



## **2025 IFTA Ballot Proposals**

### **Section 1:**

1. IFTA Ballot Proposals for 30 Day Comment Period Ending June 29, 2025
2. 30 Day Comment Period Ending June 29, 2025 Comments
3. Voting results from the ABM

### **Section 2:**

1. IFTA Ballot Proposals for Second Comment Period Ending October 27, 2025
2. Second Comment Period Ending October 27, 2025 Comments

### **Section 3:**

1. IFTA Ballot Proposals for Vote Ending December 18, 2025
2. Voting results for Vote Ended December 18, 2025

## **SECTION 1**

1. IFTA Ballot Proposals for 30 Day Comment Period Ending June 29, 2025
2. 30 Day Comment Period Ending June 29, 2025 Comments
3. Voting results from the ABM

**FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



**IFTA BALLOT PROPOSAL  
#01-2025**

**Sponsor**

IFTA, Inc. Program Compliance Review Committee

**Date Submitted**

April 1, 2025

**Proposed Effective Date**

January 1, 2026

**Manual Sections to be Amended**

Procedures Manual

Section P1110.400

**Subject**

Audit Information for Annual Reporting

**History/Digest**

P1110 requires member jurisdictions to submit an annual report to the repository and specifies required information. The IFTA Board of Trustees issued a Charge to the Program Compliance Review Committee (PCRC) that includes a requirement that the PCRC notify jurisdictions of their audit accountability for compliance with A250, A260, and R1370. P1110 requires reporting of the number of accounts audited and the total number of records reviews completed but does not require reporting of the number of High and Low distance accounts audited.

**Intent**

This ballot is being submitted to consider changing the IFTA ~~Articles of Agreement~~Procedures Manual to require reporting of the number of High and Low distance accounts audited for the year on the annual report. The intent of this ballot is to include the number of High and Low distance accounts audited starting with the annual report covering 2026.

**FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 P1100 BASE JURISDICTION REPORTING  
2  
3 \*P1110 ANNUAL REPORTING  
4  
5 *[Sections .100 through .300 remain unchanged]*  
6  
7 .400 Audit Information  
8  
9 .005 Number of accounts audited;  
10  
11 .010 Number of accounts audited resulting in financial changes to one or more  
12 jurisdictions;  
13  
14 .015 A jurisdiction that has a Records Review program established conforming to  
15 section A510 shall report the total number of record reviews completed for the  
16 year on the annual report.  
17  
18 .020 Number of high distance accounts audited;  
19  
20 .025 Number of low distance accounts audited;  
21  
22 *[Section .500 remains unchanged]*  
23  
24 *[Section .600 remains unchanged]*  
25

**Corrections/Additions Following the Comment Period ending June 29, 2025.**

Correction made to the Agreement Reference in the Intent Section.

**Ballot #1-2025**  
**Comment Period Ending June 29, 2025**

Support: 19  
Oppose: 0  
Undecided: 0

**Attorney Advisory Committee**

- In the “Intent” section, it states that the ballot is being submitted to consider changing the IFTA Articles of Agreement. However, the proposal amends the IFTA Procedures Manual (not the Agreement).
- It is suggested that P1110.400.005 be updated to state, “*Number of total IFTA accounts audited*” for consistency with the reference to “*number of total IFTA accounts*” in P1110.300.005.
- Including the new requirements after P1110.400.015 seems disjointed. Rather than repealing and replacing P1110.400 with all of the requirements reordered, it is suggested that the new requirements be incorporated into existing P1110.400.005 (see below).
- It may also be useful to require a breakdown of the number of low-distance and high-distance accounts audited that resulted in financial changes. If so, the new requirements could be added into existing P1110.400.010 (see below).
- It is suggested that the proposed amendment be updated as follows:
  - .400 Audit Information
  - .005 Number of total IFTA accounts audited, as well as a breakdown of the number of low-distance and high-distance accounts audited;
  - .010 Number of total IFTA accounts audited resulting in financial changes to one or more jurisdictions, as well as a breakdown of the number of low-distance and high-distance accounts audited resulting in financial changes to one or more jurisdictions;
  - .015 A jurisdiction that has a Records Review program established conforming to section A510 shall report the total number of record reviews completed for the year on the annual report;

**CONNECTICUT**

Support

Connecticut is in support of this ballot. This information is currently tracked and can be provided.

**INDIANA**

Support

Indiana Supports this ballot.

**IOWA**

Support

Iowa is in favor of this ballot.

**KANSAS**

Support

**KENTUCKY**

Support

**Ballot #1-2025**  
**Comment Period Ending June 29, 2025**

**MANITOBA**

Support

**MARYLAND**

Support

Maryland currently tracks this information and would not be difficult for us to include in our annual report.

**MICHIGAN**

Support

**NEVADA**

Support

**NEW BRUNSWICK**

Support

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Support

North Carolina has no comments for this ballot and supports it as currently written.

**OKLAHOMA**

Support

**PENNSYLVANIA**

Support

**QUEBEC**

Support

Quebec supports this ballot and as stated by Maryland, such information can easily be included in the annual report.

**SASKATCHEWAN**

Support

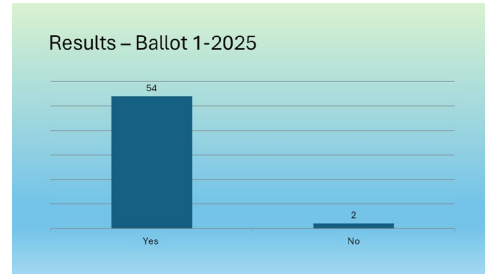
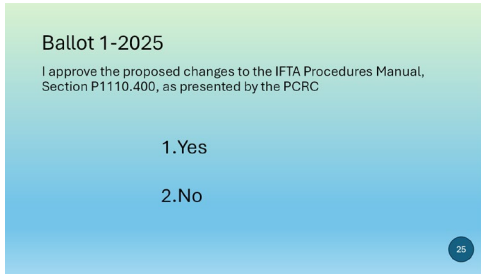
Saskatchewan tracks this information already so it would not be onerous to add it to the Annual Report

**SOUTH DAKOTA**

Support

## Question Details ( 004 ) PASSED

Total Responses: 56

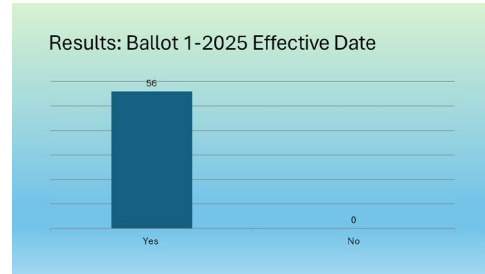
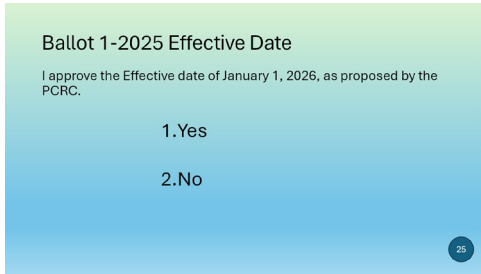


Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	Yes	1
Kansas Agnew	Yes	1
Missouri Thurman	Yes	1
Ontario Blackwood	Yes	1
Oregon Fitzgibbon	Yes	1
North Carolina Panza	Yes	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	Yes	1
Prince Edward Island Pineau	Yes	1
Virginia Harrison	Yes	1
Quebec Boucher	Yes	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	Yes	1
New Hampshire Gray	Yes	1
North Dakota Voegele	Yes	1
New Jersey Walker	Yes	1
Montana Smith	No	1
New Mexico Penser	Yes	1
New York Galarneau	Yes	1
Maryland O'Lare	No	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	Yes	1
Colorado Zion	Yes	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	Yes	1
Illinois Blessing	Yes	1
Nebraska Beedle	Yes	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	Yes	1
Nova Scotia Pineau	Yes	1
Alabama Baxley	Yes	1
British Columbia Harrison	Yes	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	Yes	1
West Virginia Acree	Yes	1
Arkansas Richard	Yes	1
Arizona Simmons	Yes	1
Wisconsin Litscher	Yes	1
South Dakota Gerry	Yes	1
Ohio Horvath	Yes	1
Nevada Stanfield	Yes	1
Maine Peters	Yes	1
Delaware Himmler	Yes	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	Yes	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	Yes	1

## Question Details ( 005 )

Total Responses: 56



Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	Yes	1
Kansas Agnew	Yes	1
Missouri Thurman	Yes	1
Ontario Blackwood	Yes	1
Oregon Fitzgibbon	Yes	1
North Carolina Panza	Yes	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	Yes	1
Prince Edward Island Pineau	Yes	1
Virginia Harrison	Yes	1
Quebec Boucher	Yes	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	Yes	1
New Hampshire Gray	Yes	1
North Dakota Voegelé	Yes	1
New Jersey Walker	Yes	1
Montana Smith	Yes	1
New Mexico Penser	Yes	1
New York Galarneau	Yes	1
Maryland O'Lare	Yes	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	Yes	1
Colorado Zion	Yes	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	Yes	1
Illinois Blessing	Yes	1
Nebraska Beedle	Yes	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	Yes	1
Nova Scotia Pineau	Yes	1
Alabama Baxley	Yes	1
British Columbia Harrison	Yes	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	Yes	1
West Virginia Acree	Yes	1
Arkansas Richard	Yes	1
Arizona Simmons	Yes	1
Wisconsin Litscher	Yes	1
South Dakota Gerry	Yes	1
Ohio Horvath	Yes	1
Nevada Stanfield	Yes	1
Maine Peters	Yes	1
Delaware Himmler	Yes	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	Yes	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	Yes	1

# FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING



## IFTA BALLOT PROPOSAL #02-2025

### Sponsor

IFTA, Inc. Program Compliance Review Committee

### Date Submitted

March 5, 2025

### Proposed Effective Date

January 1, 2026

### Manual Sections to be Amended

Procedures Manual

Section P1230

### Subject

Jurisdiction participation in program compliance reviews.

### History/Digest

P1230 currently requires jurisdictions to participate in their appropriate share of program compliance reviews each year with no member jurisdiction being required to participate in more than two program compliance reviews per year.

The IFTA Board of Trustees issued a Board Charge to the Program Compliance Review Committee (PCRC) in March 2024 to develop new review procedures that include an annual Admin review of all member jurisdictions. The Charge directs the PCRC to streamline the review process with more of a focus on items that are of monetary importance to all member jurisdictions.

With streamlined review procedures reviewers will spend less time conducting reviews. The PCRC also is planning to have Committee members participate in reviews, particularly in regard to analyzing Clearinghouse data for an Annual Admin review of all jurisdictions. ~~The current participation limit for reviewers of participation in no more than two reviews per year is counter to an annual Admin review of all jurisdictions and counter to multiple reviewers working together on data analysis or the Audit portion of reviews for multiple jurisdictions.~~

The current limitation—restricting reviewers to participate in no more than two reviews per year—undermines the effectiveness of the updated approach. Although reviewers are required to participate as part of the program, the existing cap creates barriers to collaboration, limits the ability to conduct team-based reviews, and hinders completion of the reviews. Removing this restriction will not increase the overall workload for jurisdictions, as the scope of each review has been streamlined. Instead, it will

## ***FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING***

provide greater flexibility in scheduling and allow jurisdictions to participate in group reviews more effectively, enhancing consistency, efficiency, and the overall quality of compliance efforts.

### **Intent**

This ballot is being submitted to consider changing the IFTA Procedures Manual to remove the restriction that no member jurisdiction may be required to participate in more than two program compliance reviews per year. This change will support the Board's directive for more frequent, collaborative, and efficient reviews—especially those requiring team-based analysis and execution under the revised streamlined procedures.

**FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 \*P1230 REQUIRED PARTICIPATION

2

3 Jurisdictions will be required to participate in their appropriate share of program compliance  
4 reviews each year. ~~No member jurisdiction will be required to participate in more than two~~  
5 ~~program compliance reviews per year.~~

6

7

**Comments Following the Comment Period ending June 29, 2025.**

Changes made to the History/digest and Intent Sections.

**Ballot #2-2025**  
**Comment Period Ending June 29, 2025**

Support: 4  
Oppose: 6  
Undecided: 11

**ALBERTA**

Alberta is supportive of the new streamlined review procedures and understands the need for this change but is concerned that “appropriate share” is very vague.

**Attorney Advisory Committee**

Undecided

- History/Digest paragraph 2 should be changed as follows:  
The IFTA Board of Trustees issued a Board Charge (**Charge**) to the Program Compliance Review Committee (PCRC) in March 2024 to develop new review procedures that include an annual Administrative review of all member jurisdictions. The Charge directs the PCRC to streamline the review process with more of a focus on items that are of monetary importance to all member jurisdictions.
- The ballot should explain how the current participation limit in program compliance reviews is counter to an annual admin review. It also does not explain how the limit is counter to multiple reviewers working together on portions of reviews for multiple jurisdictions. That is, it is not clear whether the annual admin review is intended to replace one or more compliance reviews such that there is only ever going to be one annual review in which jurisdictions must participate, or whether there may still be other reviews in addition to the annual admin review as needed.
- By continuing to state that jurisdictions will be required to participate in their appropriate share of program compliance reviews each year, the implication is that there will be more than one. This does not make sense if there will only be one annual review of each member jurisdiction.
- The term “*appropriate share*” is ambiguous and subjective. Without being defined or otherwise constrained, the term is effectively unenforceable and open to dispute.
  - Without better defining this term it could lead to future issues.
- If the intention is that jurisdictions will only participate in one annual admin review, then perhaps P1230 should be revised to state:  
*“Each jurisdiction will be required to participate in one annual administrative review of their program compliance.”*
- If the intention is that jurisdictions will be required to participate in an annual admin review *as well* as other compliance reviews as necessary, then it is suggested that the maximum number of reviews in which a member jurisdiction must participate should reasonably be specified or otherwise limited.
- A jurisdiction should be aware of the amount of work this ballot passing would entail.
- It is also not clear as to the expectation of the reviews. Is it just the annual administrative review, or will there be more?

**BRITISH COLUMBIA**

Undecided

British Columbia agrees with other jurisdictions that more information is required on the new review process before supporting this ballot.

**Ballot #2-2025**  
**Comment Period Ending June 29, 2025**

**ILLINOIS**

Oppose

Removing a limitation that protects each jurisdiction from abuse of time/resources is concerning. The ballot does not appear fully fleshed out. Are we replacing current PCRs with this new “annual Admin reviews” or augmenting current PCRs with this annual Admin review? If the participation cap is removed, required participation is ambiguous because the remaining language says only that jurisdictions must participate in their “appropriate share” of reviews. According to whom? For clarity, maybe the proposal should be to keep the existing 2 reviews cap but qualify Sec. 1230 by adding language that says something more like, “, except that, in addition, each jurisdiction shall participate in one [more than one?] annual administrative review” and then provide a description of what an “annual Administrative review” consists of as compared to a standard “program compliance review” – whatever these differences might be (not stated anywhere).

**INDIANA**

Undecided

Indiana is undecided on this ballot and would like to request more information to completely understand the intent of the proposed change.

**Industry Advisory Committee**

The Industry Advisory Committee (IAC) does not oppose the general intent of Ballot #2-2025. However, when considered alongside the broader set of 2025 ballots, we feel it is important to offer a word of caution.

**IOWA**

Support

Iowa is in favor of this ballot.

**KANSAS**

Undecided

**KENTUCKY**

Support

**MANITOBA**

Oppose

**MARYLAND**

Oppose

Maryland does not support as written.

**MICHIGAN**

Support

Michigan supports this ballot.

**NEVADA**

Undecided

**Ballot #2-2025**  
**Comment Period Ending June 29, 2025**

Agree with NC. Language is not clear. What is "appropriate share". How much time will be consumed with these? Need more information.

**NEW BRUNSWICK**

Oppose

**NEWFOUNDLAND**

Oppose

**NORTH CAROLINA**

Undecided

North Carolina generally supports the ballot's intent but has concerns with its language. Therefore, it has noted its position as undecided. If the appropriate changes are made to this ballot, North Carolina would support the ballot.

First, because the ballot removes the cap on the number of program compliance reviews each year, the "appropriate share" language becomes more important but is vague in the number of reviews in which the jurisdiction must participate.

Second, it is important to note that the procedures used to direct the program compliance reviews are not voted upon by all the member jurisdictions as occurs with an amendment to the Procedures Manual. Therefore, the time commitment may change and with no cap, the burdens placed on jurisdictions may shift significantly over time.

Third, it may be beneficial to differentiate between an audit type review and an administrative review.

If the purpose of the ballot is to allow annual reviews, which are less time intensive, then it may be best to re-write the ballot as follows:

"Jurisdictions will be required to participate in their appropriate share of program compliance reviews each year. No member jurisdiction will be required to participate in more than three program compliance reviews per year."

In the alternative, if the sponsor differentiates between types of review, the ballot could read as follows:

"Jurisdictions will be required to participate in their appropriate share of program compliance reviews each year. No member jurisdiction will be required to participate in more than: (1) two audit program compliance reviews per year; and (2) one administrative program compliance review per year."

Either of the above solutions would address North Carolina concerns and would likely secure a "Yes" vote from North Carolina.

North Carolina will assist the sponsors in drafting an amended ballot upon request.

**OKLAHOMA**

Undecided

Oklahoma needs more clarity on the intended purpose of this ballot.

**ONTARIO**

Undecided

**Ballot #2-2025**  
**Comment Period Ending June 29, 2025**

Ontario would like the committee to provide more details about the new review process and the time commitment jurisdictions can expect.

The phrase “appropriate share” in P1230 should be defined if there is no maximum to the number of reviews a jurisdiction is required to participate in. The phrase should be defined so jurisdictions will have a clear understanding of what constitutes compliance and non-compliance.

**PENNSYLVANIA**

Undecided

**QUEBEC**

Oppose

Quebec do not support the current wording associated with the ballot and the effects it can have on jurisdictions participating in an uncapped amount of compliance reviews each year.

**SASKATCHEWAN**

Undecided

Saskatchewan interpreted the proposed ballot to only impact the designated reviewers (and PCRC committee members) that are completing the compliance reviews, to increase the number of reviews they could be involved with in a year. However, confirmation on what impact this would have to the jurisdictions that are the subject of the reviews is required before we can fully support this ballot.

**SOUTH DAKOTA**

Support

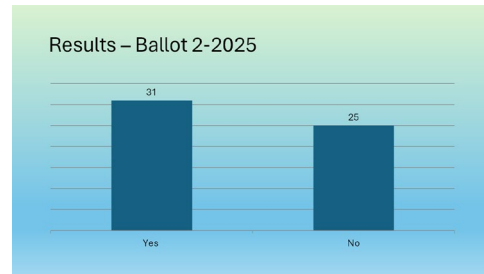
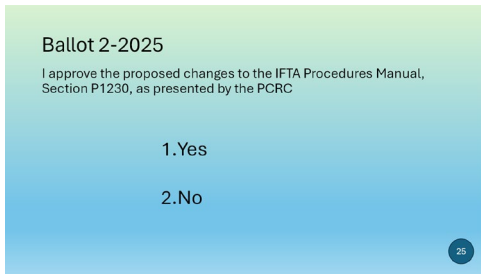
**VIRGINIA**

Undecided

Virginia shares the concerns raised by other member jurisdictions regarding removal of the cap.

## Question Details ( 004-001 ) **FAILED**

Total Responses: 56



Participant	Response	Weight
Texas Julius	No	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	No	1
Kansas Agnew	Yes	1
Missouri Thurman	No	1
Ontario Blackwood	No	1
Oregon Fitzgibbon	Yes	1
North Carolina Panza	No	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	No	1
Prince Edward Island Pineau	No	1
Virginia Harrison	Yes	1
Quebec Boucher	No	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	No	1
Saskatchewan Worobec	Yes	1
New Hampshire Gray	No	1
North Dakota Voegelé	Yes	1
New Jersey Walker	No	1
Montana Smith	No	1
New Mexico Penser	No	1
New York Galarneau	Yes	1
Maryland O'Lare	No	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	Yes	1
Colorado Zion	Yes	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	No	1
Connecticut Romeo	Yes	1
Georgia Prince	No	1
Idaho Alvarez	Yes	1
Illinois Blessing	No	1
Nebraska Beedle	Yes	1
Louisiana Gibson	Yes	1
Indiana Boone	No	1
Iowa Jansen	Yes	1
Nova Scotia Pineau	No	1
Alabama Baxley	Yes	1
British Columbia Harrison	Yes	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	Yes	1
West Virginia Acree	No	1
Arkansas Richard	Yes	1
Arizona Simmons	Yes	1
Wisconsin Litscher	Yes	1
South Dakota Gerry	Yes	1
Ohio Horvath	No	1
Nevada Stanfield	Yes	1
Maine Peters	Yes	1
Delaware Himmler	No	1
Florida Cunningham	No	1
Manitoba Hanlan	No	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	Yes	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	No	1

## Question Details ( 005-001 )

Total Responses: 0

**Ballot 2-2025 Effective Date**

I approve the Effective date of January 1, 2026, as proposed by the PCRC.

1. Yes

2. No

25

**Results: Ballot 2-2025 Effective Date**

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\_\_\_\_\_

0 0

Yes No

Participant	Response	Weight
Texas Julius	[No Response]	1
Utah Hansen	[No Response]	1
Vermont Robillard	[No Response]	1
California Amezcua	[No Response]	1
Kansas Agnew	[No Response]	1
Missouri Thurman	[No Response]	1
Ontario Blackwood	[No Response]	1
Oregon Fitzgibbon	[No Response]	1
North Carolina Panza	[No Response]	1
Pennsylvania Wisyanski	[No Response]	1
Rhode Island Iafrate	[No Response]	1
Prince Edward Island Pineau	[No Response]	1
Virginia Harrison	[No Response]	1
Quebec Boucher	[No Response]	1
Washington Briscoe	[No Response]	1
Newfoundland & Labrador Lockyer	[No Response]	1
Saskatchewan Worobec	[No Response]	1
New Hampshire Gray	[No Response]	1
North Dakota Voegelé	[No Response]	1
New Jersey Walker	[No Response]	1
Montana Smith	[No Response]	1
New Mexico Penser	[No Response]	1
New York Galarneau	[No Response]	1
Maryland O'Lare	[No Response]	1

Kentucky McDaniel	[No Response]	1
Massachusetts Adamek	[No Response]	1
Colorado Zion	[No Response]	1
Michigan Guzman	[No Response]	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	[No Response]	1
Connecticut Romeo	[No Response]	1
Georgia Prince	[No Response]	1
Idaho Alvarez	[No Response]	1
Illinois Blessing	[No Response]	1
Nebraska Beedle	[No Response]	1
Louisiana Gibson	[No Response]	1
Indiana Boone	[No Response]	1
Iowa Jansen	[No Response]	1
Nova Scotia Pineau	[No Response]	1
Alabama Baxley	[No Response]	1
British Columbia Harrison	[No Response]	1
South Carolina Carlson	[No Response]	1
Alberta Ackroyd	[No Response]	1
West Virginia Acree	[No Response]	1
Arkansas Richard	[No Response]	1
Arizona Simmons	[No Response]	1
Wisconsin Litscher	[No Response]	1
South Dakota Gerry	[No Response]	1
Ohio Horvath	[No Response]	1
Nevada Stanfield	[No Response]	1
Maine Peters	[No Response]	1
Delaware Himmler	[No Response]	1
Florida Cunningham	[No Response]	1
Manitoba Hanlan	[No Response]	1
New Brunswick Leahy	[No Response]	1
Oklahoma Willingham	[No Response]	1
Wyoming Lopez	[No Response]	1
Tennessee Lanfair	[No Response]	1

**FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



**IFTA BALLOT PROPOSAL  
03-2025**

**Sponsor**

IFTA Audit Committee

**Date Submitted**

April 1, 2025

**Proposed Effective Date**

January 1, 2026

**Manual Sections to be Amended**

Audit Manual Sections A350 & A460 (Effective Date: September 2024)  
Procedures Manual P570 (Effective Date: January 2024)

**Subject**

IFTA Audit Manual and IFTA Procedures Manual - Alternative Fuel Audit Impacts

**History/Digest**

In accordance with IFTA Articles of Agreement Article XVIII Sections R1810.100 and R1810.200.020, and as stated in Sections II and III of the Committee Charter, the IFTA Audit Committee is responsible for maintaining the IFTA Audit Manual. This duty includes periodic reviews to determine if any changes or updates are needed and to make such recommendations to the IFTA, Inc. Board of Trustees. The duties of the Audit Committee also include a review of ballot proposals ratified by membership to determine whether any sections of the IFTA Audit Manual are impacted by the ratified language and to recommend changes if applicable. With the passage of IFTA Ballots 8-2022 and 3-2023, IFTA has addressed the future of fuels used to propel qualified motor vehicles and to provide for the alternative method of taxing consumption based on applying a tax to taxable distance.

The Board of Trustees issued a charge on February 12, 2024, as follows:

- 3.1 Develop a sub-committee
- 3.2 Research
- 3.3 Provide results of research and recommendations to the Board including, if applicable, a ballot proposal for recommended changes to the Audit Manual

**Intent**

Modify the IFTA Audit Manual and IFTA Procedures Manual to include auditing of alternative fuels and taxing consumption based on applying a tax to taxable distance.

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 AUDIT MANUAL

2 A350 AUDIT ADJUSTMENTS

- 3
- 4 .100 When records for the fleet as a whole are adequate for audit, the base  
5 jurisdiction shall have the authority to adjust the reported volume of fuel  
6 consumption (e.g.: MPG, KPL, kWh; ~~MPGe, KPLe~~ or ~~any other industry-~~  
7 recognized factor used to compute motor fuel consumption).
- 8
- 9 .300 If the base jurisdiction determines that such factors as those in A350.200 fail to  
10 provide a basis to support an audit adjustment, the jurisdiction may, for the  
11 specific vehicles at issue: ~~either~~
- 12
- 13 .005 reduce the vehicle MPG, KPL, kWh or any factor used to compute  
14 motor fuel consumption by 20% or ~~or~~ adjust the vehicle MPG to  
15 4.00 or the KPL to 1.7.
- 16
- 17 .010 reduce the vehicle MPGe, KPLe or other industry-recognized factor used to  
18 compute motor fuel consumption by 20%.
- 19
- 20 .015 increase only jurisdictional distance by 20% for jurisdictions that impose tax  
21 on the consumption of fuel by applying a tax rate to distance. The  
22 jurisdictional distance increase shall not affect total distance.
- 23

24 A460 AUDIT REPORT

- 25
- 26 .500 Distance and Fuel Examination:
- 27
- 28 .015 Describe procedures used to verify reported distance, fuel and efficiency  
29 (e.g.: MPG/KPL or MPGe/KPLe);
- 30
- 31 .700 Billing Summary: All items listed below, except penalty .045, must be  
32 presented in the billing summary by reporting period.
- 33
- 34 .020 Efficiency (e.g.: MPG/KPL or MPGe/KPLe) as reported;
- 35
- 36 .025 Efficiency (e.g.: MPG/KPL or MPGe/KPLe) as a result of audit;
- 37

38 PROCEDURES MANUAL

39 P570 INADEQUATE RECORDS ASSESSMENT

- 40
- 41 .100 If the base jurisdiction determines that the records produced by the licensee for audit do  
42 not, for the licensee's fleet as a whole, meet the criterion for the adequacy of records set  
43 out in P530, or after the issuance of a written demand for records by the base  
44 jurisdiction, the licensee produces no records, the base jurisdiction shall impose an  
45 additional assessment by ~~either~~:
- 46
- 47 .005 ~~reducing~~ adjusting the licensee's reported fleet MPG, KPL, kWh or any factor  
48 used to compute motor fuel consumption by 20% or adjusting MPG to 4.0 or  
49 1.70 KPL; ~~or~~
- 50

- 51 .010 reducing the licensee’s reported MPGe, KPL, kWh, or any other industry-  
52 recognized factor used to compute motor fuel consumption by ~~twenty percent~~  
53 20%.  
54  
55 .015 increasing only jurisdictional distance by 20% for jurisdictions that impose tax  
56 on the consumption of fuel by applying a tax rate to distance. The  
57 jurisdictional distance increase shall not affect total distance.  
58  
59 .200 This section does not affect the ability of a base jurisdiction to disallow tax-paid credit for  
60 fuel purchases which are inadequately documented, or, for cause, to conduct a best  
61 information available audit which may result in adjustments to either the audited or  
62 reported volume of fuel consumption (e.g: MPG, KPL, kWh, MPGe, KPL or any other  
63 industry-recognized factor used to compute motor fuel consumed consumption) or  
64 suspend, revoke, or cancel the license issued to a licensee.  
65  
66

**Comments Following the Comment Period ending June 29, 2025.**

The AC has updated with grammatical changes recommended by the AAC.

