards pumped

(4-11-06)

ii. Allowances based on percentages:

Allowance Type	Percentage Per Gallon	x	Gallons Consumed
Concrete mixing	30%	x	Gallons consumed
Garbage compaction	25%	x	Gallons consumed

(3-15-02)

**06. Nonstandard Allowances.** A request for an allowance not listed in Subsection 292.05 of this rule, or greater than those listed must be submitted by the taxpayer to the State Tax Commission for approval before being used. Taxpayers must request approval of the proposed allowance in writing with a copy of the supporting calculations used to compute the proposed allowance. Taxpayers must send requests for approval to:

FUELS TAX POLICY  
IDAHO STATE TAX COMMISSION  
P. O. BOX 36  
BOISE, ID 83722-0410

The Idaho State Tax Commission may request additional information or documentation as needed in order to make a determination on the request. (4-6-05)

**07. Nontaxable Gallons of Fuel Claimed by Non-IFTA Licensees.** The nontaxable gallons of fuel claimed by non-IFTA licensees may be the allowance gallons listed in Subsections 292.05 and 292.06 of this rule and/or the gallons calculated under Subsection 292.04 of this rule. Only actual MPGs, computed by adjusting total fuel as defined in Subsection 290.01 of these rules by the allowance gallons, may be used to calculate a fuels tax refund based on both nontaxable miles and allowances. Fuels tax refunds based solely on an allowance may be calculated without regard to mileage and fuel consumption (MPG) information. (4-11-06)

**08. IFTA Licensees.** Qualifying for Power Take-Off (PTO) And Auxiliary Engine Allowances (Allowances). Allowances listed in Subsection 292.05 of this rule or established as provided in Subsection 292.06 of this rule may be granted for IFTA licensees by recomputing the total gallons of fuel consumed in all jurisdictions. IFTA licensees claiming refunds of Idaho fuels tax resulting from the allowances established in Subsections 292.05 and 292.06 of this rule, must file the claim on an Idaho Fuels Use Report Form 75 with the relevant supplemental worksheet. (4-6-05)

**a.** The IFTA licensee must recompute the total taxable fuel for Idaho by deducting the gallons determined by the allowances in all jurisdictions from the total number of gallons of fleet fuel consumed that was reported on the IFTA return. Using the new net gallons consumed, recompute the fleet miles per gallon. Apply the new fleet miles per gallon to the reported Idaho taxable miles to calculate the corrected Idaho taxable gallons. To calculate the Idaho nontaxable gallons available for refund, the licensee must subtract the recomputed taxable gallons for Idaho from the original taxable gallons reported for Idaho. This nontaxable gallon figure is then entered on the line labeled nontaxable gallons on the Form 75. (4-5-00)

**b.** Additionally, a copy of the IFTA tax return for the period subject to the refund claim and a statement or worksheet showing how allowance was calculated must be included as an attachment to the Form 75. All refund claims are subject to review and audit, therefore, adequate documentation must be retained by the licensee. (4-5-00)

c. IFTA licensees that used an assumed MPG when preparing their original IFTA return may not claim any additional refund. (4-5-00)

**293. -- 299. (RESERVED)**

**300. ADMINISTRATION, RULES AND DELEGATION OF AUTHORITY (RULE 300).**

**01. Rules Do Not Stand Alone.** Where statutes appear to be clear and unambiguous without need for interpretation, expansion or construction, no rules have been promulgated. An effort has been made to prevent the rules from being merely repetitive of statutory provisions. Consequently, the rules do not stand alone as a statement of the motor fuels tax laws of this state. Instead, each rule must be read together with the statute to which it relates. The titles that introduce each rule are provided for the convenience of the reader and are not part of the rules. (6-23-94)

**02. Transportation Department Personnel as Deputies of the Commission.** Pursuant to the authority of Sections 63-2434 and 63-2442, Idaho Code, those individuals employed by the Idaho Transportation Department in the operation of stationary or mobile Ports of Entry are designated as deputies of the Commission for exercising the powers necessary to enforce the provisions of the special fuels tax laws. Such authority includes exercise of the powers described in Rule 400 of these rules. (6-23-94)

