



# Starting a New Trucking Company

Starting a new trucking company is a bit more complicated than most first-time entrepreneurs expect. Properly setting up and complying with state and federal regulations is mission-critical for your trucking operation's success.

# The following issues and requirements are essential to address before you hit the road.

▲ Failure to properly prepare and address these requirements may leave your business and personal assets open to lawsuits and other complications.

### **Business Registration and Filings**



▲ <u>Contact ADL</u> to get your LLC filed with the Secretary of State in your home state before you file for your Department of Transportation (DOT) numbers and Operating Authority.

Failure to file with the Secretary of State where your business is located can lead to trouble down the road. You may be unable to protect your personal assets from a lawsuit, or you may experience complications with tax filings.



**Business Registration and Filings** Obtain and register for a Federal Tax ID number Use of a Federal Tax ID Number instead of your individual social security number for your business is highly recommended. Most states do not allow duplicate names on business filings. Therefore, you must obtain your Tax ID number after your LLC filing with your state has been approved and issued. Apply for Your Federal DOT and Motor Carrier Authority numbers These numbers are required for your trucking company to haul cargo in the United States. Regulators will use the USDOT number to track your company's safety record and compliance with regulations. The motor carrier (MC) number, also known as "operating authority," identifies the kind of trucking business you operate and the kinds of goods you are permitted to haul. Register your company with the Federal Motor Carrier Safety Administration (FMCSA) to acquire both the DOT and MC numbers Complete the Motor Carrier Identification Report (MCS-150) and Safety **Certification Application** Complete the FMCSA 10-day review period You will receive your MC and USDOT numbers after applying, but the FMCSA must still review

#### Complete your Unified Carrier Registration (UCR)

comment from anyone who might contest your application for authority.

⚠ The UCR system serves to verify active insurance coverage in each state where a motor carrier operates. You must register using your company's USDOT and MC numbers. To learn more about UCR, visit your home state's Department of Transportation website.

your authority request. This review includes a "mandated dispute period" in which your application is posted to the Federal Register for ten business days. This dispute period allows for public



**Business Registration and Filings** 

#### Get an International Registration Plan (IRP) tag

An IRP license plate issued by your company's home state allows your truck(s) to operate in all states and most Canadian provinces.

The IRP plate requires an annual renewal fee. For more information, <u>visit the Department of Transportation</u> website for the state where your company is based.

#### **Understand Heavy Use Tax Regulations**

Any truck that weighs 55,000 pounds or more is subject to the federal heavy-highway vehicle use tax. To pay taxes due on your heavy trucks, you must complete and file a 2290 tax form with the IRS every year. For more information on the form, <u>visit www.irs.gov.</u>

#### Obtain an International Fuel Tax Agreement (IFTA) Decal

⚠ The IFTA agreement simplifies the reporting of fuel used by trucks operating across the lower 48 U.S. states and some Canadian provinces. The IFTA decal allows your company to have a single fuel license and requires you to file quarterly fuel use tax returns with the state where you are based. To learn more about IFTA, visit your State's Department of Transportation website.

#### File a BOC-3 form

♠ One requirement to gain interstate operating authority is to register an up-to-date BOC-3 form with the FMCSA. The document designates a person in each state where your company operates to act as a legal "process agent." For example, suppose your company is based in Missouri, but someone in Georgia sues you. In that case, you need an attorney in Georgia who can receive the legal complaint and communicate it to you and your local attorney. For more information on the BOC-3 form, visit www.fmcsa.dot.gov.

#### Get a Standard Carrier Alpha Code (SCAC)

⚠ The SCAC is a privately controlled code used to identify different transportation companies. If you plan to haul military, government, international or intermodal loads, you will need a SCAC code. For more information, visit the National Motor Freight Traffic Association website.



## FMCSA State and Federal Compliance

	File for your Interstate or Intrastate Operating Authority
	⚠ The SCAC is a privately controlled code used to identify different transportation companies.
	Obtain proper permits
	⚠ The FMCSA and some state authorities require a series of permits governing things like fuel, taxes, trips, dimensions, hazardous materials, and load-type requirements. Failure to file for and obtain the proper permits could result in critical delays or even the impounding of your vehicle(s).
Driver Compliance	
	Obtain a Driver Qualification File
	⚠ The FMCSA requires a Driver Qualification File (DQF) in order to show that the person who operates a commercial vehicle is qualified to operate that vehicle.
	Enroll in the Pre-Employment Screening Program (PSP) (recommended)
	▲ A trucking company that is built to last hires the best drivers. The PSP program is an electronic records system that helps carriers make more informed hiring decisions.
	Establish drug and alcohol testing and compliance
	⚠ If the vehicle your driver is operating requires a commercial driver's license, drug and alcohol testing is required by law.
	Enroll in the FMCSA Drug and Alcohol Clearinghouse
	⚠ The FMCSA requires all trucking companies and drivers to enroll in the DOT Clearinghouse. The

purpose of the Clearinghouse is to track drivers who have tested positive for drugs or alcohol or

have refused to take a drug and/or alcohol test when required.



Meed Help! Call off us.

We have worked with tens of thousands of trucking companies to help them legally start their business, and ensure compliance with both state and federal regulations.

For more information or questions, contact Transportation Compliance Service at:

www.dreamlinerlogistics.com