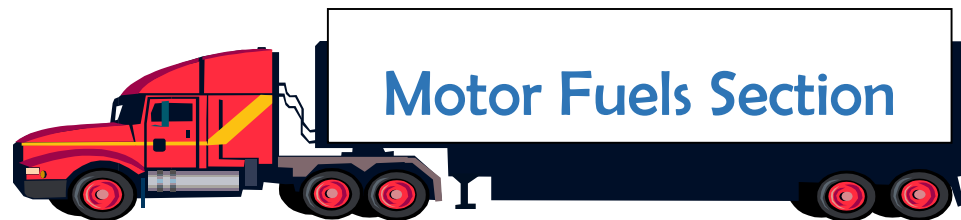


**NCDOR**

**NORTH  
CAROLINA  
DEPARTMENT  
OF REVENUE**

# Motor Fuels Investigations



- Motor Fuels Investigators are Sworn NC Law Enforcement Officers
- Statewide Enforcement of International Fuel Tax Agreement (IFTA) & Motor Fuels Laws
- On-Road Enforcement:
  - IFTA Motor Carriers
  - Intrastate Motor Carriers
  - Dyed Fuel Inspections/Investigations
  - Retail Inspections/Investigations
- Conduct **random** inspections both roadside and at business and/or job sites

# Fuel Decals



“IN” (Intrastate (NC) decal)



IFTA decal

- **Fuel Decals are REQUIRED for the following:**

- All vehicles with a “registered weight” OR “actual weight” of over 26,000 lbs.
- All vehicles with a “combined weight” of over 26,000 lbs. (this means a “power unit” with an attached trailer, etc. with the weight of the combined unit weighing over 26,000 lbs.)
- All vehicles, regardless of weight, with three (3) or more axles.

*Note: The exception to these rules/laws is that decals are not required on vehicles owned by any government (city, county, state, federal) entity or operated by any legally recognized subsidiary of a government agency.*

- **Reference: NC G.S. 105-449.47**

- **IFTA** requires motor carriers be licensed in a 'Base State', display IFTA decals, and carry proof of the license in the vehicle **or in accessible electronic form (Jan. 2019).**



**NORTH CAROLINA DEPARTMENT OF REVENUE**  
**P. O. BOX 25000, RALEIGH, NC 27640**  
**(877) 308-9092 (toll free) TELEPHONE**

**INTERNATIONAL FUEL TAX AGREEMENT (IFTA) LICENSE**  
**EXPIRES: 12/31/2023**


Name of Licensee: Legal Name  
Address  
City, State, Zip

NCDOR ID: xxxxxxxxx  
Taxpayer ID: NCxxxxxxxxx

THIS LICENSE IS ISSUED UNDER THE TERMS OF THE INTERNATIONAL FUEL TAX AGREEMENT AND IS VALID FOR VEHICLES OPERATED BY THE LICENSEE IN ALL IFTA MEMBER JURISDICTIONS.

**A COPY OF THIS LICENSE MUST BE CARRIED IN EACH QUALIFIED MOTOR VEHICLE**

- **NC statutes** require motor carriers operating only in North Carolina display “In-state” decals and carry proof of the license in the vehicle or in accessible electronic form (Jan. 2019).

 A yellow rectangular license decal. In the top right corner is the number '23'. In the center is a black outline of the state of North Carolina. In the bottom left corner are the letters 'NC' in a bold, black font. In the bottom right corner, the word 'SAMPLE' is written in a small, black, sans-serif font.	<b>NORTH CAROLINA DEPARTMENT OF REVENUE</b> <b>P. O. BOX 25000, RALEIGH, NC 27640</b> <b>(877) 308-9092 (toll free) TELEPHONE</b>
	<b>NORTH CAROLINA INTRASTATE (IN) LICENSE</b> <b>EXPIRES: 12/31/2023</b>
Name of Licensee: Legal Name Address City, State, Zip	NCDOR ID: xxxxxxxxx Taxpayer ID: NCxxxxxxxxx
<b>A COPY OF THIS LICENSE MUST BE CARRIED IN EACH QUALIFIED MOTOR VEHICLE</b>	

# Decal Placement Diagram



## Application Instructions

1. Remove prior years' decals.
2. Prepare the area where the decal will be applied by washing with soap and water, cleaning with a petrochemical based solvent cleaner, and wiping with warm water (no soap) and towel dry.
3. Peel decal from paper backing by bending backward at centre and lifting edge.
4. Position decal on surface and rub firmly.

