Division of Road

Fund Audits

U-DRIVE-IT ASSISTANCE

Alice Wilson, Executive Director
Office of Audits

Randall Royer, Director
Division of Road Fund Audits

Office of Audits
200 Mero Street
Frankfort, KY 40622
Toll Free 1-800-928-6760
Phone (502) 564-6760
Fax (502) 564-6766

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CHAPTER 1 – INTRODUCTION TO U-DRIVE-IT (UDI)

1.1 WHAT IS U-DRIVE-IT?

According to KRS 281.014(3), the term "U-Drive-It" means any person who leases or rents a motor vehicle for a consideration to be used for the transportation of persons or property, but for which no driver is furnished, and the use of which a motor vehicle is not for the transportation of persons or property for hire by the lessee or rentee.

Kentucky UDI is an alternative method for the payment of motor vehicle usage tax as prescribed by KRS 138.460. UDI allows for deferment of this tax at the time of registration. Payment will be made based on rental and lease receipts generated by the use of the vehicle. The laws governing the UDI program are found in KRS 138.463 and are supplemented by the following administrative regulations:

- 601 KAR 1:140 Applications & Permits
- 601 KAR 1:145 Tax Reporting, Fleet Registration Allocation - Section 4
- 601 KAR 1:146 Fair Market Values
- 601 KAR 1:147 Records & Audits
- 601 KAR 9:045 Fleet Allocation Definition and Calculation – Section 1 and 3

Other statutes concerning UDI:

- KRS 138.462 Definitions for KRS 138.463 and 138.4631
- KRS 138.463 Collection of U-Drive-It tax
- KRS 138.4631 Estimated Assessment-Plus Penalty and Interest
- KRS 186.281 Seat and Other Vehicles Taxes
- KRS 186.286 Apportionment of Seat Taxes
- KRS 281.014 Definitions for Chapter
- KRS 281.655 Bond or Insurance Policy

UDI permit holders must have proper accounting systems to record all usage of the vehicles licensed under their UDI permit. The permit holder should be able to account for all use of the vehicle and revenue generated from its operation on Kentucky highways.

1.2 DEFINITIONS

In accordance with KRS 138.462:

(1) *Cabinet* means the Transportation Cabinet;

(2) *Rent* and *rental* means a contract, supported by a consideration, for the use of a motor vehicle for a period of less than three hundred sixty-five (365) days;

(3) *Lease* and *leasing* means a contract, supported by a consideration, for the use of a motor vehicle for a period of three hundred sixty (365) days or more; and

(4) *Gross rental charge* means the amount paid by a customer for time and mileage only.
In accordance with 601 KAR 1:146

(3) *Renting* or *leasing* means a U-drive-it permit holder:
   (a) Rents or leases a vehicle as part of an established business to a retail customer wishing to rent or lease a vehicle; and
   (b) Maintains the records required by 601 KAR 1:147, Section 2.

In accordance with KRS 138.450

(9) *Total consideration given* means the amount given, valued in money, whether received in money or otherwise, at the time of purchase or at a later date including consideration given for all equipment and accessories, standard and optional. *Total consideration given* shall not include:
   (a) Any amount allowed as a manufacturer or dealer rebate if the rebate is provided at the time of purchase and is applied to the purchase of the motor vehicle;
   (b) Any interest payments to be made over the life of a loan for the purchase of a motor vehicle; and
   (c) The value of any items that are not equipment or accessories including but not limited to extended warranties, service contracts and items that are given away as part of a promotional sales campaign.

1.3 OVERVIEW

Through KRS 138.460, Kentucky imposes a 6-percent highway usage tax on every motor vehicle, except those exempt by KRS 138.470, based on either the retail price of the vehicle at the time of first registration in the state or the retail price of the vehicle at the time of ownership transference of a previously registered vehicle.

KRS 138.463 allows UDI permit holders to defer the 6-percent highway usage tax by remitting a monthly tax based on 6 percent of the monthly rental or lease charge of a qualifying vehicle. The usage tax reported on the monthly tax returns is based on the fair market rental or lease value of the vehicle.

