

International Fuel Tax Association, Inc.



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THE IFTA NEWS

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TAX RATES FOR 1Q13

Currently five jurisdictions have revised their data for the tax rates for the 1Q13. The First Quarter matrix will become final and posted on March 4, 2013. Jurisdictions have until March 3 (Sunday) to verify or amend their tax rate data. To view the current tax rate changes please visit:

<http://www.iftach.org/taxchangeq.php>

THE IFTA, INC. STAFF

Lonette L. Turner, CEO/CFO

Debora K. Meise, Senior Director

Jason DeGraf, Information Services Director

Amanda McNally Koeller, Program Administrator

Tammy Trinker, Office and Events Administrator

Tom King, Webmaster

Richard O. Beckner, Program Compliance Administrator

IFTA Comings and Goings



Comings:

South Dakota

IFTA Assistant Commissioner

Alana Suiter

Phone: 605-773-4110

Email: alana.suiter@state.sd.us

If your jurisdiction has had IFTA staff changes please let us know!



Annual Report Database



The Annual Report Database is open for your input. If you are looking for a list of all of the information you will need to complete your annual report, please refer to the Procedures Manual, Section P1110.100.

The due date for submitting the Annual Reports is

March 1, 2013

Upcoming IFTA Program Compliance Reviews



Jurisdiction	Team Members
Alabama (IFTA/IRP E-Review) February 18-22, 2013	Kim Plante (VT) Wilda Ice (WV)
Kentucky (E-Review) February 25 – March 1, 2013	Janice Carr (NB) Chris Salas (NM)
North Carolina (E-Review) March 11-15, 2013	Seth Martin (MI) Rick Grotton (ME)

July 1, 2013 Interest Change

Is your jurisdiction ready for the “interest” new language that takes effect on July 1, 2013? Here is the new language and the Board’s interpretation:

New Language:

*R1230 INTEREST

The base jurisdiction, for itself and on behalf of the other jurisdictions, shall assess interest on all delinquent taxes due each jurisdiction except taxes collected directly by other jurisdictions in accordance with IFTA Procedures Manual Sections P1000 and P1120.300.

.100 U.S. Jurisdiction Interest Rate

For a fleet based in a U.S. jurisdiction, interest shall be set at an annual rate of two (2) percentage points above the underpayment rate established under Section 6621(a)(2) of the Internal Revenue Code, adjusted on an annual basis on January 1 of each year. Interest shall accrue monthly at 1/12 this annual rate. The Repository shall notify Jurisdictions of the new rate by December 1.

Board Interpretation:

The rate established by the language in FTFBP 2-2010, effective July 1, 2013 is clearly stated: “an annual rate of two (2) percentage points above the underpayment rate established under Section 6621(a)(2) of the Internal Revenue Code, adjusted on an annual basis on January 1 of each year. Per the current ballot language, IFTA, Inc. would notify the member jurisdictions, by December 1 of each year, of the calculated rate: the IRS underpayment rate + 2%. The ballot states: “Interest shall accrue monthly at 1/12 this annual rate.” The calculation for the monthly rate is the responsibility of each jurisdiction.

The notification by IFTA, Inc. is provided as a convenience and does not relieve the jurisdictions from imposing the correct interest rate.

The interest rate applies for the calendar year for all deficiencies. Several interest rates may be in effect successively during the period that an underpayment remains outstanding.

1Q 2013

NOTES FROM THE BOARD

On January 15 and 16 the IFTA, Inc. Board of Trustees (Board) held its First Quarter 2013 meeting. All Board members were in attendance. Also in attendance were Ms. Lisa Lumbard (Lumbard & Associates) and Mr. Robert Pitcher (American Trucking Associations, Inc.). During closed sessions the Board elected the Executive Committee. By acclamation Mrs. Pat Platt (KS), Mr. Ron Hester (ON) and Mr. Ric Listella (OR) were elected as President, First Vice-President, and Second Vice-President respectively. The Board also met with Ms. Lumbard regarding the 2012 audits that were conducted and reviewed the findings. When the open session of the meeting resumed Mr. Garry Hinkley (ME) recognized out-going President, Mr. Scott Greenawalt (OK) and thanked him for his service to the Board and the organization.