## Decal Placement

One of the two decals issued for an IFTA vehicle must be placed on the lower, rear exterior portion of the cab's passenger side, and the second matching decal placed on the driver's side of the vehicle in a similar position. Failure to display both decals in the required locations may subject the vehicle operator to the purchase of a trip permit and/or a citation.

- You **cannot** use fuel decals on your vehicle that were issued to another person or business. Make sure you only use and display decals that were issued to you or your business by NCDOR.

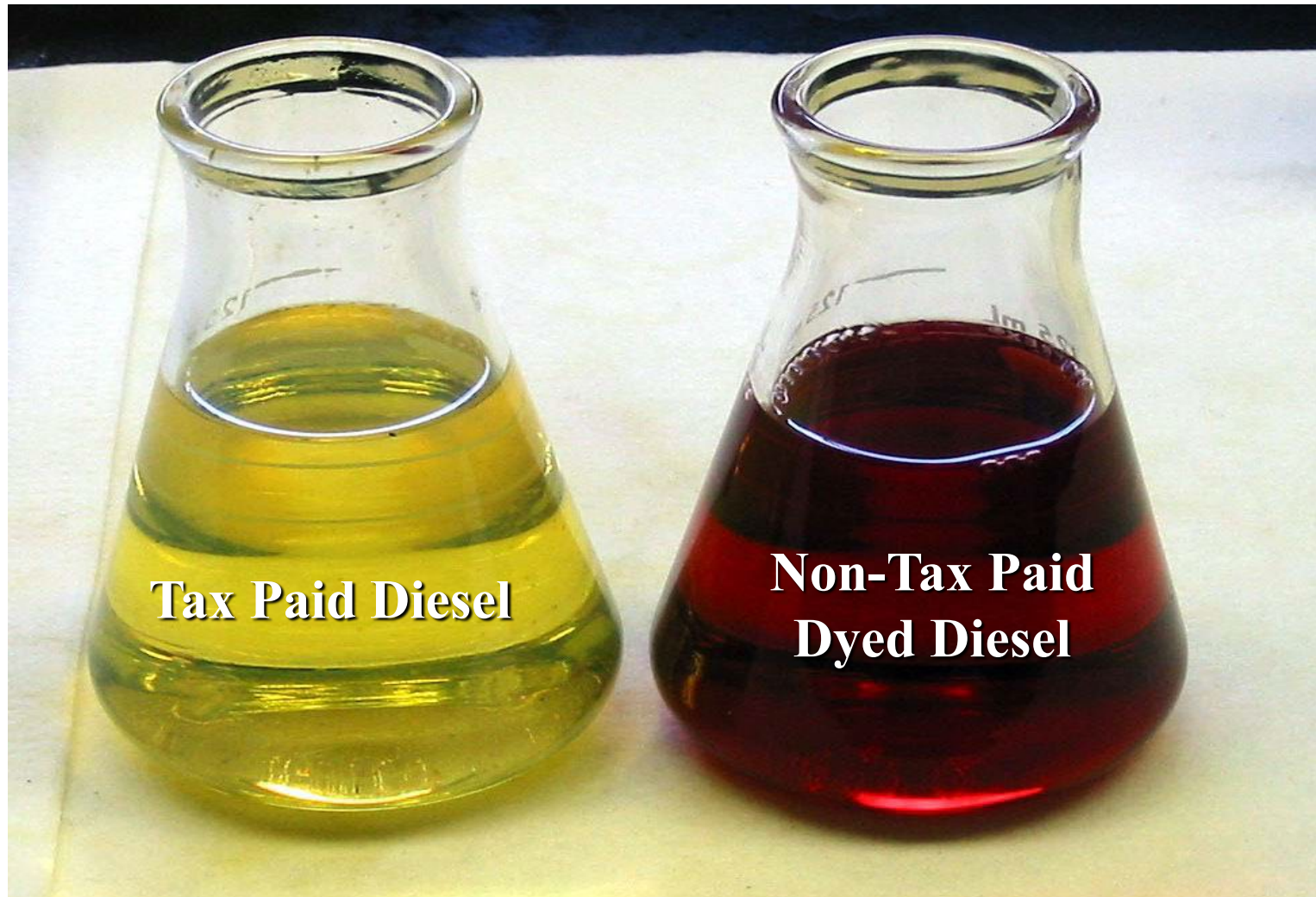
*Note: If a lease agreement is obtained documenting the use of the lessor's IFTA decals, this would permit the use of fuel decals from another person or business.*

