

13. Missing State Mileage and Audit Risk

Description

Missing state mileage is one of the most serious IFTA reporting deficiencies because fuel taxes are distributed based upon miles traveled within each jurisdiction. When state mileage is missing, auditors cannot accurately verify tax allocations and may recalculate mileage using alternative methods that often result in higher tax assessments.

Why State Mileage Matters

- Determines jurisdiction tax allocations
- Supports quarterly filings
- Validates mileage calculations
- Reduces audit risk
- Supports compliance requirements

Common Causes

Missing ELD data, GPS failures, state border crossing errors, incomplete trip records, route calculation issues, and vehicle assignment errors.

High-Risk Scenarios

Vehicles reporting mileage but no state allocations, missing border crossings, unusually low jurisdiction mileage, incomplete routes, and missing ELD trip data.

Potential Audit Consequences

Additional tax assessments, jurisdiction reallocations, interest charges, penalties, and increased audit scrutiny.

Best Practices

Review jurisdiction reports monthly, verify ELD imports, investigate state mileage exceptions, review route calculations, and reconcile mileage before filing.

Warning Signs

Missing state mileage exceptions, zero miles reported in active states, route discrepancies, unexplained mileage gaps, and incomplete jurisdiction allocations.

How Advanced IFTA Helps

State Mileage Reporting, ELD Integration, GPS-Based Calculations, Mileage Calculator, Exception Reporting, Audit Readiness Monitoring, and Historical Mileage Reporting.

Recommended Actions

1. Review state mileage monthly.
2. Investigate missing jurisdictions immediately.
3. Verify ELD imports regularly.
4. Review route calculations.
5. Reconcile mileage before filing.
6. Retain supporting records for at least four years.

Tags

Audit Readiness, State Mileage, IFTA Audit, Jurisdiction Reporting, Mileage Reporting, ELD Integration, Compliance, Documentation, Fleet Compliance, Advanced IFTA