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## **A. INTRODUCTION**

The purpose of this guide is to document jurisdictional “best practices” which enhance administrative and compliance processes and promote a level playing field for IFTA licensees. The practices in this guide are provided to promote uniformity and to communicate efficiencies realized by individual jurisdictions to the larger IFTA community. Where the practices contained herein are not specified in the Agreement they are not binding.

The guide is intended:

- For use by jurisdictions
- To be a living document that captures additional ideas and facilitates discussion.

The best practices contained in this guide are not intended to be in direct or indirect conflict with the IFTA Governing Documents. If a jurisdiction is uncertain whether a given practice conflicts with the Governing Documents, the practice should not be utilized by the jurisdiction.

It should also be recognized that a best practice for one jurisdiction will not necessarily be a best practice for others. Key variables in this determination include but are not limited to a jurisdiction’s:

- Legislation;
- Resources (i.e., financial, systems and staff);
- Cost/benefit analysis of change; and
- Its perspective/balance between “risk to revenue” and acceptable “administrative burden” for jurisdictional staff and industry

Wherever possible the most relevant sections of the Articles of Agreement, and Procedures Manual, are identified (e.g., [P320 Decals]).

The Agreement Procedures Committee would like to recognize and thank IFTA Inc., IFTA Board members, other IFTA Committees, jurisdictions, and its own members for sharing their “best practices” and assistance in the development of this guide.

## **B. APPLICATION/RENEWAL PROCESS**

### **1. General – Preparation**

- a. Consider providing refresher training to renewal processing staff prior to the renewal period. Also organize a follow up meeting to review and discuss how the renewal process went, to identify problems, and discuss suggestions to improve the next renewal process. [R360 Providing Information to Licensees]

Benefit:

- Allows IFTA staff to stay updated, involves them in the process and avoids any process misunderstandings.
- Better educated staff translates into increased service delivery for the IFTA clients.

- b. Consider allowing licensees to request a sufficient number of decals to cover their operations for the calendar year. If done, the jurisdiction should communicate that proper controls and accounting for such decals may be examined at the time of an audit.

Benefits:

- Reduced administrative burden for licensees and jurisdictions as fewer temporary permits are required.

- c. Consider offering an electronic application/renewal process application and payment. [R300 Application and Renewal]

Benefits:

- The applications/renewals arrive quickly without delays that can sometimes be experienced with reliance on postal services.
- Time is saved due to the fact that the manual entry of the information is no longer necessary.
- Eliminates NSF problems.

- d. Consider offering an automatic renewal process for carriers in good standing. [R345.200 License Renewal Automatic Renewal]

Benefits:

- Helps reduce the backlog at year end.
- Spreads the renewals out over a more manageable period of time.
- Gives licensees an incentive to ensure that they file their quarterly reports accurately and on time.

- e. Order decals with placement instructions (e.g., surface cleaning/preparation, and placement diagram) printed on the back of each decal. [R360.100 Decals]

Benefits:

- Reduced decal loss during the year.
- Assist roadside enforcement by identifying IFTA vehicles faster.

Note: See example in Appendix A.

- f. Order decals early enough (e.g., delivery in September) to be examined/tested and replaced if necessary prior to distribution to licensees, and consider obtaining written assurance from the vendor the decals will meet minimum specifications. [P320 Decals]

Benefits:

- No delay in distributing credentials to licensees.

g. Test decals when received for:

- Color, letter size, and batch consistency.
- Adhesion in both hot and cold water conditions (e.g., inside glass or cup in dishwasher and freezer).
- UV resistance to fading (e.g., a high intensity light bulb or sun lamp) [P320 Decals].

Benefits:

- No delays in distributing credentials to licensees.
- Reduce potential problems occurring after decals are distributed.

Note: Testing is important, as decals can potentially be attached/valid for a 15-month period (i.e., one month prior to new calendar year to the end of the two month grace-period).

h. Ask applicants to specify whether or not they have ever held an IFTA license that has been revoked in another jurisdiction. [R330 Application Processing; R335 Non-Issuing of License, R400 Cancellation, Revocation and Suspension].