**301. -- 309. (RESERVED)**

**310. EXEMPTION FROM REQUIREMENT FOR BONDS, DETERMINATION OF FINANCIAL RESPONSIBILITY (RULE 310).**

**01. Exemption to Bond Requirements for Licensed Distributors.** Bonds, as referred to in Rule 010 of these rules are required of all licensed distributors unless the distributor is found to be financially responsible. A licensed distributor seeking exemption from the bonding requirement must apply for the exemption by filing a written petition with the State Tax Commission. The petition must contain information relating to the requirements of Section 63-2428, Idaho Code, for establishing financial solvency and responsibility. Together with the petition, the distributor must submit any information required in the following Subsections 310.01.a. through 310.01.e. (3-30-01)

**a.** If all or any part of the unencumbered property offered to show financial solvency is real property, the petition must include both a title report from an independent title company reporting on the state of the title of the real property as of a time not more than fifteen (15) days before the filing of the petition and a copy of the most recent valuation notice issued by the county assessor for ad valorem property tax purposes. (6-23-94)

**b.** If all or any part of the unencumbered property is licensed motor vehicles, the petition must include copies of the titles of the vehicles and evidence of the value of the vehicles from a source independent from the distributor. (6-23-94)

**c.** If all or any part of the unencumbered property is personal property other than motor vehicles, the petition must include a description of the property, evidence of ownership of the property, an independent appraisal of the property, and evidence that the property is unencumbered. Copies of all documents relating to all of the distributor's current and long-term liabilities, including contingent liabilities, lawsuits or potential lawsuits to which the distributor is or may become a party, are required to establish that no security interests or other encumbrances exist. (6-23-94)

**d.** The petitioner must arrange, at the petitioner's expense, for an established, independent commercial credit rating company to submit directly to the State Tax Commission a current and complete credit report about the licensed distributor; or, the distributor must include with the petition its most recent financial statements, including a current income statement, balance sheet, and statement of cash flows. If the petitioner is a publicly held company, the financial statements must be accompanied by an opinion issued by an independent certified public accountant and a responsible company officer must also certify that the financial statements provided present fairly the financial position of the company. If the petitioner is a privately held company, the financial statements must be reviewed by a certified public accountant or licensed public accountant and a responsible company officer must also certify that the financial statements provided present fairly the financial position of the company. (3-30-01)



e. The State Tax Commission may require the distributor to supplement its petition with such further information as the State Tax Commission, in its discretion, finds necessary to determine financial responsibility. If incomplete or substitute submissions are received by the State Tax Commission, the information submitted will be reviewed on a case-by-case basis to determine whether an exemption from the bonding requirement will be granted. (3-30-01)

**02. Conditions for Termination of Exemption.** If granted, the exemption from the bonding requirement shall terminate: (6-23-94)

a. One (1) year after the date on which it was granted. (6-23-94)

b. Ninety (90) days after the occurrence of any delinquency in motor fuels tax unless the delinquency has been paid within that time period. (3-29-12)

c. Upon the occurrence of any encumbrance of any of the property upon which the finding of financial responsibility was based. (6-23-94)

d. Upon the occurrence of any change in the business activity of the distributor that would cause the amount of bond required to be increased to an amount greater than the value of the distributor's unencumbered assets. (6-23-94)

e. Upon the occurrence of any event prejudicing the distributor's solvency or financial responsibility. (6-23-94)

**03. Bond Requirement upon Termination of Exemption.** Immediately upon any termination of the exemption from the requirement for a bond the distributor must supply the required bond according to Section 63-2428, Idaho Code. (3-30-01)

**04. Pending Application Does Not Excuse the Bond Requirement.** Having an application pending for exemption from the requirement for a bond does not excuse the bond. If a bond exemption is due to expire, the distributor must submit a new petition applying for a continuation of the exemption no later than ninety (90) days before the day the exemption is due to expire to prevent a lapse in the exemption. The petition must meet all of the requirements of this rule. (6-23-94)

**05. Conditions for Renewal of Bond Exemption.** The following must be submitted to renew a bond exemption: (7-1-97)

a. A written request for renewal of waiver; (7-1-97)

b. The information required in Subsections 310.01.a. through 310.01.e. of this rule. (7-1-97)