Minutes from the Fourth Quarter 2012 Board meeting were approved as amended. The minutes of the Board Actions by Email were also approved as amended. Committee and Jurisdiction Liaison were made as follows:

IFTA, INC. BOARD OF TRUSTEES – COMMITTEE LIAISONS

STANDING COMMITTEES:

Agreement Procedures Committee

Lead: Ron Hester (ON)
Ric Listella (OR)

Audit Committee

Lead: Ric Listella (OR)
Scott Greenawalt (OK)

Clearinghouse Advisory Committee

Lead: Garry Hinkley (ME)
Scott Greenawalt (OK)

Dispute Resolution Committee

Lead: Ron Hester (ON)
Hugh Hughson (BC)

Industry Advisory Committee

Lead: Hugh Hughson (BC)
Chuck Ulm (MD)

Information Technology Advisory Committee

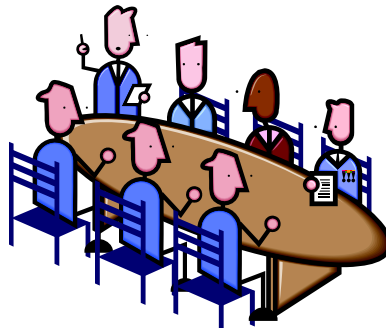
Lead: Ron Hester (ON)
Garry Hinkley (ME)

Law Enforcement Committee

Lead: Stuart Zion (CO)
Chuck Ulm (MD)

Program Compliance Review Committee

Lead: Sheila Rowen (TN)
Scott Greenawalt (OK)



SPECIAL COMMITTEES:

Attorneys' Section Steering Committee

Lead: Sheila Rowen (TN)
Stuart Zion (CO)

Audit Working Group

Lead: Ric Listella (OR)
Scott Greenawalt (OK)

Commissioner Training Committee

Lead: Stuart Zion (CO)
Chuck Ulm (MD)

Dual Fuel

Lead: Hugh Hughson (BC)
Garry Hinkley (ME)

IFTA/IRP Board Subcommittee

Scott Greenawalt (OK)
Sheila Rowen (TN)

Re-Audit and Re-Examination Working Group

Garry Hinkley (ME)

IFTA, INC. BOARD OF TRUSTEES – JURISDICTION LIAISONS

Scott Greenawalt

Arkansas
Indiana
Louisiana
Missouri
Nebraska
North Dakota
Oklahoma
South Dakota

Ron Hester

Newfoundland
Nova Scotia
Ontario
Prince Edward Island
Quebec

Garry Hinkley

Connecticut
Maine
Massachusetts
New Hampshire
New York
Rhode Island

Hugh Hughson

Alberta
British Columbia
Manitoba
New Brunswick
Saskatchewan
Vermont

Ric Listella

Idaho
Montana
Oregon
Utah
Washington
Wyoming

Pat Platt

Illinois
Iowa
Kansas
Michigan
Minnesota
Ohio
Wisconsin

Sheila Rowen

Alabama
Florida
Georgia
Kentucky
Mississippi
North Carolina
South Carolina
Tennessee

Chuck Ulm

Delaware
Maryland
New Jersey
Pennsylvania
Virginia
West Virginia

Stuart Zion

Arizona
California
Colorado
Nevada
New Mexico
Texas



A Consent Agenda had been presented to the Board prior to the meeting and contained committee reports not requiring Board action. It was the decision of the Board to remove the Information Technology Advisory Committee (ITAC) and Attorneys' Section Steering Committee (ASSC) reports from the Consent Agenda. The remaining committee reports, Agreement Procedures, Audit, Clearinghouse Advisory, Dispute Resolution, Industry Advisory, Law Enforcement and Program Compliance Review Committee reports were accepted as presented.

Mr. Jason DeGraf, IFTA, Inc. Information Services Director presented an update on the IFTA, Inc. Clearinghouse and reviewed the totals from 2012. Over 800,000 demographic records and more than 9 million transmittal lines were received. Through the funds netting process, almost \$400 million had been transferred during 2012. Mr. DeGraf announced that both British Columbia and Oklahoma are read-only members. This leaves Nova Scotia and Quebec as the only jurisdictions that do not have access to the Clearinghouse.

Mr. DeGraf informed the Board of the clearinghouse projects that will be undertaken in 2013. These projects include, but are not limited to, a more uniform login system between the clearinghouse and IFTA website, a user control panel on the clearinghouse, better password recovery system for the clearinghouse, and web services finalized.

