

FOR VOTE BY JANUARY 21, 2022



IFTA
International Fuel Tax Association Inc.

**IFTA SHORT TRACK FINAL BALLOT PROPOSAL
#01-2021**

Sponsor

IFTA, Inc. Board of Trustees

Date Submitted

April 9, 2021

Proposed Effective Date

Upon Passage

Manual Sections to be Amended (January 1996 Version, Effective July 1, 1998, as revised)

Articles of Agreement, Section R1555

Subject

Submission of a Final Determination Finding of Non-Compliance to the Membership

History/Digest

Dating back to 2003, the IFTA, Inc. Board of Trustees (“Board”) and the Program Compliance Review Committee (“PCRC”) have been working to implement a report from the PCRC to establish a mechanism for the PCRC to initiate a dispute against a jurisdiction.

Following the failure of Ballot 12-2006 and 2-2007, Ballot 1-2009 passed with the creation of R1555.100.015, R1555.200, and R1555.300.

More recently, a survey of member jurisdictions indicated a need to review the DRC’s processes. Subsequent discussions have revealed a discontent with the length of time a dispute can take from start to finish and with the overly legalistic nature of the process. One area identified as a contributing factor to those dissatisfactions is the requirement for a membership vote to transfer a finding of non-compliance from the PCRC to the DRC. Member jurisdictions have 30 days to vote on these matters.

On October 16, 2020, IFTA Inc. issued a non-binding survey which included the question: “Under R1555.300 of the Articles of Agreement, a vote of the member jurisdictions is required in order to initiate a dispute before the DRC in those cases where the Program Compliance Review Committee has made a Final Determination Finding of Non-Compliance. To streamline the current compliance enforcement process, should R1555.300 be amended to eliminate the requirement of a membership vote?”

Of the 49 member jurisdictions which replied to this question in the survey, 35 were in favour and 14

replied “no.” As the change referenced in the survey is a change to the Agreement, a ballot is required before any change can actually be made.

Since implementing this change to the agreement, there has been one vote.

As written, the agreement is clear as to what the outcome would be if a vote receives the required 2/3rds affirmative; however, it is silent as to the outcome if that threshold is not reached.

Intent

The intent of this ballot is to continue with the direction provided in question 2 of the October 16, 2020 survey and remove the requirement for a member jurisdiction vote on permitting a Final Determination of Non-Compliance to be advanced as a dispute. This change will not impact the sections of the Agreement in which a jurisdiction must be non-compliant before a dispute can be started. This also does not take away from the PCRC’s reassessment and follow up processes.

Interlining Indicates Deletion; Underlining Indicates Addition

1 *R1555 COMPLIANCE MATTERS

2
3 .100 Dispute Resolution Process

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5 Disputes concerning issues of compliance with the International Fuel Tax Agreement may
6 be resolved pursuant to the IFTA Dispute Resolution Process. The IFTA Dispute
7 Resolution Process may be utilized to resolve only:

8
9 .005 Compliance disputes between member jurisdictions;

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11 .010 Compliance disputes between member jurisdictions and IFTA licensees in those
12 matters where no administrative remedy to the IFTA licensee is available within
13 the member jurisdiction involved in the dispute. Compliance disputes subject to
14 this section shall not include disputes between member jurisdictions and IFTA
15 licensees over matters of substantive jurisdiction law, including but not limited to,
16 laws governing the imposition, assessment, and collection of jurisdiction motor fuel
17 use taxes collected pursuant to the International Fuel Tax Agreement; and

18
19 .015 Compliance matters where (i) the Program Compliance Review Process,
20 including follow-up ~~and/or reassessment~~, has been completed; and (ii) a Final
21 Determination Finding of Non-Compliance has been issued by the Program
22 Compliance Review Committee related to Sections R970, R1210, R1230,
23 R1260, R1270, R1370, R1380, P1040, A250 or A260~~U., and (iii) a~~
24 ~~recommendation for initiation of a dispute from the Program Compliance~~
25 ~~Review Committee has been approved by the member jurisdictions as defined~~
26 ~~in Article R1555.300.~~

27
28 .200 Submission of a Final Determination Finding of Non-Compliance ~~to the~~
29 Membership

30
31 A Final Determination Finding of Non-Compliance issued by the Program Compliance
32 Review Committee related to Sections R970, R1210, R1230, R1260, R1270, R1370,
33 R1380, P1040, A250, or A260, ~~shall be submitted to the membership to determine~~
34 ~~whether a dispute will be initiated~~ where follow-up ~~and/or reassessment~~ has been
35 completed, shall be forwarded to the IFTA Dispute Resolution Committee, to be
36 heard as a dispute, with a copy to the Executive Director of IFTA, Inc. for notification
37 to all member jurisdictions.

38
39 ~~.300—Initiation of a Dispute Based on a Final Determination Finding of Non-Compliance~~

40
41 ~~.005—Member jurisdictions will have thirty (30) days to vote on the initiation of a dispute~~
42 ~~based on a Final Determination Finding of Non-Compliance.~~

43
44 ~~.010—Votes on the initiation of a dispute based on a Final Determination Finding of Non-~~
45 ~~Compliance must be cast by the IFTA commissioner or a delegate named in writing by~~
46 ~~the commissioner.~~

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48 ~~.015—For purposes of this section, a vote submitted electronically through a mechanism~~
49 ~~provided by the International Fuel Tax Association, Inc. is deemed a vote in writing.~~

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~~.020 — An affirmative vote in writing of at least two-thirds of the total written votes cast is required to initiate a dispute based on a Final Determination Finding of Non-Compliance.~~

~~.025 — If the member jurisdictions approve the initiation of a dispute based on a Final Determination Finding of Non-Compliance, the Program Compliance Review Committee shall forward the Final Determination Finding of Non-Compliance to the IFTA Dispute Resolution Committee to initiate a dispute.~~

NO REVISIONS FOLLOWING THE SECOND COMMENT PERIOD

FTPBP #1-2021
First Comment Period Ending June 1, 2021

Support: 25
Oppose: 1
Undecided: 0

ALABAMA

Support

ALBERTA

Support

BRITISH COLUMBIA

Support

CALIFORNIA

Support

IDAHO

Support

INDIANA

Support

KANSAS

Support

KENTUCKY

Support

MAINE

Support

MANITOBA

Support

MARYLAND

Support

MICHIGAN

Support

MINNESOTA

Support

MISSOURI

Support

NEBRASKA

Support

NEVADA

Support

FTPBP #1-2021
First Comment Period Ending June 1, 2021

NEW BRUNSWICK

Support

NEW HAMPSHIRE

Support

NEWFOUNDLAND

Support

NORTH CAROLINA

Support

The existing language provides that after the Final Determination Finding of Non-Compliance the DRC must initiate a dispute. This language is absent in the proposed ballot. This could be problematic where the Rule does not place an obligation on the DRC to proceed with the dispute process. Specifically, the ballot only provides that the Final Determination Finding of Non-Compliance "shall be forwarded" the DRC.

ONTARIO

Support

QUEBEC

Support

The article R1555.200.020 is clear as to the outcome of the vote if it obtains 2/3 of the required affirmative votes but it's silent as to the outcome if the threshold is not reached. We believe this comment doesn't add anything and could be deleted.

RHODE ISLAND

Oppose

SASKATCHEWAN

Support

SOUTH DAKOTA

Support

WASHINGTON

Support

STPBP #1-2021
Second Comment Period Ending November 8, 2021

Support 17
Oppose 2
Undecided 0

ALABAMA

Support

ALBERTA

Support

CALIFORNIA

Support

IDAHO

Support

KANSAS

Support

KENTUCKY

Support

MAINE

Oppose

We do not believe the removal of the membership vote required by section R1555.300.005 before the PCRC takes a member to the DRC is a good move. Keep in mind that the PCRC reviews for all member jurisdictions. Regardless of the reason a jurisdiction is taken before the DRC it could result in expulsion R1555.400. If a State is expelled it cannot collect fuel tax.

The following is from the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 “after September 30, 1996, no State shall establish, maintain, or enforce any law or regulation which provides for the payment of a fuel use tax unless such law or regulation is in conformity with the International Fuel Tax Agreement with respect to collection of such a tax by a single base State and proportional sharing of such taxes charged among the State where a commercial vehicle is operated”.

MANITOBA

Support

MISSOURI

Oppose

NEVADA

Support

NEW BRUNSWICK

Support

STPBP #1-2021
Second Comment Period Ending November 8, 2021

NEWFOUNDLAND

Support

NORTH CAROLINA

Support

North Carolina raises the following two issues that it would like the sponsor to respond to or otherwise address: (1) whether the ballot intended to place an administrative duty on the Executive Director of IFTA, Inc.; and (2) whether the ballot intended to reference the Report and Follow Up Procedures generally when it struck reference to the reassessment.

First, R1555.200 provides that the finding shall be forwarded to the DRC and a copy to the "Executive Director of IFTA, Inc. for notification to all member jurisdictions." This is phrased as if the Executive Director is to perform the notification. Did the sponsor intend to place a duty on the Executive Director to distribute the finding to the member jurisdictions or did the sponsor intend that the Executive Director receive a copy of the finding along with the member jurisdictions? It may be more consistent within the roles of the Executive Director and the repository to assign the distribution duty to the repository. The repository can then distribute the finding to both the Executive Director and the member jurisdictions.

Second, the ballot removes, twice, reference to the reassessment. The resulting ballot language focuses on whether the "follow-up has been completed." North Carolina is seeking clarification on whether the sponsor intended to reference entire process related to the follow-up procedures. The *IFTA Program Compliance Review Guide* references both the "Report and Follow Up Procedures" and the "Follow Up and Reassessment Process."

It appears that the Report and Follow Up Procedures include what is separately delineated into the follow-up process and the reassessment process. If the ballot's reference is to the process generally, it may be more clear for the ballot to reference completion of either the: (1) "Report and Follow Up Procedures"; or (2) "Follow Up and Reassessment Process."

Alternatively, the sponsor could also consider striking all reference to follow-up and reassessment altogether. The process currently integrates the issuance of the Final Determination Finding of Non-Compliance within the process itself. Therefore, reference to the "Follow Up Procedures" or the "Follow Up and Reassessment Process" is unnecessary.

North Carolina understands that the Guide can be amended at any time and the questions are based on the current document maintained by the Program Compliance Review Committee.