**Ballot #3-2025**  
**Comment Period Ending June 29, 2025**

Support: 8  
Oppose: 1  
Undecided: 10

**ALBERTA**  
Undecided

Alberta is supportive of the intent of this ballot but has concerns with the language used. This ballot requires significant revision and we support North Carolina's comments and offer to assist in redrafting the ballot.

**Attorney Advisory Committee**

- The ballot recommends updating A350.300 of the Audit Manual.
  - It is noted that A350.300.005 refers to "...or any factor used to compute motor fuels consumption...", whereas A350.300.010 refers to "...or other industry recognized factor used to compute motor fuel consumption..."
- It is recommended that the wording referred to above be made more consistent.
  - For example, both sections .005 and .010 might refer to "*...or any other industry-recognized factor used to compute motor fuel consumption...*"
- In any event, it is noted that .005 refers to "motor fuels" (plural), whereas .010 refers to "motor fuel" (singular).
  - Either plural or singular should work, but it should be consistent in both sections.
- The ballot also recommends comparable changes to P570 of the Procedures Manual.
  - Depending on what is decided in respect of the above comments, P570.100.005 and .010 should be updated consistently.
- Minor grammatical point: For both A350 and P570, consider whether "industry recognized" should be hyphenated.
  - Suggest that "*industry-recognized*" would be the correct form, as it is a (hyphenated) adjective modifying the noun "factor".

**BRITISH COLUMBIA**  
Undecided

**ILLINOIS**  
Undecided

Support only if revisions made. While we understand the need to add detail about auditing alternative fuels, this ballot still needs work. There is no definition for "MPGe" and "KPLe". In addition, a definition should also be added for "MPG," "KPL," and "kWh." Also, the amendments must explain how the third sub-item in both A350.300 and P570.100 relates to each the first two (4 mpg/20% mileage reduction). Is it an "or" or an "and" or something else. Specifically, is sub-item 3 (i.e. ".015") an alternative option or a sub-option or an additional option to the first 2 items (i.e., ".010" and ".015")? It appears not to be related to the first 2 items, but instead to be separate, additional instructions about alternative fuel jurisdictions. More needs to be done to synthesize this option.

**INDIANA**  
Support

Indiana is in favor of this ballot. It provides instruction on how to handle adjusting in the audit for a carrier who operates alternative fuel vehicles, when the records are determined to be inadequate. We do

**Ballot #3-2025**  
**Comment Period Ending June 29, 2025**

recommend, however, that the definition of MPGe and KPLe be added.

**Industry Advisory Committee**

The IAC supports the intent of Ballot #03-2025 and agrees with the comments submitted by North Carolina. As alternative fuels continue to evolve, it remains critical that updates to the IFTA Audit and Procedures Manuals are carefully developed to ensure accuracy and consistency. We recommend the IFTA Audit Committee collaborate with the Attorney Advisory Committee to draft a comprehensive ballot that includes clearly defined terms, appropriate abbreviations, and standardized options for calculating consumption. Any proposed changes should also address the full scope of documentation requirements to support effective and uniform audits across jurisdictions.

**IOWA**

Support

Iowa is in favor of this ballot.

**KANSAS**

Undecided

**KENTUCKY**

Support

**MANITOBA**

Support

**MARYLAND**

Undecided

Maryland, at this time, does not tax consumption of the alternative fuels proposed in this ballot.

**MICHIGAN**

Support

Michigan supports this ballot however has a few concerns. based on A350.300.015 - 'increase only jurisdictional distance by 20% for jurisdictions that impose a consumption of fuel by applying a tax rate by distance.' Michigan will need to consult with our IFTA system vendor on the change to apply 20% change to specific jurisdictions since this would be a significant change from our the system currently works. We do not support the current effective date of this ballot

**NEVADA**

Undecided

Currently, NV does not tax on alternative fuels. We also don't know if NV is working on any laws pertaining to this issue, that may impact this ballot. NV agrees with NC comments.

**NEW BRUNSWICK**

Support

**Ballot #3-2025**  
**Comment Period Ending June 29, 2025**

**NEWFOUNDLAND**

Undecided

**NORTH CAROLINA**

Undecided

North Carolina has multiple concerns regarding this ballot. Some of these concerns are fundamental errors effecting the validity of the ballot if it passes. Therefore, North Carolina recommends that the sponsor reach out to the AAC (Attorney Advisory Committee) for ballots. Based on North Carolina's understanding, this is something the AAC encourages.

**This Ballot May Not Be a Ballot**

North Carolina is concerned that the ballot is so improperly formatted that the ballot may not meet the requirements of R1615, which requires that all ballots "contain . . . [t]he precise language to be considered."

The ballot materially misrepresents the changes to be made to all the following sections: (1) A350.100; (2) A350.300.005; (3) A460.500.015; (4) P570.100.005; and (5) P570.200. North Carolina is not stating that the sponsor intentionally misrepresented the language to be considered, but the extent of the errors raises an issue under R1615 whether the ballot contains the "precise language to be considered."

Because R1610.100 requires that "[a] proposed amendment is to be submitted to the repository at least 60 calendar days before an open meeting of the commissioners[.]" the sponsors cannot cure this error in 2025.

It must be noted that when a ballot makes changes to the Articles of Agreement that are not in compliance with the Agreement, the validity of the ballot will remain in question. In other words, the existence of this comment (which North Carolina felt compelled to advise membership) can be used to overturn the ballot because persons subject to the changes are now aware that the ballot could be procedurally defective.

To provide certainty to jurisdictions and licensees, North Carolina recommends that the sponsors amend the ballot and move forward with it in 2026.

**The Ballot Poses Issues with Terminology**

Given that jurisdictions and industry are trying to adjust this ever-changing landscape, it is important to be consistent and clear with terminology. The ballot makes the following errors or incorrect assumptions regarding critical terms of art:

1. kWh is not a report "of volume consumption . . . ." kWh is also not a measure of fuel economy (efficiency) – it is a measure of volume. To be equivalent to MPG or KPL, a jurisdiction would need to measure the miles per kWh (mpkWh). Reducing the volume of fuel (kWh) is covered by A360 and should not be in A350.100.
2. Fuel economy is preferred term (in the US) over fuel efficiency based on its use by the US Department of Energy and the US Department of Transportation. Based on North Carolina's understanding, fuel economy is the measure of distance per unit of fuel. Fuel efficiency is represented by a percentage of work per unit of energy. Therefore, the wrong term is being used.
3. Fuel consumption is incorrectly used in the ballot – it should be replaced with fuel economy. Fuel consumption is the units of fuel used per unit of distance (e.g., liters per 100 kilometers (L/100

**Ballot #3-2025**  
**Comment Period Ending June 29, 2025**

km)). Fuel economy is the unit of distance per unit of fuel consumed (e.g., miles per gallon (MPG)).

4. As noted in North Carolina's 2024 comment, it disfavors imprecise language such as "other industry recognized factor." It places unnecessary ambiguity in the IFTA governing documents with no discernable benefit.

#### General Drafting Concerns

The ballot uses terms inconsistently and unclear language. For example:

1. The repeated use of acronyms is not a best practice and makes it difficult to read.
2. MPG and KPL are referenced as fuel consumption factors but then later collectively referred to as an efficiency metric.
3. The ballot breaks out the equivalency standards (e.g., MPGe) from MPG and KPL and treats equivalency standards calculations differently (one is subject to a 4.0/1.7 reduction while the other subject only to the 20% reduction.) Why would MPG be treated differently than MPGe? That would be defeat the purpose of calculating MPGe.
4. The ballot treats fuel economy and fuel volume interchangeably under A350.300.005 and P570.100. North Carolina is concerned about the that apparent unintentional melding of A350 and A360. Consistency can only be achieved by using miles per kWh (mpkWh) or the metric unit equivalent.

#### Drafting Assistance

North Carolina will assist the sponsors in drafting an amended ballot upon request. As an example of a potential starting point to address these concerns, North Carolina would remove all references to MPG, KPL, fuel consumption, efficiency, and similar terms and replace all references with a newly defined term: fuel economy. It would be defined something like the following:

"R222 Fuel economy means the ratio of distance traveled per unit of fuel consumed. Fuel economy can be expressed as miles per gallon (MPG), kilometers per liter (KPL), miles per kWh (mpkWh), and kilometers per kWh (kpkWh). Energy equivalency such as MPGe or KPLe is determined by the base jurisdiction's laws."

This would clear up the language significantly, make it easier to read, and ensure consistency.

#### **OKLAHOMA**

Oppose

Oklahoma has concerns over the ambiguity of the ballot language and the authority over the taxation of distance versus fuel consumption.

#### **ONTARIO**

Undecided

Ontario would like to see North Carolina's comments addressed before deciding whether to support ballot #03.

#### **PENNSYLVANIA**

Support

**Ballot #3-2025**  
**Comment Period Ending June 29, 2025**

As a partial sponsor of Ballot 08-2022 and the primary sponsor of Ballot 05-2023, we appreciate the AC drafting this ballot to clarify the necessary changes to the governing documents.

With all due respect to North Carolina's comments, we agree that it appears there is a reference to "kWh" as an example of a fuel economy factor and maybe that can be removed as a non-substantial change, but we disagree with North Carolina's following assessment:

"Fuel economy can be expressed as miles per gallon (MPG), kilometers per liter (KPL), miles per kWh (mpkWh), and kilometers per kWh (kpkWh). Energy equivalency such as MPGe or KPLe is determined by the base jurisdiction's laws."

Although it sounds logical to measure the fuel economy factors for Electricity as MPkWh or KPkWh, we have yet to see these in practical use. We have to take our cues from the industry here and they utilize the MPGe (essentially equivalent to MPkWh); to our knowledge, this did not come from any base jur's laws; its to match what the industry uses and reduce confusion.

Also, the AC included the catch-all of "other industry recognized factor(s) used to compute motor fuel consumption," to cover other terminology examples. When PA presented on these issues at the 2024 ABM, we suggested that you could essentially put any term you want in the box that usually says "MPG" (ex.: MPGe, FECF (meaning: fuel economy compliance factor), or even "Distance/Fuel" or "Distance/Volume."

Lastly, to Maryland's point, this ballot is intended to assist jurisdictions using mileage-based-solution, like Indiana, fit into the existing framework of our conventional-based fuels. You do not have to employ this method in order to support it.

**SASKATCHEWAN**

Support

**VIRGINIA**

Undecided

## Question Details ( 004-002 ) **FAILED**

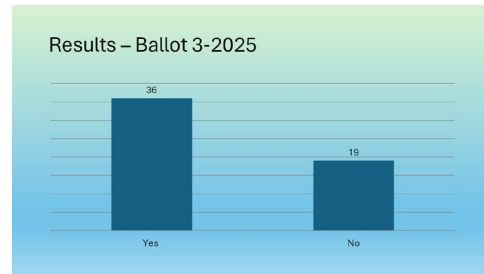
Total Responses: 55

Ballot 3-2025

I approve the proposed changes to the Audit Manual Sections A350 & A460 and the Procedures Manual P570, as presented by the AC.

1. Yes
2. No

25



Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	No	1
Kansas Agnew	No	1
Missouri Thurman	Yes	1
Ontario Blackwood	No	1
Oregon Fitzgibbon	No	1
North Carolina Panza	No	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	Yes	1
Prince Edward Island Pineau	No	1
Virginia Harrison	Yes	1
Quebec Boucher	[No Response]	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	No	1
New Hampshire Gray	No	1
North Dakota Voegelé	Yes	1
New Jersey Walker	Yes	1
Montana Smith	No	1
New Mexico Penser	Yes	1
New York Galarneau	Yes	1
Maryland O'Lare	No	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	No	1
Colorado Zion	Yes	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	Yes	1
Illinois Blessing	No	1
Nebraska Beedle	No	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	Yes	1
Nova Scotia Pineau	No	1
Alabama Baxley	Yes	1
British Columbia Harrison	Yes	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	No	1
West Virginia Acree	Yes	1
Arkansas Richard	Yes	1
Arizona Simmons	Yes	1
Wisconsin Litscher	Yes	1
South Dakota Gerry	Yes	1
Ohio Horvath	No	1
Nevada Stanfield	Yes	1
Maine Peters	No	1
Delaware Himmler	No	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	No	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	Yes	1

## Question Details ( 005-002 )

Total Responses: 0

Ballot 3-2025 Effective Date

I approve the Effective date of January 1, 2026, as proposed by the AC.

1. Yes

2. No

25

Results: Ballot 3-2025 Effective Date

0 0

Yes No

Participant	Response	Weight
Texas Julius	[No Response]	1
Utah Hansen	[No Response]	1
Vermont Robillard	[No Response]	1
California Amezcua	[No Response]	1
Kansas Agnew	[No Response]	1
Missouri Thurman	[No Response]	1
Ontario Blackwood	[No Response]	1
Oregon Fitzgibbon	[No Response]	1
North Carolina Panza	[No Response]	1
Pennsylvania Wisyanski	[No Response]	1
Rhode Island Iafrate	[No Response]	1
Prince Edward Island Pineau	[No Response]	1
Virginia Harrison	[No Response]	1
Quebec Boucher	[No Response]	1
Washington Briscoe	[No Response]	1
Newfoundland & Labrador Lockyer	[No Response]	1
Saskatchewan Worobec	[No Response]	1
New Hampshire Gray	[No Response]	1
North Dakota Voegelé	[No Response]	1
New Jersey Walker	[No Response]	1
Montana Smith	[No Response]	1
New Mexico Penser	[No Response]	1
New York Galarneau	[No Response]	1
Maryland O'Lare	[No Response]	1

Kentucky McDaniel	[No Response]	1
Massachusetts Adamek	[No Response]	1
Colorado Zion	[No Response]	1
Michigan Guzman	[No Response]	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	[No Response]	1
Connecticut Romeo	[No Response]	1
Georgia Prince	[No Response]	1
Idaho Alvarez	[No Response]	1
Illinois Blessing	[No Response]	1
Nebraska Beedle	[No Response]	1
Louisiana Gibson	[No Response]	1
Indiana Boone	[No Response]	1
Iowa Jansen	[No Response]	1
Nova Scotia Pineau	[No Response]	1
Alabama Baxley	[No Response]	1
British Columbia Harrison	[No Response]	1
South Carolina Carlson	[No Response]	1
Alberta Ackroyd	[No Response]	1
West Virginia Acree	[No Response]	1
Arkansas Richard	[No Response]	1
Arizona Simmons	[No Response]	1
Wisconsin Litscher	[No Response]	1
South Dakota Gerry	[No Response]	1
Ohio Horvath	[No Response]	1
Nevada Stanfield	[No Response]	1
Maine Peters	[No Response]	1
Delaware Himmler	[No Response]	1
Florida Cunningham	[No Response]	1
Manitoba Hanlan	[No Response]	1
New Brunswick Leahy	[No Response]	1
Oklahoma Willingham	[No Response]	1
Wyoming Lopez	[No Response]	1
Tennessee Lanfair	[No Response]	1

# FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING



## IFTA BALLOT PROPOSAL #04-2025

### **Sponsor**

Jurisdictions of California, Maryland, Massachusetts, Indiana, Texas, Rhode Island, Kansas, New York, and Connecticut

### **Date Submitted**

May 22, 2025

### **Proposed Effective Date**

January 1, 2026

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

IFTA Audit Manual	Section A250	NUMBER OF AUDITS
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### **Subject**

Reducing the audit percentage required to be completed by each jurisdiction annually by changing the Audit Manual, Section A250 Number of Audits.

### **History/Digest**

With the increase in new accounts year-over-year, it has become increasingly difficult for jurisdictions to complete the required number of audits to meet the IFTA three percent (3%) requirement. Each year, base jurisdictions are required to audit an average of 3% of IFTA accounts required to be reported by that jurisdiction. The proposed change reduces the audit requirement to one percent (1%) per year. A decrease to a 1% requirement would have IFTA, Inc. in line with the Internal Revenue Service (IRS), which strives for adequate audit coverage and has an audit percentage of less than 1%.

In 2024, there were 24 jurisdictions, or 41% of the IFTA membership, that did not complete an average of the 3 percent audit requirement. Other jurisdictions have met the requirement only by allocating additional audit resources.

### **Intent**

The intent of this ballot proposal is to reduce the minimum audit requirement to one percent (1%) per year. This change will benefit all jurisdictions by decreasing the minimum required number of audits and allow jurisdictions to focus on more productive audits that may require more time within the IFTA program. This ballot does not prevent any jurisdiction from auditing more than 1% to meet their internal goals and program requirements.

In addition, jurisdictions may elect to perform Records Reviews to educate licensees on IFTA reporting requirements, mitigating potential record keeping and compliance issues while providing audit credits to the jurisdiction for the effort.

## **FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**

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

2

3 **IFTA AUDIT MANUAL**

4

5 **A250 NUMBER OF AUDITS**

6

7 Base jurisdictions will be held accountable for audits and will be required to complete audits of an  
8 average of ~~3~~one (1) percent per year of the number of IFTA accounts required to be reported by that  
9 jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005  
10 excluding new licensees, for each year of the program compliance review period, other than the  
11 jurisdiction's IFTA implementation year. Such audits shall cover all of the returns that were filed or  
12 required to be filed during a license year or shall cover at least four (4) consecutive quarters. This does  
13 not preclude audits of individual licensees several times during the program compliance review period.  
14 However, audits of a single licensee that cover multiple license years, fuel types, or both shall be counted  
15 as one audit for program compliance review purposes.

16

17 For purposes of this requirement, a Member Jurisdiction may substitute three Records Reviews for one  
18 Audit; provided, that no Member Jurisdiction may substitute Records Reviews for more than twenty-five  
19 percent of the total of the Audits required under this section. To use Records Reviews as a substitute for  
20 Audits, a Member Jurisdiction must adopt formal procedures that comply with the guidelines for Records  
21 Reviews set out in the Audit Manual. All accounts may be subject to a Records Review. Records Reviews  
22 cannot count toward the high or low distance audit requirement established in Section A260 Selection of  
23 Audits of the IFTA audit manual. All Records Reviews will count towards the unspecified distance account  
24 audit requirements. Any follow up or secondary Records Review on compliance issues will not count as  
25 another Records Review.

### **Comments Following the Comment Period ending June 29, 2025.**

The Sponsor made revisions to the Intent Section of this ballot. No other changes were made.

**Ballot #4-2025**  
**Comment Period Ending June 29, 2025**

Support: 20  
Oppose: 4  
Undecided: 5

**ALBERTA**  
Undecided

Alberta is supportive of reviewing and potentially reducing the required percentage of audits but has concerns this reduction may be too large to support compliance. There is a lack of adequate support/rationale provided to justify the proposed percentage change. More work should be done to determine what is the correct percentage. Alberta would support a study funded by IFTA Inc as suggested by South Dakota and encourages further discussion on how to lessen the audit burden without significantly impacting compliance.

**Attorney Advisory Committee**

- The ballot proposes to reduce the required number of audits from 3 per cent to 1 per cent of the number of IFTA accounts required to be reported. Key rationales for the change include the IRS having an audit percentage of less than 1 per cent, and 41 per cent of jurisdictions failing to meet the 3 per cent threshold. However, the ballot does not provide an analysis of the estimated financial impact resulting from compliance being decreased by two-thirds.
- The Intent section states that the reduction allows jurisdictions to allocate their resources to other tax programs where audit hours yield higher returns. However, the audit percentage requirement is in place to, for example, protect the fuel tax base of all jurisdictions. A jurisdiction diverting resources to another tax program benefits only the particular jurisdiction, and is irrelevant to making a decision that will impact the fuel tax base of other jurisdictions.
- Furthermore, the impact and effectiveness of discretionary Records Reviews, for those jurisdictions that choose to perform them, has not been analyzed.
  - It is suggested that, unless Records Reviews are made mandatory, their impact on the number of audits required to be performed by all jurisdictions is not particularly relevant and should not reasonably be used to justify a reduction in a mandatory audit requirement.
- The change(s) should be noted for reviewers of the ballot in red and not black underlined, since the other ballots have red bold for the changes.
- It is also noted that the audit statistics of the IRS are not relevant to the Canadian Region.
  - While the Canada Revenue Agency does not publish audit statistics, the risk of being audited for income tax, sales and payroll taxes is generally understood to be between 3 and 5 per cent.

**BRITISH COLUMBIA**  
Support

British Columbia supports the proposal to reduce the required percentage of IFTA audits from 3% to 1%.

This will assist jurisdictions that have experienced ongoing challenges in recruiting and retaining qualified audit staff, which impacts their ability to meet the audit target.

In British Columbia, audit recoveries under IFTA have historically been lower than recoveries from other tax programs. Reducing the IFTA audit requirement will allow audit resources to be allocated to higher-risk areas where compliance efforts yield a greater return.

**Ballot #4-2025**  
**Comment Period Ending June 29, 2025**

Ontario's proposal to introduce two tiers based on registrant numbers is interesting, but it does not support jurisdictions below the threshold that are struggling to meet the target.

**CALIFORNIA**

Support

The intent of this ballot proposal is to reduce the minimum audit requirement to one percent (1%) per year. This change will benefit all jurisdictions by decreasing the minimum required number of audits and allow them to focus on more productive audits that may require more time within the IFTA program. This ballot does not prevent any jurisdiction from auditing more than 1% to meet their internal goals and program requirements. In addition, jurisdictions may elect to perform Records Reviews to educate licensees on IFTA reporting requirements, mitigating potential record keeping and compliance issues while providing audit credits to the jurisdiction for the effort.

**CONNECTICUT**

Support

Connecticut fully supports this ballot as presented by the sponsors.

**ILLINOIS**

Support

As the number of IFTA accounts in Illinois continues to grow, the IL Audit resources required to audit 3% of IFTA accounts has become disproportionately large compared to the number of taxpayers audited in other IL taxes. Reducing the minimum percentage of IFTA accounts audited to 1% will allow the Department to most effectively and efficiently use its finite audit resources while continuing to audit a significant number of IFTA accounts.

**INDIANA**

Support

Indiana supports this ballot and would like to thank California for addressing a very important issue. Audit is an essential function that verifies the accuracy of the fuel tax reporting, but must be completed in a manner that ensures compliance while also being effective and efficient from a cost/value standpoint.

**Industry Advisory Committee**

The IAC supports the intent of Ballot #04-2025 regarding audit percentage requirements. It is important to ensure that jurisdictions are not only able to meet their audit obligations, but also that audits serve as a useful tool for carriers. A thoughtful review will help ensure audits are conducted with consistency and quality, and that appropriate training can be provided to both auditors and industry representatives to support mutual understanding and compliance.

**IOWA**

Oppose

Iowa is in favor of a change to the 3% requirement, as it is not realistic for all jurisdictions. We do not believe this ballot is a one size fits all answer for the issue. We would suggest other ways to change the percentage of audits required per auditor, than an overall change in the percentage of audits required.

**Ballot #4-2025**  
**Comment Period Ending June 29, 2025**

**KANSAS**

Support

For various reasons, Kansas has struggled to hire & keep a full staff of Auditors over the last several years. Meeting the 3% requirement can force jurisdictions to skip over large fleet carriers and audit the carriers that are at the low end of the High mileage and only those with a fleet of 10 or less. Thus, many carriers could never get audited. If a 1% requirement is passed, we could focus on choosing quality accounts over quantity.

**KENTUCKY**

Support

KY's audit group supports.

**MANITOBA**

Support

**MARYLAND**

Support

Maryland strongly supports this ballot. A decrease to a 1% requirement would have IFTA, Inc. in line with the Internal Revenue Service (IRS), which strives for adequate audit coverage and has an audit percentage of less than 1%. This change will benefit Maryland and all jurisdictions to help us free up the resources to make our IFTA audit programs more effective. A decreased audit percentage requirement allows jurisdictions to use their audit resources more wisely. Where jurisdictions see fit, they may allocate resources to other tax programs where audit hours yield much higher returns.

**MASSACHUSETTS**

Support

The Commonwealth of Massachusetts fully supports this ballot as presented by the sponsors.

**MICHIGAN**

Support

**NEVADA**

Undecided

As a joint shop, internally we can keep our procedures and policies in place to complete the 3% IFTA, along side of the requirement for 3% IRP, continuing our service to our customers. I am confident NV would not lose audit positions due to this decrease in IFTA minimum audits, for a variety of reasons. In addition, as jurisdictions cannot predict staffing shortages due to retirements, promotions and separations, the decreased minimum requirement, will provide jurisdictions to adapt during those difficult times and shortfalls without further implications. However, if Nevada is auditing at 3% IFTA and collecting for other jurisdictions that are only auditing at 1% IFTA, this would not be balanced. I would not be opposed to discussing 1.5% - 2% minimum thresholds. NV also feels that if reduce IFTA that someone should also do a ballot to reduce IRP Audit percentage, to keep IFTA and IRP on the same percentage.

**NEW BRUNSWICK**

Oppose

**Ballot #4-2025**  
**Comment Period Ending June 29, 2025**

Doesn't provide the compliance required.

**NEW JERSEY**

Support

**NEW YORK**

Support

New York supports this ballot. A more strategic approach toward audit selection, as opposed to a quota-based approach, results in a higher percentage of quality audits and promotes the taxpayer experience by reducing unnecessary enforcement engagement. Noncompliance indicators should primarily determine audit selection and the rate of audits. For example, in New York, we could leverage IRP audit enforcement (conducted by Department of Motor Vehicles) to identify viable IFTA audit candidates.

We believe a 1% audit rate is more indicative of achieving this goal and identifying a higher percentage of noncompliant licensees.

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Oppose

North Carolina opposes this ballot on the basis that reducing the percentage of required audits reduces compliance that comes from those audits. It is important to note that audits are not only conducted by a jurisdiction for itself but conducted on behalf of other jurisdictions. The importance of this interdependence should not be overlooked.

**OKLAHOMA**

Oppose

Oklahoma feels 1% is not a sufficient statistical sample of motor carriers to provide accurate reporting within any jurisdiction. Oklahoma supports and restates North Carolina's position that audits are necessary for compact compliance assurance on behalf of partner jurisdictions, not just for the auditing jurisdiction itself. Oklahoma might support the substitution of records reviews for a mandatory audit minimum, however that is not an alternative listed in this ballot.

**ONTARIO**

Support

Ontario supports the proposal but recognizes that some jurisdictions may have concerns about reducing the audit rate to 1%, due to potential impacts on audit coverage and organizational capacity.

To address these concerns while easing the burden on jurisdictions with large registrant bases, we propose a balanced alternative: maintain the 3% audit rate for the first 4,000 registrants (approximately the median across IFTA jurisdictions) and apply a reduced 1% rate to registrants beyond that threshold. For example, a jurisdiction with 8,000 registrants would conduct 160 audits instead of 240:

- 3% of the first 4,000 = 120 audits
- 1% of the remaining 4,000 = 40 audits

**Ballot #4-2025**  
**Comment Period Ending June 29, 2025**

This approach preserves audit integrity while allowing jurisdictions to allocate resources more strategically and focus on higher-risk audits to improve compliance outcomes.

**PENNSYLVANIA**

Undecided

Pennsylvania feels that the 1% proposal is too extreme and would be much more comfortable discussing a decrease to 2% and/or removing a jurisdictions cancelled accounts, instead of this 1% proposal...

**QUEBEC**

Support

Quebec supports the ballot and its intent, while also acknowledging that the problems raised by the sponsor might be encountered by multiple jurisdictions.

Also, a quick and steep change in the audit percentage might raise questions regarding the loss of expertise and the allocation of the resources. Quebec would also entertain alternative solutions, such as the ones proposed by Ontario and Pennsylvania.