The Cabinet conducts UDI audits to determine whether all rental or lease payments have been reported to the Cabinet and whether the payments are based on the fair market value of the vehicle.

1.4 TYPES OF UDI

There are two types of UDI tax – Rental & Leases:

1. Rental defined by statute as an agreement for less than 365 days

2. Lease defined by statute as an agreement for a period greater than 365

1.5 EXEMPTION UNDER UDI - KRS 138.470 (16)

Vehicles over 44,001 pounds and farm trucks registered under KRS 186.050 (4) that has a declared weight of 44,001 or greater are exempt from UDI tax.

CHAPTER 2: APPLICATION PROCESS

2.1 APPLICATION INFORMATION

A UDI application packet can be requested from the Division of Motor Carriers by phone 502-564-1257 or by email at udi.dmc@ky.gov. Included in the packet are the application and a sample of the insurance requirement. The list below is a checklist of information needed to complete the application.

- Original application (TC 95-16) completely filled out, signed and notarized.
- Certificate of good standing from your state's Secretary of State (if not in KY).
- Certificate of authorization for KY (if out of KY) www.sos.ky.gov .
- Insurance document (Uniform Motor Carrier Bodily Injury & Property Damage Liability Certificate of Insurance) must be the original. No other insurance documents are accepted.
- Affidavit #6 on the application (please include to whom you will be leasing i.e. general public) must also be notarized. It must state affidavit at the top and be notarized at the bottom.
- Financial Statement
- Contact information such as email with name so the cabinet can contact you with any questions.
- Your FEIN # and whether you are leasing or renting vehicles or both.
- $25.00 application fee made payable to the Kentucky State Treasurer.

Every document must state the same company name when applying for the permit.

2.2 FORMS

Application (TC 95-16) – The application form is general information about the applicant and business applying for the UDI permit. The application is to be signed and notarized. There is an application fee of $25.00.

Application for Renewal (TC 95-309) – The renewal application is required each year on or before January 1st of each calendar year. The form contains business information and a $25.00 renewal fee every year along with updated insurance document.

Seat Fee – KRS 186.281 (3)

UDI permit holders shall pay a $15.00 annual license fee for each vehicle registered on their UDI permit. The first year the vehicle is registered the license fee is prorated based on the applicable U-Drive-It fee chart.

CHAPTER 3: RECORD KEEPING REQUIREMENTS – 601 KAR 1:147

This regulation sets forth the minimum records necessary for audit completion and for acceptable accounting methods of the permit holder. The permit holder must maintain records for a period of six years after the due date of the UDI tax return.

3.1 RENTAL COMPANY

A UDI permit holder who rents a vehicle shall: (1) use a consecutive, preprinted numbering system for a rental agreements, (2) each motor vehicle included in the permit holder's rental fleet, retain a copy of the original manufacturer's invoice or a document that shows the manufacturer's suggested retail price of the motor vehicle plus the cost of options included on the motor vehicle and (3) retain a copy of the rental agreement including void or damaged agreements.

The following information shall be included on a rental agreement:

- Rental agreement number
- Beginning date of the rental
- Ending date of the rental
- Identification of the specific rental vehicle that includes the following:
  - Vehicle identification number
  - Make
  - Model
  - Year
- Odometer reading of the rental vehicle at the beginning of the rental agreement
- Odometer reading of the rental vehicle at the end of the rental agreement
- Amount charged for the rental agreement
- Method of calculation of the rental amount charged that includes mileage charges and number of days used
- Identification of the person renting the vehicle

If applicable, the following shall be attached to an original rental agreement:

- Replacement vehicle information
- Information that will alter the original rental agreement

3.2 LEASING COMPANY

A UDI permit holder who leases a vehicle shall retain a copy of the leasing agreement and other information required.

