

DDH Notes

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FEDERAL & STATE UPDATES

DRIVER QUALIFICATION FILE MANAGEMENT

CSA - COMPLIANCE SAFETY AND ACCOUNTABILITY

The CSA carrier rating system is continuing to be tweaked. All carriers should be aware of their safety ratings and take an active role in addressing any violations. All company actions must be documented for any possible safety compliance audit. Drivers must be confronted on each of their violations and the interview documented.

The CSA ratings do affect a carrier's insurance cost and the eligibility for freight from some shippers. Carriers can contest any faulty violations on their records. The actual percentages are currently not available to the public but all the inspections and accidents are.

The CSA violations can result in the DOT assessing penalties during a safety compliance audit.

Contact our office with any questions you may have on your CSA standing, or if you need any assistance.

We are monitoring some of our clients' CSA scores on a quarterly basis and emailing the company with the violations that are a potential problem. Please contact our office if you would be interested in this service.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION -FMCSA

The Federal Motor Carrier Safety

Administration has issued an Electronic Log Device (ELD) rule. This rule requires that all interstate truck drivers use electronic logging devices two years after the rule becomes final. The new rule requires ELDs to be integrated with the truck's engine and to use location information. Software is still being developed and modified so that the data can be extracted and analyzed by the FMCSA, by states and by carriers.

For every 24-hour period the driver is on duty, carriers must maintain no more than 10 supporting documents from any of these categories: (1) bills of lading, itineraries, schedules or other documents that show trip origin and destination, (2) dispatch records, trip records or similar documents (3) expense receipts, (4) electronic mobile communication records sent through fleet management systems or (5) payroll records, settlement sheets or similar documents that show what and how a driver was paid.

The FMCSA has a list of self certified companies that meet the FMCSA requirements for the ELD's.

Be aware that there are many hardware specifications and software issues yet to be resolved.

KANSAS

The state's annual personal property tax report is not required to be filed any longer by out of state companies.

(Continued on page 2)

Our Driver Qualification File Management Service relieves you of the burden of qualifying your drivers, required recordkeeping and ongoing maintenance of the files.

We provide online storage of your driver records with emails of items in the file that are delinquent or are about to expire.

You will no longer need to keep track of when any DOT physicals, CDL or driver's licenses expire, when annual reviews are to be done, and when to acquire their Motor Vehicle Records (MVR). An e-mail will be sent to you twice a month listing your current drivers and anything that needs to be taken care of. You will be notified two months in advance of anything that needs to be renewed.

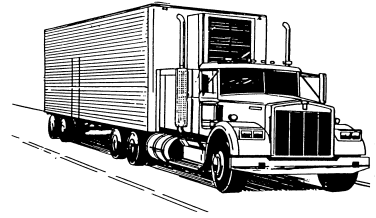
New drivers can be added by contacting our office. We will do the previous employer contacts, obtain the MVR's and upload all the records to our system.

The online files can be reviewed by your office with the use of a user name and password. In the event of a DOT safety audit, the auditor will be issued a user name and password so the files can be reviewed at an off-site location.

Our Driver Qualification File Management Service is an efficient way to meet the driver qualification requirements.

Please contact our office for additional information.

FEDERAL & STATE UPDATES



FUEL & MILEAGE TAXES

Carriers that have us process their fuel and mileage taxes, please submit your trip reports and fuel receipts for this maintenance service on at **least a monthly basis**. The records must remain current each month. State and federal governments have various reports or tax changes that require the breakdown of mileage by month. We also need the mileage and fuel purchased separated by vehicle and state.

All miles must be recorded, even non-commercial use such as moving the vehicle for maintenance or having the vehicle fueled or washed.

We have the least amount of problems with IRP and IFTA audits if we have the beginning and ending odometer reading for each trip. We also can determine missing trips and miles if the odometer readings are supplied.

We not only file the tax returns, we audit your trip reports.

A late filing fee of \$100 will be imposed if the trip reports are not sent to our office by the 15th of the month following the end of a quarter.

With today's automation, it is very important that all records for all filings be consistent. We will make sure that the IFTA, IRP, state mileage, state gross receipts, state franchise, state property reports and any state or federal questionnaire or reports are consistent to avoid a possible audit.

The filing for the 2012 year was the last filing required. The tax has been rolled into the state's IRP fee. The new tax is called Commercial Vehicle Fee which is \$400 and is added to the Registration Fee and is apportioned.

MICHIGAN

During springtime, seasonal weight restrictions are in effect on frost-restricted routes. Axle loads are reduced by 25% on rigid-based roads and 35% on flexible-based roads. Most restricted state highways and county roads reduce axle loading by 35%. Speed limits on frost-restricted routes are reduced to 35 MPH for every vehicle over 10,000 GVW. For Michigan frost law information, call (800) 787-8960 or 517-373-6256.

NEW JERSEY

Carriers that pick up or deliver freight with company, owner-operator or leased vehicles in New Jersey must register with the NJ Division of Revenue. All individuals, corporations and LLC's must comply with the registration process. There is no fee to register as an individual or as a limited liability company; corporations have a \$125 filing fee. An Annual Report must be filed yearly.

An annual corporation business tax filing must be made by limited liability companies and corporations. The minimum tax is \$500 per year. The state has recently enforced this tax on out-of-state carriers and is making them file back taxes. Carriers are

having their vehicles impounded for not registering in the state and paying this business tax. All carriers must notify us of their operations in the state so we can determine the requirements for their company.

OHIO

Carriers that receive new license plates and hold Ohio annual over size and over weight permits will have to have their permits revised with the new plate numbers. Be sure to contact our office.

PENNSYLVANIA

The 2016 Pennsylvania Corporate Tax is due by April 15, 2017. All corporations are subject to franchise and income taxes. Limited liability companies are subject to only the franchise portion of the tax, while individuals are not liable for either tax. The tax must be calculated based on the last five years of book income. The tax rate for the franchise tax remains at .289 percent. The corporate income tax remains at 9.99 percent of the apportioned taxable income. The 2016 tax forms are not being sent out but must be obtained by calling the state. For carriers that we are filing your returns, we will need the following:

Corporations - pages one to five of your federal tax return for 2016.

Limited liability companies - your partnership return or schedule C, along with your profit and loss and balance statements for 2016.

Please contact our office for assistance.



We are at your service to assist with your transportation needs including DOT Safety Regulations, DOT Safety Audits, Driver Qualification File Management, Monthly Driver Safety Training, FMCSA Interstate Authorities, Intrastate Authorities, Uniform Motor Carrier Registrations, State Fuel Taxes, IRP License Plates, Temporary State Permits, Drug and Alcohol Testing or any transportation problems or questions.

Dave