

DDH Notes

February, 2017

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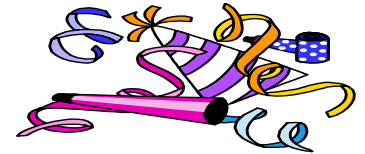
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FEDERAL & STATE UPDATES



Happy New Year

REVIEW OF FEDERAL & STATE CREDENTIALS

Here is an annual review of what permits must be obtained from the federal and state governments. The fuel tax, mileage tax, authority registration, license plates, and other requirements are as follows:

All 48 continental states and most Canadian provinces are in the **International Fuel Tax Agreement - IFTA**. The only IFTA requirement is to have the IFTA decal on both sides of each vehicle with 3 or more axles or over 26,000 GVW, and carry a copy of the IFTA fuel tax license.

There are also four states that have **mileage taxes**. Except for Kentucky and New York, these states have ports of entry where carriers may purchase temporary HUT permits if they are not set up for the mileage taxes. The state of Kentucky requires that all vehicles over 60,000 GVW be registered in the state prior to operation. If you have vehicles that need to be registered, contact our office. New Mexico requires a highway use registration for vehicles that are over 26,000 GVW. The state of New York has a TMT registration and decal for all combinations over 18,000 GVW and trucks with an empty weight of over 8,000 GVW. Oregon has a tax credential for vehicles over 26,000 GVW.

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HTC - COMPANY CHANGES

As we enter our 38th year we are pleased to announce that we have established a new company. Effective January 1, 2017 **Humphrey Transportation Compliance, LLC** was formed.

With the pending electronic logging device requirement we will be working with our clients on complying and monitoring the huge amount of data that will be available and meet the IFTA and IRP requirements.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION - FMCSA

The FMCSA is randomly selecting carriers to submit their drug and alcohol statistical report for 2016. If selected the report must be submitted by March 31, 2017.

Electronic Logging Devices are required to be in place by December 18, 2017. We are reviewing the various products for ease of use and meeting all the reporting requirements. We will keep you posted on our results.

All companies who are members of our random drug and alcohol testing program must keep us updated on any new or deleted drivers.

A driver's Medical Card must be on file with the state that issued their CDL. With every new physical performed the new Medical Card must be filed with the state or the

driver's CDL will be suspended. Many states are now enforcing medical certification.

The FMCSA requires that carriers file their financial reports each year with the agency. All carriers that are Class I (adjusted gross revenues of \$3 million or more) must file the annual report "Form M". Quarterly reports are no longer required. Class II carriers (adjusted gross revenues less than \$3 million) are exempt from any filings.

Class I Passenger carriers (adjusted gross revenues of \$5 million or more) must file Form MP-1 annually. Class II passenger carriers (adjusted gross revenue less than 5 million) are not subject to the filing.

Carriers that are just entering a new class may not need to file the returns. There is a worksheet that has an inflation factor for adjusting the last three years of revenue to determine the adjusted gross revenue. This figure is then used to determine the correct class the carrier is in. Form M and Form MP-1 reports are due March 31st.

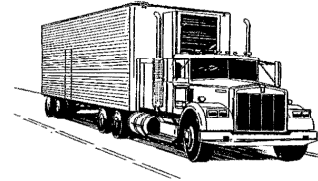
INTERNATIONAL FUEL TAX AGREEMENT - IFTA

All states have extended the 2016 IFTA licenses and decals until February 28, 2017.

Contact our office if you do not have your 2017 IFTA license and decals.

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FEDERAL & STATE UPDATES



REVIEW OF FEDERAL & STATE CREDENTIALS (CONTINUED)

Federal **Interstate Authority** is required for carriers that operate for-hire across any state border, which requires liability insurance and resident agent filings to be maintained.

DOT Numbers are required for all companies or individuals that have commercial motor vehicles (any vehicle or combination over 10,000 GVW).

Unified Carrier Registration – UCR is required for all private, for-hire, exempt carriers, freight brokers, freight forwarders, and leasing companies. All must register in a base state. A fee will be charged for the number of units the company operates and will allow the carrier to operate in all 48 states.

If you pick up and deliver in one state in the same movement you must obtain that state's **intrastate authority**. Companies will only have to renew their intrastate authorities if they do not have federal interstate authority and do not file under the UCR. State insurance filings will need to be filed and maintained for the intrastate operating authority.

All 48 continental states along with the lower provinces of Canada are in the **International Registration Plan - IRP**. Under Full Reciprocity all the states and provinces are listed on your vehicle license registration.

There are other documents in addition to the items mentioned above that should be carried in the vehicle. You must have copies of your liability insurance certificate, your interstate and intrastate operating authorities, plus any specialized permits such as alcoholic beverage transporter, fuel transporter, oversize, and hazardous material permits.

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 YORK

Carriers will be receiving refunds from the state for TMT decal fees that were ruled unconstitutional. The period for the refunds will be from June 1, 2009 to March 8, 2016.

OHIO

The IRP license plate renewal applications will be mailed to carriers about 45 days prior to plate expiration. Please send us your renewal paperwork as soon as you receive it so the new registrations

can be obtained on time.

OREGON

Carriers with the new vehicle mileage tax credentials must notify us when a vehicle license plate is changed. The permits are only valid for the plate indicated on the weight receipt. The state is using the IRP plate on the vehicle instead of their old tax plate.

PENNSYLVANIA

The state's Corporate Tax Report in which carriers are required to pay tax on their net worth and corporate income each year has an exemption. The tax must be paid by carriers that travel more than 50,000 loaded miles in the state and make at least one pick-up or delivery in the state or any carrier having five percent or more of their miles in Pennsylvania and has more than 12 trips with pick-ups or deliveries during the year. Other carriers must still file the return but will be exempt from paying taxes if the company does not meet the above de minimis standards.

MORE TAXES

The chart below indicates the specialized tax returns, reports and due dates that are required by states for trucking operations. These tax returns and reports must be filed by all carriers that operate vehicles on the roads of each of these states:

MARCH 15	- NEBRASKA CORPORATION INCOME TAX
MARCH 15	- NEW YORK FRANCHISE TAX AND SURCHARGE TAX RETURNS
MARCH 31	- ARKANSAS MOTOR CARRIER REPORT
APRIL 15	- NEW JERSEY CORPORATION BUSINESS TAX
APRIL 15	- PENNSYLVANIA CORPORATE INCOME AND FRANCHISE TAX REPORTS
APRIL 15	- VIRGINIA CORPORATION TAX RETURN
APRIL 30	- MICHIGAN BUSINESS TAX RETURN
MAY 10	- OHIO COMMERCIAL ACTIVITY TAX (Annual Filers)

** Please note that we will not automatically file these returns. We will file the



You may contact us if you have any transportation problems or questions.

Dave