

IDAPA 35 – IDAHO STATE TAX COMMISSION

Tax Policy – Taxpayer Resources Unit

35.01.05 – Idaho Motor Fuels Tax Administrative Rules

Who does this rule apply to?

- *Fuel distributors licensed with the State Tax Commission and unlicensed fuel distributors,*
- *All fuel consumers,*
- *Fuel consumers claiming refunds,*
- *International Fuel Tax Agreement (IFTA) licensees through the State Tax Commission,*
- *International Registration Plan (IRP) and Idaho Full Fee (FF) carriers registered with the Idaho Transportation Department, and*

What is the purpose of this rule?

Idaho motor fuels tax administrative rules clarify the following:

- Distributors understand when and how to report and pay fuel tax and transfer fee;
- Fuel consumers understand when they owe fuel tax or fuel use tax;
- Fuel consumers understand when they can claim fuel tax refunds and required records; and
- IFTA licensees, IRP registrants, and FF registrants understand the records they are required to maintain.

What is the legal authority for the agency to promulgate this rule?

This rule implements the following statutes passed by the Idaho Legislature:

Revenue and Taxation -

Department of Revenue and Taxation:

- [Section 63-105, Idaho Code](#) – Powers and Duties - General

Fuels Tax:

- [Section 63-2427, Idaho Code](#) – Administration

Motor Vehicles - Motor Vehicle Registration:

- [Section 49-439, Idaho Code](#) – Audit Guidelines

Insurance - Petroleum Clean Water Trust Fund Act:

- [Section 41-4909, Idaho Code](#) – Source of Trust Fund – Application Fees – Application for Enrollment – Transfer Fees

Who do I contact for more information on this rule?

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Table of Contents

35.01.05 – Idaho Motor Fuels Tax Administrative Rules

000. Legal Authority.	4
001. Scope.	4
002. Incorporation By Reference.	4
003. -- 009. (Reserved)	4
010. Definitions.	4
011. -- 109. (Reserved)	4
110. Calculation Of Motor Fuels Tax On Gaseous Special Fuels.	4
111. -- 129. (Reserved)	5
130. Distributor's Fuel Tax Reports.	5
131. Filing Motor Fuels Distributor Reports Electronically.	6
132. Licensed Gaseous Special Fuels Distributor's Reports.	6
133. -- 136. (Reserved)	6
137. Tax Reports.	6
138. -- 140. (Reserved)	7
141. Fuel Distributor Credit and Refund Claims.	7
142. -- 149. (Reserved)	7
150. Fuel Sale Documentation Required.	7
151. -- 169. (Reserved)	8
170. Information On Dyed & Undyed Diesel Fuel.	8
171. Motor Fuels Exemption From Sales Tax.	9
172. -- 184. (Reserved)	9
185. Consent To the Jurisdiction Of Idaho Courts.	9
186. -- 229. (Reserved)	9
230. Motor Fuels Subject To Use Tax -- records.	9
231. -- 249. (Reserved)	10
250. Refund Claims -- Reporting.	10
251. -- 269. (Reserved)	10
270. Refund Claims -- General And Bulk Documentation.	10
271. -- 289. (Reserved)	11
290. Refund Claims -- Nontaxable Miles.	11
291. (Reserved)	13
292. Refund Claims -- Power Take-Off (PTO) And Auxiliary Engines.	13
293. -- 299. (Reserved)	14
300. Administration, Rules And Delegation Of Authority.	14
301. -- 309. (Reserved)	14
310. Exemption From tax Bond.	14
311. IFTA License Bond.	15
312. -- 319. (Reserved)	16
320. Records Retention.	16
321. -- 399. (Reserved)	16
400. IFTA Licensing And Special Fuels Permitting	16
401. -- 419. (Reserved)	17

420. Documentation For IFTA Licensee Reporting.	17
421. Documentation For Idaho IRP Registrants.	17
422. Documentation For Idaho Full Fee Registrants.	18
423. -- 509. (Reserved)	18
510. Application And Reporting Of The Transfer Fee.	18
511. -- 999. (Reserved)	20

35.01.05 – IDAHO MOTOR FUELS TAX ADMINISTRATIVE RULES

000. LEGAL AUTHORITY.

Sections 63-105(2), 63-2427, 40-312 and 41-4909, Idaho Code.

(7-1-25)

001. SCOPE.

These rules are construed to reach the full jurisdictional extent of the state of Idaho's authority to impose: (7-1-25)

a. Motor Fuels Tax. A motor fuel tax on each gallon of motor fuel received and on the use of or other consumption of motor fuel in this state. This also includes the administration of the International Fuel Tax Agreement (IFTA). (7-1-25)

b. Transfer Fee. A transfer fee upon each gallon of petroleum or petroleum products received and subject to the transfer fee as authorized by Title 41, Chapter 49, Idaho Code. (7-1-25)

c. Registration Records. Record requirements for International Registration Plan (IRP) and Idaho Full Fee registration audits authorized by Title 49, Chapter 4, Idaho Code. (7-1-25)

002. INCORPORATION BY REFERENCE.

Sections 63-2434, 63-2442A, 41-4909, 49-439, Idaho Code

01. IFTA. These rules incorporate the applicable IFTA governing documents: the IFTA Articles of Agreement, the IFTA Procedures Manual, and the IFTA Audit Manual. The IFTA governing documents are equally binding on all IFTA member jurisdictions and licensees, including motor fuels users licensed or obligated to be licensed to operate under an Idaho IFTA license. These documents can be found on the IFTA website at <http://www.iftach.org>. (7-1-25)

02. IRP. These rules incorporate the applicable IRP governing documents: the Plan and IRP Audit Procedures Manual. The documents are included to aid the Tax Commission in complying with IRP registration application audits authorized in Title 49, Chapter 4, Idaho Code. These documents can be found on the IRP website at <http://www.irponline.org>. (7-1-25)

003. -- 009. (RESERVED)