**311. -- 319. (RESERVED)**

**320. RECORDS RETENTION REQUIREMENTS (RULE 320).**

**01. Records Required.** Any person importing, manufacturing, refining, dealing in, transporting, storing or selling any motor fuels in this state shall keep such records, receipts and invoices as will show all purchases, sales, receipts, or deliveries of motor fuels in this state. Such records shall be maintained for at least three (3) years. (6-23-94)

**02. Motor Fuels Subject to Use Tax.** Any person who has purchased tax-exempt motor fuel and subsequently uses the fuel in a manner that is subject to a motor fuel use tax, shall maintain records sufficient to establish the quantity of motor fuel subject to tax. (7-1-98)

**03. Original Invoice Retention.** The original invoices required by Rule 270 of these rules, relating to refunds of motor fuels tax paid on certain fuel used off-road, shall be retained for the greater of either three (3) years

or the time during which the taxpayer's Idaho income tax return is subject to adjustment by either the State Tax Commission or by voluntary action of the taxpayer. (4-7-11)

**321. -- 329. (RESERVED)**

**330. INCORPORATION BY REFERENCE OF RELEVANT INCOME TAX RULES (RULE 330).**

Section 63-2434, Idaho Code, incorporates by reference various provisions of the Idaho Income Tax Act to apply to administering and enforcing the taxes on motor fuels. For applying and construing those sections as they apply to taxes on motor fuels, the administration and enforcement rules previously promulgated or to be promulgated or amended by the Commission are hereby adopted as part of these rules as if set out in full. In addition, Administration and Enforcement Rule 110 (IDAPA 35.02.01.110) is hereby adopted as part of these rules as if set out in full. (7-1-97)

**331. -- 399. (RESERVED)**

**400. IFTA LICENSING AND SPECIAL FUELS PERMITTING REQUIREMENTS FOR MOTOR VEHICLES OVER TWENTY-SIX THOUSAND POUNDS MAXIMUM GROSS WEIGHT (RULE 400).**

The following rules relate to the special fuels tax licensing system provided in Sections 63-2438 through 63-2440, Idaho Code, inclusive and, where expressly stated, supplements the requirements of IFTA. (7-1-98)

**01. In General.** It is unlawful for any person to operate a motor vehicle over twenty-six thousand (26,000) pounds maximum registered gross weight or a motor vehicle with three (3) or more axles regardless of weight, that uses special fuels as defined in Section 63-2401, Idaho Code, on the highways of this state without having obtained one (1) of the following: (3-30-07)

**a.** A registration to operate the motor vehicle solely within this state under Section 49-434, Idaho Code. (7-1-98)

**b.** A temporary permit from the Idaho Transportation Department. (3-15-02)

**c.** An IFTA license. (7-1-98)

**d.** In the case of vehicles powered by gaseous fuels, a gaseous fuels permit as provided by Section 63-2424, Idaho Code. (4-7-11)

**02. Federal or In-State Governmental Vehicles.** Motor vehicles owned or leased and operated by the federal government or the state of Idaho or their instrumentalities or political subdivisions are exempt from these requirements. (3-15-02)

**03. Out-of-State Governmental Vehicles.** Motor vehicles owned or operated by another state of the United States or any agency or subdivision thereof are exempt from permitting and reporting under this rule if the state in which they are owned grants a reciprocal privilege to Idaho and its agencies and subdivisions. (7-1-98)

**04. Temporary Permits.** Any person who operates a motor vehicle over twenty-six thousand (26,000) pounds maximum registered gross weight or a motor vehicle with three (3) or more axles regardless of weight, that uses special fuels on the highways of this state and is not registered solely for operation in this state under Section 49-434, Idaho Code, or IFTA licensed, shall secure a temporary permit from the Idaho Transportation Department in the manner provided and required by that department. (3-30-07)