Benefits:

- The jurisdiction is able as part of its application/renewal screening process to identify high risk applications which can either be rejected, or approved with conditions.
- Most jurisdictions can use this as a binding statement in cases where the answer has been inaccurate.

i. Ask applicants to specify where their vehicle(s) are actually registered. [P120 License Application Content and R212 Definition of Base Jurisdiction].

Benefits:

- Use information to verify if the licensee holds other licenses or has a delinquency record for that jurisdiction.

j. For those applicants who have an IRP account in the same jurisdiction as their IFTA account, ask them to provide their IRP prorate number. [P100 License Application Content]

Benefits:

- IRP information may be cross referenced to identify possible registration Errors/irregularities and potential audit leads.
- IRP may also be used to establish IFTA's "operational control" requirement (i.e., if a carrier has an IRP account they don't need to otherwise document they have operational control in the jurisdiction).

Note: This suggestion is best suited for the initial application as some jurisdictions use a much shorter/simpler form for renewals. Other jurisdictions use the same form for both the initial application and annual renew process, as a method of reconfirming existing data.

k. Request licensees provide an e-mail address and USDOT#. [P100 License Application Content]

Benefits:

- E-mail addresses provide jurisdictions an additional way, if necessary, to contact licensees about their account.
- USDOT is an additional way to identify and cross-reference licensees for possible registration errors/irregularities and potential audit leads (e.g., USDOT placed "out of service").

Note: E-mail is not considered a "secure" communication tool in some jurisdictions.

## 2. Application/Renewal - Mail out

- a. Mail renewal application forms/notices early (e.g., mid-September with Q3 returns). [R345 License Renewal]

Benefits:

- Reduced mail out costs for jurisdictions if mailed with Q3 returns in September.
- Allows licensees to submit renewals earlier and jurisdictions to spread the renewal process over a longer time-period.
- Allows credentials for licensees in good standing and with a large number of vehicles to be released earlier (e.g., early December) enabling licensees to distribute to vehicles prior to the end of December.
- Reduces the number of calls from licensees inquiring about obtaining their applications.

- b. Mail a separate renewal notice to all carriers not eligible for renewal in mid-October advising they will not be renewed until their account has been brought into good standing, and specifying the reason (e.g., delinquent returns, no travel, balance owed).

Benefits:

- Allows carriers who are not compliant, time to get their IFTA account into compliance so that they may be renewed.
- Promotes voluntary compliance and reduces year-end/grace-period pressures.

- c. Ensure credentials are distributed to all licensees in good standing in adequate time for distribution. [R625 Display of Decals and R630 Display of Renewal Credentials]

Benefits:

- Provides ample time for licensees to distribute credentials to all qualified motor vehicles before the end of the calendar year.
- Reduces administrative burden of licensees contacting the base jurisdiction regarding their renewals.

## 3. Application /Renewal – Screening

- a. Cross-reference all new applications with the Clearinghouse to verify if the carrier is or has been previously suspended or revoked in any other jurisdictions. If an applicant is found to have been previously suspended or revoked in another jurisdiction, require that applicant to resolve adverse status prior to receiving a new license. [R335 Non-Issuance of License]

Benefits:

- Prevent a new license from being issued if another jurisdiction has previous revocations or delinquencies Note: Not all jurisdictions are part of the Clearinghouse.

- b. Cross-reference business information (e.g., legal name, address, and director/corporate officer names) provided on application with other databases within the jurisdiction. [R330 Application Processing]

Benefits: (Most significant with new applicants)

- Ensures that business information is correct and consistent, across jurisdictional programs.
- Ensures that the correct legal entity and other key data elements required in P310 are printed on the IFTA license, assessments and other IFTA documents.

- c. Evaluate new applicants to determine if they should apply/register for other jurisdictional programs (e.g., import/export licensing, IRP registration, USDOT registration, safety, etc.). [R330Application Processing]

Benefits:

- Ensures voluntary compliance with other programs.
- Enhanced customer service by jurisdictions towards its licensees.

