

Guide to Completing the IFTA Quarterly Return



Latest Revision: *The revision bar (|) identifies changes to the previous version of this manual dated November 2017. For a summary of the changes, see Latest Revision at the end of this document.*

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General Instructions

This guide provides information to help IFTA carriers complete their quarterly returns.

The IFTA quarterly return requires complex calculations and knowledge of changing tax rates in jurisdictions. When you complete the electronic version of this return, the calculations are done for you and the tax rates for all jurisdictions are automatically updated. Electronic versions of this return are available when you:

- [use eTaxBC](#) to file and pay your return, or
- use the *International Fuel Tax Agreement (IFTA) Quarterly Tax Return* (FIN 360) found on our [website](#) listed under Tax Returns.

The instructions in this guide are specific to the *International Fuel Tax Agreement (IFTA) Quarterly Tax Return* (FIN 360) listed on our website. However, information about Jurisdiction Codes, Fuel Type Codes, Fuel Conversions and Dual Fuel Vehicles are also applicable to returns filed using eTaxBC.

The following information helps you complete the FIN 360 return:

- Use with Acrobat Reader version 9.0 or higher. If you need to download a higher version of Acrobat Reader go to: www.adobe.com
- Have your return voucher available. You need information provided on your return voucher to complete this return. We mail this to you approximately 45 days before your next quarterly tax return is due.
- View pop-up messages that contain helpful instructions by using your mouse to move your cursor over the shaded sections on the return.
- After you enter all required information, click the **Calculate Return** button on the bottom left of the first page of the return to automatically populate jurisdictional tax rates and calculate tax amounts. Depending on the number of jurisdictions you travelled in, this can take between 15 and 50 seconds.
- If you need to make changes to the return, enter the changes in the applicable shaded sections and click the **Calculate Return** button at the bottom of the page.
- To clear all data in a specific jurisdiction line, click the grey box (**reset button**) located to the left of **column 4**.
- To clear the entire return of all data you have entered, click the **Reset Form** button at the bottom of the page.
- A **Print Return** button will appear after your return is calculated. Make sure you complete the **Amount Enclosed** section located under **Part 2 Fuel Activity - Section 3**, before you print the return.
- You can save the return and tax rates for different quarters to your computer if you choose to work off-line. However, please remember to download and resave the return for each new quarter so the new tax rates are available.

Detailed Return Instructions

Part 1 – Business Information

Full Legal Name

Enter the full legal name of the business. If your legal name has changed, update your account using eTaxBC or send an e-mail to FuelTax@gov.bc.ca If you are incorporated, attach the new certificate of incorporation showing the new legal name.

Mailing Address

Enter the mailing address of the business. If your mailing address has changed, update your account using eTaxBC or send an email to FuelTax@gov.bc.ca

Return Due Date

This automatically populates based on the Remittance Period.

Remittance Period

The current quarter will automatically appear. To select an earlier quarter, make a selection from the drop-down list. Please note that tax rates change in many jurisdictions each quarter.

Tax Account Number

Enter your BC IFTA Carrier Account Number (starts with BC300).

Media Number

Enter the media number for this return. You will find this on the return voucher we mailed to you. The media number is unique to each quarterly return and each carrier and helps us identify the specific carrier, account, and reporting period.

Part 2 – Fuel Activity

Section 1 (Shaded Applicable Boxes)

Amended Return

Select this box if you are correcting a previously submitted return. You must also select the correct **Remittance Period** from the tax return drop-down list to get the correct tax rates for the tax return you are amending.

No Travel Outside of BC

If there was no travel outside of BC you are still required to submit a quarterly return. Select this box and then complete and sign the Certification Section at the bottom of page 1 of the return. You do not have to complete the travel and fuel purchases sections of this return.

Cancel IFTA Licence

Select this box to cancel your licence. Enter a cancellation effective date (last day travelled) and attach your IFTA licence and any unused decals to your tax return as part of your submission. An additional quarterly return may be required if the cancellation date falls within the current quarter.

