
CHAPTER 11

AUDITS

An IFTA audit verifies fuel and mileage data reported on the IFTA quarterly tax reports. The Comptroller will audit IFTA licensees on behalf of all member jurisdictions.

A. Audit Selection

The Comptroller will audit at least 15% of its IFTA licensees at least once every five (5) years. Any Maryland IFTA licensee may be selected for audit. Automated audit selection ensures random selection of audit candidates but at least 15% of each jurisdiction's audit requirement must be low mileage accounts and at least 25% must be high mileage accounts.

B. Notification of Audit Date

Before conducting an IFTA audit, an auditor will contact the licensee by telephone and /or letter to arrange a date. The auditor will state the time period to be audited and the records to be reviewed. The auditor will send a letter confirming the audit date, time periods to be audited and record requirements. When operational records are not located or are not made available in Maryland, the auditor's travel expenses will be billed to the licensee when the audit is completed.

C. Audit Conferences

At the beginning of the audit, the auditor will confer with the licensee to determine background information, reporting methods and records to be reviewed. As the audit progresses, the auditor and the licensee will discuss the sample periods, sampling techniques and any problem areas. A final conference will be held with the licensee to explain audit findings and future reporting practices.

D. Audit Results

The licensee will receive a written audit schedule of differences with recommendations and instructions from the auditor when the audit is complete. An audit assessment notice will be sent to the licensee after the written copy of the audit is processed. The licensee has thirty (30) days from receipt of the assessment to remit payment or file an appeal. A refund, if applicable, will be issued after any outstanding tax liabilities have been satisfied.

The Comptroller will submit audit reports to all member jurisdictions. The licensee may be subject to a re-examination of the audit findings by any member jurisdiction.

A member jurisdiction may re-audit a licensee, at its own expense, after notifying the base jurisdiction and the licensee of reasonable cause for the re-audit.