- If you sell, trade, or otherwise dispose of a qualified vehicle, make sure to remove the decals (document decal number, etc.). If possible, maintain possession of removed decals before you release the vehicle to the buyer.
- If you buy a vehicle displaying a decal from a previous owner, **do not** operate it thinking it is okay, or that you are covered using the previous owner's decal. Remove the decal and apply to get your own decal(s) and license(s).
- **Reference: NC G.S. 105-449.52(a)(3)**



- If you or your company is issued a penalty for a decal violation, this information will be shared with the Motor Fuels Audit Section for possible audit purposes.
- If you have been audited by the Motor Fuels Audit Section for reasons concerning qualified vehicles and during the course of the audit an auditor finds missing or “unaccounted for decals.” The Motor Fuels Audit Section will share this information with the Motor Fuels Investigators Section for investigative purposes. If it is determined decals are missing, penalties will be issued for each missing decal, resulting in an assessment of \$100 per missing decal.
- **Reference: NC G.S. 105-449.52(a)(2)**

# **Tax-Paid and Non-Tax Paid Diesel Fuel Compliance Checks**





*With diesel at a pre-tax price of about \$3.17+ per gallon*

Tax Paid (Hwy.) Fuel Cost is approx. \$4.04 (avg.) per gallon (4-2023)

## **Cost Analysis**

**Evasion Can Cost State and Federal Agencies**

**60¢ + Per Gallon in Highway Taxes**

- The use of any dyed and/or non-tax paid fuel in a highway vehicle, no matter the quantity, constitutes a **violation of the law**. The law makes no distinction on amount used, or the amount introduced into the supply tank.
- Refusal of the taking of a motor fuel sample will result in a penalty, per refusal.
- If you are issued a penalty for Illegal Use of Dyed Fuel this information will be shared with the Motor Fuels Audit Section. An audit could be initiated.
- Reference: NC G.S. 105-449.117  
NC G.S. 105-449.118A



