



THE IFTA NEWS

**International Fuel
Tax
Association Inc.
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TAX RATE CHANGES

Listed below are the Tax Rate **Changes** for **3rd Quarter 2008**. Only those jurisdictions which have changes are listed, along with the fuel type that has changed. The deadline for changes was September 2 at midnight. (All rates are shown in US currency unless otherwise noted.)

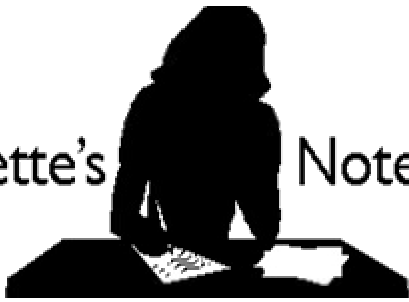
	Gas	Diesel	Gasohol	Prop	LNG	CNG	Ethanol	Methanol	E85	M85	A55	BioD
BC **#15	.6243	.6558		.1572								
CT #17		.4340		.2600	.2600	.2600						.4340
IA	.2100											
KY	.2110	.1810	.2110	.2110	.1810	.1810	.2110	.2110	.2110	.2110	.1810	
KY Sur	.0360	.0840	.0360	.0360	.0840	.0840	.0360	.0360	.0360	.0360	.0840	
MA				.3170	.3170	.3170						.2100
MI		.3920										.3920
MN***				.1650	.1320							
MN*** 08/01/08	.2250	.2250	.2250	.1688	.1350	.2250	.2250	.2250	.1598	.1268	.2250	.2250
ME		.2960		.2060								.2960
NE	.2600	.2600	.2600	.2600	.2600	.2600	.2600	.2600	.2600	.2600	.2600	.2600
WA	.3750	.3750	.3750				.3750					

*** Please note the new updated changes for MN.

****#15** Effective July 1, 2008, carbon tax applies to fuels, including gasoline, diesel, and propane. Commencing with the Q3, 2008 quarter, IFTA licensees will report and remit motor fuel tax and carbon tax as a combined rate on their IFTA Quarterly Tax Return form, the same form IFTA licensees currently use to report and remit motor fuel tax. The diesel rate has increased by \$0.0269/litre for the carbon tax, gasoline by an additional \$0.0234/litre, and propane by \$0.0154/litre.

#17 See Policy Statement 92(10.1), Tables and Equivalents for Natural Gas and Propane for Motor Vehicle Fuels Tax Purposes, for more information on computing the tax on motor vehicle fuels in gaseous form.

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www.iftach.org



FROM THE 2008 ANNUAL IFTA BUSINESS MEETING

The membership of IFTA held its Annual Business Meeting on July 18 and 19, 2008 in New Orleans, LA. This year's meeting was very well attended. 49 jurisdictions were present, represented by the IFTA Commissioner or representative. 5 other jurisdictions submitted proxies to other jurisdictions. Therefore, 54 jurisdictions were present for voting. A total of 136 attended the meeting.

First of all, a big **THANK YOU** to our wonderful hosts from the Louisiana Department of Revenue! I'd like to recognize the representatives that made our visit to New Orleans a great one!

Cynthia Bridges, Secretary of Revenue
Earl Millet, Deputy Secretary of Revenue
Shirley Bonaccorso
Denise Emery
Lois Ann Frazier
Carolyn Holcombe
Cynthia Johnson
Jerrydette Joseph

We very much appreciate all you did to make this membership meeting such a success.

I also want to take just a moment and thank my incredible staff - **Debora Meise, Jessica Eubanks, Tammy Trinker, Tom King, Dick Beckner, and Jason DeGraf** for everything they did to get us ready for (not to mention get me through) a flawless meeting!

Julian W. Fitzgerald, Sr. (NC), President, IFTA, Inc. Board of Trustees called the meeting to order and welcomed everyone to the meeting. The singing of the National Anthems of Canada and the United States were led by Jerrydette Joesph (LA). Tammy Trinker, Events Coordinator (IFTA, Inc.) took the roll of the jurisdictions and announced that a quorum was present to conduct the business of the membership and the Association.

Sheila Rowen (TN), IFTA, Inc. Board of Trustees, reviewed the matters that would require a vote and reviewed the voting requirements with the membership.