- d. Verify carriers are in good standing (i.e., all tax returns filed and all monies paid) before distributing their renewal credentials (i.e., next year's IFTA license and decals). [R345 License Renewal]

Benefits:

- Enhanced compliance/increases the number of Q3 returns received on time.

## **C. LICENSEE TRAINING/EDUCATION**

### **General**

- a. Establish an IFTA specific web site with all forms available and links to relevant sites such as IRP and IFTA Inc. [R360 Providing Information To Licensees]

Benefits:

- Carriers and licensees' have access to detailed program information 24/7.
- Greater understanding of program expectations and improved compliance.

- b. Consider offering training sessions for the industry multiple times per year. [R360 Providing Information to Licensees]

Benefits:

- Helps identify and address record keeping problems and potentially identify high risk accounts for monitoring or audit.
- Establish trust ties and provides an opportunity to build stronger relationships.
- Fewer problems with record keeping.

- c. Consider developing and distributing training DVDs/videos. [R360 Providing Information to Licensees]

Benefits:

- Helps reach a broader audience.
- Potentially more convenient for licensees.
- Fewer problems with record keeping.

- d. Consider making educational visits/calls to new licensees to explain record keeping and other licensee requirements. [R360 Providing Information to Licensees]

Benefits:

- Helps identify and address record keeping problems and potentially identify high risk accounts for monitoring or audit.
- Establishes trust ties and provides an opportunity to build stronger relationships.
- Fewer problems with record keeping.

- e. Consider using existing materials/resources to enhance communication/information sharing with licensees. [R360 Providing Information to Licensees] For example:

- Print the IFTA license on 8 1/2 by 11 paper using the bottom third for the actual license, and the top two-thirds for instruction on tax filings, license cancellation, etc.
- Reference the IFTA website, and a generic e-mail address for licensees to submit questions/suggestions, on licenses, tax returns, and correspondence with licensees.

Benefits:

- Improved communication with licensees keeping them informed of issues/changes that may impact them.
  - Greater licensee understanding of program expectations and improved compliance.
- f. Consider scheduled mailing of guides, pamphlets, notices and/or newsletters with IFTA tax returns reminding licensees about their responsibilities. [R360 Providing Information to Licensees]

Key topics include:

- Commonly Asked Questions.
- Procedural information or credential related information (e.g., Qualified Motor Vehicle). Note: Recreational vehicle "test" (i.e., not depreciated for income tax purposes, no business advertising, and no commercial driver license).
- Instructions pertaining to licensing, and return preparation (e.g., top ten reporting/return errors).
- Record keeping and records retention.
- What to expect when audited, and what to expect with enforcement activity.
- Changes to the IFTA Governing Documents.

Benefits:

- Improved communication with licensees keeping them informed of issues/changes that may impact them.
- Fewer errors on applications, renewals and returns.
- Greater licensee understanding of program expectations and improved compliance.

Note: See example in Appendix 2.

- g. Consider providing carrier training and some communication materials in other languages used by your carrier base (e.g. Spanish, Punjabi, Hindi, French, etc.). [R360 Providing Information to Licensees]

Benefits:

- Brings vital information to carrier groups in their primary language.

Note: French is an official language in Canada. As an alternative, jurisdictions could identify members of their staff able to communicate fluently in other languages to act as interpreters.

- h. Provide a "subscription service" to the licensee. Licensees provide their e-mail address, enabling the jurisdiction to send out bulletins of updated information.

Benefits:

- Licensees can receive automatic information updates when changes occur.

## **D. IFTA EXEMPTIONS**

### **General**

- A. Ensure that information in the IFTA exemption database is regularly updated. All fuel, vehicle and distance exemptions should be clearly listed along with procedures licensees must use to avail themselves of those exemptions. [P1130 Reporting of Other Information]

Benefits:

- Reduces licensee misunderstandings.
- Assists desk auditors and auditors in their review of tax returns where the total and taxable distances differ in specific jurisdictions.

