







## Instructions

**General Information.** Only those motor vehicles, trailers, semitrailers, watercraft, or aircraft (vehicles) that are predominantly used for transporting persons or property for hire can qualify as a common or contract carrier. It is necessary that the applicant comply with all state agency regulations prior to filing for the sales and use tax exemption.

**Nonqualified Use of Vehicles.** Vehicles used by construction contractors; rock, sand, and gravel companies; farm cooperatives; refuse (garbage) haulers; recycling services; land leveling and excavation companies; custom grain harvesters; house movers; grain dealers; and water haulers will generally not qualify for this sales and use tax exemption. These vehicles are used to transport their own property and equipment, and the miles traveled are not qualified common or contract carrier miles. In addition, passenger cars, pick-up trucks, vans, and other business vehicles used for administration and safety purposes, for hauling your own parts, tires, and other property, or for transporting personnel from job to job are not predominantly used in a common or contract carrier capacity and will not qualify for this exemption.

Applicants who file an International Registration Plan (IRP) application or renewal application may attach a copy of the application with the mileage information for each vehicle used in a common or contract carrier capacity instead of listing them on this form. Vehicles not included on the IRP application that are used in a common or contract carrier capacity must be listed on this form. A statement regarding the type of property that is transported by the vehicles should also be included as part of the application. A computer printout or CD providing the same information as required on this form will be accepted instead of completing the requested information on that portion of this form.

**Predominant Use.** Predominant use as a common or contract carrier means the vehicle is used **more** than 50% of the time to transport persons or property for compensation. To determine the predominant use, the applicant must divide the total number of miles or hours the vehicle was used by the applicant to transport persons or property for hire, including all related common or contract carrier deadhead miles, by the total number of miles or hours the vehicle was used for all purposes by the applicant. If the vehicle was leased to another person during the same period of operation, the miles or hours accumulated by the lessee should not be included in either Column A or Column B of the applicant's mileage or hours of use. When determining the percentage of use, please use the most recently completed income tax year as your period of operation.

**Describe What is Transported.** Please list the specific types of property transported (for example, grain, cattle, produce, wood, steel, machinery, mail), or indicate whether persons are being transported.

**Mileage Information.** The mileage information is best explained by examples.

**Example 1.** If you use a calendar year to report your income taxes, use the period January 1 through December 31.

**Example 2.** If you use a fiscal year to report your income taxes, use the 12-month period of the fiscal year (for example, July 1 through June 30).

**Deadhead miles** include: miles the vehicle traveled empty going to load the property; miles traveled empty between loads; and miles traveled empty when returning to home base after unloading the property hauled. Deadhead miles between loads on a single trip are treated the same as the load.

**Column A.** For each vehicle listed, enter the total miles or hours traveled in all states during the preceding 12-month period in which you billed or received payments for transporting property or persons, plus all related deadhead miles.

**Column B.** For each vehicle listed, enter the total actual miles or hours traveled in all states for items 1 through 5 for the same period used to complete Column A.

1. Miles or hours traveled transporting property owned by your company.
2. Deadhead miles or hours traveled to pick up or return to base when the property transported was owned by your company.
3. Miles or hours traveled transporting property pursuant to construction, excavation, or demolition contracts awarded to your company.
4. Miles or hours traveled transporting property pursuant to a contract for which your company is billing for materials, property, and transportation costs.
5. Miles or hours traveled to go to a maintenance site, or for testing purposes.

**Column C.** Enter the total of the miles or hours listed in Column A and Column B.

**Column D.** Enter the percentage of common or contract carrier usage (Column A divided by Column C).