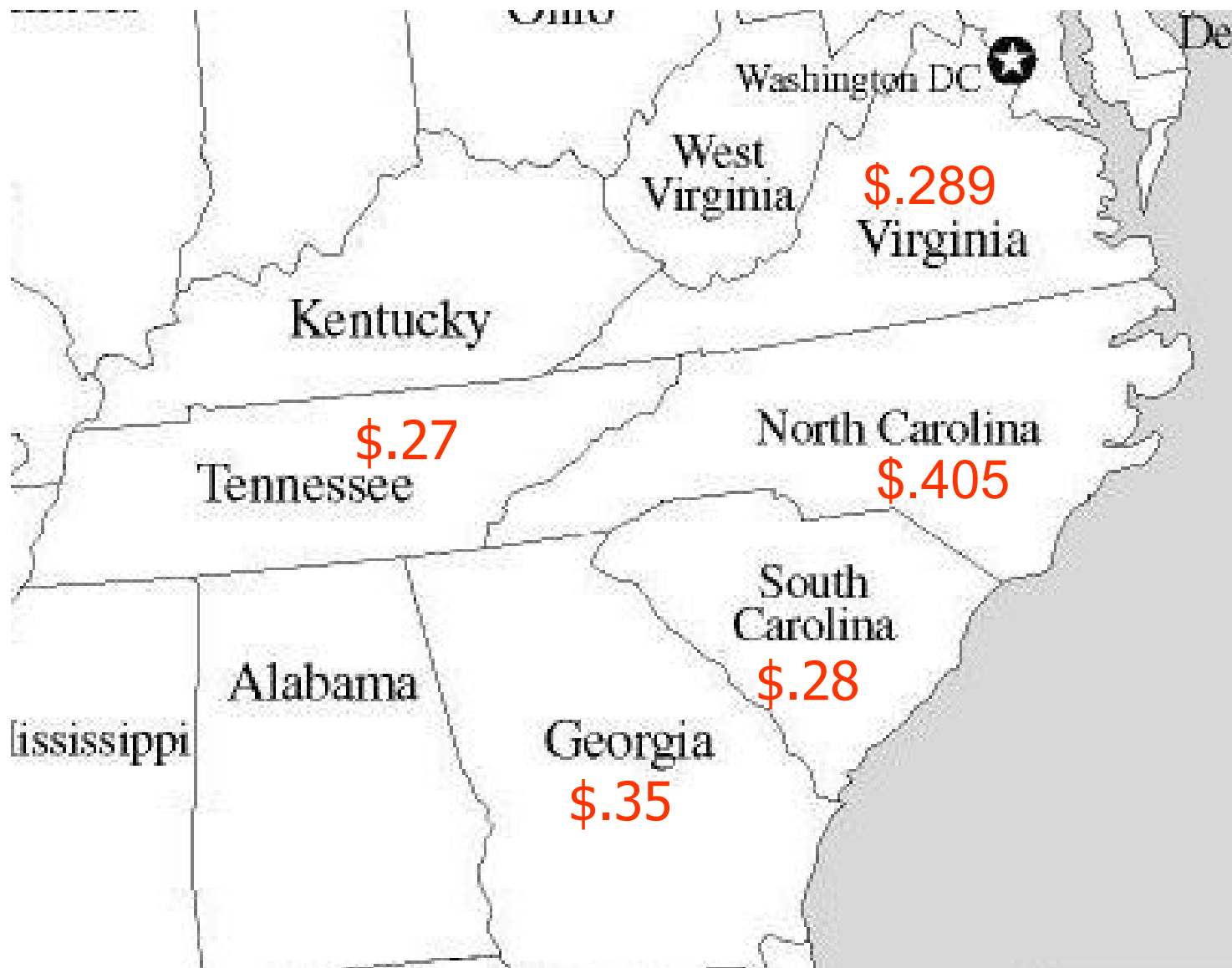
# Dyed Fuel Tank Labeling



# Dyed Fuel Tank Labeling

- **§ 105-449.123** A person who is a retailer of dyed motor fuel or who stores both dyed and undyed motor fuel for use by that person or another person must mark the storage facility for the dyed motor fuel as follows in a manner that clearly indicates the fuel is not to be used to operate a highway vehicle. The storage facility must be marked “Dyed Diesel, Nontaxable Use Only, Penalty For Taxable Use” or “Dyed Kerosene, Nontaxable Use Only, Penalty for Taxable Use” or a similar phrase that clearly indicates the fuel is not to be used to operate a highway vehicle. A person who intentionally fails to mark the storage facility as required by this section is subject to a civil penalty equal to the excise tax at the motor fuel rate on the inventory held in the storage tank at the time of the violation. If the inventory cannot be determined, then the penalty is calculated on the capacity of the storage tank.

# Border State Taxes



Differences  
per gallon  
(Diesel)

VA = - 11.9¢

TN = - 13.5¢

GA = - 5.5¢

SC = - 12.5¢

(As of 4/2023)

# Special Operations

- Motor Fuels Investigators routinely participate in and assist with Special Operations conducted by the NC State Highway Patrol (NCSHP). These operations enlist the help of Local, State and Federal agencies.





# “IFTA Blitz” Operations

NCDOR and NCSHP conduct “Blitz” Operations at various Weigh Stations across the State at various times of the year to ensure compliance with IFTA regulations and laws. During these operations, Motor Fuels Investigators look for violations such as expired fuel decals, qualified vehicles without decals, failure to carry IFTA licenses, dyed fuel violations, etc.

- **Reference: NC G.S. 105-449.52(a)(1)**



# OPERATION “PORT CHECK”

Port of Wilmington, NC

Port of Morehead City, NC



# Inspecting Trucks Entering the Ports



NCDOR and NCSHP working together to ensure compliance at  
North Carolina Ports

# Vehicles Exempt from Registration

- There are multiple exemptions depending on the type of vehicle and use of the vehicle.
- In some instances, vehicles exempt from registration NC G.S. 105-449.117 does not apply.
- **Reference: NC G.S. 105-449.117**  
**NC G.S. 20-51**



# Gator



When used in a “for hire” manner, dyed fuel CANNOT be used legally on the roadway in this type of vehicle, regardless of NC G.S. 20-51 and/or licensing requirements.

# Prowler



When used in a "for hire" manner, dyed fuel CANNOT be used legally on the roadway in this type of vehicle, regardless of NC G.S. 20-51 and/or licensing requirements.

# QUESTIONS?

## General Statutes

G.S. 105-449.52(a)(1) – No Identification Decal or License

G.S. 105-449.52(a)(2) – Unaccounted Decal

G.S. 105-449.117 – Highway Use of Dyed Diesel Fuel

G.S. 105-449.118A – Refusal to Inspect Dyed Fuel

G.S. 105-44.123 – Failing to Mark Dyed Fuel Tank



If you have any further questions, contact  
the NC Department of Revenue Examination  
Division's Motor Fuels Section at  
336-487-0273 or visit the Department's  
website at <http://www.ncdor.gov>