ONTARIO

Support

QUEBEC

Support

RHODE ISLAND

Support

SOUTH DAKOTA

Support

STPBP #1-2021
Second Comment Period Ending November 8, 2021

WASHINGTON

Support

WYOMING

Support

**IFTA SHORT TRACK FINAL BALLOT PROPOSAL 1-2021
VOTING RESULTS**

JURISDICTION	LANGUAGE		EFFECTIVE DATE	
	YES	NO	YES	NO
ALABAMA	1		1	
ALBERTA	1		1	
ARIZONA	1		1	
ARKANSAS	1		1	
BRITISH COLUMBIA	1		1	
CALIFORNIA	1		1	
COLORADO				
CONNECTICUT	1		1	
DELAWARE	1		1	
FLORIDA	1		1	
GEORGIA	1		1	
IDAHO	1		1	
ILLINOIS	1		1	
INDIANA	1		1	
IOWA	1		1	
KANSAS	1		1	
KENTUCKY	1		1	
LOUISIANA	1		1	
MAINE		1		1
MANITOBA	1		1	
MARYLAND	1		1	
MASSACHUSETTS				
MICHIGAN	1		1	
MINNESOTA				
MISSISSIPPI				
MISSOURI		1		1
MONTANA	1		1	
NEBRASKA	1		1	
NEVADA	1		1	
NEWFOUNDLAND	1		1	
NEW BRUNSWICK	1		1	
NEW HAMPSHIRE	1		1	
NEW JERSEY	1		1	
NEW MEXICO				
NEW YORK				
NORTH CAROLINA	1		1	
NORTH DAKOTA	1		1	
NOVA SCOTIA	1		1	
OHIO	1		1	
OKLAHOMA	1		1	
ONTARIO	1		1	
OREGON	1		1	
PENNSYLVANIA	1		1	
PRINCE EDWARD ISLAND	1		1	
QUEBEC	1		1	
RHODE ISLAND	1		1	
SASKATCHEWAN	1		1	

**IFTA SHORT TRACK FINAL BALLOT PROPOSAL 1-2021
VOTING RESULTS**

JURISDICTION	LANGUAGE		EFFECTIVE DATE	
	YES	NO	YES	NO
SOUTH CAROLINA				
SOUTH DAKOTA	1		1	
TENNESSEE	1		1	
TEXAS	1		1	
UTAH	1		1	
VIRGINIA	1		1	
VERMONT	1		1	
WASHINGTON	1		1	
WEST VIRGINIA	1		1	
WISCONSIN	1		1	
WYOMING	1		1	
TOTALS	49	2	49	2

Bold font in the voting total columns and shading indicate that the jurisdiction did not vote.

Failure to vote for the ballot language counts as a "No" vote.

Failure to vote for the alternative effective date counts as a "No" vote.

Number of "YES" votes necessary to pass: 44

Effective Date: January 21, 2022

LANGUAGE:

NUMBER OF "YES" VOTES RECEIVED: **49**

NUMBER OF "NO" VOTES RECEIVED: **2**

NUMBER OF VOTES NOT RECEIVED: **7**

RESULT: PASSED

ALTERNATIVE EFFECTIVE DATE:

NUMBER OF "YES" VOTES RECEIVED: **49**

NUMBER OF "NO" VOTES RECEIVED: **2**

NUMBER OF VOTES NOT RECEIVED: **7**

RESULT: PASSED

Ballot Intent:

The intent of this ballot is to continue with the direction provided in question 2 of the October 16, 2020 survey and remove the requirement for a member jurisdiction vote on permitting a Final Determination of Non-Compliance to be advanced as a dispute. This change will not impact the sections of the Agreement in which a jurisdiction must be non-compliant before a dispute can be started. This also does not take away from the PCRC's reassessment and follow up processes.

FOR VOTE BY MARCH 29, 2022



**IFTA FULL TRACK FINAL BALLOT PROPOSAL
#02-2021**

Sponsor

Jurisdictions of North Dakota and South Dakota

Date Submitted

April 9, 2021

Proposed Effective Date

Upon Passage

Manual Sections to be Amended

IFTA Articles of Agreement:
IFTA Audit Manual Audit Program Standards
Procedures Manual

Article II, Section R200 Definitions
A250 Selection of Audits
P1100 Base Jurisdiction Reporting

Subject

This ballot proposal would provide jurisdictions a means of implementing a Licensee education program that would both enhance Licensee compliance and recognize the jurisdictions efforts and dedication to educating Licensees on compliance issues.

History/Digest

The IFTA program requires annual audits of 3% of a jurisdiction's IFTA Licensees. The audit function has been the driving force in determining and ensuring compliance with the IFTA program. The IFTA community continues to discuss ways of meeting audit requirements due to limited or constrained resources. Past attempts at allowing IFTA record reviews to count toward audit credits have failed to pass, however; jurisdictions continue to look for efficiencies to meet audit requirements set forth by the IFTA program.

Intent

This ballot is being submitted in consideration for changes to the IFTA Manual, to allow jurisdictions to receive an audit credit or partial audit credit for conducting an IFTA records review. The record review program would provide jurisdictions with an optional opportunity to obtain audit credits for being proactive in educating Licensees regarding program compliance. Record Reviews would allow jurisdictions to provide Licensees with the opportunity to adjust their reporting and recording systems to ensure compliance with the IFTA program agreement. In the long term, jurisdictions that choose to implement a record review program could also see a reduction in audit hours due to Licensees having records that are now in compliance with IFTA plan requirements. The record review program would provide benefit to the Licensee, Jurisdictions, and IFTA by achieving the goal of educating carriers to enhance and encourage

compliance by reaching more carriers than by only conducting audits. The ballot proposal would allow Records Reviews conducted during the jurisdictions current review period to be counted and included in the audit count requirement.

FAILED

Interlining Indicates Deletion; Underlining Indicates Addition

1 **IFTA Articles of Agreement:**

2 **Article II, Section R200 Definitions**

3
4 **R248 Records Review** means an evaluation of a Licensee's distance and fuel accounting system and
5 internal controls to assess the Licensee's compliance with the requirements of the Agreement. A
6 Records Review:

- 7 1. will be limited in scope and will be less than a full year.
8 2. may be conducted before the licensee's first full license renewal.
9 3. will not compare records to a quarterly return.
10 4. will not result in an assessment.
11 5. will result in a written report educating the taxpayer on compliance with the record keeping,
12 internal controls and reporting requirements of the agreement.

13
14 **R248 R249 Recreational Vehicle** means vehicles such as motor homes, pickup trucks with attached
15 campers, and buses when used exclusively for personal pleasure by an individual. In order to qualify as a
16 recreational vehicle, the vehicle shall not be used in connection with any business endeavor.

17 **IFTA Audit Manual Audit Program Standards**

18 **A250 Selection of Audits**

19
20 ***A250 NUMBER OF AUDITS**

21 Base jurisdictions will be held accountable for audits and will be required to complete audits of an
22 average of 3 percent per year of the number of IFTA accounts required to be reported by that jurisdiction
23 on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding
24 new Licensees, for each year of the program compliance review period, other than the jurisdiction's IFTA
25 implementation year. Such audits shall cover all of the returns that were filed or required to be filed during
26 a license year or shall cover at least four (4) consecutive quarters. This does not preclude audits of
27 individual Licensees several times during the program compliance review period. However, audits of a
28 single Licensee that cover multiple license years, fuel types, or both shall be counted as one audit for
29 program compliance review purposes.

30
31 For purposes of this requirement, a Member Jurisdiction may substitute three Records Reviews for one
32 Audit; provided, that no Member Jurisdiction may substitute Records Reviews for more than twenty-five
33 percent of the total of the Audits required under this section. In order to use Records Reviews as a
34 substitute for Audits, a Member Jurisdiction must adopt formal procedures that comply with the guidelines
35 for Records Reviews set out in the Audit Manual. All accounts may be subject to a Records Review.
36 Records Reviews cannot count toward the high or low distance audit requirement established in Section
37 A260 Selection of Audits of the IFTA audit manual. All Records Reviews will count towards the
38 unspecified distance account audit requirements.

39
40 **A500 RECORDS REVIEW**

41
42 A Base Jurisdiction may perform a Records Review of any Licensee's distance and fuel reporting system
43 to ensure compliance with the Agreement. A Records Review is a thorough evaluation of the Licensee's
44 internal controls and record-keeping system to ensure compliance with the Agreement. The purpose of
45 performing a Records Review is to mitigate potential record keeping compliance issues.

46
47 .100 The primary differences between an Audit and a Records Review are that a Records
48 Review:

49
50 .005 focuses only on an evaluation of internal controls and compliance of the distance
51 and fuel reporting system using requirements found in A320, except A320.500
52 and A320.600 of the Audit Manual;

- 53
54 .010 will be limited in scope to less than a full Reporting Period;
55
56 .015 may be conducted before the first renewal;
57
58 .020 will be part of an overall education plan on educating the Licensee of IFTA
59 record-keeping requirements as set forth in the base jurisdictions procedures;
60
61 .025 it cannot compare records to a quarterly tax return to determine adjustments; and
62
63 .030 cannot result in any tax assessments.
64

65 **A510 Records Review Implementation**

- 66
67 .100 A Member Jurisdiction electing to institute a Records Review program that qualifies
68 towards the annual Audit requirement must establish procedures and guidelines similar to
69 those for Audits. The Records Review procedures must:
70
71 .005 comply with requirements in A240.100 to A240.400 Auditor Qualifications and
72 Responsibilities;
73
74 .010 document the distance and fuel reporting system used by the Licensee, the items
75 included in the source documents, and the sources used by the Licensee to
76 determine distances and fuel reporting;
77
78 .015 assess and document internal controls;
79
80 .020 evaluate the compliance of the records with IFTA requirements and identify
81 specific deficiencies;
82
83 .025 furnish a written report in compliance with section A460.100 (except
84 A460.100.50), A460.200, and A460.500.005 to A460.500.015, of the Audit
85 Manual;
86
87 .030 record all contacts with the Licensee; and,
88
89 .035 retain the completed Records Reviews according to the prevailing IFTA Peer
90 Compliance Review Audit records retention requirements.
91
92 .200 It is strongly recommended that the base jurisdiction conduct a follow up contact with the
93 Licensee if non-compliance issues are noted.
94
95 .300 Notwithstanding Section A240, Records Reviews may be conducted by personnel
96 processing Licensee applications if they meet all other provisions of the Manual.
97
98 .400 Completing a Records Review precludes that Licensee from an audit for 180 days after
99 the completion of the review to allow the Licensee to correct deficiencies found in the
100 review.
101

102 The intent of the Records Review program is to educate Licensees regarding IFTA requirements while
103 providing credit to the jurisdiction for the education efforts. A Records Review should not be used to find
104 noncompliant Licensees for audit. If non-compliant records are found the jurisdiction should educate that
105 carrier on record keeping and reporting methods and instruct that carrier to file amended returns for
106 previously filed returns. A Records Review cannot be converted to an audit.
107

108 **IFTA Procedures Manual:**
109 **P1100 Base Jurisdiction Reporting**

110
111 **P1110 Annual Reporting**

112
113 **.400 Audit Information**

- 114
115 .005 Number of accounts audited;
116
117 .010 Number of accounts audited resulting in financial changes to one or more
118 jurisdictions;
119
120 .015 A jurisdiction that has a Records Review program established conforming to
121 section A510 shall report the total number of record reviews on the annual report.
122

NO REVISIONS FOLLOWING THE SECOND COMMENT PERIOD:

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Support: 15
Oppose: 5
Undecided: 5

ALABAMA

Support

BRITISH COLUMBIA

Support

CALIFORNIA

Support

Generally, support the idea but there will need to be more details on how a jurisdiction would meet this goal and get an audit credit.

