Welcome to the Ohio Virtual Tax Academy

Ohio | Department of Taxation

International Registrant Plan (IRP) and International Fuel Tax Agreement (IFTA), Ohio Motor Fuel Retail Shrinkage, and Trucking Industry Tax Issues

Presented By:
Della Golden and Matthew Long

IRP/IFTA Overview

- IRP and IFTA Cooperative Programs
- IRP Registration/Annual Renewal
- IFTA Registration/Quarterly Filing
- Importance of Good Recordkeeping
- Audit Changes beginning 1/1/17
- IFTA Renewal Application
- Filing quarterly IFTA returns - OBG

Motor Fuel Overview

- Electronic Filing Mandate for Ohio Motor Fuel Tax
  - Compliance and Uniformity
- Filing methods for Motor Fuel returns
  - Manual Entry vs. File Upload
- Filing Assistance
- Retail Shrinkage
  - What is retail shrinkage
  - How to report retail shrinkage
  - Applying for a shrinkage refund

Trucking Industry Tax Issues Overview

- Transportation for Hire defined
- Exemptions
  - Who Qualifies
  - What Qualifies
- Services and Products not covered by the Transportation for Hire exemption

What is IRP and IFTA?

- The International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA) are cooperative programs to collect and distribute registration fees and fuel tax revenue between member states and Canadian provinces.

IRP	IFTA
48 contiguous U.S. states District of Columbia 10 Canadian provinces	48 contiguous U.S. states 10 Canadian provinces

Basics

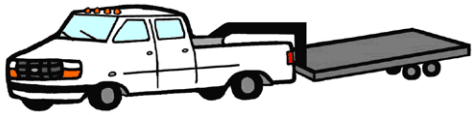
- Who Is Required to register for IRP and IFTA
  - If you operate one or more qualified motor vehicles in two or more member jurisdictions
  - A *qualified motor vehicle* means a motor vehicle, other than a recreational vehicle, that is used, designed, or maintained for transportation of persons or property.

Examples of Qualified Vehicles

Any vehicle that meet the following requirements and will be travelling outside of Ohio:

Power unit having 2 axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds.

Power unit having 3 or more axles, regardless of weight.



Power unit used in combination when weight of such combination exceeds 26,000 pounds gross vehicle weight.

Note: Prior to January 1, 2016 chartered buses were exempt from IRP registration

How does IRP and IFTA impact the trucking industry?

- The benefits to the carrier
  - One license plate and cab card (IRP)
  - One license and one set of decals (IFTA)
  - Consolidated licensing and reporting requirement through the base jurisdiction
  - One tax payment or refund
  - One audit by the base jurisdiction
  - Reduced administrative costs
  - Allows freedom of travel

Benefits to Jurisdictions

- Taxes and registration fees are collected to maintain public highways.
  - Based on operation within the borders
- Fewer Taxpayers
- Lower administrative costs
- Increased audit coverage
- Increased enforcement

IRP Registration Filed Annually

- The IRP allows the base jurisdiction to process commercial vehicle registrations and collect fees for other member jurisdictions.
  - All IRP applications and annual renewals (fee collections) are processed through the Ohio Bureau of Motor Vehicles (BMV) utilizing the Ohio Commercial Online Registration System (OHCORS). www.ohcors.com

- Total fees are determined by the percentage of actual miles that are traveled by a registrant's fleet in each member jurisdiction.

- New fleets with no actual miles will be calculated using an average per vehicle distance for each jurisdiction.

Registration Fees

- All license fees that are collected by the base jurisdiction are distributed among the affected jurisdictions according to:

    1. Percentage of distance traveled in each jurisdiction;
    2. Vehicle information, such as model year, purchase price, vehicle type; and
    3. Maximum weight.

- Registration fees are determined by the jurisdiction's legislative branch

IFTA Registration and Quarterly Returns

- IFTA licenses renewed annually
  - Valid January through December
- Renewal applications processed through the Ohio Business Gateway (OBG)
- IFTA returns filed quarterly
  - Fuel taxes are collected at the pump (Ohio tax rate is .28 cents per gallon)
  - The tax return calculates fuel taxes from the miles travelled (fuel usage)
  - Taxpayer receives credit for fuel taxes paid at the pump
  - Each jurisdiction has its own tax rate and exemptions
  - Based on the miles, fuel usage, and taxes for each jurisdiction travelled
  - Taxes are collected and remitted to the affected jurisdiction
- Quarterly returns are required to be filed through OBG
- Penalties for failing to file a report and/or remitting full payment