A lease agreement shall include the following information:

- Complete name and address of the lessee
- Beginning date of the lease

- Ending date or term of the lease
- Identification of the lease vehicle that includes the following:
  - Vehicle identification number
  - Make
  - Model
  - Year
  - Manufacturer's suggested retail price
- Final lease termination calculation and date
- Monthly payment amount subject to the tax imposed by KRS 138.463
- Down payment or trade-in information
- Dated signature of the lessee and the lessor
- Date of first lease payment, if different from agreement beginning date

The following, if applicable, shall be attached to the lease agreement:

- Certificate of title of the leased vehicle
- A lease amount calculation worksheet
- A lease extension agreement
- Documentation of a lease early termination (turn-in sheet or repo sheet)
- Information that would alter the original lease agreement

CHAPTER 4: FAIR MARKET VALUE – 601 KAR 1:146

This regulation sets the guidelines to be followed by the Division of Road Fund Audits in establishing fair market rental and lease rates. This regulation also sets forth instances in which the fair market rates are assessed.

4.1 FAIR MARKET VALUE – RENTAL

If a UDI permit holder is regularly engaged in the business of renting vehicles to retail customers, the Division of Road Fund Audits has the authority to audit the records of the permit holder to determine whether the permit holder is paying the correct tax amount.

The fair market value (FMV) rental amount is used to assess the usage tax imposed pursuant to KRS 138.463 on an individual transaction of a UDI permit holder who is regularly engaged in the business of renting vehicles to retail customers if:

- The transaction is less than FMV of the rental of the motor vehicle
- The information required to be maintained by 601 KAR 1:147 for the transaction is missing or incomplete

In accordance with 601 KAR 1:146 Section 3, the Division of Road Fund Audits randomly selects a sample of permit holders to participate in a survey to determine the average FMV rental amount for each specific vehicle type classification.

The Cabinet uses the FMV established for the rental amount for a specific vehicle type classification (as determined in the survey) to assess the tax imposed under KRS 138.463 for:

- Every transaction of a permit holder who is not regularly engaged in the business of renting vehicles to retail customers
- A vehicle being used for which the permit holder regularly engaged in the business of renting or leasing vehicles to retail customers is not reporting the UDI usage tax on his or her monthly tax return

The current FMV the Transportation Cabinet established for rentals for each specific vehicle classification is listed in the *Fair Market Value Transportation Cabinet Established Rental and Lease Amounts,* April 2013 edition, and is shown in the following table.

FMV RATES BY RENTAL VEHICLE TYPE

VEHICLE TYPE	DAILY RATE	WEEKLY RATE	MONTHLY RATE
Compact	54.22	208.47	691.73
Midsize	58.53	228.89	754.43
Full-size	67.98	286.13	986.84
Luxury	131.94	504.27	1622.35
Mini-Van	109.16	630.53	1717.54

4.2 FAIR MARKET VALUE – LEASE

If a UDI permit holder is regularly engaged in the business of leasing vehicles to retail customers, the Division of Road Fund Audits, in accordance with 601 KAR 1:146 Section 5 can audit the records of the permit holder to determine an average lease amount per $1,000 value of the manufacturer's suggested retail price (MSRP) of the permit holder's lease vehicles.

The FMV lease amount is used to assess the KRS 138.463 UDI usage tax on an individual transaction of a UDI permit holder who is regularly engaged in the business of leasing vehicles to retail customers under the following conditions:

- The transaction is for less than the FMV of the lease of the motor vehicle
- The information required to be maintained by 601 KAR 1:147 for the transaction is missing or incomplete

In accordance with 601 KAR 1:146, the Division of Road Fund Audits shall survey the executed lease agreements audited sample of UDI permit holders who are regularly engaged in the business of leasing vehicles to retail customers to determine the average dollar amount per $1,000 value of the MSRP of the vehicle.

The usage tax assessed under KRS 138.463 for a lease vehicle of a permit holder who is not regularly engaged in the business of leasing vehicles to retail customers shall be the greater of the following:

- The FMV lease amount per $1,000 value of the MSRP of the vehicle established
- The monthly lease amount assessed by the permit holder

The average dollar lease amount per $1,000 value of the MSRP is listed in the *Fair Market Value Transportation Cabinet Established Rental and Lease Amounts,* April 2013 edition.