010. DEFINITIONS.

Section 63-2401, Idaho Code

01. Commercial Motorboat. A commercial motorboat includes a motorboat used in a business that rents boats to others who use the boats for pleasure. (7-1-25)

02. Tribal-Owned Retail Outlet. A tribal-owned retail outlet is: (7-1-25)

a. Located within the boundaries of a federally recognized American Indian reservation; and (7-1-25)

b. Owned and operated by an enrolled member of, or an enterprise owned by: (7-1-25)

i. The Coeur d'Alene, Kootenai, Nez Perce, Shoshone/Bannock, or Shoshone/Paiute tribe. (7-1-25)

011. -- 109. (RESERVED)

110. CALCULATION OF MOTOR FUELS TAX ON GASEOUS SPECIAL FUELS.

Section 63-2424, Idaho Code

01. Selling Gaseous Special Fuel. A gaseous special fuel may be sold at volumes or weights other than those listed in this section. It is mandatory for distributors and consumers, paying tax or claiming refunds, to use Tax Commission prescribed volumes and weights when reporting. (7-1-25)

02. Computing Gaseous Special Fuel Tax Equivalents. Computation is made by multiplying the percentage of gasoline gallon energy equivalent times the current gasoline tax rate for each type of gaseous special fuel.

Motor Fuel	BTUs per Gallon or Gallon Equivalent	Equivalent Volume or Weight/Mass	Percentage of Gasoline Gallon Energy Equivalent
Gasoline	127,000	1 gallon	100%
Propane	92,000	4.25 lbs. or 1 gallon	72.44%
Compressed Natural Gas (CNG)	127,000 per GGE	5.66 lbs.	100%
Liquefied Natural Gas (LNG)	138,400 per DGE	6.06 lbs.	108.98%
Hydrogen	127,000 per GGE	1 kg.	100%

(7-1-25)

111. -- 129. (RESERVED)

130. DISTRIBUTOR'S FUEL TAX REPORTS.

Sections 63-2406, 63-2407, 63-2408, 41-4909, Idaho Code

- 01. Timely Reporting.** Any motor fuel and other petroleum product shipments that are: (3-31-22)
- a.** Reported on a timely supplemental report are subject to interest but not subject to penalty. (7-1-25)
- b.** Not reported on a timely monthly or supplemental report are subject to interest and may be subject to penalty. (7-1-25)
- 02. Motor Fuels Receipts.** All gasoline, natural gasoline, gasoline blend stocks, ethanol, ethanol blended fuels, aircraft engine fuel, biodiesel, biodiesel blends, 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 Sections 132 and 137 of these rules for the taxation and reporting of gaseous fuels used in motor vehicles. (7-1-25)
- 03. Motor Fuels and Other Petroleum Products Presumed to be Distributed.** Unless the contrary is established, it is 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 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 is allowed for accidental losses of motor fuels or other petroleum products. (3-31-22)
- 04. Exported Fuel.** Motor fuels or other petroleum products claimed as exported from Idaho are obligated to have supporting records that include the following: (7-1-25)
- 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 (3-31-22)
- b.** Common carrier shipping documents, bills of lading, manifests, and cost billings; or (3-31-22)
- c.** Invoices, manifests, bills of lading or other documentation, signed by the receiving party to acknowledge receipt of the product; or (3-31-22)

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. (3-31-22)

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 will be retained to prove the transfer of product out of Idaho. (7-1-25)

131. FILING MOTOR FUELS DISTRIBUTOR REPORTS ELECTRONICALLY.
Section 63-2406, Idaho Code

01. Electronic Filing. A motor fuels distributor who reports twenty-five (25) or more total receipts and disbursements of motor fuels on its monthly distributor report will file the distributor report electronically. (7-1-25)

02. Not Reporting Electronically. A motor fuels distributor who is mandated to file its distributor report electronically, but does not, is treated as if they did not file the monthly report. (7-1-25)

03. Waiver of Mandatory Electronic Reporting. A motor fuels distributor can request a waiver of the mandatory electronic reporting by showing that the cost to comply with this rule is unreasonable. The Tax Commission will review each request for waiver and issue a determination. (7-1-25)

132. LICENSED GASEOUS SPECIAL FUELS DISTRIBUTOR'S REPORTS.
Section 63-2424, Idaho Code

01. Receipt of Gaseous Fuels. The motor fuels tax is not imposed on gaseous special fuels when the fuels are received, as defined in Section 63-2403, Idaho Code. Propane and natural gas are presumed to be tax-exempt fuels unless delivered into the main supply tank of a licensed, or required to be licensed, motor vehicle. (3-31-22)

02. Documentation of Exempt Sales of Gaseous Special Fuels Delivered into Motor Vehicles. Gaseous special fuels delivered into the fuel supply tank of a licensed, or required to be licensed, motor vehicle are taxable except for: (3-31-22)

a. Government. Gaseous special fuels used by vehicles owned or leased, and operated by the federal government, or by an instrumentality of the state of Idaho, including all its political subdivisions, are exempt from the motor fuels tax on gaseous special fuels. The distributor will record the name of the governmental entity, the license or identification number of the vehicle, and the type of vehicle on the sales document. (7-1-25)

b. Manned and Unmanned Stations. A manned station will have a representative at the point of sale to visually inspect the vehicle in order to make exempt sales of gaseous special fuels. Exempt sales of gaseous special fuels from an unmanned station are allowed when each sale is recorded by other visual means. When a distributor cannot meet the previous two requirements, it will request approval from the Tax Commission before making exempt sales of gaseous special fuels. (7-1-25)

133. -- 136. (RESERVED)