- B. Ensure that information regarding other refund opportunities for IFTA and non-IFTA carriers, which must be applied for through a separate refund application process is available. Examples include non-motive use of fuel. (i.e. PTO, idle time), colored fuel, farm use, and alternative motor fuels)

Benefits:

- Licensees are able to identify refund opportunities available to them in other jurisdictions.

## **E. TAX RETURNS**

### **1. General – Processes / Content**

- a. Consider providing an electronic (i.e., web based) worksheet for licensees to reduce math errors and processing time for staff. [R940 Tax Return Format]

Benefits:

- Minimizes math problems.

- b. Consider offering electronic filing of the tax return and payment. [R940.300 Tax Return Format Computer Generated Return]

Benefits:

- Reports are accurately calculated.
- Time is saved due to the fact that the manual entry of the information is no longer necessary.
- The quarterly returns arrive quickly without delays that can sometimes be experienced with reliance on postal services.

- c. Consider adding a “global message” section on the first page of all preprinted tax returns (i.e., a small area on the first page of the return where the jurisdiction can provide high-level information to all licensees). An alternative is to utilize the back of the return. [P720 Required Information; R950 Required Information] Examples include:

No Travel outside the “Jurisdiction”

Even if you did not travel outside “jurisdiction”, you are still required to file an IFTA quarterly tax return. Simply check the “No Travel” box in section 1, complete (i.e. sign and date) the Certification section, and mail or fax it to us before the return’s due date.

### Year IFTA License and Decals (Q3 Return)

Your current IFTA license and decals expire on December 31, Year. Renewal forms and instructions for next year will be mailed to you in late October. Please note that any outstanding tax returns for the current year must be filed and all taxes paid before we will process any renewal request.

### General Information

For additional information or assistance please call the following number (xxx) xxx-xxxx.

#### Benefits:

- Allows the jurisdiction to communicate with Licensees about changes to penalties, interest, procedures or other important IFTA matters.
- Provides an opportunity to educate licensees and to keep them informed.

## **2. Tax Returns - Calculations/Submission**

- a. Ensure licensees are aware of how to complete their tax return. For example, in an instruction document, show licensees how to round to the nearest whole number (e.g., 500.49 is rounded to 500; and 500.50 to 501). [R360 Providing Information to Licensees; R910 Reporting Requirement]

#### Benefits:

- Reduced staff time processing tax returns in error.

- b. Ensure licensees are aware of their tax return obligations. [R360 Providing Information To Licensees; R910 Reporting Requirement]

For example, in an instruction document indicating:

- Tax returns and the full payment of any taxes owed are due quarterly, on or before the last day of the month following the end of the reporting period, even if there was no travel activity outside of their base jurisdiction.

For tax returns to be considered on time:

- Mailed returns with full payment of any taxes owed must be postmarked on or before the due date; or
- If not mailed, returns with full payment of any taxes owed, must be received and date stamped on or before the due date; and
- All payments must be negotiable on or before the due date, and payable in the correct currency and payee.
- If the due date is a Saturday, Sunday, or legal holiday, the next business day is considered the due date.
- If the tax return is not filed by the due date, it is considered delinquent and the licensee will be subject to penalty and interest provisions.
- If a payment with a timely filed return is not received by the due date and the licensee has no credit available, the remittance is considered delinquent and the licensee will be subject to penalty and interest provisions.

#### Benefits:

- Licensees are more aware of their obligations and are more likely to submit their returns on time.
- Reduced staff time processing tax return delinquencies.

## **F. REFUNDS**

### **General**

Consider paying refunds only when requested by licensees, and using the resulting credits to offset future liabilities. (Potential “check” box on tax return). [R1100 Credits and Refunds]

Benefits:

- Reduces administrative burden for the base jurisdiction.
- Reduces future licensee liabilities by the amount of the credit.

## **G. DESK AUDIT**

### **General**

- a. Consider conducting regular books and records reviews (i.e., desk audit) in addition to field audits. [A320 Selection of Audits; R1300 Audits]

Examples include:

- Fuel purchase and consumption trends.
- Leads from field inspectors/enforcement Benefits:
- Immediate identification of record keeping issues rather than waiting for a full audit to be assigned.
- Offers an additional opportunity to educate licensees regarding possible problems
- Improved compliance and audit recovery.

