

Bond - Cash Deposit - FAQ's

What is a *Highway Use Tax Bond* and why do I need one?

Oregon's Highway Use Tax Bond is a surety device in a specific dollar amount committed to ensure the collection of fees, taxes, charges, penalties and interest due to be paid to the Oregon Department of Transportation as a result of motor carrier operations in the state. The Department collects *Highway Use tax* which contributes to the construction and maintenance of Oregon highway systems. Unfortunately, some businesses fail to pay their highway tax which reduces the funds available to maintain Oregon highways. A bond ensures that obligations are paid when a given motor carrier fails to do so.

Oregon Administrative Rule (OAR) 740-040-0070 requires each motor carrier that does not qualify for a bond or a bond waiver to deposit with the Department an equivalent amount of cash necessary to ensure the collection of fees, taxes, charges, penalties and interest.

Oregon's *Highway Use Tax Bond* requirement may be satisfied with any of the following:

- Money (cash deposit),
- Surety Bond, or
- Savings Assignment

Surety bonds are readily available and can be obtained from most insurance companies.

If you choose to deposit cash with the Department, interest will be paid.

The full amount of the required bond must be deposited in order to avoid suspension.

How do I qualify for the bond waiver?

New motor carriers: ODOT may waive the deposit required of a new carrier with a Dun & Bradstreet rating of 3A2 or higher.

Motor carriers with temporary accounts (non-established accounts) will not qualify for a bond waiver.

Established motor carriers: ODOT may waive the required deposit if the Department finds that in the previous 12 months the motor carrier has been required to file weight-mile tax reports for each of the reporting periods (monthly, quarterly or annually) and has had:

- No Suspensions with the Department;
- No revocation of IFTA tax license;
- No weight-mile tax reports filed late;
- Fees timely paid;
- No more than two estimated weight-mile tax reports filed;
- No more than one estimated weight-mile tax report filed without an actual report filed within a 30-day period;
- No non-sufficient fund (NSF) checks;
- No outstanding billings for over-dimensional variance permits;
- No outstanding balance with the Department's Collection Unit for fees owed to the Department under ORS Chapter 825 and/or ORS 818.225; and
- Within the previous 36 months the carrier had no weight-mile tax audit resulting in an assessment that exceeded by more than 15% the amount of the weight-mile taxes and fees reported and paid during the audit period.

Can I post a surety bond instead of a cash deposit?

Yes. The required cash deposit obligation can be met by providing a highway use tax bond in lieu of the cash deposit.

When will my cash deposit be refunded to me?

Motor carriers with established accounts operating on annual credentials who are eligible for a bond waiver may have their deposit refunded to them. (See "How do I qualify for a bond waiver?")

Motor carriers with temporary accounts (non-established accounts) will not qualify for a bond waiver. A cash deposit will be refunded when the carrier notifies MCTD that operations in Oregon have ceased and the account is to be closed. A refund may be issued only after the carrier account and operation has been reviewed and cleared by Motor Carrier Transportation Division, Audit Dept.

To begin the account closure process, MCTD must receive a notification in writing, signed by an authorized representative of the company. Completion of the account review and closure process may take up to 60 days.

Can I keep my temporary account (non-established) after I have met the cash deposit/bond amount in full?

No. Once a carrier's temporary account reaches a threshold designated by the Department, carriers are required by OAR to apply and be approved for an established account.

OAR 740-035-0015

- (1) A motor carrier operating under a temporary account will be required to apply and be approved for an established account, if any one vehicle in the fleet exceeds 5 temporary passes or if the entire account exceeds 35 temporary passes within one twelve month period.
- (2) Applications for motor carrier accounts or other supporting documents must provide the department with sufficient information to identify the legal entity of the motor carrier and must be made on forms furnished by the Department. A motor carrier may have only one account per legal entity.

Can I buy temporary passes once I have established my account and paid the total cash deposit/bond?

Yes. A motor carrier with an established account who meets the bond requirement by depositing cash with the Department can operate on temporary passes, but the account will not qualify for a cash deposit/bond waiver.

What are the advantages of having an established account?

With an established account, carriers can purchase one *Oregon Weight Receipt and Tax Identifier* (Receipt) for \$8.00 per vehicle; the Receipt remains effective from the date of purchase through 12/31 and may be renewed annually, saving the \$9 temporary pass fee paid on a per trip basis. Submit and pay a monthly or quarterly tax report after the miles are driven, rather than in advance of driving the miles. There is no waiting on the phone to purchase temporary passes before entering Oregon.

Register to use Oregon Trucking Online and self-issue/cancel/renew weight receipts and file tax reports 24/7. When using Trucking Online to pay Weight-Mile tax reports, the due date time is extended to 11:59pm rather than 5:00pm. Payment options include Credit Card, Direct Payment (ACH).