**RHODE ISLAND**

Support

The Rhode Island Division of Taxation supports Ballot #4. Overall, the reduction in the quantity of audits will allow states to improve quality and achieve more consistent results for all states. Specifically, approving Ballot #4 will have the following benefits:

- 1) Reducing the required number of audits will allow states to focus on higher volume audits and improve the quality of the audit process.
- 2) This improved quality would include the ability to choose audits based on poor reporting quality with less of a focus on achieving an audit count.
- 3) A focus on quality audits also allows for taxpayer education and improved voluntary compliance moving forward to improve consistent taxpayer filings.

**SASKATCHEWAN**

Support

**SOUTH DAKOTA**

Undecided

While South Dakota sees the intent the reduction seems to be too much to keep a compliance level that we have come to expect with IFTA. With this reduction there will be fewer accounts audited and that could lead to more non-compliance issues.

South Dakota also is interested in the Jurisdiction of Ontarios suggestion of a cap to a certain base number (not sure the mean # of accounts is the correct base) with additional lower percentage above the base number of audits. This seems to be a good compromise to still maintain the level of audits to help with compliance as well as give some relief to the larger number of licensee jurisdictions. We believe more time and effort should be put into this suggestion to help fully understand the impact of the suggestion.

South Dakota would also encourage a study to be funded by the IFTA Board of Trustees through use of jurisdictions fees that are paid to determine what is a good percentage of audits to be completed. This

**Ballot #4-2025**  
**Comment Period Ending June 29, 2025**

number should be based on data of what audit percentage will allow a fair level of compliance by the carrier due to audit practices as well as not being overly burdensome to jurisdictions.

One other factor is that we are a joint shop so without a change in IRP audit percentages we will still be audit 3% of our carrier base to meet the required number of audits. We would continue to do the IFTA at the same time as an IRP audit because not doing the audit of IFTA would be a disservice to our customers to not complete both IFTA and IRP audits when at the business doing an audit.

**TEXAS**

Support

Texas strongly supports this ballot. The reduction of the audit requirement to one percent (1 %) per year would be very beneficial for how we use our employee resources. We have had many challenges retaining staff and our auditor resources have diminished during the last years. As our trained IFTA auditors resign or retire, we must invest additional resources and time to train new auditors. As one of the largest states, it has been a challenge to meet our 3% IFTA requirement. We believe that reducing the requirement to one percent will also allow us to perform more detailed and thorough quality audits.

**UTAH**

Support

Utah fully supports this ballot as presented by the sponsors.

**VIRGINIA**

Undecided

Obviously the ballot would lighten the load on member jurisdictions' audit staffs. It would be helpful to have a sense of the likely impact on revenue of reducing audits by two-thirds, and of how alternative approaches to licensee compliance truly could help compensate for the reduced audit efforts. The sponsors' comments suggest that reducing the audit requirement from 3% to 1% would liberate member jurisdictions to pursue additional audits that might yield a better ROI, and/or to undertake additional records reviews in order to encourage licensee compliance. However, such extra efforts would be voluntary for member jurisdictions.

## Question Details ( 004-003 ) **FAILED**

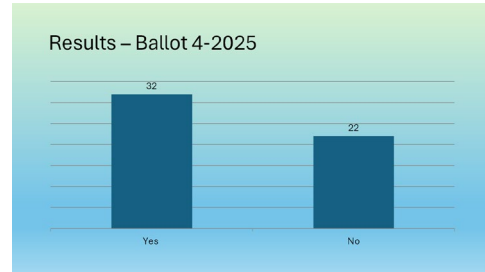
Total Responses: 54

**Ballot 4-2025**

I approve the proposed changes to the IFTA Audit Manual, Section A250, as presented by the Jurisdictions of California, Maryland, Massachusetts, Indiana, Texas, Rhode Island, Kansas, New York, and Connecticut.

1. Yes
2. No

25



Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	Yes	1
Kansas Agnew	Yes	1
Missouri Thurman	Yes	1
Ontario Blackwood	Yes	1
Oregon Fitzgibbon	No	1
North Carolina Panza	No	1
Pennsylvania Wisyanski	[No Response]	1
Rhode Island Iafrate	Yes	1
Prince Edward Island Pineau	No	1
Virginia Harrison	No	1
Quebec Boucher	Yes	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	Yes	1
New Hampshire Gray	No	1
North Dakota Voegele	No	1
New Jersey Walker	Yes	1
Montana Smith	Yes	1
New Mexico Penser	[No Response]	1
New York Galarneau	Yes	1
Maryland O'Lare	Yes	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	Yes	1
Colorado Zion	Yes	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	No	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	No	1
Illinois Blessing	Yes	1
Nebraska Beedle	No	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	No	1
Nova Scotia Pineau	No	1
Alabama Baxley	Yes	1
British Columbia Harrison	Yes	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	No	1
West Virginia Acree	Yes	1
Arkansas Richard	No	1
Arizona Simmons	No	1
Wisconsin Litscher	No	1
South Dakota Gerry	No	1
Ohio Horvath	Yes	1
Nevada Stanfield	No	1
Maine Peters	No	1
Delaware Himmler	Yes	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	No	1
Oklahoma Willingham	No	1
Wyoming Lopez	No	1
Tennessee Lanfair	No	1

## Question Details ( 005-003 )

Total Responses: 0

**Ballot 4-2025 Effective Date**

I approve the Effective date of January 1, 2026, as proposed by the Jurisdictions of California, Maryland, Massachusetts, Indiana, Texas, Rhode Island, Kansas, New York, and Connecticut.

1. Yes

2. No

25

**Results: Ballot 4-2025 Effective Date**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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0 0

Yes No

Participant	Response	Weight
Texas Julius	[No Response]	1
Utah Hansen	[No Response]	1
Vermont Robillard	[No Response]	1
California Amezcua	[No Response]	1
Kansas Agnew	[No Response]	1
Missouri Thurman	[No Response]	1
Ontario Blackwood	[No Response]	1
Oregon Fitzgibbon	[No Response]	1
North Carolina Panza	[No Response]	1
Pennsylvania Wisyanski	[No Response]	1
Rhode Island Iafrate	[No Response]	1
Prince Edward Island Pineau	[No Response]	1
Virginia Harrison	[No Response]	1
Quebec Boucher	[No Response]	1
Washington Briscoe	[No Response]	1
Newfoundland & Labrador Lockyer	[No Response]	1
Saskatchewan Worobec	[No Response]	1
New Hampshire Gray	[No Response]	1
North Dakota Voegele	[No Response]	1
New Jersey Walker	[No Response]	1
Montana Smith	[No Response]	1
New Mexico Penser	[No Response]	1
New York Galarneau	[No Response]	1
Maryland O'Lare	[No Response]	1

Kentucky McDaniel	[No Response]	1
Massachusetts Adamek	[No Response]	1
Colorado Zion	[No Response]	1
Michigan Guzman	[No Response]	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	[No Response]	1
Connecticut Romeo	[No Response]	1
Georgia Prince	[No Response]	1
Idaho Alvarez	[No Response]	1
Illinois Blessing	[No Response]	1
Nebraska Beedle	[No Response]	1
Louisiana Gibson	[No Response]	1
Indiana Boone	[No Response]	1
Iowa Jansen	[No Response]	1
Nova Scotia Pineau	[No Response]	1
Alabama Baxley	[No Response]	1
British Columbia Harrison	[No Response]	1
South Carolina Carlson	[No Response]	1
Alberta Ackroyd	[No Response]	1
West Virginia Acree	[No Response]	1
Arkansas Richard	[No Response]	1
Arizona Simmons	[No Response]	1
Wisconsin Litscher	[No Response]	1
South Dakota Gerry	[No Response]	1
Ohio Horvath	[No Response]	1
Nevada Stanfield	[No Response]	1
Maine Peters	[No Response]	1
Delaware Himmler	[No Response]	1
Florida Cunningham	[No Response]	1
Manitoba Hanlan	[No Response]	1
New Brunswick Leahy	[No Response]	1
Oklahoma Willingham	[No Response]	1
Wyoming Lopez	[No Response]	1
Tennessee Lanfair	[No Response]	1

**FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



**IFTA BALLOT PROPOSAL  
05-2025**

**Sponsor**

IFTA Law Enforcement Committee

**Date Submitted**

April 8, 2025

**Proposed Effective Date**

January 1, 2027

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

IFTA Articles of Agreement \*R650 TEMPORARY DECAL PERMITS

**Subject**

Update section R650 to require all jurisdictions to make available an IFTA Temporary Decal Permit.

**History/Digest**

While many jurisdictions offer an IFTA Temporary Decal Permit, there are still a large portion that do not. This ballot would require all jurisdictions to issue Temporary Decal Permits in order to allow a carrier to move goods in a timely manner, as is the purpose of the International Fuel Tax Agreement.

Due to inconsistencies in data being entered in the IFTA Clearinghouse and the limitations on accessing the IFTA Clearinghouse in many locations, law enforcement often cannot verify or dispel instances where a carrier claims that they are waiting on IFTA decals to arrive from their base jurisdiction. At times, this causes otherwise compliant carriers to be cited. We believe requiring all jurisdictions to issue Temporary Decal Permits could alleviate some of the delay of commerce caused by this.

**Intent**

To require jurisdictions to provide a Temporary Decal Permit to a carrier to allow the free flow of goods as per the purpose of IFTA in Section R130.

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 \*R650 TEMPORARY DECAL PERMITS

2

3 The base jurisdiction ~~may~~ shall, upon request of a licensee, provide for the issuance of a 30-day IFTA  
4 temporary decal permit valid for all member jurisdictions to a licensee in good standing to carry in lieu of  
5 displaying the annual decals. The base jurisdiction may charge an administrative fee to the licensee to  
6 cover the cost of issuance. Temporary decal permits must be vehicle specific and show the expiration  
7 date. The temporary decal permit need not be displayed but shall be carried in the vehicle in paper ~~copy~~  
8 or as an electronic image. The IFTA temporary decal permit shall be provided to the licensee either  
9 electronically (such as via an online system, email, or facsimile) or by other expedited delivery  
10 methods (such as hand delivery or via courier services).

**Changes/Additions Following the Comment Period ending June 29, 2025.**

Change made to the Effective Date

Changes/Additions to lines 3, 7-10.

**Ballot #5-2025**  
**Comment Period Ending June 29, 2025**

Support: 13  
Oppose: 3  
Undecided: 5

**ALBERTA**

Opposed

Alberta is concerned that this ballot will result in an unnecessary burden on our administration and will potentially discourage carriers from making decal requests in a timely manner. Alberta does not see the need for temporary decals as our process for requesting decals has been streamlined resulting in minimal delay for carriers to receive decals. This is something that should be decided by each jurisdiction individually and should not be mandated for all.

**Attorney Advisory Committee**

- As it is drafted, R1545.300 is “unreasonable,” but the proposed ballot only seems to offer a solution to certain non-compliance. Shouldn't this ballot also address all non-compliance?
- The ballot proposes to amend R650 of the Agreement to state, “...permit shall be delivered to the carrier electronically, either via an online system or email”. This wording limits the methods to “either” an online system or email, and thereby excludes other forms of electronic transmission. While fax machines are becoming increasingly obsolete, it is possible that certain jurisdictions and licensees continue to transfer documents using this method. Accordingly, it is suggested that the amendment be updated in a way that is less restrictive. For example, “**The IFTA temporary decal permit shall be delivered to the licensee electronically, for example, via an online system or email.**” (Note: suggesting that “licensee” be used rather than “carrier” for consistency with the references to “licensee” elsewhere in R650.)
- It is also noted that the ballot does not indicate whether any consultation was done with jurisdictions who currently do not offer temporary permits to determine the amount of time such jurisdictions may need to develop and implement the proposed requirement. Accordingly, it is unknown whether the proposed effective date of January 1, 2026, is feasible for all jurisdictions.
- Furthermore, it is suspected that various jurisdictions, including both jurisdictions who offer temporary decal permits and those who do not, may oppose such a mandatory administrative requirement on the basis of increased administrative burden. It is understood that issuing temporary decal permits is normally a manual, administratively burdensome, process. While it is acknowledged that an inability to obtain a temporary decal permit may delay a carrier's ability to travel interjurisdictionally, many jurisdictions allow carriers to purchase a single-trip permit that could be used until the IFTA registration has been confirmed and decals have been received.

**BRITISH COLUMBIA**

Support

**ILLINOIS**

Oppose

This proposal is resource-intensive, requiring revised application forms, additional programming, and updated regulations/protocols. A new type of permit in IL would also open another opportunity for forgery of IL credentials. Finally, IL licensees usually receive decals within a week. So, the cost of implementing and administering a temporary decal versus the benefits gained for both licensees and Illinois does not weigh in favor of creating new temporary decal permits.

If approved, please consider making the ballot take effect January 1, 2027, to allow time for implementation. Also, a suggestion for the final sentence would be to revise as follows:

**Ballot #5-2025**  
**Comment Period Ending June 29, 2025**

“The IFTA temporary decal permit shall be delivered to the licensee carrier electronically, either via an online system or email.”

**Industry Advisory Committee**

The IAC strongly supports Ballot #05-2025, as it addresses a critical need to expedite the process for getting new vehicles on the road. Establishing a uniform approach across jurisdictions not only enhances efficiency but also upholds the core purpose of IFTA—promoting the fullest and most efficient possible use of the highway system by motor vehicles operated in multiple member jurisdictions. This change will provide much-needed clarity and support to both industry and jurisdictions.

**IOWA**

Support

Iowa is in favor of this ballot.

**KANSAS**

Support

Kansas currently issues temporary decal permits.

**KENTUCKY**

Oppose

KY has a single trip permit.

**MANITOBA**

Support

**MARYLAND**

Support

Maryland currently issues temporary IFTA decal permits.

**MICHIGAN**

Support

Michigan currently provides temporary decals to our carriers.

**NEVADA**

Support

NV already issues Temporary IFTA.

**NEW BRUNSWICK**

Support

**NEW JERSEY**

Support

**Ballot #5-2025**  
**Comment Period Ending June 29, 2025**

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Undecided

North Carolina generally supports the ballot's intent but has concerns with its language. Therefore, it has noted its position as undecided. If the appropriate changes are made to this ballot, North Carolina would support the ballot.

North Carolina currently faxes temporary decals to licensees. It would like to continue this practice and would be restricted if this ballot passes. Therefore, North Carolina recommends the following change, which incorporates additional clarity to the rule (note North Carolina currently cannot add strikethroughs and underlines so the change will be represented as amended):

".100 Upon request of a licensee in good standing, the base jurisdiction shall issue the licensee a 30-day IFTA temporary decal permit allowing the licensee to operate in all member jurisdictions for 30 days without displaying decals as required by R625.

.200 The base jurisdiction may charge an administrative fee to the licensee to cover the cost of issuing the permit. The permit must: (1) be vehicle specific; (2) show the expiration date; and (3) be delivered to the licensee electronically or by facsimile.

.300 For the permit to be valid, the licensee must carry the permit in the vehicle identified in the permit in either paper or electronic form."

**OKLAHOMA**

Undecided

Oklahoma supports the intent of this ballot, however the implementation as written could be problematic and could result in easily falsified decals. Oklahoma would support North Carolina's alternative language for future implementation. Alternatively, a future ballot could mandate temporary decals include QR codes, linked to an issuing state's IFTA system, to assist field enforcement verify authenticity and deter falsification. Oklahoma has implemented this method and would be happy to discuss its wider adoption.

**ONTARIO**

Oppose

Ontario has a single trip permit process in place that allows for a similar outcome sought by this ballot.

**PENNSYLVANIA**

Undecided

PA is admittedly struggling with this one. Although we understand and appreciate the intent, and PA does issue Temporary Decal Permits, we are concerned with this crossing a line into jurisdictional sovereignty. It might not be as much of a priority in some jurs and it raises challenges on how we would be able to identify the validity of all temporaries presented to law enforcement. Also, passing this into legislation, which would most surely be required for most (if not all) jurs, may be difficult.

Having come from a law enforcement background and currently working in an administrative role, I can say from experience that it can be difficult to validate a temporary permit, especially if each jur has their

**Ballot #5-2025**  
**Comment Period Ending June 29, 2025**

own format, and we also recognize the difficulties that can arise from forcing a piece of legislation that now must be passed into jurisdictional law.

**QUEBEC**

Undecided

Quebec noted the same issue as the one raised by North Carolina, as the current wording of the ballot wouldn't allow the issuance of the temporary decal permits in any other form than electronically.

**SASKATCHEWAN**

Support

The changes noted in the ballot are current practice for SK.

**SOUTH DAKOTA**

Support

**TENNESSEE**

Support

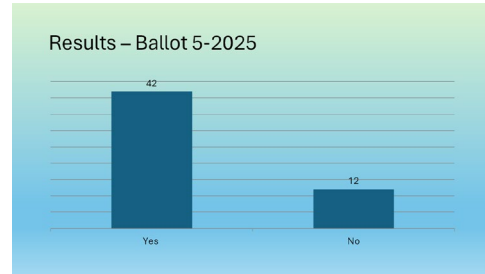
Tennessee currently issues temporary IFTA permits.

**VIRGINIA**

Undecided

## Question Details ( 004-004 ) PASSED

Total Responses: 54

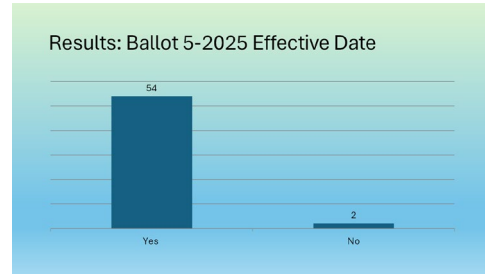
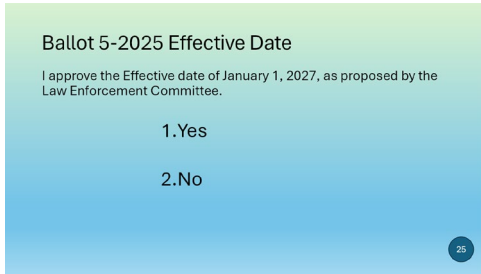


Participant	Response	Weight
Texas Julius	No	1
Utah Hansen	[No Response]	1
Vermont Robillard	[No Response]	1
California Amezcua	Yes	1
Kansas Agnew	Yes	1
Missouri Thurman	Yes	1
Ontario Blackwood	No	1
Oregon Fitzgibbon	No	1
North Carolina Panza	Yes	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	Yes	1
Prince Edward Island Pineau	Yes	1
Virginia Harrison	No	1
Quebec Boucher	No	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	Yes	1
New Hampshire Gray	Yes	1
North Dakota Voegelé	Yes	1
New Jersey Walker	Yes	1
Montana Smith	Yes	1
New Mexico Penser	[No Response]	1
New York Galarneau	No	1
Maryland O'Lare	Yes	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	Yes	1
Colorado Zion	No	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	No	1
Illinois Blessing	No	1
Nebraska Beedle	Yes	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	Yes	1
Nova Scotia Pineau	Yes	1
Alabama Baxley	Yes	1
British Columbia Harrison	No	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	No	1
West Virginia Acree	Yes	1
Arkansas Richard	Yes	1
Arizona Simmons	No	1
Wisconsin Litscher	Yes	1
South Dakota Gerry	Yes	1
Ohio Horvath	Yes	1
Nevada Stanfield	Yes	1
Maine Peters	Yes	1
Delaware Himmler	Yes	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	Yes	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	Yes	1

## Question Details ( 005-004 )

Total Responses: 56



Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	Yes	1
Kansas Agnew	Yes	1
Missouri Thurman	Yes	1
Ontario Blackwood	Yes	1
Oregon Fitzgibbon	Yes	1
North Carolina Panza	Yes	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	Yes	1
Prince Edward Island Pineau	Yes	1
Virginia Harrison	Yes	1
Quebec Boucher	Yes	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	Yes	1
New Hampshire Gray	Yes	1
North Dakota Voegele	Yes	1
New Jersey Walker	Yes	1
Montana Smith	Yes	1
New Mexico Penser	Yes	1
New York Galarneau	No	1
Maryland O'Lare	Yes	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	Yes	1
Colorado Zion	No	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	Yes	1
Illinois Blessing	Yes	1
Nebraska Beedle	Yes	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	Yes	1
Nova Scotia Pineau	Yes	1
Alabama Baxley	Yes	1
British Columbia Harrison	Yes	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	Yes	1
West Virginia Acree	Yes	1
Arkansas Richard	Yes	1
Arizona Simmons	Yes	1
Wisconsin Litscher	Yes	1
South Dakota Gerry	Yes	1
Ohio Horvath	Yes	1
Nevada Stanfield	Yes	1
Maine Peters	Yes	1
Delaware Himmler	Yes	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	Yes	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	Yes	1

**FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



**IFTA BALLOT PROPOSAL  
06-2025**

**Sponsor**

IFTA, Inc, Board of Trustees

**Date Submitted**

May 23, 2025

**Proposed Effective Date**

Upon Passage

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

IFTA Articles of Agreement      Section R1545-ACTIVE MEMBERSHIP STATUS  
Section R1545.300

**Subject**

The definition of retaining an active membership status.

**History/Digest**

Article R1545 defines what a member jurisdiction must do to retain an active membership status. Failure to comply with sections R1545.100, R1545.200, or R1545.300 would result in the removal of voting privileges under Article R1546 as those privileges are granted only to those jurisdictions that hold an active membership status in accordance with Article R1545. Section R1545.300 states the following, *“Comply with all other provisions of the Agreement.”* At any given time, a member jurisdiction could be out of compliance with any provision of the Agreement. The direct language of R1545.300 is clear that *any* issue of non-compliance with the Agreement would result in a loss of an active membership status and voting privileges. Article R1555.200 defines the sections of the Agreement that membership has determined are worthy of a Final Determination Finding of Non-Compliance and therefore to be forwarded to the Dispute Resolution Committee to be heard as a dispute. The sponsor proposes that membership consider making the provision of Section R1545.300 consistent with the language of Article R1555.200.

**Intent**

To clearly define the intent of R1545.300 by amending the language therein to the language in Article R1555.200.

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 **\*R1545 ACTIVE MEMBERSHIP STATUS**

2  
3 To retain active membership status, the jurisdiction must:

4  
5 .100 Collect and transfer fees for other jurisdictions in a timely manner;

6  
7 .200 Pay membership fees in a timely manner; and

8  
9 .300 ~~Comply with all other provisions of the Agreement.~~ Not remain out of compliance with an issue  
10 that has been the subject of a Final Determination Finding of Non Compliance (DFNC) under  
11 R1555.200.

12  
13 Voting privileges provided in Articles of Agreement R1546 are granted only to eligible members  
14 jurisdictions holding active membership status.

15

**No Changes Following the Comment Period ending June 29, 2025.**

**Ballot #6-2025**  
**Comment Period Ending June 29, 2025**

Support: 6  
Oppose: 2  
Undecided: 11

**ALBERTA**  
Undecided

Alberta supports the intent of this ballot but would like clarification on how to verify or substantiate that a jurisdiction is no longer out of compliance with an issue that has been subject to a Final Determination of Non-Compliance under R1555.200.

**Attorney Advisory Committee**

- As it is drafted, R1545.300 is “unreasonable,” but the proposed ballot only seems to offer a solution to certain non-compliance. Shouldn’t this ballot also address all non-compliance?
- The ballot proposes to amend R1545.300 to specify that the jurisdiction must not remain out of compliance with an issue that has been the subject of a Final Determination Finding of Non-Compliance (“FDFNC”) under R1555.200, rather than a jurisdiction having to comply with all provisions.
  - It is noted that R1555.200 imposes a mandatory requirement on the Program Compliance Review Committee (“PCRC”) to forward to the IFTA Dispute Resolution Committee (“DRC”) an FDFNC, to be heard as a dispute, in cases where the FDFNC is related to sections R970, R1210, R1230, R1260, R1270, R1370, R1380, P1040, A250 or A260 (the “Dispute Sections”). Each of the Dispute Sections either directly or indirectly imposes a mandatory requirement on a jurisdiction.
- It is agreed that the breadth of R1545.300 (in its current form) is unreasonable, as generally a jurisdiction should not be at risk of losing membership status on account of non-compliance that may be willingly corrected, particularly where the non-compliance is unintentional or as a result of something out of the jurisdiction’s control. However, the only rationale provided for the proposed amendment to R1545.300 is that R1555.200 defines the sections of the Agreement [and Audit Manual and Procedures Manual] that membership has determined are worthy of an FDFNC to be heard as a dispute by the DRC.
  - It is noted that the Dispute Sections are not the only sections of the Agreement, Audit Manual and Procedures Manual that may be the subject of an FDFNC issued by the PCRC, but rather are merely the only matters coming from the PCRC that may be resolved under the Dispute Resolution Process (“DRP”) (as per R1555.100.015) and which must be forwarded to the DRC to be heard as a dispute (as per R1555.200).
- The ballot does not provide any history or explanation as to why the Dispute Sections were determined by past members as being worthy of an FDFNC to be heard as a dispute, as opposed to other sections under the Agreement, Audit Manual and Procedures Manual that are the subject of an FDFNC and/or other sections that also impose mandatory requirements, some of which are in respect of fairness and others that impact the tax base of other jurisdictions (for example, R1240, which effectively requires jurisdictions to collect tax, or P1110, which requires jurisdictions to submit an annual report).
- At a minimum, it would be useful for the ballot to be updated to provide some contextual history in respect of R1555, as well as to clarify, for example, that the sponsor reviewed all of the mandatory impositions in the Agreement, Audit Manual and Procedures Manual, and is of the

**Ballot #6-2025**  
**Comment Period Ending June 29, 2025**

opinion that the Dispute Sections impose the most significant requirements necessary to ensure the effective administration of the IFTA program, and non-compliance with one of the Dispute Sections would have the most significant negative impact on other member jurisdictions as compared to other requirements. Therefore, they are of the opinion that non-compliance with one of the Dispute Sections (or being out of compliance with an issue that is the subject of an FDFNC under R1555.200) is reasonable grounds for loss of active membership status, including loss of voting privileges.

- The reference to “Non Compliance” within the proposed amendment should be hyphenated for consistency with the references to “Non-Compliance” in R1555.200.
- It is noted that R420.100 (re: License Suspension and Revocation) of the Agreement states, “Failure to comply with all applicable provisions of this Agreement shall be grounds for suspension or revocation of the license issued under this Agreement”. The reference to “all applicable provisions” is, like the wording of R1545.300, overly broad and potentially unreasonable in various circumstances. Accordingly, it is suggested that the wording of R420.100 be reviewed and amendments proposed in a future ballot, if considered appropriate.
- Please also be aware the changes on this ballot where in regular blank ink wherein other ballots show changes in red.

**BRITISH COLUMBIA**

Undecided

**Industry Advisory Committee**

The IAC recommends that any changes to Section R1545 Active Membership Status include an addition of a section—similar in structure to R1550—that outlines how changes in membership status, including the expulsion provisions under R1555.300, will be communicated to jurisdictions and motor carriers. Clear guidance is needed to address the procedural and operational impacts of such changes, particularly regarding the responsibilities and compliance expectations of motor carriers if a jurisdiction is no longer considered an active member. Defining these elements will help ensure consistency, minimize confusion, and support transparency across the Agreement.

**IOWA**

Support

Iowa is in favor of this ballot.

**KANSAS**

Undecided

**KENTUCKY**

Support

**MANITOBA**

Undecided

**MARYLAND**

Oppose

**MICHIGAN**

Support

**Ballot #6-2025**  
**Comment Period Ending June 29, 2025**

**NEVADA**

Undecided

Agree with NC. It seems, as written, that losing active membership is a harsh penalty to impose on all types of infractions.

**NEW BRUNSWICK**

Support

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Undecided

North Carolina is concerned about this ballot. This is an exemplar of understanding the impact of first and second order effects.

North Carolina concedes that the first-order effects the sponsor attempts to address should be fixed: losing active membership status for any failure to comply with the Agreement (R1545.300) is too harsh. However, the sponsor has failed to consider the second-order effects that will result from this ballot. North Carolina strongly believes that the direction for this organization should not be to strike R1545.300, but to provide a series of tiered consequences for jurisdictions who fail to comply with the governing documents outside of R1555.200.