IDAHO

Support

INDIANA

Support

Indiana supports the ballot. The process of records reviews is in keeping with A100. A Records Review can help to ensure compliance with the IFTA through education, and is completed on behalf of all member jurisdictions. However, some of the requirement language might need some clarification: Line 33: 'All accounts will be subject to a records review'. This appears as if all accounts must be review. Maybe a 'may' should replace the 'will'. Line 83-84: Replace 'IFTA Peer Review' with the updated 'Program Compliance Review'. Lines 92-93: Does this contradict lines 95-97? That section indicates that the records review is not intended to find noncompliant licensees.

Industry Advisory Committee

The IFTA IAC supports any effort to assist in educating carriers on reporting correctly. Record reviews allows a jurisdiction to review the process and fix issues with more carriers than the current audit process. The ultimate goal is compliance and this is a good way to help with driving compliance.

KANSAS

Support

Currently IRP allows the use of records reviews. Since we do both types of audits we have not used that process since it only deals with IRP. Having both organizations allowing records reviews will give us the opportunity to incorporate this into our audit program. It may only marginally help us with meeting our numbers as there is a certain amount of time required to do the documentation, make contact, etc. to get counted for an audit and it requires 3 to get credit for one.

The effective date is January 1, 2021, are ballots usually retrospective?

Line 33 of the ballot, second sentence. All accounts will be subject to a records review. To us that implies everyone is going to have one. I am thinking it should say *can* be subject to a records review.

If the ballot passes then there should be education/promotion especially too the device providers and the carriers what the requirements are.

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KENTUCKY

Undecided

MAINE

Oppose

We do not perform record reviews for IRP and do not believe a record review for a tax return is appropriate and do not see this as auditing on behalf of all member jurisdictions.

Update:

A few jurisdictions that appear in favor of record reviews for IFTA refer to “new licensees”. This does not appear to be included in the current ballot language. As currently proposed a record review can be performed on a licensee that has been in IFTA for years. Is it the opinion of those jurisdictions that record reviews be performed only on new licensees? If so, what should the limitation be for new? 18 months?

MANITOBA

Support

Manitoba would be interested in receiving credits or partial credits for conducting IFTA Record Reviews on Licensees.

While conducting IFTA audits on new Licensees, auditors have found that many of them have inadequate records and internal controls. We would welcome the opportunity to visit new Licensees (outside of an audit) to conduct a review of Licensees’ records and internal controls and provide recommendations for improvement and compliance. Also, if these reviews take less time than an audit, we would be able to review more new licensees than we do currently.

In Manitoba, we currently conduct similar reviews of our new provincial sales tax registrants. They are contacted by our compliance unit, and are provided with general remittance information and recommendations on proper tax remittance procedures. These compliance reviews are typically well-received by registrants.

MARYLAND

Support

MICHIGAN

Oppose

MINNESOTA

Support

MISSOURI

Oppose

Nothing explains what is required to get an audit credit for a record review, what is considered education? How many records reviews equals an audit? How will this be monitored? Will the other jurisdictions be looking out for other States interests in a record review? Seems like a way to get out of doing actual audits.

NEBRASKA

Undecided

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While we support the records review process and the flexibility it affords jurisdictions in achieving their audit count, we have one concern.

A510 .400 states that completing a records review does not preclude the jurs. from conducting an audit on that specified period. While the very next sentence states the intent of a records review is to educate and should not be used to convert a records review to an audit due to poor records.

We would be more inclined to support the ballot with the withdrawal of A510.400. If a records review indicates poor records, the carrier should be given notice to correct their system. A later audit could be scheduled covering a different period.

We also noted the effective date of 1-1-21 - is that a typo?

NEVADA

Undecided

There are a few areas of concern. First, why list A240 in new section A510.100.005 is section A510.300 says otherwise? Second, if serious deficiencies are found, tax adjustments should occur ensure all taxes are being properly paid to all member jurisdictions. This carrier could require an audit to determine deficiencies and should occur sooner than later and not require a seperate engagement by jurisdiction. Third, we are not sure if up to 25% of audit count be allowed on these records reviews. That seems very high and could cause problems for jurisdictions who are using audit staff to complete these reviews to maintain the 3%.

If trying to seperate the records reviews from audits, the language should be written to allow reviews to be completed by non-audit staff only and only during first year. A better seperation is needed.

NEW BRUNSWICK

Oppose

New Brunswick does not feel that a records review provides the same level of protection as an audit.

NEW HAMPSHIRE

Undecided

New Hampshire would like clarification. If you perform three record reviews would it count towards any audit? It appears that is the intention. New Hampshire could support this if it was not applied to the required low mileage percent (15%) and required high mileage percent (25%) audits.

NEWFOUNDLAND

Support

NORTH CAROLINA

Oppose

North Carolina has significant concerns with substituting audits for a review of a taxpayer's system of record and internal controls. Although a jurisdiction may substitute three "Records Reviews" for one audit, North Carolina does not consider a "Records Review," as provided in the ballot, a reasonable substitute for an audit. This evaluation was based, in part, on the following characteristics of a "Records Review":

(1) The Review prohibits the review of IFTA records maintained by the licensee.

(2) Regardless of how inadequate a jurisdiction may find a licensee's system of record and internal controls, a Review may not be converted into an audit or result in a tax assessment. It further provides

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that the review "is not intended to find noncompliant Licensees for audit."

(3) Upon finding inadequate system of record and controls, a jurisdiction is only "strongly recommended that the base jurisdiction conduct a follow up contact with the Licensee"

ONTARIO

Support

ON strongly supports the concept of the proposal. It is taking a proactive stance by focusing on early education in a more modern approach to encourage early compliance rather than relying solely on post-activity audits. This is a balanced methodology ensuring that a substantial number of traditional audits are still a significant requirement but also considers the potentially limited or constrained resources affecting jurisdictions. We also question the retrospective effective date as noted by Kansas – if this was intentional, a prospective date is more practical for ease of application.

QUEBEC

Support

We agree with this ballot as long as it's on a voluntary basis. However, the question is how many visits to obtain one audit file ?

SASKATCHEWAN

Undecided

Would like to see some more rigger around books and records, what is required, oversight on records reviews for other jurisdictions, and what is expected of the record review. 25% is a high percentage to adjust audits by.

SOUTH DAKOTA

Support

South Dakota believes this will be a way for the IFTA team to work with new carriers to educate and verify that they are keeping adequate records. The 3 reviews per audit is a way for some jurisdictions to help with audit requirements. This also does not count toward any numbers for the high and low mileage requirements. We strongly urge all jurisdictions to carefully consider how this review process could help them gain further compliance in the IFTA reporting.

TEXAS

Support

Texas believes that there should be a limit on the number of IFTA record reviews that would be allowed for credit for each State. Audits are the primary means of reallocating funds to the rightful States. A records review would not accomplish this and if too many record reviews are performed, some states may end up losing this revenue.

WASHINGTON

Support

Generally support; audit staff reviewing still and may provide comment second round.

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Support: 8
Oppose: 8
Undecided: 1

ALABAMA

Support

CALIFORNIA

Support

KANSAS

Support

KENTUCKY

Oppose

Unsure how these would be counted and/or reviewed by other jurisdictions.

MAINE

Oppose

We do give the carrier many opportunities to learn from us the record keeping requirements. We do not perform record reviews for IRP and do not believe a record review for a tax return is appropriate and do not see this as auditing on behalf of all member jurisdictions.

It appears this ballot would allow a record review to be conducted on a carrier audited in the past.

MANITOBA

Support

MISSOURI

Oppose

Nothing explains what is required to get an audit credit for a record review, what is considered education? How many record reviews equal an audit? How will this be monitored?

NEVADA

Oppose

records review should be allowed to convert to audit and assessment. our job is to protect fuel tax revenue and if reveals underreporting of tax, the assessment must occur

NEW BRUNSWICK

Oppose

New Brunswick does not feel that a records review provides the same level of control as an audit. Records could be accurate but not properly utilized for filling. NB does an educational visit with every new account.

NEWFOUNDLAND

Oppose

In the opinion of NL, these reviews should be limited to new licensees for educational purposes, with other licensees subject to the normal audit process. Also, the existence of a review should not preclude the ability of a jurisdiction to raise an assessment when non-compliance is identified. Current legislation in NL requires the issuance of an assessment when it appears from an examination of books and records that a taxpayer has failed to pay tax due as required under the legislation.

NORTH CAROLINA

Oppose

North Carolina's opposition to this ballot remains steadfast. The changes made to the ballot reinforce North Carolina's concerns that this is not an effective means to ensure compliance with IFTA.

Substituting audits for a review of a taxpayer's system of record and internal controls is imprudent. Although a jurisdiction may substitute three "Records Reviews" for one audit, North Carolina does not consider a "Records Review," as provided in the ballot, a reasonable substitute for an audit. This evaluation was based, in part, on the following characteristics of a "Records Review":

(1) It is not clear whether a Review precludes a jurisdiction from reviewing return information to evaluate the system of record. The ballot language states that a Review "cannot compare records to a quarterly tax return to determine adjustments." Thus, can a Review use return data for other purposes, such as to evaluate the system of Record? Assessing the accuracy of the returns by using the records maintained by the Licensee can be valuable in effectively assessing the system of record.

(2) Regardless of how inadequate a jurisdiction may find a licensee's system of record and internal controls, a Review may not be converted into an audit or result in a tax assessment. Not only is a Review designed not "to find noncompliant Licensees for audit" but the ballot creates Licensees who are immune to an assessment for at least 180 days after completion of the review. This is a *dangerous* precedent and may result in return periods that *cannot be audited* because of the ever-ticking-clock of the statute of limitations.

(3) The ballot language fails to hold the jurisdiction accountable for finding deficiencies. Upon finding inadequate system of record and controls, a jurisdiction is only "strongly recommended that the base jurisdiction conduct a follow up contact with the Licensee . . ." By making a follow-up a "recommendation" instead of a requirement, the value of a "Records Review" decreases substantially in comparison to an audit.

(4) It is important to note that nothing in the ballot creates a clear distinction between a "Records Review" and a follow-up to a "Records Review." Therefore, nothing prevents a jurisdiction from 'double-dipping' by counting the follow-up review as a distinct, separate "Record Review." This potential strategy, again, further devaluates a Review.

(5) There is no reason to limit the scope of a Review as provided in the ballot. The new language provides that an audit "will be limited in scope to less than a full Reporting Period." This limitation is incomprehensible and is inconsistent with the scope of the evaluation established in A320, which is incorporated in the ballot. How is a jurisdiction to determine what fraction of a reporting period to use? How would the 180 day audit immunity period apply to a part of a reporting period? If a jurisdiction is allowed to use a quarterly tax return to evaluate the system of record, how is that possible if the review must be limited to less than a reporting period?