Interest and Information Booklet

- Interest must be calculated on all delinquent taxes due each jurisdiction.
- The current rate is .417% per month
  - Determined by the Internal Revenue Service underpayment rate
- The IFTA Information Manual contains information on:
  - Reporting (compliance)
  - Recordkeeping Requirements
  - Audit
  - Located on the Ohio Department of Taxation website www.tax.ohio.gov

Mileage and Fuel Recordkeeping

Importance of Good Recordkeeping

- Any carrier that is licensed for both IRP and IFTA is required to maintain operational records
- Recordkeeping directly affects the ease or difficulty during an audit
- Registration fees are calculated from the percentage of miles travelled
  - Records must illustrate all movement of the vehicle
- Taxes are calculated from the miles and fuel used
  - Records must illustrate all movement of the vehicle
  - Fuel purchased at the pump or bulk fuel must be verified
- Record retention
  - IRP requires records for the current and previous three (3) license years
  - IFTA requires records for four years from the due date of the return or file date whichever is later

Mileage Recordkeeping

Mileage records must be maintained for ALL movement of a qualified vehicle. And, should record the information noted below:

- Date of trip (starting and ending)
- Trip origin and destination
- Route of travel
- Beginning and ending odometer and/or hubodometer reading of the trip
- Total trip miles
- Mileage by jurisdiction
- Unit number or vehicle identification number

Monthly and/or quarterly recaps must be maintained from the above mileage records for each qualified vehicle.

Over the Road (OTR) Fuel Recordkeeping

- IFTA requires a record of the fuel purchased and used by each IFTA licensed vehicle

- Evidence of tax-paid fuel purchase is required to obtain credit on the quarterly return
  - Fuel or credit card receipts
  - NEW electronic or digital record of original receipt
  - Transaction listing generated by a third party showing fuel taxes paid

Tax-paid fuel purchase evidence must contain:

- Date of purchase
- Seller's name and address
- Quantity of fuel purchased
- Fuel type
- Price per gallon or total amount of sale
- Identification of the qualified vehicle
- Purchaser's name

- **Note: Prepaid receipts will only be accepted if the receipt has the information listed above**

Bulk Fuel Records

Bulk Fuel Recordkeeping Requirements:

- Receipts for all deliveries
- Quarterly inventory reconciliations
- Capacity of each tank
- Bulk withdrawal records for every bulk tank at each location

Note: Tax paid gallons is the amount withdrawn from the bulk tank and placed into a qualified vehicle.

Bulk metered records can be used when tax-paid fuel is withdrawn from bulk storage. The bulk metered records must show:

- Location of the bulk storage
- Date of withdrawal
- Quantity of fuel withdrawn (gallons or liters)
- Fuel type
- Identification of vehicle or equipment into which the fuel was placed
- Purchase and inventory records to substantiate that tax was paid on all bulk fuel purchases.

January 1, 2017 Changes

On January 1, 2017, IFTA will implement updated audit procedures for all jurisdictions. This may affect carriers that are deficient in their recordkeeping practices.

- Monthly or Quarterly Mileage Summaries
  - No changes to the mileage summary requirement.
    - All fleet mileage must be recorded.
    - Individual jurisdiction distance travelled for each vehicle must be recorded.
- Monthly or Quarterly Fuel Summaries
  - All fleet fuel must be recorded by fuel type, vehicle and jurisdiction.

January 1, 2017 Changes

Mileage Summary

Mileage Summary		
Vehicle 1	Jurisdiction 1	Miles
	Jurisdiction 2	Miles
Total Miles		**Total**
Vehicle 2	Jurisdiction 1	Miles
Total Miles		**Total**

Fuel Summary

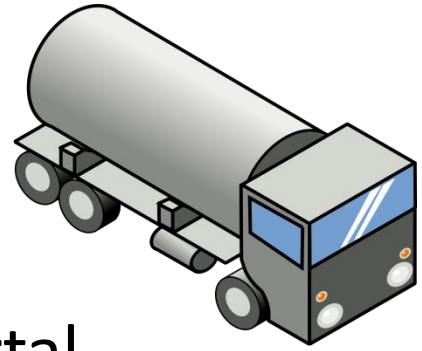
Fuel Summary		
Vehicle 1	Jurisdiction 1	Gallons
	Jurisdiction 2	Gallons
Total Gallons		**Total**
Vehicle 2	Jurisdiction 1	Gallons
Total Gallons		**Total**

Changes continued

- The non-compliance of bulk fuel records that includes delivery receipts, fuel disbursement logs, and inventory reconciliations may result in the denial of fuel credits.