The current lease factor is $17.57 per $1,000 of the MSRP Value.

CHAPTER 5: AUDIT PROCEDURES

UDI audits are conducted in accordance with KRS 138.463, 601 KAR 1:146 and 601 KAR 1:147.

5.1 AUDIT SELECTION

The UDI Branch conducts 10-15 audits a year based on the number of vehicles per audit. When selecting audits to be completed, the audit manager will evaluate:

- Permit holder's gross receipts for a given time period
- Any changes in the permit holder's business practices
- Permit holders that have never been audited by the Division of Road Fund Audits
- Permit holders that request a refund of tax
- Requests made by the Division of Motor Carriers, Kentucky State Police and public complaints

5.2 GUIDANCE

When selecting audits, the audit manager will evaluate the UDI monthly tax returns and assign audits to each auditor. The Division of Road Fund Audits conducts all audits at the permit holder's place of business. The audits are specific to vehicles within the audit period. The assigned auditor will determine if the permit holder was previously audited and examine any findings of noncompliance. This shall be documented in the audit file noting resolution or nonresolution.

5.3 PRE-FIELDWORK PROCEDURES

Before conducting the audit at the permit holder's place of business the lead auditor will:

- Prepare tax return postings, vehicle schedules and any other fieldwork schedules
- Obtain vehicle information from the Automated Vehicle Licensing System (AVIS)
- Conduct a phone interview with the permit holder
- Schedule the audit with the permit holder by phone at least 15 days in advance and mail a confirmation letter

5.4 FIELDWORK PROCEDURES

The auditors will:

- Conduct an entrance conference with the permit holder to verify information obtained during the phone interview and to obtain any necessary information including:
- Specific details for leases
- Specific details for rentals
- Check for and correct any input errors

- Combine files and verify usage of each vehicle based on the input information of the *Schedule of Actual Lease Information* or the *Schedule of Rental Agreement* with those on the *Schedule of Vehicles*
- After cross-referencing vehicles, consider those without records as fair market vehicles and document the such vehicles

- Conduct a fieldwork close-out conference to:
  - Discuss preliminary findings, any additional information needed and any recommendations
  - Complete the *Fieldwork Closeout Conference.* Note: both parties shall sign the close-out form. Auditor will provide a copy for the permit holder and place the original in the audit file.
  - Furnish the permit holder with a copy of the laws and regulations
  - Furnish the permit holder with a list of any additional information needed

5.5 POST-FIELDWORK PROCDEDURES

The lead auditor will combine all field auditors' work and in accordance with 601 KAR 1:146 perform a fair market test.

For leases, the lead auditor will:

- Use the fair market rate to calculate the lease amount for each lease and compares it with the actual lease amount

- Determine whether any amounts are less than the fair market rate

- Calculate 90 percent of the fair market rate for those less than fair market

- Accept as fair market, if lease amount is 90 percent or above the fair market rate market

- Apply the fair market rate to the lease if lease amount is less than 90 percent of the fair market rate

For rentals, the lead auditor will:

- Use the permit holder's lowest fair market rate to calculates the fair market amount for each rental agreement having both money and usage indicated

- Determine whether any rental agreements are less than the lowest fair market rate

- Calculate 90 percent of the lowest fair market rate for those less than fair market

- Accept as fair market, if agreement amount is 90 percent or above the lowest fair market rate

- Use the calculated averages from the audit, if agreement amount is less than 90 percent of the lowest fair market rate

- Calculate the permit holder's averages based on the rental agreements that were audited

5.6 WORKPAPERS

Workpapers link the permit holder's records to the audit report and contain evidence to support the findings, judgments and conclusions in the report.

Upon completion of the audit, the lead auditor shall assemble all schedules, workpapers, source documents and other supporting data and compile them in an audit folder with an index so that the audit is a complete and

understandable file without reference to another file. For those audits performed after August 2013, this process will occur in TeamMate.