(6) The ballot states that "Reviews may be conducted by personnel processing Licensee applications . . ." This provision further devaluates Reviews as compared to audits. It is not reasonable to assume that

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auditors and persons processing applications can equally and effectively evaluate internal controls of a complex system. There is no reason to believe that there is an existing overlapping skill set held by these groups of persons for evaluating a system of record. Documenting the existence of internal controls, reviewing and testing the reliability of the Licensee's internal controls, and identifying strengths and weaknesses in distance and fuel accounting systems are complex tasks. There is a high risk that the personnel processing Licensee applications cannot perform the same level of review that an auditor is capable of performing. Although significant training can reduce this capability gap, the risk remains.

NORTH DAKOTA

Support

ONTARIO

Support

PENNSYLVANIA

Support

QUEBEC

Support

RHODE ISLAND

Oppose

SASKATCHEWAN

Undecided

Would like to see more rigor around the books and records review in regard to oversight and what is required in order to count as a records review. 25% seems like a high amount to adjust audits by.

**IFTA FULL TRACK FINAL BALLOT PROPOSAL 2-2021
VOTING RESULTS**

JURISDICTION	LANGUAGE		EFFECTIVE DATE	
	YES	NO	YES	NO
ALABAMA	1		1	
ALBERTA	1		1	
ARIZONA	1		1	
ARKANSAS	1		1	
BRITISH COLUMBIA	1		1	
CALIFORNIA	1		1	
COLORADO				
CONNECTICUT	1		1	
DELAWARE	1		1	
FLORIDA	1		1	
GEORGIA	1		1	
IDAHO	1		1	
ILLINOIS		1		1
INDIANA	1		1	
IOWA	1		1	
KANSAS	1		1	
KENTUCKY		1		1
LOUISIANA		1		1
MAINE		1		1
MANITOBA	1		1	
MARYLAND	1		1	
MASSACHUSETTS				
MICHIGAN		1		1
MINNESOTA	1		1	
MISSISSIPPI	1		1	
MISSOURI		1		1
MONTANA	1		1	
NEBRASKA	1		1	
NEVADA		1		1
NEW BRUNSWICK		1		1
NEW HAMPSHIRE	1		1	
NEW JERSEY		1		1
NEW MEXICO				
NEW YORK		1		1
NEWFOUNDLAND	1		1	
NORTH CAROLINA		1		1
NORTH DAKOTA	1		1	
NOVA SCOTIA	1		1	
OHIO	1		1	
OKLAHOMA		1		1
ONTARIO	1		1	
OREGON				
PENNSYLVANIA	1		1	
PRINCE EDWARD ISLAND	1		1	
QUEBEC	1		1	
RHODE ISLAND	1		1	
SASKATCHEWAN	1		1	

**IFTA FULL TRACK FINAL BALLOT PROPOSAL 2-2021
VOTING RESULTS**

JURISDICTION	LANGUAGE		EFFECTIVE DATE	
	YES	NO	YES	NO
SOUTH CAROLINA	1		1	
SOUTH DAKOTA	1		1	
TENNESSEE	1		1	
TEXAS	1		1	
UTAH	1		1	
VERMONT	1		1	
VIRGINIA	1		1	
WASHINGTON	1		1	
WEST VIRGINIA		1		1
WISCONSIN	1		1	
WYOMING	1		1	
TOTALS	41	13	41	13

Bold font in the voting total columns and shading indicate that the jurisdiction did not vote.

Failure to vote for the ballot language counts as a "No" vote.

Failure to vote for the alternative effective date counts as a "No" vote.

Number of "YES" votes necessary to pass: 44

Effective Date: Upon Passage

LANGUAGE:

NUMBER OF "YES" VOTES RECEIVED: **41**

NUMBER OF "NO" VOTES RECEIVED: **13**

NUMBER OF VOTES NOT RECEIVED: **4**

RESULT: FAILED

ALTERNATIVE EFFECTIVE DATE:

NUMBER OF "YES" VOTES RECEIVED: **41**

NUMBER OF "NO" VOTES RECEIVED: **13**

NUMBER OF VOTES NOT RECEIVED: **4**

RESULT: FAILED

Ballot Intent:

This ballot is being submitted in consideration for changes to the IFTA Manual, to allow jurisdictions to receive an audit credit or partial audit credit for conducting an IFTA records review. The record review program would provide jurisdictions with an optional opportunity to obtain audit credits for being proactive in educating Licensees regarding program compliance. Record Reviews would allow jurisdictions to provide Licensees with the opportunity to adjust their reporting and recording systems to ensure compliance with the IFTA program agreement. In the long term, jurisdictions that choose to implement a record review program could also see a reduction in audit hours due to Licensees having records that are now in compliance with IFTA plan requirements. The record review program would provide benefit to the Licensee, Jurisdictions, and IFTA by achieving the goal of educating carriers to enhance and encourage compliance by reaching more carriers than by only conducting audits. The ballot proposal would allow Records Reviews conducted during the jurisdictions current review period to be counted and included in the audit count requirement.

FOR VOTE BY MARCH 29, 2022



**IFTA FULL TRACK PRELIMINARY BALLOT PROPOSAL
#03-2021**

Sponsor:

Agreement Procedures Committee

Date Submitted:

April 9, 2021

Proposed Effective Date:

January 1, 2022

Manual Sections to be Amended (January 1996 Version, Effective July 1, 1998, as revised)

IFTA Articles of Agreement R1600 -1660

Subject:

Modernize and streamline IFTA balloting procedures.

History/Digest

The balloting process currently has procedures for both a Short Track ballot process and Full Track ballot process, along with their submission procedures, discussion periods, timelines, amending processes, and acceptance procedures. In accordance with the goal of IFTA, Inc.'s Strategic Plan to modernize balloting procedures, the Board of Trustees charged the Agreement Procedures Committee (APC) with the responsibility of reviewing the existing ballot procedures and providing alternatives to improve the current process.

The APC formed a special subcommittee to comb over the Articles of Agreement, Section R1600. The subcommittee reached out to the IFTA Commissioners and Assistant Commissioners with a nine-question survey asking what they liked/disliked about the current ballot amendment process. The APC reviewed the language of R1600 through R1660. They researched the current steps and language to incorporate the membership's feedback into the suggested language to streamline the process. The APC developed possible streamlining steps and language alternatives that would make the amendment process simpler, quicker, and easier to administer. The APC submitted the suggested language and Charge response to the Board of Trustees.

The Board of Trustees responded with a second Board Charge to the APC to draft a ballot with the amendment suggestions.

Intent

The intent of this ballot is to fulfill the Board Charge to modernize the ballot process to make it simpler, faster, and easier while maintaining the tenets of the IFTA Agreement. To modernize and streamline the

ballot process it is recommended that this ballot be used to:

- Remove the Short Track Ballot process and Full Track terminology in favor of having one simple Ballot process
- Amend the comment periods from 45 days to 30-calendar days
- Amend the voting period from 60 days to 45-calendar days.
- Propose that amendments for comment be submitted to the repository in draft form at least 60-calendar days prior to a meeting of the member jurisdictions for a 30-calendar day preliminary comment period.
- Allow for voting to pass/fail at the Annual Business Meeting, in-person, or remotely within the allotted timeframe for all eligible jurisdictions.

- Implement suggested new Board of Trustees Preliminary Edit Process:
 - Allow any eligible member jurisdiction or Board of Trustee (Board) member or committee to suggest a non-substantive change and submit it to the repository for consideration as a minor edit bypassing the formal ballot process, allowing the Board of Trustees the ability to make minor changes to the Agreement, Procedures Manual and/or Audit Manual.
 - Allow the Board the authority to approve non-substantive changes, such as typos, references to incorrect sites, font, format, and grammatical corrections. in order to better streamline the amendment process and minimize the timeframe for making such edits.
 - The Repository will circulate the proposed change to all member jurisdictions and the standing committees for a 30-calendar day review period. If no written objections submitted in writing, the proposed edit advances to the Board of Trustees.
 - The repository will submit the suggested non-substantive change to the Board of Trustees within 30-calendar days of the quarterly board meeting for review and vote. Approved edits will require three-fourths approval from the Board of Trustees.

53
54 **.300** The repository will notify the member jurisdictions of ~~Full Track ballot~~ proposals
55 that have qualified for consideration at the next ~~open~~ meeting of the member
56 jurisdictions and provide the text of the proposals and any comments received.
57

58 ~~R1610 SUBMISSION OF PROPOSALS WITHOUT PRELIMINARY COMMENT~~

59
60 A proposed amendment may also be submitted to the repository for consideration as a
61 Short Track Preliminary Ballot Proposal ("Short Track" Proposal). The preliminary
62 comment period requirement may be waived if:

63
64 ~~.100~~ A proposed amendment is submitted to the repository at least 45 days before
65 the next meeting of the member jurisdictions for consideration at that meeting;
66 and

67
68 ~~.200~~ At the next meeting of the member jurisdictions, the proposed amendment
69 receives the affirmative vote of at least three-fourths of the total member
70 jurisdictions of the Agreement.
71

72 ~~R1615 OPEN MEETING DISCUSSION~~

73
74 No amendment will be adopted without a discussion of the amendment at an open meeting
75 of the commissioners. All Full Track and Short Track proposals will be discussed in
76 An open meeting of the commissioners.
77

78 ~~R1620 "SHORT TRACK" VOTING~~

79
80 ~~.100~~ In the open meeting, the sponsor may request the member jurisdictions to vote
81 for or against placing a Full Track proposal on the Short Track ballot process
82 described in IFTA Articles of Agreement Section R1625. An affirmative vote of at
83 least three-fourths of the total member jurisdictions is required to place a ballot
84 on the Short Track ballot process.

85
86 ~~.200~~ In the open meeting, a vote must be made by the member jurisdictions for or
87 against continuing each Short Track proposal on the Short Track ballot
88 process described in IFTA Articles of Agreement Section R1625. An affirmative
89 vote of at least three-fourths of the total member jurisdictions is required for
90 continuation of a ballot on the Short Track ballot process.
91

92 ~~R1625 "SHORT TRACK" 30-DAY BALLOT PROCEDURES~~

93
94 Proposals that receive the required three-fourths vote at the open meeting of the
95 commissioners may proceed as follows:

96
97 ~~.100~~ Within 30 days of the open meeting, the sponsoring jurisdiction or committee
98 must submit its proposal to the repository for circulation as a preliminary ballot
99 proposal.

100
101 ~~.200~~ The repository will circulate the preliminary ballot proposal to the member
102 jurisdictions and the standing committees of the Association for a 30-day
103 comment period.

104
105 ~~.300~~ At the end of the 30-day comment period, the preliminary ballot proposal is
106 submitted to the repository as a final ballot proposal and circulated, together with
107 all comments received, to the member jurisdictions. Jurisdictions have 30 days in

108 ~~which to vote on final ballot proposals submitted under this section.~~

109
110 **R1615 BALLOT PROPOSAL REQUIREMENTS**

111
112 Ballot proposals must contain the following:

113
114 .100 The precise language to be considered;

115
116 .200 If the ballot proposal is an amended ballot proposal:

117
118 .005 the language originally contained in the previous ballot proposal; and

119
120 .010 all comments received during the comment period;

121
122 .300 If applicable, the date by which voting must be completed; and

123
124 .400 The effective date of the amendment.

