

MOTOR CARRIER NEWSLETTER



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Welcome to the 2007 1st Quarter Edition of the Motor Carrier Newsletter. We hope you find the information contained herein beneficial to you and your company. We encourage you to provide your ideas and comments so that we may include them in future issues.

ATTENTION NEVADA MOTOR CARRIERS

HAVE YOU RECEIVED YOUR FUEL LICENSE YET???



Remember, the IFTA and Special Fuel User grace period expired February 28, 2007. So, if you have not yet received your 2007 Fuel License (whether you're IFTA, interstate, Special Fuel User, or Nevada only), contact this office immediately.

CONTACT INFORMATION

If you are trying to contact an individual Tax Examiner located in the Carson City Office, you may either call their direct line or call the Fuel User Extension number (775)684-4711 #2.



REFUND INFORMATION

For carriers submitting MC45 Fuel Tax Request Forms for refunds, please be advised that Motor Carrier is currently returning all requests for refunds that are submitted on old forms. Please visit the following site if you need a current form:

www.dmvnv.com/pdfforms/mc045.pdf

If you have a tax service or preparer that processes MC45 refund requests on your behalf, an updated/new Power of Attorney form is required by the Department. Refund requests will be returned if a current Power of Attorney is not on file or not provided with the refund claim. Please visit the following site if you need this form:

www.dmvnv.com/pdfforms/mc078.pdf

2007 Registration Renewal

The Department of Motor Vehicles, Motor Carrier Division, has made it through the renewal period with great success. Our customers sent in their paperwork much earlier this year compared to previous renewal seasons which allowed the Division more time to effectively process paperwork and ensured credentials were sent to carriers before their expiration.

In an attempt to make our renewal process even more efficient, the Department in conjunction with Assemblyman Joe Hardy has submitted Assembly Bill 5 for consideration to the 2007 Nevada State Legislature. AB 5 allows for varying periods of registration through the Motor Carrier Division. If AB 5 passes, implementation will be effective with the 2009 Renewal period. Intrastate carriers will be moved to either the March 31 or September 30 expiration period. Interstate carriers (IRP) will continue to have an expiration period of December 31.

OVERWEIGHT/OVERLENGTH PERMITS

The Motor Carrier Division will only be accepting Overlength/Overweight permits (application for/and Special Transportation Revocable Permit) with a revision date of 10/05. Please ensure that you have the most current permit; the revision date is located at the bottom left hand side of permit.

IRP/IFTAWhat does it all mean?

IRP stands for International Registration Plan. It is a registration reciprocity agreement among states of the United States and provinces of Canada providing for payment of license fees on the basis of fleet miles operated in various jurisdictions. For more information please visit: www.irponline.org.

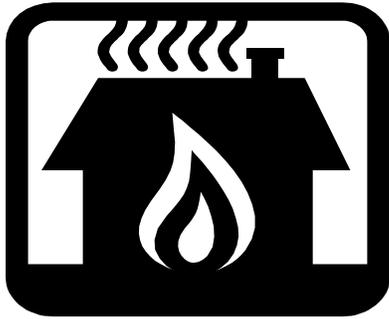


IFTA stands for International Fuel Tax Agreement. Through the IFTA, member jurisdictions act cooperatively to administer and collect motor fuel use taxes. For more information, please visit: www.iftach.org.

EXPIRED PLATES

If you have not renewed for 2007, are not operating or have sold your vehicle, you must turn in your plates and cab cards in order for your account to be closed and to possibly receive a refund. You should receive a credential return receipt from our office when plates and cab cards have been returned. Plates can be mailed to the DMV/Motor Carrier Division, 555 Wright Way, Carson City, NV 89711 or you may visit one of our branch locations. Visit www.dmvnv.com for more information regarding branch locations.

FUEL INDUSTRY INFORMATION

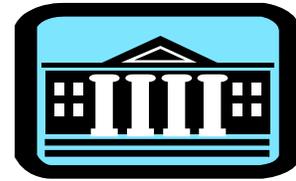


- Clear Kerosene for Home Heating

Recently there has been debate about whether or not clear kerosene is to be taxed by our suppliers when it is being sold for home heating uses. Several of our fuel suppliers have called to inquire as to how they should report the sales of kerosene for home heating on their tax returns. The majority of these sales are in the 5-10 gallon range. It has been decided that the suppliers can continue to report the kerosene on a schedule 10, which is tax exempt, as long as the supplier has a signed statement of acknowledgement and intended use from the customer stating that the customer will be using the clear kerosene for home heating purposes only and that it will not be used in any vehicle.

If a supplier is audited and does not have the statement of acknowledgement on file from all customers, they will be required to pay all taxes due on the clear kerosene gallons as well as penalty, interest, and the loss of the 2% discount.