- The non-compliance of mileage and fuel records that includes quarterly mileage and fuel summaries, detailed mileage and fuel records may result in an inadequate records assessment.
  - Adjusting the licensee's reported fleet MPG to 4.0 or 1.70 KPL
  - Reducing the licensee's reported MPG or KPL by twenty percent
  - Previously if the reported MPG was 4.0 the audit resulted in no changes

Electronic Filing Mandate for IFTA(International Fuel Tax Agreement) via OBG



- Effective July 1, 2015
  - O.A.C. 5703-13-07
- Compliance
  - Utilize common online filing portal
    - www.business.ohio.gov
  - Proper reporting methods
    - Minimal incomplete returns = less revocations
    - System does mathematical work on behalf of filer
  - Timely transmittal of Jurisdictional information to IFTA Inc.

IFTA(International Fuel Tax Agreement) Online Renewal via OBG

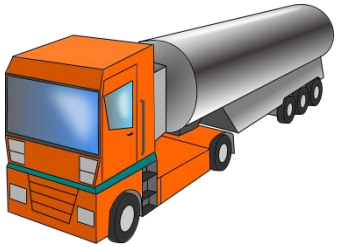
- Effective for 2016 Renewal Period
  - Filers issued Renewal Notification
  - Same web-portal used to file returns
- Advantages of Online renewal
  - Immediate IFTA Account Validation
  - Updated Contact Information
  - No Mailing Worries
  - Confirmation of Renewal Acceptance
  - Timely Decal Issuance

Electronic Filing Mandate for Motor Fuel returns

- Effective November 1, 2015
  - O.A.C. 5703-11-04
- Returns effected by mandate:
  - **MF2-Motor Fuel Dealer Return**
    - Receipts, disbursements, inventory, and transporter
  - **TO2-Terminal Operator Return**
    - Receipts, disbursements, and inventory
  - **EX2-Exporter Return**
    - Receipts and disbursements
  - **TR2-Transporter Return**
    - All schedule of deliveries

- Retail Dealers do not file motor fuel returns
  - No reporting impact

Electronic Filing Mandate for Motor Fuel returns cont.



- Compliance
  - Utilize common online filing portal
    - www.business.ohio.gov
  - Proper reporting methods
  - Minimum schedule requirements
  - Simplified cross-checking

- Uniformity
  - Align with FTA standards
  - Returns and Schedules reported in proper format

Minimum Requirements

- Minimum Schedule Requirements:
  - Available for all return types including:
    - Dealer, Exporter, Terminal Operator, and Transporter
  - Located on Taxation's website:
    - www.tax.ohio.gov
  - Breakdown of the individual schedules for each return type
    - Matrix of which data elements must be completed for return generation and acceptance
      - Electronic and Paper returns

Minimum Requirements

Motor Fuel Dealer Report-Disbursement Schedules(required fields):

	Schedule 5AD (Sales to Retail Stations in Ohio):	Schedule 5 (Fuel distributed or used in a taxable manner, not included on Schedule 5AD):	Schedule 6 (Sold without tax to other Ohio Dealers):	Schedule 7 (Exported out of Ohio):	Schedule 8 (Sold to US Government):	Schedule 10 (Sold or used for other non-taxable purposes):	Schedule 10B (Sold to propel aircraft):
Buyer Name:	X		X				
Buyer TIN(FEIN/SSN):	X		X				
Buyer ODT Account Number:	X						
Carrier Name:	X		X	X			
Carrier TIN(FEIN/SSN):	X		X	X			
Origin TCN or City & State:	X		X				
Destination TCN or City & State:	X		X	X			
Date Shipped:	X	X	X	X	X	X	X
Document Number:	X	X	X	X	X	X	X
Mode:	X	X	X	X	X	X	X
Net Gallons:							
Gross Gallons:	X	X	X	X	X	X	X
Billed Gallons:							

Motor Fuel returns filed electronically via the Ohio Business Gateway

- Manual Entry
  - Recommended method for smaller filers
  - Manually-keyed schedule details
- File Upload
  - Utilized by medium-large filers
  - Two file formats:
    - ASCII
      - Excel File Generator Tool
    - XML

Submitting a Motor Fuel Dealer Return-Manual Entry

Ohio.gov

WELCOME TO THE STATE OF OHIO

Home | MotorFuel1 | Tuesday, September 15, 2015 | Help

Ohio Motor Fuel Tax - Dealer

Motor Fuel Electronic Filing Acct

1. Select Filing Period
2. Enter Information
3. Review and File
4. Confirmation

* All fields are required

Account Number: XXXXXXXX

Filing Period End Date: 10/31/2015 mm/dd/yyyy

Type of Filing: Original / Amended

Method of Filing: Upload Files / Manual Form Entry

Cancel | Next

Tips

- Corrections to the Account Number, Filing Period or Filing Type may be made on this page.
- Files will NOT be revalidated so please ensure that any changes made on this page correctly match the information contained within the successfully validated, uploaded file(s).