125
126
127
128 ***R1630-R1620 "FULL TRACK" BALLOT PROPOSAL PROCEDURES**

129
130 .100 Full Track Ballot proposals must be discussed at an open meeting of the
131 commissioners.

132
133 .200 Ballot proposals may be voted on at the meeting and be adopted in accordance with
134 IFTA Articles of Agreement Section R1630.

135
136 .300 If a ballot proposal that ~~are~~ is not voted on at the open meeting or ~~do~~ does not receive
137 the ~~three-fourths affirmative vote~~ affirmative votes required by IFTA Articles of
138 Agreement Section R1630, the ballot ~~may still~~ proceed as follows:

139
140 ~~.100.005~~ Within ~~45-30~~ calendar days of the open meeting, the sponsoring
141 jurisdiction or committee must submit its ~~ballot~~ proposal to the repository for
142 ~~circulation as a preliminary ballot proposal.~~ 30-calendar-day comment period.

143
144 ~~.200.010~~ The repository ~~will~~ must circulate the ~~preliminary~~ ballot proposal to the
145 member jurisdictions and the standing committees of the Association for a ~~45-~~
146 ~~day~~ 30-calendar-day comment period.

147
148 ~~.300.015~~ At the end of the ~~45-day~~ 30-calendar-day comment period, the
149 ~~preliminary ballot proposal is submitted~~ sponsoring jurisdiction or committees
150 ~~must submit the ballot proposal to the repository as a final ballot proposal and~~
151 ~~circulated, for circulation together with all comments received,~~ to the member
152 jurisdictions. ~~Jurisdictions-Member jurisdictions~~ have ~~60 days in which~~ 45
153 ~~calendar days~~ to vote on ~~final the~~ ballot ~~proposals~~ proposal submitted under this
154 sectionssubsection.

155
156 **R1635 VOIDED "SHORT TRACK" PROPOSALS**

157
158 ~~Short Track proposals that do not receive the three-fourths affirmative vote are void.~~
159 ~~Sponsoring jurisdictions or committees may again submit the proposal through the process~~
160 ~~outlined in IFTA Articles of Agreement Section R1605. However, the proposal is ineligible~~
161 ~~for the expedited processes outlined in Sections R1610 or R1620.~~

163 ~~*R1640-R1625~~ AMENDMENTS TO ~~PRELIMINARY BALLOTS~~BALLOT PROPOSALS

164
165 A ~~preliminary~~ ballot proposal may be amended to incorporate comments received in
166 ~~the a~~ comment period or to make technical or grammatical changes prior to circulation
167 ~~as a final ballot proposal. for vote by the member jurisdictions .If the~~ changes made to
168 ~~a preliminary~~the ballot proposal are substantive, ~~#the sponsoring jurisdiction or~~
169 ~~committee~~ must ~~be resubmitted resubmit the as a new preliminary~~ ballot proposal for
170 an additional ~~45-day~~30-day-calendar comment period. The sponsoring jurisdiction or
171 committee has discretion to determine whether changes are substantive or non-
172 substantive. However, if two or more jurisdictions indicate in writing to the repository
173 that they consider a change substantive, it must be resubmitted for an additional ~~45-~~
174 ~~day~~30-calendar-day comment period.

175
176 ~~R1645-FINAL BALLOT PROPOSAL REQUIREMENTS~~

177
178 Final Ballot proposals must contain the following:

- 179
- ~~.100 The precise language to be considered;~~
 - ~~.200 The language originally contained in the preliminary ballot proposal;~~
 - ~~.300 All comments received during the comment period;~~
 - ~~.400 The date by which voting must be completed; and~~
 - ~~.500 The effective date of the amendment.~~

180
181 ~~*R1650-R1630~~ ACCEPTANCE OF AMENDMENTS, INTERPRETATIONS, AND ROLL CALL VOTES

- 182
183 .100 Votes on amendments, ~~or~~ interpretations, or roll calls must be cast by the
184 commissioner or a delegate named in writing by the commissioner.
185
186 .200 An affirmative vote in writing of three-fourths of the total eligible member jurisdictions is
187 required to amend the Articles of Agreement, Procedures Manual, or Audit Manual. For
188 purposes of this section, a vote submitted electronically through a mechanism provided
189 by the International Fuel Tax Association, Inc. is deemed a vote in writing.
190
191 .300 ~~Jurisdictions~~Jurisdictions -Eligible member jurisdictions may abstain from voting, but a
192 final ballot proposal may still not be adopted without the affirmative vote of three-
193 fourths of the total eligible member jurisdictions.
194
195 .400 ~~Jurisdictions-Eligible member jurisdictions~~ that do not vote on an amendment within the
196 required time limits are considered to have voted in the negative, except as provided in
197 IFTA Articles of Agreement Section R165535.

198
199 ~~*R1655-R1635~~ EFFECTIVE DATE OF AMENDMENTS

200
201 The effective date of all amendments, unless otherwise specified, is the first day of
202 January or July, whichever occurs first, following the completion of 12 complete months
203 following the close of the voting period. An alternate effective date may be allowed if it
204 receives the support of three-fourths of the total eligible member jurisdictions. If an
205 alternate effective date is requested, it must be voted separately from the amendment.
206 ~~Jurisdictions-Eligible jurisdictions~~ that do not vote on an alternate effective date within
207 the required time limits are considered to have voted in the negative.

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~~R1660-R1640~~ WITHDRAWAL OF AMENDMENT PROPOSALS

An amendment proposal may be withdrawn by the sponsoring jurisdiction or committee at any time during the amendment process.

REVISIONS FOLLOWING 2nd COMMENT PERIOD

R1610.100- added “-“ between “30-calendar-day” for consistency
R1610.200- added “-“ between “30-calendar-day” for consistency
R1610.300- added “open” for consistency
R1630- updated title to match Ballot#1-2020 wording that comes into effect January 2022
R1630.100- updated wording to match Ballot#1-2020 wording that comes into effect January 2022
R1630.400- updated to reference Section R1635 due to the renumbering from this ballot

Clean Copy of Ballot Proposal

***R1600**

AMENDMENT

Proposals for amendment and requests for non-substantive changes of the Agreement, Procedures Manual, or Audit Manual may be made by any member jurisdiction, the Audit Committee, the Agreement Procedures Committee, the Clearinghouse Advisory Committee, the Law Enforcement Committee, the Program Compliance Review Committee or the Board of Trustees of the Association.

R1605 SUBMISSION OF NON-SUBSTANTIVE CHANGES FOR BOARD REVIEW AND DECISION

- .100** In accordance with subsection .200 of this section, non-substantive changes may be made to the Articles of Agreement, Procedures Manual, or Audit Manual without submitting the change as a ballot proposal. The changes must be non-substantive and cannot change the meaning of the document. The changes are limited to the following: amendments to fix a typographical error; amendments to the title, font, or format; and amendments to fix grammatical errors. Proposed changes that do not fall within the specified limits or meet the conditions provided in subsection .200 of this section must be submitted as a ballot proposal.
- .200** Non-substantive changes may be made in accordance with all of the following:

 - .005** A member jurisdiction or committee submits a proposed change to the repository.
 - .010** The repository determines that the proposed change is non-substantive and does not change the meaning of the current language.
 - .015** The repository circulates the proposed change to all member jurisdictions and the standing committees for a 30-calendar-day review period.
 - .020** No jurisdiction or standing committee objects in writing to the proposed change within the 30-calendar-day review period.
 - .025** After the 30-calendar-day review period, the proposed change receives three-fourths affirmative vote from the Board of Trustees.

R1610 SUBMISSION OF BALLOT PROPOSALS FOR COMMENT

- .100** A proposed amendment is to be submitted to the repository at least 60 calendar days before an open meeting of the commissioners. The repository will circulate the proposed amendment as a ballot proposal to all member jurisdictions and the standing committees of the Association for a 30-calendar-day comment period.
- .200** At the end of the 30-calendar-day comment period, the ballot proposal must be submitted to the repository for consideration at the next open meeting of the commissioners. The comment period must be completed, and notification given to the repository at least 30 calendar days before the next open meeting of the commissioners.
- .300** The repository will notify the member jurisdictions of ballot proposals that have qualified for consideration at the next open meeting of the member jurisdictions and provide the text of the proposals and any comments received.

R1615 BALLOT PROPOSAL REQUIREMENTS

Ballot proposals must contain the following:

- .100** The precise language to be considered;
- .200** If the ballot proposal is an amended ballot proposal:
 - .005** the language originally contained in the previous ballot proposal; and
 - .010** all comments received during the comment period;
- .300** If applicable, the date by which voting must be completed; and
- .400** The effective date of the amendment.

***R1620 BALLOT PROPOSAL PROCEDURES**

- .100** Ballot proposals must be discussed at an open meeting of the commissioners.
- .200** Ballot proposals may be voted on at the meeting and be adopted in accordance with IFTA Articles of Agreement Section R1630.
- .300** If a ballot proposal is not voted on at the open meeting or does not receive the affirmative votes required by IFTA Articles of Agreement Section R1630, the ballot may proceed as follows:
 - .005** Within 30 calendar days of the open meeting, the sponsoring jurisdiction or committee must submit its ballot proposal to the repository for a 30-calendar-day comment period.
 - .010** The repository must circulate the ballot proposal to the member jurisdictions and the standing committees of the Association for a 30-calendar-day comment period.
 - .015** At the end of the 30-calendar-day comment period, the sponsoring jurisdiction or committees must submit the ballot proposal to the repository for circulation to the member jurisdictions. Member jurisdictions have 45 calendar days to vote on the ballot proposal submitted under this subsection.

R1625 AMENDMENTS TO BALLOT PROPOSALS

A ballot proposal may be amended to incorporate comments received in a comment period or to make technical or grammatical changes prior to circulation for vote by the member jurisdictions. If changes made to the ballot proposal are substantive, the sponsoring jurisdiction or committee must resubmit the ballot proposal for an additional 30-day-calendar comment period. The sponsoring jurisdiction or committee has discretion to determine whether changes are substantive or non-substantive. However, if two or more jurisdictions indicate in writing to the repository that they consider a change substantive, it must be resubmitted for an additional 30-calendar-day comment period.

R1630 ACCEPTANCE OF AMENDMENTS, INTERPRETATIONS, AND ROLL CALL VOTES

- .100** Votes on amendments, interpretations, or roll calls must be cast by the commissioner or a delegate named in writing by the commissioner.
- .200** An affirmative vote in writing of three-fourths of the total eligible member jurisdictions is required to amend the Articles of Agreement, Procedures Manual, or Audit Manual. For purposes of this section, a vote submitted electronically through a mechanism provided by the International Fuel Tax Association, Inc. is deemed a vote in writing.
- .300** Jurisdictions may abstain from voting, but a final ballot proposal may still not be adopted without the affirmative vote of three-fourths of the total eligible member jurisdictions.
- .400** Eligible member jurisdictions that do not vote on an amendment within the required time limits are considered to have voted in the negative, except as provided in IFTA Articles of Agreement Section R1635.