Work papers shall be complete and accurate to provide proper support for findings, judgment and conclusions and demonstrate the nature and scope of the audit.

5.7 AUDIT REPORT ISSUED

Once the UDI audit is completed, the UDI reviewer will:

- Conduct an in-depth review of the auditor's workpapers
- Complete review comments for the auditor's consideration
- Return the file to the auditor for corrections
- The auditor will make changes and return the file to the reviewer for further review

When the review process is completed the audit report will be issued to the permit holder.

5.8 PAYMENT OF AUDIT BILL/PROTEST – 601 KAR 147

The permit holder has 45 days to pay the audit bill or protest the audit findings to the Division of Road Fund Audits in accordance with 601 KAR 147 Section 4:

(1) (a) A written protest may be filed by a taxpayer or a person representing a taxpayer.
(b) A protest shall include:
1. A supporting statement that includes the grounds upon which the protest is made as required by KRS 131.110(1); and
2. Documents that identify the adjustment requested, or the portion of the audit protested.
(c) A protest shall be filed with the cabinet's Division of Road Fund Audits within forty-five (45) days from the date of the notice of tax due statement.

(2) If the supporting statements and documents are not sufficient to change the assessment results, the taxpayer may request an information gathering, or protest conference, with the Division of Road Fund Audits in writing by regular mail, facsimile, or electronic mail.

(3) The Division of Road Fund Audits shall issue a final ruling to the taxpayer within sixty (60) days from the date the taxpayer submits additional information, or within sixty (60) days of the protest conference.

To protest the audit results, the permit holder shall submit a written request for a protest hearing with supporting documentation.

It is the permit holder's responsibility to ensure the entire record-keeping system meets the requirements of UDI. It is suggested that the permit holder contact the Division of Road Fund Audits, UDI Branch, at (502) 564-6760 for verification of audit compliance.

CHAPTER 6: SERVICE LOANER PROGRAM

6.1 ADMINISTRATION

A motor vehicle dealer who operates a service or repair department in his dealership may register a motor vehicle to be used exclusively as a loaner or rental motor vehicle to the customers of this service or repair department. This program is administered by the Kentucky Department of Revenue. If there are any questions about the Service Loaner Program please contact the Kentucky Department of Revenue at 502-564-4455.

6.2 USAGE TAX

The usage tax is $25.00 per month per loaner or rental motor vehicle

The tax due under this section shall be remitted to the Department of Revenue monthly on forms prescribed by and in accordance with administrative regulations promulgated by the department.

CHAPTER 7: FREQUENTLY ASKED QUESTIONS

1. **Q: Do leased or rented vehicles have a sales tax?**

   A: Vehicles in the UDI program generate a usage tax, not a sales tax.

2. **Q: Who pays the property tax on a leased or rented vehicle?**

   A: This would be part of your contract. The leasing company is responsible to the state of Kentucky; however, they have a right to pass it on to their customers.

3. **Q: Who is the permit holder for a leased or rented vehicle?**

   A: Leasing companies are the permit holders and should give you a permit number for the DMV office in the county where you reside, to register and title vehicles.

4. **Q: What is a U-Drive-It permit number?**

   A: It is a four digit number assigned to the leasing company or rental company to pay usage tax on lease or rental vehicle on a month to month basis to the Transportation Cabinet Division of Motor Carriers.

5. **Q: Who needs a U-Drive-It permit number?**

   A: Leasing or rental companies that lease or rent vehicles to customers in the state of Kentucky.

6. **Q: Where do you get a U-Drive-It number?**

   A: The U-Drive-It number is assigned to the leasing or rental company through the Transportation Cabinet Division of Motor Carriers after application has been approved. The lessee needs to contact their leasing company to get the UD number.

7. **Q: What is the U-Drive-it Fee and who pays the fee?**

   A: There are two U-Drive-It fees. The first fee is the fee when you first register your vehicle at the clerk's office under the U-Drive-It program. It is based on the month of incorporation for the leasing company and the month you register the vehicle. The second fee is the renewal fee every year. The renewal fee is $15.00.