137. TAX REPORTS.
Sections 63-2406, 63-2407, 63-2408, 63-2424, 63-2437, 41-4909, Idaho Code

01. Monthly Reports. Every licensed distributor (motor fuels and gaseous), instate pipeline terminal operator, and production terminal operator will file with the Tax Commission a monthly tax report using gross gallons or equivalents from Section 110 of these rules. The report will have such information, on the forms and in the manner prescribed by the Tax Commission, including supporting detailed schedules. All distributors and terminal operators will keep detailed inventory records. Along with the quantity of motor fuels and other petroleum products received during the month, the motor fuels distributors and terminal operators will include a listing of each person from inside or outside Idaho supplying motor fuels and other petroleum products to the distributor, pipeline terminal, or production terminal. Tax reports will contain a declaration by the person filing the report that the statements

contained therein are true and are made under penalties of perjury. (7-1-25)

02. Machine Tabulated Data. Machine tabulated data is accepted in lieu of detailed schedules on 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 or terminal operator will make a written request with a copy of the format and receive written authorization to use that format from the Tax Commission. (7-1-25)

03. Report and Payment Due. The report is 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, penalty, or interest due. (7-1-25)

04. Failure to Pay Tax. Any distributor responsible for paying the tax imposed by Section 63-2424, Idaho Code, who does not pay such tax is liable to the Tax Commission for the amount not paid plus any applicable penalty, interest, or both. The Tax Commission may collect such amounts in the manner provided in Section 63-2434, Idaho Code. (7-1-25)

138. -- 140. (RESERVED)

141. FUEL DISTRIBUTOR CREDIT AND REFUND CLAIMS.
Sections 63-2410, 63-2423, Idaho Code

01. Fuel Distributor Credit and Refund Claims. Fuel credit and refund claims are to be made on a distributor's original or amended fuel tax report unless otherwise authorized by statute or this chapter. All claims need to establish both of the following: (7-1-25)

- a.** The basis for the credit or refund claim, and (3-31-22)
- b.** The amount of the credit or refund. (3-31-22)

02. Line Flush Allowance. Undyed, tax-paid diesel is contaminated with red dye when a distributor delivers dyed diesel then flushes the line with undyed diesel. The contaminated undyed diesel will be put into the delivery truck's dyed diesel fuel tank and sold as untaxed, dyed diesel. The distributor can claim a refund based on the actual gallons used to flush the line or standard allowance. A distributor will claim a fuel tax refund using the applicable forms. (7-1-25)

142. -- 149. (RESERVED)

150. FUEL SALE DOCUMENTATION REQUIRED.
Section 63-2429, Idaho Code

01. Retail Sales Invoices for Delivered, Bulk Plant, and Station Sales. Any distributor who sells motor fuels and other petroleum products in Idaho will issue an original invoice to the purchaser; except when sales are accounted for monthly. 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 will contain the following: (7-1-25)

- a.** A preprinted identification number, except when invoices are automatically assigned a unique identification number by a computer or similar machine when issued; (3-31-22)
- b.** Name and address of the distributor; (3-31-22)
- c.** Name of the purchaser; (3-31-22)
- d.** Date of sale or delivery; (3-31-22)
- e.** Type of fuel; (3-31-22)
- f.** Gallons invoiced - reported as found in Section 137 of these rules; (7-1-25)

g. Price per gallon and total amount charged. When taxable motor fuels products are sold, at least one (1) of the following is used to establish the Idaho fuels tax and transfer fee was charged: (7-1-25)

- i.** The amount of Idaho fuels tax; (7-1-25)
- ii.** The rate of Idaho fuels tax; and (7-1-25)
- iii.** The amount of Idaho transfer fee; or (7-1-25)
- iv.** A statement that the Idaho fuels tax and transfer fee are included in the price. (7-1-25)

h. Delivered sales invoices will contain the purchaser's address along with the origin and destination of the motor fuels and other petroleum products. (7-1-25)

i. The sales invoice will contain double-faced carbons on the original of the first copy, unless invoices are automatically prepared by a computer or similar machine when issued. (3-31-22)

02. Correcting Sales Invoice Errors. An incorrect invoice should 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 will show the date and serial number of the original invoice and that the second invoice is in replacement or correction. (7-1-25)

03. Disallowing Tax-Paid Credit. Not including all the above documentation will result in an invalid sales invoice for a tax-paid fuel claim by the distributor's customer. (3-31-22)

04. Documentation Necessary for Dyed Diesel Fuel. The state of Idaho follows the Internal Revenue Service standards regarding sales of dyed diesel fuel. The Internal Revenue Code calls for a notice stating "Dyed Diesel Fuel, Nontaxable Use Only, Penalty for Taxable Use" to be: (7-1-25)

a. Provided by the terminal operator to any person who receives dyed diesel fuel at a terminal rack of that operator; and (3-31-22)

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 (3-31-22)

c. Posted by a seller on any retail pump where the dyed diesel fuel is sold for use by the buyer. (3-31-22)

d. The documentation notice found in this rule is necessary on shipping papers, bills of lading, and sales invoices accompanying the sale or removal of the fuel. Any person who does not provide or post the necessary notice is presumed to know that the fuel is used for a taxable purpose and is subject to penalties imposed by the Internal Revenue Service. (7-1-25)

151. -- 169. (RESERVED)

170. INFORMATION ON DYED & UNDYED DIESEL FUEL.
Sections 63-2423, 63-2425, Idaho Code

01. Undyed Diesel Fuel Used for Heating Purposes. The consumer will apply directly to the Tax Commission for a refund of the special fuels tax included in the purchase price of undyed diesel used for heating a dwelling or building. The distributor may assist the consumer claiming a refund of the special fuels tax by: (7-1-25)

- a.** Properly documenting information on the sales invoice; and (3-31-22)
- b.** Providing the customer with the appropriate forms. (7-1-25)

02. Red-Dyed Diesel. It is illegal to use red-dyed diesel in the main supply tank of a licensed, or required to be licensed, motor vehicle in Idaho unless the type of user is listed below. Penalties for illegal use of red-dyed diesel in a motor vehicle are found in Section 63-2460, Idaho Code. The Internal Revenue Code allows the use of red-dyed diesel by: (7-1-25)