North Carolina is concerned that the sponsor has effectively interpreted R1555.200 as the only section “worthy” of enforcing. North Carolina believes that all requirements placed on jurisdictions are “worthy” of enforcing. In other words, the IFTA governing documents place many duties on jurisdictions outside of R1555.200. These duties serve to protect other jurisdictions and the licensees we regulate. If this ballot moves forward, neither jurisdictions nor licensees will have formal tools to ensure compliance with the governing documents.

For example, let’s apply the second order effects to the ballots currently before membership.

The first ballot modifies the duties of jurisdictions when submitting an annual report. If a jurisdiction fails to include this information, what tools do the other jurisdictions have to correct the report and ensure compliance moving forward?

The second ballot modifies when a jurisdiction must participate in a compliance review. If a jurisdiction fails to participate, what tools do the other jurisdictions have to correct the lack of participation and ensure participation moving forward?

The fifth ballot requires jurisdictions to issue temporary decal permits that must contain certain information and be delivered in a certain way. If a jurisdiction fails to comply with requirements concerning decal permits, what tools do the other jurisdictions have to correct the practices around these decals and ensure compliance moving forward? Also, any complaint raised by a licensee unable to acquire a temporary decal permit will be similarly without a remedy if the licensee files a compliance dispute under R1555.100.010.

The eighth ballot governs the transmission of data by jurisdictions. If a jurisdiction fails to comply with the

**Ballot #6-2025**  
**Comment Period Ending June 29, 2025**

R2120, what tools do the other jurisdictions have to correct the data transmittals and ensure compliance moving forward?

**OKLAHOMA**

Oppose

Oklahoma has concerns that compliance is specific to only one rule and the ballot restricts compliance efforts arbitrarily.

**ONTARIO**

Undecided

Ontario agrees jurisdictions should not lose membership status for every act of non-compliance, but we would like to see this change take place in the context of a ballot that includes how to enforce provisions not addressed under R1555.

**PENNSYLVANIA**

Support

**QUEBEC**

Undecided

While Quebec acknowledge the intent of the ballot, we noted the wording leads to uncertainty regarding the status as an active member and as noted by other jurisdictions, the references to other sections of the agreement might need review.

**SASKATCHEWAN**

Undecided

Clarification is needed on the timing of when the membership and voting rights would be revoked in order to fully support this ballot. Is it at the point of the Final Determination Finding of Non Compliance being written up, or not until the Dispute Resolution Committee reviews the non-compliance issue and makes that decision?

**TENNESSEE**

Undecided

**VIRGINIA**

Undecided

It is Virginia's understanding that this ballot would restrict the circumstances under which a finding of noncompliance by the Dispute Resolution Committee, in a dispute between member jurisdictions, could lead to a loss of a member jurisdiction's active membership status. Specifically, under this ballot such a penalty would only be available in cases where the dispute either was referred to the DRC from the Program Compliance Review Committee after a FDFNC, or where the dispute involved a matter under R1545 .100 or .200.

## Question Details ( 004-005 ) **FAILED**

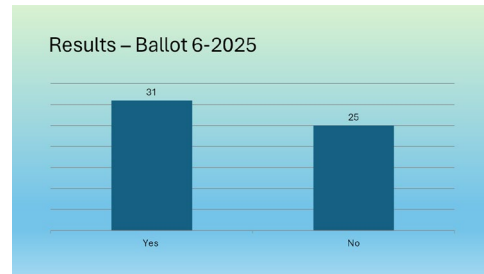
Total Responses: 56

**Ballot 6-2025**

I approve the proposed changes to the IFTA Articles of Agreement Subject, Section R1545.300, as presented by the IFTA Board of Trustees.

1. Yes
2. No

25



Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	No	1
Kansas Agnew	No	1
Missouri Thurman	No	1
Ontario Blackwood	No	1
Oregon Fitzgibbon	No	1
North Carolina Panza	No	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	No	1
Prince Edward Island Pineau	No	1
Virginia Harrison	No	1
Quebec Boucher	No	1
Washington Briscoe	No	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	No	1
New Hampshire Gray	Yes	1
North Dakota Voegelé	No	1
New Jersey Walker	Yes	1
Montana Smith	No	1
New Mexico Penser	Yes	1
New York Galarneau	Yes	1
Maryland O'Lare	No	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	Yes	1
Colorado Zion	Yes	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	Yes	1
Illinois Blessing	No	1
Nebraska Beedle	No	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	Yes	1
Nova Scotia Pineau	No	1
Alabama Baxley	No	1
British Columbia Harrison	Yes	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	Yes	1
West Virginia Acree	No	1
Arkansas Richard	Yes	1
Arizona Simmons	Yes	1
Wisconsin Litscher	No	1
South Dakota Gerry	Yes	1
Ohio Horvath	No	1
Nevada Stanfield	No	1
Maine Peters	Yes	1
Delaware Himmler	No	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	Yes	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	No	1

## Question Details ( 005-005 )

Total Responses: 0

Ballot 6-2025 Effective Date

I approve the Effective date Upon Passage, as proposed by the PCRC.

1.Yes

2.No

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Results: Ballot 6-2025 Effective Date

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Yes No

Participant	Response	Weight
Texas Julius	[No Response]	1
Utah Hansen	[No Response]	1
Vermont Robillard	[No Response]	1
California Amezcua	[No Response]	1
Kansas Agnew	[No Response]	1
Missouri Thurman	[No Response]	1
Ontario Blackwood	[No Response]	1
Oregon Fitzgibbon	[No Response]	1
North Carolina Panza	[No Response]	1
Pennsylvania Wisyanski	[No Response]	1
Rhode Island Iafrate	[No Response]	1
Prince Edward Island Pineau	[No Response]	1
Virginia Harrison	[No Response]	1
Quebec Boucher	[No Response]	1
Washington Briscoe	[No Response]	1
Newfoundland & Labrador Lockyer	[No Response]	1
Saskatchewan Worobec	[No Response]	1
New Hampshire Gray	[No Response]	1
North Dakota Voegele	[No Response]	1
New Jersey Walker	[No Response]	1
Montana Smith	[No Response]	1
New Mexico Penser	[No Response]	1
New York Galarneau	[No Response]	1
Maryland O'Lare	[No Response]	1

Kentucky McDaniel	[No Response]	1
Massachusetts Adamek	[No Response]	1
Colorado Zion	[No Response]	1
Michigan Guzman	[No Response]	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	[No Response]	1
Connecticut Romeo	[No Response]	1
Georgia Prince	[No Response]	1
Idaho Alvarez	[No Response]	1
Illinois Blessing	[No Response]	1
Nebraska Beedle	[No Response]	1
Louisiana Gibson	[No Response]	1
Indiana Boone	[No Response]	1
Iowa Jansen	[No Response]	1
Nova Scotia Pineau	[No Response]	1
Alabama Baxley	[No Response]	1
British Columbia Harrison	[No Response]	1
South Carolina Carlson	[No Response]	1
Alberta Ackroyd	[No Response]	1
West Virginia Acree	[No Response]	1
Arkansas Richard	[No Response]	1
Arizona Simmons	[No Response]	1
Wisconsin Litscher	[No Response]	1
South Dakota Gerry	[No Response]	1
Ohio Horvath	[No Response]	1
Nevada Stanfield	[No Response]	1
Maine Peters	[No Response]	1
Delaware Himmler	[No Response]	1
Florida Cunningham	[No Response]	1
Manitoba Hanlan	[No Response]	1
New Brunswick Leahy	[No Response]	1
Oklahoma Willingham	[No Response]	1
Wyoming Lopez	[No Response]	1
Tennessee Lanfair	[No Response]	1



**Interlining Indicates Deletion; Underlining Indicates Addition**

1     **\*P1060 ALLOCATION OF TAX**

2  
3     Should a licensee file a tax return showing taxes due and fail to remit payment in full with the tax return,  
4     the base jurisdiction may choose one of two options in remitting the appropriate tax to other member  
5     jurisdictions:

6  
7             **.100    Option 1**

8  
9             The base jurisdiction may allocate the actual tax payment to the other members based  
10            on the following formula:

11     Allocation to Members =  
12     (~~Net Tax~~ Amount Due Each Member/~~Net Tax~~ Amount Due All Members) x Money Available to Allocate  
13  
14

**No Changes Following the Comment Period ending June 29, 2025.**

**Ballot #7-2025**  
**Comment Period Ending June 29, 2025**

Support: 16  
Oppose: 1  
Undecided: 0

**Attorney Advisory Committee**

- The ballot proposes to amend the formula in P1060.100 of the Procedures Manual to replace certain references to “tax” with “amount” in order to be more inclusive of the amounts to be allocated to member jurisdictions. The ballot references accrued interest on a late return [more accurately, on a late payment] as another amount (other than tax) that may be allocable. The rationale for the proposed amendment is, effectively, consistency with R1380 of the Agreement, which provides a similar, but more broadly worded, formula in respect of the allocation of fuel tax adjustments resulting from audit findings.
- P1060 provides a procedure for the allocation of “tax”. This procedure is consistent with the mandatory imposition in R910, which requires the base jurisdiction to pay all “taxes” due to all member jurisdictions. R920 also refers to the “payment of taxes” due to the base jurisdiction for all members. The Agreement does not define “tax” to include other amounts, such as interest. While licensees are required to pay tax pursuant to R910, the Agreement does not directly require a licensee to pay interest. That is, in accordance with R1230, a base jurisdiction is mandatorily required to assess interest on taxes due that are considered delinquent (in accordance with R970). R1210.300, which is in respect of assessments, requires a base jurisdiction to, “after adding the appropriate penalties and interest”, serve the assessment upon the respective licensee. However, R1210 does not clarify that the amounts assessed, including interest, become liabilities due from the licensee. It is acknowledged that the motor fuel tax legislation in certain jurisdictions may more clearly state that interest is payable on any amounts owing or assessed, and/or may state that evidence that an assessment of tax, penalties or interest has been made is proof that the amount is owing from the person on whom the assessment was issued. However, it is not known whether the legislation of all member jurisdictions includes such clarity.
- In any event, it is suggested that the proposed amendment to P1060 does not provide sufficient clarity that the “amount” to be allocated includes anything other than tax. Accordingly, it is suggested that the proposed amendment be updated as follows (acknowledging that penalties are not allocable, but rather are retained by the base jurisdiction pursuant to R1220.200):

\*P1060 ALLOCATION OF TAX AND ASSESSED INTEREST

Should a licensee file a tax return showing taxes due and fail to remit payment in full with the tax return, the base jurisdiction may choose one of two options in remitting the appropriate tax , and any interest assessed in relation to the tax, to other member jurisdictions:

.100 Option 1

The base jurisdiction may allocate the actual tax payment, and actual payment of any interest assessed in relation to the tax payment, to the other members based on the following formula:

Allocation to Members = (Net Tax ~~Amount~~ Due Each Member/Net Tax ~~Amount~~ Due All Members) x ~~Money~~ Payments Available to Allocate

**Ballot #7-2025**  
**Comment Period Ending June 29, 2025**

- It is also suggested that P1060.200 be amended for consistency with how P1060.100 is amended, for example, by referring to “any interest assessed in relation to the reported tax”. Furthermore, it is noted that the opening paragraph of P1060 refers to a failure to “remit payment in full”, which encompasses the situation where only partial payment is made (Option 1) as well as the situation where no payment is made at all (Option 2). However, the opening paragraph of P1060.200 (in respect of Option 2) similarly refers to a failure to remit “full payment”, which (like the wording in the opening paragraph of P1060) could reasonably be interpreted to mean that the licensee did not remit the entire amount due, but did remit part thereof. However, Option 2 is based on the premise that no amount was paid at all. Therefore, for clarity (and consistency with the opening paragraph of P1060), it is also suggested that P1060.200 be amended to replace “full” with “any” in respect of the lack of payment.
- That is, it is suggested that P1060.200 be updated as follows:

.200 Option 2

When a licensee files a tax return and fails to remit full any payment with the tax return, full payment of the reported tax and any interest assessed in relation to the reported tax, if ~~any, will~~ may be made by the base jurisdiction to the member jurisdictions involved. The base jurisdiction will assume the liabilities for the payments made to the other jurisdictions. The base jurisdiction will then be responsible for collection of the unpaid tax and any interest due from the licensee and will follow the methods of collection governed by the laws of the base jurisdiction and administrative procedures of the Agreement.

- It is also noted that the opening sentence of R1380, Communication of Audit Findings, refers to fuel “tax” adjustments, which arguably frames the context of such adjustments, as well as frames the context of subsequent references in R1380 to “funds”, “audit funds”, “additional money owed”, “amount due”, and “audit liability”. While such subsequent terms are broad, for the same reasons noted above in respect of P1060, it is not clear that a licensee is required under the Agreement to pay anything other than tax. Accordingly, it is suggested that the wording of R1380 be reviewed and amendments proposed in a future ballot, if considered appropriate. As part of that review, it is also suggested that the terminology used in R1380 to refer to the allocable amount be made consistent, perhaps by including a defined term that clearly specifies what allocable audit adjustments include.

**IOWA**

Oppose

Iowa is not in favor of this ballot as written. We believe the language change should be in the Articles of Agreement to change wording from “amount” to tax, and not P1060 Allocation of Tax, which is proposing to change from “tax” to “amount”.

**KANSAS**

Support

**KENTUCKY**

Support

**MANITOBA**

Support

**Ballot #7-2025**  
**Comment Period Ending June 29, 2025**

**MARYLAND**

Support

**MICHIGAN**

Support

**NEVADA**

Support

Language being changed is to include interest paid to the Juris and due to the member jurisdictions.

**NEW BRUNSWICK**

Support

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Support

North Carolina has no comments for this ballot and supports it as currently written.

**OKLAHOMA**

Support

**ONTARIO**

Support

**PENNSYLVANIA**

Support

**QUEBEC**

Support

**SASKATCHEWAN**

Support

The proposed change appears to be in alignment with the intention of Option 1 for the distribution of funds.

**SOUTH DAKOTA**

Support

## Question Details ( 004-006 ) PASSED

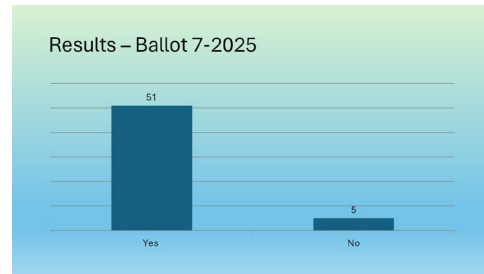
Total Responses: 56

Ballot 7-2025

I approve the proposed changes to the IFTA Procedures Manual Subject Section P1060.100 Option 1, as presented by the IFTA Board of Trustees.

1. Yes
2. No

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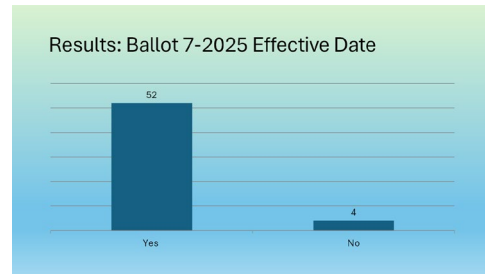
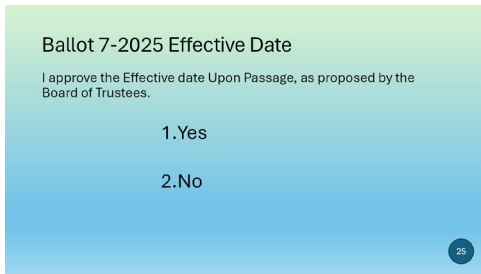


Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	Yes	1
Kansas Agnew	Yes	1
Missouri Thurman	Yes	1
Ontario Blackwood	No	1
Oregon Fitzgibbon	Yes	1
North Carolina Panza	Yes	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	Yes	1
Prince Edward Island Pineau	Yes	1
Virginia Harrison	Yes	1
Quebec Boucher	Yes	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	Yes	1
New Hampshire Gray	Yes	1
North Dakota Voegelé	Yes	1
New Jersey Walker	Yes	1
Montana Smith	Yes	1
New Mexico Penser	Yes	1
New York Galarneau	Yes	1
Maryland O'Lare	Yes	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	No	1
Colorado Zion	Yes	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	Yes	1
Illinois Blessing	No	1
Nebraska Beedle	No	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	No	1
Nova Scotia Pineau	Yes	1
Alabama Baxley	Yes	1
British Columbia Harrison	Yes	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	Yes	1
West Virginia Acree	Yes	1
Arkansas Richard	Yes	1
Arizona Simmons	Yes	1
Wisconsin Litscher	Yes	1
South Dakota Gerry	Yes	1
Ohio Horvath	Yes	1
Nevada Stanfield	Yes	1
Maine Peters	Yes	1
Delaware Himmler	Yes	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	Yes	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	Yes	1

## Question Details ( 005-006 )

Total Responses: 56



Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	Yes	1
Kansas Agnew	Yes	1
Missouri Thurman	Yes	1
Ontario Blackwood	No	1
Oregon Fitzgibbon	Yes	1
North Carolina Panza	Yes	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	Yes	1
Prince Edward Island Pineau	Yes	1
Virginia Harrison	Yes	1
Quebec Boucher	Yes	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	Yes	1
New Hampshire Gray	Yes	1
North Dakota Voegelé	Yes	1
New Jersey Walker	Yes	1
Montana Smith	Yes	1
New Mexico Penser	Yes	1
New York Galarneau	Yes	1
Maryland O'Lare	Yes	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	No	1
Colorado Zion	Yes	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	Yes	1
Illinois Blessing	No	1
Nebraska Beedle	Yes	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	No	1
Nova Scotia Pineau	Yes	1
Alabama Baxley	Yes	1
British Columbia Harrison	Yes	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	Yes	1
West Virginia Acree	Yes	1
Arkansas Richard	Yes	1
Arizona Simmons	Yes	1
Wisconsin Litscher	Yes	1
South Dakota Gerry	Yes	1
Ohio Horvath	Yes	1
Nevada Stanfield	Yes	1
Maine Peters	Yes	1
Delaware Himmler	Yes	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	Yes	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	Yes	1

**FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



**IFTA BALLOT PROPOSAL  
#08-2025**

**Sponsor**

IFTA Clearinghouse Advisory Committee

**Date Submitted**

May 21, 2025

**Proposed Effective Date:**

Upon passage of the Ballot

**Manual Sections to be Amended**

IFTA Articles of Agreement  
IFTA Procedures Manual

Section R2120.200  
Section P1040

**Subject**

IFTA, Inc. Clearinghouse Data Quality Plan Sections

**History/Digest**

In Ballot 6-2022 which was passed, subsections within P1040 were included. However, prior to the ABM in 2022, the subsection was included a new section, P1045 instead. The issue arises because some of the references in R2120 included in Ballot 6-2022 still referenced to P1040 as the section containing the data integrity rules, which is incorrect. This ballot aims to rectify this by changing the references from P1040 to P1045.

**Intent**

To ensure that this ballot amendment changes the references from P1040 to P1045.

**Interlining Indicates Deletion; Underlining Indicates Addition**

**IFTA Articles of Agreement:**

**\*R2120 REQUIRED EXCHANGE OF LICENSEE DEMOGRAPHIC AND TRANSMITTAL DATA AND INTERJURISDICTIONAL AUDIT REPORTS**

**.100 Licensee Demographic Data**

When the exchange of licensee demographic data is required of the participating members by the IFTA Articles of Agreement and the IFTA Procedures Manual, such requirements shall be deemed satisfied by the successful and timely transmission of the full demographic data as defined in R2110.200 to the clearinghouse each business day.

IFTA, Inc. shall be responsible for providing the data from the participating members to all other member jurisdictions.

Participating members are required to upload a minimum of 5 years' worth of demographic file data of all accounts in the daily upload regardless of the status of the account.

**.200 Transmittal Data**

When the exchange of a transmittal data listing is required among the participating members by the IFTA Articles of Agreement and the IFTA Procedures Manual, such requirements shall be deemed satisfied by the successful and timely transmission of the data to the clearinghouse.

The participating members shall be required to provide a transmittal data listing to all other member jurisdictions as required by the IFTA Procedures Manual Section P1040.

**.100** All jurisdictions are required to perform data quality/validation checks on the transmittal data that is sent to the IFTA Clearinghouse as outlined in the IFTA Procedures Manual Section ~~P1040-P1045~~.

**.200** Where the monthly transmittal data from a jurisdiction contains data that produces data validation errors under P1040.800.001 through .005, the IFTA Clearinghouse can reject the entire transmittal file from that jurisdiction until the data validation errors are corrected.

**.300** Jurisdictions will have multiple opportunities to correct and re-transmit their data prior to the transmittal due date outlined in the IFTA Funds Netting Calendar.

**.400** Where the monthly transmittal data of a jurisdiction creates data validation warnings under ~~P1040.800.006 through .008~~ P1045 of the Procedures Manual, the transmittal file will be accepted by the IFTA Clearinghouse. However, jurisdictions may be required to identify the steps taken to verify the accuracy of the data producing the data validation warnings during their Program Compliance Review.

**500.** Where a jurisdiction has conducted a review of data that has produced a data validation error and is satisfied that the data is true and accurate, the jurisdiction may request that the Clearinghouse accept their transmittal file despite the data validation error(s). The IFTA Clearinghouse will review the situation and determine the acceptability of the transmittal file.

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**.300 Interjurisdictional Audit Reports**

When the exchange of Interjurisdictional Audit Reports is required among the participating members by the IFTA Audit Manual, such requirements shall be deemed satisfied by the successful and timely upload of the reports to the clearinghouse for those jurisdictions that participate in the clearinghouse.

The participating members shall be required to provide Interjurisdictional Audit Reports to all other member jurisdictions as required by the IFTA Audit Manual Section A460.

**Comments Following the Comment Period ending June 29, 2025.**

No changes or additions have been made to this ballot.

**Ballot #8-2025**  
**Comment Period Ending June 29, 2025**

Support: 18  
Oppose: 0  
Undecided: 0

**Attorney Advisory Committee**

- The ballot proposes to update certain section references in R2120 of the Agreement for consistency with past changes to the Procedures Manual.
- The reference in R2120.200.200 to “P1040.800.001 through .005” also needs to be revised to state, “P1045.100 through .500”. These are the new section references in respect of errors for which the entire transmittal can be rejected until they are corrected.
- The proposed amendment to R2120.200.400, to replace P1040.800.006 through .008” with “P1045” is not specific enough. That is, only sections P1045.600 and .700 are in respect of data validation warnings that will be accepted by the clearinghouse with the possibility of further steps (P1045.100 through .500 are in respect of errors that can be rejected until corrected). Accordingly, the proposed amendment to R2120.200.400 should be revised to strike out “P1040.800.006 through .008” and substitute “**P1045.600 and .700**”.
- It is noted that references to the clearinghouse are inconsistent throughout R2120. For example, R2120.100 refers to “clearinghouse”; R2120.200.100 through R2120.200.400 all refer to “IFTA Clearinghouse”; and R2120.200.500 refers to “Clearinghouse” in one sentence and “IFTA Clearinghouse” in the next. However, the term is defined in R2110 and “hereafter” as “clearinghouse” (with a lower case “c”). It is suggested that, for consistency, all references within R2120 be updated to “clearinghouse”.
- It is also noted that there are various inconsistencies between the wording of R2120 of the Agreement and P1045 of the Procedures Manual. It is understood that the Agreement Procedures Committee has agreed to form a subcommittee to review the inconsistencies and may propose a future ballot in respect of P1045, if considered appropriate. For example (assuming that the wording of the Agreement generally takes precedence):
  - R2120.200 states, “Where the monthly transmittal data from a jurisdiction contains data that produces data validation errors under [P1045.100 through .500], the clearinghouse can reject the entire transmittal file” until the validation errors are corrected. However, P1045.100 through .500 each set out a requirement and states that the entire transmittal file “will be rejected” by the clearinghouse if the requirement is not met. Accordingly, the authority to reject a transmittal is discretionary in the Agreement, but mandatory in the Procedures Manual.
  - R2120.200.500 permits a jurisdiction to request that the clearinghouse accept a transmittal file notwithstanding a data validation error. Therefore, the authority of the clearinghouse to reject a transmittal must necessarily be discretionary. The mandatory rejection set out in P1045.100 through .500 is inconsistent with the process anticipated by the Agreement.
  - R2120.400 refers to “data validation warnings” under [P1045.600 and .700]. However, those sections of the Procedures Manual state that “...the jurisdiction will receive an advisory email from the IFTA Clearinghouse alerting the jurisdiction” to the particular data error, and do not refer to any particular “warning”.

**Ballot #8-2025**  
**Comment Period Ending June 29, 2025**

**BRITISH COLUMBIA**

Support

**IOWA**

Support

**KANSAS**

Support

**KENTUCKY**

Support

**MANITOBA**

Support

**MARYLAND**

Support

**MICHIGAN**

Support

**NEVADA**

Support

Changes references from P1040 to P1045

**NEW BRUNSWICK**

Support

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Support

North Carolina generally supports the ballot.

North Carolina notes the following:

1. R2120.200.200 needs updated references.
2. The third level numbering schema with .005 (not .100). Therefore, everything under .200 should be updated with that numbering structure.

**OKLAHOMA**

Support

**ONTARIO**

Support

**Ballot #8-2025**  
**Comment Period Ending June 29, 2025**

**PENNSYLVANIA**

Support

**QUEBEC**

Support

Quebec supports the ballot while noting that the cross references to other sections such as R2120.200.200 needs a review (refers to P1040.800). Numbering in the section should also follow the sequence as .005, .010, .015 etc.

**SASKATCHEWAN**

Support

**SOUTH DAKOTA**

Support

## Question Details ( 004-007 ) PASSED

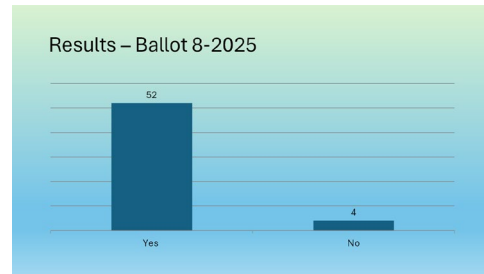
Total Responses: 56

**Ballot 8-2025**

I approve the proposed changes to the IFTA Articles of Agreement, Section R2120.200, and the IFTA Procedures Manual Section P1040, as presented by the Clearinghouse Advisory Committee.

1. Yes
2. No

25



Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	Yes	1
Kansas Agnew	Yes	1
Missouri Thurman	Yes	1
Ontario Blackwood	No	1
Oregon Fitzgibbon	Yes	1
North Carolina Panza	Yes	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	Yes	1
Prince Edward Island Pineau	Yes	1
Virginia Harrison	Yes	1
Quebec Boucher	No	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	Yes	1
New Hampshire Gray	Yes	1
North Dakota Voegelé	Yes	1
New Jersey Walker	Yes	1
Montana Smith	Yes	1
New Mexico Penser	Yes	1
New York Galarneau	Yes	1
Maryland O'Lare	Yes	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	No	1
Colorado Zion	Yes	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	Yes	1
Illinois Blessing	No	1
Nebraska Beedle	Yes	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	Yes	1
Nova Scotia Pineau	Yes	1
Alabama Baxley	Yes	1
British Columbia Harrison	Yes	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	Yes	1
West Virginia Acree	Yes	1
Arkansas Richard	Yes	1
Arizona Simmons	Yes	1
Wisconsin Litscher	Yes	1
South Dakota Gerry	Yes	1
Ohio Horvath	Yes	1
Nevada Stanfield	Yes	1
Maine Peters	Yes	1
Delaware Himmler	Yes	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	Yes	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	Yes	1

## Question Details ( 005-007 )

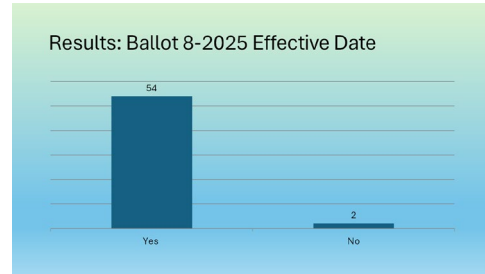
Total Responses: 56

**Ballot 8-2025 Effective Date**

I approve the Effective date Upon Passage, as proposed by the Clearinghouse Advisory Committee.