**05. Failure to Obtain an IFTA License, Temporary Permit, or a Gaseous Fuels Permit.** Operation of a motor vehicle over twenty-six thousand (26,000) pounds maximum registered gross weight or a motor vehicle with three (3) or more axles regardless of weight, that uses special fuels on the highways of this state without a registration to operate the motor vehicle solely within this state under Section 49-434, Idaho Code, an IFTA license, an Idaho temporary permit, or a gaseous fuels permit for motor vehicles powered by gaseous fuels as provided by Section 63-2424, Idaho Code, is hereby deemed to be an act tending to prejudice the collection of the special fuels tax and an act that renders wholly or partially ineffective the procedures for collection of that tax. Accordingly, any deputy of the Commission, including those designated as deputies in Section 300 of these rules, may issue a jeopardy

assessment under the authority of Sections 63-2434 and 63-3065, Idaho Code. Such deputy is authorized to institute immediate collection procedures, including issuance of a tax warrant and distraint of the motor vehicle required to display, but failing to display, either an IFTA license or a temporary permit. (4-7-11)

**401. -- 409. (RESERVED)**

**410. ADOPTION OF INTERNATIONAL FUEL TAX AGREEMENT (RULE 410).**

Under the authority of Sections 63-2434, 63-3039, 67-5203, and 63-2442A, Idaho Code, the State Tax Commission and motor fuels users licensed or required to be licensed pursuant to IFTA, are governed by the provisions of the International Fuel Tax Agreement, including the IFTA Procedures and Audit Manuals in effect on the effective date of this rule and as subsequently amended. Motor fuels users who operate under the International Fuel Tax Agreement also must comply with all applicable rules contained in these rules. (7-1-99)

**411. -- 419. (RESERVED)**

**420. DOCUMENTATION FOR IFTA LICENSEE REPORTING AND SPECIAL FUELS USERS CLAIMING NONTAXABLE USE OF SPECIAL FUELS IN A MOTOR VEHICLE (RULE 420).**

**01. Records Required for Idaho IFTA Licensee and Special Fuels Users Claiming Nontaxable Use of Special Fuels in a Motor Vehicle.** Records are required to verify the accuracy of any tax report or worksheet filed with the State Tax Commission. The taxpayer displaying, or required to display, an IFTA decal or a temporary permit, or a special fuels user claiming nontaxable use of tax-paid special fuels in a motor vehicle using a Form 75, shall retain originals of all invoices or other documents relating to purchases of special fuels and all records relating to the mileage of the motor vehicles. (3-15-02)

**02. Fuel Records.** In order for the IFTA licensee or other special fuels user seeking a refund for the nontaxable use of special fuels in its motor vehicle to obtain credit for tax-paid purchases, a receipt or invoice, a credit card receipt, or microfilm/microfiche of the receipt or invoice must be retained by the special fuels user showing evidence of such purchases and tax having been paid. An acceptable receipt or invoice for tax-paid purchases taken as credit must include, but not be limited to, the following: (3-15-02)

- a.** The date of each receipt of fuel; (7-1-98)
- b.** The name and address of the person from whom purchased or received; (7-1-98)
- c.** The number of gallons received; (7-1-98)
- d.** Both taxable and nontaxable usage of fuel; (7-1-98)
- e.** The type of fuel; (7-1-98)
- f.** The specific vehicle or equipment into which the fuel was placed; (7-1-98)
- g.** Detailed records of all withdrawals from bulk storage tanks, including the date of withdrawal, the number of gallons withdrawn, the fuel type, the unit number, the equipment type, and inventory records; and (4-6-05)
- h.** Documents necessary to substantiate volume, time or weight for power-take-off and auxiliary engine allowances described in Rule 292 of these rules. (3-30-01)

**03. Mileage Records.** Non-IFTA special fuels users who qualify to use one (1) of the "Standard MPGs" found in Rule 290 of these rules need only record and report Idaho taxable miles. All IFTA licensees and all other special fuels users seeking a fuels tax refund for nontaxable special fuels used in a motor vehicle shall maintain detailed mileage records, such as trip logs or trip sheets, on an individual-vehicle basis. Such records shall contain, but not be limited to: (3-15-02)

- a.** Total trip miles, including vicinity miles, except for non-IFTA motor vehicle(s) using one (1) of the "standard miles per gallon" (MPG) found in Rule 290 of these rules; (3-30-01)