Mrs. Amanda Koeller, IFTA, Inc. Program Administrator provided a summary analysis of the 2012 funds netting. She reported that two pro-rates were necessary in both October and November. It was also reported that a definite improvement has been made regarding late payments from membership. Over the past two years, a decrease of 85% in late payments has been recorded.

Ms. Lonette Turner, IFTA, Inc. CEO/CFO, reported on the status of sending data to SAFER. IFTA, Inc. has been working with the Federal Motor Carrier Safety Administration (FMCSA) to identify the definitions. After reviewing a document required prior to proceeding, it was determined that the document could not be signed. IFTA, Inc. has made contact with FMCSA regarding this document but has not presently heard back due to internal changes within FMCSA. If any progress is made, it will be reported to the Board and membership.

Mr. Tom King, IFTA, Inc. Webmaster provided a demonstration of the website. A webpage for the new Audit Manual Working Group is now on the website. All committee minutes from 2012 have been archived but are still available for viewing under the appropriate Committee web pages. All of the 2012 Program Compliance Review Final Reports have been uploaded to the website. Jurisdictions have been asked to input their 2012 Annual Report data.

The IFTA Governing Documents which were revised on January 1, 2013 have been updated on the website. Additionally, all 2012 meeting materials have been posted on the Meetings' Materials web page. Other website features that have been enhanced include the message board and downloadable web pages. Mr. King also reviewed how users can change their email addresses and passwords through the Personal Profiles section. Additionally, all User ID and Passwords are being updated to become more user friendly across the entire website.

Mrs. Tammy Trinker, IFTA, Inc. Office and Events Administrator provided an update on the organization's meetings. Mrs. Trinker reported that IFTA, Inc. has been working with Christopherson Business Travel (CB Travel) to manage all IFTA related airfare purchases. CB Travel guarantees the lowest airfare and will work directly with membership once they have created an account with the company. CB Travel assisted with all flight arrangements for the IFTA / IRP Audit Workshop and the 1Q13 Board travel.

IFTA, Inc. has also begun working with Conference Direct in order to procure hotel contracts for upcoming business events. Conference Direct is looking into various locations for the 2014 IFTA / IRP Audit Workshop, 2014 Annual IFTA Business Meeting, and future Board meetings. It was noted that there is no fee for the use of Conference Direct's services.

The Board then reviewed the minutes from the 2012 Annual IFTA Business Meeting. These minutes were approved as amended for release to membership. Sponsorship opportunities were then reviewed. The Board amended the documents as presented and approved the release of the information to potential sponsors for the 2013 Annual IFTA Business Meeting.

Mrs. Debora Meise, IFTA, Inc. Senior Director, reported on the 2012 ballots. Short Track Final Ballot Proposal (STFBP) 3-2012 passed with an effective date (upon passage) of November 20, 2012. Full Track Final Ballot Proposal (FTFBP) 5-2012 also passed and was effective January 1, 2013. STFBP 7-2012 also passed with an effective date of January 1, 2013. IFTA FTFBP 1-2012, 2-2012, and 4-2012 did not receive sufficient votes to pass and STFBP 6-2012 failed at the Annual IFTA Business Meeting.

Mrs. Meise informed the Board that IRP Ballot 378 (composition of the Board of Directors of the Repository) had passed. Ballot 379 (estimated distance adjustments) did not pass. Three other ballots to elect members to the IRP, Inc. Board of Directors concluded in early December. As a result, Mr. Greenawalt, Mr. David Helton (FL), and Ms. Deann Williams (KS) were elected to the Board of Directors.

Reviewing the 2012 Program Compliance Reviews, Mrs. Meise noted that eight of the fifteen reviews have been closed and three are under reassessment or follow up. In 2013 the Southeast Region will be reviewed. Of the twelve jurisdictions scheduled for review ten will be electronic reviews and one will be a combined IFTA / IRP electronic review. Both South Carolina and Georgia have requested onsite reviews.

Discussion then turned to the Dispute Resolution Committee Order to New Jersey. Concern was expressed for the deadlines and when the 2014 review could be scheduled. IFTA, Inc. will review this timeline for the information gathering to ensure that all parties are working in a timely fashion.

Mr. Hugh Hughson (BC) presented the working group report regarding dual fuel vehicle tax reporting. He explained that the issue is complex and should be presented to membership at the 2013 Annual IFTA Business Meeting. The Working Group presented a recommendation for proposed ballot language to establish a standard conversion factor for CNG as well as defining both a gallon and liter as it applies to compressed natural gas. Additionally the subcommittee presented various scenarios in which a common reporting method could be considered. It was the decision of the Board that the definitions be submitted as a full track ballot proposal and that a presentation be provided during the 2013 Annual IFTA Business Meeting. The scenarios will be presented to membership during the business meeting.

