

IRP Fees and Estimated Distance Webinar

* You will need a calculator.



Presented by:
Alana Gourneau, South Dakota
Matt Poirier, Massachusetts

Introductions: PPEC Members

Alana Gourneau, South Dakota

Matt Poirier, Massachusetts

Fees and Estimated Distance

Article IV, Section 405

Calculation of Apportionment Percentage:

- a) For a Member Jurisdiction in which the Fleet
 - 1) accrued distance during the Reporting Period, or
 - 2) has never been apportioned and did not accrue distance during the Reporting Period:

Fees and Estimated Distance

- i. Determine the total actual distance operated during the Reporting Period in all member Jurisdictions where Fleet Vehicles were apportioned during the Reporting Period and where the Registrant desires to renew apportioned registration;

Fees and Estimated Distance

- ii. Estimate the Total Distance to be operated by the Fleet during the Registration year in all Member Jurisdictions where Fleet Vehicles were neither previously apportioned nor accrued actual distance during the Reporting Period, but in which the Registrant desires apportioned registration; and
- iii. Add the amount determined in clause (i) to the amount determined in clause (ii).

Fees and Estimated Distance

The apportioned percentage for each such Member Jurisdiction is the distance attributed to that Member Jurisdiction divided by the amount determined in clause (iii) of this subsection (calculated to 6 decimal places and rounded to 5 decimal places), times 100.

$$\text{Apportioned \%} = \text{Distance} / \text{Clause (iii)} \times 100$$

Example: Jurisdictions X,Y,Z reported as Actual Distance

$$\text{Then apportionment factor for X} = X/(X+Y+Z)$$

Fees and Estimated Distance

- b) For a member jurisdiction in which the Fleet did not accrue distance during the Reporting Period but in which is has previously been apportioned:
- Estimate the Total Distance to be operated during the Registration Year in all such Member Jurisdictions; and
 - Add this amount to the amount determined in clause (iii) of subsection (a).

The apportionment percentage for each Member Jurisdiction is the Estimated Distance attributed to that Member Jurisdiction divided by the amount determined in clause (ii) of this subsection (calculated to 6 decimal places and rounded to 5 decimal places, times 100.)

$$\text{Apportioned \%} = \text{Distance} / \text{Clause (ii)} \times 100$$

Fees and Estimated Distance

Second Year Estimate Example

Jurisdictions X, Y, and Z

X and Y Actual Distance, Z is 2nd Year Estimate

For X, apportionment factor is $X/(X+Y)$
For Z, apportionment factor is $Z/(X+Y+Z)$

Fees and Estimated Distance

- c) For purposes of subsection (a), a Fleet shall be considered never to have been apportioned in a Member Jurisdiction if the Registrant has neither
- owned or Leased Apportioned Vehicles during the 18 months prior to the date of its application for apportioned registration, nor
 - accrued actual distance by operating Apportioned Vehicles in any Member Jurisdiction during the Reporting Period.

Fees and Estimated Distance

- d) If a fleet was apportioned in a Member Jurisdiction for no more than the last 90 calendar days of the Reporting Period, the Fleet's apportionment percentage for that Member Jurisdiction may, at the option of the Registrant, be calculated under subsection (a) if, with respect to that Member Jurisdiction, the Fleet otherwise meets the qualifications of subsections (a) and (c).

Official Commentary

Although basically the apportionment percentage for a Member Jurisdiction is the ratio of the distance operated or estimated to be operated by the Fleet in the Member Jurisdiction, complexity is added to the determination of this ratio by the necessity of calculating fees that are based on a second-year estimate at over 100%.

It is clear from these instructions that distance operated by a Fleet in a Jurisdiction for which the Registrant is not applying for renewal registration is not to be included in the denominator used to determine the Registrant's apportionment percentages.

Exercise 1 - Renewal

History: James Jones is based in New York and has two tractors, both registered for 80,000 pounds. He reported the following distance for the renewal period of November 1, 2010 to October 31, 2011 (Reporting Period July 1, 2009 through June 30, 2010):

- New York - 13,130 actual
- Vermont - 3,211 estimated
- Massachusetts - 5,626 actual

Current: James is now renewing this fleet for the November 1, 2011 to October 31, 2012 registration year. He is again requesting New York, Vermont and Massachusetts for his two tractors, 80,000 pounds. For this Reporting Period (July 1, 2010 through June 30, 2011), he reports the following distance:

- New York - 10,120 actual
- Vermont - 1,225 estimated
- Massachusetts - 3,455 actual

What are the fees for the current renewal?