8. **Q: Do U-Drive-It vehicles have to be inspected?**

   A: No. They are excluded from inspection under KRS 186A.115 (2) part C. Motor vehicles operated by a motor carrier under a non-negotiable certificate or permit issued by the Department of Vehicle Regulation.

CHAPTER 8: ITEMS TO NOTE

The following are some things to consider and take into account:

- Tax payments to the Transportation Cabinet for vehicles rented or leased under this program are the direct obligation of the taxpayer who registers the vehicle. The tax due may be passed on to the user of the vehicle. Any tax exempt status of the renter or lessee is not applied to the permit holder.

- All transactions will be taxed at the Fair Market Value (FMV) of the vehicle being rented or leased.

- Taxpayers should retain every void or damaged rental agreement.

- Loaner vehicles are not under the U-Drive-It program. Please contact the Department of Revenue at 502-564-4455.

- The U-Drive-It permit holder or the agent should explain the U-Drive-It program to his or her customers and how it relates to paying the usage tax for the state of Kentucky.

- The U-Drive-It permit holder needs to provide the U-Drive-It number to his or her agents, dealerships and customers.

- The permit holder should complete paperwork for title and registration and include U-Drive-It number on the paperwork.

- The U-Drive-It permit holder will receive a pre-printed monthly usage tax report along with bills for any vehicle that have been renewed or added to the program.

- When vehicles need to be deleted from the U-Drive-It program, the permit holders or their agents/dealerships need to send the proper paperwork to the county clerk's office.

EXHIBIT 1 — APPLICATION FOR U-DRIVE-IT

KENTUCKY TRANSPORTATION CABINET
Department of Vehicle Regulation
DIVISION OF MOTOR CARRIERS

TC 95-16
Rev. 06/2013
Page 1 of 2

APPLICATION FOR U-DRIVE-IT

INSTRUCTIONS: A twenty-five (25) dollar filing fee made payable to the Kentucky State Treasurer must be included with the completed application. Also Include with the application the prescribed public liability and property damage insurance required by KRS 281.615.

SECTION 1. APPLICANT INFORMATION

NAME *(applicant)*			**FEIN**	
ADDRESS *(street)*	**CITY**		**STATE**	**ZIP**
PHONE	**EMAIL**			

SECTION 2: BUSINESS INFORMATION

1. If the business is a **corporation**, give the state of incorporation, principal address, and agent name and address for Kentucky process. If the applicant is a non-resident and incorporated in another state, **attach** a current copy of the certificate of good standing from the sale of incorporation and the certificate to do business in Kentucky. If the business is a foreign corporation, please attach the certificate from the Secretary of State's office authorizing the corporation to do business in Kentucky as a foreign corporation.

   _____

   _____

   If the business is a **partnership**, provide the names and addresses of partners and their respective interest.

   _____

   _____

   If the applicant is a **non-resident**, give names and addresses of partners and their respective interest.

   _____

   _____

2. Please file with this application the prescribed public liability and property damage insurance required by KRS 281.615.

3. In what month was the corporation established? _____ *

   ***This month shall be used as the established month for licensing all vehicles under this permit.**

4. Provide the Motor Vehicle Leasing Dealer number assigned by the Motor Vehicle Dealer Commission.

   _____

EXHIBIT 2 — APPLICATION FOR U-DRIVE-IT RENEWAL

KENTUCKY TRANSPORTATION CABINET
Department of Vehicle Regulation
DIVISION OF MOTOR CARRIERS

TC 95-309
03/2013
Page 1 of 1

APPLICATION FOR U-DRIVE-IT RENEWAL

Phone: (502)564-1257 8:00 a.m. – 4:30 p.m. EST
Walk-ins 8:00 a.m. – 4:00 p.m. EST
http://transportation.ky.gov/Motor-Carriers

MAIL TO:
Kentucky Transportation Cabinet
Division of Motor Carriers
PO Box 2007
Frankfort, KY 40602-2007

OVERNIGHT DELIVERIES:
Kentucky Transportation Cabinet
Division of Motor Carriers
200 Mero Street, 2nd floor
Frankfort, KY 40622

ATTACH $25.00 FILING FEE MADE PAYABLE TO "KENTUCKY STATE TREASURER."
Credit Card, Money Order, Certified Check *(no cash by mail)*

ATTACH A COPY OF YOUR UPDATED INSURANCE DOCUMENT AND SUBMIT WITH THIS RENEWAL.