Submitting a Motor Fuel Dealer Return-Manual Entry

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Ohio Motor Fuel Tax - Dealer | Motor Fuel Electronic Filing Acct

1 Select Filing Period
2 Enter Information
3 Review and File
4 Confirmation

Account Number
Filing Period Ending 10/31/2015 Original

Receipts | Disbursements | Inventory | Transporter

Select Schedule Type
- Tax Paid Receipts (1)
- Receipts from Ohio Dealers (2)
- Imports into Ohio (3)
- Production (4)

Select Product Type
- Gasoline
- Clear Diesel
- Low-Sulfur Dyed Diesel
- High-Sulfur Dyed Diesel
- Kerosene
- CNG
- LNG
- Propane
- Other

Create Schedule

Summary of Created Schedules

Schedule Type	Product Type	Gross Gallons
No created schedules		

Back | Review | Save & Exit

Tips

- When entering currency values, do not use decimals. Use whole values only.
- When entering gallon values, do not use decimals. Use only whole numbers.
- Use the Create Schedule button to create the selected Schedule Type.
- Use the Back button to return to the previous page.
- Use the Review button to proceed to the Review page. This button DOES NOT submit the return.
- Use the Save and Exit button if you want to save the data entered, but are not ready to submit your return.
- If there is no activity to report, skip to the Review page.

What You Will Need

- Total Gallonage for all Fuel Types being reported.
- All data necessary to complete Receipt Schedules (1, 2, 3, 4) that must be reported.
- All data necessary to complete Disbursement Schedules (5, 5AD, 6, 7, 8, 10, 10B) that must be reported.
- All data necessary to complete Inventory Schedules (15C) that must be reported.
- All data necessary to complete Transporter Schedules (14A, 14B, 14C) that must be reported.
- Only report the Schedules that are applicable to your return.

Submitting a Motor Fuel Dealer Return-Manual Entry

Ohio Motor Fuel Tax - Dealer

Motor Fuel Electronic Filing Acct

1. Select Filing Period
2. Enter Information
3. Review and File
4. Confirmation

Account Number

Filing Period Ending 10/31/2015 Original

Receipts Schedule : Tax Paid Receipts (1) - Clear Diesel

Add/View Record

Seller Name	OBG
Seller ID	
Carrier Name	Electronic
Carrier ID	
Origin TCN	
Origin City	Columbus
Origin State	OH
Destination TCN	
Destination City	Columbus
Destination State	OH
Mode	J-TRUCK
Document Date	mm/dd/yyyy
Document Number	
Net Gallons	
Gross Gallons	
Billed Gallons	

Save Clear

On Save, copy highlighted fields to next record

Created Records

Seller Name	Document Date	Gross Gallons		
OBG	10/01/2015	50,000	Edit	Delete

Tips

- When entering gallon values, do not use decimals. Use only whole numbers.
- Use the Save button to add the record for the selected Schedule.
- Use the Clear button to remove the data from all fields on the Schedule
- By placing a check in the box labeled "On Save, copy highlighted field to the next record" you can retain numerous data elements on the Schedule to assist in creating new records.
- Use the Save & Return to Receipts Summary button to review all the Receipt Schedules that have been created for the current return.
- Use the Save and Exit button if you want to save the data entered, but are not ready to submit your return.