- a.** State and local governments (political subdivisions of the state) for their exclusive use; (7-1-25)
- b.** The engine of a train; (7-1-25)
- c.** A school bus, owned or leased and operated by a political subdivision of the state of Idaho, while the bus is engaged in the transportation of students and school employees; (7-1-25)
- d.** A vehicle (such as a ground servicing vehicle for aircraft) owned by an aircraft museum; (7-1-25)
- e.** 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; (7-1-25)
- f.** A highway vehicle owned by the United States that is not used on a highway; (7-1-25)
- g.** A nonprofit educational organization as defined in Internal Revenue Code Section 4221 (d)(5) for their exclusive use. (7-1-25)

171. MOTOR FUELS EXEMPTION FROM SALES TAX.

Sections 63-2431, 63-3622C, Idaho Code

Any sale of motor fuels that is subject to motor fuels tax is exempt from Idaho sales tax under Title 63, Chapter 36, 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 tax is applicable. Sales of dyed fuel are subject to Idaho sales tax unless exempted under the Idaho Sales Tax Act and Rules. Sales of dyed fuel are exempt from Idaho sales tax only if the seller has taken from the purchaser a sales tax exemption certificate in the manner outlined in IDAPA 35.01.02, "Idaho Sales and Use Tax Administrative Rules." 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 necessary. (7-1-25)

172. -- 184. (RESERVED)

185. CONSENT TO THE JURISDICTION OF IDAHO COURTS.

Section 63-2427A, Idaho Code

01. Authorized Signature on Application. All Idaho fuel distributor license applications have to be signed by an individual with the authority to give consent to the jurisdiction of Idaho courts on behalf of the applicant. (7-1-25)

02. Authority to Waive Sovereign Immunity. If the applicant is a state, local or tribal governmental entity, the application has to 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 Idaho state court and setting forth the authority of the individual who signs the application to bind the applicant. (7-1-25)

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, Idaho Code. (7-1-25)

186. -- 229. (RESERVED)

230. MOTOR FUELS SUBJECT TO USE TAX -- RECORDS.

Section 63-2421, Idaho Code

01. Lack of Records to Compute Fuel Consumption Rate. When a motor fuels consumer does not keep sufficiently detailed records to determine motor fuels consumed by its motor vehicles, the consumption rates found in Subsection 290.05 of these rules are presumed to be correct. (3-31-22)

02. Fuel Records. If the motor fuels consumer does not keep sufficiently detailed records to determine taxable gallons, all tax-exempt motor fuels purchased is subject to the fuels tax unless the number of gallons placed into the supply tank of the licensed or required to be licensed motor vehicle can be determined. (3-31-22)

231. -- 249. (RESERVED)

250. REFUND CLAIMS -- REPORTING.
Sections 63-2410, 63-2423, Idaho Code

01. 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: (7-1-25)

- a.** The basis for the credit or refund claim, and (3-31-22)
- b.** The amount of the credit or refund. (3-31-22)

02. Only Final Consumer May Claim Refunds. Refunds of motor fuels taxes may be claimed on Tax Commission prescribed forms by the person who purchased and used the motor fuels upon which the tax has been paid. In the case of all partnerships and any corporations filing income tax returns, the partnership or corporation has to be the claimant for refunds of motor fuels taxes they paid. The refund may not be applied to the individual returns filed by partners or shareholders. (7-1-25)

03. Refund Applied to Taxes Due. Any refund due to a consumer is applied first to any liability due under any law administered by the 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 not filed any tax return required to be filed with the Tax Commission. Any balance of the refund exceeding taxes due will be paid as a refund to the entity filing the return. (3-31-22)

251. -- 269. (RESERVED)

270. REFUND CLAIMS -- GENERAL AND BULK DOCUMENTATION.
Sections 63-2410, 63-2421, 63-2423, Idaho Code

01. Refunds to Consumers. Fuels tax refunds claims will be on Tax Commission prescribed forms. (7-1-25)

02. Records Retention. All claimants will keep records for the greater of either: (7-1-25)

- a.** Three (3) years from the due date, including extensions, of the income tax return; (3-31-22)
- b.** The time during which the taxpayer's income tax return is subject to adjustment by either the Tax Commission or voluntary action by the taxpayer if the refund claim is filed with the taxpayer's Idaho income tax return; or (7-1-25)
- c.** Four (4) years, if an IFTA licensee. (3-31-22)

03. Mandatory Records -- General. A claimant will maintain fuel purchase records and records showing fuel was placed into the supply tank of vehicles or equipment for use in a nontaxable manner. Fuel purchase records have to contain the information stipulated by Section 150 of these rules. Fuel purchase records need to be reissued if altered or corrected. (7-1-25)

04. Mandatory Records -- Retail Fuel Purchases. When claiming a refund of tax for fuel purchased

from a retail outlet, a receipt is mandatory. The vehicle, piece of equipment, or commercial motorboat using the fuel has to be recorded on the receipt. For fuel placed into containers, identify the vehicle, piece of equipment, or commercial motorboat the fuel was used in on the receipt. (7-1-25)

05. Mandatory Records – Bulk Fuel Purchases. When claiming a fuel tax refund on fuel delivered in bulk, the claimant will maintain the following documentation: (7-1-25)

- a.** Seller Invoices. (3-31-22)
- b.** Withdrawal Logs. (3-31-22)
 - i.** It is mandatory that withdrawal logs identify the date, the vehicle or piece of equipment, and the amount of fuel withdrawn. (7-1-25)
 - ii.** Withdrawal logs aren't necessary when separate, identified, and dedicated bulk storage tanks are used for taxable and nontaxable uses at the same location. The seller has to mark the invoices at the time of delivery and identify the storage tanks to which the fuel was delivered. (7-1-25)
- c.** Bulk fuel inventory reconciliations include beginning inventory, purchases, withdrawals, calculated ending inventory, and actual ending inventory determined by a physical reading. (7-1-25)

