pennsylvania
DEPARTMENT OF REVENUE

INFORMATION CONCERNING MOTOR CARRIERS ROAD TAX AND INTERNATIONAL FUEL TAX AGREEMENT

NATURE OF TAX:

The motor carriers road tax (MCRT) requires the payment of a tax equivalent to the rate per gallon multiplied by the amount of fuel used on PA highways. Credit is given for tax paid on fuel purchases in Pennsylvania. The tax rate and credit is equal to the PA motor fuel tax rate currently in effect.

INTERNATIONAL FUEL TAX AGREEMENT (IFTA):

Pennsylvania implemented the provisions of IFTA on Jan. 1, 1996. This resulted in two significant changes:

(1) A vehicle subject to MCRT and IFTA is a qualified motor vehicle which is one designed, used or maintained for the transportation of persons or property which is:

A. a power unit with two axles and a gross or registered gross weight greater than 26,000 pounds;

B. a power unit with three or more axles regardless of weight; or

C. a combination where the declared combination weight exceeds 26,000 pounds, or where the vehicles used in combination (truck and trailer) exceeds 26,000 pounds.

The definition does not include a recreational vehicle that is a camper, a pickup truck with an attached camper, or a bus used exclusively for personal pleasure and not in conjunction with any business enterprise.

(2) Carriers will operate under a "base state" (jurisdiction) concept for tax registration and reporting purposes. This means that a PA carrier operating a qualifying vehicle in Pennsylvania and another IFTA jurisdiction will obtain its decal(s) and credentials from Pennsylvania to operate in **all** IFTA jurisdictions, and the carrier will report to Pennsylvania road taxes due all IFTA jurisdictions. Pennsylvania, in-turn, is responsible for sending the taxes due to other IFTA jurisdictions to them. This benefits the carrier since the amount due is the net tax due or credit due all IFTA jurisdictions. Also, only one set of decals, from the carrier's base state, is required to operate in any IFTA jurisdiction. As of Jan. 1, 2000, the District of Columbia, Northwest Territories and the Yukon Territory are the only jurisdictions not participating in IFTA.

MOTOR CARRIER ROAD TAX AND IFTA CREDENTIALS:

A. Every qualified motor vehicle will be issued two decals. Decals must be displayed on the passenger and driver's sides of the power unit. IFTA decals are issued for IFTA operations as described above. PA MCRT decals are issued to Pennsylvania based vehicles that travel exclusively in Pennsylvania.

B. Vehicles subject to IFTA (those based in Pennsylvania and operating in Pennsylvania and any other IFTA jurisdiction) must carry an IFTA license or a legible photocopy of the license in each such vehicle.

C. Pennsylvania-based vehicles that do not operate outside of Pennsylvania will be required to carry PA-MCRT credentials card in each vehicle.

D. The fee for each set of decals (2 per unit) is $5. All PA-MCRT and IFTA credentials, are issued on a calendar year basis, from Jan. 1 to Dec. 31.

Anyone operating a qualified motor vehicle as described above, unless exempted (see exemptions), is a motor carrier.

Carriers purchasing IFTA credentials must file quarterly IFTA Fuel Use Tax reports (IFTA-100) along with applicable IFTA Quarterly Fuel Use Tax schedules (IFTA-101) which must be filed for each fuel type used in operating qualified motor vehicles.

Effective Oct. 1, 1997, carriers purchasing PA MCRT credentials will no longer need to file quarterly reports. Instead, such carriers will report exclusive PA operations on their yearly renewal application.

Carriers must renew their accounts annually for the ensuing license year.

ENFORCEMENT:

The Pennsylvania State Police, local municipal forces, employees of the PA Department of Revenue, the PA Department of Transportation, and the PA Public Utility Commission, qualified in accordance with Section 6117 of the PA Vehicle Code, are enforcing the decal provisions of PA-MCRT and IFTA. The law requires the display of decals as described above. To avoid prosecution, display decals on all applicable vehicles. Failure to comply with these provisions may, upon summary conviction, result in a fine of up to $500 and/or imprisonment for 90 days or both. A carrier also could be required to purchase a trip permit.

