

Total IFTA Compliance Platform

Kentucky KYU Exception Engine

Weight Distance Tax — Technical Specification

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Purpose of This Document

This document defines the complete technical specification for the Kentucky Highway Use Tax (KYU) Exception Engine within the Total IFTA Compliance Platform. It covers all KYU-specific exception types, detection logic, severity classifications, threshold values, user interface behavior, resolution paths, and escalation rules.

Kentucky imposes a weight distance tax on commercial vehicles with a declared weight of 59,999 pounds or greater operating on Kentucky highways. Known as the KYU tax, it is administered by the Kentucky Transportation Cabinet and requires carriers to obtain a KYU license, display that license in every qualifying vehicle, and file quarterly returns through the Kentucky Motor Carrier Portal. The KYU program has several characteristics that make it particularly unforgiving: a flat \$500 penalty for any late quarterly filing regardless of tax amount, a mandatory zero return requirement even in quarters with no Kentucky miles, and as of Q4 2024, an online-only filing requirement with no paper alternative.

The KYU license renewal date varies by carrier based on when they originally registered — unlike IFTA and NY HUT which expire December 31 universally, KYU license expiration is carrier-specific. This makes the KYU license renewal one of the most commonly missed deadlines in the weight-distance tax space.

1. Kentucky KYU Background & Program Rules

1.1 Weight Threshold & Applicability

Any motor carrier operating a vehicle with a declared gross vehicle weight of 59,999 pounds or greater on Kentucky public highways must register for and maintain a KYU license.

Weight threshold: 59,999 lbs declared gross vehicle weight or greater.

Administering authority: Kentucky Transportation Cabinet, Division of Motor Carriers.

KYU Number: Unique license number assigned to each carrier upon registration. Used as the primary identifier for all filings and correspondence.

Tax rate: \$0.0285 per mile traveled in Kentucky.

License renewal: Annual — but renewal date is UNIQUE TO EACH CARRIER based on original registration date. Unlike IFTA and NY HUT, there is no universal December 31 expiration.

Filing: Quarterly — same schedule as IFTA (Q1 April 30, Q2 July 31, Q3 October 31, Q4 January 31).

Filing method: Online only through the Kentucky Motor Carrier Portal. Paper filing eliminated as of Q4 2024.

Late penalty: Flat \$500 per quarter regardless of tax amount owed. No exceptions or waivers.

Zero returns: Required even in quarters with zero Kentucky miles. Failure to file a zero return triggers the full \$500 penalty.

1.2 KYU License

The KYU license is the carrier-level credential authorizing operation under the KYU program. It must be physically carried in the cab of every qualifying vehicle operating in Kentucky. Unlike the NY HUT program which issues per-vehicle decals, the KYU license is a single carrier-level document that covers all qualifying vehicles.

License display: Must be carried in cab of every qualifying vehicle in Kentucky.

Renewal date: Carrier-specific — based on original registration month/year. Platform must capture and track the unique renewal date per carrier.

Intrastate carriers: Carriers operating exclusively within Kentucky use a KIT (Kentucky Intrastate) license instead of KYU. The platform should flag vehicles identified as intrastate-only Kentucky operators as KIT — not KYU — to avoid incorrect compliance tracking.

Exemptions: Farm-plated vehicles and government vehicles are exempt from KYU requirements.

1.3 Quarterly Filing Schedule & Penalty Structure





KYU quarterly filings follow the same schedule as IFTA and must be filed through the Kentucky Motor Carrier Portal. The \$500 flat penalty for late filing applies even if the carrier owes zero tax for the quarter.

- Q1 (January – March): Due April 30 — \$500 penalty if late
- Q2 (April – June): Due July 31 — \$500 penalty if late
- Q3 (July – September): Due October 31 — \$500 penalty if late
- Q4 (October – December): Due January 31 — \$500 penalty if late

The \$500 flat penalty structure makes KYU one of the highest-penalty-risk compliance obligations relative to its tax amount. A carrier with minimal Kentucky miles could owe only a few dollars in KYU tax but face \$500 in penalties for a missed filing. The platform's reminder and escalation logic must be particularly aggressive for KYU quarterly deadlines.