06. Alternate Method for Bulk Tanks – Authorized Percentage. If the claimant is using Idaho tax-paid fuel from a single bulk tank in both a taxable and nontaxable manner, the claimant may submit a request to use an authorized percentage on a Tax Commission prescribed form. A claimant needs approval from the Tax Commission before using an authorized percentage. Itemization of all taxable and nontaxable uses by vehicle and piece of equipment based on previous experience or anticipated use will be included on the request form. Requests will be denied if the claimant: (7-1-25)

- a.** Fails to fully complete the authorized percentage request form; (7-1-25)
- b.** Fails to provide equipment lists supported equipment purchase records, sales or rent receipts, and depreciation schedules; (7-1-25)
- c.** Fails to keep and provide records to support an authorized percentage upon request of the Tax Commission; (7-1-25)
- d.** Is an IFTA licensee; or (7-1-25)
- e.** Is an owner of multiple bulk storage tanks containing tax-paid and tax-exempt fuels of the same type at the same location. (7-1-25)

07. Untaxed Motor Fuel Audits. All fuel tax refund claims are subject to audit by the Tax Commission and no part of these rules may be construed to imply that an audit cannot be performed. (7-1-25)

08. Tribal-Owned Retail Outlet. Motor fuels purchased from a tribal-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. (7-1-25)

271. -- 289. (RESERVED)

290. REFUND CLAIMS – NONTAXABLE MILES.
Sections 63-2410, 63-2423, Idaho Code

01. Refunds to Consumers – Nontaxable Miles. Refund claims will be made on Tax Commission prescribed forms. The records retention and fuel record mandates in Subsections 270.02 through 270.05 of these rules also apply to this section. (7-1-25)

- 02. Nontaxable Miles Defined.** Nontaxable miles are miles driven on roads: (3-31-22)
- a.** Not open to the public; (7-1-25)
 - b.** Not maintained by a governmental entity; (7-1-25)
 - c.** Located on private property maintained by the property owner; (7-1-25)
 - d.** Under construction and not open to the public; or (3-31-22)
 - e.** 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 Title 38, Chapter 1, Idaho Code. Miles traveled on these roads are nontaxable when the contractor or subcontractor is mandated to pay the cost of maintaining these roads by contract or permit. (7-1-25)

03. Mandatory Records – Mileage Records. Mileage records are needed to claim a refund of tax when using special fuels on nontaxable roads. It is mandatory for claimants operating under the authority of IFTA or IRP to follow the recordkeeping mandates of IFTA and IRP in addition to those of this section. Idaho Full Fee registrants will also comply with Section 422 of these rules. (7-1-25)

04. Records – Actual Nontaxable Miles. Unless otherwise allowed by these rules, use of odometer, hubometer, or GPS readings for each trip is mandatory to document actual nontaxable miles. (7-1-25)

05. Alternate Methods. A claimant, who is not an IFTA licensee or IRP registrant, may use an alternate method to determine nontaxable miles or use a presumed miles per gallon (MPG) to determine fuel use. (7-1-25)

a. Estimating Nontaxable Miles. Nontaxable miles may be estimated by using maps, contracts, or a Tax Commission approved trip analysis. The claimant is obligated to provide the documents supporting the estimate upon request by the Tax Commission. Maps other than the Official Idaho Highway map miles are estimates. (7-1-25)

b. Estimating Nontaxable Gallons. Nontaxable gallons may be estimated using presumed MPG. Upon request, the claimant is obligated to provide the tax-paid fuel purchase records supporting the total gallons claimed. (7-1-25)

i. Presumed MPG by Weight. The following are presumed MPG by gross vehicle weight (GVW) or registered GVW:

Over 40,000 GVW	4.0 MPG
Over 26,000 GVW to 40,000 GVW	5.5 MPG
Over 12,000 GVW to 26,000 GVW	7.0 MPG
12,000 GVW or less	10.0 MPG

(7-1-25)

ii. Presumed MPG by Operation. The following are presumed MPG for vehicles over 40,000 GVW or registered GVW used in certain industries:

Logging	4.3 MPG
Agricultural	4.5 MPG

Sand, gravel and rock hauling	4.0 MPG
Construction	4.4 MPG

(7-1-25)

291. (RESERVED)

292. REFUND CLAIMS – POWER TAKE-OFF (PTO) AND AUXILIARY ENGINES.

Sections 63-2410, 63-2423, Idaho Code

01. Refund to Consumers — PTO and Auxiliary Engines. PTO refunds are only allowed for special fuels. Auxiliary engine refunds are allowed for gasoline or special fuels. Refund claims will be made on Tax Commission prescribed forms. The records retention and fuel record mandates in Subsections 270.02 through 270.05 of these rules also apply to this section.

(7-1-25)

02. PTO and Auxiliary Engines Defined. A PTO uses fuel from the main supply tank to operate the main engine for a purpose other than operating or propelling the vehicle on the road. An auxiliary engine uses fuel from the vehicle's main supply tank to operate an engine other than the vehicle's main engine.

(3-31-22)

03. Mandated Records – Actual Consumption Refunds. Actual fuel consumption for PTO and auxiliary engines may be claimed when the PTO or auxiliary engines are equipped with an electronic monitoring device. It is mandatory for the monitoring device to identify the date, time of use, and gallons metered. The Tax Commission may request verification that the electronic monitoring device is reporting consumption correctly.

(7-1-25)

04. Alternate Methods – Standard Allowances. An IFTA licensee is not allowed to use alternate methods to determine nontaxable fuel use. The Tax Commission has adopted the following standard allowances.