R1635 EFFECTIVE DATE OF AMENDMENTS

The effective date of all amendments, unless otherwise specified, is the first day of January or July, whichever occurs first, following the completion of 12 complete months following the close of the voting period. An alternate effective date may be allowed if it receives the support of three-fourths of the total eligible member jurisdictions. If an alternate effective date is requested, it must be voted separately from the amendment. Eligible jurisdictions that do not vote on an alternate effective date within the required time limits are considered to have voted in the negative.

R1640 WITHDRAWAL OF AMENDMENT PROPOSALS

An amendment proposal may be withdrawn by the sponsoring jurisdiction or committee at any time during the amendment process.

FTPBP #3-2021
First Comment Period Ending June 1, 2021

Support: 15
Oppose: 3
Undecided: 7

ALABAMA

Support

failure to vote should be counted as an abstension and not a "no" vote

BRITISH COLUMBIA

Support

CALIFORNIA

Support

Support stream lining the process for the ballot process

IDAHO

Support

INDIANA

Support

Indiana, in general, supports IFTA Ballot #3-2021; however, some language modification is requested.

- We recommend that days for the comment period, voting period, drafts, etc., listed throughout this proposed ballot for Agreement modifications should indicate business or calendar days. (IRP has used calendars; proposed amended sections - R1610; R1620; R1625; or where else relevant)

R1605. Although the term "minor edits" is used to provide for the Board of Trustees to make edits to Agreement, Procedures Manual and/or Audit Manual the determination of what may be a minor edit, could be a material edit (such as format and minor grammatical efforts). The provision should be restated as to what are the only or limited changed items that can be made by the repository. Edits should be limited only for typos, title, font, format, spelling errors, incorrect reference sections. The word "etc." should be removed due to broadness and undefined items. Any change in content outside of what is specifically set forth/approved to be changed would require membership approval. Otherwise, the term "minor edits" needs to be better defined

Industry Advisory Committee

The IFTA IAC has some concerns with this ballot. The current language explains what is considered a minor edits, but equally important, the ballot should do a better job at describing a substantial edit. Grammatical corrections could have unintended consequences in affecting the intent of the language of the Articles of Agreement. It should also be noted that this ballot does not fix the true issue with the ballot process and that is 100% participation in voting. There should be ramifications for a Jurisdiction not voting; full participation in voting is essential in getting thing done.

KANSAS

Support

FTPBP #3-2021
First Comment Period Ending June 1, 2021

KENTUCKY

Support

MAINE

Oppose

Maine agrees with PEI's comments and makes the following suggestions. The first comment period should stay at 45 days. The longer comment period will allow jurisdictions to seek attorney input. No votes on amendments should be taken during the open meeting. The final ballot should be submitted to the repository x days after the close of the open meeting for vote regardless if a 2nd comment period is held. The vote on all ballots should start at the same time so the effective dates would be the same. This would streamline the updates to the guiding documents

MANITOBA

Support

MARYLAND

Undecided

Although Maryland appreciates the proposed streamlining to a single ballot process, we have concerns relative to the reduced number of days for additional actions.

MICHIGAN

Support

MINNESOTA

Support

MISSOURI

Support

NEBRASKA

Oppose

As written, Nebraska cannot support this ballot.

We do, however, support the idea of simplifying the ballot process by the elimination of the short track/full track system with a ballot process and shortening the time period for comments

Reading through the ballot we had lots of questions -

We understand the appeal of the Submission of Preliminary Edits for Board Review concept, but is still subjective and allows the repository to decide what is minor and what is not. We haven't yet run this by our legal team, but I cannot imagine them accepting that language.

It is not clear how the decision is made to vote on a ballot at the annual meeting and when not to? Who makes that decision? In general we are not in favor of ballots being voted on for passage at the annual meeting.

Our suggestion is to propose a simpler ballot that deals with the main two issues, elimination of the short track/full track process and shortening some of the time frames. Once that is implemented, then work on other changes if necessary.

NEVADA

Undecided

NEW BRUNSWICK

Support

FTPBP #3-2021
First Comment Period Ending June 1, 2021

New Brunswick supports this ballot; however, we would recommend that section R1605 - 100 be separated into two sections, "Board of trustee" and "The membership".

NEWFOUNDLAND

Support

NORTH CAROLINA

Undecided

North Carolina has concerns regarding the potential for unintended consequences regarding "preliminary edits" to the Article of Agreement, Procedures Manual, or Audit Manual. These edits can include typos, title, font, format, minor grammatical edits, incorrect reference sections.

Edits to address typographical errors, changes to grammar, and changing section references, by their nature, have a high potential to change the meaning of what is written. In many instances "preliminary edits" would not be worth seeking or otherwise be desirable unless it made a requirement or process more clear. Implicit in a change for clarity is that a specific interpretation of a text is now more likely than another interpretation. Therefore, by design, these edits are vehicles to change the content of the document.

Further, making any changes to the Article of Agreement, Procedures Manual, or Audit Manual should be taken with great care and provide for sufficient review by all Jurisdictions. Although not completely alleviating all of North Carolina's concerns, we encourage the Agreement Procedures Committee to review the attached document, which provides sample language. The sample language replaces terms that provide minimal restrictions on what could be changed (e.g. the ballot's use of "etc." and the reference that the changes "should not change to content"), adds the ability for a jurisdiction to object to the change, and clarifies that a vote by the Board of Trustees must be unanimous.

North Carolina also shares the concerns raised by Prince Edward Island. Consistent usage of "three-fourths affirmative vote of the total eligible member jurisdictions" is needed to avoid any confusion. Also, consider revising the first sentence in R1635.100 -- it reads as though one can vote on roll calls.

ONTARIO

Undecided

ON has significant reservations with the elements beyond a straightforward consolidation and agree with the concerns also noted by several jurisdictions. It would be preferable and allow for greater clarity if the sponsors were to isolate the additional, expanded aspects and present as a separate ballot. While there is a definite benefit in eliminating the two ballot streams, the value with the extensive amendment provisions is questionable.

PRINCE EDWARD ISLAND

Undecided

R1615 lacks clarity that it is limited to Preliminary Ballot Proposals. It seems to allow the agreement to be changed based on 3/4ths of those in attendance at an "open meeting." That open meeting is not necessarily the annual meeting.

R1620 somewhat conflicts with R1615 in that R1615 allows for 3/4ths of those in attendance while R1620 refers to those that do not receive 3/4ths affirmative of total eligible member jurisdictions.

R1620.400 reads that ballots not receiving 3/4ths affirmative at the open meeting and not needing a second comment period will be voted on during the annual meeting. It is unclear who or how the decision of a second comment period is made – unless the R1615 vote is: proceed? yes/no; and if yes a second vote of: open to comments? yes/no.

FTPBP #3-2021
First Comment Period Ending June 1, 2021

R1620.400 appears to suggest Final Ballot Proposals will be voted on during the annual meeting. That being the case it should be clarified that the 3/4ths affirmative votes are 3/4ths of all eligible jurisdictions, not just 3/4ths of those in attendance. It is also worth recognizing votes at annual meetings may have fewer "Commissioners" voting than votes done electronically as there are a number of Assistant Commissioners and delegates at the annual meeting.

QUEBEC
Undecided

From a legal point of view; We agree with simplifying the voting process. As for the minor tweaks, we see that the list includes the "Titles". The title is one of the elements that make a law and can be used to interpret it when it is unclear. Thus, we can't endorse a change that allows the Board to change the headings as if they were minor change of the same nature as a grammatical error.

A typo error has slipped into the article R1610.200. The "to" following the addition of "will" should be removed.

RHODE ISLAND
Oppose

SASKATCHEWAN
Support

SOUTH DAKOTA
Support

WASHINGTON
Undecided

FTPBP #3-2021
Second Comment Period Ending December 4, 2021

Support: 17
Oppose: 1
Undecided: 0

ALABAMA

Support

R1620.300.015. Suggest 30 day voting period instead of 45 days.

ALBERTA

Support

CALIFORNIA

Support

KANSAS

Support

KENTUCKY

Support

MANITOBA

Support

MISSOURI

Oppose

Support 45 days in lieu of 30 days to ensure all parties within our organization have fully reviewed any language changes.

NEVADA

Support

NEW BRUNSWICK

Support

New Brunswick supports this ballot; however, we would recommend that section R1605 - 100 be separated into two sections, "Board of trustee" and "The membership".

NEWFOUNDLAND

Support

NORTH CAROLINA

Support

North Carolina concurs with Prince Edward Island's comments.

North Carolina does not have any objections to extending the review period to 45 days.

North Carolina's remaining comments are limited to R1625. In the proposed R1625, it is unclear whether (and how) amendments can be made to a ballot during an open meeting of the commissioners. It is important to note that the vote occurs after one comment period. To incorporate any changes from the comment period, amendments must occur or be presented during the open meeting. The current

language does not grant the sponsor clear authority to amend the ballot during the meeting and does not give clear guidance on how this is to occur. Also, given the current language of R1625, it is unclear how two jurisdictions are to indicate, in their opinion, that a change is a substantive change -- which prevents the vote from moving forward in the open meeting.

When we make changes to how we can change the foundational documents that govern all of our interactions, we should make them as clear as possible. Leaving issues open to interpretations or requiring IFTA Inc. and jurisdictions to fill-in-the-gaps should be avoided where possible.

North Carolina believes that clarifying this process is consistent with the charge given to the Agreement Procedures Committee. One of the primary purposes of the ballot change was to ensure that a ballot could be voted on during the open meeting and have a reasonable opportunity to pass. Ensuring that amendments can be made after the one comment period is important aspect in increasing the probability that a ballot can receive the 3/4 vote requirement to pass.

To assist the Agreement Procedures Committee, North Carolina has prepared a document attempting to capture the changes proposed by Prince Edward Island. North Carolina has also included a possible clarification to R1625. The second level of changes (changes to the ballot) have been highlighted in yellow.

See the following for the referenced attachment:

<https://www.iftach.org/forums/upload/temp/FTPBP%2003-2021%20Supplement.pdf>

ONTARIO

Support

Recommend keeping the 45 calendar day comment period and giving member jurisdictions 45 calendar days to review proposed edits through the new Board of Trustees Preliminary Edit Process so jurisdictions can give their full consideration when there are competing priorities for their time.

PENNSYLVANIA

Support

PRINCE EDWARD ISLAND

Support

As a non-substantive suggestion and to be consistent with other changes: R1610 .300 should be "the next open meeting of the commissioners" as opposed to "the next meeting of the member jurisdictions"

As a non-substantive suggestion: R1630 .100 should be "Votes on amendments must be cast" as opposed to "Votes on amendments or interpretations must be cast" as interpretations are dealt with in section R1700

As a housekeeping suggestion: R1630 .400 should reference Section R1635 due to the renumbering from this ballot.