1. Yes
2. No

25



Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	Yes	1
Kansas Agnew	Yes	1
Missouri Thurman	Yes	1
Ontario Blackwood	Yes	1
Oregon Fitzgibbon	Yes	1
North Carolina Panza	Yes	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	Yes	1
Prince Edward Island Pineau	Yes	1
Virginia Harrison	Yes	1
Quebec Boucher	No	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	Yes	1
New Hampshire Gray	Yes	1
North Dakota Voegelé	Yes	1
New Jersey Walker	Yes	1
Montana Smith	Yes	1
New Mexico Penser	Yes	1
New York Galarneau	Yes	1
Maryland O'Lare	Yes	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	No	1
Colorado Zion	Yes	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	Yes	1
Illinois Blessing	Yes	1
Nebraska Beedle	Yes	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	Yes	1
Nova Scotia Pineau	Yes	1
Alabama Baxley	Yes	1
British Columbia Harrison	Yes	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	Yes	1
West Virginia Acree	Yes	1
Arkansas Richard	Yes	1
Arizona Simmons	Yes	1
Wisconsin Litscher	Yes	1
South Dakota Gerry	Yes	1
Ohio Horvath	Yes	1
Nevada Stanfield	Yes	1
Maine Peters	Yes	1
Delaware Himmler	Yes	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	Yes	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	Yes	1

**FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



**IFTA BALLOT PROPOSAL  
#09-2025**

**Sponsors**

IFTA, Inc. Program Compliance Review Committee and Audit Committee

**Date Submitted**

May 22, 2025

**Proposed Effective Date**

January 1, 2026

**Manual Sections to be Amended**

Audit Manual

Sections A310.300, A460.100.060

**Subject**

Update the audit manual as it relates to trends and variances, adding “**unusual** trends or variances” to the audit procedures and audit report.

**History/Digest**

Section A310.300 of the audit manual currently states:

“The auditor must analyze the licensee’s tax returns subject to audit, note trends or variances, and document findings in the audit file.”

This ballot proposes updating the language to:

“The auditor must analyze the licensee’s tax returns subject to audit, note **unusual** trends or variances, and document findings in the audit file.”

Section A460.100.060 currently reads:

“The audit report must contain: [...] .060 Note trends or variances.”

This would be updated to:

“The audit report must contain: [...] .060 Note **unusual** trends or variances.”

### **Intent**

This revision seeks to improve the clarity and consistency of audit expectations by specifying that auditors should identify and document *unusual* trends or variances—rather than all trends or variances. This change encourages a more analytical and risk-based approach, focusing auditor attention on anomalies that may indicate noncompliance.

*Unusual* trends or variances may include unexpected fluctuations in distance traveled, fuel purchases, or jurisdictional allocations. By emphasizing these atypical patterns, the revised requirement aligns more closely with standard analytical review procedures and helps auditors better distinguish between normal operational variations and potential red flags. Incorporating this language helps reduce subjectivity, supports more consistent audit outcomes across licensees, and reinforces fair enforcement of IFTA requirements.

This proposed change is also consistent with IRP Section 501(d), which states:

“The auditor must apply analytical procedures to the Registrant’s application subject to Audit. As a part of the analytical procedures, the auditor should summarize application information, note *unusual* trends or variances, and draw conclusions. The analytical procedures must be documented in the Audit file.”

[The IFTA Audit Committee and IFTA Program Compliance Review Committee have agreed to work together, upon passage of this ballot, to provide guidance on “unusual” trends or variances.](#)

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 **AUDIT MANUAL**

2 **A310 PRELIMINARY AUDIT PROCEDURES**

3

4 *[Sections .100 and .200 Remain Unchanged]*

5

6 A310.300 The auditor must analyze the licensee's tax returns subject to audit, note **unusual**  
7 trends or variances, and document findings in the audit file.

8

9 **A460 AUDIT REPORT**

10

11 *[Sections .200 - .700 Remain Unchanged]*

12

13 A460.100.060 Note **unusual** trends or variances.

14

15

16

**Comments Following the Comment Period ending June 29, 2025.**

Additional information added to the Intent Section.

**Ballot #9-2025**  
**Comment Period Ending June 29, 2025**

Support: 12  
Oppose: 1  
Undecided: 5

**ALBERTA**  
Undecided

Alberta supports the intent of this ballot but has concerns about determining what is “unusual”.

**Attorney Advisory Committee**

- Edits are not in red, like other ballot proposals.
- The ballot proposes to clarify that, when preparing an audit file, only “unusual” trends or variances must be noted.
- With respect to the proposed amendment to A460.100.060, it is suggested that the verb “Note” is not required, as A460.100 contains a list of general information to be included in the audit report, as opposed to actions. Therefore, it is recommended that the proposed amendment to A460.100.060 be updated to state, “**Unusual trends or variances**” or, alternatively, “**Unusual trends or variances noted in the audit file**”, as opposed to inserting an action item at the end of a list.

**BRITISH COLUMBIA**  
Oppose

British Columbia is not convinced this change is necessary. The current language does not restrict auditors from noting unusual trends. Limiting the focus to only “unusual” trends implies an assumption of non-compliance. There may be trends that are not unusual—such as seasonal variations in distance travelled—that are still worth noting and may, in fact, support a finding of compliance.

**INDIANA**  
Support

Indiana supports the ballot. The additional language improves clarity regarding the circumstances under which the auditor has a duty to document trends or variances in the audit file and audit report.

**Industry Advisory Committee**

The IAC supports Ballot #09-2025 and appreciates the continued efforts to improve clarity and consistency within the IFTA framework.

**IOWA**  
Support

Iowa is in favor but recommends the definition of unusual trends or variances be added to A310.300.

**KANSAS**  
Support

**Ballot #9-2025**  
**Comment Period Ending June 29, 2025**

**KENTUCKY**

Support

**MANITOBA**

Support

**MARYLAND**

Undecided

Maryland agrees auditors should only address and concentrate on unusual trends and variances instead of normal activities that are in compliance. However, without some sort of list or something similar of what defines "unusual trends and variances" we think we would still run into issues and would still be subject to the preference of the reviewer. Maryland theoretically agrees with the premise of this ballot, but we believe it needs to be more detailed as written in order to have a positive impact.

**NEVADA**

Undecided

What actually constitutes an "unusual" trend? Is this phrase "unusual trends and variances" referring to unusual trends only, or is it for both? Maybe should be worded "unusual trends and/or variances" or "unusual trends or unusual variances". These "unusual" items should be defined. What one juris finds unusual, another juris may not. When audited, the reviewers may also disagree on what is "unusual". Need to define unusual trend and variances.

**NEW BRUNSWICK**

Support

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Support

North Carolina has no comments for this ballot and supports it as currently written.

**OKLAHOMA**

Support

Noting *unusual* trends, with sufficient detail to be articulated to other jurisdictions, if needed, could be very useful in identifying inter-jurisdictional compliance issues by motor carriers. This ballot ensures that auditors focus on trends that are relevant for audit purposes only, rather than all notable trends.

**ONTARIO**

Support

**PENNSYLVANIA**

Undecided

**Ballot #9-2025**  
**Comment Period Ending June 29, 2025**

**QUEBEC**

Undecided

Quebec supports the intend of the ballot while noticing the need for a definition of unusual trends and variances, as stated by Maryland.

**SASKATCHEWAN**

Support

**SOUTH DAKOTA**

Support

## Question Details ( 004-008 ) PASSED

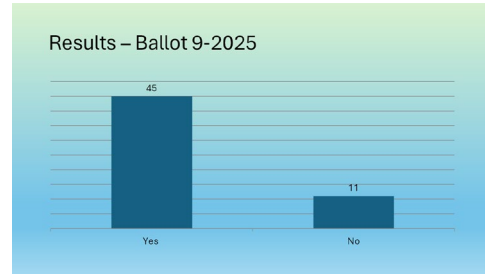
Total Responses: 56

Ballot 9-2025

I approve the proposed changes to the IFTA Audit Manual, Sections A310.300 and A460.100.060, as presented by the PCR and Audit Committees.

1. Yes
2. No

25

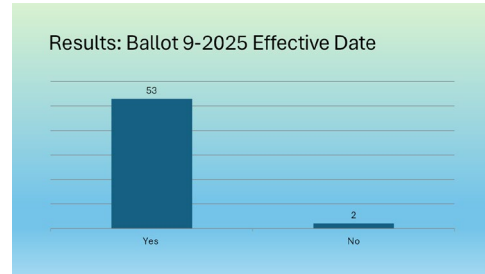
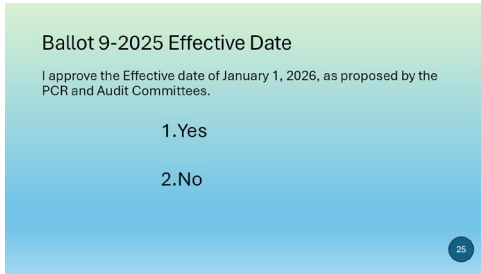


Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	Yes	1
Kansas Agnew	Yes	1
Missouri Thurman	No	1
Ontario Blackwood	Yes	1
Oregon Fitzgibbon	Yes	1
North Carolina Panza	Yes	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	Yes	1
Prince Edward Island Pineau	No	1
Virginia Harrison	Yes	1
Quebec Boucher	No	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	Yes	1
New Hampshire Gray	Yes	1
North Dakota Voegelé	Yes	1
New Jersey Walker	Yes	1
Montana Smith	Yes	1
New Mexico Penser	Yes	1
New York Galarneau	No	1
Maryland O'Lare	No	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	No	1
Colorado Zion	Yes	1
Michigan Guzman	No	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	Yes	1
Illinois Blessing	No	1
Nebraska Beedle	No	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	Yes	1
Nova Scotia Pineau	No	1
Alabama Baxley	Yes	1
British Columbia Harrison	No	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	Yes	1
West Virginia Acree	Yes	1
Arkansas Richard	Yes	1
Arizona Simmons	Yes	1
Wisconsin Litscher	Yes	1
South Dakota Gerry	Yes	1
Ohio Horvath	Yes	1
Nevada Stanfield	Yes	1
Maine Peters	Yes	1
Delaware Himmler	Yes	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	Yes	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	Yes	1

## Question Details ( 005-008 )

Total Responses: 55



Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	Yes	1
Kansas Agnew	Yes	1
Missouri Thurman	No	1
Ontario Blackwood	Yes	1
Oregon Fitzgibbon	Yes	1
North Carolina Panza	Yes	1
Pennsylvania Wisyanski	Yes	1
Rhode Island Iafrate	Yes	1
Prince Edward Island Pineau	Yes	1
Virginia Harrison	Yes	1
Quebec Boucher	Yes	1
Washington Briscoe	Yes	1
Newfoundland & Labrador Lockyer	Yes	1
Saskatchewan Worobec	Yes	1
New Hampshire Gray	Yes	1
North Dakota Voegelé	Yes	1
New Jersey Walker	Yes	1
Montana Smith	Yes	1
New Mexico Penser	Yes	1
New York Galarneau	No	1
Maryland O'Lare	[No Response]	1

Kentucky McDaniel	Yes	1
Massachusetts Adamek	Yes	1
Colorado Zion	Yes	1
Michigan Guzman	Yes	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	Yes	1
Idaho Alvarez	Yes	1
Illinois Blessing	Yes	1
Nebraska Beedle	Yes	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	Yes	1
Nova Scotia Pineau	Yes	1
Alabama Baxley	Yes	1
British Columbia Harrison	Yes	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	Yes	1
West Virginia Acree	Yes	1
Arkansas Richard	Yes	1
Arizona Simmons	Yes	1
Wisconsin Litscher	Yes	1
South Dakota Gerry	Yes	1
Ohio Horvath	Yes	1
Nevada Stanfield	Yes	1
Maine Peters	Yes	1
Delaware Himmler	Yes	1
Florida Cunningham	Yes	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	Yes	1
Oklahoma Willingham	Yes	1
Wyoming Lopez	Yes	1
Tennessee Lanfair	Yes	1

**FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



**IFTA BALLOT PROPOSAL  
#10-2025**

**Sponsor**

Jurisdiction of Mississippi

**Date Submitted**

May 21, 2025

**Proposed Effective Date**

January 1, 2026

**Manual Sections to be Amended** (2024 Version)

IFTA Audit Manual (Effective September 2024) Section A250  
IFTA Procedures Manual (Effective January 2024) Section P1110.400.005

**Subject**

Determining the required number of audits to complete.

**History/Digest**

The current audit requirements discourage jurisdictions from choosing accounts with a larger number of units. This change could help a jurisdiction meet the audit requirements while also choosing accounts to audit that better reflect the overall population of accounts.

**Intent**

Allow jurisdictions more freedom in selecting audits and reducing bias in the audit selection process, while still meeting the audit requirements.

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 **A250 NUMBER OF AUDITS**

2  
3 Base jurisdictions will be held accountable for audits and will be required to complete audits of an  
4 average of either 3 percent per year of the number of IFTA accounts or 1 percent of the units represented  
5 by the number of decals issued required to be reported by that jurisdiction on the annual reports filed  
6 pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees, for each year  
7 of the program compliance review period, other than the jurisdiction's IFTA implementation year. Such  
8 audits shall cover all of the returns that were filed or required to be filed during a license year or shall  
9 cover at least four (4) consecutive quarters. This does not preclude audits of individual licensees several  
10 times during the program compliance review period. However, audits of a single licensee that cover  
11 multiple license years, fuel types, or both shall be counted as one audit for program compliance review  
12 purposes.

13  
14  
15 **P1110 ANNUAL REPORTING**

16  
17 **.300 General Information**

18  
19 .015 Total number of sets of decals issued, and number of sets of decals issued to new  
20 licensees;

21  
22 **.400 Audit Information**

23  
24 .005 Number of accounts audited and the total number of decals/units in all audits;

25  
26 .010 Number of accounts audited resulting in financial changes to one or more jurisdictions;

27  
28 .015 A jurisdiction that has a Records Review program established conforming to section A510  
29 shall report the total number of record reviews completed for the year on the annual report.  
30  
31  
32

**Ballot #10-2025**  
**Comment Period Ending June 29, 2025**

Support: 1  
Oppose: 17  
Undecided: 3

**ALBERTA**  
Opposed

Alberta supports the intent of this ballot to provide more choice and reduce potential bias in audit selection but has concerns with basing this on sets of decals issued. Alberta would support looking at alternatives to measuring audits to allow more choice and reduce bias as part of the overall analysis of what is the appropriate number of audits required to ensure sufficient compliance.

**Attorney Advisory Committee**

- Edits are not in red, like other ballot proposals.
- The ballot proposes to permit the number of required audits to be based on a lower percentage of decals issued, as an alternative to being based on a higher percentage of the number of IFTA accounts.
- The proposed amendment to A250 of the Audit Manual states, "...either 3 percent per year of the number of IFTA accounts or 1 percent of the units represented by the number of decals issued required to be reported by that jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees..." It is suggested that this proposal and the proposed amendments in respect of P1110 of the Audit Manual are problematic for several reasons. Examples as follows:
  - The reference to "units" in the proposed amendment to A250 is ambiguous. For example, the Agreement (including Board Interpretation) refers to "fuel storage unit", "power unit", "supply storage unit", and "trailing unit". If the reference to "units represented by the number of decals issued" in the proposed amendment is intended to refer to a qualified motor vehicle, then such clarity should be provided.
  - The wording of A250 implies that the number of IFTA accounts required to be reported is pursuant to P1110.300.005, which is consistent with the reference in P1110.300.005 to "Number of total IFTA accounts..." The total number of sets of decals issued is specified in P1110.300.015, not in .005. Accordingly, it is questioned whether the proposed amendment to A250 should also include a reference to P1110.300.015?
  - It is questioned whether the reference to "represented by the number of decals issued" in the proposed amendment to A250 should instead be "represented by the number of sets of decals issued"? If each qualified motor vehicle is issued a set of two decals, then it seems that calculating the number of required audits based on the total number of decals issued would artificially double the product?
  - The relevance of the proposed amendment to P1110.300.015, to include "number of sets of decals issued to new licensees", is unclear. Section A250 specifically excludes new licensees. If the audit requirement is based on a percentage of decals (or sets of decals) issued to existing licensees, then it seems more relevant that a jurisdiction would have to report decals issued to licensees other than new licensees. However, the reporting of such information has not been required to date.

**Ballot #10-2025**  
**Comment Period Ending June 29, 2025**

- Currently, A250 is based on a percentage of the number of IFTA accounts required to be reported. However, the proposed alternative is based on a percentage of [qualified motor vehicles] represented by the number of [sets] of decals. It is suggested that perhaps the alternative should be based on “the number of [qualified motor vehicles] as represented by the number of [sets of] decals issued”.
- The proposed amendment to P1110.400.005, to include “and the total number of decals/units in all audits”, is confusing. It is suggested that the information reported pursuant to P1110.400.005 should more clearly relate to the number of required audits, as referred to in A250. It is also noted that, if a jurisdiction opts to calculate the number of required audits on the basis of the number of decals issued, then reporting the number of audits issued may not be relevant. Accordingly, consideration might be given to ensuring that P1110.400 is amended in a way that acknowledges that some information may be necessary under one option, but not under the other. For example, P1110.400.005 could be updated to state, “**Number of accounts audited or the number of [qualified motor vehicles] audited on the basis of sets of decals issued, as the case may be.**” The number of sets of decals is already required to be reported pursuant to P1110.300.015.
- More generally, the ballot indicates that the current requirements discourage jurisdictions from choosing accounts with a larger number of vehicles. However, no additional information or analysis has been provided to support that conclusion, nor to support the implication that choosing accounts with a larger number of vehicles would be preferred. That is, the ballot implies that the alternative calculation could help jurisdictions choose accounts that better reflect the overall population of accounts, and states that the intention is to reduce [bias] in the audit selection process. However, such suggestions are not further explained or supported. Indeed, it could be argued that basing audit requirements on a percentage of decals issued will encourage jurisdictions to audit larger but fewer carriers, rather than auditing a broader cross-section of carriers. One could argue that smaller carriers with less sophisticated systems in place pose a greater risk (make more errors) than larger carriers with stronger internal control mechanisms in place. Overall, the ballot does not include an analysis to support how the alternative calculation would result in no greater risk of loss of tax revenue to the impacted jurisdictions in comparison to the current calculation.
- The ballot does not indicate whether the proposed alternative calculation has any impact on A260 of the Audit Manual, or how (if at all) the alternative calculation would impact the calculation and inclusion of low-distance and high-distance accounts in selecting audits.

**BRITISH COLUMBIA**

Oppose

**ILLINOIS**

Oppose

IL supports ballot 4 to change it to a flat 1% of IFTA accounts. While this approach might help with efficient allocation of IDOR audit resources, the 1% of IFTA accounts cap is more straightforward and likely more efficient for IL. In addition, the reporting requirements equate decals issued to units. This is not necessarily the same thing, since decals are not dedicated to a specific unit and thus decals issued might exceed the number of units. Terminology is also imprecise. Instead of “unit” it should say “commercial motor vehicle”. Instead of “decal” it should say “set of decals.”

**Ballot #10-2025**  
**Comment Period Ending June 29, 2025**

**INDIANA**

Oppose

Indiana is not in favor of this ballot. We believe it will have unintended consequences. For example, Indiana provides over 500,000 sets of decals each year. One percent of this is 5000 sets. This ballot would allow us to choose to audit 5000 units represented by the number of decals issues. One of our largest carriers operates 15,000-20,000 power units. By this ballot, we could audit that single carrier, and it would provide us with 80% of our audit requirement over the five-year PCR cycle. Does that provide us with an overall determination of our carrier base? Almost assuredly, it would not. If this carrier has a very compliant system, we would not be required to research and audit other, less compliant carriers, allowing us to educate those other carriers and bring them into compliance.

We understand that there is not much incentive to audit larger carriers, as they have great cost in terms of a jurisdiction's resources. But this ballot does not provide the intended incentive. Perhaps another alternative might be to provide credit for multiple high distance accounts if we were audit carriers within the top 5% of the carriers in terms of distance, for example. Perhaps a jurisdiction would receive credit for 10 high distance audits if they were to audit a carrier in the top 5%. Using decals as the basis is also misleading. Jurisdictions do provide more decals to carriers over the course of any given year, as the carrier replaces, or sells trucks. Or if the carrier's owner/operator leaves them for another carrier. There are other ideas or opportunities for providing incentives to auditing some larger carriers. But this is not one of them.

**Industry Advisory Committee**

The IAC opposes Ballot #10-2025 due to concerns that its implementation could unintentionally influence jurisdictions to disproportionately target large motor carriers in an effort to meet annual audit requirements with fewer audits. Such an approach could undermine fairness and consistency in the audit process. We support the comments submitted by South Dakota recommending that a study be conducted to determine the appropriate audit methodology needed to ensure compliance across the diverse carrier population.

**IOWA**

Oppose

Iowa is not in favor of this ballot as written.

**KANSAS**

Undecided

**KENTUCKY**

Oppose

KY Audit Group does not support.

**MANITOBA**

Oppose

**MARYLAND**

Oppose

Maryland would have no issue with being able to have the option of choosing between the percentage requirement and the decal option. This could potentially allow us to audit the larger carriers in the high mileage stratum without negatively affecting our required audit completions. Under the current structure

**Ballot #10-2025**  
**Comment Period Ending June 29, 2025**

there is no real reward/benefit in auditing the larger taxpayers in the high mileage stratum with multiple decals from a required completion standpoint. However, Maryland will vote against this as the audit percentage requirement is 3%, which is in opposition of our ballot (#4) proposal of 1%. Maryland does not currently limit the number of decals issued, so we would have to implement something to limit the number of decals issued to a carrier, or otherwise the benefit could be relatively small. Currently there is no cost for decals and many carriers register for extra decals which may remain inactive. If the audit percentage was 1% and in-line with our ballot proposal (#4) we would consider supporting this.

**MICHIGAN**

Oppose

**NEVADA**

Oppose

NV currently issues additional decals which can cause the number audits required to be skewed.

**NEW BRUNSWICK**

Oppose

**NEW JERSEY**

Oppose

**NEWFOUNDLAND**

Oppose

**NORTH CAROLINA**

Oppose

North Carolina opposes this ballot on the basis that auditing using the number of decals as a threshold could significantly reduce the number of audits completed. This reduces compliance that comes from those audits. It is important to note that audits are not only conducted by a jurisdiction for itself but conducted on behalf of other jurisdictions. The importance of this interdependence should not be overlooked.

North Carolina notes that after reviewing of IFTA data, the calculation proposed by the sponsor would be equivalent to the sponsor completing 1% of the number of IFTA accounts. However, if this ballot passed, North Carolina could comply with amended A250 by completing two audits: one to meet the low-distance and one to meet high-distance. North Carolina has issued many licensees for which it has issued over 1,000 decals. This would be the equivalent of North Carolina auditing 0.02% of its IFTA accounts.

**OKLAHOMA**

Oppose

Oklahoma has concerns this ballot could cause jurisdictional audit reliability issues by incentivizing audit focus only on large fleets.

**ONTARIO**

Undecided

Ontario recommends using a word other than "unit" since "unit" already refers to several different things throughout the Guiding Documents.

Ballot

**Ballot #10-2025**  
**Comment Period Ending June 29, 2025**

Ontario is interested in the idea but would want more clarity on how this would impact the high/low distance requirements. A couple of specific questions for clarification:

1) Unused Decals: If a registrant has been issued multiple IFTA decals but only a portion are actively in use, should the unused decals still be included in the audit count?

2) Sampling Methodology for Large Carriers: In the case of a large carrier with, for example, 100 decals issued, if a sample of 20 decals is audited, would credit for audit completion be extended to all 100 decals based on the sample results, or only to the 20 that were sampled in audit?

How would this need to be amended in the case that Ballot 4-2025 also passes?

Effective date

Ontario recommends an effective date of January 2027 to provide sufficient time to make necessary system changes.

**PENNSYLVANIA**

Oppose

**QUEBEC**

Oppose

**SASKATCHEWAN**

Support

**SOUTH DAKOTA**

Oppose

This ballot would tie audits to decals that are unregulated to a certain vehicle. While some jurisdictions take steps to limit decals to more closely align to the number of vehicles in a fleet some jurisdictions do not. This could create an imbalance for auditing numbers that is an unattended consequence of the ballot.

Also, like Ballot 4 all percentage of audits have been as far as we know to an arbitrary number. Again South Dakota would urge the membership to ask the Board of Trustees to commission a study to try and use data to determine the correct percentage of audits that will have a fair reflection on compliance from carriers without being overly burdensome on the jurisdictions.

**VIRGINIA**

Undecided

**FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING**



**IFTA BALLOT PROPOSAL  
#11-2025**

**Sponsor**

Jurisdictions of Massachusetts, Maryland, Connecticut, and Alabama

**Date Submitted**

May 22, 2025

**Proposed Effective Date**

January 1, 2026

**Manual Sections to be Amended**

(Version January 2024)

Articles of Agreement

Section R1555

COMPLIANCE MATTERS

**Subject**

Setting forth the possible measures that can be imposed to bring a Member Jurisdiction into compliance with its obligations; and clarifying how revenue receipts submitted by Member Jurisdictions to the IFTA, Inc. Clearinghouse may be used.

**History/Digest**

The Articles of Agreement contain general provisions regarding membership and the process of addressing non-compliance with the agreement by a member jurisdiction. However, the member jurisdictions, through this primary governing document, have not specifically addressed the consequences of non-compliance other than identifying what body should hear such allegations. As was recently demonstrated, the Dispute Resolution Committee, the body assigned the task of hearing allegations of a member jurisdiction's non-compliance and determining an appropriate course of action to cure such non-compliance, lacks clear guidance on permissible remedies. To avoid these issues going forward, the Articles of Agreement, the primary governing document, should fill this void.

**Intent**

The intent of this ballot proposal is to benefit all jurisdictions by specifying the consequences of member non-compliance, establishing a floor for consistency in non-compliance determinations, and providing concrete guidance to the Dispute Resolution Committee.

As a result of this change, jurisdictions will have fair notice of the consequences of non-compliance and a reasonable opportunity to confront any allegations of non-compliance. Furthermore, the Dispute Resolution Committee will have clear guidance when conducting its proceedings.

# FOR VOTE AT THE 2025 ANNUAL BUSINESS MEETING

## Interlining Indicates Deletion; Underlining Indicates Addition

### R1555 COMPLIANCE MATTERS

#### **.100 Dispute Resolution Process**

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

- .005** Compliance disputes between member jurisdictions;
- .010** Compliance disputes between member jurisdictions and IFTA licensees in those matters where no administrative remedy to the IFTA licensee is available within the member jurisdiction involved in the dispute. Compliance disputes subject to this section shall not include disputes between member jurisdictions and IFTA licensees over matters of substantive jurisdiction law, including but not limited to, laws governing the imposition, assessment, and collection of jurisdiction motor fuel use taxes collected pursuant to the International Fuel Tax Agreement; and
- .015** Compliance matters where (i) the Program Compliance Review Process, including follow-up, has been completed; and (ii) a Final Determination Finding of Non-Compliance has been issued by the Program Compliance Review Committee related to Sections R970, R1210, R1230, R1260, R1270, R1370, R1380, P1040, A250 or A260.

#### **.200 Submission of a Final Determination Finding of Non-Compliance**

A Final Determination Finding of Non-Compliance issued by the Program Compliance Review Committee related to Sections R970, R1210, R1230, R1260, R1270, R1370, R1380, P1040, A250, or A260, where follow-up has been completed, shall be forwarded to the IFTA Dispute Resolution Committee, *to be heard as a dispute*, with a copy to the Executive Director of IFTA, Inc. for notification to all member jurisdictions.

#### **.300 Permitted Disciplinary Action**

Where a Member Jurisdiction is alleged to have failed to comply with any requirement authorized under this Agreement, and where the Dispute Resolution Committee, after giving fair notice to the Member Jurisdiction of its alleged failure, and, after a hearing on the matter, has concluded that the Member Jurisdiction has failed to comply with its obligations under this Agreement, the Dispute Resolution Committee may impose only such remedial action as set forth herein. The remedies set forth herein are exclusive and should be imposed in a progressive manner in order to give the Member Jurisdiction a reasonable opportunity to come into compliance.