(7-1-25)

a. 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
Concrete Pumping	0.142857 gallons	x	Yards pumped

(3-31-22)

b. Allowances based on percentages:

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

(3-31-22)

05. Nonstandard Allowances. A claimant will submit a written request to the Tax Commission for authorization to use an allowance different from those listed in this section. The Tax Commission may request additional information or documentation to make a determination on the request. (7-1-25)

293. -- 299. (RESERVED)

300. ADMINISTRATION, RULES AND DELEGATION OF AUTHORITY.

Sections 63-2434, 63-2442, Idaho Code

Personnel of the Idaho Transportation Department employed in the operation of stationary or mobile Ports of Entry are designated as deputies of the Tax 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 Section 400 of these rules. (7-1-25)

301. -- 309. (RESERVED)

310. EXEMPTION FROM TAX BOND.

Section 63-2428, Idaho Code

01. Bond Exemption for Licensed Distributors. Bonds are mandatory for all licensed distributors unless the distributor is found to be financially responsible. A licensed distributor seeking exemption from bonding may apply for the exemption by filing a written petition with the Tax Commission. The petition will contain information defined in Section 63-2428, Idaho Code, for establishing financial solvency and responsibility. Together with the petition, the distributor will submit information detailed as follows: (7-1-25)

a. If all or any part of the unencumbered property offered to show financial solvency is real property, the petition will include both: (7-1-25)

i. 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 (7-1-25)

ii. A copy of the most recent valuation notice issued by the county assessor for ad valorem property tax purposes. (7-1-25)

b. If all or any part of the unencumbered property is licensed motor vehicles, the petition will include copies of the titles of the vehicles and evidence of the value of the vehicles from a source independent from the distributor. (7-1-25)

c. If all or any part of the unencumbered property is personal property other than motor vehicles, the petition will 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 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 needed to establish that no security interests or other encumbrances exist. (7-1-25)

d. The petitioner will arrange, at the petitioner's expense, for an established, independent commercial credit rating company to submit directly to the Tax Commission a current and complete credit report about the licensed distributor; or the distributor will 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 are to be accompanied by an opinion issued by an independent certified public accountant. A responsible company officer will 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 will be reviewed by a certified public accountant, and a responsible company officer will certify that the financial statements provided present fairly the financial position of the company. (7-1-25)

e. The Tax Commission may request the distributor supplement its petition with further information to determine financial responsibility. If the Tax Commission receives incomplete or substitute information, the

submissions are reviewed on a case-by-case basis to determine whether a bond exemption is granted. (7-1-25)

02. Conditions for Termination of Exemption. If granted, the exemption from bonding will terminate: (7-1-25)

a. One (1) year after the date on which it was granted. (3-31-22)

b. Ninety (90) days after the occurrence of any delinquency in motor fuels tax unless the delinquency has been paid within that time period. (3-31-22)

c. Upon the occurrence of any encumbrance to the property upon which the finding of financial responsibility was based. (7-1-25)

d. Upon the occurrence of any change in the business activity of the distributor that would cause the amount of bond to be increased to an amount greater than the value of the distributor's unencumbered assets. (7-1-25)

e. Upon the occurrence of any event prejudicing the distributor's solvency or financial responsibility. (3-31-22)

03. Upon Termination of a Bond 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. (7-1-25)

04. Pending Bond Exemption Application. Having an application pending for a bond exemption does not excuse the bond. If a bond exemption is due to expire, the distributor is obligated to 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 has to meet all the conditions of this rule. (7-1-25)

05. Conditions for Renewal of Bond Exemption. The following is necessary to renew a bond exemption: (7-1-25)

a. A written request for renewal of waiver; and (7-1-25)

b. The information required in Subsections 310.01.a. through 310.01.e. of this rule. (3-31-22)

311. IFTA LICENSE BOND.
Sections 63-2442A, 63-2470, Idaho Code

01. General. The Tax Commission may compel an IFTA licensee to post a bond following the IFTA provisions to maintain their license. A bond may be necessary when returns are filed or tax payments are remitted after the due date at least three times within a three-year period. When a bond is obligated, the licensee will post the bond within thirty (30) days from the date of the request. If no bond is posted within thirty (30) days, the license is automatically revoked. Tax may be assessed for any unreported liability. (7-1-25)

02. Reinstating Revoked Licenses. An applicant may be obligated to post a bond if they have previously had their IFTA license revoked or is related to a person who has previously had their IFTA license revoked. An applicant is related to a person who has previously had their IFTA license revoked when: (7-1-25)

a. The person or persons owns at least twenty-five percent (25%) interest in the applicant, or (7-1-25)

b. The person or persons operates or controls the applicant. Operation and control include, but are not limited to, an officer or director or other person authorized to engage in the business or commercial activity of the applicant. (7-1-25)

03. Type of Bond. Any type of bond allowed by IFTA or these rules may be secured. The bond amount is reviewed annually but may be reviewed at any time thereafter. The licensee's returns and records may be reviewed

to determine if the bond amount is raised, lowered, or remains unchanged. (7-1-25)

04. Bond Waiver Request. The licensee may request a waiver of bond requirement within thirty (30) days from the approval of the license renewal request. The licensee has to be a quarterly filer. The licensee needs to have submitted the quarterly returns and paid the tax due by the due date for one calendar year. (7-1-25)

05. Denial of Bond Waiver Request and Appeal of Denial. The Tax Commission may deny a bond waiver request when it determines that waiving the bond puts the financial interests of IFTA jurisdictions in jeopardy. The licensee needs to follow the appeal procedure in Section 63-2470, Idaho Code, to appeal the denial of a bond waiver request. (7-1-25)

312. -- 319. (RESERVED)

320. RECORDS RETENTION.
Section 63-2429, Idaho Code

01. Mandatory Records. Any person importing, manufacturing, refining, dealing in, transporting, storing or selling any motor fuels in Idaho will keep such records, receipts, and invoices showing all purchases, sales, receipts, or deliveries of motor fuels. Such records are maintained for at least three (3) years. (7-1-25)

02. Motor Fuels Subject to Use Tax. Any person who has purchased tax-exempt motor fuel and subsequently uses the fuel in a taxable manner, will maintain records to establish the tax due. (7-1-25)