Edgar Roberts (NV), IFTA, Inc. Board of Trustees and chair of the Nominating Committee gave the Nominating Committee's report and announced a slate of candidates for election to the Board of Trustees: Scott Bryer (NH) - seeking re-election; Mr. Fitzgerald - seeking re-election; Robert Turner (MT) - seeking re-election; and Patricia Platt (KS) - seeking a first term on the Board. Scott Greenawalt (OK), First Vice President of the IFTA, Inc. Board of Trustees conducted the election and asked for nominations from the floor. Hearing none, Gary Frohlick (SK) moved that the slate of candidates be accepted by acclamation. Dar Walters (ID) seconded the Motion. The Motion passed. Congratulations to the Board Members!

Mr. Fitzgerald asked for a review of the Minutes of the 2007 Annual IFTA Business Meeting. Mrs. Rowen offered a correction. Mr. Greenawalt moved to accept the minutes as corrected. Ed King (CA) seconded the Motion. The Motion passed.

The report of the Information Technology Advisory Committee (ITAC) was given by Elizabeth Devlin (NY), Chair. The committee continues to hold monthly teleconferences on the second Thursday of

More from Lonette's Notes from the 2008 Annual IFTA Business Meeting

each month. Current projects include roadside enforcement, bar coding of IFTA decals/licenses, and electronic filing. A PowerPoint presentation outlining these projects can be found on the IFTA, Inc. website at www.iftach.org. ITAC continues to seek jurisdiction representatives to participate on this important committee so, if you are interested, please contact Ms. Devlin.

Richard LaRose (CT) and Carmen Martorana (NY) presented a possible solution to issues that were raised last year regarding Final Determinations of Non-compliance in a Program Compliance Review being forwarded to the Dispute Resolution Committee (DRC) for enforcement. Jurisdictions were concerned that prior ballot proposals would have authorized the Program Compliance Review Committee (PCRC) to take matters to the DRC. Some jurisdictions did not think that such an action should be placed in the hands of a committee, but should be left with the jurisdictions. The proposal presented at this year's meeting would require the membership to vote whether to take a Final Determination of Non-Compliance to the DRC and through the Dispute Process. Sample language was presented which basically provides that a confidential vote of the membership would take place. It also set forth the percentage of votes required to move an action forward. Membership discussed both the confidential vote and the percentage of vote. Overall, the members in attendance were favorable to the concept presented. A PowerPoint of this presentation can be found on our website.

Ralph Erickson (FHWA) discussed with the membership the importance of information obtained from the IFTA transmittals with regard to the gallonage report filed with FHWA. Such reports are filed monthly and include net taxable gallons consumed by a jurisdiction's licensees and all other licensees operating in that jurisdiction. Based on the reports filed, an estimation is made of how much federal money comes from each jurisdiction. Based on that estimation, federal money is given to the jurisdictions.

Mr. Fitzgerald gave his President's Report. Mr. Fitzgerald recognized the members of the IFTA, Inc. Board of Trustees for their continued commitment to our Association and membership: Mr. Greenawalt, Mr. Bryer, Mr. Roberts, Mrs. Rowen, Mr. Turner, Rena Hussey (VA), and Andrew Foster (NB). He also recognized and complimented the members of the IFTA, Inc. staff for their hard work everyday. Because this is the 25th anniversary of our organization, he also recognized those from the past who served at IFTA, Inc. and as President of the IFTA, Inc. Board of Trustees: Robert L. McKee, former Board member and past Executive Director of IFTA, Inc., and past Presidents Maureen Hlavacek (WI), Jim Poe (IN), Roger Tew (UT), Jim Davis (CO), Mr. Fitzgerald's mentor Robert Beck (NC), Larry Keeley (NY), Mr. Beckner (OH), Kathy Morley (AZ), Mr. Frohlick (SK), and Garry Hinkley (ME). Mr. Fitzgerald stated that IFTA, Inc. exists as the premier organization that it is today because of the innovative vision and legacy of these individuals.

Mr. Fitzgerald also recognized the partnership with the trucking industry and their service to the organization over the years. He reviewed IFTA's journey over the past 25 years and the strides of the membership and IFTA, Inc. He recognized the work of the IFTA Standing and Special Committees as well.

Mr. Fitzgerald stated that we have many challenges ahead, some known and some unknown, but that we can work together to meet these challenges. He strongly believes that IFTA, Inc. has a very bright future and hopes that 25 years from now, those assembled will be carrying on the vision, mission, and legacy of IFTA, Inc. and its membership.