- .005** If the Member Jurisdiction fails to bring its program into compliance by the date determined by the Committee, the Member Jurisdiction shall suffer immediate loss of voting power and all Board and standing committee seats.
- .010** If the Member Jurisdiction fails to bring its program into compliance after 60 days of its loss of voting power, the Member Jurisdiction's membership dues for the current year shall be doubled. The Committee may grant an extension beyond the 60-day period if it believes the Member Jurisdiction is taking reasonable steps to come into compliance.

55 **.015** If the Member Jurisdiction fails to be in compliance after one year of its loss of voting  
56 power and membership dues being doubled, the Member Jurisdiction's membership dues  
57 for the next fiscal year shall be tripled and a recommendation for a resolution of expulsion  
58 may, at the Committee's discretion, be forwarded by the Committee to the IFTA, Inc. Board  
59 of Trustees for action pursuant to subsection .400~~600~~ of this Section.

61 **.020** If the Member Jurisdiction fails to be in compliance after one year of its membership dues  
62 being tripled, a recommendation for a resolution of expulsion shall be forwarded by the  
63 Committee to the IFTA, Inc. Board of Trustees for action pursuant to subsection .400~~600~~  
64 of this Section.

65 **.025** If the expulsion resolution fails, the Member Jurisdiction's membership dues shall remain  
66 tripled until its program is in compliance.

67  
68 When adjudicating disputes arising from a Member Jurisdiction's failure to comply with any  
69 requirement authorized under this Agreement, the Dispute Resolution Committee is limited to  
70 those actions provided for herein. Any resolution of such disputes shall not include monetary  
71 finances or penalties levied against a Member Jurisdiction.

72  
73  
74 **.400** **Resolution**

75  
76 Any resolution of compliance matters may not include the impoundment of or use of any related funds  
77 forwarded with any member jurisdiction's transmittal data listing in the IFTA, Inc. Clearinghouse.

78  
79 **.500** **Stays**

80  
81 Any determination by the Dispute Resolution Committee is stayed pending any appeal to the Board of  
82 Trustees. Any determination by the Dispute Resolution Committee and/or the Board of Trustees is stayed  
83 for 60 days after the Board of Trustees issues its order regarding the Dispute Resolution Committee's  
84 determination and remains stayed pending a Member Jurisdiction's filed claim seeking judicial relief  
85 regarding the determination.

86  
87 **.600** **Expulsion Process**

88  
89 **.005** The IFTA, Inc. Board of Trustees shall call a Special Meeting pursuant to Article IV,  
90 Section 5 of the Bylaws, to request a resolution to expel a member jurisdiction which has  
91 failed to bring its IFTA program into compliance one year following its loss of voting  
92 power under the penalty provisions of the IFTA Dispute Resolution Process consider a  
93 recommendation for a resolution of expulsion submitted to it by the Dispute Resolution  
94 Committee pursuant to Section R1555.300.015 or .020. If approved, the Board of  
95 Trustees shall bring such resolution to the full membership for a vote.

96

**Comments Following the Comment Period ending June 29, 2025.**

The sponsoring jurisdictions made technical, non-substantive revisions to Ballot 11-2025. See above changes to Lines 59, 63 and 83.

**Ballot #11-2025**  
**Comment Period Ending June 29, 2025**

Support: 4  
Oppose: 9  
Undecided: 4

**ALBERTA**  
Opposed

Alberta supports the intent of the ballot to provide some level of certainty with respect to the potential consequences of non-compliance, however this ballot is too restrictive. Alberta prefers to wait for the outcome of the recent Board Charge related to a review of the Dispute Resolution Process subsequent to recent decisions by the Dispute Resolution Committee before considering further changes to the agreement.

**Attorney Advisory Committee**

- Edits are not in red, like other ballot proposals.
- The ballot should be updated throughout to remove the capital letters from “Member Jurisdiction”. This is not a defined term and is presented in lower case throughout the rest of the Agreement.
- The proposed amendment to R1555.300 refers to the DRC giving “fair notice” to the member jurisdiction of its alleged failure.
  - The reference appears to be contextual; however, the term “fair notice” is not defined and it is not clear where the requirement to give such notice is specified.
  - It is noted that the IFTA Dispute Resolution Procedures refer to the DRC requesting the Repository to provide public notice of a meeting, including advising all parties of the posting of the public notice. However, the IFTA Dispute Resolution Procedures do not require the notice to be “fair”, and the Agreement does not appear to require any such notice, fair or otherwise.
  - Accordingly, if the desire is to ensure that jurisdictions receive notice of an alleged failure, then the requirement to give such notice should reasonably be included in the Agreement, including any specifications in respect of the notice (such in being in writing and provided within a certain number of days of a particular event). The consequences of the DRC or Repository failing to comply with the notice requirement should also be specified.
- While the proposed amendment specifies the various remedies that may be imposed by the DRC, it is not clear in R1555, nor in the IFTA Dispute Resolution Procedures, how and when the non-compliant member jurisdiction is to be notified of each remedy imposed.
- The opening paragraph to R1555.300 states, “...the Dispute Resolution Committee may impose only such remedial action as set forth herein.” It is suggested that the word “herein” needs clarification, as it is unclear whether it refers to the Agreement as a whole, to R1555 as a whole, or to just R1555.300. The only reference to “herein” currently in the Agreement is found in R1810.200.060, which refers to “...filed pursuant to Section R1555 herein”, which implies the Agreement, i.e., R1555 within the Agreement.
- Proposed R1555.300.015 and R1555.300.020 both refer to a recommendation for a resolution of expulsion being forwarded to the Board of Trustees “for action pursuant to subsection .400 of this Section”. However, subsection .400 does not provide any actionable guidance for the Board to carry out or otherwise follow, but rather merely prohibits the impoundment of funds. It is questioned whether the reference to subsection .400 should be to subsection .600?
- The first sentence of the second paragraph to proposed R1555.300.025 states, “When adjudicating disputes arising from a Member Jurisdiction’s failure to comply with any requirement

**Ballot #11-2025**  
**Comment Period Ending June 29, 2025**

authorized under this Agreement, the Dispute Resolution Committee is limited to those actions provided for herein.” It is suggested that this sentence is unnecessary and may be deleted to avoid redundancy, as the opening paragraph to R1555.300 already states, “...the Dispute Resolution Committee may impose only such remedial action as set forth herein.”

- The second sentence of the second paragraph to proposed R1555.300.025 (“Any resolution of such disputes shall not include...”) seems misplaced and perhaps should be set out in a separate subsection.
- Proposed section R1555.500 states, “...is stayed for 60 after the Board of Trustees issues”. It is suggested that the word “days” is missing after “60”.

**BRITISH COLUMBIA**

Undecided

British Columbia supports the intent of this ballot as it’s important that the consequences for non-compliance are clearly communicated to all jurisdictions. The current language on the DRC’s discretion on remedies in the dispute resolution process is too vague. This has led to the recent situation where the DRC “abused its discretion in this instance by taking actions that significantly exceeded the expectations of member jurisdictions with respect to the remedies outlined in the Dispute Resolution Process (DRP).”

IFTA is a cooperative agreement and BC believes the remedies as outlined in the ballot are sufficient to bring non-compliant jurisdictions into compliance. Expulsion from IFTA is a severe penalty and BC feels damages and punitive actions are not warranted as remedies.

BC would support the ballot with changes to the language to reflect comments from Quebec and specific comments from North Carolina (enforcement ability for compliance matters originating under R1555.100.005 and R1555.100.010, clarification on whether the expulsion process requires only a majority vote, and other unclear language).

**Dispute Resolution Committee**

The Dispute Resolution Process (DRP) includes remedies specifically designed to address matters of jurisdictional non-compliance. In response to a recent Board Charge, a subcommittee has been established to thoroughly review and examine the DRP. The subcommittee’s focus directly aligns with the objectives outlined in Ballot #11-2025, and their work will also include broader updates to the DRP to ensure the best possible outcomes for all parties involved in a dispute. As members of the IFTA community, it is important that we support the subcommittee in fulfilling their charge and place our trust in a process that is both deliberate and collaborative. Be confident that their recommendations will reflect the best interests of all stakeholders”.

**INDIANA**

Support

Indiana supports this ballot.

**Industry Advisory Committee**

The Industry Advisory Committee (IAC) of The Industry Advisory Committee (IAC) opposes Ballot #11-2025, as it diminishes the authority of the Dispute Resolution Committee (DRC), which was established to serve a critical and clearly defined role within the Agreement.

While we agree that a review of the current Dispute Resolution Process may be appropriate to enhance

**Ballot #11-2025**  
**Comment Period Ending June 29, 2025**

clarity and improve guidance on next steps, we firmly believe the process itself should remain intact to preserve the structure and integrity envisioned by the Agreement.

Jurisdictions found to be out of compliance should be referred to the appropriate bodies and provided with a transparent path to resolution—supported by a defined timeline and clearly articulated consequences for continued non-compliance.

**KANSAS**

Oppose

**KENTUCKY**

Oppose

**MANITOBA**

Support

MB agrees with Maryland's comments.

**MARYLAND**

Support

Maryland strongly supports this ballot. The intent of this ballot proposal is to benefit all jurisdictions by *specifying the consequences of member non-compliance, establishing a floor for consistency in non-compliance determinations*, and providing concrete guidance to the Dispute Resolution Committee. As a result of this change, jurisdictions will have *fair notice of the consequences of non-compliance and a reasonable opportunity to confront any allegations of non-compliance*. Furthermore, the Dispute Resolution Committee will have clear guidance when conducting its proceedings

**MICHIGAN**

Oppose

**NEVADA**

Oppose

What is "fair notice"? Also regarding the "Stays" for judicial relief, shouldn't the juris incur penalties and/or interest during the "Stay" as is done with Audits? NV also agrees with NC, OK and SD comments.

**NEW BRUNSWICK**

Oppose

**NEWFOUNDLAND**

Undecided

**NORTH CAROLINA**

Oppose

North Carolina has concerns regarding this ballot.

First, and most concerning, the ballot appears to prohibit the Dispute Resolution Committee from imposing damages (i.e. restitution) against the offending jurisdiction for the harm it caused other jurisdictions. North Carolina understands that the ballot prohibits the imposition of monetary fines or penalties, which are distinct concepts from damages. Generally, a penalty is imposed to punish a person

**Ballot #11-2025**  
**Comment Period Ending June 29, 2025**

ensuring future compliance and creating strong incentives for all who must comply. Damages are used to compensate a person for the harm suffered. However, when combined with the language that the remedies in R1555.300 are exclusive, it appears the ballot prevents the DRC from placing the injured jurisdiction in the position it would have been but for the noncompliance. The ballot's limitation of remedies is unsettling, and North Carolina takes the position that the DRC should have the authority to require the offending jurisdiction make the injured jurisdiction whole.

Second, the sponsors have unwittingly removed the enforcement ability for compliance matters originating under R1555.100.005 and R1555.100.010. The expulsion remedy under R1555.300 (amended as R1555.600) would only apply to DRC actions taken under R1555.300.015 or .020. This undercuts the previous function of R1555.300, which provides the expulsion remedy for any matter subject to the IFTA Dispute Resolution Process.

Third, R1555.500 extends the stay longer than it should. It provides that a stay will remain in place "pending a Member Jurisdiction's filed claim seeking judicial relief regarding the determination." If the DRC has issued its determination, and that determination has been reviewed by the Board of Trustees, the decision for further stays should be at the discretion of the court. In the alternative, if damages are allowed and determined by the DRC, and have been upheld on review by the Board, the jurisdiction subject to the disciplinary action should have to pay the damages into trust to automatically secure the stay pending resolution of appeal with the court.

Fourth, North Carolina is unclear whether the expulsion process requires only a majority vote. This should be clarified.

Finally, some of the ballot's language is unclear because it contains phrases that should be removed, repeats content, and has incorrect internal citations. For example:

1. The ballot states three times that the remedies are exclusive – once will suffice.
2. The ballot states that disciplinary action "should be imposed in a progressive manner in order to give the Member Jurisdiction a reasonable opportunity to come into compliance." This phrase serves no purpose where the only remedies available to the DRC are progressive, and the ballot conditions the remedies on coming into compliance. Therefore, it should be removed.
3. R1555.300.020 creates a reference to subsection .400. The reference should be to subsection .600.

### **OKLAHOMA**

Oppose

This ballot prevents the noncompliance disincentive of disgorgement. Additionally, the requirement of automatic stays for enforcement incentivizes continued noncompliance with the compact. The DRC/PCRC are the delegated bodies of the membership to determine compliance, because these committees are in a better position to understand the nuances of any particular noncompliance issue rather than the membership at large. To the extent that these committees may be acting arbitrarily or in error, the Board already serves as a forum for appeals.

Oklahoma has concerns that penalizing noncompliant jurisdictions by merely requiring higher dues would permit that jurisdiction to substitute cash payments for noncompliance, at the cost of other jurisdictions' injury. Moreover, it seems obvious that higher dues payments would be a *lesser* amount than the benefits of noncompliance to a delinquent jurisdiction. As a result, Oklahoma has serious concerns about the incentives this ballot would create.

### **ONTARIO**

Undecided

**Ballot #11-2025**  
**Comment Period Ending June 29, 2025**

Ontario suggests the sponsors clarify what "floor" means in the Intent section of this ballot and the definition of "fair notice" under R1555.300.

**PENNSYLVANIA**

Oppose

**QUEBEC**

Support

Quebec supports the intent of the ballot while noticing a reference which would need to be modified: Reference from section R1555.300.015 and R1555.300.20 should reference to sections R1555.600 or R1555.600.005.

We also noted the absence of the word "days" in section R1555.500.

**SASKATCHEWAN**

Undecided

Further clarification is needed to understand how and when impacted jurisdictions will receive any applicable tax owed to them where there is non-compliance in relation to the proper distribution of tax and/or the audit requirement

**SOUTH DAKOTA**

Oppose

This ballot strips the DRC of any power to resolve disputes of a jurisdiction not completing requirements of the IFTA Agreement. We believe there is a better way to handle this with putting limits and better DRC procedures in place than removing any discretion from the DRC.

## Question Details ( 004-010 ) **FAILED**

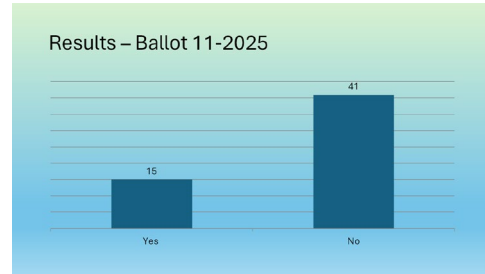
Total Responses: 56

**Ballot 11-2025**

I approve the proposed changes to the IFTA Articles of Agreement, Section R1555, as presented by the Jurisdictions of Massachusetts, Maryland, Connecticut, and Alabama

1. Yes
2. No

25



Participant	Response	Weight
Texas Julius	Yes	1
Utah Hansen	Yes	1
Vermont Robillard	[No Response]	1
California Amezcua	No	1
Kansas Agnew	No	1
Missouri Thurman	No	1
Ontario Blackwood	No	1
Oregon Fitzgibbon	No	1
North Carolina Panza	No	1
Pennsylvania Wisyanski	No	1
Rhode Island Iafrate	No	1
Prince Edward Island Pineau	No	1
Virginia Harrison	No	1
Quebec Boucher	Yes	1
Washington Briscoe	No	1
Newfoundland & Labrador Lockyer	No	1
Saskatchewan Worobec	No	1
New Hampshire Gray	No	1
North Dakota Voegelé	No	1
New Jersey Walker	Yes	1
Montana Smith	No	1
New Mexico Penser	No	1
New York Galarneau	No	1
Maryland O'Lare	Yes	1

Kentucky McDaniel	No	1
Massachusetts Adamek	Yes	1
Colorado Zion	Yes	1
Michigan Guzman	No	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	Yes	1
Connecticut Romeo	Yes	1
Georgia Prince	No	1
Idaho Alvarez	No	1
Illinois Blessing	No	1
Nebraska Beedle	No	1
Louisiana Gibson	Yes	1
Indiana Boone	Yes	1
Iowa Jansen	No	1
Nova Scotia Pineau	No	1
Alabama Baxley	Yes	1
British Columbia Harrison	No	1
South Carolina Carlson	Yes	1
Alberta Ackroyd	No	1
West Virginia Acree	No	1
Arkansas Richard	No	1
Arizona Simmons	Yes	1
Wisconsin Litscher	No	1
South Dakota Gerry	No	1
Ohio Horvath	No	1
Nevada Stanfield	No	1
Maine Peters	No	1
Delaware Himmler	No	1
Florida Cunningham	No	1
Manitoba Hanlan	Yes	1
New Brunswick Leahy	No	1
Oklahoma Willingham	No	1
Wyoming Lopez	No	1
Tennessee Lanfair	No	1

## Question Details ( 005-010 )

Total Responses: 0

Ballot 11-2025 Effective Date

I approve the Effective date of January 1, 2026, as proposed by the Jurisdictions of Massachusetts, Maryland, Connecticut, and Alabama.

1. Yes

2. No

25

Results: Ballot 11-2025 Effective Date

0 0

Yes No

Participant	Response	Weight
Texas Julius	[No Response]	1
Utah Hansen	[No Response]	1
Vermont Robillard	[No Response]	1
California Amezcua	[No Response]	1
Kansas Agnew	[No Response]	1
Missouri Thurman	[No Response]	1
Ontario Blackwood	[No Response]	1
Oregon Fitzgibbon	[No Response]	1
North Carolina Panza	[No Response]	1
Pennsylvania Wisyanski	[No Response]	1
Rhode Island Iafrate	[No Response]	1
Prince Edward Island Pineau	[No Response]	1
Virginia Harrison	[No Response]	1
Quebec Boucher	[No Response]	1
Washington Briscoe	[No Response]	1
Newfoundland & Labrador Lockyer	[No Response]	1
Saskatchewan Worobec	[No Response]	1
New Hampshire Gray	[No Response]	1
North Dakota Voegele	[No Response]	1
New Jersey Walker	[No Response]	1
Montana Smith	[No Response]	1
New Mexico Penser	[No Response]	1
New York Galarneau	[No Response]	1
Maryland O'Lare	[No Response]	1

Kentucky McDaniel	[No Response]	1
Massachusetts Adamek	[No Response]	1
Colorado Zion	[No Response]	1
Michigan Guzman	[No Response]	1
Minnesota Loper	[No Response]	1
Mississippi Johnson	[No Response]	1
Connecticut Romeo	[No Response]	1
Georgia Prince	[No Response]	1
Idaho Alvarez	[No Response]	1
Illinois Blessing	[No Response]	1
Nebraska Beedle	[No Response]	1
Louisiana Gibson	[No Response]	1
Indiana Boone	[No Response]	1
Iowa Jansen	[No Response]	1
Nova Scotia Pineau	[No Response]	1
Alabama Baxley	[No Response]	1
British Columbia Harrison	[No Response]	1
South Carolina Carlson	[No Response]	1
Alberta Ackroyd	[No Response]	1
West Virginia Acree	[No Response]	1
Arkansas Richard	[No Response]	1
Arizona Simmons	[No Response]	1
Wisconsin Litscher	[No Response]	1
South Dakota Gerry	[No Response]	1
Ohio Horvath	[No Response]	1
Nevada Stanfield	[No Response]	1
Maine Peters	[No Response]	1
Delaware Himmler	[No Response]	1
Florida Cunningham	[No Response]	1
Manitoba Hanlan	[No Response]	1
New Brunswick Leahy	[No Response]	1
Oklahoma Willingham	[No Response]	1
Wyoming Lopez	[No Response]	1
Tennessee Lanfair	[No Response]	1

## **SECTION 2**

1. IFTA Ballot Proposals for Second Comment Period Ending October 27, 2025
2. Second Comment Period Ending October 27, 2025 Comments

**FOR VOTE BY DECEMBER 18, 2025**



**IFTA BALLOT PROPOSAL #02-2025**

**Sponsor**

IFTA, Inc. Program Compliance Review Committee

**Date Submitted**

March 5, 2025

**Proposed Effective Date**

January 1, 2026

**Manual Sections to be Amended**

Procedures Manual Section P1230

**Subject**

Jurisdiction participation in program compliance reviews.

**History/Digest**

P1230 currently requires jurisdictions to participate in their appropriate share of program compliance reviews each year with no member jurisdiction being required to participate in more than two program compliance reviews per year. Assistance with these program compliance reviews is distributed equally across all jurisdictions based on the schedule established by the Program Compliance Review Facilitator.

The IFTA Board of Trustees issued a Board Charge to the Program Compliance Review Committee (PCRC) in March 2024 to develop new review procedures that include an annual Admin review of all member jurisdictions. The Charge directs the PCRC to streamline the review process with more of a focus on items that are of monetary importance to all member jurisdictions. The board charge was voted on during the 2025 Annual Business Meeting and was passed by majority vote.

With streamlined review procedures reviewers will spend less time conducting reviews. PCRC members will also participate in reviews, particularly in regard to analyzing Clearinghouse data for an Annual Admin review of all jurisdictions.

The current limitation, restricting jurisdictions to no more than two reviews per year, conflicts with this new process. While participation in reviews remains a program requirement, the existing cap limits flexibility, hinders team-based reviews, and slows completion of the required reviews.

**Intent**

This ballot proposes to remove the restriction that no member jurisdiction be required to participate in more than two reviews per year. Removing this limitation will not increase the overall workload for jurisdictions, as each review has been streamlined. Instead, it will enhance scheduling flexibility, allow for more effective group reviews, and improve consistency, efficiency, and the overall quality of program compliance efforts.

This structure ensures that all required reviews are completed annually, that the workload is equitably distributed among jurisdictions, and that expectations for reviewer participation remain reasonable and predictable.

1 **Interlining Indicates Deletion: Underlining Indicates Addition**

2  
3 \*P1230 REQUIRED PARTICIPATION

4  
5 Jurisdictions will be required to participate in their appropriate share of program compliance  
6 reviews each year through the assignment of jurisdictional reviewers. Assistance with these  
7 program compliance reviews is distributed equally across all jurisdictions based on the schedule  
8 established by the Program Compliance Review Facilitator.

9  
10 Jurisdictional reviewers will serve a two-year term, during which they will participate in the bulk  
11 review process. The majority of review responsibilities will be concentrated during one  
12 designated travel week per year, when administrative and audit reviews are conducted  
13 collaboratively per the program compliance review guide.

14  
15 Outside of the travel week, jurisdiction reviewers may be asked to participate in entrance  
16 meetings or limited follow-up discussions, but no additional extensive review obligations will be  
17 required.

**Ballot #2-2025**  
**Comment Period Ending October 27, 2025**

Support: 6  
Oppose: 9  
Undecided: 2

**ALBERTA**  
Support

Alberta supports this change as it is necessary for the new compliance review process, which has been adopted and should result in less resource burden for jurisdictions.

**BRITISH COLUMBIA**  
Support

BC supports this ballot as it is necessary for the new streamlined review process.

**CONNECTICUT**  
Support

Connecticut supports this change as it is necessary for the new compliance review process, which has been adopted and should result in less resource burden for jurisdictions. When P1230 Required Participation was set stating that no member jurisdiction will be required to participate in more than two program compliance reviews per year, in person reviews were conducted at the location of the jurisdiction being reviewed. Since the reviewers were required to travel to the jurisdictions being reviewed, it made sense to limit the number of in-person reviews to 2 per year so it would not put an undue burden on the reviewer and the reviewer's jurisdiction. This ballot will allow the reviewers to more efficiently conduct multiple reviews in a group setting during one travel week which is no more burdensome than what the current language requires.

**ILLINOIS**  
Oppose

Position: Oppose as drafted.

The proposed language in this ballot is ambiguous and not fully developed. For instance, the following questions must be addressed in the body of P1230:

- What does “assistance with these program reviews” entail?
- What is the “bulk review process”?
- How is the schedule to be established? What are the parameters for establishing a schedule?
- How frequently will a reviewer have to serve the “two-year term”? How will the reviewer jurisdictions be selected for the two-year terms?
- What are the “review responsibilities”? If they are outlined in another section of the manual, a cross reference should be inserted.

**Ballot #2-2025**  
**Comment Period Ending October 27, 2025**

Also, it should be noted that, although a reviewer “may be asked” to participate in entrance meetings or discussion, this ballot does not actually require a reviewer to participate.

**KENTUCKY**

Support

Should streamline the process and make it easier on jurisdictions.

**MANITOBA**

Oppose

Manitoba agrees with Ontario's comment about the travel week. It most likely will be difficult to get approval to travel.

**MICHIGAN**

Undecided

**NEVADA**

Oppose

Nevada opposes the ballot as written. Differentiating between Admin and Audit reviews would be beneficial. Nevada agrees with Illinois on adding details of the process and agrees with Ontario on travel week.

**NEW BRUNSWICK**

Support

**NEWFOUNDLAND**

Oppose

**NORTH CAROLINA**

Undecided

North Carolina applauds the sponsor's changes after the ABM to attempt to resolve the concerns raised by membership. As stated in the first round of comments, North Carolina is in favor of modernizing the review process and amending the Procedures Manual to effectuate those changes. However, concerns remain with the new language.

Did the Sponsor Intend for this to Apply to All Reviews?

First, North Carolina needs to emphasize to membership that the ballot, as written, applies to all periodic program compliance reviews. The requirement for jurisdictions to make available jurisdiction reviewers is exclusively found within P1230. Therefore, did the sponsor intend to have the designated week apply to both the annual compliance review and the 5-year audit review? If this ballot passes, regardless of what type of compliance review is being conducted, the majority of duties placed on jurisdictional reviewers is limited to that one designated week.

**Ballot #2-2025**  
**Comment Period Ending October 27, 2025**

If this is not the intent of the sponsor, the ballot must be re-written to distinguish between annual compliance reviews and the 5-year audit reviews. Note, that because making this type of change would be substantive, there are significant questions on ballot procedure for how R1620.300.15 works in conjunction with R1625.

The remaining comments assume that it is the intent of the sponsor to have this ballot apply to all compliance reviews.

#### Vague Language and Time Commitments of Reviewers

As noted in the first round of comments, North Carolina is concerned about the time commitment asked of jurisdictions and its jurisdictional reviewers. This manifests through "squishy" ballot language. Specifically, the following phrases and terms are undefined or vague:

1. "bulk review process"
2. "majority of review responsibilities will be concentrated"
3. "limited follow-up discussions"
4. "no additional extensive review obligations"

These phrases need to be further developed to provide certainty for the future of these reviews.

#### Concerns with a Travel Week

North Carolina is also concerned about the reference to a "travel week" in the ballot. The ballot can be reasonably interpreted to require all jurisdictional reviewers to commit to one week of travel per year. There are multiple concerns here. First, this goes further than the recently amended IFTA Program Compliance Review Guide. This guide provides, in part (underlined is North Carolina's emphasis):

"By prioritizing in-person engagement, organizations can ensure that program compliance reviews are not only thorough but also aligned with best practices and IFTA standards."

"Ballot #2 proposes removing the current restriction that limits member jurisdictions to participation in no more than two program compliance reviews per year. This change is intended to facilitate collaborative, on-site reviews by enabling jurisdictional reviewers to travel . . . ."

The emphasized words above prefers and encourages in-person work. It does not require it. The ballot, however, may indeed require travel.

This is problematic in many ways, including whether a jurisdiction would allow its person to travel and the potential of a jurisdiction to require direct payment of travel expenses. Specifically, P1210 provides that "the expenses of such reviews may be paid through the International Fuel Tax Association if funds are available."

#### Proposed Ballot Language

The sponsors were gracious enough to ask for proposed language from North Carolina. It proposes the following re-write of P1230:

**Ballot #2-2025**  
**Comment Period Ending October 27, 2025**

**P1230 REQUIRED PARTICIPATION IN PERFORMING PROGRAM COMPLIANCE REVIEWS**

.100 Member jurisdictions shall make available jurisdictional reviewers to conduct periodic program compliance reviews as scheduled by IFTA, Inc. The jurisdiction reviewers designated by the jurisdiction must serve a two-year term but may be substituted at the discretion of the jurisdiction.

.200 IFTA, Inc. shall assign periodic program compliance review responsibilities equally among the member jurisdictions.

.300 Periodic program compliance reviews must be conducted during one week of the calendar year. The Program Compliance Review Committee shall determine the applicable week.