2. Severity Level Definitions

All KYU exceptions follow the same four-level severity framework used across the compliance platform.

 CRITICAL	Action is blocked. Exception must be resolved immediately. A \$500 penalty has been triggered or is imminent, or the KYU license has expired putting all Kentucky operations out of compliance.
 HIGH	Filing deadline is approaching or license renewal is imminent. Given the flat \$500 penalty, HIGH escalation thresholds for KYU quarterly filings are tighter than other modules. Acknowledgment and written confirmation required.
 MEDIUM	Data quality warning or informational flag requiring attention but not immediately threatening compliance. No acknowledgment required.
 INFO	Background compliance awareness displayed in the carrier dashboard. Does not interrupt any workflow.

3. Critical Exceptions — Action Blocked

The following exceptions indicate either an immediate compliance failure or a confirmed \$500 penalty trigger. The system blocks compliance certification and displays prominent alerts on the carrier dashboard.

Exception Name	Field(s)	Threshold / Trigger	UI Behavior	Resolution Path
KYU Quarterly Return Overdue — \$500 Penalty Triggered	quarter_due_date, return_status, current_date	current_date > quarter_due_date AND return_status != 'filed'	Full red banner on dashboard. Message: 'Your KYU Q[X] return is OVERDUE as of [date]. A \$500 late filing penalty has been triggered. File immediately through the Kentucky Motor Carrier Portal to limit further exposure.' Compliance certificate blocked.	Carrier files overdue return through KY Motor Carrier Portal. Platform records filing and clears exception. Notes \$500 penalty in compliance history.
KYU License Expired	kyu_license_expiry, current_date, renewal_status	current_date > kyu_license_expiry AND renewal_status != 'renewed'	Full red banner on dashboard. Message: 'Your KYU license expired on [date]. All vehicles operating in Kentucky are out of compliance. Renew immediately through the Kentucky Motor Carrier Portal.' Compliance certificate blocked.	Carrier renews KYU license through KY Motor Carrier Portal. Platform records new license expiry date.
Vehicle Operating in KY — No KYU Registration	vehicle_ky_miles, kyu_license_status, vehicle_gvw	ky_miles > 0 AND kyu_license_status = null AND vehicle_gvw >= 59999	Red alert on carrier dashboard and vehicle record. Message: 'Vehicle [VIN] has recorded miles in Kentucky at or above the 59,999 lb KYU threshold but the carrier has no KYU license on file. Operating without a KYU license is a violation subject to immediate enforcement.' Compliance certificate blocked.	Carrier registers for KYU through KY Motor Carrier Portal. Platform activates KYU tracking.
KYU Number Not on File	kyu_number	kyu_number = null AND ky_miles > 0	Red alert on company profile. Message: 'No KYU number on file. Kentucky KYU	Carrier enters KYU number. System enables full KYU tracking.

Exception Name	Field(s)	Threshold / Trigger	UI Behavior	Resolution Path
			<p>compliance cannot be tracked without this field. Add your KYU license number.' KYU module blocked.</p>	
<p>Online Filing System Not Used — Paper Return Attempted</p>	<p>filing_method</p>	<p>filing_method = 'paper' (post-Q4 2024)</p>	<p>Red alert. Message: 'Paper KYU returns are no longer accepted as of Q4 2024. All KYU returns must be filed online through the Kentucky Motor Carrier Portal. The paper return will not be processed and the \$500 penalty will apply.' Compliance certificate blocked.</p>	<p>Carrier files online through KY Motor Carrier Portal. Platform records online filing confirmation.</p>
<p>Declared Weight Not on File for KY-Operating Vehicle</p>	<p>vehicle_gvw, ky_miles</p>	<p>ky_miles > 0 AND vehicle_gvw = null</p>	<p>Red alert on vehicle record. Message: 'No declared gross weight on file for vehicle [VIN]. KYU subject/exempt status cannot be determined. Enter the declared gross weight immediately.' KYU tracking blocked for this vehicle.</p>	<p>Carrier enters declared GVW. System re-evaluates KYU subject/exempt status.</p>