03. Original Invoice Retention. The original invoices, mandated by Section 270 of these rules, relating to refunds of motor fuels tax paid on certain fuel used off-road, will 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 Tax Commission or by voluntary action of the taxpayer. (7-1-25)

321. -- 399. (RESERVED)

400. IFTA LICENSING AND SPECIAL FUELS PERMITTING
Sections 49-432, 49-434, 63-2401, 63-2434, 63-2438 through 63-2440, 63-2442A, 63-2455, Idaho Code

01. Federal or In-State Governmental Vehicles. Motor vehicles owned or leased and operated by the federal government or the state of Idaho, their instrumentalities, or political subdivisions are exempt from licensing requisites. (7-1-25)

02. Temporary Fuel Tax Permits. Any person without an IFTA license will secure a temporary fuel tax permit from the Idaho Transportation Department in the manner prescribed by that department, if operating a motor vehicle: (7-1-25)

- a.** Over twenty-six thousand (26,000) pounds maximum registered gross weight or (7-1-25)
- b.** With three (3) or more axles regardless of weight, and (7-1-25)
- c.** Using special fuels on the highways of this state, and (7-1-25)
- d.** Not registered to operate the motor vehicle solely within Idaho under Section 49-434, Idaho Code. (7-1-25)

03. Penalty for Not Obtaining an IFTA License or Temporary Fuel Tax Permit. Operation of a motor vehicle, as described in Subsection 400.02. of these rules, without an IFTA license, or an Idaho temporary fuel tax permit 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 Tax Commission, including those designated as deputies in Section 300 of these rules, may issue a jeopardy assessment under the authority of Section 63-2434, Idaho Code. Such deputy is authorized to institute immediate collection procedures, including issuance of a tax warrant and distraint of the motor vehicle without either an IFTA license or a

temporary fuel tax permit. (7-1-25)

401. -- 419. (RESERVED)

420. DOCUMENTATION FOR IFTA LICENSEE REPORTING.
Section 63-2439, Idaho Code

01. Records for IFTA Licensees. The licensee displaying, or obligated to display, an IFTA decal will retain all records relating to the accrued distance of the motor vehicles and all invoices or other documents relating to purchases of special fuels. The licensee will provide these records upon request by the Tax Commission. (7-1-25)

02. Distance Records. It is mandatory for all IFTA licensees to maintain detailed distance records, on an individual-vehicle basis, according to IFTA Procedures Manual Section P540. (7-1-25)

03. Fuel Records. It is mandatory for all IFTA licensees to maintain detailed fuel records, on an individual-vehicle basis, according to IFTA Procedures Manual Section P550. (7-1-25)

04. Additional Records. Other records may be requested, such as: (7-1-25)

- a.** Bills of lading or manifest documents; (3-31-22)
- b.** Vehicle dispatch ledgers; (3-31-22)
- c.** Accounts payable and receivable; (3-31-22)
- d.** Lease agreements; (3-31-22)
- e.** Driver pay records; (3-31-22)
- f.** Driver logs; (3-31-22)
- g.** Fuel use trip permits; (7-1-25)
- h.** Registration trip permits; (7-1-25)
- i.** Other commercial vehicle permits; and (7-1-25)
- j.** Other documents used in preparing fuel tax reports. (3-31-22)

05. Summaries. In addition to the information outlined in the IFTA Procedures Manual Section P560, individual trips for each vehicle have to be accumulated into monthly summaries in total and by jurisdiction. These summaries have to be used as the basis for the miles submitted on the IFTA quarterly or annual reports. (7-1-25)

06. Distance Information. Information recorded on trip sheets is to be legible and reflect actual distance traveled. Distance records will include all movement of the vehicle including loaded, empty, and tractor-only (bobtail) distance traveled. (7-1-25)

07. Retention and Availability of Records. IFTA licensees need to retain and make available records according to IFTA Procedures Manual Section P510. (7-1-25)

08. Distance Disputes. Whenever a distance dispute arises between the taxpayer and the Tax Commission, the official distance map distributed by the appropriate authority in each jurisdiction is used to resolve the point-to-point distance differences. (7-1-25)

421. DOCUMENTATION FOR IDAHO IRP REGISTRANTS.
Section 49-439, Idaho Code

Registrants are obligated to keep records, by individual vehicle per registered fleet, verifying the accuracy of any IRP

application submitted to the Idaho Transportation Department for each application reporting period of July 1st through June 30th. Registrants are held to the standards established by Section 420 of these rules for all IRP registered vehicles. (7-1-25)

422. DOCUMENTATION FOR IDAHO FULL FEE REGISTRANTS.
Section 49-439, Idaho Code

01. Records For Idaho Full Fee Registrations. Registrants are obligated to keep records, by individual vehicle, verifying the accuracy of any Idaho Full Fee registration application submitted to the Idaho Transportation Department for each reporting period of July 1st through June 30th, unless exempted pursuant to Section 49-439, Idaho Code. Mandatory records include, but are not limited to: (7-1-25)

a. Distance Measuring Devices. Distance is measured using an odometer, hubometer, GPS or perpetual life-to-date readings. Records identify the date the reading was recorded and the reading. When changing devices, the change needs to be properly documented. (7-1-25)

b. Daily Trip Logs. Logs include the date of travel, origin and destination of the trip, and number of miles traveled. Logs may be supported by load tickets, billing invoices, or other original source documents that can verify miles traveled. (3-31-22)

c. Number of Trip/Round Trip Miles. When making numerous short trips from the same origin to the same destination, records include the origin, destination, and round-trip miles. Computations need to be supported by scale tickets, load tickets, a route map, or a Tax Commission approved trip analysis. (7-1-25)

d. Fuel Purchases. Valid retail fuel purchase records are fuel invoices with the date, location, quantity, and type of fuel purchased. Bulk fuel records need to be sufficient to prove the accuracy of the fuel use. Fuel purchase records need to show the usage per unit. The records need to document how the average MPG was calculated. (7-1-25)