Section 2 (Fuel Consumption Rates)

You cannot enter any data into this area. Data automatically populates from Columns 4, 5, 6, 7, and 9 when you click on the **Calculate Return** button at the bottom of page 1 of the return.

Columns 4, 5, 6, 7, 8 & 9 (Jurisdictional Travel and Fuel Purchases)

Column 4 - Jurisdiction

Enter the two letter jurisdictional code (e.g. BC) for each IFTA and non-IFTA jurisdiction your IFTA decal commercial vehicles travelled. For a complete list of jurisdiction codes, see Appendix 1 - Jurisdiction Codes.

Fuel Surcharge

There are currently three IFTA jurisdictions (Indiana, Kentucky, and Virginia) with surcharge tax provisions for the use of some types of fuel. If you travelled in any of these IFTA jurisdictions, a surcharge line for that jurisdiction, where applicable, will be automatically created when you enter the jurisdiction code (e.g. KY) and the fuel type (e.g. D). As you enter the information specific to that jurisdiction (i.e. fuel type, total kilometres, taxable kilometres and tax paid litres purchased), the surcharge line (e.g. DS for Diesel Surcharge, GS for Gasoline Surcharge) is automatically completed for you.

Split Rates

If a tax rate has changed during a quarter for one or more jurisdictions, an additional line will be automatically created for the period after the tax rate change. Total kilometres, taxable kilometres and tax paid litres for the jurisdiction need to be separated and entered on the appropriate line.

For example, if BC changed the tax rate for diesel at midnight on February 16, a line will be created for the tax rate between January 1 and February 15, and another line will be created for the new tax rate between February 16 and March 31:

Split Rate Dates	4 – JURISDICTION	5 – FUEL TYPE	6 – TOTAL KILOMETRES TRAVELLED	7 – TAXABLE KILOMETRES TRAVELLED	9 – TAX PAID LITRES PURCHASED
January 1 – February 15	BC	D	Enter Total kilometres travelled between January 1 and February 15	Enter Taxable kilometres travelled between January 1 and February 15	Enter Total fuel purchased between January 1 and February 15
February 16 – March 31	BC	D	Enter Total kilometres travelled between February 16 and March 31	Enter Taxable kilometres travelled between February 16 and March 31	Enter Total Fuel purchased between February 16 and March 31

Column 5 – Fuel Type

Enter the one letter fuel code (e.g. D for diesel) for each IFTA and non-IFTA jurisdiction. The tax rates for each IFTA jurisdiction will automatically populate when you complete the return and click on the **Calculate Return** button. You can find a complete list of all fuel codes in Appendix 2- Fuel Type Codes.

If you are using more than one fuel type within a jurisdiction (e.g. a diesel IFTA fleet and a gasoline IFTA fleet) you can create a second row for that jurisdiction. For example:

4 – JURISDICTION	5 – FUEL TYPE	6 – TOTAL KILOMETRES TRAVELLED	7 – TAXABLE KILOMETRES TRAVELLED	9 – TAX PAID LITRES PURCHASED
BC	D	100,000	100,000	
BC	G	25,000	25,000	

If you have dual fuel IFTA vehicles (e.g. a vehicle which uses diesel and natural gas at the same time) you report in the manner above, but you must first pro-rate the distances travelled for each fuel type within each jurisdiction. For more information, see Appendix 3 – How to Report for Dual Fuel Vehicles.

Column 6 – Total Kilometres Travelled

Enter the total kilometres travelled in each IFTA and non-IFTA jurisdiction, including any distances travelled on a Motive Fuel User Permit (also referred to as a Trip Permit).

Note:

- You must convert any distances recorded in miles to kilometres before you enter them on the tax return.
- You must attach copies of the Motive Fuel User Permit(s) to the return.

Column 7 – Taxable Kilometres Travelled

Enter only the taxable kilometres travelled in each IFTA and non-IFTA jurisdiction. If total kilometres travelled and taxable kilometres travelled are the same, you must still fill out **both columns**.