- b. Consider cross referencing various third party information sources for audit leads. Look for licensees with an event in a jurisdiction and no mileage reported for the corresponding quarter. Share with the base jurisdiction, if appropriate. [A320 Selection of Audits; R1300 Audits]

Examples include:

- Roadside violations and crashes.(available on SAFER)
- Over limit permits issued and compared either to your IFTA system for your licensees or to the Clearinghouse for out-of-state licensees.

- c. Organize an annual meeting between field auditors and renewal/return processing staff to discuss issues/findings and potential enhancements. [A320 Selection of Audits; R1300 Audits]

Benefits:

- Improved compliance and audit recovery.
- Level playing field between businesses.

## **H. ADMINISTRATIVE COMPLIANCE**

### **1. General**

- a. Consider reviewing your jurisdiction's legislative authority, policies and administrative practices, and staff knowledge to deal with suspended, revoked or cancelled licensees, in a fair and consistent manner at roadside.

Benefits:

- Reduces problems/potential credibility issues.

- b. Download suspended, revoked and cancelled licensee information from the IFTA Clearinghouse and provide to law enforcement, on a regular basis, or provide direct access to computer systems. [P900 Base Jurisdiction Recordkeeping, R420.200 License Suspension and Revocation and R430.300 Licensee Reinstatement]

Benefits:

- Improved compliance.
- Subject to jurisdictional law, potential for IRP to hold renewals until the carrier is compliant with IFTA.

- c. Consider providing carrier travel information to IRP (prorate) staff annually. [P900 Base Jurisdiction Recordkeeping]

Benefits:

- Allows IRP to compare the carrier's anticipated jurisdictional travel identified in IRP application form against actuals reported on the IFTA tax return.
- Provides an opportunity for improved, two-way communication/information exchange.

- d. Provide timely (e.g., phone, fax or e-mail) communication to enforcement staff in surrounding jurisdictions regarding non-compliant licensees traveling towards them. [P900 Base Jurisdiction Recordkeeping]

Benefits:

- Stronger incentive for licensee to operate in a compliant manner.
- Level playing field between businesses.

- e. Organize in partnership with bordering jurisdictions to attempt a unified enforcement activity at various times throughout the year on major truck routes entering/leaving your jurisdictions. For example, in early March (i.e., after Grace Period), deploy sufficient staff to issue jurisdictional citations or assessments to licensees not in compliance with the IFTA program or agreement for a continuous 72 hour period at strategically selected locations.

Benefits:

- Brings hundreds of licensees into compliance with jurisdictional laws pertaining to interstate travel.
- Brings many licensees into compliance with the IFTA program or agreement.
- Brings in revenue to the jurisdictions.

Note: This could be state to state, province to province or state to province

- f. Establish a 1-800 (toll free) TIPS line for licensees, and the general public to offer anonymous information on non-compliant activities of others.

Benefits:

- Allows licensees to anonymously identify non-compliant licensees.
- Promotes a level playing field between licensees.

## 2. Dealing with Return and/or Payment Delinquencies

Ensure that adequate suspension, revocation and enforcement activities are occurring. For example:

- Communication to roadside agencies by flagging the suspended or revoked licensees. [R430 License Suspension and Revocation] (Note: CVISN enables this process)
- Site visits to suspended, revoked or cancelled licensees to ensure vehicles are no longer traveling with IFTA credentials.
- Provide authority to enforcement officers to either collect on delinquent accounts or to seize/remove plates or decals from offenders.
- Denying IFTA and or IRP registration or renewal.
- At least one jurisdiction goes the extra step to flag the records of the licensee through the Department of Motor Vehicles and prohibits them from renewing their license or registration.

Benefits:

- Stronger incentive for licensee to operate in a compliant manner.
- Level playing field between businesses.

