

**Illinois Department of Revenue
Regulations**

Title 86 Part 500 Section 500.345 Records Requirements

TITLE 86: REVENUE

**PART 500
MOTOR FUEL TAX**

Section 500.345 Records Requirements

- a) Each licensee shall maintain records to substantiate information reported on the quarterly tax report. Records shall be preserved for a period of four years from the due date of the return or the date filed, whichever is later. Records may be kept on microfilm, microfiche, or other computerized or condensed record storage system. Such records, for IFTA licensees, shall be made available upon request of any member jurisdiction.
- b) Non-compliance with any recordkeeping requirement may be cause for revocation of the license.
- c) Failure to provide records demanded for the purpose of audit extends the statute of limitations until the records are provided. Successive failures to adequately respond to a demand for records relate back to the first demand.
- d) Bulk storage fuel purchases and withdrawals and over-the-road purchases are to be accounted for separately.
- e) Fuel records shall contain the following items:
 - 1) the date of each receipt of fuel;
 - 2) the name and address of the person from whom purchased or received;
 - 3) the number of gallons received;
 - 4) the type of fuel; and
 - 5) the vehicle or equipment into which the fuel was placed.
- f) All licensees shall, in addition, maintain detailed distance records which show operations on an individual-vehicle basis. Such records shall contain but not be limited to:
 - 1) both taxable and non-taxable usage of fuel;
 - 2) distance traveled for taxable and non-taxable use; and
 - 3) distance recaps for each vehicle for each jurisdiction in which the vehicle operated.

The Individual Vehicle Mileage Record (IVMR) required by the International Registration Plan is an acceptable source document for recording vehicle distance information. Another acceptable source document is a trip report which includes the information in subsection (f)(1)-(3), as well as the date of trip (starting and ending), trip origin and destination (including city and state), routes of travel, beginning and ending odometer readings, vehicle unit number, vehicle fleet number and licensee's name.

- g) On-Board Recording Devices. On-board recording devices may (at the option of the carrier) be used in lieu of or in addition to handwritten trip reports for fuel tax reporting. On-board recording devices may be used alone or in conjunction with an electronic computer system, or in conjunction with manual systems.
- 1) All recording devices used to generate trip reports or used in conjunction with manual systems must meet the requirements shown in subsections (g)(3) and (4) below. When the on-board recording device is used in conjunction with an electronic computer system and reports are prepared on the basis of data downloaded from the recording device, the overall system must meet the requirements of subsections (g)(4), (5) and (7).
 - 2) Use of On-Board Recording Device Only. When the device is to be used alone, printed reports must be produced which replace the handwritten trip reports. The printed trip reports shall be retained for audit. Vehicle and fleet summaries which show miles and kilometers by jurisdiction must then be prepared manually.
 - 3) Use of On-Board Recording Device in Conjunction with Electronic Computer System. When the computer system is designed to produce printed trip reports, vehicle and fleet summaries which show miles and kilometers by jurisdiction must also be prepared. When the printed trip reports will not be retained for audit, the system must have the capability of producing, upon request, the reports indicated in subsection (g)(7).
 - 4) Minimum Device Requirements. Minimum device requirements include the following:
 - A) The carrier must obtain a certificate from the manufacturer certifying that the design of the on-board recording device has been sufficiently tested to meet the requirements of this provision.
 - B) The on-board recording device and associated support systems must be, to the maximum extent practicable, tamper proof and must not permit altering of the information collected. Editing of copies of the original information collected will be allowed, but all editing must be identified and both the edited and original data must be recorded and retained.
 - C) The on-board recording device shall warn the driver visually and/or audibly that the device has ceased to function.
 - D) The device must time and date stamp all data recorded.

- E) The device must not allow data to be overwritten before the data has been extracted. The device shall warn the driver visually and/or audibly that the device's memory is full and can no longer record data.
 - F) The device must automatically update a life-to-date odometer when the vehicle is placed in motion or the operator must enter the current vehicle odometer reading when the on-board recording device is connected to the vehicle.
 - G) The device must provide a method for the driver to confirm that the entered data is correct (e.g., a visual display of the entered data that can be reviewed and edited by the driver before the data is finally stored).
- 5) Data collection. To obtain the information needed to verify fleet distance, to prepare the "Individual Vehicle Distance Record(s)" (IVDR), and for fuel tax purposes, the device must collect the following data on each trip:
- A) date of trip (starting and ending);
 - B) trip origin and destination (location code is acceptable);
 - C) routes of travel;
 - D) beginning and ending odometer or hubodometer reading of the trip;
 - E) total trip distance;
 - F) distance by jurisdiction;
 - G) power unit number or vehicle identification number;
 - H) vehicle fleet number;
 - I) registrant's name;
 - J) driver ID or name;
 - K) intermediate trip stops;
 - L) date of purchase;
 - M) seller's name and address (vendor code acceptable);
 - N) number of gallons purchased;
 - O) fuel type (may be referenced from vehicle file);
 - P) price per gallon or total amount of sale (required only for purchases from vendors);
 - Q) unit numbers; and
 - R) purchaser's name (in the case of lessee/lessor agreement, receipts will be accepted in either name, provided a legal connection can be made to reporting party).
- 6) For purposes of bulk fuel tax, the device must collect, in addition to the items in subsection (g)(5)(A)-(R), the following data:
- A) date of withdrawal;
 - B) number of gallons;
 - C) fuel type;
 - D) unit number; and
 - E) purchase and inventory records to substantiate that tax was paid on all bulk purchases.

- 7) **Capability of System to Produce Reports.** Generally speaking, the reports referred to in this subsection are not prepared by the on-board recording device. Instead, these reports are prepared using an electronic computer system which accepts data from the on-board recording device. The system must be able to produce the following reports:
- A) For each trip, an Individual Vehicle Distance Record (IVDR) report that includes the information required in subsection (g)(5) (Note: this report may be more than one page);
 - B) A report that indicates when the on-board recording device was last calibrated and the calibration method used;
 - C) An exception report(s) that identifies all edited data, omissions of required data (see subsection (g)(5)), system failures, noncontinuous life-to-date odometer readings, travel to noncontiguous states, and trips where the location of the beginning trip is not the location of the previous trip;
 - D) A monthly, quarterly, and annual summary of vehicle trips by vehicle number showing miles or kilometers by jurisdiction;
 - E) Monthly, quarterly, and annual trip summaries by fleet showing the number of miles or kilometers by jurisdictions.
- 8) **Carrier Responsibilities.** All carriers must observe the following requirements:
- A) It is the carrier's responsibility to recalibrate the on-board recording device when tire size changes, the vehicle drive-train is modified, or any modifications are made to the vehicle which affect the accuracy of the on-board recording device. The device must be maintained and recalibrated in accordance with the manufacturer's specifications. A record of recalibrations must be retained for the audit retention period.
 - B) It is the carrier's responsibility to assure its drivers are trained in the use of the computer system. Drivers shall be required to note any failure of the on-board recording device and to prepare manual trip reports of all subsequent trip information until the device is again operational.
 - C) It is the carrier's responsibility to maintain a second copy (back-up copy) of the electronic files either electronically or in paper form for the audit retention period.
 - D) It is the carrier's responsibility to assure the entire record-keeping system meets the requirements of the Department. It is suggested that the carrier contact the Department's audit division for verification of audit compliance prior to implementation.

(Source: Amended at 22 Ill. Reg. 14917, effective August 3, 1998)