THE UNDERSIGNED HEREBY FILES APPLICATION FOR RENEWAL OF THE FOLLOWING KENTUCKY U-DRIVE-IT PERMIT

SECTION 1: BUSINESS INFORMATION (Please print)

Permit Number:	**FEIN Number:**	**Type of vehicles:** ☐ **Lease** / ☐ **Rental** / ☐ **Both**

Applicant Name:

Mailing Address: ☐ Check if changed.	**Physical Address:** ☐ Check if changed.
Address *(Street, P.O. Box, etc.)*	Street Address
Address	Address
City, State, and ZIP Code	City, State, and ZIP Code
Telephone Number *(including Area Code)*	Telephone Number *(including Area Code)*
Fax Number *(including Area Code)*	Fax Number *(including Area Code)*
E-Mail	

SECTION 2: SIGNATURE & DATE

This certificate shall remain in effect until expired by law or revoked by the Transportation Cabinet. Any vehicle leased/rented under this certificate will be billed at the end of each month, the fees due. This certificate must be renewed on or before January 1st of each calendar year.

Signature: Date:

Office Use Only
Account Code:
44 Application Fee $ 25.00

Keep a copy for your records.

EXHIBIT 3 — APPLICATION FOR RENTAL CAR ALLOCATION

COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET
DEPARTMENT OF VEHICLE REGULATION
DIVISION OF MOTOR CARRIERS
FRANKFORT, KY 40602
502/564-4540

APPLICATION FOR RENTAL PASSENGER CAR ALLOCATION

PER Kentucky Administrative Regulation 601 9:045, Section 3, application is made for an allocation of rental passenger cars in Kentucky. The following is submitted for review:

COMPANY NAME: _____

ADDRESS: _____

CITY, STATE, ZIP CODE: _____

PHONE NUMBER: _____

A. Total number of vehicles in the rental fleet: _____

B. Total revenue arising from rental transactions from the total fleet from September 1 thru August 31 of the previous year: $_____

C. Total revenue arising from rental transactions in Kentucky for the previous year ending August 31: $_____

D. Kentucky percentage of revenue (divide Kentucky revenue into the total fleet revenue): _____%

E. Total number of vehicles to be fully registered in Kentucky (total fleet vehicles multiplied by Kentucky percentage of revenue): _____

_____ _____
Rental Company Representative Signature DATE

_____APPROVED _____REJECTED

_____ _____
Department of Vehicle Regulation Representative DATE

COPY

UNIFORM MOTOR CARRIER BODILY INJURY AND PROPERTY DAMAGE LIABILITY CERTIFICATE OF INSURANCE

TC 95-211
Rev. 4/88

(Executed in Triplicate)

Filed with **Kentucky Transportation Cabinet, Division of Motor Carriers** (hereinafter called Commission) **KYU #** _____
(Name of Commission) (Ky. Highway Use No.)

This is to certify, that the _____
(Name of Insurance Company)

(hereinafter called Company) of _____
(Home Office Address of Insurance Company)

has issued to _____ of _____
(Name of Motor Carrier) (Address of Motor Carrier)

a policy or policies of insurance effective from _____ 12:01 A.M. standard time at the address of the insured stated in said policy or policies and continuing until cancelled as provided herein, which, by attachment of the Uniform Motor Carrier Bodily Injury and Property Damage Liability Insurance Endorsement, has or have been amended to provide automobile bodily injury and property damage liability insurance covering the obligations imposed upon such motor carrier by the provisions of the motor carrier law of the State in which the Commission has jurisdiction or regulations promulgated in accordance therewith.