4. High Exceptions — Acknowledgment Required

Given the flat \$500 per-quarter late filing penalty, KYU HIGH exception thresholds are set tighter than most other modules. The platform escalates to HIGH with 21 days remaining on quarterly deadlines (vs. 14 days for other weight-mile taxes) to give carriers maximum time to avoid the penalty. All acknowledgments are logged with timestamp, user ID, and entered reason.

Exception Name	Field(s)	Threshold / Trigger	UI Behavior	Resolution Path
KYU License Renewal Due Within 60 Days	kyu_license_expiry, current_date, renewal_status	current_date >= (kyu_license_expiry - 60 days) AND renewal_status != 'initiated'	Orange banner on dashboard. Message: 'Your KYU license expires on [date] — [X] days from today. Renew through the Kentucky Motor Carrier Portal before your expiration date to avoid a compliance gap.' Acknowledgment required.	Carrier initiates renewal or confirms date is noted. Override logged.
Quarterly Return Due Within 21 Days	quarter_due_date, current_date, return_status	current_date >= (quarter_due_date - 21 days) AND return_status != 'filed'	Orange banner. Message: 'Your KYU Q[X] return is due on [date] — [X] days from today. A \$500 flat penalty applies if not filed on time — regardless of tax amount. File now through the Kentucky Motor Carrier Portal.' Acknowledgment required.	Carrier files return or confirms filing is in progress. Override logged.
Zero Return Quarter — Not Acknowledged	ky_miles_quarter, return_status, days_until_due	ky_miles_quarter = 0 AND return_status = 'not started' AND days_until_due <= 21	Orange flag. Message: 'No KYU miles recorded for Q[X]. A zero return is still required and carries the same \$500 late penalty if missed. Filing is due on [date]. Confirm you will file a zero return.' Acknowledgment required.	Carrier acknowledges zero return obligation. Platform generates zero return for filing. Override logged.
KY Miles Present — No Return Initiated	ky_miles_quarter, return_status, days_until_due	ky_miles_quarter > 0 AND return_status = 'not	Orange flag. Message: 'KYU miles have been	Carrier initiates return preparation.

Exception Name	Field(s)	Threshold / Trigger	UI Behavior	Resolution Path
		started' AND days_until_due <= 21	recorded for Q[X] but no return has been initiated. A \$500 penalty applies if not filed by [date]. Acknowledgment required.	Override logged.
KYU License Renewal Date Not on File	kyu_license_expiry	kyu_license_expiry = null AND kyu_number present	Orange alert. Message: 'A KYU number is on file but no license renewal date has been recorded. Without this date the platform cannot track license expiration. Enter the KYU license expiry date.' Acknowledgment required.	Carrier enters license expiry date. System enables license renewal tracking. Override logged.
Declared Weight Near KYU Threshold	vehicle_gvw, ky_miles	vehicle_gvw >= 55000 AND vehicle_gvw < 60000 AND ky_miles > 0	Orange alert on vehicle record. Message: 'Vehicle [VIN] has a declared weight of [X] lbs — close to the 59,999 lb KYU threshold. If this vehicle operates at or above 59,999 lbs, KYU registration and quarterly filing will be required. Verify declared weight.' Acknowledgment required.	Carrier verifies declared weight. If at or above threshold, KYU registration prompted. Override logged.
KYU Return Amount Unusually High or Low	return_tax_amount, prior_quarter_avg	Amount > 3x OR < 0.33x prior quarter average AND ky_miles not zero	Orange flag. Message: 'The KYU tax amount for Q[X] differs significantly from your prior quarter average. Verify mileage and declared weight data before filing.' Acknowledgment required.	Carrier reviews mileage and weight data. Override logged.
KYU Prior Year Return Filed Late — Penalty History	filing_history[], penalty_count	One or more \$500 penalties in the prior 4 quarters	Orange flag on compliance history card. Message: 'KYU late filing penalties have	Carrier acknowledges penalty history. Override logged.