- b.** Miles traveled for taxable and nontaxable use. Only taxable miles traveled are required for non-IFTA motor vehicles using one (1) of the “standard miles per gallon” found in Rule 290 of these rules; (3-30-01)
- c.** Mileage recaps for each vehicle. IFTA licensees are required to keep mileage recaps for each jurisdiction in which the IFTA vehicle operated; (3-15-02)
- d.** Starting and ending dates of trips; (7-1-98)
- e.** Trip origin, interim stops and destination; (7-1-98)
- f.** Hubometer or odometer readings from the beginning and ending of each trip and at the crossing of each jurisdiction’s border. Interstate motor vehicles that, for certain time periods, do not cross jurisdiction borders need only record daily hubometer or odometer readings for those time periods; (7-1-98)
- g.** Complete routes of travel, including pick up and delivery locations; (7-1-98)
- h.** Vehicle license number or unit number; and (4-6-05)
- i.** Driver’s name. (7-1-98)
- 04. Additional Records Requirements.** Other records may be required, such as: (7-1-98)
- a.** Bills of lading or manifest documents; (7-1-98)
- b.** Vehicle dispatch ledgers; (7-1-98)
- c.** Accounts payable and receivable; (7-1-98)
- d.** Lease agreements; (7-1-98)
- e.** Driver pay records; (7-1-98)
- f.** Driver logs; (7-1-98)
- g.** Fuel use trip permits; and (7-1-98)
- h.** Other documents used in preparing fuel tax reports. (7-1-98)
- 05. Trip Summaries.** Individual trips shall be accumulated into monthly, quarterly, or annual summaries. These summaries shall be used as the basis for the miles submitted on the IFTA quarterly or annual reports, and on the worksheet submitted with the Form 75. (7-1-98)
- 06. Computer Printout Support.** Hard copies of summary computer printouts must be supported by trip sheets or logs verifying mileage traveled. (7-1-98)
- 07. Mileage Information.** Information recorded on trip sheets must be legible and reflect actual miles traveled. Mileage records must include all movement of the vehicle including loaded, empty, and tractor-only (bobtail) miles. Non-IFTA special fuels users who qualify to use a “Standard MPG” need only record and report taxable miles in Idaho. (3-15-02)
- 08. Records Retention.** The records required in this rule shall be retained for the greater of three (3) years for Idaho special fuels users or the time during which the taxpayer’s income tax return is subject to adjustment by either the State Tax Commission or voluntary action by the taxpayer if the refund claim is filed with the taxpayer’s Idaho income tax return. Records shall be retained for four (4) years for IFTA license holders. (7-1-98)
- 09. U.S./Metric Conversion.** The following conversion factors must be used, when necessary, to

convert fuel and mileage records to U.S. or metric measurement:

One (1) Liter	=	.2642 gallons
One (1) Gallon	=	3.785 liters
One (1) Mile	=	1.6093 kilometers
One (1) Kilometer	=	.62137 miles

(7-1-98)

**10. Mileage Disputes.** Whenever a mileage dispute arises between the taxpayer and the State Tax Commission, the official mileage map distributed by the appropriate authority in each jurisdiction will be used to resolve the point-to-point mileage differences. (4-6-05)

**421. DOCUMENTATION FOR IDAHO INTERNATIONAL REGISTRATION PLAN REGISTRANTS (RULE 421).**

Records Required For Idaho International Registration Plan Registrants. Registrants must keep records to verify the accuracy of any Idaho International Registration Plan (IRP) application submitted to the Idaho Transportation Department. Registrants must keep the records required by Rule 420 of these rules for all IRP registered vehicles. Also, registrants must keep individual vehicle records by registered fleet for each application reporting period of July 1st through June 30th. (3-29-10)

**422. DOCUMENTATION FOR IDAHO FULL FEE REGISTRANTS (RULE 422).**

**01. Records Required For Idaho Full Fee Registrations.** Registrants must keep records to verify the accuracy of any Idaho Full Fee registration application submitted to the Idaho Transportation Department. These records must include all summaries and source documents for all registered vehicles, except for full fee vehicles registered at less than sixty-two thousand (62,000) lbs. gw or those registered at the maximum tier, which is more than fifty thousand (50,000) miles per year. To provide primary and secondary source verification of the distance reported on the application, registrants must keep records by individual vehicle for each reporting period of July 1st through June 30th using two (2) of the following recordkeeping options: (3-29-10)