### I. COMMUNICATION / CLEARINGHOUSE

#### 1. **General Communication between Government / Industry** (A placeholder for future consideration)

- a. Audit staff
- b. Enforcement staff
- c. Other jurisdictions
- d. Legislature
- e. Courts
- f. Consider e-group communications within IFTA

#### 2. **IFTA Clearinghouse**

- a. Update Clearinghouse information, including IFTA decal serial number information, frequently so that other jurisdictions have timely information. [P320 Decals]

Benefits:

- Allows roadside law enforcement to quickly identify suspended, revoked and cancelled licensees.

- b. Check prospective licensees in the Clearinghouse for adverse statuses from other jurisdictions. Require the applicant to resolve the adverse status prior to receiving a new license. [R330 Application Processing; R335 Non Issuing of License, R400 Cancellation, Revocation and Suspension]

Benefits:

- The jurisdiction is able to identify high risk applications which can either be rejected, or approved with conditions.

- c. Compare licensee violation and crash data occurring in other jurisdictions, which is available on SAFER, with your licensees' tax returns to see if the licensee reported distance in that jurisdiction for the appropriate quarter. [A320, Selection of Audits; R 1300 Audits]

Benefits:

- Helps target scarce audit resources toward licensees with potential reporting problems.
- d. Compare out-of-jurisdiction licensees with violation and crash data occurring in your jurisdiction, which is available on SAFER, with the Clearinghouse to see if the licensee reported distance in your jurisdiction for the appropriate quarter. Report any licensees to their base jurisdiction for possible audit, if appropriate. [A320, Selection of Audits; R 1300 Audits]

Benefits:

- Helps target scarce audit resources toward licensees with potential reporting problems.

## **J. PROGRAM COMPLIANCE REVIEWS**

### **General**

- a. Jurisdictions can prepare for compliance reviews by doing an annual self-assessment utilizing the worksheets used by the review teams, which are available on IFTA's website and the Clearinghouse. [P1200 Program Compliance Reviews]

Benefits:

- Allows jurisdictions to identify and correct non-compliance issues as soon as possible. Although the review team may cite the jurisdiction for the noncompliance during the review period the jurisdiction can respond that the issue was already fixed so there should be no follow-up necessary.
- b. Consider establishing on-going record keeping/management processes in preparation for compliance reviews. [P1200 Program Compliance Reviews]

For example:

- Keep a list of when the Clearinghouse is updated for demographic information. For non-Clearinghouse members keep a record of when the various required reports are sent (revocation, reinstatement, etc.)
- Run a periodic Clearinghouse report to check on the timeliness of transmittals
- Keep a record of when inter-jurisdictional audit reports are sent
- Keep a running balance of audits completed vs. audits required
- Keep up to date on unprocessed returns
- Review A690.600 if using option 1 to distribute audit funds
- Ensure decals meet specs (e.g., size, color, white letters, etc.)
- Update or review the carrier manual each year

Benefits:

- Lessen the impact to a jurisdictions' daily activities by regularly collecting information/records that a program compliance team will likely request.
- c. Review program compliance reports on other jurisdictions. [P1200 Program Compliance Reviews]

Benefits:

- An opportunity to get operational ideas and to identify areas where jurisdictions run into problems in order to improve activities.
- d. Review the IFTA governing documents occasionally.

Benefits:

- To maintain familiarity and ensure any changes don't go unnoticed.