Exception Name	Field(s)	Threshold / Trigger	UI Behavior	Resolution Path
			<p>been assessed in [X] of the last 4 quarters totaling \$[amount]. Ensure current and future quarterly filings are submitted on time.'</p> <p>Acknowledgment required.</p>	
<p>Vehicle Flagged as KIT — Verify KYU Not Also Required</p>	<p>vehicle_operation_type, vehicle_ky_interstate_miles</p>	<p>vehicle flagged as KIT (intrastate) AND interstate ky_miles > 0 recorded</p>	<p>Orange alert. Message: 'Vehicle [VIN] is flagged as a Kentucky intrastate (KIT) carrier but interstate Kentucky miles have been recorded. If this vehicle operates across state lines at 59,999 lbs or above, KYU registration is required in addition to KIT.'</p> <p>Acknowledgment required.</p>	<p>Carrier verifies operation type. Updates to KYU if applicable. Override logged.</p>

5. Medium Exceptions — Informational Warning

The following exceptions display a warning in the compliance dashboard but do not require acknowledgment. They are logged automatically and visible in the carrier's compliance history.

Exception Name	Field(s)	Threshold / Trigger	UI Behavior	Resolution Path
KYU License Renewal Due Within 90 Days	kyu_license_expiry, current_date	current_date >= (kyu_license_expiry - 90 days) AND current_date < (kyu_license_expiry - 60 days)	Yellow reminder on dashboard. Message: 'Your KYU license expires on [date] — approximately [X] days away. Prepare to renew through the Kentucky Motor Carrier Portal.'	Carrier notes reminder. Escalates to HIGH at 60 days.
Quarterly Return Due Within 30 Days	quarter_due_date, current_date	current_date >= (quarter_due_date - 30 days) AND current_date < (quarter_due_date - 21 days)	Yellow reminder on dashboard. Message: 'Your KYU Q[X] return is due on [date] — [X] days away. Remember: a \$500 flat penalty applies even for zero returns filed late.'	Carrier notes reminder. Escalates to HIGH at 21 days.
IFTA vs. KYU Kentucky Miles Discrepancy	ifta_ky_miles, kyu_ky_miles	Variance > 5% between IFTA-reported KY miles and KYU-reported KY miles for same quarter	Yellow flag. Message: 'Kentucky miles on the IFTA return differ from KY miles on the KYU return by more than 5%. Verify mileage is consistent across both filings.'	Carrier reconciles mileage. No action required to proceed.
Round Number Mileage Entries in KY	ky_miles_entries[]	KY miles are round numbers (divisible by 100) for 2 or more consecutive quarters	Yellow flag. Message: 'KYU mileage entries appear to be estimated round numbers. KYU requires actual recorded mileage and round numbers are an audit flag.'	Carrier verifies mileage records. No action required.
Consecutive Zero Returns — Possible KY Operations Missed	zero_return_count	3 or more consecutive zero-mile quarters for carrier with active KYU license	Yellow flag. Message: 'KYU zero returns filed for [X] consecutive quarters. Verify no Kentucky miles are being missed in data capture.'	Carrier confirms KY operations status. No action required.