SECOND TIER ELECTRONIC FILING FOR FUEL SUPPLIERS



Suppliers may recall from previous notices that NAC 365.197 mandates all Nevada fuel suppliers file and pay their tax returns electronically. All suppliers were required to file and pay according to the following schedule: The first tier, effective July 1st, 2006, included fuel suppliers who received more than 1,000,000 gallons per month of taxable fuel or who received 5,000,000 gallons of any type of fuel. The second tier, effective January 1st, 2007, includes suppliers who receive 100,000 to 999,999 gallons of taxable fuel or suppliers who receive 1,000,000 to 4,999,999 gallons of any fuel type. The third and final tier will be required to file online by January 2008 regardless of how many gallons they receive. If your company is in either the second or third tier and is not currently filing electronically, you can contact your Tax Examiner for additional information.

A – F please contact Tammy Holt at (775) 684-4628

G – R please contact Ramona Hall at (775) 684-4938

S – Z please contact Janet Brooks at (775) 684-4812

REVENUE TEAM INFORMATION

All carriers with vehicles having three (3) or more axles and/or vehicles exceeding 26,000 pounds are required by **NRS 366.370, *Due date of tax***; and/or **NRS 366.380, *Quarterly return to be filed by special fuel user***, to submit a quarterly Nevada Special Fuel User Tax Return regardless if traveling zero miles or traveling 100% of your miles within Nevada. When tax is due and payment is not submitted with the specified quarterly tax return, the return is considered incomplete and not filed timely.

Paying your Registration Fees late, or filing an IN or IFTA Fuel Tax Return even one (1) day late may subject you to fines of **\$500.00 to \$2,500.00 per delinquency**. **In addition, the carrier may be subject to penalties, interest, liens, judgments, collections, and possible revocation of Licensing and Fuel Credentials.** If a hold/stop is placed on your account for any unresolved issue, no further transactions will be allowed until the delinquency has been cleared.

Always keep a current phone number and mailing/physical address on file with the Department. This will help to ensure you are receiving your registration renewal and quarterly fuel tax returns. If you need to change personal information, the request must be received in writing per **NRS 482.283 *Change of name or place of residence: Notice to Department required; timing and contents of notice***. Each holder of a valid registration, upon changing his name or place of residence, shall notify the Department of the change within 30 days after the change and shall include in the notice both the old and new names and residence addresses. Please visit our website at www.dmvnv.com if you need a Change of Address form.

It is the carrier's responsibility to submit the quarterly fuel tax returns, even if you did not receive one in the mail. If you did not receive your quarterly fuel tax return, one can be downloaded from our website at www.dmvnv.com (Form MC366).

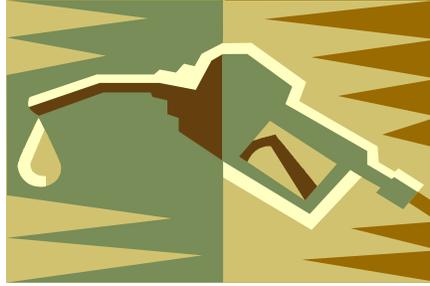
For your convenience, listed below are the Licensing and Fuel Tax Schedule due dates. Your Registration Vehicle Renewal (green bar) due date is December 31st of each year.

REGISTRATION INSTALLMENT DUE DATES

| Due Dates | Registration Payment Due Dates |
|------------------|---------------------------------------|
| 1/31/07 | 1 st installment 2007 |
| 4/2/07 | 2 nd installment 2007 |
| 7/2/07 | 3 rd installment 2007 |
| 10/1/07 | 4 th installment 2007 |

IFTA & NV SPECIAL FUEL USER TAX RETURN DUE DATES

| Due Dates | Tax Return Quarter | Reporting Months |
|------------------|---------------------------|---------------------------------|
| 4/30/07 | 1 st Qtr. 2007 | January February March |
| 7/31/07 | 2 nd Qtr. 2007 | April May June |
| 10/31/07 | 3 rd Qtr. 2007 | July August September |
| 1/31/08 | 4 th Qtr. 2007 | October November December |



BIODIESEL

Biodiesel refers to a diesel-equivalent processed fuel derived from biological sources (such as vegetable oils) which can be used in unmodified diesel engine vehicles. It is thus distinguished from the straight vegetable oils (SVO) or waste vegetable oils (WVO) used as fuels in some modified diesel vehicles. Much of the world uses a system known as the “B” factor to state the amount of biodiesel in any fuel mix, in contrast to the “BA” or “E” system used for ethanol mixes. For example, fuel containing 20% biodiesel is labeled B20 and is considered taxable fuel. Pure biodiesel is referred to as B100 and is a non-taxable blending agent. Reporting biodiesel is similar to reporting gasohol, gasoline blended with ethanol. A supplier would report the pure biodiesel (B100) receipts, disbursement, and inventories on “Other Inventories Worksheet 5” as a blending product similar to ethanol. Clean-up fees (if applicable) are charged for the amount of B100 that is blended with diesel, similar to ethanol blended with gasoline.

Currently, the State of Nevada classifies Biodiesel as a “special fuel”. A tax rate of 27 cents per gallon is imposed on the sale or use of special fuels (NRS 366.190 Rate of Tax). In addition, when applicable, Petroleum Product Fees are paid at the rate of .00055 cents per gallon for “Inspection Fees” and .0075 cents per gallon for “Discharge Clean-up Fees”.