.400 Unless consented to by the member jurisdiction, its jurisdictional reviewer may not perform more than 24 work hours associated with conducting periodic program compliance reviews outside of the designated week.

As noted above, if the sponsor intended this language only to apply to annual reviews, this language is moot.

**ONTARIO**

Oppose

Ontario supports the new program compliance review process, and we recognize this process has been adopted apart from ballot #02-2025.

However, Ontario does not support including the concept of a “travel week” in the Articles of Agreement under Required Participation. Ontario cannot commit to funding travel and accommodations for a week and does not support making travel for IFTA events required for member jurisdictions.

Ontario could support this ballot if it was updated to say travel was preferred but not required.

**PRINCE EDWARD ISLAND**

Oppose

**QUEBEC**

Oppose

The jurisdiction of Quebec opposes the current ballot for the following reasons:

1) Fundamental structure of the proposed review process: while the jurisdiction of Quebec acknowledge the intent to speed up the review process, we also feel that in 2025, a true hybrid process of remote work and in-person meetings should be prioritized. Regarding the travel week, an hybrid system should give each jurisdiction the choice to send its reviewers on site. This is especially important in the context of labour shortage experienced by many jurisdictions. A true hybrid process would also allow for more pre-planning meetings, therefore avoiding stumbling blocks during the "travel week".

**Ballot #2-2025**  
**Comment Period Ending October 27, 2025**

2) Language used: terms like "appropriate share" and "bulk" are a broad language and creates uncertainty to determine if a jurisdiction is in compliance with the proposed section P1230.

3) Unexpected / unintended result: given the intent to concentrate the reviews in a travel week, the ballot should allow jurisdictions to change reviewers under predetermined and exceptional circumstances (ex: illness, traveling problems, etc), in order to remain in compliance with section P1230.

4) Bearing of the costs: section P1210 of the agreement mentions that the expenses of the reviews might be paid through IFTA if funds are available. Given that it's IFTA's intention to change the current process, the jurisdiction of Quebec would propose the following section P1210, which would allow more certainty to grant travel approvals for the reviewers:

Member jurisdictions shall permit periodic program compliance reviews to be performed to assure they are in compliance with the provisions of the Agreement. At the expense of the member jurisdictions conducting such reviews, they will be performed after the first year of implementation of the Agreement. The expenses of such reviews must be paid through the International Fuel Tax Association if funds are available. Beginning January 1, 1997, the program compliance reviews will be conducted according to a schedule developed by IFTA, Inc.

The jurisdiction of Quebec also feels that if known at the time, such intention to change the process should have been clearly presented within the context of the dues increase vote at the 2024 ABM.

**VIRGINIA**

Oppose

Virginia supports the new compliance review process. However, the scope of this ballot goes beyond the changes needed to align the language of the Articles of Agreement with that process, introducing vague and potentially onerous requirements, as other commenters have noted.

**WEST VIRGINIA**

Oppose

Language needs clarified

**WYOMING**

Support

Wyoming supports this ballot. The current limitation, restricting jurisdictions to no more than two reviews per year, conflicts with the new process. In the old process, if you reviewed 2 jurisdictions each year, it would take many days for each review. In the old process, the reviewer would be spending 2 weeks or more to review 2 jurisdictions. In the new process, you will be able to review 10-15 jurisdictions in a few days. The new process has dramatically changed so that you are looking at reports to determine compliance vs going line by line through taxpayer returns.

**FOR VOTE BY DECEMBER 18, 2025**



**IFTA BALLOT PROPOSAL  
#03-2025**

**Sponsor**

IFTA Audit Committee

**Date Submitted**

April 1, 2025

**Proposed Effective Date**

January 1, 2026

**Manual Sections to be Amended**

Audit Manual Sections A350 & A460 (Effective Date: September 2024)  
Procedures Manual P570 (Effective Date: January 2024)  
[Including amendments from Ballot 5-2024 \(Effective Date: January 2026\)](#)

**Subject**

IFTA Audit Manual and IFTA Procedures Manual - Alternative Fuel Audit Impacts

**History/Digest**

In accordance with IFTA Articles of Agreement Article XVIII Sections R1810.100 and R1810.200.020, and as stated in Sections II and III of the Committee Charter, the IFTA Audit Committee is responsible for maintaining the IFTA Audit Manual. This duty includes periodic reviews to determine if any changes or updates are needed and to make such recommendations to the IFTA, Inc. Board of Trustees. The duties of the Audit Committee also include a review of ballot proposals ratified by membership to determine whether any sections of the IFTA Audit Manual are impacted by the ratified language and to recommend changes if applicable. With the passage of IFTA Ballots 8-2022 and 3-2023, IFTA has addressed the future of fuels used to propel qualified motor vehicles and to provide for the alternative method of taxing consumption based on applying a tax to taxable distance.

The Board of Trustees issued a charge on February 12, 2024, as follows:

- 3.1 Develop a sub-committee
- 3.2 Research
- 3.3 Provide results of research and recommendations to the Board including, if applicable, a ballot proposal for recommended changes to the Audit Manual

## **Intent**

This ballot proposes amendments to the IFTA Audit Manual and IFTA Procedures Manual to support the auditing and taxation of all fuel types on behalf of all jurisdictions. This will amend the IFTA Audit Manual to align it with the implementation of Ballot 05-2024 that takes effect on January 1, 2026.

The term “average fuel consumption factor” is used in this ballot to maintain consistency with the terminology already established in Section P720.350 of the IFTA Procedures Manual, where it is listed as required information on the standard tax return. This clarification reinforces the principle that the average fuel consumption factor is an all-encompassing measurement used by jurisdictions to represent fuel consumption, including miles per gallon (MPG), kilometers per liter (KPL), and miles per gallon equivalent (MPGe). Average fuel consumption factor serves as a standardized factor for auditing purposes, regardless of the fuel type used, and supports consistent application across jurisdictions.

Miles per gallon equivalent (MPGe) is recognized as a valid fuel consumption measurement for the electricity fuel type, consistent with its use by the U.S. federal government and recognized in the industry. While Canada does not currently have an adopted or recognized standard average fuel consumption factor for the electricity fuel type, nor currently taxes electricity, this proposal allows inclusion of any future average fuel consumption factor as standards evolve.

Kilowatt-hour (kWh) will not be added to the IFTA Audit Manual and IFTA Procedures Manual because it is a unit of measurement and does not represent an average fuel consumption factor (refer to Ballot 05-2024 which takes effect on January 1, 2026).

Jurisdictions may still apply a 20% reduction to the average fuel consumption factor or reduce the MPG/KPL (average fuel consumption factor) to 4.0 MPG or 1.7 KPL, depending on the audit scenario. The inadequate records assessment added for jurisdictions that impose tax by applying a tax rate to distance is a standalone assessment. It is not a double assessment, as any reduction to the average fuel consumption factor has no bearing on the tax rate applied to distance. These mechanisms operate independently to ensure fairness and consistency.

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 AUDIT MANUAL

2 A350 AUDIT ADJUSTMENTS

- 3
- 4 .100 When records for the fleet as a whole are adequate for audit, the base  
5 jurisdiction shall have the authority to adjust the reported average fuel  
6 consumption factor (e.g.: MPG, KPL, MPGe, and/or any other measurement of  
7 distance traveled per unit of fuel consumed),  
8
- 9 .300 If the base jurisdiction determines that such factors as those in A350.200 fail to  
10 provide a basis to support an audit adjustment, the jurisdiction may, for the  
11 specific vehicles at issue,  
12
- 13 .005 reduce the vehicle average fuel consumption factor (e.g.: MPG, KPL,  
14 MPGe, and/or any other measurement of distance traveled per unit of  
15 fuel consumed) or by 20% or  
16
- 17 .010 reduce the vehicle MPG to 4.00 or the KPL to 1.7;  
18
- 19 .015 for jurisdictions that impose tax on the consumption of fuel by applying a tax  
20 rate to distance, increase only jurisdictional distance by 20%. The jurisdictional  
21 distance increase shall not affect total distance.  
22

23 A460 AUDIT REPORT

- 24
- 25 .500 Distance and Fuel Examination:  
26
- 27 .015 Describe procedures used to verify reported distance, fuel and average fuel  
28 consumption factor (e.g.: MPG, KPL, MPGe, and/or any other measurement  
29 of distance traveled per unit of fuel consumed);  
30
- 31 .700 Billing Summary: All items listed below, except penalty .045, must be  
32 presented in the billing summary by reporting period.  
33
- 34 .020 Average fuel consumption factor (e.g.: MPG~~/~~, KPL, MPGe, and/or any  
35 other measurement of distance traveled per unit of fuel consumed) as  
36 reported;  
37
- 38 .025 Average fuel consumption factor (e.g.: MPG~~/~~, KPL, MPGe, and/or any  
39 other measurement of distance traveled per unit of fuel consumed) as  
40 a result of audit;  
41

42 PROCEDURES MANUAL

43 P570 INADEQUATE RECORDS ASSESSMENT

- 44
- 45 .100 If the base jurisdiction determines that the records produced by the licensee for audit do  
46 not, for the licensee's fleet as a whole, meet the criterion for the adequacy of records set  
47 out in P530, or after the issuance of a written demand for records by the base  
48 jurisdiction, the licensee produces no records, the base jurisdiction shall impose an  
49 additional assessment by:

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- .005 reducing the licensee's reported fleet MPG to 4.0 or 1.70 KPL; or
- .010 reducing the licensee's reported average fuel consumption factor (e.g.: MPG, KPL, MPGe, and/or any other measurement of distance traveled per unit of fuel consumed)
- .015 for jurisdictions that impose tax on the consumption of fuel by applying a tax rate to distance, increase only jurisdictional distance by 20%. The jurisdictional distance increase shall not affect total distance.
- .200 This section does not affect the ability of a base jurisdiction to disallow tax-paid credit for fuel purchases which are inadequately documented, or, for cause, to conduct a best information available audit which may result in adjustments to either the audited or reported average fuel consumption factor (e.g: MPG, KPL, MPGe, and/or any other measurement of distance traveled per unit of fuel consumed), suspend, revoke, or cancel the license issued to a licensee.

**Ballot #3-2025**  
**Comment Period Ending October 27, 2025**

Support: 8  
Oppose: 3  
Undecided: 3

**ALBERTA**

Support

**BRITISH COLUMBIA**

Support

Support using an “average fuel consumption factor” as an all encompassing measurement to represent fuel consumption.

**CONNECTICUT**

Support

**ILLINOIS**

Oppose

Position: Oppose as drafted.

This ballot confuses terminology. Fuel consumption and fuel economy are two terms of art that have different meanings.

Fuel economy:

- Measures *how much distance* a motor vehicle can travel on certain amount of fuel.
- Is expressed in miles per gallon (mpg) or kilometers per liter (kpl).

Fuel consumption:

- Measures to *how much fuel* a motor vehicle uses to go a certain distance.
- Is expressed in gallons per mile (gpm) or liters per kilometer (lpl). See e.g. 49 CFR 535.59(c).

Fuel consumption and fuel economy are inversely related, which means as one increases, the other one decreases. “Fuel efficiency means the amount of work performed for each gallon of fuel consumed.” 49 CFR 535.4 (emphasis added).

1.) The “average fuel consumption factor” should be replaced with “average fuel economy value” in A350, A460, P570, and P720.350 for the following reasons. To use phraseology of “average fuel consumption factor” while the concepts of fuel economy (MPG, MPGe and KPL) are already present in the current language, not only makes A350, A460 and P570 internally inconsistent but also contrary to generally accepted principles. The general public, US Dept. of Energy, the US National Highway Traffic Safety Administration, and US Environmental Protection Agency utilize generally accepted principles of fuel economy, fuel consumption and fuel efficiency. The “Intent” makes a claim that “Miles per gallon equivalent (MPGe) is recognized as a *valid fuel consumption measurement* for the electricity fuel type, consistent with its use by the U.S. federal government and recognized in the industry.”

**Ballot #3-2025**  
**Comment Period Ending October 27, 2025**

(emphasis added). However, that statement is contradicted by federal law. According to the Code of Federal Regulation, MPGe or “Equivalent petroleum-based *fuel economy value* means a number representing the average number of miles traveled by an electric vehicle per gallon of gasoline.” 40 CFR 600.502(c) (emphasis added). Other claims made in the “Intent” section are not supported by specific citations to authoritative sources, studies, federal or state laws. Further, definitions of MPG, KPL and MPGe should be added to ensure clarity. For instance, the following definition already exists in the Code of Federal Regulation and could be utilized for consistency with the federal government: MPGe or “Equivalent petroleum-based fuel economy value means a number representing the average number of miles traveled by an electric vehicle per gallon of gasoline.” 40 CFR 600.502(c).

2) Further, the proposed .015 in P570.100 should be removed from .100 and should become .150 to allow for greater clarity on how this item applies. Also, the proposed .015 in A350.300 should be removed from .300 and should become .350 to allow for greater clarity on how this item applies.

3) In .200 “suspend, revoke, or cancel the license issued to a licensee” should be changed to “suspension, revocation, or cancellation of the license issued to a licensee”.

**KENTUCKY**

Support

**MANITOBA**

Support

**MICHIGAN**

Undecided

Michigan is undecided on this ballot because of the same concern we had in the first comment period.

Based on A350.300.015 - 'increase only jurisdictional distance by 20% for jurisdictions that impose a consumption of fuel by applying a tax rate by distance.' Michigan will need to consult with our IFTA system vendor on the change to apply 20% change to specific jurisdictions since this would be a significant change from our the system currently works. We do not support the current effective date of this ballot

**NEVADA**

Oppose

Nevada opposes this ballot as drafted and agrees with Illinois' comments.

**NEW BRUNSWICK**

Support

**NORTH CAROLINA**

Undecided

**Ballot #3-2025**  
**Comment Period Ending October 27, 2025**

North Carolina agrees with Illinois that the use of terms remain problematic.

As described in detail in North Carolina's first comment, fuel economy is the most clear, consistent, and understood term for the function it is serving in this ballot. Injecting terms that are inconsistent with understood industry and federal standards poses issues that can be easily avoided.

North Carolina supports the intent of this ballot but has reservations based on the terms used.

**ONTARIO**

Support

**PRINCE EDWARD ISLAND**

Oppose

**VIRGINIA**

Support

**WEST VIRGINIA**

Undecided

**FOR VOTE BY DECEMBER 18, 2025**



**IFTA BALLOT PROPOSAL  
#04-2025**

**Sponsors**

Jurisdictions of California, Maryland, Massachusetts, Indiana, Texas, Rhode Island, Kansas, New York, and Connecticut

**Date Submitted**

September 19, 2025

**Proposed Effective Date**

January 1, 2026

**Manual Sections to be Amended**

(Version September 2024)

IFTA Audit Manual

Section A250

NUMBER OF AUDITS

**Subject**

Reducing the audit percentage required to be completed by each jurisdiction annually by changing the Audit Manual, Section A250 Number of Audits.

**History/Digest**

Each year, base jurisdictions are required to audit an average of three percent (3%) of IFTA accounts required to be reported by that jurisdiction. With the increase in new accounts year-over-year, this has become an emerging issue where it is increasingly difficult for jurisdictions to complete the required number of audits to meet the IFTA 3% requirement. The proposed amendment reduces the audit requirement to two percent (2%) per year.

A review of the IFTA Annual Reports for years 2020 through 2024, demonstrates that 91% of IFTA Jurisdictions are already meeting an average of at least 2%. By amending the audit requirement to 2%, it would allow IFTA Jurisdictions to keep an active and compliant membership within IFTA, Inc., while maintaining carrier compliance through current audit coverage.

**Intent**

The intent of this ballot proposal is to reduce the audit requirement from 3% to 2% per year. This amendment will benefit all jurisdictions by creating more time for jurisdictions to use their audit resources efficiently. Jurisdictions would be able to pursue more investigative audit methods, conduct more complex audits, and conduct team audits across State lines. In addition, jurisdictions may focus on a robust audit selection to increase compliance and fuel tax recovery on behalf of all member jurisdictions.

This ballot proposal will strengthen the engagement of all IFTA Jurisdictions through effective communication as we address emerging issues in the fuel tax industry.

# **FOR VOTE BY DECEMBER 18, 2025**

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**Interlining Indicates Deletion; Underlining Indicates Addition**

## **IFTA AUDIT MANUAL**

### **A250 NUMBER OF AUDITS**

Base jurisdictions will be held accountable for audits and will be required to complete audits of an average of two (2) percent per year of the number of IFTA accounts required to be reported by that jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees, for each year of the program compliance review period, other than the jurisdiction’s IFTA implementation year. Such audits shall cover all of the returns that were filed or required to be filed during a license year or shall cover at least four (4) consecutive quarters. This does not preclude audits of individual licensees several times during the program compliance review period. However, audits of a single licensee that cover multiple license years, fuel types, or both shall be counted as one audit for program compliance review purposes.

For purposes of this requirement, a Member Jurisdiction may substitute three Records Reviews for one Audit; provided, that no Member Jurisdiction may substitute Records Reviews for more than twenty-five percent of the total of the Audits required under this section. To use Records Reviews as a substitute for Audits, a Member Jurisdiction must adopt formal procedures that comply with the guidelines for Records Reviews set out in the Audit Manual. All accounts may be subject to a Records Review. Records Reviews cannot count toward the high or low distance audit requirement established in Section A260 Selection of Audits of the IFTA audit manual. All Records Reviews will count towards the unspecified distance account audit requirements. Any follow up or secondary Records Review on compliance issues will not count as another Records Review.

**Ballot #4-2025**  
**Comment Period Ending October 27, 2025**

Support: 18  
Oppose: 5  
Undecided: 2

**ALBERTA**

Oppose

Alberta supports a review of the audit requirement but would like to see an approach supported by evidence rather than an arbitrary reduction to the audit percentage. Alberta would like to see a comprehensive review of the audit percentage requirement to find the optimal amount necessary to ensure a satisfactory level of compliance. Alternative methodologies, including a data driven approach, should also be explored.

**BRITISH COLUMBIA**

Support

BC supports this ballot:

- Allows jurisdictions to use audit resources more efficiently (e.g. dedicate more resources to higher risk audits of other tax types)
- Better supports jurisdictions in meeting audit targets

**CALIFORNIA**

Support

California continues to support this re-submitted ballot proposal, which is to reduce the minimum audit requirement from three percent (3%) to two percent (2%) per year. By amending the audit requirement, it would allow IFTA Jurisdictions to keep an active and compliant membership within IFTA, Inc., while maintaining carrier compliance through current audit coverage. This amendment will benefit all jurisdictions by creating more time for jurisdictions to use their audit resources efficiently. Jurisdictions would be able to pursue more investigative audit methods, conduct more complex audits, and conduct team audits across State lines. In addition, jurisdictions may focus on a robust audit selection to increase compliance and fuel tax recovery on behalf of all member jurisdictions.

**CONNECTICUT**

Support

Connecticut supports this re-submitted ballot proposal, which is to reduce the minimum audit requirement from three percent (3%) to two percent (2%) per year. A 2% audit requirement will still far exceed the audit coverage rate of other tax types audited by jurisdictions, thereby ensuring that compliance will continue.

**ILLINOIS**

Support

**INDIANA**

Support

**KANSAS**

Support

**Ballot #4-2025**  
**Comment Period Ending October 27, 2025**

Kansas supports this updated ballot as the 2% requirement would allow over 90% of the jurisdictions that ability to meet the goal at a time when a majority of jurisdictions are struggling due to increase in registrants, employee turnover, unable to compete with private sector and other factors outside the control of the judications despite their best efforts. Some jurisdictions do not want to support this ballot because they want a study first to determine if lowering the requirement would still provide the same benefit as the current 3% requirement. While a study maybe prove useful, nevertheless, action needs to be taken now to ensure that all jurisdictions can meet their goal as no jurisdiction or carriers benefits if other jurisdictions are eventually forced out of IFTA, which would defeat the purpose of IFTA in the first place. Besides, any jurisdiction that can meet or exceed the 3 % goal is free do so, even those that are joint shops; nothing prevents them from doing more than 2%.

**KENTUCKY**

Support

Should help jurisdictions that struggle with staffing shortages.

**MANITOBA**

Support

**MARYLAND**

Support

Maryland supports this ballot and agrees with California's comments. Additionally, a 2% requirement does not preclude jurisdictions from exceeding this requirement.

**MASSACHUSETTS**

Support

The Commonwealth of Massachusetts supports this re-submitted ballot proposal which is to reduce the minimum audit requirement from three percent (3%) to two percent (2%) per year. Amending the audit quota requirement would allow all IFTA jurisdictions to be compliant while allowing for a more strategic approach to both audit selection and assignment. In addition, this re-submitted ballot would allow for quality audits with educational components for licensees resulting in better voluntary compliance in the future.

**MICHIGAN**

Support

**NEVADA**

Undecided

Nevada supports 2% threshold, vs the original 1%. However, Nevada is still concerned with being a joint shop and conducting IRP audits at a 3%. Additionally, if Nevada is auditing at 3% IFTA and collecting for other jurisdictions that are only auditing at 2% IFTA, this would not be balanced. A study should be conducted to determine a true audit percentage and petition IRP to be reduced as well.

**NEW BRUNSWICK**

Oppose

We agree with Alberta's comment.

**Ballot #4-2025**  
**Comment Period Ending October 27, 2025**

**NEW JERSEY**

Support

New Jersey agrees with California and supports this ballot.

**NEW YORK**

Support

New York supports this resubmitted ballot proposal. A more strategic approach toward audit selection results in a higher percentage of quality audits and promotes the taxpayer experience by reducing unnecessary enforcement engagement. We believe a 2% audit rate is more indicative of achieving this goal and identifying a higher percentage of noncompliant licensees.

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Oppose

North Carolina supports a data driven decision on whether to change the number of audits required to be completed by jurisdictions. The potential impacts on jurisdictions, revenue, and the industry itself are too great not to have a well-researched and well-grounded solution to what many jurisdictions have claimed is a significant issue. Absent the ability to determine these impacts, changing the Audit Manual and reducing required audits is *concerningly* arbitrary.

**ONTARIO**

Support

Ontario supports this proposal to require jurisdictions to complete audits on 2% of IFTA accounts each year. A 2% threshold strikes the right balance between efficiency and oversight. Ontario would also support research into an evidence-based approach to determining a long-term audit threshold, as PEI has suggested, with 2% as an interim measure.

**PRINCE EDWARD ISLAND**

Oppose

Prince Edward Island opposes this ballot. We reiterate that we are not opposed to changing the percentage of accounts audited. We are opposed to arbitrarily picking a number to replace one.

We are tasked with auditing. Auditors routinely choose sample sizes to achieve a desired confidence level. There is no reason that IFTA could not hire a consultant (CPA firm or statistician) to review our overall account population and determine a sample size that achieves a desired confidence level. That way we would have something to turn to in the manual to explain why we audit the number of carriers we do.

In this regard, we feel the appropriate path forward is to have IFTA hire a consultant to review our sampling methodology, and advise on whether it is meeting our needs. This could look at the number of accounts audited, but could also look at whether "accounts" is the proper metric to sample. Sampling a % of total accounts incentivizes jurisdictions to focus on smaller/easier accounts instead of larger accounts. A risk based assessment is probably the appropriate approach, and may involve a number of accounts, trucks, miles driven, compliance history, etc.

**Ballot #4-2025**  
**Comment Period Ending October 27, 2025**

**QUEBEC**

Support

The jurisdiction of Quebec supports the current ballot, which covers issues encountered by many jurisdictions:

- Staff shortage and staff allocation;
- Hours allocation per audit case;
- Audit risk assessment and identification.

While the jurisdiction of Quebec acknowledges the stance of other jurisdictions regarding the need for a study, such process must be analyzed from a cost-benefit perspective, which the jurisdiction of Quebec has its reservations.

**RHODE ISLAND**

Support

The Rhode Island Division of Taxation supports Ballot #4. Overall, the reduction in the quantity of audits will allow states to improve quality and achieve more consistent results for all member jurisdictions.

In specific, approving Ballot #4 will have the following benefits:

1. Reducing the required number of audits will allow states to focus and improve the quality of the audit process.
2. With less focus on the audit count, the audit staff will be able to improve the audit selection quality.
3. A focus on quality audits also allows for taxpayer education and improved voluntary compliance.

**VIRGINIA**

Oppose

Virginia opposes the ballot for the reasons articulated by North Carolina.

**WEST VIRGINIA**

Support

**WISCONSIN**

Undecided

Wisconsin would be in support of this ballot but would also like to see some type of credit/requirement for educational initiatives. A requirement to offer training session(s), these could include but not limited to a yearly seminar, monthly meetings with the a goal to improve overall compliance with carriers. Along with records reviews being the norm for new carriers.

**FOR VOTE BY DECEMBER 18, 2025**



**IFTA BALLOT PROPOSAL  
#06-2025**

**Sponsor**

IFTA, Inc. Board of Trustees

**Date Submitted**

May 23, 2025

**Proposed Effective Date**

Upon Passage

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

IFTA Articles of Agreement Section R1545-ACTIVE MEMBERSHIP STATUS

Section R1545.300

**Subject**

The definition of retaining an active membership status.

**History/Digest**

Article R1545 of the IFTA Articles of Agreement outlines the requirements for a jurisdiction to retain Active Membership status. Section R1545.300 currently states that a jurisdiction must “comply with all other provisions of the Agreement.” While this language appears straightforward, its literal interpretation introduces significant uncertainty: any instance of non-compliance—regardless of severity or context—could technically trigger the loss of Active Membership status and voting privileges under Article R1546.

This ambiguity creates a risk of inconsistent enforcement and undermines confidence in the membership process. Jurisdictions may be unsure whether minor procedural oversights or temporary administrative delays could result in very punitive consequences, even if the issue has been resolved or they are actively working toward resolution.

To address this, the sponsor proposes aligning R1545.300 with Article R1555.200, which defines a structured and deliberate process for determining serious non-compliance. Under R1555.200, only issues that have undergone a Program Compliance Review and resulted in a Final Determination Finding of Non-Compliance (FDFNC) are eligible to be forwarded to the Dispute Resolution Committee. This ensures that only the most significant and unresolved compliance failures—those that materially impact the integrity of the IFTA program—result in the loss of Active Membership status.

This amendment does not mean that the sections referred to in R1555.200 are the only provisions of the agreement worthy of enforcement. Article R1545 is not an enforcement tool to be used by jurisdictions of licensees to ensure or somehow enforce compliance. Article 1545 simply speaks to the conditions to maintain Active Member Status. Article R1555 addresses all

Compliance Matters. Should a dispute arise between a member jurisdiction and another member jurisdiction or a licensee concerning issues of compliance with any section of the agreement the IFTA Dispute Resolution Process is the appropriate avenue for compliance enforcement. It is worth noting that the DRC Process specifically refers to the immediate loss of voting power as a potential remedy.

By amending R1545.300 to reference R1555.200, the ballot seeks to:

- Eliminate uncertainty around what constitutes grounds for losing Active Membership
- Ensure that only serious and documented non-compliance leads to loss of voting privileges
- Provide transparency and predictability for all member jurisdictions

Without this clarification, jurisdictions remain vulnerable to subjective or inconsistent interpretations of R1545.300. This ballot aims to safeguard the fairness and credibility of the IFTA membership framework.

**Intent**

To clearly define the intent of R1545.300 by amending the language therein to the language in Article R1555.200.

**FOR VOTE BY DECEMBER 18, 2025**

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 **\*R1545 ACTIVE MEMBERSHIP STATUS**

2

3 To retain active membership status, the jurisdiction must:

4

5 .100 Collect and transfer fees for other jurisdictions in a timely manner;

6

7 .200 Pay membership fees in a timely manner; and

8

9 .300 Not remain out of compliance with an issue that has been the subject of a Final  
10 Determination Finding of Non Compliance (FDFNC) under R1555.200.

11

12 Voting privileges provided in Articles of Agreement R1546 are granted only to eligible  
13 members jurisdictions holding active membership status.

14

**Ballot #6-2025**  
**Comment Period Ending October 27, 2025**

Support: 8  
Oppose: 8  
Undecided: 0

**ALBERTA**

Support

**BRITISH COLUMBIA**

Oppose

Understand the intent but this has never been an issue and doesn't seem likely that anyone would pursue enforcement actions against jurisdictions for minor compliance issues.