Do not include kilometres for:

- travel during the valid period of a Motive Fuel User Permit, and
- any non-taxable kilometres allowed by a jurisdiction (e.g. some US jurisdictions exempt travel on toll or turnpike roads and Federal lands).

Note: All jurisdictions require documentation to support a claim of tax exempt kilometres. BC and Alberta do **NOT** have any tax exempt kilometres.

Column 8 – Taxable Litres Consumed

Automatically calculates after you click on the **Calculate Return** button.

Column 9 – Tax Paid Litres

Enter all tax paid litres purchased and placed into the tank(s) in each IFTA and non-IFTA jurisdiction. Include fuel purchased for any IFTA decal vehicles travelling while using a valid Motive Fuel User Permit.

If you purchased fuel in a jurisdiction but did not or cannot prove provincial or state fuel taxes were paid (e.g. your driver’s log indicates you purchased fuel, but you lost the receipt, or you purchased fuel on reserve lands without paying provincial or state fuel taxes), you can report the fuel purchase but cannot claim the taxes. To report the purchase, enter “OT” as a jurisdiction code and record the amount of fuel as shown in the example below. This will ensure that your overall fuel consumption rate (average kilometres per litre or KPL) for your IFTA decal fleet is accurate. In the example below, 800 litres of diesel was purchased, but there is no receipt.

4 – JURISDICTION	5 – FUEL TYPE	6 – TOTAL KILOMETRES TRAVELLED	7 – TAXABLE KILOMETRES TRAVELLED	9 – TAX PAID LITRES PURCHASED
BC	D	100,000	100,000	50,000
OT	D			800

Note: All fuel types purchased in US gallons must be converted to litres before you enter them on the tax return. The conversion factor is 3.785 litres per U.S. gallon. Other fuel types, such as

Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG), may be sold using different units of measure (e.g. pounds, kilograms, cubic meters (m³) or energy equivalents) and must also be converted to litres before you enter them on the return. For more information on how to make these conversions, see Appendix 4 - Fuel Conversions.

Columns 10, 11 & 12 – Net Taxable Litres, Tax Rate, Tax Due

Automatically calculates after you click on the **Calculate Return** button.

Column 13 – Interest Payable

We assess interest on late returns and payments based on the postmark date or the date we receive it, if it is sent by courier. As a result, this column is unfillable. If you owe interest we will send you a Notice of Assessment.

Column 14 – Total Due

Automatically calculates after you click on the **Calculate Return** button.

Section 3

Tax Due (Credit)

Automatically calculates after you click on the **Calculate Return** button.

Penalty 10%

This section is unfillable. However, if you are submitting a second late tax return within a 12 month period and tax is owing, you will be assessed a 10% penalty. In this situation, you can add an additional 10% of the Amount Due to your payment to reduce additional interest costs. You can also estimate the interest charge and include it with your payment. Use the following formula to estimate the interest due:

$$0.005 \times (\text{number of months the return is late}) \times (\text{number of jurisdictions where there is an amount due})$$

Note: If your return is one day late it is considered late for one month.

If you over-estimate the amount of interest due, we will credit the excess amount to your account and you can use it on your next tax return.

When you enter your payment amount in the **Amount Enclosed** line, make sure it includes any additional amounts you added for penalty and interest.

Alternatively, you can submit payment for the Amount Due now and wait until we send you a Notice of Assessment for the penalty and interest amounts owing.

Prior Period Balance

Enter the prior period balance amount from the return voucher mailed to you. If you requested a refund on a previous return, but have not yet received your refund, do not claim a credit for this amount on your return. You will receive your refund cheque by separate mail.

If you [enrol for access to eTaxBC](#), you can find out your current account balance at any time.

As At (YYYY/MM/DD)

Enter the date from the return voucher mailed to you. If you used eTaxBC to find out your account balance, enter that date instead.