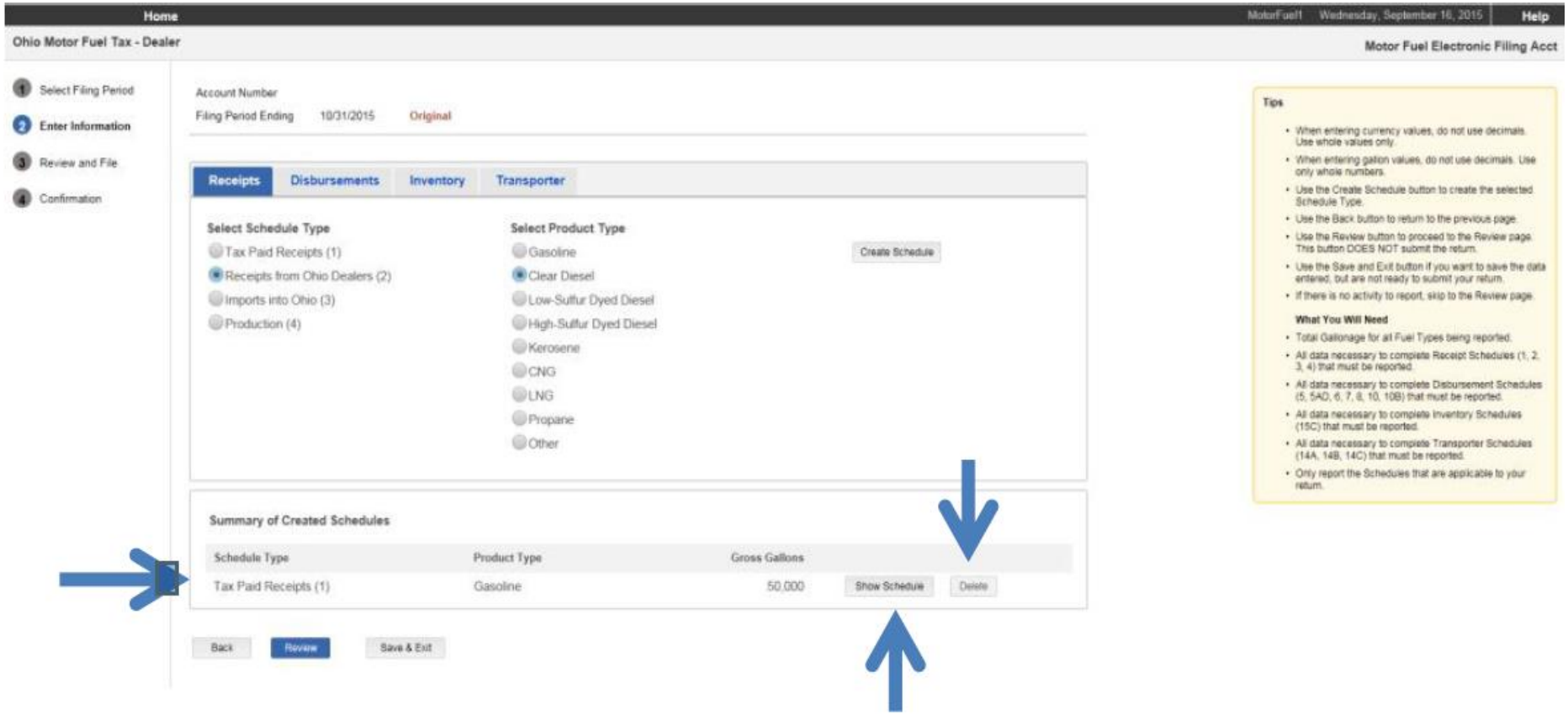
What You Will Need

- Total Gallonage for Fuel Types being reported.
- All data necessary to complete Receipt Schedules (1, 2, 3, 4) that must be reported.
- Mode type of BA-Book Adjustment is only applicable for Schedule 2 and should only be selected if reporting the blending of fuel.
- If reporting Book Adjustments, only positive values may be used.

If you close the window before clicking "Save & Return to Receipts Summary" or "Save & Exit," the created records will not be saved.

Save & Return to Receipts Summary Save & Exit

Submitting a Motor Fuel Dealer Return-Manual Entry



Submitting a Motor Fuel Dealer return- File Upload

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Ohio Motor Fuel Tax - Dealer

MF OBG Test Acct

1. Select Filing Period
2. Enter Information
3. Review and File
4. Confirmation

* All fields are required

Account Number: XXXXXXXX

Filing Period End Date: 10/31/2015 mm/dd/yyyy

Type of Filing: Original / Amended

Method of Filing: Upload Files / Manual Form Entry

Cancel | Next

Tips

- Corrections to the account number and filing period ending can be made here prior to filing the return.
- The Cancel button will return you to the previous page and no data entered will be saved.
- Use the Next button to proceed to the next page.
- Only select "Upload Files" Method of Filing if a file has been generated per specs provided by the Department of Taxation.

What You Will Need

- 8 digit account number. (New account number provided by Department of Taxation)
- End Date of the Filing Month.
- Total Gallonage for all Fuel Types being Reported.
- All data necessary to complete Receipt Schedules (1, 2, 3, 4) that must be reported.
- All data necessary to complete Disbursement Schedules (5, 5AD, 6, 7, 8, 10, 10B) that must be reported.
- All data necessary to complete Inventory Schedules (15C) that must be reported.
- All data necessary to complete Transporter Schedules (14A, 14B, 14C) that must be reported.
- Only report the Schedules that are applicable to this return.