I understand there is a board charge to review the Dispute Resolution Process (DRP) and recommend waiting until this has been completed. Further to Illinois' comments on "active membership", there may be an opportunity to link the concept of "active membership" with the DRP.

**CONNECTICUT**

Support

**ILLINOIS**

Oppose

Position: Oppose as drafted.

1. Function of Section 1545 is unclear: There does not appear to be a process to determine specifically that a licensee does or does not have "active membership status." A licensee can lose voting privileges as a result of the dispute resolution process (IFTA Dispute Resolution Process Manual, Part V, Remedies) or be expelled under IFTA Articles of Agreement Section 1555.300, but there is no process related to "active membership status". As a result, Section 1545 has an ambiguous function at the outset, seeming primarily to be a discussion point, rather than a functional provision. Changing 1545.300 does not appear to move the ball since it appears that a licensee's "active" status is really based on two possible outcomes of 1) loss of voting power and 2) expulsion.

2. Timing/Finality: If Section R1545 is to have a function, a timing element is required. "Not remaining out of compliance [for one minute?] [for 60 days?] [for one year?]. . . . In addition, the status should be based on a final, unappealable determination of non-compliance under R1555.200.

**Ballot #6-2025**  
**Comment Period Ending October 27, 2025**

3. Alternative: The goal is to remove non-material Agreement violations from rendering a jurisdiction “inactive” (although it should be noted again that this provision has no procedure to do so anyway). It is suggested that the language, instead of referring to R1555.200, name the substantive requirements that a licensee must comply with to retain active membership status. Then, conclude the list with a catch-all that draws the materiality line with language such as “or other material violation of the Agreement”. Then, define what material means in this context.

**KENTUCKY**

Support

**MANITOBA**

Support

**MICHIGAN**

Support

**NEVADA**

Oppose

Nevada still stands with first round comment and agrees with North Carolina's first round comment.

**NEW BRUNSWICK**

Support

**NEWFOUNDLAND**

Support

**NORTH CAROLINA**

Oppose

North Carolina is confused with the ballot "changes" after the ballot failed at the ABM. Instead of addressing concerns raised by membership and making changes to the ballot language, the sponsor has decided to explain in further detail why the ballot is needed. North Carolina concedes this point.

As noted in North Carolina's previous comment:

"North Carolina concedes that the first-order effects the sponsor attempts to address should be fixed: losing active membership status for any failure to comply with the Agreement (R1545.300) is too harsh. However, the sponsor has failed to consider the second-order effects that will result from this ballot. North Carolina strongly believes that

**Ballot #6-2025**  
**Comment Period Ending October 27, 2025**

the direction for this organization should not be to strike R1545.300, but to provide a series of tiered consequences for jurisdictions who fail to comply with the governing documents outside of R1555.200."

Ultimately, this ballot may solve one issue only to create new ones, which is highlighted by Illinois' comment.

Only expanding on the history of the ballot and not addressing the substantive issues of the ballot leaves North Carolina in the same position it was in at the ABM: "No."

**ONTARIO**

Support

**PRINCE EDWARD ISLAND**

Oppose

**QUEBEC**

Oppose

While the jurisdiction of Quebec acknowledges the intent of the ballot, we should point out that the language creates uncertainty regarding the delay to correct a situation related to a non compliance notice.

We also refer to Illinois and North Carolina's comments, which are insightful and reflects our jurisdiction's point of view.

**VIRGINIA**

Oppose

Virginia's concerns remain the same as those articulated in our comments on the previous version of the ballot.

**WEST VIRGINIA**

Oppose

### **SECTION 3**

1. IFTA Ballot Proposals for Vote Ending December 18, 2025
2. Voting results for Vote Ended December 18, 2025



**IFTA BALLOT PROPOSAL  
#02-2025**

**Sponsor**

IFTA, Inc. Program Compliance Review Committee

**Date Submitted**

March 5, 2025 September 2, 2025

**Proposed Effective Date**

January 1, 2026

**Manual Sections to be Amended**

Procedures Manual Section P1230

**Subject**

Jurisdiction participation in program compliance reviews.

**History/Digest**

P1230 currently requires jurisdictions to participate in their appropriate share of program compliance reviews each year with no member jurisdiction being required to participate in more than two program compliance reviews per year. Assistance with these program compliance reviews is distributed equally across all jurisdictions based on the schedule established by the Program Compliance Review Facilitator.

The IFTA Board of Trustees issued a Board Charge to the Program Compliance Review Committee (PCRC) in March 2024 to develop new review procedures that include an annual Admin review of all member jurisdictions. The Charge directs the PCRC to streamline the review process with more of a focus on items that are of monetary importance to all member jurisdictions. The board charge was voted on during the 2025 Annual Business Meeting and was passed by majority vote.

With streamlined review procedures reviewers will spend less time conducting reviews. ~~The PCRC also is planning to have Committee members~~ will also participate in reviews, particularly in regard to analyzing Clearinghouse data for an Annual Admin review of all jurisdictions.

The current limitation, restricting jurisdictions to no more than two reviews per year, conflicts with this new process. While participation in reviews remains a program requirement, the existing cap limits flexibility, hinders team-based reviews, and slows completion of the required reviews.

~~The current limitation—restricting reviewers to participate in no more than two reviews per year—undermines the effectiveness of the updated approach. Although reviewers are required to participate as part of the program, the existing cap creates barriers to collaboration, limits the ability to conduct team-based reviews, and hinders completion of the reviews.~~

~~Removing this restriction will not increase the overall workload for jurisdictions, as the scope of each review has been streamlined. Instead, it will provide greater flexibility in scheduling and allow jurisdictions to participate in group reviews more effectively, enhancing consistency, efficiency, and the overall quality of compliance efforts.~~

## **FOR VOTE BY DECEMBER 18, 2025**

### **Intent**

This ballot proposes to remove the restriction that no member jurisdiction be required to participate in more than two reviews per year. Removing this limitation will not increase the overall workload for jurisdictions, as each review has been streamlined. Instead, it will enhance scheduling flexibility, allow for more effective group reviews, and improve consistency, efficiency, and the overall quality of program compliance efforts.

This structure ensures that all required reviews are completed annually, that the workload is equitably distributed among jurisdictions, and that expectations for reviewer participation remain reasonable and predictable.

~~This ballot is being submitted to consider changing the IFTA Procedures Manual to remove the restriction that no member jurisdiction may be required to participate in more than two program compliance reviews per year. This change will support the Board's directive for more frequent, collaborative, and efficient reviews—especially those requiring team-based analysis and execution under the revised streamlined procedures.~~

**FOR VOTE BY DECEMBER 18, 2025**

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 \*P1230 REQUIRED PARTICIPATION

2  
3 Jurisdictions will be required to participate in their appropriate share of program compliance  
4 reviews each year through the assignment of jurisdictional reviewers. Assistance with these  
5 program compliance reviews is distributed equally across all jurisdictions based on the schedule  
6 established by the Program Compliance Review Facilitator.  
7 ~~No member jurisdiction will be required to participate in more than two program compliance~~  
8 ~~reviews per year.~~

9  
10 Jurisdictional reviewers will serve a two-year term, during which they will participate in the bulk  
11 review process. The majority of review responsibilities will be concentrated during one designated  
12 travel week per year, when administrative and audit reviews are conducted collaboratively per the  
13 program compliance review guide.

14 -  
15 -  
16 Outside of the travel week, jurisdiction reviewers may be asked to participate in entrance  
17 meetings or limited follow-up discussions, but no additional extensive review obligations will be  
18 required.

19  
20  
21

**Changes Following Annual Business Meeting**

This ballot reflects changes based on concerns raised during the Annual Business Meeting. Commissioners noted that staff should not be required to conduct more than their fair share of reviews. Adjustments were also made following the majority vote to ratify the PCRC Board, ensuring this ballot supports fair and effective participation in competing reviews.

Additionally, language was updated for clarity. Reviewers are already required to participate, and the jurisdictional rotation schedule is posted on the IFTA website:

<https://www.iftach.org/procomp/Jurisdictions%20Participation%202%20year%202019-2020%20through%202037-2038.pdf>

## FAILED

<b>Jurisdiction</b>	<b>Language</b>	<b>Effective Date</b>
ALABAMA	NO	NO
ALBERTA	YES	YES
ARIZONA	YES	YES
ARKANSAS	YES	YES
BRITISH COLUMBIA	YES	YES
CALIFORNIA	NO	NO
COLORADO	YES	YES
CONNECTICUT	YES	YES
DELAWARE	YES	YES
FLORIDA	YES	YES
GEORGIA	YES	YES
IDAHO	YES	YES
ILLINOIS	NO	NO
IOWA	NO	NO
KANSAS	YES	YES
KENTUCKY	YES	YES
LOUISIANA	YES	YES
MAINE	YES	NO
MANITOBA	YES	YES
MARYLAND	NO	NO
MASSACHUSETTS	YES	YES
MICHIGAN	YES	YES
MINNESOTA	NO	NO
MISSOURI	YES	YES
MONTANA	YES	YES
NEBRASKA	YES	YES
NEVADA	NO	NO
NEW BRUNSWICK	YES	YES
NEW HAMPSHIRE	YES	YES
NEW JERSEY	NO	NO
NEW MEXICO	NO	NO
NEW YORK	NO	NO
NEWFOUNDLAND	NO	NO
NORTH CAROLINA	YES	YES
NORTH DAKOTA	YES	YES
NOVA SCOTIA	NO	NO
OHIO	NO	NO
OKLAHOMA	YES	YES
ONTARIO	NO	NO
OREGON	YES	YES
PENNSYLVANIA	YES	YES
PRINCE EDWARD ISLAND	NO	NO

QUEBEC	NO	NO
SASKATCHEWAN	YES	YES
SOUTH CAROLINA	YES	YES
SOUTH DAKOTA	YES	YES
TENNESSEE	NO	NO
TEXAS	NO	NO
UTAH	YES	YES
VIRGINIA	YES	YES
WASHINGTON	YES	YES
WEST VIRGINIA	NO	NO
WISCONSIN	YES	YES
WYOMING	YES	YES

**FOR VOTE BEFORE DECEMBER 18, 2025**



**IFTA BALLOT PROPOSAL  
#03-2025**

**Sponsor**

IFTA Audit Committee

**Date Submitted**

April 1, 2025

**Proposed Effective Date**

January 1, 2026

**Manual Sections to be Amended**

Audit Manual Sections A350 & A460 (Effective Date: September 2024)  
Procedures Manual P570 (Effective Date: January 2024)  
[Including amendments from Ballot 5-2024 \(Effective Date: January 2026\)](#)

**Subject**

IFTA Audit Manual and IFTA Procedures Manual - Alternative Fuel Audit Impacts

**History/Digest**

In accordance with IFTA Articles of Agreement Article XVIII Sections R1810.100 and R1810.200.020, and as stated in Sections II and III of the Committee Charter, the IFTA Audit Committee is responsible for maintaining the IFTA Audit Manual. This duty includes periodic reviews to determine if any changes or updates are needed and to make such recommendations to the IFTA, Inc. Board of Trustees. The duties of the Audit Committee also include a review of ballot proposals ratified by membership to determine whether any sections of the IFTA Audit Manual are impacted by the ratified language and to recommend changes if applicable. With the passage of IFTA Ballots 8-2022 and 3-2023, IFTA has addressed the future of fuels used to propel qualified motor vehicles and to provide for the alternative method of taxing consumption based on applying a tax to taxable distance.

The Board of Trustees issued a charge on February 12, 2024, as follows:

- 3.1 Develop a sub-committee
- 3.2 Research
- 3.3 Provide results of research and recommendations to the Board including, if applicable, a ballot proposal for recommended changes to the Audit Manual

## **Intent**

This ballot proposes amendments to the IFTA Audit Manual and IFTA Procedures Manual to support the auditing and taxation of all fuel types on behalf of all jurisdictions. This will amend the IFTA Audit Manual to align it with the implementation of Ballot 05-2024 that takes effect on January 1, 2026.

The term “average fuel consumption factor” is used in this ballot to maintain consistency with the terminology already established in Section P720.350 of the IFTA Procedures Manual, where it is listed as required information on the standard tax return. This clarification reinforces the principle that the average fuel consumption factor is an all-encompassing measurement used by jurisdictions to represent fuel consumption, including miles per gallon (MPG), kilometers per liter (KPL), and miles per gallon equivalent (MPGe). Average fuel consumption factor serves as a standardized factor for auditing purposes, regardless of the fuel type used, and supports consistent application across jurisdictions.

Miles per gallon equivalent (MPGe) is recognized as a valid fuel consumption measurement for the electricity fuel type, consistent with its use by the U.S. federal government and recognized in the industry. While Canada does not currently have an adopted or recognized standard average fuel consumption factor for the electricity fuel type, nor currently taxes electricity, this proposal allows inclusion of any future average fuel consumption factor as standards evolve.

Kilowatt-hour (kWh) will not be added to the IFTA Audit Manual and IFTA Procedures Manual because it is a unit of measurement and does not represent an average fuel consumption factor (refer to Ballot 05-2024 which takes effect on January 1, 2026).

Jurisdictions may still apply a 20% reduction to the average fuel consumption factor or reduce the MPG/KPL (average fuel consumption factor) to 4.0 MPG or 1.7 KPL, depending on the audit scenario. The inadequate records assessment added for jurisdictions that impose tax by applying a tax rate to distance is a standalone assessment. It is not a double assessment, as any reduction to the average fuel consumption factor has no bearing on the tax rate applied to distance. These mechanisms operate independently to ensure fairness and consistency.

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 AUDIT MANUAL

2 A350 AUDIT ADJUSTMENTS

3  
4 .100 When records for the fleet as a whole are adequate for audit, the base  
5 jurisdiction shall have the authority to adjust the reported average fuel  
6 consumption factor (e.g.: MPG, ~~or KPL, kWh,~~ MPGe, and/or any other  
7 measurement of distance traveled per unit of fuel consumed) ~~or any factor~~  
8 ~~used to compute motor fuel consumption.~~

9  
10 .300 If the base jurisdiction determines that such factors as those in A350.200 fail to  
11 provide a basis to support an audit adjustment, the jurisdiction may, for the  
12 specific vehicles at issue, ~~either~~

13  
14 .005 reduce the vehicle average fuel consumption factor (e.g.: MPG, ~~or KPL,~~  
15 MPGe, and/or any other measurement of distance traveled per unit of  
16 fuel consumed) ~~kWh or any factor used to compute motor fuels~~  
17 ~~consumption~~ by 20% or

18  
19 .010 ~~adjust~~ reduce the vehicle MPG to 4.00 or the KPL to 1.7;

20  
21 .015 for jurisdictions that impose tax on the consumption of fuel by applying a tax  
22 rate to distance, increase only jurisdictional distance by 20%. The jurisdictional  
23 distance increase shall not affect total distance.

24  
25  
26 A460 AUDIT REPORT

27  
28 .500 Distance and Fuel Examination:

29  
30 .015 Describe procedures used to verify reported distance, fuel and average fuel  
31 consumption factor (e.g.: MPG, ~~KPL,~~ MPGe, and/or any other measurement  
32 of distance traveled per unit of fuel consumed);

33  
34 .700 Billing Summary: All items listed below, except penalty .045, must be  
35 presented in the billing summary by reporting period.

36  
37 .020 Average fuel consumption factor (e.g.: MPG, ~~KPL,~~ MPGe, and/or any  
38 other measurement of distance traveled per unit of fuel consumed) as  
39 reported;

40  
41 .025 Average fuel consumption factor (e.g.: MPG, ~~KPL,~~ MPGe, and/or any  
42 other measurement of distance traveled per unit of fuel consumed) as  
43 a result of audit;

44  
45 PROCEDURES MANUAL

46 P570 INADEQUATE RECORDS ASSESSMENT

47  
48 .100 If the base jurisdiction determines that the records produced by the licensee for audit do  
49 not, for the licensee's fleet as a whole, meet the criterion for the adequacy of records set

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out in P530, or after the issuance of a written demand for records by the base jurisdiction, the licensee produces no records, the base jurisdiction shall impose an additional assessment by either:

.005 ~~adjusting~~ reducing the licensee's reported fleet MPG to 4.0 or 1.70 KPL; or

.010 reducing the licensee's reported average fuel consumption factor (e.g.: MPG, KPL, kWh, MPGe, and/or any other measurement of distance traveled per unit of fuel consumed) ~~or any factor used to compute motor fuels consumption by 20% twenty percent.~~

.015 for jurisdictions that impose tax on the consumption of fuel by applying a tax rate to distance, increase only jurisdictional distance by 20%. The jurisdictional distance increase shall not affect total distance.

.200 This section does not affect the ability of a base jurisdiction to disallow tax-paid credit for fuel purchases which are inadequately documented, or, for cause, to conduct a best information available audit which may result in adjustments to either the audited or reported average fuel consumption factor (e.g.: MPG, or KPL, kWh, MPGe, and/or any other measurement of distance traveled per unit of fuel consumed), ~~or any factor used to compute motor fuels consumed,~~ or suspend, revoke, or cancel the license issued to a licensee.

## **PASSED**

<b>Jurisdiction</b>	<b>Language</b>	<b>Effective Date</b>
ALABAMA	YES	YES
ALBERTA	YES	YES
ARIZONA	YES	YES
ARKANSAS	YES	YES
BRITISH COLUMBIA	YES	YES
CALIFORNIA	NO	NO
COLORADO	YES	YES
CONNECTICUT	YES	YES
DELAWARE	YES	YES
FLORIDA	YES	YES
GEORGIA	YES	YES
IDAHO	YES	YES
ILLINOIS	NO	NO
IOWA	YES	YES
KANSAS	YES	YES
KENTUCKY	YES	YES
LOUISIANA	YES	YES
MAINE	YES	YES
MANITOBA	YES	YES
MARYLAND	NO	NO
MASSACHUSETTS	YES	YES
MICHIGAN	YES	YES
MINNESOTA	YES	YES
MISSOURI	YES	YES
MONTANA	YES	YES
NEBRASKA	NO	NO
NEVADA	NO	NO
NEW BRUNSWICK	YES	YES
NEW HAMPSHIRE	YES	YES
NEW MEXICO	YES	YES
NEW YORK	YES	YES
NORTH CAROLINA	YES	YES
NORTH DAKOTA	NO	NO
NOVA SCOTIA	YES	YES
OHIO	YES	YES
OKLAHOMA	NO	NO
ONTARIO	YES	YES
OREGON	YES	YES
PENNSYLVANIA	YES	YES
PRINCE EDWARD ISLAND	NO	NO
SASKATCHEWAN	YES	YES
SOUTH CAROLINA	YES	YES

SOUTH DAKOTA	YES	YES
TENNESSEE	YES	YES
TEXAS	YES	YES
UTAH	YES	YES
VIRGINIA	YES	YES
WASHINGTON	YES	YES
WEST VIRGINIA	YES	YES
WISCONSIN	YES	YES
WYOMING	YES	YES



**IFTA BALLOT PROPOSAL  
#04-2025**

**Sponsors**

Jurisdictions of California, Maryland, Massachusetts, Indiana, Texas, Rhode Island, Kansas, New York, and Connecticut

**Date Submitted**

September 19, 2025

**Proposed Effective Date**

January 1, 2026

**Manual Sections to be Amended**

(Version September 2024)

IFTA Audit Manual

Section A250

NUMBER OF AUDITS

**Subject**

Reducing the audit percentage required to be completed by each jurisdiction annually by changing the Audit Manual, Section A250 Number of Audits.

**History/Digest**

Each year, base jurisdictions are required to audit an average of three percent (3%) of IFTA accounts required to be reported by that jurisdiction. With the increase in new accounts year-over-year, this has become an emerging issue where it is increasingly difficult for jurisdictions to complete the required number of audits to meet the IFTA 3% requirement. The proposed amendment reduces the audit requirement to two percent (2%) per year.

A review of the IFTA Annual Reports for years 2020 through 2024, demonstrates that 91% of IFTA Jurisdictions are already meeting an average of at least 2%. By amending the audit requirement to 2%, it would allow IFTA Jurisdictions to keep an active and compliant membership within IFTA, Inc., while maintaining carrier compliance through current audit coverage.

**Intent**

The intent of this ballot proposal is to reduce the audit requirement from 3% to 2% per year. This amendment will benefit all jurisdictions by creating more time for jurisdictions to use their audit resources efficiently. Jurisdictions would be able to pursue more investigative audit methods, conduct more complex audits, and conduct team audits across State lines. In addition, jurisdictions may focus on a robust audit selection to increase compliance and fuel tax recovery on behalf of all member jurisdictions.

This ballot proposal will strengthen the engagement of all IFTA Jurisdictions through effective communication as we address emerging issues in the fuel tax industry.

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

2  
3 **IFTA AUDIT MANUAL**

4  
5 **A250 NUMBER OF AUDITS**

6  
7 Base jurisdictions will be held accountable for audits and will be required to complete audits of an average  
8 of ~~3~~ two (2) percent per year of the number of IFTA accounts required to be reported by that jurisdiction on  
9 the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new  
10 licensees, for each year of the program compliance review period, other than the jurisdiction's IFTA  
11 implementation year. Such audits shall cover all of the returns that were filed or required to be filed during a  
12 license year or shall cover at least four (4) consecutive quarters. This does not preclude audits of individual  
13 licensees several times during the program compliance review period. However, audits of a single licensee  
14 that cover multiple license years, fuel types, or both shall be counted as one audit for program compliance  
15 review purposes.

16  
17 For purposes of this requirement, a Member Jurisdiction may substitute three Records Reviews for one  
18 Audit; provided, that no Member Jurisdiction may substitute Records Reviews for more than twenty-five  
19 percent of the total of the Audits required under this section. To use Records Reviews as a substitute for  
20 Audits, a Member Jurisdiction must adopt formal procedures that comply with the guidelines for Records  
21 Reviews set out in the Audit Manual. All accounts may be subject to a Records Review. Records Reviews  
22 cannot count toward the high or low distance audit requirement established in Section A260 Selection of  
23 Audits of the IFTA audit manual. All Records Reviews will count towards the unspecified distance account  
24 audit requirements. Any follow up or secondary Records Review on compliance issues will not count as  
25 another Records Review.

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## FAILED

Jurisdiction	Language	Effective Date
ALABAMA	YES	YES
ALBERTA	NO	NO
ARIZONA	NO	NO
ARKANSAS	YES	YES
BRITISH COLUMBIA	YES	YES
CALIFORNIA	YES	YES
COLORADO	YES	YES
CONNECTICUT	YES	YES
DELAWARE	YES	YES
FLORIDA	YES	YES
GEORGIA	YES	YES
IDAHO	NO	NO
ILLINOIS	YES	YES
INDIANA	YES	YES
IOWA	NO	NO
KANSAS	YES	YES
KENTUCKY	YES	YES
LOUISIANA	YES	YES
MAINE	YES	YES
MANITOBA	YES	YES
MARYLAND	YES	YES
MASSACHUSETTS	YES	YES
MICHIGAN	YES	YES
MINNESOTA	NO	NO
MISSOURI	YES	YES
MONTANA	YES	YES
NEBRASKA	NO	NO
NEVADA	YES	YES
NEW BRUNSWICK	NO	NO
NEW HAMPSHIRE	NO	NO
NEW JERSEY	YES	YES
NEW MEXICO	YES	YES
NEW YORK	YES	YES
NEWFOUNDLAND	YES	YES
NORTH CAROLINA	YES	YES
NORTH DAKOTA	NO	NO
NOVA SCOTIA	YES	YES
OHIO	YES	YES
OKLAHOMA	NO	NO
ONTARIO	YES	YES
OREGON	NO	NO
PENNSYLVANIA	YES	YES

PRINCE EDWARD ISLAND	NO	NO
QUEBEC	YES	YES
SASKATCHEWAN	YES	YES
SOUTH CAROLINA	YES	YES
SOUTH DAKOTA	NO	NO
TENNESSEE	NO	NO
TEXAS	YES	YES
UTAH	YES	YES
VIRGINIA	NO	NO
WASHINGTON	YES	YES
WEST VIRGINIA	YES	YES
WISCONSIN	YES	YES
WYOMING	YES	YES



actively working toward resolution.

To address this, the sponsor proposes aligning R1545.300 with Article R1555.200, which defines a structured and deliberate process for determining serious non-compliance. Under R1555.200, only issues that have undergone a Program Compliance Review and resulted in a Final Determination Finding of Non-Compliance (FDFNC) are eligible to be forwarded to the Dispute Resolution Committee. This ensures that only the most significant and unresolved compliance failures—those that materially impact the integrity of the IFTA program— result in the loss of Active Membership status.

This amendment does not mean that the sections referred to in R1555.200 are the only provisions of the agreement worthy of enforcement. Article R1545 is not an enforcement tool to be used by jurisdictions of licensees to ensure or somehow enforce compliance. Article 1545 simply speaks to the conditions to maintain Active Member Status. Article R1555 addresses all Compliance Matters. Should a dispute arise between a member jurisdiction and another member jurisdiction or a licensee concerning issues of compliance with any section of the agreement the IFTA Dispute Resolution Process is the appropriate avenue for compliance enforcement. It is worth noting that the DRC Process specifically refers to the immediate loss of voting power as a potential remedy.

By amending R1545.300 to reference R1555.200, the ballot seeks to:

- Eliminate uncertainty around what constitutes grounds for losing Active Membership
- Ensure that only serious and documented non-compliance leads to loss of voting privileges
- Provide transparency and predictability for all member jurisdictions

Without this clarification, jurisdictions remain vulnerable to subjective or inconsistent interpretations of R1545.300. This ballot aims to safeguard the fairness and credibility of the IFTA membership framework.

### **Intent**

To clearly define the intent of R1545.300 by amending the language therein to the language in Article R1555.200.

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 **\*R1545 ACTIVE MEMBERSHIP STATUS**

2

3 To retain active membership status, the jurisdiction must:

4

5 .100 Collect and transfer fees for other jurisdictions in a timely manner;

6

7 .200 Pay membership fees in a timely manner; and

8

9 .300 ~~Comply with all other provisions of the Agreement.~~ Not remain out of compliance with an issue  
10 that has been the subject of a Final Determination Finding of Non Compliance (DFNC) under  
11 R1555.200.

12

13 Voting privileges provided in Articles of Agreement R1546 are granted only to eligible members  
14 jurisdictions holding active membership status.

15

## FAILED

Jurisdiction	Language	Effective Date
ALABAMA	NO	NO
ALBERTA	YES	YES
ARIZONA	NO	NO
ARKANSAS	YES	YES
BRITISH COLUMBIA	YES	YES
CALIFORNIA	NO	NO
COLORADO	YES	YES
CONNECTICUT	YES	YES
DELAWARE	NO	NO
FLORIDA	YES	YES
GEORGIA	YES	YES
IDAHO	YES	YES
ILLINOIS	NO	NO
IOWA	YES	YES
KANSAS	NO	NO
KENTUCKY	YES	YES
LOUISIANA	YES	YES
MAINE	YES	YES
MANITOBA	YES	YES
MARYLAND	NO	NO
MASSACHUSETTS	NO	NO
MICHIGAN	YES	YES
MINNESOTA	NO	NO
MONTANA	YES	YES
NEBRASKA	NO	NO
NEVADA	NO	NO
NEW BRUNSWICK	YES	YES
NEW HAMPSHIRE	YES	YES
NEW MEXICO	NO	NO
NEW YORK	YES	YES
NEWFOUNDLAND	YES	YES
NORTH CAROLINA	NO	NO
NORTH DAKOTA	NO	NO
NOVA SCOTIA	NO	NO
OHIO	NO	NO
OKLAHOMA	YES	YES
ONTARIO	YES	YES
OREGON	YES	YES
PENNSYLVANIA	YES	YES
PRINCE EDWARD ISLAND	NO	NO
QUEBEC	NO	NO
SASKATCHEWAN	NO	NO

SOUTH CAROLINA	YES	YES
SOUTH DAKOTA	YES	YES
TENNESSEE	NO	NO
TEXAS	YES	YES
UTAH	YES	YES
VIRGINIA	YES	YES
WASHINGTON	YES	YES
WEST VIRGINIA	NO	NO
WISCONSIN	NO	NO
WYOMING	NO	NO