

FOR VOTE BY DECEMBER 31, 2023



**IFTA BALLOT PROPOSAL
03-2023**

Sponsor

IFTA, Inc. Board of Trustees

Date Submitted

May 19, 2023

Proposed Effective Date

January 1, 2024

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

IFTA Articles of Agreement Sections: R820, R1020.200

IFTA Procedures Manual Sections: P550.700, P720.350, P1040.300

Subject

Provide exclusions for some record keeping and reporting requirements in those instances where the consumption of fuel is taxed by applying a tax rate to distance (taxable miles).

History/Digest

Beginning in the first quarter of 2024, the State of Indiana will submit a new taxable fuel type for IN to be included on the IFTA return, wherein tax is imposed on the consumption of fuel by applying a tax rate to distance (taxable miles) on the IFTA return.

For specific instances where a jurisdiction chooses to tax consumption based on applying a tax rate to distance, reporting requirements for total gallons, miles per gallon (MPG), or maintaining fuel receipts, is not necessary and will have no effect on the amount of fuel tax owed.

The requirements mentioned above and the subject matter of the proposed changes to the IFTA governing documents will only apply in those specific instances where tax is imposed on the consumption of fuel solely by applying a tax rate to distance. For other instances where the consumption of fuel used in the same vehicle is taxed differently in a jurisdiction using the traditional method of applying the tax rate to the taxable gallons (volume), the record keeping and reporting requirements will remain as is and the exclusions proposed here would not apply

to that calculation of fuel use tax.

Intent

The intent of this ballot is to make clear that for those instances, and only in those instances, where a jurisdiction is taxing the consumption of fuel by applying a tax rate to distance (taxable miles), certain record keeping and reporting requirements that are not necessary to reporting requirements and can be excluded as a requirement. As noted above, if the same vehicle using the same fuel type, also travels through another jurisdiction that applies their fuel use tax in the traditional way by applying a tax rate to the taxable gallons (volume) or using a different method besides applying the tax rate to distance, then the requirements to maintain records and report total fuel consumed and report the MPG, are not effected by these proposed changes and there is no exclusion from the requirements in those instances. The exclusions only apply to the specific instance where the consumption of a particular fuel type by a jurisdiction is taxed by applying a tax rate to the distance (taxable miles).

1 **Interlining Indicates Deletion; Underlining Indicates Addition**

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3 **ARTICLES OF AGREEMENT**

4 ***R800 TAXATION OF MOTOR FUELS**

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6 ***R820 TAXABLE FUEL USE**

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8 All motor fuel as defined in R239, which is acquired and which is normally subject to
9 consumption tax, is taxable unless proof to the contrary is provided by the licensee. The
10 licensee must report all fuel placed in the supply storage unit used to propel the qualified
11 motor vehicle, as taxable on the tax return, excluding qualified motor vehicles that only
12 travel in jurisdictions that either impose a tax on the consumption of fuel solely by
13 applying a tax rate to distance or does not impose any tax on that vehicle fuel type. If
14 any qualified motor fuel vehicle of the same fuel type travels in any other jurisdiction that
15 imposes tax on the consumption of fuel by applying a tax rate to net taxable fuel, then
16 the exemption from reporting does not apply and the total fuel placed in the supply
17 storage unit of all qualified motor vehicles must be reported.

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19 ***R1000 TAX PAID PURCHASES**

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21 ***R1020 BULK FUEL PURCHASES**

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23 **.200** A licensee may claim a tax-paid credit on the IFTA tax return for fuel withdrawn
24 from bulk storage only when the fuel is placed into the fuel supply storage unit
25 tank of a qualified motor vehicle; the bulk storage tank is owned, leased, or
26 controlled by the licensee; and either the purchase price of the fuel includes fuel
27 tax paid to the member jurisdiction where the bulk fuel storage tank is located or
28 the licensee has paid fuel tax to the member jurisdiction where the bulk fuel
29 storage tank is located.

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31 **PROCEDURES MANUAL**

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33 ***P550 FUEL RECORDS**

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35 *{All other sections remain unchanged}*

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37 .900 The requirements in this section will not apply to qualified motor vehicles that
38 only travel in jurisdictions that either impose a tax on the consumption of fuel solely by
39 applying a tax rate to distance or does not impose tax on that vehicle fuel type. If any
40 qualified motor vehicle of the same fuel type travels in any other jurisdiction that imposes
41 tax on the consumption of fuel by applying a tax rate to net taxable fuel, then the
42 exemption from the requirements of this section will not apply and all of the requirements
43 contained in this section must be followed.

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45 **P700 STANDARD TAX RETURNS**

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47 ***P720 REQUIRED INFORMATION**

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49 Each jurisdiction shall provide, at a minimum, the following elements to be present on a
50 standard tax return. These elements may be preprinted, have a field or space for, or be
51 automatically calculated:

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.350 Average fuel consumption factor (to two decimal places) for the tax reporting period. The requirements to report the average fuel consumption factor will not apply to qualified motor vehicles that only travel in jurisdictions that either impose a tax on the consumption of fuel solely by applying a tax rate to distance or does not impose tax on that vehicle fuel type. If any qualified motor vehicle of the same fuel type travels in any other jurisdiction that imposes tax on the consumption of fuel by applying a tax rate to net taxable fuel, then the exemption from the requirements of this section will not apply and the average fuel consumption factor must be reported.

***P1040 MONTHLY TRANSMITTALS**

The transmittal data listing shall contain, but not be limited to, the following information:

.300 The reported fleet fuel consumption factor for each licensee excluding licensees with qualified motor vehicles that only travel in jurisdictions that either impose a tax on the consumption of fuel solely by applying a tax rate to distance or does not impose tax on that vehicle fuel type. If any qualified motor vehicle of the same fuel type travels in any other jurisdiction that imposes tax on the consumption of fuel by applying a tax rate to net taxable fuel, then the exemption from the requirements to include the fleet consumption factor do not apply and the fleet consumption factor must be reported.