Exception Name	Field(s)	Threshold / Trigger	UI Behavior	Resolution Path
Vehicle Declared Weight Changed	vehicle_gvw_current, vehicle_gvw_prior, ky_miles	GVW changed AND vehicle has KY miles AND new weight differs from prior	Yellow flag. Message: 'Declared weight for vehicle [VIN] has changed. Verify the KYU tax rate still applies correctly and that the vehicle remains above or below the 59,999 lb threshold as appropriate.'	Carrier confirms weight change. No action required.
No KYU Filing History on File	kyu_filing_history[]	Zero KYU filing records in system for carrier with active KYU number	Yellow banner. Message: 'No KYU filing history has been entered. Upload or enter your filing history so the platform can track your compliance record accurately.'	Carrier enters filing history. No action required.
Farm or Government Vehicle — KYU Exemption Verify	vehicle_plate_type	vehicle_plate_type = 'farm' OR 'government' AND ky_miles > 0	Yellow flag. Message: 'Vehicle [VIN] appears to be farm-plated or government-registered. These vehicles are exempt from KYU. Verify the exemption applies before excluding from KYU filings.'	Carrier confirms exemption status. No action required.

6. Informational Exceptions — Compliance Dashboard

The following conditions are displayed in the carrier's compliance dashboard for awareness and audit preparedness. They do not appear in any filing workflow and do not block any action.

Exception Name	Field(s)	Threshold / Trigger	UI Behavior	Resolution Path
KYU License Active — Next Renewal Date Set	kyu_license_expiry, renewal_status	License renewed AND expiry date confirmed	Dashboard green status: 'KYU license active. Expires [date]. [X] days until renewal due.'	No action required.
Quarterly Return Filed — Confirmation Recorded	return_status, return_confirmation_number	return_status = 'filed' AND confirmation_number present	Dashboard notice: 'KYU Q[X] return filed on [date]. Confirmation: [number]. Tax paid: \${amount}.'	No action required.
Zero Return Filed — Quarter Confirmed	return_status, ky_miles_quarter	return_status = 'filed' AND ky_miles = 0	Dashboard notice: 'KYU Q[X] zero return filed on [date]. No Kentucky miles recorded for this period. \$500 penalty avoided.'	No action required.
Next Quarterly Filing Date	next_quarter_due_date	Always displayed	Dashboard display: 'Next KYU filing due: [date] ([X] days away). Reminder: \$500 flat penalty for late filing.'	No action required. Escalation chain begins at 30 days.
KYU License Renewal Date Confirmed	kyu_license_expiry	Expiry date on file	Dashboard display: 'KYU license renewal due: [date]. [X] days away.'	No action required. Escalation chain begins at 90 days.
Vehicle Exempt — Below KYU Threshold	vehicle_gvw	vehicle_gvw < 59999 AND ky_miles > 0	Dashboard notice per vehicle: 'Vehicle [VIN] — KYU Exempt. Declared weight [X] lbs is below the 59,999 lb threshold.'	No action required. Flag updates if weight changes.
Penalty History — No Penalties	penalty_count_rolling_4qtrs	penalty_count = 0	Dashboard green badge:	No action required.

Exception Name	Field(s)	Threshold / Trigger	UI Behavior	Resolution Path
in Last 4 Quarters			'KYU filing record: No late penalties in the last 4 quarters.'	

7. Escalation Rules

KYU escalation rules are deliberately tighter than other weight-mile tax modules because of the flat \$500 per-quarter late penalty. A carrier who misses a KYU filing by one day owes the same penalty as one who misses by 90 days. The escalation chain is designed to ensure no carrier reaches the due date without having been warned multiple times.

7.1 Time-Based Escalation — Quarterly Filings

Exception	Info Fires At	Escalates to HIGH At	Escalation Condition
Quarterly Return	30 days before due date	21 days before due date	Return not filed — \$500 penalty approaching
Quarterly Return	21 days before due date	Due date passes	Escalates to CRITICAL — \$500 penalty triggered

7.2 Time-Based Escalation — License Renewal

Unlike IFTA which has a universal December 31 renewal date, KYU renewal dates are carrier-specific. The escalation chain must fire relative to each carrier's unique expiry date.

Exception	Info Fires At	Escalates to HIGH At	Escalation Condition
KYU License Renewal	90 days before expiry	60 days before expiry	Renewal not initiated
KYU License Renewal	60 days before expiry	Expiry date passes	Escalates to CRITICAL — license expired

7.3 Pattern-Based Escalation

Any Medium exception appearing for three or more consecutive quarters automatically escalates to High for the following quarter.