Re "Eligible" jurisdictions: some of the language in R1630 reverses changes from FTFBP #1 – 2020 which comes into effect in January 2022. R1630 .200 and R1630 .300 should be "total eligible member jurisdictions"

Perhaps not necessary but does add clarity, R1630 .100 could end with "commissioner of an eligible member jurisdiction"

FTPBP #3-2021
Second Comment Period Ending December 4, 2021

R1600 was not identified in FTFBP #1 – 2020 therefore does not need to be changed to “any eligible member jurisdiction”

QUEBEC

Support

RHODE ISLAND

Support

Support 45 days timeframe

SASKATCHEWAN

Support

SOUTH DAKOTA

Support

**IFTA FULL TRACK FINAL BALLOT PROPOSAL 3-2021
VOTING RESULTS**

JURISDICTION	LANGUAGE		EFFECTIVE DATE	
	YES	NO	YES	NO
ALABAMA	1		1	
ALBERTA	1		1	
ARIZONA	1		1	
ARKANSAS	1		1	
BRITISH COLUMBIA	1		1	
CALIFORNIA	1		1	
COLORADO	1		1	
CONNECTICUT	1		1	
DELAWARE	1		1	
FLORIDA	1		1	
GEORGIA	1		1	
IDAHO	1		1	
ILLINOIS	1		1	
INDIANA				
IOWA	1		1	
KANSAS	1		1	
KENTUCKY	1		1	
LOUISIANA	1		1	
MAINE		1		1
MANITOBA	1		1	
MARYLAND	1		1	
MASSACHUSETTS				
MICHIGAN	1		1	
MINNESOTA	1		1	
MISSISSIPPI	1		1	
MISSOURI		1		1
MONTANA	1		1	
NEBRASKA	1		1	
NEVADA	1		1	
NEW BRUNSWICK	1		1	
NEW HAMPSHIRE	1		1	
NEW JERSEY				
NEW MEXICO				
NEW YORK	1		1	
NEWFOUNDLAND	1		1	
NORTH CAROLINA	1		1	
NORTH DAKOTA	1		1	
NOVA SCOTIA	1		1	
OHIO	1		1	
OKLAHOMA	1		1	
ONTARIO	1		1	
OREGON				
PENNSYLVANIA	1		1	
PRINCE EDWARD ISLAND	1		1	
QUEBEC	1		1	
RHODE ISLAND	1		1	
SASKATCHEWAN	1		1	

**IFTA FULL TRACK FINAL BALLOT PROPOSAL 3-2021
VOTING RESULTS**

JURISDICTION	LANGUAGE		EFFECTIVE DATE	
	YES	NO	YES	NO
SOUTH CAROLINA				
SOUTH DAKOTA	1		1	
TENNESSEE	1		1	
TEXAS	1		1	
UTAH	1		1	
VERMONT	1		1	
VIRGINIA	1		1	
WASHINGTON	1		1	
WEST VIRGINIA	1		1	
WISCONSIN	1		1	
WYOMING	1		1	
TOTALS	50	2	50	2

Bold font in the voting total columns and shading indicate that the jurisdiction did not vote.

Failure to vote for the ballot language counts as a "No" vote.

Failure to vote for the alternative effective date counts as a "No" vote.

Number of "YES" votes necessary to pass: 44

Effective Date: January 1, 2022

LANGUAGE:

NUMBER OF "YES" VOTES RECEIVED: **50**

NUMBER OF "NO" VOTES RECEIVED: **2**

NUMBER OF VOTES NOT RECEIVED: **6**

RESULT: PASSED

ALTERNATIVE EFFECTIVE DATE:

NUMBER OF "YES" VOTES RECEIVED: **50**

NUMBER OF "NO" VOTES RECEIVED: **2**

NUMBER OF VOTES NOT RECEIVED: **6**

RESULT: PASSED

Ballot Intent:

The intent of this ballot is to fulfill the Board Charge to modernize the ballot process to make it simpler, faster, and easier while maintaining the tenets of the IFTA Agreement.



**IFTA FULL TRACK PRELIMINARY BALLOT PROPOSAL
#04-2021**

Sponsor

IFTA Audit Committee

Date Submitted

March 23, 2021

Proposed Effective Date

January 1, 2023

Manual Sections to be Amended

(January 1996 Version, Effective July 1, 1998, as revised)

Procedures Manual

Section P540 Distance Records

Subject

Standardization of Electronic Audit Records

History/Digest

The Board of Trustees approved a GPS Standardization Working Group in October 2019. The charges for this working group were outlined as follows:

- Survey membership on level of experience with various GPS or other electronic auditing and how they engage in such audits, including any issues encountered conducting GPS audits, types of GPS systems audited, and the mileage software used to conduct the audit;
- Survey the IAC to gain a better understanding of the obstacles faced to comply with the Plan and difficulties found in the audit process;
- Review the format for the electronic data and provide recommendations for a standard format;
- Analyze the electronic recordkeeping requirements in both the Plan and the Agreement with the results from the survey and make recommendations; and
- Provide progress updates at upcoming Board meetings and a report to both Boards with a final recommendation by the Fourth Quarter 2020.

The Board of Trustees issued a new charge on December 1, 2020 as follows:

The IFTA AC should work together with the IRP AC to develop a ballot that works for both organizations. Your ballot proposal should take into consideration the research that was completed and presented to the Board in October 2020 from the GPS Standardization Working Group.

Intent

To tightly define what data elements would be required and what formats would be acceptable (IE XLS, CSV, etc.) and not acceptable (IE static images from Word, PDF, etc.).

WITHDRAWN

Interlining Indicates Deletion; Underlining Indicates Addition

1 PROCEDURES MANUAL
2 P500 Recordkeeping
3 *P540 Distance Records

4
5 *[SECTION P540.100 and P540.300 REMAIN UNCHANGED]*
6

7 .200 ~~Distance records produced wholly or partly by a vehicle tracking system, including a~~
8 ~~system based on a global positioning system (GPS):~~ Distance records produced by a vehicle
9 tracking system that utilizes latitudes and longitudes interfaced with a distance program, a record
10 must be created and maintained at a minimum every 15 minutes when the vehicle's engine is on
11 and contain the following data elements:

12 .005 ~~the original GPS or other location data for the vehicle to which the records pertain~~

13 .010 ~~the date and time of each GPS or other system reading, at intervals sufficient to~~
14 ~~validate the total distance traveled in each jurisdiction~~

15 .015 ~~the location of each GPS or other system reading~~ the latitude and longitude to
16 include a minimum of 4 decimal places (0.0001) of each system reading

17 .020 ~~the beginning and ending reading from the odometer, hubodometer, engine~~
18 ~~control module (ECM), or any similar device for the period to which the records pertain~~
19 the odometer reading from the engine control module (ECM) of each system reading. If
20 no ECM odometer is available a dashboard odometer or hubodometer will be acceptable
21 and must be recorded daily.

22 .025 ~~the calculated distance between each GPS or other system reading~~

23 .030 ~~the route of the vehicle's travel~~

24 .035 ~~the total distance traveled by the vehicle~~

25 .040 ~~the distance traveled in each jurisdiction~~

26 .045 ~~the vehicle identification number or vehicle unit number~~

27 The system should be capable of generating a daily summary that reflects the distance per
28 jurisdiction, for each vehicle, when requested for audit purposes.

29 This data must be maintained in an acceptable electronic spreadsheet format such as XLS,
30 XLSX, CSV or Delimited text file for the record retention period of four years following the date the IFTA
31 tax return for such operations was due or was filed, whichever is later, plus any period covered by
32 waivers or jeopardy assessments, as stated in P510.

33 Commentary to P540

34 Formats from programs that provide a static image such as PDF, JPEG, PNG, or Word are not
35 acceptable.

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FTPBP #4-2021
First Comment Period Ending June 1, 2021

Support: 8
Oppose: 5
Undecided: 10

ALABAMA

Undecided

BRITISH COLUMBIA

Support

CALIFORNIA

Undecided

CA is undecided at this time; we generally support the idea/concept and efforts behind the ballot. Strongly support any language that will clarify the reporting requirement to have the data logs in an CVS (XLS), or Delimited text file format. We find having to work with static images like a PDF data file to be very time consuming for audit staff.

IDAHO

Support

INDIANA

Undecided

Indiana is undecided on ballot 4-2021. While we agree with the premise of the ballot, some items need revision.

For example, we find the sentence on lines 37-38 to be an overreach. Requiring the licensee's system be capable of generating daily summaries for each truck in the fleet is an unnecessary burden to place on the licensee. We realize the language does not require that the licensee generate the daily summaries, but must have the capability to. This is essentially a requirement that they generate them at the time of reporting, in the event the licensee happens to change GPS providers in the future. Should the licensee discontinue its relationship with the provider, they lose the capability of generating the daily summaries in the event of an audit at a later date.

Industry Advisory Committee

Oppose

The IFTA IAC cannot support the ballot as written. The purpose of the working was to define what is needed to be in compliance with all electronic reporting and to make the process more clear. The current language does not make it clearer and adds additional burden to the carrier: 1. Daily odometers- if odometers are not pulled from ECM; monthly odometers, or any time frame, would work equally as well. 2. Nowhere in the Article of Agreement does it call for daily summaries, so why would they be needed for GPS reporting The current ballot language only covers vehicles that utilize latitudes and longitudes that interface with a distance program. There are other types of systems that utilizes GPS Data that does not interface with a distance program and equally effective, i.e. GEO FENCING. This ballot greatly narrows the use of GPS systems that work differently.

KANSAS

Undecided

KENTUCKY

Undecided

FTPBP #4-2021
First Comment Period Ending June 1, 2021

MAINE

Oppose

We understand amendments are needed to vehicle tracking systems record keeping requirements and applaud the working group's efforts.

A reference to proposed section P540.200 covering the format of the data should be made in section P530 third paragraph.

The current language provides guidance for multiple types of vehicle tracking systems and the proposed language only provides guidance for vehicle tracking systems using latitudes and longitudes that interface with a distance program. Perhaps a section should be used for the proposed language P540.300 and the current language amended to cover other vehicle tracking systems P540.200.

We have concerns that a 15-minute interval in created records is not sufficient for the northeast. Suggest adding the requirement of a jurisdictional distance between readings to the four required data elements. We believe that with this added as a data set the requirement of daily summaries would not be needed as the auditing jurisdiction could create any time frame summary to test towards. In general, we would create a pivot table for the month and check that to the current requirement of a monthly summary by vehicle. Summaries under sections P560 should be a requirement. Current wording makes it a requirement that an auditing jurisdiction give "due notice" to receive summaries.

Should there be a preamble as to the reason the information is required. "The information required for vehicle tracking systems is to be both sufficient and appropriate to allow an auditing jurisdiction to determine the completeness and accuracy of distance calculated per jurisdiction as reported by the licensee."

As a side note, most carriers using a vehicle tracking system have no idea how they work and would not know what information is required

MANITOBA

Oppose

Manitoba agrees with Missouri's comments.

MARYLAND

Support

MICHIGAN

Support

Michigan supports this ballot with one change to the current ballot purposed language - on page 3, line 37, it currently states - The system should be capable of generating a daily summary that reflects the distance per 38 jurisdiction, for each vehicle, when requested for audit purposes.