Lonette L. Turner, Executive Director (IFTA, Inc.), Gary Bennion (Con-way Freight), Chair of the Industry Advisory Committee and Mrs. Rowen presented the 2008 Richard L. Reeves IFTA Leadership Award. This year's award was presented to Donna Burch, Senior Director - Tax Compliance, Ryder Transportation Services. Donna was nominated for her dedication to the motor carrier industry and to IFTA and the many years of commitment to both.

Mr. Greenawalt reported to the membership on the work of the Board of Trustees toward a single dues structure, combining the membership dues and the clearinghouse access fees into one membership dues. The benefits include simplicity and encouraging participation in the clearinghouse. Mr. Greenawalt reported

More from Lonette's Notes from the 2008 Annual IFTA Business Meeting

that a survey of the jurisdictions regarding the concept of a single dues structure resulted in 45 favorable responses. 11 jurisdictions did not respond. Following questions and discussion by the membership, Mr. Greenawalt moved to combine the clearinghouse access fee into the membership dues effective 7/1/09. Mr. LaRose seconded the Motion. Following more discussion, the Motion and second were withdrawn. George Higdon (MS) moved to table the discussion so the Motion could be reviewed and discussed. Mr. Walters seconded the Motion and the Motion passed.

Following lunch, Mr. Greenawalt moved to combine the Access Agreement fees into the IFTA, Inc. membership dues effective July 1, 2009. This motion will make the annual IFTA membership dues \$11,000 effective July 1, 2009. This motion further includes removing the Clearinghouse Access Agreement fee and changing the Access Agreement to allow jurisdictions who do not have full Clearinghouse capabilities a view-only access to the data. The Motion was seconded by Jan Skouby (MO). More discussion ensued a roll call vote on the Motion was requested. The Motion passed by a vote of 52-1. The dissenting vote was cast by Bernie Meagher (NS).

Bill Kron (MS), Mr. Frohlick, Ms. Platt, and Ms. Turner offered a report from the Clearinghouse Advisory Committee (CAC) regarding the Committee activities and the funds netting project. Mr. Kron reported on the activities of the CAC. The committee continues to hold monthly teleconferences. Primarily, the CAC is now focusing on funds netting. Mr. Frohlick reported that the CAC had established a funds netting test document and that the testing of the data upload had been completed. There are four jurisdictions working on the test which will include actually netting the funds and electronic payments through the IFTA, Inc. funds netting account. The four test jurisdictions are SK, MS, KS, and ME. These jurisdictions are following a calendar established by the committee for the test and which supports FTPBP 1-2008. Ms. Platt reported that while the data upload tests were continue, the test jurisdictions were keeping track of when paper transmittals and payment were received from non-participating jurisdictions and when payments were received from participating jurisdictions. This part of the test shows that by using the proposed clearinghouse/funds netting calendar, jurisdictions would be receiving their money much sooner than they are now.

Ms. Turner reported that the IFTA, Inc. funds netting account had been established and that testing of money transfers were underway. Two jurisdictions had actually completed a transfer of money to and from IFTA, Inc. successfully. (As a note, since the annual meeting, all 4 jurisdictions have completed the initial test.) Following completion of the initial testing, the jurisdictions will complete an actual funds netting among the four of them. Ms. Turner reported that jurisdictions were notified of receipt and transfer of funds and showed examples of the reports available from the financial institution.

For PowerPoint presentations regarding all facets of this report, please visit our website.

Following questions and discussion, Mr. Greenawalt presented FTPBP 1-2008 to the membership for discussion. Questions were raised concerning dates on the calendar - could they be more consistent and could more time be given for payment. Mr. Greenawalt indicated that these matters would be taken back to the CAC for discussion and review.

Mr. Kron, Chair of the Agreement Procedures Committee (APC) presented a report. He announced that there are vacancies from the Northeast and Midwest regions and ask that jurisdiction representatives consider membership on the APC. The APC is working on the annual report content, a best practices guide, a new member guide and the exemption databases. Mr. Kron then presented FTPBP 2-2008 which is sponsored by the APC. This ballot concerns numbering of Transmittals. Mr. Walters moved to move FTPBP 2-2008 to the short track. Kevin Park (UT) seconded the Motion. After a roll call vote, the Motion passed 56-0.