Affected exceptions: IFTA vs. KYU Kentucky Miles Discrepancy, Round Number Mileage Entries, Consecutive Zero Returns.

Database field: exception_history.consecutive_quarter_count

Trigger: consecutive_quarter_count >= 3

Action: Set exception.severity = HIGH. Log escalation event with timestamp.

7.4 Penalty Accumulation Alert

Because each missed KYU quarterly filing carries a flat \$500 penalty, the platform tracks cumulative penalty exposure and escalates the urgency of future reminders when a pattern of late filing is detected.

Trigger: Two or more \$500 KYU penalties assessed in the rolling 8-quarter (2-year) window.

Action: All subsequent quarterly filing reminders escalate one severity level higher than standard. A MEDIUM reminder becomes HIGH. A HIGH reminder becomes CRITICAL-adjacent with additional messaging emphasizing accumulated penalty costs.

Dashboard display: A running total of KYU late penalties paid in the last 8 quarters is displayed on the carrier's KYU compliance card.

7.5 Audit Trail Requirements

Every exception acknowledged or overridden at the High level must generate an immutable audit log entry containing the following fields:

- `exception_id` — unique identifier for the exception instance
- `carrier_id` — carrier account associated with the KYU record
- `kyu_number` — the carrier's KYU license number
- `user_id` — user who acknowledged the exception
- `user_name` — full name of acknowledging user
- `timestamp` — UTC datetime of acknowledgment
- `exception_type` — exception code from the master exception list
- `severity_at_time` — severity level at the time of acknowledgment
- `reason_entered` — free-text explanation (required, minimum 20 characters)
- `quarter` — tax quarter and year associated with the exception (where applicable)
- `penalty_risk` — boolean flag indicating whether a \$500 penalty was at risk at time of acknowledgment

Audit log entries are read-only once created and cannot be edited or deleted by any user role including system administrator.

8. Configurable Threshold Reference

The following thresholds are configurable at the platform level by a system administrator. Default values are shown below. Note that several KYU thresholds are tighter than comparable modules due to the flat \$500 penalty structure.

Parameter	Default Value	Allowable Range	Notes
License Renewal — MEDIUM Reminder	90 days	60 – 120 days	First reminder fires
License Renewal — HIGH Escalation	60 days	30 – 90 days	Acknowledgment required
License Renewal — CRITICAL	0 days	Non-configurable	Immediately on expiry
Quarterly Return — MEDIUM Reminder	30 days	21 – 45 days	Yellow warning fires
Quarterly Return — HIGH Escalation	21 days	14 – 30 days	Tighter than other modules due to \$500 penalty
Quarterly Return — CRITICAL	0 days	Non-configurable	\$500 penalty triggered on due date
Weight Near Threshold Alert	55,000 lbs	50,000 – 59,000	Triggers HIGH acknowledgment
IFTA vs. KYU Mileage Variance	5%	2% – 10%	Triggers MEDIUM discrepancy flag
Tax Amount Variance vs. Prior Quarter	3x or 0.33x	Non-configurable	Triggers HIGH acknowledgment
Consecutive Zero Return Threshold	3 quarters	2 – 5 quarters	Triggers MEDIUM flag
Penalty Accumulation — HIGH Alert Upgrade	2 penalties	1 – 3 penalties	In rolling 8-quarter window
Pattern Escalation — MEDIUM to HIGH	3 quarters	2 – 5 quarters	Consecutive occurrence escalation
Reason Text Minimum Length	20 chars	10 – 100 chars	Required for HIGH acknowledgment

9. UI Behavior Summary

9.1 Carrier KYU Compliance Dashboard Card

- A dedicated KYU compliance card is displayed on every carrier dashboard that has Kentucky miles or an active KYU license. It shows: KYU number, license expiry date, days until renewal, current quarter filing status, next quarterly due date, and a running total of late filing penalties paid in the last 8 quarters.
- The \$500 penalty risk is prominently displayed on every quarterly filing reminder — unlike other modules where penalty language is secondary, KYU reminders lead with the penalty amount.
- CRITICAL exceptions display as a full-width red banner with the penalty amount prominently stated and a direct link to the Kentucky Motor Carrier Portal.
- HIGH exceptions display as orange banners with the due date, days remaining, and \$500 penalty risk clearly stated.
- MEDIUM exceptions display as yellow inline flags within the KYU compliance card.