Submitting a Motor Fuel Dealer return- File Upload

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Ohio Motor Fuel Tax - Dealer

MF OBG Test Acct

1. Select Filing Period
2. Enter Information
3. Review and File
4. Confirmation

Account Number [redacted]

Filing Period Ending 10/31/2015 Original

Upload files for validation	An email is sent when the validation process is complete	Go to Motor Fuel Incomplete Transactions to link to the next step	Check files for errors	Review the Summary	Click File to complete the process

Email Address (required)
An email will be sent to this address when the file(s) have been processed for errors:

name@abccompany.com

Click Browse to search for the file(s). Maximum upload is 4 files with a maximum of 5,120 KB (5 MB) each.

Browse

File Name	Size	Action
No files uploaded		

Cancel | Send for Processing

If you click "Cancel" or close the window before clicking "Send for Processing," the uploaded files will not be saved.

Tips

- If you have more than one file, the files must be uploaded all at the same time in the same transaction. Additional files cannot be added at a later time or date.
- File validation occurs nightly. The file(s) will be ready for the next step within 24 hours.
- Acceptable electronic filing methods are text (ASCII) and XML.
- Only text (ASCII) files (*.txt) or compressed files (*.zip) format will be accepted for upload.
- Each file uploaded cannot exceed 5,120 KB or 5 MB in size. Files larger than this must be split into two, or compressed to reduce file size.
- Compressed files (*.zip) may only contain a single file type of either *.txt or *.xml. Compressing more than one file in the same archive will cause file validation to fail.
- Use the Cancel button to cancel the upload transaction and return to the Main Menu.
- Use the Send for Processing button to submit the uploaded file(s) for validation.

Contact Us

Submitting a Motor Fuel Dealer return- File Upload

Ohio.gov

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Ohio Motor Fuel Tax - Dealer

MF OBG Test Acct

1. Select Filing Period
2. Enter Information
3. Review and File
4. Confirmation

Account Number [redacted]

Filing Period Ending 10/31/2015 Original

Upload files for validation

An email is sent when the validation process is complete

Go to Motor Fuel Incomplete Transactions to link to the next step

Check files for errors

Review the Summary

Click File to complete the process

Email Address (required)
An email will be sent to this address when the file(s) have been processed for errors:

matthew.long@tax.state.oh.us

Click Browse to search for the file(s). Maximum upload is 4 files with a maximum of 5,120 KB (5 MB) each.

Browse

File Name	Size	Action
FD min.txt	7 KB	Delete
FD inventory.txt	578 B	Delete

Cancel | Send for Processing

If you click "Cancel" or close the window before clicking "Send for Processing," the uploaded files will not be saved.

Tips

- If you have more than one file, the files must be uploaded all at the same time in the same transaction. Additional files cannot be added at a later time or date.
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- Use the Send for Processing button to submit the uploaded file(s) for validation.

Contact Us

Submitting a Motor Fuel Dealer return- File Upload

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Ohio Motor Fuel Tax - Dealer

MF OBG Test Acct

1. Select Filing Period
2. Enter Information
3. Review and File
4. Confirmation

Account Number [redacted]

Filing Period Ending 10/31/2015 Original

Upload files for validation

An email is sent when the validation process is complete

Go to Motor Fuel Incomplete Transactions to link to the next step

Check files for errors

Review the Summary

Click File to complete the process

File(s) successfully uploaded for validation.

The file(s) below were uploaded for validation on Tuesday, December 08, 2015 at 12:52 PM

File Name	Status
FD min.txt	Waiting for Processing
FD inventory.txt	Waiting for Processing

An email will be sent to this address when error validation is complete:

matthew.long@tax.state.oh.us

If the email address is incorrect, the Status column on Incomplete Transactions will update once the files have been processed.
Please check back the day after uploading to see whether the status has been updated to reflect processing.

Return to Main Menu

Tips

- If you made a mistake and need to add/delete or edit files, start a new transaction and upload the required files again.
- File validation occurs nightly.The file(s) will be ready for the next step within 24 hours.

Contact Us

Excel File Generator Tool

- File Generator Tool: Version 1
  - Excel document
  - Multiple worksheets representing the various motor fuel returns
  - All fields required for all schedules
- File Generator Tool: Version 2
  - Same look and feel as original
  - Minimum required fields for all schedules
- ASCII format vs. XML format
- Generates a valid file for upload