Michigan would like the change to the following statement - The system must be capable of generating a daily summary that reflects the distance per 38 jurisdiction, for each vehicle, when requested for audit purposes

MINNESOTA

Oppose

Minnesota has concerns with this ballot pertaining to the information that has been removed in P540 .200. Instead of removing the items in this section Minnesota would like the authors to consider Section .200 be left as currently written.

FTPBP #4-2021
First Comment Period Ending June 1, 2021

Minnesota proposes that everything written in red in .200 be moved to its own sub-section. In addition, Minnesota suggests that .035 and .040 be included in the new sub-section under "GPS" so it can be located in both sections.

Line 37- Daily Summary. Minnesota would like the authors to consider it to read as follows: "The system must be capable of generating a summary per trip or day, whichever is greater. That reflects the distance per jurisdiction, for each vehicle, when requested for audit purposes."

MISSOURI

Oppose

With the advancements in technology coming so rapidly, to "tightly define" what is acceptable seems to be a burden to the carriers. We get PDF documents, which would not be acceptable, from carriers and can convert them to Excel. So to exclude PDF documents from being acceptable doesn't seem right to us. A new and better format may come along that wouldn't be considered acceptable because of the tightly defined parameters.

NEBRASKA

Support

The research and work the Working Group did supports the changes. Nebraska would support the change of Monthly manual odometer readings instead of daily odometer readings when the ECM odometer readings are not captured in the pings.

NEVADA

Undecided

Two areas of concern.

First, will the 15 minutes per lat/long provide enough information for an accurate route? Were there any studies comparing various timing of the pings? Should we have more information on Route of Travel?

Second, don't have a warm fuzzy feeling on "the system should be capable of generating a daily summary...". This is very gray and could lead to a higher rate of non-compliance audits being issued. I'm also concerned about summaries being daily which then might not allow an auditor to match up to trips when a trip is in progress at the end of the day, especially when that day is the last day of a tax return period.

We need to have records that will mirror that period that was reported on the return. At this point I am not sure if this will happen. Might need to add additional language that if running on these electronic records, there shall not be any deviation from calendar date and time of a tax return reporting period.

NEW BRUNSWICK

Undecided

NEWFOUNDLAND

Undecided

NORTH CAROLINA

Support

(1) Line 37 -- The language currently uses "should." If it is a requirement, use mandatory language such as shall or must. If it is not a requirement, it should be removed.

FTPBP #4-2021
First Comment Period Ending June 1, 2021

(2) Lines 37-43 -- These need to be denoted within a subsection or subsections.

(3) The commentary should not be placed as commentary inside the ballot. This content needs to move into the ballot language itself.

(4) Word is neither a static image nor a format. Consider revising to be consistent with the other items listed (e.g. PDF and JPEG).

ONTARIO

Support

QUEBEC

Support

SASKATCHEWAN

Undecided

Unsure about all carriers system capabilities and if/how to transition industry and the burden/education for the client for requiring a system that will produce electronic documentation. We agree that electronic records should be required upon a carrier having the capability to do so.

Stakeholders

ATA opposes this proposed ballot in its current form. While ATA believes this ballot is well-intended, there are potential unintended and unforeseen consequences that necessitate a deeper review. The proposed language overly narrows the scope of technologies- both current and future- that would be applicable and acceptable under current language. Additionally, it may be worth exploring, before proposing an actual amendment, what the rationale is for some of these changes. New phrases in the proposed language lack underpinning definitions, which may lead to confusion as currently drafted. For example, providing examples of "acceptable" formats, as well as examples of "unacceptable" formats, does not define the term for another format not specified. Examples, in and of themselves, are not definitions and should not be treated as such. It is also unclear how these changes would mesh with other related sections on adequacy of records. In looking to "tightly define", the committee should be careful to not forestall the ability of the language to adapt to the needs of both carriers and states.

WASHINGTON

Undecided

Washington is undecided at this time; we generally support the premise and efforts but need more time to dig into the language and assess impacts.

FOR VOTE BY JANUARY 21, 2022



**IFTA SHORT TRACK FINAL BALLOT PROPOSAL
#05-2021**

Sponsor

IFTA Audit Committee

Date Submitted

June 29, 2021

Proposed Effective Date

January 1, 2023

Manual Sections to be Amended (Effective January 1, 2017, as revised)

A460.700 AUDIT REPORT

Subject

Billing Summary

History/Digest

The Program Compliance Review Committee requested the Audit Committee review the requirement for “.020 MPG/KPL as reported” and “.025 MPG/KPL as a result of audit” be discussed for guidance. The current MPG/KPL requirements as written do not indicate specific time requirements.

The Audit Committee provided commentary indicating that items .020 and .025 should pertain to the tax periods reported and audited. R930 of the Articles of Agreement specify a .100 Quarterly Tax Reporting requirement or the potential option of an .200 Annual Tax Reporting requirement for a licensee under specific circumstances. The Billing Summary does not detail the time period for which the items requested must be presented. To provide clarity, the IFTA INC. Board of Trustees charged the IFTA Audit Committee to review both the (1) Articles of Agreement, Section R930 and the Audit Manual, Section A460.700 (2) Determine subsections under section A460 that need clarification and (3) Develop a Short Track ballot proposal for the 2021 IFTA Annual Business Meeting.

Intent

The Intent of the ballot is to add language to A460.700 to ensure every jurisdiction understands the time period required for each item to be provided on the Billing Summary.

Interlining Indicates Deletion; Underlining Indicates Addition

1 **AUDIT MANUAL**

2

3 A460 .700 Billing Summary: All items listed below, except penalty .045, must be presented in the billing
4 summary by reporting period.

5

6 .005 Net distance adjustment in total;

7 .010 Net distance adjustment by jurisdiction;

8 .015 Net tax paid fuel purchases adjustment;

9 .020 MPG/KPL as reported;

10 .025 MPG/KPL as a result of audit;

11 .030 Net fuel tax adjustment per jurisdiction;

12 .035 Reported tax by jurisdiction;

13 .040 Audited tax by jurisdiction;

14 .045 Penalty;

15 .050 Interest by jurisdiction; and

16 .055 Total by jurisdiction.

17

18

REVISIONS FOLLOWING THE SECOND COMMENT PERIOD

- Moved the Effective date to January 1, 2023

STPBP #5-2021
Second Comment Period Ending November 8, 2021

Support 17
Oppose 0
Undecided 1

ALABAMA

Support

ALBERTA

Support

CALIFORNIA

Support

IDAHO

Support

KANSAS

Support

KENTUCKY

Support

MAINE

Undecided

The passing of this ballot could result in the need to create new reports to be part of the audit report. The proposed effective date, January 1, 2022 is too soon to allow this to happen. If our calculation is correct voting would close on this short track ballot after the proposed effective date. I would suggest that the proposed effective date be January 1, 2023 or allow R1655 to determine the effective date.

MANITOBA

Support

MISSOURI

Support

NEVADA

Support

NEW BRUNSWICK

Support

NEWFOUNDLAND

Support

NORTH CAROLINA

Support

It may be more clear to use the same language that is used in R930 by referencing the period as the "tax" reporting period.

STPBP #5-2021
Second Comment Period Ending November 8, 2021

Therefore, consider the following revision:

"All items listed below, except penalty .045, must be presented in the billing summary by tax reporting period."

Also, the sponsor should take note of the typography (layout) of A460. It consists of the general description of the report type followed by the required elements. For example, A460.100 is presented as follows:

".100 General Information:

.005 Name of base jurisdiction;

.010 Auditor's name;

.015 Licensee's name;

..."

Therefore, more detailed requirements, such as how the billing information must be reported, may be more appropriate in the opening paragraph of A460.

ONTARIO

Support

QUEBEC

Support

RHODE ISLAND

Support

Support

WEST VIRGINIA

Support

WYOMING

Support

**IFTA SHORT TRACK FINAL BALLOT PROPOSAL 5-2021
VOTING RESULTS**

JURISDICTION	LANGUAGE		EFFECTIVE DATE	
	YES	NO	YES	NO
ALABAMA	1		1	
ALBERTA	1		1	
ARIZONA	1		1	
ARKANSAS	1		1	
BRITISH COLUMBIA	1		1	
CALIFORNIA	1		1	
COLORADO				
CONNECTICUT	1		1	
DELAWARE	1		1	
FLORIDA	1		1	
GEORGIA	1		1	
IDAHO	1		1	
ILLINOIS	1		1	
INDIANA	1		1	
IOWA	1		1	
KANSAS	1		1	
KENTUCKY	1		1	
LOUISIANA	1		1	
MAINE	1		1	
MANITOBA	1		1	
MARYLAND	1		1	
MASSACHUSETTS				
MICHIGAN	1		1	
MINNESOTA				
MISSISSIPPI				
MISSOURI	1		1	
MONTANA	1		1	
NEBRASKA	1		1	
NEVADA	1		1	
NEWFOUNDLAND	1		1	
NEW BRUNSWICK	1		1	
NEW HAMPSHIRE	1		1	
NEW JERSEY				
NEW MEXICO				
NEW YORK	1		1	
NORTH CAROLINA	1		1	
NORTH DAKOTA	1		1	
NOVA SCOTIA	1		1	
OHIO	1		1	
OKLAHOMA	1		1	
ONTARIO	1		1	
OREGON	1		1	
PENNSYLVANIA	1		1	
PRINCE EDWARD ISLAND	1		1	
QUEBEC	1		1	
RHODE ISLAND	1		1	
SASKATCHEWAN		1		1

**IFTA SHORT TRACK FINAL BALLOT PROPOSAL 5-2021
VOTING RESULTS**

JURISDICTION	LANGUAGE		EFFECTIVE DATE	
	YES	NO	YES	NO
SOUTH CAROLINA				
SOUTH DAKOTA	1		1	
TENNESSEE	1		1	
TEXAS	1		1	
UTAH	1		1	
VERMONT	1		1	
VIRGINIA	1		1	
WASHINGTON				
WEST VIRGINIA	1		1	
WISCONSIN	1		1	
WYOMING	1		1	
TOTALS	49	1	49	1

Bold font in the voting total columns and shading indicate that the jurisdiction did not vote.

Failure to vote for the ballot language counts as a "No" vote.

Failure to vote for the alternative effective date counts as a "No" vote.

Number of "YES" votes necessary to pass: 44

Effective Date: January 1, 2022

LANGUAGE:

NUMBER OF "YES" VOTES RECEIVED: **49**

NUMBER OF "NO" VOTES RECEIVED: **1**

NUMBER OF VOTES NOT RECEIVED: **8**

RESULT: PASSED

ALTERNATIVE EFFECTIVE DATE:

NUMBER OF "YES" VOTES RECEIVED: **49**

NUMBER OF "NO" VOTES RECEIVED: **1**

NUMBER OF VOTES NOT RECEIVED: **8**

RESULT: PASSED

Ballot Intent:

The intent of the ballot is to add language to A460.700 to ensure every jurisdiction understands the time period required for each item to be provided on the Billing Summary.