



# FLEET TAX 101

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Vehicle Taxes

P-A-Y-G or Annual

The Hidden Cost of Single Trip Permits

# Sandy Johnson . Fleet Tax Pro-fessor



# My car . 2003 Mazda Protégé 5



# What the mechanic saysõ



%You need an oil change, an engine flush, new shocks, new struts, etc. etc. etc.+



# What I actually hearõ



%Blah blah blah blah, blah blah blah blahõ

# Frustrated?



# What the fleet tax people say



You'll need IFTA and IRP, your FMCSA and your NSC to start. Then you have to keep track of distance and fuel etc. +

# What you hearõ



% Blah blah blah blah, blah blah blah blahõ



# Frustrated?



# Understand the fundamentals



*Okay!  
Now I get it!*

# Who can benefit?

- ” Fleet owners and managers
- ” Fleet Drivers and Fleet administrators
- ” Fleet Service Providers
- ” Fleet Tax Government departments



# When you understand



*Okay!  
Now I get it!*



# You can avoid this



## And reap the benefits

1. Minimize tax payable
2. Decrease risk on audit
3. Optimize fleet and routes of travel
4. Make better corporate/company decisions



# Stay with meõ



Pay attention!





# VEHICLE TAXES

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Two things in life you can count on



and



# Vehicle Taxes

” Collected in various ways

- License fees
- Fuel Tax
- Sales Tax
- Other taxes



# PAYING THE TAX

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1. Payment
2. Management



**P-A-Y-G**  
  
**or**  
  
**ANNUAL**



## P-A-Y-G

- “ Single trip permits

## ANNUAL

- “ IFTA (fuel tax)
- “ IRP (prorate)

# MAKING THE CHOICE

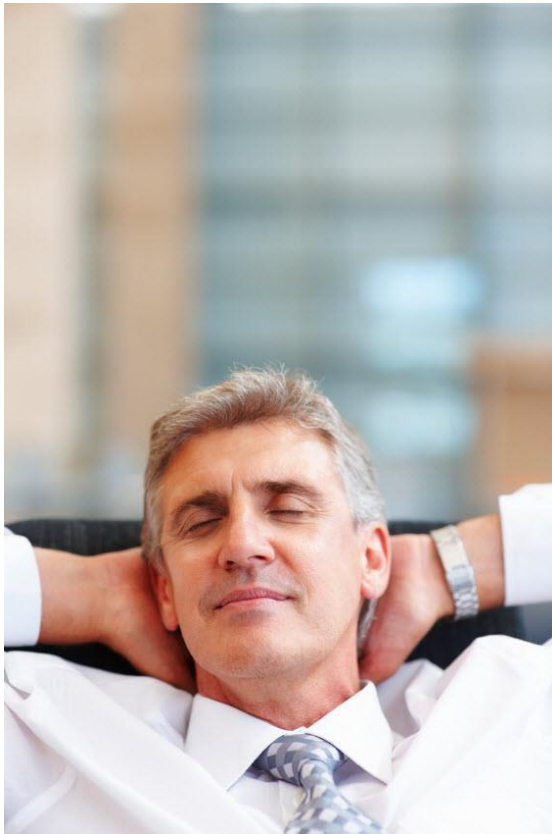
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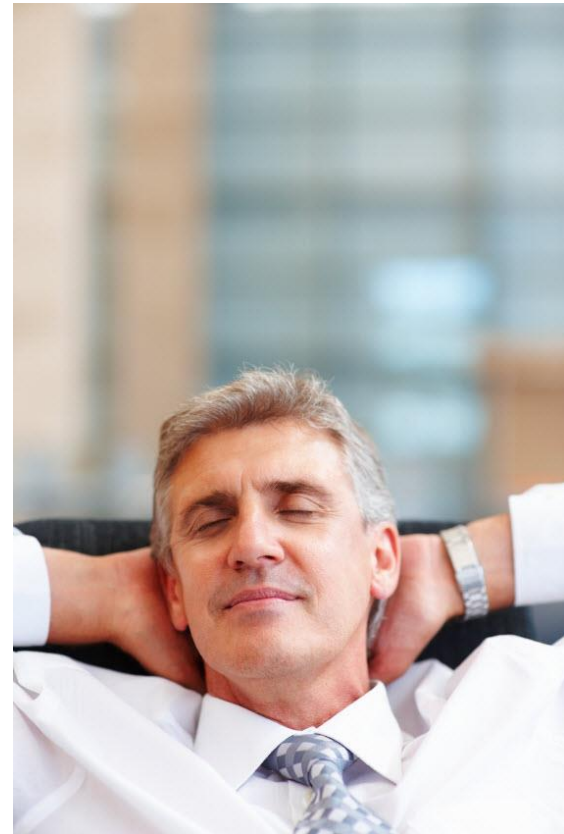