**K. MISCELLANEOUS** (A placeholder for additional suggestions/future consideration)

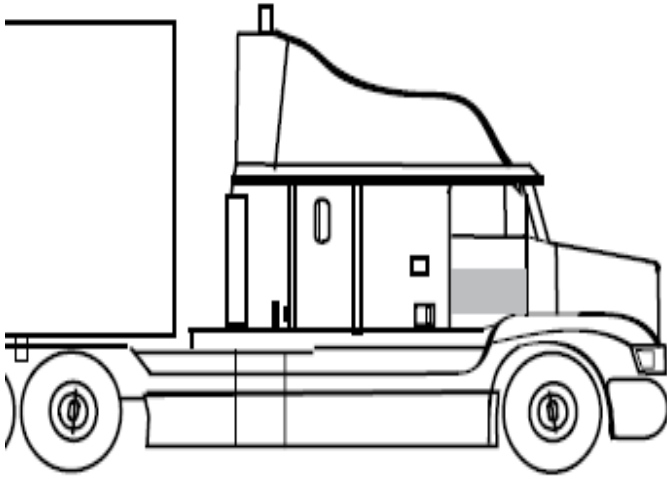
- Native Indians/First Nations:
  - Identification of non-taxed fuel sites
  - Consider that no fuel is exempt as carrier has accepted "taxation concept" in joining IFTA.
  - Jurisdictions with prominent reserve land make efforts to educate their carriers on the tax implications of buying fuel either on reserve, or at Native operated fuel sites:
  - Jurisdictions be informed of their tax codes relative to Native sovereignty, as well as landmark court decisions on the subject, including any new rulings that are made since it has the potential to impact how tax is administered for purposes of IFTA.
- Best method for carriers on their returns to identify and estimate/report for lost/destroyed records.

Define Revoked, Suspended and Cancelled so all jurisdictions use the terminology the same (Ask law enforcement if they treat licensees that are suspended any differently then they treat licensees that are revoked x-ref annual report)

- Establish a uniform time period to update the jurisdictional exemptions on the clearinghouse,
- Establish a checklist for renewal application verification (example: Registered with Secretary of State, Registered with UCR, no outstanding bills, DOT number agrees with Safer etc...)
- Establish a jurisdictional Affirmation to Maintain Records and have it be submitted with the renewal/new applications each calendar year.
- Consider establishing an ID process for walk in applicants to ensure confidentiality policies.

## APPENDIX A

### Decal Placement Diagram



#### **Application Instructions**

1. Remove prior years' decals.
2. Prepare the area where the decal will be applied by washing with soap and water, cleaning with a petrochemical based solvent cleaner, and wiping with warm water (no soap) and towel dry.
3. Peel decal from paper backing by bending backward at center and lifting edge.
4. Position decal on surface and rub firmly.

#### **Decal Placement**

One of the two decals issued for an IFTA vehicle must be placed on the lower, rear exterior portion of the cab's passenger side, and the second matching decal placed on the driver's side of the vehicle in a similar position. Failure to display both decals in the required locations may subject the vehicle operator to the purchase of a trip permit and/or citation.

#### ➤ Note:

- These placement instructions are intended to aid licensees. Since placement of decals in obscure locations on the vehicle can increase the time it takes to process a vehicle through an enforcement facility, these instructions are provided to mitigate that effect.
- Jurisdictions should not use these placement instructions to issue citations to licensees who do not strictly conform to them.

## APPENDIX B

### IFTA Carriers: 20XX Summary of Responsibilities (Sample)

Information in this 20XX Summary of Responsibilities is provided for your convenience and is not a replacement for the law or the terms of the International Fuel Tax Agreement. For more detailed information on IFTA, including links to the *jurisdiction name* legislation, the International Fuel Tax Agreement (IFTA) Operating Manual for *jurisdiction name*, the carrier license application, and IFTA quarterly fuel tax return forms and instructions, please visit our website at *jurisdiction name* [web site address](#).

#### ➤ Licenses and Decals

- Carriers are responsible for ensuring copies of the IFTA license and decals are properly distributed and accounted for (e.g., a log of decals issued, to which vehicle and the date attached). Carriers are also responsible for ensuring that distances traveled by all 'IFTA decal' motor vehicles are reported in their quarterly tax returns.
- A vehicle will not be considered to be operating under the IFTA Agreement unless a valid and legible copy of the IFTA license is carried in the vehicle and a set of two decals appropriately displayed on the exterior portion of both sides of the vehicle's cab.
  - Detailed placement and application instructions are provided on the back of each decal.
  - Failure to display a copy of the license or decals may subject the vehicle operator to citations and/or fines each time the vehicle enters an IFTA jurisdiction.
- The IFTA Carrier License is valid until December 31st of the year issued. A renewal form will be sent to you in October for the next calendar year.