02. Credit for Off-Road Miles and Documentation. 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 Section 290 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 need to be documented by using odometer readings, maps, contracts, GPS readings, or a Tax Commission approved trip analysis. (7-1-25)

03. IFTA Licensees with Full Fee Registration. An IFTA licensee with full fee registration will maintain records mandated by IFTA. (7-1-25)

423. -- 509. (RESERVED)

510. APPLICATION AND REPORTING OF THE TRANSFER FEE.
Sections 41-4902, 41-4903, 41-4909, 63-2401, 63-2403, 63-2406, Idaho Code

01. Application. The legal incidence of the fee is on the first distributor which receives any petroleum or petroleum product. This distributor is mandated to report and pay the transfer fee to the Tax Commission. Only licensed Idaho fuel distributors may receive refunds or credits of the transfer fee. The refunds or credits have to be claimed in the distributor report. (7-1-25)

02. Receipt of Petroleum Products. Receipt of petroleum or petroleum products is determined by the movement from a permanent storage facility (terminal) or crossing the Idaho border. Storage of petroleum or petroleum products is incidental to its movement. (7-1-25)

03. Exemption to Application of the Transfer Fee. Exemptions are according to Sections 41-4909 and 41-4943, Idaho Code. (7-1-25)

04. Casualty Loss and Two Percent (2%) Allowance Not Deductible. All petroleum and petroleum products received in this state that are not within an exemption or exclusion provided by law are subject to the fee,

without further deductions or discounts despite the product's use. Deductions allowed to motor fuel distributors in Section 63-2407, Idaho Code, for casualty loss and the two percent (2%) allowance are not deductions applicable to the transfer fee. (7-1-25)

- to: **05. Petroleum and Petroleum Products.** Products refined from crude oil include, but are not limited (7-1-25)
- a.** Motor gasoline; (7-1-25)
 - b.** Alcohol blended fuels, such as E-10 and E-85, including the alcohol content of blended fuel; (7-1-25)
 - c.** Diesel fuel (#1 - #6); (7-1-25)
 - d.** Biodiesel blended fuels, such as B-20, including the biodiesel content of the blended fuel; (7-1-25)
 - e.** Heating oil; (7-1-25)
 - f.** Aviation fuel; (7-1-25)
 - g.** Naphtha; (7-1-25)
 - h.** Naphtha-type jet fuel; (7-1-25)
 - i.** Kerosene-type jet fuel (JP#1 - #8); (7-1-25)
 - j.** Motor oil; (7-1-25)
 - k.** Brake fluid; (7-1-25)
 - l.** Tractor fuel; (7-1-25)
 - m.** Distillate fuel oil; (7-1-25)
 - n.** Stove fuel; (7-1-25)
 - o.** Unfinished oils; (7-1-25)
 - p.** Turpentine substitutes; (7-1-25)
 - q.** Lamp fuel; (7-1-25)
 - r.** Diesel oils (#1 - #6); (7-1-25)
 - s.** Engine oils; (7-1-25)
 - t.** Railroad oils; (7-1-25)
 - u.** Kerosene; (7-1-25)
 - v.** Commercial solvents; (7-1-25)
 - w.** Lubricating oils; (7-1-25)
 - x.** Fuel oil; (7-1-25)
 - y.** Boiler fuel; (7-1-25)

- z.** Refinery fuel; (7-1-25)
- aa.** Industrial fuel; (7-1-25)
- bb.** Bunker fuel; (7-1-25)
- cc.** Residual fuel oil; (7-1-25)
- dd.** Road oils; and (7-1-25)
- ee.** Transmission fluids. (7-1-25)
- ff.** The following are treated as petroleum or petroleum products that are subject to the transfer fee:
(7-1-25)
 - i.** Ethanol (E00); (7-1-25)
 - ii.** Natural gasoline; and (7-1-25)
 - iii.** Biodiesel (B00). (7-1-25)

06. Exclusion of Petroleum and Petroleum Products on Which the Fee Has Previously Been Paid. Used oil is presumed to be comprised of petroleum or petroleum products on which the transfer fee has previously been paid when generated in Idaho. The distributor will not report used oil generated in Idaho on the distributor report nor pay or receive a credit of the transfer fee on used oil generated in Idaho. When used oil is not generated in Idaho it is presumed to be subject to the transfer fee. The distributor has to report and pay the transfer fee unless an exemption or exclusion applies. (7-1-25)

07. Motor Fuel Distributor License and Limited Distributor License. Any person holding a motor fuel distributor license issued by the Tax Commission under Title 63, Chapter 24, Idaho Code, is also licensed for the transfer fee. No additional license is necessary. Any person who receives any petroleum or petroleum products in Idaho, and who is not a licensed distributor or obligated to obtain a motor fuel distributor license, needs to apply for a limited distributor license with the Tax Commission. The limited distributor license is only for reporting the transfer fee. (7-1-25)

08. Mandatory Reporting. (7-1-25)

a. A motor fuel distributor will report and pay the transfer fee with the distributor report in accordance with Section 63-2406, Idaho Code. For fuel subject to the taxes imposed by Sections 63-2402 and 63-2408, Idaho Code, the transfer fee is included in the distributor report for the same fuel. (7-1-25)

b. Persons holding a limited distributor license will file a monthly report using Tax Commission prescribed forms on or before the last day of the month following the month to which the report relates. (7-1-25)

c. The transfer fee has to be reported according to Section 130 of these rules. (7-1-25)

09. Payment. (3-31-22)

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 [Section 67-2026, Idaho Code](#). (7-1-25)

b. Any partial payment or collection of amounts shown due or obligated to be shown due on a distributor's report, plus any additional amount of penalty or interest due, is allocated between the motor fuels tax and the transfer fee in the same proportion that the liability for the tax and the fee bear to the total liability. (7-1-25)

511. -- 999. (RESERVED)