# Know the rulesõ

P-A-Y-G



ANNUAL



# Don't know the rules

P-A-Y-G



ANNUAL



## P-A-Y-G

- “ Infrequent travel outside of your home jurisdiction
- “ Deal directly with EACH jurisdiction where you travel

## ANNUAL

- “ Regularly travel outside of your home jurisdiction
- “ Deal with your home jurisdiction

# Influencing factors

“ You may not know what you don't know

- . May not have a choice
- . Area of operation
- . Sales tax
- . Sales tax exemptions
- . Trailing equipment
- . Titling requirements

# Benefits to annual vs temporary

” Register for IFTA and/or IRP

- Pay only for what you use
- Net your fuel tax = possible savings
- No surprises
- Fleet flexibility
- Calculate daily rate of licensing and sales tax for chargeback to customers.



# Recordkeeping

P-A-Y-G

"Nope

ANNUAL

**TRIP RECORD**

File by: \_\_\_\_\_  
 Unit No. 001  
 Trailer No. 1001

TRUCKING COMPANY NAME: \_\_\_\_\_

ORIGINS & DESTINATIONS				TRIP DATES (MM/DD/YY)	
ORIGIN OUT	Portland, OR			START DATE	07/01/01
DESTINATION OUT	Reno, NV			END DATE	07/03/01
PICK-UP 1 BACK	Sacramento, CA			ODOMETER READINGS	
PICK-UP 2 BACK				END OF TRIP	101,281
FINAL DESTINATION	Portland, OR			START OF TRIP	100,000
Check here if permits enclosed <input type="checkbox"/>				TOTAL TRIP DISTANCE	1,281
				DRIVER'S NAME	

YR	2001	STATE OR PROV.	HIGHWAYS TRAVELLED	ODOMETER WHEN LEAVING ST. PROV.	KILOMETRES		MILES	
					LOADED	EMPTY	LOADED	EMPTY
1	July 1	OR	I5	100,301			301	
2		CA	CA 36	100,555			254	
3		NV	I80	100,572			17	
4		NV	I80	100,585			13	
5		CA	CA 160, 16	100,981			396	
6		OR	I5	101,281			300	
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
				<b>TOTALS</b>			1281	

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# In-house or Outsource?

- “ Depends on resources and knowledge
- “ Time can be a factor
- “ Outsource services can often save you time and money by doing it right the first time

# SUMMARY

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# Summary

Understanding the fundamentals will help you:

1. Minimize tax payable
2. Decrease risk on audit
3. Optimize fleet and routes of travel
4. Make better corporate/company decisions
5. Decide if you will manage in-house or outsource

IFTA and IRP often present excellent cost savings for about 85% of vehicles.

# Better thisõ





# Than thisõ



# ROADMAP TO NEXT STEPS

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# Roadmap to Next Steps

” Learn what is best for you:

- temporary permitting vs annual licensing

” Decide if you:

- want to manage in-house or outsource to a fleet tax professional

” Want to know more?

Call me  
1-877-860-8025





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