The Board then reviewed items from the IFTA / IRP Combined Board Meeting that took place in October 2012. Some of the items discussed included a certificate program, training tools integrated with webinars, and a new Commissioners webinar. It was observed that these topics pertained to the Strategic Plan and would be further reviewed during that discussion.

The new officers of the IRP, Inc. Board of Directors are as follows:

Ms. Anita Wasko (PA), Chair	Mr. Greg Dal Ponte (OR), Vice Chair
Mr. Peter Hurst (ON), Treasurer	Mr. Art Farley (WA), Secretary
Mr. Jay Starling (AL), Past Chair	

Discussions then turned to Mexico. It was opined that while Mexico would ultimately become a member of IRP it would not look to join IFTA as fuel use tax is at a federal level and not a local or state level. This implies that Mexican carriers would need to either trip permit when crossing the US border and state lines or apply for a license through a US IFTA Border State.

The Board reviewed committee reports which were removed from the Consent Agenda. The Attorneys' Section Steering Committee (ASSC) had asked for the Board's and IFTA, Inc.'s support for a meeting. After discussion the Board will ask that the committee offer more specific information before IFTA, Inc. pursues meeting locations and accommodations.

The Information Technology Advisory Committee (ITAC) amended its charter for the Board's consideration. With minor revisions, the charter was approved.

Mrs. Platt then led a discussion regarding the Program Compliance Review Committee (PCRC) and the performance of reviews. A charge will be drafted to the PCRC to review the processes for both electronic and on-site reviews with respect to the sampling of records. The Board was assured by IFTA, Inc. that no data mining through the clearinghouse is conducted during electronic reviews.

Mr. Stuart Zion (CO) presented the Commissioners Training Committee (CTC) report. He reported that, prior to the Board Meeting, Ms. Cindy Swanson (CA) was approved by the Board as Chair of the CTC. The committee intends to complete their training presentations and have them available for Board review by the April Board Meeting. The Board then approved the nomination of Mr. David Nicholson (OK) as Chair of the Audit Manual Working Group.

Discussion was also had regarding Board actions to approve committee members. It was explained that in order to remove this responsibility from the Board the Bylaws would need to be amended. While the Board believed they should keep the authority to approve recommendations it was generally felt that the Board, as a whole, should not have to approve committee nominations for membership. Instead, this approval could be the responsibility of the Board President. No formal action was taken by the Board on this issue.

The Board discussed conference calls with the Committee Chairs. The last time the Board held a teleconference with the Committee Chairs was in March 2012. IFTA, Inc. will contact the Committee Chairs to schedule another call with the Board.

Reporting on the CVSA meeting he attended, Mr. Chuck Ulm (MD) informed the Board that the IFTA presentation was well received and showed how IFTA enforcement could identify fraudulent documents and carriers without IFTA credentials.

A discussion was then had regarding P1120 and tax reporting. Section P1120.300 of the Procedures Manual reads, in part: "If notification of a tax rate change is not received by the other jurisdictions at least 60 days prior to the due date of a quarterly tax return for which the change is effective, the other jurisdictions will be relieved from taking extraordinary measures to implement the change. The jurisdictions that failed to provide adequate notification may, however, collect any additional taxes due directly from the licensees in the other jurisdictions." Concern was expressed regarding member obligations and whether or not the late jurisdiction should announce if they have intentions of pursuing the correct tax rate from licensees if other jurisdictions do not amend their returns.

The Board also discussed an issue where a US jurisdiction has opted to not cash a CND check for payment. It was noted that if the CND jurisdiction submits a check to a US jurisdiction and has factored in the

exchange rate that they have fulfilled their obligation for the payment due and probably would not be held out of compliance for non-payment.

Ms. Turner presented the IFTA, Inc. financial report. She reported that IFTA, Inc. continues to remain financially sound and reviewed the investment portfolios with the Board. Mrs. Koeller reviewed the rental properties and updated the Board on the status of the realtor packages being presented to potential clients. Currently IFTA, Inc. has one empty suite ready for immediate rent. Additionally, a second suite will be ready for new renters as early as March 2013. Following discussions of future rentals vs. suite sales the Board determined that it was more viable to continue renting the suites so long as the market continued to support that choice.

