



## TAX EXEMPT FUEL USER (TEFU) REBATES - DETERMINING FUEL CONSUMPTION RATES

To complete a fuel tax rebate application accurately you need to know and record the fuel consumption rate (s) for each vehicle or piece of equipment, or group of similar vehicles or equipment, at the time the application is completed or a survey performed. The use of "blended rates" (i.e., a combined rate for travel and idle), or estimates, is not considered acceptable for determining fuel consumption. You are required to know the consumption rates for the surveyed vehicle (s) at the time the survey is conducted.

the two methods of determining fuel consumption rates that Tax and Revenue Administration (TRA) currently accepts with respect to TEFU rebates.

### ENGINE DIAGNOSTIC DOWNLOAD METHOD

Fuel injected vehicles equipped with an electronic control module (ECM) have the capacity to provide reports called "engine diagnostic downloads". These reports provide a detailed history of the actual fuel consumption of the vehicle. This feature has been available since 1998 on all heavy trucks, with some vehicle manufacturers introducing it as early as the 1995 model year.

- Generally, an ECM will record travel, idle fuel consumption and hours. However, the power take-off (PTO) accessory's fuel consumption will only be recorded if the PTO has actually been connected to the ECM. This may not be the case with PTOs that are not original factory-installed equipment, unless specifically requested at the time of installation.
- If your PTO consumption is not recorded in your engine download data, you may either perform physical testing or have the PTO connected to your engine computer to get the consumption rate data. In the latter case, provide engine diagnostic printouts for trip date after the PTO has been connected to the ECM.
- If the engine diagnostic download printout shows both trip data and total data for the history of the vehicle, the total data is preferred, as it is a more representative sample, except as noted in the preceding paragraph.

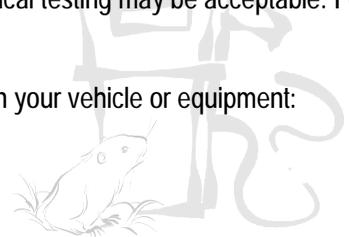
If you use an ECM download to support fuel consumption rates, the download must be from a representative vehicle included on Schedule D. The vehicle used must be documented on the ECM by labeling it with a description of the vehicle and the vehicle reference number

### FUEL CONSUMPTION TESTING METHOD

As an alternative to engine diagnostic downloads, you can conduct fuel consumption testing to determine the various consumption rates for each applicable activity included in your TEFU application (i.e., travel, idle and PTO operation). To support reported consumption rates, engine diagnostic downloads are the preferred evidence; however, physical testing may be acceptable. For physical tests, idle and travel should be tested for five hours.

TRA recommends the following method to conduct a representative fuel consumption test on your vehicle or equipment:

**NOTE:** *The fuel tests must be done on the same unit you did the one month summary for.*



To begin each test, fuel your vehicle to the top of the fuel spout.

Save the receipt and write your odometer reading on the receipt

Operate the vehicle for five hours at the activity being tested (i.e., travel, idle).

PTO consumption rate testing should be representative of routine activities, at a minimum of three hours.

Then, refuel to the top of the fuel spout. (*each time you refuel the unit write down your odometer reading*)

When a fuel invoice may not be provided due to operational or safety concerns (e.g., PTO operation near a gas station), records such as logbooks may be provided. If you are claiming for more than one division owned by a legal entity, list all division names.

If a variety of speeds and conditions are required for either the travel or PTO rates to be representative, then longer durations of tests could be used and the hourly rate calculated. Document your test procedure methods and results, and maintain these records as part of your supporting documentation.

#### USE OF ALTERNATIVE METHODS

The use of an alternative method of determining and documenting fuel consumption rates may be acceptable to TRA on a case-by-case basis. If you intend to use an alternative method, please contact TRA to review and approve the proposed method and documentation prior to the submission of any applications that employ this method.

#### EMERGENCE OF NEW TECHNOLOGY

As new technology emerges, TRA will conduct, on request, a review of that technology to determine its suitability for determining fuel consumption rates. Once a new method has been approved by TRA, all relevant publications will be updated accordingly.

#### RETENTION OF RECORDS

Records and documentation related to fuel consumption rates used in any TEFU rebate application are to be kept for six years from the end of the calendar year in which the fuel was purchased; or four years from the end of the calendar year in which the rebate was paid, whichever is later.