

October 4, 2017

Presentation to the Commercial Vehicle Annual Registration Fee Committee  
2017 Interim Committee

1. The audit process.

Idaho Code §49-439 (HB 434, 2004) authorizes the State Tax Commission to audit IRP and Full Fee registrants. Idaho Code §63-105 authorizes the Commission to make rules to administer the audits. The Commission adopted recordkeeping requirements in Motor Fuel Tax Rules 421 and 422 (IDAPA 35.01.05.421 and 422) for IRP and Full Fee audits, respectively.

IRP registrants are required to “comply with the conditions of the IRP agreement” (§49-435(1), Idaho Code). The IRP Plan regulates IRP audit procedures and the Peer Review Committee ensures each jurisdiction’s audit procedure follows the national standards. Motor Fuel Tax Rule 004 (IDAPA 35.01.05.004) incorporates the Plan by reference. The Plan requires IRP registrants to maintain detailed records by trip, with summaries by jurisdiction and vehicle. An inadequate records assessment may apply if adequate records aren’t maintained.

Full Fee audits are regulated by §49-434(9)(c), Idaho Code, and Rule 422. Only vehicles weighing over 60,000 lbs. GVW and registered for 50,000 miles or less may be audited. No audit is required for vehicles registered over 50,000 miles since they are paying the highest rate. Rule 422 provides examples of records to help the registrant verify the application miles reported. The Commission’s policy is to increase the fees to the next highest tier for inadequate records.

IRP audits determine if the registrant is complying with IRP and Full Fee audits verify the registrant correctly reported miles on their application. When auditors find errors, they provide education on the recordkeeping requirements.

2. Audit results.

From 2009-2016, the Commission completed 974 IRP audits (averaging 122 annually) and 989 Full Fee audits (averaging 124 annually). The net audit billings from 2009-2016 was \$337,280 IRP (yearly average of \$42,160) and \$615,652 FF (yearly average of \$76,956). The net Full Fee audit billing for the current year is \$43,727. Eighty-three percent of the audits didn’t require fee changes. Fees for 13% were increased and 4% were decreased. The net IRP audit billings for the current year is \$30,580.