Consideration was then given regarding Board notebooks and electronic data of the notebook material. It was the decision of the Board, in the interest of reducing expenses that all reports and materials are forwarded electronically to the Board prior to their departure for the meeting. Furthermore, in an effort to reduce expenses even more, the IFTA, Inc. will look into eliminating the January face-to-face Board Meeting and replacing it with a webinar. The Board would still meet in person for both the Second Quarter and Fourth Quarter meetings. Additionally, the Board can hold another meeting in conjunction with the Annual IFTA Business Meeting should the need arise. The Board was in favor of hosting a webinar Board Meeting in January 2014 that would be recorded for the purpose of maintaining meeting minutes.

Following the conclusion of the business discussions the Board held a Strategic Planning Session. During this session the Board reviewed and made recommendations for a new Strategic Plan. Many ideas were exchanged. It was concluded that the Board would need to hold additional Strategic Planning Sessions in order to amend and finalize a new Plan before it could be presented to membership.

Concluding all discussions the Board adjourned the First Quarter 2013 IFTA, Inc. Board Meeting.



International Fuel Tax Agreement 1983 – 2013 Celebrating 30 years *Sponsorship Opportunities*

The International Fuel Tax Association, Inc. is pleased to offer sponsorship opportunities for the 2013 Annual Business Meeting, August 21-22, in Reno, Nevada. This year we celebrate the 30th Anniversary of the International Fuel Tax Agreement: The only tax collection agreement of its kind, the IFTA has been a great success. Join us as we celebrate the past and look forward to the future, as new challenges arise.



MEETING PARTNERS

- ***Benefits of Meeting Partnership (\$10,000) – 2 Available***
 - Two complimentary registrations and an exhibit table
 - Receipt of attendee mailing list, as of the registration deadline
 - Acknowledgment of “Meeting Partner” on name badge
 - Acknowledgment of “Meeting Partner” on agenda and registration packet
 - Signage with logo acknowledging “Meeting Partner”
 - Logo (along with IFTA, Inc. logo) on amenities and materials provided to meeting registrants, including bag and meeting materials folder
 - Acknowledgment of Audio Visual sponsorship during meeting



FUNCTION PARTNERS

- ***Benefits of Function Partnership***
 - **I (\$8,500)**
 - Two complimentary meeting registrations and exhibit table
 - Sponsor of Opening Reception
 - Acknowledgment of “Function Partner” on name badge
 - Acknowledgment of “Function Partner” on agenda and registration packet
 - Signage at Opening Reception
 - Receipt of attendee mailing list, as of the registration deadline
 - **II (\$5,000)**
 - One complimentary meeting registration and exhibit table
 - Sponsor of
 - One lunch; or
 - One Continental Breakfast; or
 - One breakfast buffet
 - Acknowledgment of “Function Partner” on name badge
 - Acknowledgment of “Function Partner” on agenda and registration packet
 - Receipt of attendee mailing list, as of the registration deadline
 - **III (\$3,750)**
 - One complimentary meeting registration and exhibit table
 - Sponsor of
 - One morning break or
 - One afternoon break
 - Acknowledgment of “Function Partner” on name badge
 - Acknowledgment of “Function Partner” on agenda and registration packet
 - Receipt of attendee mailing list, as of the registration deadline

SAVE THE DATE!



2013

IFTA, Inc. Board Meeting

April 16 – 17, 2013
Chandler, Arizona

FTA Pacific Region Meeting

April 21 – 23, 2013
Virginia City, Nevada

IRP Annual Meeting

June 3 – 5
Indianapolis, Indiana

IRP Board of Director's Meeting

June 6, 2013
Indianapolis, Indiana

FTA Southern Region Meeting

June 16 – 18, 2013
Little Rock, Arkansas

FTA Midwestern Region Meeting

July 9 – 11, 2013
Columbus, Ohio

Annual IFTA Business Meeting

August 21 – 22, 2013
Reno, Nevada

FTA Motor Fuel Uniformity Meeting

September 20 – 21, 2013
Fargo, North Dakota

FTA Motor Fuel Annual Meeting

September 22 – 25, 2013
Fargo, North Dakota

IFTA, Inc. Board Meeting

October 21 – 22, 2013
Chandler, Arizona

**IFTA/IRP Managers' & Law Enforcement
Workshop**

October 23 – 25, 2013
Mesa, Arizona