9.2 Penalty Tracking & History

- The platform maintains a complete KYU penalty history for each carrier, recording every \$500 late filing penalty assessed.
- A rolling 8-quarter penalty summary is displayed on the carrier dashboard showing: quarters with on-time filing (green), quarters with late filing and \$500 penalty assessed (red), and the cumulative penalty total for the period.
- Carriers with two or more penalties in the rolling 8-quarter window receive an automatic upgrade of all future filing reminders to the next severity level.
- The penalty history is available as a downloadable compliance report for carrier review and audit preparation.

9.3 License Renewal Management

- Because KYU license renewal dates are carrier-specific — not universal like IFTA — the platform tracks each carrier's unique expiry date independently.
- When a carrier renews their KYU license, they enter the new expiry date in the platform. The system validates the date is reasonable (within 1 year of prior expiry) and sets the new escalation schedule.
- The platform maintains a history of all KYU license renewal dates so patterns can be identified and the expected renewal month can be confirmed for each carrier.

9.4 Quarterly Return Preparation

- The platform pre-populates the quarterly KYU return with Kentucky miles pulled from ELD or IFTA data for each qualifying vehicle.
- The platform cross-references KY miles on the KYU return against KY miles on the IFTA return and flags any variance above the configurable threshold.

- For zero-mile quarters, the platform auto-generates a zero return and prompts the carrier to review and file it, with prominent messaging about the \$500 penalty risk.
- All KYU filings are submitted through the Kentucky Motor Carrier Portal. The platform provides pre-populated data and a direct link.
- The platform records the filing confirmation number and timestamp upon completion, maintaining an auditable filing record.

9.5 KIT vs. KYU Classification

- The platform distinguishes between KYU (interstate carriers) and KIT (intrastate Kentucky carriers) in the vehicle profile.
- Vehicles flagged as KIT are excluded from KYU compliance tracking but are monitored for interstate Kentucky miles.
- If interstate miles are recorded for a KIT-flagged vehicle above the configured threshold, a HIGH exception fires requiring the carrier to verify the vehicle classification.
- Changing a vehicle from KIT to KYU classification triggers an immediate review of prior quarters to determine if any retroactive KYU filings are needed.

9.6 Cross-Module Integration

- IFTA Module: Kentucky miles from the IFTA quarterly return are used to pre-populate the KYU quarterly return. Any variance triggers a mileage discrepancy exception.
- Vehicle Profile: Any change to a vehicle's declared gross weight that crosses the 59,999 lb KYU threshold triggers an immediate eligibility re-evaluation and either a KYU registration prompt (if newly above threshold) or an exemption notification (if newly below threshold).
- IRP Module: No direct integration dependency. KYU applies regardless of IRP registration status, unlike New Mexico WDT.

9.7 Notification Delivery

- CRITICAL exceptions: immediate in-app full-page alert + email to carrier administrator with \$500 penalty explicitly stated and direct link to KY Motor Carrier Portal.
- HIGH exceptions: in-app notification + email at each escalation threshold with \$500 penalty amount in the subject line and email body.
- Penalty assessment notification: when a \$500 penalty is confirmed, a separate alert is sent summarizing the penalty, the quarter it applies to, and the cumulative penalty total.
- MEDIUM and INFO: in-app dashboard only. No email unless carrier opts into all compliance notifications.
- Cross-module alert: if KYU license expires, alerts are sent to IFTA and all other active compliance modules noting that the carrier's Kentucky compliance is suspended.