Exercise 1 - Renewal

Poll Question 1

Exercise 1 - Renewal

Distance
(Actual):

NY 10,120
MA 3,455
Total Actual 13,575

Prorate Factors:

NY .74549
MA .25451
1.00000

Distance
(2nd Year Estimate):

VT 1,225
Actual 13,575
Total Fleet 14,800

Prorate Factor:

VT .08277

Exercise 1 - Renewal

Poll Question 2

Exercise 1 - Renewal

NY fees:

$\$968 \times .74549 = \721.63

VT fees:

$\$1,902 \times .08277 = \157.43

MA fees:

$\$1,200 \times .25451 = \305.41

Total per truck: \$1,184.47

The Final Answer:

$\$1,184.47 \times 2 \text{ trucks} =$

\$2,368.94

Questions?

Exercise 2 – Add Jurisdiction Supplement

History: Sue Smith from Massachusetts wants to add a jurisdiction to her fleet for Registration Year 2011. She currently runs in New York and Massachusetts, and her distance for this Registration Year (September to August) was:

- New York – 13,130 actual
- Massachusetts – 5,626 actual

Current: She would like to add Vermont to her fleet of two tractors, 80,000 pounds, on April 1st. Massachusetts is not staggered. She is reporting Vermont distance as:

- Vermont - 4,525 estimated

What are the percentage factors for each jurisdiction and what are fees for the current transaction?

Exercise 2 – Add Jurisdiction Supplement

Poll Question 3

Exercise 2 – Add Jurisdiction Supplement

Distance (Actual):		Added Jurisdiction Distance:	
NY	13,130	VT	4,525
MA	<u>5,626</u>	Prev. Total	<u>18,756</u>
Total Actual	18,756	New Total	23,281
Prorate Factors:		Prorate Factor:	
NY	.70004	VT	.19436
MA	<u>.29996</u>	The prorate factors for NY & MA <i>do not</i> change!	
	1.00000		

Exercise 2 – Add Jurisdiction Supplement

VT fees:	The Final Answer:
\$ 792.50 (5 months)	\$154.03 x 2 trucks =
x <u>.19436</u>	\$308.06
\$154.03 per truck	

Questions?

Exercise 3 – New Base Jurisdiction, Existing Operation

History: Joe Smith has owned his Vermont-based trucking business for many years. He operated in Vermont and Massachusetts, hauling general freight with 2 tractors, each registered for 80,000 pounds. His current VT-based registrations expire December 31, 2010.

Current: Today's date is January 1, 2011 and Joe has moved to New York. He provides all the required proof that his business is now NY-based. He will continue to haul general freight with both trucks in New York, Vermont and Massachusetts. Joe reports the following distance on his New York-based Schedule B application, for the period of July 1, 2009 through June 30, 2010:

Vermont – 17,284 actual
New York – 8,176 estimated
Massachusetts – 6,292 actual

Should Joe have used actual or estimated distance for VT & MA? Please respond by indicating either actual or estimate. If Joe should not have used actual distance for VT & MA, or if he is not eligible to base in NY due to no NY distance, stop here and wait for the presenters.

What would the fees be using actual distance? What should the If actual distance for VT and MA, with estimated distance for NY is allowable, calculate the fees.

Exercise 3 – New Base Jurisdiction, Existing Operation

Joe is allowed to base in New York even though he doesn't have actual distance.

He must declare the actual distance for the Reporting Period in Massachusetts & Vermont.

Distance:	
VT	17,284 (act)
NY	8,176 (est)
MA	<u>6,292</u> (act)
Total	31,752
Prorate Factors:	
VT	.54434
NY	.25750
MA	.19816
	1.00000

Exercise 3 – New Base Jurisdiction, Existing Operation

Poll Question 4

Exercise 3 – New Base Jurisdiction, Existing Operation

NY fees:	
\$968 x .25750 =	\$ 249.26
VT fees:	
\$1,902 x .54434 =	\$1,035.33
MA fees:	
\$1,200 x .19816 =	\$ 237.79
Total per truck:	\$1,522.38

The Final Answer:
\$1,522.38 x 2 trucks =
\$3,044.76

Questions?