Amount Enclosed

Enter the amount of your cheque or money order. If you are not sending a payment with the return, enter "0". Do not enter a credit amount on this line.

Refund Requested

If your return results in a credit of \$10 or more, and you wish it to be refunded, tick the **Refund Requested** box. If you do not request a refund, any credits greater than \$10 will be carried forward on your account and may be applied to future payments.

Part 3 – Certification

You must complete the certification section at the bottom of page 1 of the return, even if you did not travel outside BC.

Signature of Authorized Signing Authority

The owner, partner, or officer of the corporation as listed on the application must sign and date the tax return.

If the owner, partner, or officer of the corporation as listed on the application has authorized an external accountant or service provider to sign this return, there must be a power of attorney, or an *Authorization or Cancellation of a Representative* form ([FIN 146](#)) on file with us.

Name/Official Title

Enter the title of the signatory (e.g. Manager).

Date Signed

Enter the date the return is signed.

Telephone Number

Enter the phone number of the signatory.

Email Address

Enter the email address of the signatory.

Additional Information

How to Submit Your Tax Return

If you are not using eTaxBC, print your return and mail it to the address on the tax return. If you are making a payment, remember to include the Payment Voucher portion of the return voucher we mailed to you.

Be sure to follow these instructions when submitting your return:

- Print the return in landscape orientation.
- If you are filing a nil or credit return, you can email it to us at Fact.Support@gov.bc.ca as a PDF. Do not send your return as a picture, image or .jpg file.
- Do not write any additional notes on the return (e.g. nil return or “I’ve changed my business address”). Instead, send us a separate e-mail at Fact.Support@gov.bc.ca
- Do not use an older version of the return which you may have saved to your computer, as it will not contain the most updated tax rates.
- Do not file multiple copies of the same return (e.g. both mail and eTaxBC).

Note: If you do not follow these instructions, we will mail your IFTA tax return back to you and ask that you resubmit it correctly, which will significantly delay its processing. This may also delay any secondary activities, such as rescinding a licence suspension or revocation, or issuing a refund.

Record Keeping

The *Motor Fuel Tax Act* requires you to keep all records to support the information on your tax return, such as Driver’s trip sheets or logs, for a period of four years from the date the return was filed. See [BC’s IFTA Operating Manual](#) for more information on record keeping requirements.

Need more info?

Online: gov.bc.ca/salestaxes

Email: FuelTax@gov.bc.ca

In Victoria call 250 387-9686

Toll free: 1 877-388-4440

Latest Revision

January 2019

- Changed the IN jurisdiction code from Indiana Diesel Surcharge (DS) to Indiana Propane Surcharge (PS)
 - Other minor revisions
-

Appendix 1 – Jurisdiction Codes

Canadian Jurisdictions			
AB	Alberta	NS	Nova Scotia
BC	British Columbia	ON	Ontario
MB	Manitoba	PE	Prince Edward Island
NB	New Brunswick	QC	Quebec
NL	Newfoundland and Labrador	SK	Saskatchewan

U.S. Jurisdictions			
AL	Alabama	NE	Nebraska
AZ	Arizona	NV	Nevada
AR	Arkansas	NH	New Hampshire
CA	California	NJ	New Jersey
CO	Colorado	NM	New Mexico
CT	Connecticut	NY	New York
DE	Delaware	NC	North Carolina
FL	Florida	ND	North Dakota
GA	Georgia	OH	Ohio
ID	Idaho	OK	Oklahoma
IL	Illinois	OR	Oregon
IN	Indiana	PA	Pennsylvania
IN	Indiana Propane Surcharge (PS)	RI	Rhode Island
IA	Iowa	SC	South Carolina
KS	Kansas	SD	South Dakota
KY	Kentucky	TN	Tennessee
KY	Kentucky Diesel Surcharge (DS)	TX	Texas
LA	Louisiana	UT	Utah
ME	Maine	VT	Vermont
MD	Maryland	VA	Virginia
MA	Massachusetts	VA	Virginia Diesel Surcharge (DS)
MI	Michigan	WA	Washington
MN	Minnesota	WV	West Virginia
MS	Mississippi	WI	Wisconsin
MO	Missouri	WY	Wyoming
MT	Montana		