Excel File Generator Tool

Fuel Dealer - Schedule of Receipts & Disbursements

Enter a separate line for each receipt or disbursement

Return Type	Tax Type	Report Year/Month	Schedule Type	Product Type	Filer FEIN	Filer License	ODT Account Number	Seller's Name	Seller's FEIN
New Row Validate O (Original) A (Amendment)	Fuel Dealer - Enter 'FD'	Use format YYYY/MM (the '/' is required. Ex. 2014/07)	Receipts: 1,2,3,4 Disbursements: 5AD,5,6,7,8,10, 10B,14A,14B,14C	Use FTA Product Codes.	FEIN/SSN Do not enter dashes or spaces.	ODT issued license number Do not enter dashes or spaces.	The ODT Account Number represents the account number assigned to the Retail Dealer that has purchased fuel from the reporting company. The ODT Account Number is only required when reporting a disbursement schedule 5AD. Do not enter dashes or spaces.	On a receipt schedule, enter the name of the company that is selling the fuel to the company filing the report. On a disbursement schedule, enter the name of the company filing the report. Maximum of 35 characters	On a receipt schedule, enter the FEIN/SSN of the company that is selling the fuel to the company filing the report. On a disbursement schedule, enter the FEIN/SSN of the company filing the report. Do not enter dashes or spaces.

Instructions | Select Returns to Export | Exporter Details | Fuel Dealer Details | Fuel Dealer Inventory | Terminal Operator Details | Terminal Operator Inventory | Transporter Details

Filing Assistance

- Zipping Files
  - Only zip a single file
  - Do not zip a file for upload unless absolutely necessary
  - Do not zip a zip file
  - Do not zip a folder
  - Maximum file size: 5MB
  - Upload up to 4 total files
- Helpful Information available on Taxation's website: www.tax.ohio.gov
  - Instructions
    - Manual entry walkthroughs for all motor fuel return types
    - Manual entry video tutorials for all motor fuel return types
    - Minimal schedule requirements for all return and schedule types
  - File Upload Assistance
    - ASCII file schema and guidelines
    - XML file schema and guidelines

Retail Shrinkage

- What is Retail Shrinkage?
  - Defined by O.R.C. 5735.141
  - Refund for Ohio motor fuel taxes paid on fuel lost by a retail dealer through shrinkage and evaporation

- How is Retail Shrinkage reported?
  - Dealers report all sales to retail location on the MF2
  - Disbursement-Schedule 5AD
    - New schedule
    - Must include ODT Account Number

Retail Shrinkage cont.

Motor Fuel Dealer Report-Disbursement Schedules(required fields):

	Schedule 5AD (Sales to Retail Stations in Ohio):	Schedule 5 (Fuel distributed or used in a taxable manner, not included on Schedule 5AD):	Schedule 6 (Sold without tax to other Ohio Dealers):	Schedule 7 (Exported out of Ohio):	Schedule 8 (Sold to US Government):	Schedule 10 (Sold or used for other non-taxable purposes):	Schedule 10B (Sold to propel aircraft):
Buyer Name:	X		X				
Buyer TIN(FEIN/SSN):	X		X				
Buyer ODT Account Number:	X						
Carrier Name:	X		X	X			
Carrier TIN(FEIN/SSN):	X		X	X			
Origin TCN or City & State:	X		X				
Destination TCN or City & State:	X		X	X			
Date Shipped:	X	X	X	X	X	X	X
Document Number:	X	X	X	X	X	X	X
Mode:	X	X	X	X	X	X	X
Net Gallons:							
Gross Gallons:	X	X	X	X	X	X	X
Billed Gallons:							

Retail Shrinkage cont.

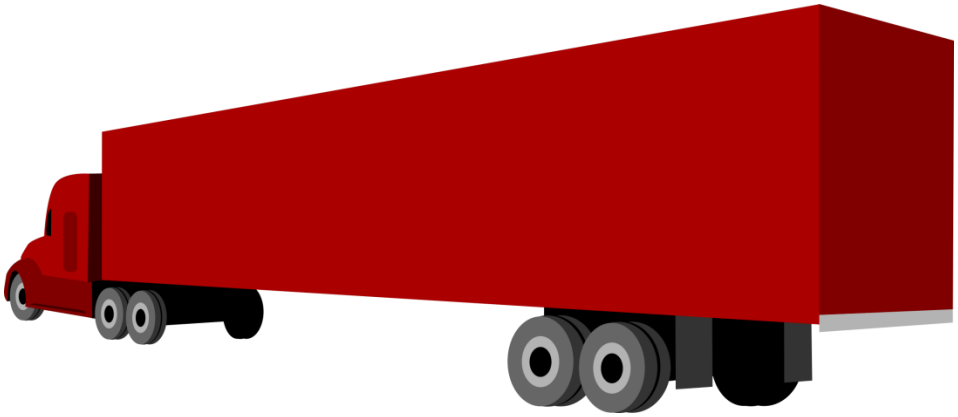
- Who is eligible for a Retail Shrinkage refund?
  - Licensed Retail Dealers are eligible to apply for shrinkage refund
- Refund letters issued Semi-Annually
  - Old method vs. new method
  - Visibility into what dealer reported on their behalf
- Claims may be submitted electronically or via paper form

What is the Highway Transportation for Hire Exemption?