**a. Distance Measuring Devices.** Odometer, hubometer, GPS or perpetual life-to-date readings must be supported by a second source of documentation such as fuel purchases, trip logs, or daily logs. (3-29-10)

**b. Trip Logs.** Daily trip logs should show date of travel, origin and destination of the trip, and number of miles traveled. Daily trip sheets should be supported by load tickets, billing invoices, or other original source documents that can be used as verification of miles traveled. (3-29-10)

**c. Number of Trip/Round Trip Miles.** This method is used by registrants making numerous short trips from the same origin to the same destination. Computations should be supported by scale tickets, load tickets, or a Commission approved trip analysis. (3-29-10)

**d. Fuel Purchases.** Records of fuel purchases must be supported by fuel invoices that show date, location, quantity, and type of fuel purchased. Fuel purchase records should include the usage per unit. If fuel purchases are used to determine miles, the records should contain documentation of how the average miles-per-gallon (MPG) was calculated. (3-29-10)

**02. Credit For Off-Road Miles And Documentation Required.** Credit for off-road miles may be given for roads not maintained by a government entity or roads built or maintained by the registrant pursuant to a contract, according to Subsection 292.03 of these rules. These include roads on private property, roads under construction but not open to the public, and may include designated Forest Service roads. Off-road miles must be documented by using odometer readings, maps, contracts, GPS readings, or a Commission approved trip analysis. (3-29-10)

**423. -- 499. (RESERVED)**

**500. IDAHO CLEAN WATER TRUST FUND TRANSFER FEE (RULE 500).**

Petroleum Transfer Fee. The fee imposed by Section 41-4909, Idaho Code, is The Idaho Clean Water Trust Fund Transfer Fee. For simplicity, it shall be called the Petroleum Transfer Fee in these rules. (4-6-05)

**501. PETROLEUM TRANSFER FEE REINSTATED (RULE 501).**

The Petroleum Transfer Fee was suspended as of October 1, 1999. Imposition of the Petroleum Transfer Fee was reinstated on September 1, 2007, pursuant to Section 41-4909(10), Idaho Code. (4-2-08)

**502. -- 509. (RESERVED)**

**510. APPLICATION AND REPORTING OF THE PETROLEUM TRANSFER FEE (RULE 510).**

**01. Application.** (6-23-94)

**a.** The Petroleum Transfer Fee applies to the receipt of any petroleum or petroleum product within this state. The amount of the fee is one cent (\$.01) for each gallon of petroleum or petroleum product received. The fee shall be paid by the distributor who receives any petroleum or petroleum product not excluded from the fee, unless the fee has previously been paid on the same petroleum or petroleum product. (7-1-99)

**b.** The legal incident of the fee is on the distributor required to report it to the State Tax Commission. The fee is not required to be separately stated on any invoice, receipt, or other billing document. A choice to state separately the fee does not change its legal incidence or its nature. (6-23-94)

**02. Receipt of Petroleum Products.** Receipt of petroleum or petroleum products shall be determined according to Section 63-2403, Idaho Code. (7-1-99)

**03. Exemption to Application of the Transfer Fee.** The Petroleum Transfer Fee does not apply to petroleum or petroleum products that are: (6-23-94)

**a.** Returned to the refinery or pipeline terminal. (6-23-94)

**b.** Exported from this state. No fuel will be considered exported, unless the distributor can prove the export by documentation required by Rule 140 of these rules. (7-1-99)

**c.** Received by a railroad or railroad corporation or any employee of them. Petroleum or petroleum products sold by a licensed distributor to a railroad or railroad corporation or any employee of them is subject to the Petroleum Transfer Fee unless the petroleum or petroleum products are "received" by the railroad or railroad corporation as defined in Section 63-2403, Idaho Code. The exclusion for railroad employees applies only when the activity relating to the fuel is part of their employment with the railroad or railroad corporation. (7-1-99)

**d.** Received in retail containers of fifty-five (55) gallons or less or petroleum products to be packaged or repackaged into retail containers of fifty-five (55) gallons or less, if such containers are intended to be transferred to the ultimate consumer of the petroleum or petroleum products. (6-23-94)