Non-IFTA Jurisdictions			
AK	Alaska	NT	Northwest Territories
DC	District of Columbia	NU	Nunavut
HI	Hawaii	YK	Yukon Territory
MX	Mexico	OT	Other – For non-receipted fuel purchases and tax exempt fuel purchases

Appendix 2 – Fuel Type Codes

Tax Return Code	Fuel Type	Tax Return Code	Fuel Type
A	Gasahol	J	E85
C	CNG	K	M85
D	Diesel	L	LNG
E	Ethanol	M	Methanol
G	Gasoline	P	Propane
H	A55		

Appendix 3 – How to Report for Dual Fuel Vehicles

The following methodology is specific to Diesel and LNG (D/LNG), but can be followed separately for any other dual fuel fleet (e.g. Diesel and Propane, D/P, and Diesel and CNG, D/CNG).

LNG and CNG may be sold using different units of measure (e.g. pounds, kilograms, cubic meters or energy equivalents) and must be converted before being recorded on the IFTA tax return. Specifically:

- LNG must be in diesel energy equivalent measures using the following conversion factors:
 - a diesel gallon equivalent in U.S. jurisdictions weighs 6.06 pounds, and
 - a diesel litre equivalent in Canadian jurisdictions weighs 0.73 kilograms.
- CNG must be based on 126.67 cubic feet or 1.0 cubic meters using the following:
 - a gallon equals 126.67 cubic feet at 60 degrees Fahrenheit and one atmosphere of pressure (weighs 5.66 pounds), and
 - a litre equals 1.0 cubic meter at 15 degrees Celsius and one atmosphere of pressure (weighs 0.678 kilograms).

Step 1:

Determine the total diesel fuel and total LNG purchased and placed into the tank(s) of each dual fuel vehicle fleet in each IFTA and non-IFTA jurisdiction. In the example below, 12,000 litres of diesel and 8,000 litres of LNG were purchased for the D/LNG fleet.

Jurisdiction	Distance Travelled	Diesel Purchased	LNG Purchased
AB	20,000	10,000	2,000
BC	40,000	2,000	6,000
Totals	60,000	12,000	8,000

Step 2:

Divide each fuel type purchased by the total of both fuel types to determine the proportions of the two fuels used by the dual fuel vehicle fleet during the quarter. In the example below, diesel was used for 60% of the distance travelled and LNG for 40% of the distance travelled.

Fuel Types	Fuel Purchased	÷ Total Fuel Purchased	Percentage/ Proration
D	12,000	÷20,000	0.60
LNG	8,000		0.40

Step 3:

Multiply the percentage/proration for each fuel type by the total distance travelled by the D/LNG fleet within each jurisdiction to determine the distance travelled by each fuel type. In the example below, in Alberta (AB), 12,000 [20,000 X 0.60] km were travelled using diesel and 8,000 km [20,000 X 0.40] using LNG.

Jurisdiction	Distance Travelled	Diesel Percentage	Prorated Diesel Distance	LNG Percentage	Prorated LNG Distance
AB	20,000	0.60	12,000	0.40	8,000
BC	40,000		24,000		16,000
Totals	60,000		36,000		24,000

Step 4:

Transfer the dual fuel purchases and pro-rated distances travelled to the tax return. As previously mentioned, if the carrier has more than one fleet type the fuel purchases and distances are combined with other fleets for each jurisdiction. In the example below, in addition to the D/LNG fleet (Steps 1-3 above), the carrier has a pure diesel fleet which traveled 100,000 km in AB and purchased 50,000 litres in AB and traveled 400,000 km in BC and purchased 200,000 litres in BC.

