

## CHAPTER 10

### RECORD KEEPING REQUIREMENTS

#### A. Mileage Records

It is the licensee's responsibility to maintain records of all inter-jurisdictional and intrastate operations of qualified motor vehicles. The licensee's records must support the information reported on the quarterly tax return. The Individual Vehicle Mileage Report (IVMR), as required for the International Registration Plan (IRP), is an acceptable source document for recording vehicle distance information.

Mileage must be kept by fuel type. Another acceptable source document is a trip report, which must include:

- date of trip (starting and ending);
- trip origin and destination (including city and state);
- routes of travel;
- beginning and ending odometer readings;
- total trip miles or kilometers;
- mileage by jurisdiction;
- vehicle division number;
- vehicle fleet number; and
- licensee's name.

#### B. Fuel Receipts

The licensee must maintain complete records of all fuel purchases. Separate totals must be compiled for each fuel type and reported separately on your quarterly tax return. Fuel types include diesel, gasoline, gasohol, liquefied petroleum gas (LPG), compressed natural gas (CNG/LNG), and others including some combinations of the various types. The fuel record must contain:

- the date of purchase;
- the name and address of the seller;
- the number of gallons purchased;
- the type of fuel purchased;
- the price per gallon or liter, or total amount of sale;
- the unit number of the vehicle into which the fuel was placed; and
- the purchaser's name (in the case of a lessee/lessor agreement, receipts will be accepted in either name, provided a legal connection can be made to the reporting party).

Acceptable fuel receipts include an invoice, a credit card receipt, automated vendor generated invoice or transaction listing, or verifiable microfilm/microfiche. Receipts that contain alterations or erasures will not be accepted.

**Prepaid receipts of any type will not be recognized for any fuel purchase for vehicle use or refund requests.**

#### C. Bulk Fuel Storage

A licensee who maintains a bulk motor fuel storage facility may obtain credit for tax paid on fuel withdrawn from that storage facility if the following records are maintained:

- date of withdrawal;
- number of gallons or liters withdrawn;
- fuel type;
- unit number of the vehicle into which the fuel was placed; and

- ❑ purchase and inventory records to substantiate that tax was paid on all taxable fuel disbursements.

**D. Record Retention Period**

Adequate record keeping is vital for documenting your compliance and your claim for a refund or credit for tax-paid fuel. Every licensee must maintain records to substantiate information reported on the quarterly tax return. **These records must be maintained for a period of four (4) years from the due date of the return or the date that the return was filed, whichever is later.** Records must be made available upon request by any member jurisdiction. Failure to provide records demanded for the purpose of audit extends the statute of limitations until the records are provided.

**E. Penalty for Failure to Maintain Records**

Licensees shall retain the previously described records for a period of four (4) years from the date of filing the quarterly tax return. Non-compliance with any record keeping requirement may be cause for revoking the license and the Comptroller may impose a penalty of 100% of the amount of tax due based on an assessment calculated on the best information available to the Comptroller.

**F. Location of Records**

A licensee's records should be maintained at a location in Maryland. If these records are not maintained in Maryland or are not made available in Maryland, the auditor's travel expenses will be billed to the licensee when the audit is completed.