**04. Casualty Loss and Shrinkage Not Deductible.** All petroleum and petroleum products received in this state that are not within an exemption or exclusion listed in this rule are subject to the fee, without further deductions or discounts despite the product's use. The deductions allowed to motor fuel distributors for fuel lost by fire or similar casualty, see Section 63-2407(3), Idaho Code; and the two percent (2%) discount for loss by shrinkage or evaporation, see Section 63-2407(4), Idaho Code; are not deductions applicable to the Petroleum Transfer Fee. (4-2-08)

**05. Petroleum and Petroleum Products.** The products subject to the Petroleum Transfer Fee are crude oil or any fraction of it that is liquid at a temperature of sixty (60) degrees Fahrenheit and a pressure of fourteen and seven tenths (14 7/10) psi. These products are all products refined from crude oil including but not limited to motor gasoline, alcohol blended fuels, such as E-10 and E-85, including the alcohol content of blended fuel, diesel fuel (#1 - #6), biodiesel blended fuels, such as B-20, including the biodiesel content of the blended fuel, heating oil,

aviation fuel, naphtha, naphtha-type jet fuel, kerosene-type jet fuel (JP#1 - #8), motor oil, brake fluid, tractor fuel, distillate fuel oil, stove fuel, unfinished oils, turpentine substitutes, lamp fuel, diesel oils (#1 - #6), engine oils, railroad oils, kerosene, commercial solvents, lubricating oils, fuel oil, boiler fuel, refinery fuel, industrial fuel, bunker fuel, residual fuel oil, road oils, and transmission fluids. Ethanol (E00), natural gasoline, and biodiesel (B00) are also defined as petroleum and petroleum products that are subject to the Petroleum Transfer Fee. (4-7-11)

**06. Licensed Distributors and Limited Licenses.** Any person holding a distributor's license issued by the State Tax Commission under Section 63-2427A, Idaho Code, is also licensed for the Petroleum Transfer Fee. No additional license is required. Any person who receives any petroleum or petroleum product in this state, but who is not a licensed distributor nor required to obtain a license under Section 63-2427A, Idaho Code, shall apply to the State Tax Commission for a limited license. The limited license is only for reporting the Petroleum Transfer Fee and is not a license for any purpose under Chapter 24, Title 63, Idaho Code. (7-1-99)

**07. Reporting Requirements.** (6-23-94)

**a.** Distributors licensed under Section 63-2427A, Idaho Code, shall report and pay the Petroleum Transfer Fee with the distributor's report required by Section 63-2406, Idaho Code. For fuel subject to the taxes imposed by Sections 63-2402 and 63-2408, Idaho Code, the Petroleum Transfer Fee shall be included in the report in which the distributor is required to report the tax on the same fuel. (5-3-03)

**b.** Persons holding a limited license shall file a monthly report with the State Tax Commission on forms prescribed by the State Tax Commission on or before the last day of the month following the month to which the report relates. (7-1-99)

**c.** The provisions of Rule 130 of these rules, apply to reports of the Petroleum Transfer Fee. (7-1-99)

**08. Payment.** (6-23-94)

**a.** Payment of the fee is due on the due date of the report. For method of payment, including required use of electronic funds transfer, see Rule 010 of these rules. (6-23-94)

**b.** Any partial payment or collection of amounts shown due or required to be shown due on a distributor's report, plus any additional amount of penalty or interest due, shall be allocated between the motor fuels tax and the Petroleum Transfer Fee in the same proportion that the liability for the tax and the fee bear to the total liability. (6-23-94)

**09. Incorporation of Other Relevant Rules.** Section 41-4909, Idaho Code, incorporated by reference various provisions of the Income Tax Act, Chapter 30, Title 63, Idaho Code, to apply to the administration and enforcement of the Petroleum Transfer Fee. For applying and construing those sections as they apply to the Petroleum Transfer Fee, the Administration and Enforcement Rules relating to those sections of the Income Tax Act are adopted as part of these rules, as if set out in full. In addition, Administration and Enforcement Rule 110, (IDAPA 35.02.01.110) relating to requests for declaratory rulings, is adopted as part of these rules, as if set out in full. (4-6-05)

**511. -- 999. (RESERVED)**

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