More from Lonette's Notes from the 2008 Annual IFTA Business Meeting

Mary Pat Paris, Executive Director (IRP, Inc.), reported on the activities of IRP and IRP, Inc. IRP, Inc. has conducted a membership survey. They have implemented Webinars. They have conducted an IRP-101 webinar on two occasions and are planning an IRP, Inc. Website overview webinar in the near future. IRP, Inc. will be working on clearinghouse modernizations. In March, 2008, \$83,000,000 went through the IRP clearinghouse funds netting process. They have established a compliance working group which is an extension of the 3% audit study that was conducted recently. The IRP Annual Meeting will be held in Kansas City the first week in October.

Captain Marc Nichols (NC), First Vice Chair of the Law Enforcement Committee (LEC) presented a report of the committee activities. The committee held a Face-to-Face meeting in NC in March. Two new committee members have recently been added, bringing committee membership to 15. The committee researched a federal grant that would assist law enforcement committee personnel with their travel. An application has since been filed and would not involve budgets within their departments. The LEC continues to work on seminar presentations for the September 2008 seminar.

Michele Teel, MCS Assistant Director (MO) presented FTPBP 4-2008 regarding historical vehicles. This ballot would add historical vehicles as an exemption to the IFTA definition of qualified motor vehicle. There was some discussion by the jurisdictions. Industry representatives expressed support.

A Town Hall Meeting session was then held. Issues discussed included dates on demographic files found in the clearinghouse, audit of GPS systems, uncollectibles through the transmittals, and the necessity of decals.

Saturday's meeting was called to order by Mr. Fitzgerald. Kim Craig (ON) and Mr. Foster presented the report of the Alternative Fuels Committee (AFC) and FTPBP 6 and 7-2008. Ms. Craig reported that the AFC had two subcommittees; one is working on a database of information concerning alternative fuels (particularly biodiesel) and one working on ballots 6 and 7. Mr. Foster reviewed the ballots and the comments that had been submitted to those ballot proposals. Meg Cronk (NY) explained how NY instructs its licensees to report the use of biodiesel purchased in NY through the IFTA tax return. NY considers the fuel consumed where purchased. There was considerable discussion concerning the ballots and the issues of alternative and blended fuels in general. Some jurisdictions expressed that there is not an overwhelming use or availability of biodiesel right now. The comments will be taken back to the AFC for review and discussion. PowerPoint presentations for all facets of this report can be found on our website.

Mr. Roberts reviewed continued efforts under the IFTA, Inc. Strategic Plan. His presentation can also be found on our website.

Mr. Bennion and Robert Pitcher (ATA) gave a report regarding Sustainability. Mr. Bennion discussed the Smart-Way Program - to reduce demand for petroleum to reduce emissions. Mr. Bennion stated that 200 billion miles are traveled and 35 million gallons of fuel consumed. Mr. Pitcher discussed the ATA Sustainability Program. ATA has a 10-year commitment from the entire trucking industry to reduce fuel consumption and cut CO2 emissions. Mr. Pitcher's presentation is also on our website.

Tom King then reviewed improvements and new items found on the IFTA, Inc. website.

Bruce Schuck (IA) presented FTPBP 5-2008. Some jurisdictions had questions about adding back the requirement for the alpha jurisdiction designation as part of the IFTA license number.

Mr. Poe presented the report of the Bylaws Review Committee and explained the proposed revisions to the Bylaws and how elections to the Board were conducted. Mr. Park moved that the Bylaws Revisions be accepted. Ed King seconded the Motion. Following a roll call vote, the Motion passed 55-0.

More from Lonette's Notes from the 2008 Annual IFTA Business Meeting

Jay Befort (KS) presented a report on behalf of the Attorneys' Section Steering Committee. Mr. Befort reported that another successful Attorneys Section meeting had been conducted. He acknowledged and recognized those speakers that had presented agenda topics during the meeting earlier this year. Mr. Befort encouraged the Commissioners to share the information that is provided during the Attorneys' Section Meeting. He announced that Jack Frehafer (PA) will be serving as Chair and Janice Davidson (NC) will be serving as the vice chair.

Mrs. Eubanks presented an invitation to the 2009 Annual IFTA Business Meeting which will be held in Manchester, NH.

Jay Starling (AL), Chair of the Program Compliance Review Committee (PCRC) presented the report to the membership on behalf of the committee. Mr. Starling reported that the PCRC had surveyed the membership regarding potential uses of the clearinghouse for program compliance review purposes.