- It is a statutory exemption from sales tax as prescribed in 5739.02(B)(32) for specific items used by a person engaged in “highway transportation for hire”.

What is the Highway Transportation for Hire Exemption?

- "Highway transportation for hire" means the transportation of personal property belonging to others for consideration.



Who Qualifies?

- The exemption is available to **<u>any</u>** person who leases, repairs, or maintains a motor vehicle used primarily in highway transportation for hire.

Who Qualifies?

- To be exempt, the vehicle must be **primarily** (more than 50%) used for the transportation of TPP for others for consideration.

  - ✓ During an audit, businesses must be able to provide records to substantiate the use of the truck. Records requested during an audit may include daily truck logs, delivery tickets, & invoices of hauling services.

  - ✓ Records should indicate the actual miles logged by the subject vehicle and the percentage of such miles attributable to the transportation of personal property for hire.

What Purchases Qualify for Exemption?

The sale, lease, repair, and maintenance of, parts for, or items **attached to** or incorporated in, motor vehicles.

The exemption covers:

- ✓ Titled motor vehicles, including trailers;
- ✓ Items actually attached to the exempt vehicle, including repair parts, tarps, radios, computers, signs, placards, reflectors, etc.;
- ✓ Oil, lubricants, and similar things incorporated into the vehicle;
- ✓ Services (labor) to repair or mechanically maintain the motor vehicle; and
- ✓ Cleaning of tank trailers between loads.

What Purchases do NOT Qualify for Exemption?

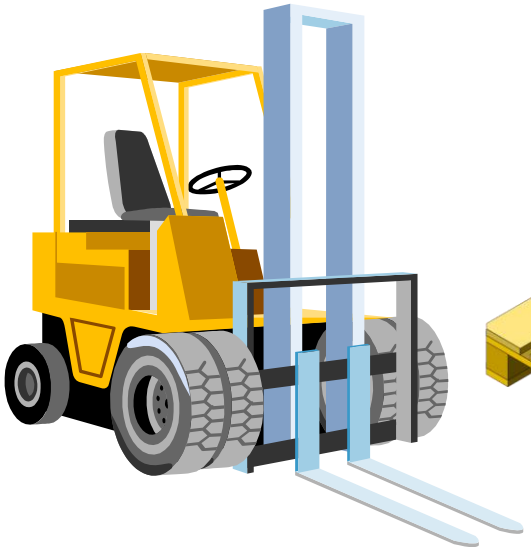
The exemption **does not** cover:

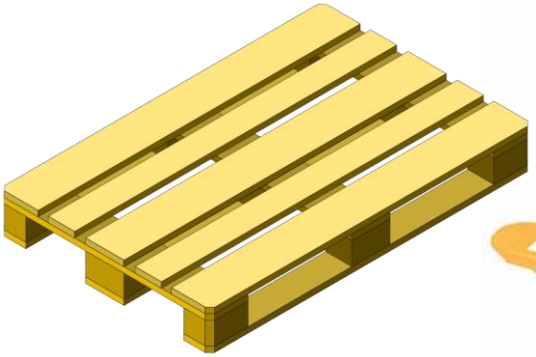
- ✓ Motor vehicle fuel that is used in a nontaxable manner;
- ✓ Washing the interior or exterior of the vehicle (except tank trailers);
- ✓ Log books and other items used by the driver but not physically part of the vehicle;
- ✓ Motor vehicles, such as company cars or repair trucks;
- ✓ Terminal equipment, such as conveyors and hand trucks;
- ✓ Repair or maintenance shop tools and equipment;
- ✓ Office equipment, computers, building supplies or anything else that is not part of the motor vehicle.

What Purchases do NOT Qualify for Exemption? (cont'd)

The exemption **does not** cover:

- ✓ Packaging materials such as pallets, dunnage, stretch film, bubble wrap, box tape, etc.





What Purchases do NOT Qualify for Exemption? (cont'd)

The exemption **does not** cover:

- ✓ Towing services
- ✓ Snow removal
- ✓ Fuel purchased for off-road use (dyed diesel fuel)
- ✓ Logistical software

Additional information available on the "Highway transportation for hire" exemption

Information Release ST 1992-05 – Highway Transportation for Hire

- http://www.tax.ohio.gov/communications/information_releases.aspx

Questions?

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