Column 4 – Jurisdiction	Column 5 – Fuel Type	Column 6 – Total Kilometres travelled	Column 7 – Taxable Kilometres Travelled	Column 9 – Tax Paid Litres Purchased
AB	D	112,000 [100,000+12,000]	If you have exempt distances within any jurisdiction you must also prorate the exempt distances for each fuel type using the same methodology.	60,000 [50,000+10,000]
AB	LNG	8,000		2,000
BC	D	424,000 [400,000+24,000]		202,000 [200,000+2,000]
BC	LNG	16,000		6,000
Totals		Diesel 536,000 LNG 24,000		Diesel 262,000 LNG 8,000

Step 5:

Complete the rest of the tax return as usual.

Appendix 4 – Fuel Conversions

As previously mentioned, some fuel types (e.g. LNG and CNG) may be sold using different units of measure (e.g. pounds, kilograms, cubic meters or energy equivalents) and may need to be converted before being recorded on the IFTA tax return. Specifically:

- CNG must be based on 126.67 cubic feet or 1.0 cubic meters using the following:
 - a gallon equals 126.67 cubic feet at 60 degrees Fahrenheit and one atmosphere of pressure (weighs 5.66 pounds), and
 - a litre equals 1.0 cubic meter at 15 degrees Celsius and one atmosphere of pressure (weighs 0.678 kilograms).
- LNG must be in diesel energy equivalent measures using the following conversion factors:
 - a diesel gallon equivalent in U.S. jurisdictions weighs 6.06 pounds, and
 - a diesel litre equivalent in Canadian jurisdictions weighs 0.73 kilograms.

Fuel Conversion Factors – Canadian Jurisdictions

CNG	Calculation Example
0.678 kilogram (kg) = 1 gasoline litre equivalent	1000 kg of CNG $1000 \text{ kg} / 0.678 \text{ kg} = 1475 \text{ gasoline litre equivalents}$ 1000 m ³ of CNG $1000 \text{ m}^3 / 1\text{m}^3 = 1000 \text{ gasoline litre equivalents}$
LNG	Calculation Example
0.73 kilogram (kg) = 1 diesel litre equivalent	1000 kg of LNG $1000 / 0.73 = 1369.86 \text{ diesel litres equivalent}$

Fuel Conversion Factors – U.S. Jurisdictions

CNG	Calculation Example
<p>5.66 pounds (lbs) = 1 gasoline gallon equivalent (gge)</p> <p>1 gasoline gallon equivalent = 3.785 litres</p>	<p>1000 gge x 3.785 = 3785 litres</p> <p>As mentioned above, some US jurisdictions may sell CNG using different units of measures. If a carrier purchases CNG where a 100.00 cubic feet measure is used, the carrier must convert their purchases in these jurisdictions to 126.67 cubic feet and then to litres in order to report correctly on their BC tax return.</p> <p>This is done in a two-step process:</p> <ul style="list-style-type: none"> • Step 1: GGE Conversion: $1000 \text{ gge} \div 1.2667 = 789.45 \text{ gge}$ • Step 2: GGE to Litres Conversion: $789.45 \text{ gge} \times 3.785 = 2988 \text{ litres}$
LNG	Calculation Example
<p>6.06 pounds (lbs) = 1 diesel gallon equivalent (dge)</p> <p>1 diesel gallon equivalent (dge)= 3.785 diesel litres</p>	<p>1000 dge x 3.785 = 3.785 litres</p> <p>As mentioned above, some US jurisdictions may sell LNG using different units of measure. If a carrier purchases LNG where a 3.5 pound measure is used, the carrier must convert their purchases to 6.06 pounds and then to litres, in order to report correctly on their BC tax return.</p> <p>This is done in a two-step process:</p> <ul style="list-style-type: none"> • Step 1: DGE Conversion: $1000 \text{ dge} \times (3.5 \div 6.06) = 577.56 \text{ dge}$ • Step 2: DGE to Litres Conversion: $577.56 \text{ dge} \times 3.785 = 2186 \text{ litres}$