Whenever requested, the Company agrees to furnish the Commission a duplicate original of said policy or policies and all endorsements thereon.

This certificate and the endorsement described herein may not be cancelled, unless the Company gives the Commission notice in writing, said cancellation to be effective 15 days after such notice is received by the Commission.

Countersigned at _____
(Street Address) (City) (State) (Zip Code)

this _____ day of _____ 19 _____ .

_____
Authorized Company Representative

Insurance Company File No. _____
(Policy Number)

COPY

COPY

COPY

EXHIBIT 5 — U-DRIVE-IT FEE CHART FOR FIRST YEAR REGISTRATION

APPLICABLE U-DRIVE-IT FEE FOR FIRST KENTUCKY REGISTRATION

PASSENGER CARS AND TRUCKS REGISTERED WITH A GROSS WEIGHT OF 6,000 LBS. EXPIRE AT THE END OF INCORPORATION MONTH
ALL COMMERCIAL VEHICLES REGISTERED IN KENTUCKY WITH A GROSS WEIGHT OF 10,000 LBS. OR MORE EXPIRE 3-31

APPLICATION MONTH/YEAR		MONTH OF ESTABLISHMENT OR INCORPORATION											
		January	February	March	April	May	June	July	August	September	October	November	December
January	1999		2.50	3.75	5.00	6.25	7.50	8.75	10.00	11.25	12.50	13.75	15.00
	2000	16.25	17.50	18.75	20.00	21.25	22.50	23.75	25.00	26.25	27.50	28.75	30.00
February	1999			2.50	3.75	5.00	6.25	7.50	8.75	10.00	11.25	12.50	13.75
	2000	15.00	16.25	17.50	18.75	20.00	21.25	22.50	23.75	25.00	26.25	27.50	28.75
March	1999				2.50	3.75	5.00	6.25	7.50	8.75	10.00	11.25	12.50
	2000	13.75	15.00	16.25	17.50	18.75	20.00	21.25	22.50	23.75	25.00	26.25	27.50
April	1999					2.50	3.75	5.00	6.25	7.50	8.75	10.00	11.25
	2000	12.50	13.75	15.00	16.25	17.50	18.75	20.00	21.25	22.50	23.75	25.00	26.25
May	1999						2.50	3.75	5.00	6.25	7.50	8.75	10.00
	2000	11.25	12.50	13.75	15.00	16.25	17.50	18.75	20.00	21.25	22.50	23.75	25.00
June	1999							2.50	3.75	5.00	6.25	7.50	8.75
	2000	10.00	11.25	12.50	13.75	15.00	16.25	17.50	18.75	20.00	21.25	22.50	23.75
July	1999								2.50	3.75	5.00	6.25	7.50
	2000	8.75	10.00	11.25	12.50	13.75	15.00	16.25	17.50	18.75	20.00	21.25	22.50
August	1999									2.50	3.75	5.00	6.25
	2000	7.50	8.75	10.00	11.25	12.50	13.75	15.00	16.25	17.50	18.75	20.00	21.25
September	1999										2.50	3.75	5.00
	2000	6.25	7.50	8.75	10.00	11.25	12.50	13.75	15.00	16.25	17.50	18.75	20.00
October	1999											2.50	3.75
	2000	5.00	6.25	7.50	8.75	10.00	11.25	12.50	13.75	15.00	16.25	17.50	18.75
November	1999												2.50
	2000	3.75	5.00	6.25	7.50	8.75	10.00	11.25	12.50	13.75	15.00	16.25	17.50
December	1999												
	2000	2.50	3.75	5.00	6.25	7.50	8.75	10.00	11.25	12.50	13.75	15.00	16.25

ALL RENEWALS ARE $15.00 PER VEHICLE
DO NOT USE THIS CHART WHEN CALCULATING RENEWALS

KENTUCKY TRANSPORTATION CABINET
DEPARTMENT OF VEHICLE REGULATION
DIVISION OF MOTOR CARRIERS