Mr. Beckner updated the membership on program compliance reviews from 2007 and those conducted thus far in 2008. Mrs. Meise reported to the membership regarding the combined review project with IRP and reported that it was successful. She acknowledged the test jurisdictions of MN, WY, and OR. She reported that combined worksheets for the audit portion of a review had been completed and were used in all test reviews. Jurisdictions and team members were surveyed after each test. The preliminary portion of this project has been completed. Possible further actions will be discussed with the IFTA, Inc. Board of Trustees.

Kirk Davenport (TX) gave an update regarding the NAFTA Mexican Motor Carrier Demonstration Project. This project began in September 2007 and was slated to run for one year. Mr. Davenport reported that 26 Mexican carriers had received operating authority from FMCSA for this project. Of those 26, only 2 had applied for and received IFTA licenses from TX. He reported that none of the other 3 border states had issued IFTA licenses to carrier under this project.

Ms. Hussey and Mr. Turner reported to the membership regarding the Board's work on a project to determine whether returns were being untimely processed and transmitted to other jurisdictions. This project was the result of a ballot first proposed in 2006. At the request of the membership, this ballot was withdrawn so more research could be completed. The Board members reviewed their own data from the clearinghouse to see if they could determine the extent of late returns. Following this review and based on the very small percentage of late returns to total returns and the money involved, the Board determined that the issue did not need further research.

Ms. Turner thanked Mr. Fitzgerald for his dedication to the membership and his leadership of the Board over the past year. Mr. Fitzgerald thanked all who participated as presenters and in the discussions at this year's meeting. He also thanked the Louisiana Department of Revenue for hosting the meeting and for all of the assistance given during the meeting.

Mr. Walters moved to adjourn the 2008 Annual IFTA Business Meeting. Earl (Jack) Crago (PA) seconded the Motion. The Motion passed.

Thanks to all of you who attended our meeting and I look forward to seeing you in Manchester, NH in 2009!



Dispute Update

The September Dispute Docket has been posted to the IFTA, Inc. website.



IFTA Audit Committee

Audit - The Anchor of IFTA

AUDIT COMMITTEE VACANCIES

The IFTA Audit Committee consists of the Audit Chair, Ex Officio, Board liaisons, advisors and two jurisdictional representatives from each of five regions. Presently, we have a vacancy in the Northeast Region (CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI and VT) and the Canadian Region (AB, BC, MB, NB, NL, NS, ON, PE, QC and SK). The current Audit Committee members from those regions reside in New Hampshire and Alberta. Please consider volunteering to become a part of this very active and viable Committee. For more information, log onto the IFTA website at www.iftach.org, on the left, click on "Committees", on the next screen, click on "Audit Committee" and on the last screen click on "New Member Guide". If you are interested in submitting your name, please log in and go down to "Committee Volunteer Forms and click on "AC Volunteer Form". All members of the IFTA Audit Committee must be approved by the Board of Directors. If you have any questions, please contact me, AnnMarie Chamberlain, IFTA Audit Committee Chair at chamberlaa@dor.state.ma.us

BALLOTS

The Second Comment Period is now open!

The deadline for submitting comments for these ballots are:

Short Tracks: September 23, 2008

Full Tracks: October 22, 2008



Ballots

The second comment period for commenting on Short Track and Full Track Preliminary Ballot Proposals is underway. The deadline for commenting on the Short Track ballot ends on **September 23, 2008**. The deadline for commenting on the Full Track Ballot Proposals ends on **October 22, 2008**.

Meeting Minutes

Meeting Minutes have been added for the following:

- o Clearinghouse Advisory Committee (CAC)
- o Dispute Resolution Committee (DRC)
- o Board of Trustees (BOT)

Important Notices

The IFTA, Inc website has posted over a dozen Executive Orders and Emergency Declarations pertaining to hurricanes hitting the states.

The most current files are located on front page of the website. The files are archived under a link on the IFTA, Inc. website called 'Important Notices'.

Survey Results

California did a survey of the IFTA jurisdictions and the results are on the secure site for users with level 1 access and up.