Bureau of Motor and Alternative Fuel Taxes
PO Box 280646 l Hbg, PA 17128-0646 l 800.482.4382 l www.revenue.state.pa.us

EXEMPTIONS:

Exemption from Motor Carriers Road Tax and Decal/Cab Card Requirements (IFTA):

1. **Exempt Operating Entities.** The following entities operating qualified motor vehicles are exempt from PA-MCRT/IFTA road taxes for any travel within this Commonwealth Additionally, such entities are not required to carry PA-MCRT credentials if they travel exclusively in PA:
    - U.S. Government
    - Commonwealth of Pennsylvania and its political subdivisions
    - Other states and their political subdivisions
    - Provincial governments and territories of Canada
    - Any motor carrier who first obtains authorization from the PA State Police to operate a specific qualified motor vehicle in Pennsylvania for emergency repairs. The exemption is limited to trip and return trip only.
    - PA rural electric cooperatives
    - Volunteer fire companies
    - Volunteer ambulance associations
    - Volunteer rescue squads
    - Non-profit non-public schools (K-12)
    - An unladen or towed motor vehicle or unladen trailer which enters this Commonwealth solely for the purpose of securing repairs or reconditioning. The repair facility shall furnish to the motor carrier a certificate to be carried by the vehicle operator while the vehicle is in Pennsylvania.
2. **Regarding out-of-state travel requirements.** Any carrier that operates a qualified motor vehicle in a state outside of Pennsylvania may be required by the laws of such state to pay such state's motor carriers road tax. In such cases, all taxes will be reported and paid to Pennsylvania as its base state under IFTA, and such qualified motor vehicles will be required to obtain a PA IFTA decal and IFTA license before operating in the other state.

GENERAL INFORMATION

If you are required to register under PA-MCRT/IFTA and purchase decals, they will be mailed to you as soon as your application is processed. Thereafter, you are required to report quarterly, even if no operations are conducted.

RECORDS: Carriers are required to maintain the following records for four years:

A. Mileage for each vehicle by jurisdiction

B. Fuel purchases for each vehicle by jurisdiction

C. Equipment lists of all qualifying vehicles

NOTE: In addition to maintaining original fuel and mileage documentation, carriers are encouraged to document each trip utilizing trip sheets or an Individual Vehicle Mileage Record (IFTA-300).

CALCULATION OF FUEL USED:

The amount of fuel consumed in Pennsylvania or any other IFTA jurisdiction shall be equal to the taxable miles traveled in each jurisdiction divided by the fleet miles per gallon. Miles traveled in PA by exempt entities listed above are considered non taxable miles and should not be included in "PA Taxable Miles" on the IFTA Quarterly Fuel Tax Schedule (IFTA-101).

TRIP AND TEMPORARY PERMITS:

Trip permits - Any motor carrier in lieu of purchasing decals for motor carriers road tax or IFTA may purchase a trip permit which shall be valid for a period of five days at a cost of $50. Operations conducted under a trip permit need not be reported.

Temporary permits - Any IFTA licensee in good standing with the PA Department of Revenue may request a temporary permit from the Bureau of Motor and Alternative Fuel Taxes to operate a qualifying vehicle for a 30-day period without IFTA decals. Conditions under which a temporary permit will be issued are:

A. Decals were previously requested for additional vehicles and not received by the time the IFTA licensee was required to operate; or

B. The IFTA licensee is presently applying for additional decals and must operate immediately.

In the case of (A) and (B) above, the Bureau of Motor and Alternative Fuel Taxes will provide the IFTA licensee, for a fee of $5 per vehicle, with a facsimile transmission identifying the vehicles and the 30-day period for which temporary operating privileges are being granted. The carrier must carry the temporary permit in each such vehicle operated. Also, the carrier must include such operations in its quarterly report.