Exercise 4 – Renewal with Previous Estimate

History: Sally Jackson is based in New York and has two tractors, both 80,000 pounds. Her registration period is January – December. For the 2010 Registration Year (Reporting Period July 1, 2008 through June 30, 2009) she reported:

- New York – 13,130 actual
- Vermont – 3,211 estimated
- Massachusetts – 5,626 actual

History: For the 2011 Registration Year (Reporting Period July 1, 2009 through June 30, 2010), she reported the following distance for her two tractors:

- New York – 15,543 actual
- Massachusetts – 6,544 actual

History: For the 2012 Registration Year (Reporting Period July 1, 2010 through June 30, 2011), she reported the following distance for her two tractors:

- New York – 12,118 actual
- Massachusetts – 5,842 actual

Current: For the 2013 Registration Year (Reporting Period of July 1, 2011 through June 30, 2012), she reports the following distance for her two tractors:

- New York – 12,984 actual
- Vermont – 1,748 estimated
- Massachusetts – 3,014 actual

What are the percentage factors and fees for the **2013** registration year?

Exercise 4 – Renewal with Previous Estimate

Poll Question 5

Exercise 4 – Renewal with Previous Estimate

**Distance
(Actual):**

NY 12,984
 MA 3,014
Total Actual 15,998

Prorate Factors:

NY .81160
 MA .18840
 1.00000

**Distance
(2nd Year Estimate):**

VT 1,748
Actual 15,998
Total Fleet 17,746

Prorate Factor:

VT .09850

Exercise 4 – Renewal with Previous Estimate

Poll Question 6

Exercise 4 – Renewal with Previous Estimate

NY fees:

\$968 x .81160 = \$785.63

VT fees:

\$1,902 x .09850 = \$187.35

MA fees:

\$1,200 x .18840 = \$226.08

Total per truck: \$1,199.06

The Final Answer:

\$1,199.06 x 2 trucks =

\$2,398.12

Questions?

Exercise 5 – First Renewal

History: John Williams is based in Vermont and has two tractors, both 80,000 pounds. He was a new registrant May 17, 2009, expiring April 30, 2010. For his initial registration, all distance was estimated using the VT estimated distance chart:

- Vermont – 3,211
- New York – 3,579
- Massachusetts – 2,977

Current: It is now May 1, 2010 (Reporting Period of July 1, 2008 through June 30, 2009), and John is renewing the two tractors, 80,000 pounds. His interstate travels didn't take off as he had hoped, but after a few months, business picked up in the other jurisdictions. He managed to accrue the following actual distance between May 17 and June 30, 2009:

- Vermont – 2,947 actual
- New York – 442 actual
- Massachusetts – 84 actual

He has completed the Renewal Schedule B, estimating by declaring his own route of travel (now that his business plan is actually a reality):

- Vermont – 4,984 estimated
- New York – 6,292 estimated
- Massachusetts – 3,647 estimated

Using the correct distance for John's renewal, calculate the percentage factors and registration fees. Also, be prepared to explain why the distance you chose is the correct one for John to use.

Exercise 5 – First Renewal

Poll Question 7

Exercise 5 – First Renewal

The calculations should be based on the estimated distance John provided.

Registrants who are new to IRP in April, May or June, or new jurisdictions added during those months can estimate the following year without second-year penalty.

This is at the option of the registrant!

Distance:

VT	4,984 (est)
NY	6,292 (est)
MA	<u>3,647</u> (est)
Total	14,923

Prorate Factors:

VT	.33398
NY	.42163
MA	.24439
	1.00000

Exercise 5 – First Renewal

Poll Question 8

Exercise 5 – First Renewal

NY fees:

$$\$968 \times .42163 = \$408.14$$

VT fees:

$$\$1,902 \times .33398 = \$635.23$$

MA fees:

$$\$1,200 \times .24439 = \$293.27$$

$$\text{Total per truck: } \$1,336.64$$

The Final Answer:

$$\$1,336.64 \times 2 \text{ trucks} =$$

\$2,673.28

Questions?

Fees and Estimated Distance

Thank you!

Alana Gourneau, SD Department of Revenue and Regulation
Revenue Supervisor, Prorate and Commercial Licensing
445 East Capital Avenue
Pierre, South Dakota 57501
(605) 773-4110
Alana.Gourneau@state.sd.us

Matthew Poirier, MA Registry of Motor Vehicles
Motor Carrier Coordinator
25 Newport Ave. Ext.
Quincy, MA 02171
(617) 351-9317
Matthew.Poirier@state.ma.us