Clearinghouse Update

Jason DeGraf - jdegraf@iftach.org

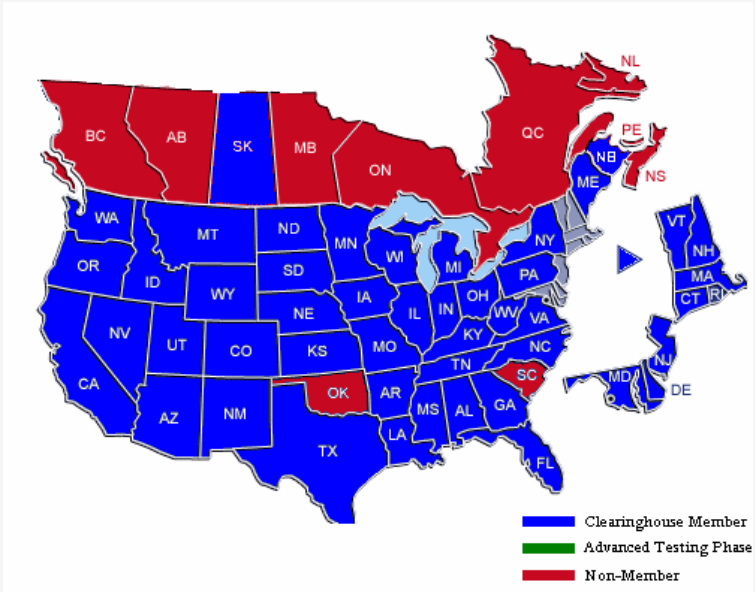
Webinars

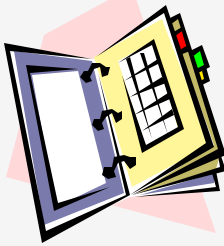
Well I didn't know much about Webinars until now. The ITAC, IFTA Technology Advisory Committee, brought up the idea to have Webinars to help train IFTA personnel in using aspects of the IFTA, Inc. Clearinghouse. I had no idea what they were when I heard the term so I did some research. What a great little tool! IRP also allowed me to sit in on one of their Webinars and I was pleasantly surprised by the results. It would appear that most of the readers of this newsletter may have already taken part in a webinar at least once, but if you haven't, this is what they are.

When you are invited to a webinar you will get an e-mail stating the web address you will navigate to in order to watch the presentation through your favorite web browser. This is the visual portion of the webinar. The e-mail will also give you a phone number which will lead you to a conference call in order to hear the presentation and interact with the host. Simple! But effective!

So if mimicry is the best form of flattery, the IFTA, Inc. Clearinghouse (read Me), will be designing our own webinar for our Clearinghouse users. More details soon!

In the meantime if you need Clearinghouse help now, or would like to setup a conference call with me and your users don't hesitate to call me or IFTA, Inc. and we will provide as much information and help as possible.





UPCOMING MEETINGS

2009 (cont'd)

2008

WSATA
September 14-17, 2007
Whitefish, Montana

IFTA Managers Workshop/
Law Enforcement Seminar
September 17-19, 2008
Mesa, Arizona

NESTOA
September 21-24, 2008
Newport, Rhode Island

IRP Annual Meeting
October 2-6, 2008
Kansas City, Missouri

IFTA, Inc. Board Meeting
October 22-24, 2008
Chandler, Arizona

2009

IFTA/IRP Audit Workshop
January 4-7, 2009
Tempe, Arizona

AAMVA Board of Directors
January 9-10, 2009
Chandler, Arizona

IFTA, Inc. Board Meeting
January 22-23, 2009
Chandler, Arizona

IRP, Inc. Board Meeting
January 22-23, 2009
Chandler, Arizona

IRP Managers/Supervisors
Workshop
March 28-30, 2009
St. Louis, Missouri

IFTA, Inc. Board Meeting
April 23-24, 2009
Chandler, Arizona

IFTA Attorneys' Section Meeting
April 24-25, 2009
Chandler, Arizona

AAMVA Region II Conference
June 7-11, 2009
Little Rock, Arkansas

IFTA Annual Business Meeting
July 16-17, 2009
Manchester, New Hampshire

AAMVA Region I Conference
July 16-21, 2009
Boston, Massachusetts

AAMVA Annual Int'l Conference
August 23-26, 2009
San Diego, California

IFTA Managers'/Law Enforcement Seminar
September 9-11, 2009
Durham, North Carolina

IRP Annual Meeting
September 10-14, 2009
Tucson, Arizona

IFTA, Inc. Board Meeting
October 22-23, 2009
Chandler, Arizona

The IFTA, Inc. Staff

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Executive Director

Richard Beckner
Program Compliance Administrator

Tom King
Webmaster

Jason DeGraf
Information Systems

Debora Meise
Program Director

Tammy Trinker
Events Coordinator

Jessica Eubanks
Executive Assistant

To contact the IFTA, Inc. staff, please visit our website and click on "staff" at the bottom of the home page.