

IFTA LICENSING

WHAT IS "IFTA"?

The International Fuel Tax Agreement (IFTA) is an agreement between jurisdictions to simplify the reporting of motor fuel taxes. Under this agreement, a quarterly fuel use tax return is filed representing miles traveled, fuel purchased and used, and taxes/credits due in each member jurisdiction. The base jurisdiction then distributes the funds to each affected jurisdiction according to information contained in the quarterly fuel use tax return. A complete listing of the IFTA jurisdictions can be found on the IFTA website at www.iftach.org.

HOW DO I DETERMINE MY BASE JURISDICTION?

Your base jurisdiction is determined by your answers to the following questions:

1. In what state/province do you have an established place of business?
2. Where do you maintain the operational control and operational records for your qualified motor vehicles? Where can you make the records available?
3. In what jurisdiction is your qualified motor vehicle(s) registered under the IRP?

Please remember that in order for a jurisdiction to be designated as the base jurisdiction, there must be some accrued travel in the jurisdiction by the qualified motor vehicles within the fleet.

QUALIFIED MOTOR VEHICLE

A qualified motor vehicle is a motor vehicle used, designed, or maintained for transportation of persons or property having:

1. Two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds or 11,797 kilograms; or
2. Having three or more axles regardless of weight; or
3. Is used in combination, when the weight of such combination exceeds 26,000 pounds, or 11,797 kilograms gross vehicle or registered gross vehicle weight.

Qualified Motor Vehicle does not include recreational vehicles unless they are used in conjunction with any business endeavor. Recreational vehicles are vehicles such as motor homes, pickup trucks with attached campers and buses when used exclusively for personal pleasure by an individual.

EXEMPT VEHICLES

In addition to the exemption for recreational vehicles allowed by the IFTA Articles of Agreement, the following vehicles are exempt in the State of Alabama:

- Any motor vehicle owned and operated by any department, board, bureau, commission, or taxing area or other agency of the federal government;
- Any motor vehicle owned and operated by any department, board, bureau, commission, or taxing area or other agency of the State of Alabama or any political subdivision thereof;
- Any school bus operated by the State of Alabama, or any political subdivision thereof, or any private or privately operated school or schools.

Please refer to the IFTA website at www.iftach.org for vehicle exemptions in each IFTA jurisdiction.