#### Tax Returns

- Tax returns and full payment of any taxes owing are due quarterly, **even if there is no inter-jurisdictional travel activity**.
- The return due date is the last day of the month following the last month of the reporting period. If that day is a Saturday, Sunday, or legal holiday, the next business day is considered the due date.

<u>Reporting Period</u>	<u>Return Due Date (On or Before)</u>
1st Quarter (January, February, March)	April 30th
2nd Quarter (April, May, June)	July 31st
3rd Quarter (July, August, September)	October 31st
4th Quarter (October, November, December)	January 31 <sup>st</sup>

- For returns to be considered on time, the following is required:
  - Mailed returns with full payment must be postmarked by the national postal service of the United States of America, United Mexican States, or Canada, on or before the due date; or
  - If not mailed, returns with full payment, must be received and date-stamped by a *jurisdiction name* office/location on or before the due date; and
  - In all cases, payments must be negotiable on or before the due date, and payable in *Canadian or US* funds to the *jurisdiction name*.
  - If your return indicates no tax due, you must either mail or fax it on or before the due date.
- Please do not file multiple copies of the same return (e.g., do not both mail and fax the same return) as this delays the processing of returns and refunds.

## APPENDIX B

### IFTA Carriers: 20XX Summary of Responsibilities (Sample Continued)

- If your return is late or any taxes owed to any IFTA jurisdiction are not paid in full:
  - Your license may be suspended or revoked for all IFTA jurisdictions;
  - A Notice of Assessment may be issued for the estimated amount of tax due plus a penalty equal to \$50 or 10 percent of the delinquent taxes, whichever is greater. Interest may be assessed for the late return or taxes owed and any subsequent returns or payments which are late; and
  - The *jurisdiction* may take action to collect amounts owed.
- Delinquent returns and payments must be received and processed before a suspension is lifted. This may take up to xx **business days** from the postmark date or the date stamped by a *jurisdiction name office/location*.
- Please notify the *jurisdiction name office/location* of any changes (e.g., address, phone number etc.) in writing or note your changes directly on your quarterly tax return.
- An IFTA electronic tax return form and instructions are now available.

#### ➤ Records

- It is the licensee's responsibility to maintain accurate records of fuel purchases and distance traveled for all inter and intra-jurisdictional operations of 'IFTA decal' vehicles.
- For audit purposes records supporting IFTA tax returns must be kept a minimum of four years from the date a return is submitted. However, for non-IFTA vehicles and equipment, records must be retained for seven years.

#### ➤ Web Site for *jurisdiction name office/location* IFTA Carriers

The web site address is *web site address* and contains the following:

- The current IFTA Operating Manual for Carriers;
- Tax Bulletins and Notices specific to Carriers;
- Forms and instructions for completing a IFTA License Application;
- Instructions for completing the Quarterly Tax Returns; and
- An electronic IFTA tax return form at *web site address*

#### ➤ Contact Us

If you require further information on any of the above, please visit our IFTA web site at *web site address* or contact the *jurisdiction name office/location* by:

- **Phone:**
  - xxx-xxx-xxxx
  - For toll-free access xxx-xxx-xxxx.
- **Fax:**
  - xxx-xxx-xxxx
- **E-mail:**
  - *jurisdiction e-mail address*

# **Appendix C**

## **IFTA Best Practices Guide Standardized Process for Review, Approval and Release**

### **Process for Initial Guides**

1. Working drafts reviewed by all committee members and Board liaisons, as coordinated by the committee chair and vice-chair.
2. All changes and versions should be tracked and documented accordingly.
3. Upon authorization of lead Board liaison, final working draft released by IFTA, Inc. to membership and other committees for comment, where applicable.
4. All comments, amendments and feedback to be discussed by entire committee and majority approval for final draft.
5. Final draft presented to Board for feedback and approval.
6. Upon Board approval, final guide released to membership and posted on IFTA web site.

### **Process to Update Published Guides**

1. Committees will be designated as the responsible party for maintaining their guide.
2. Suggestions for revisions or additions should be made directly to the chair/vice-chair of the responsible committee and can be submitted by any member jurisdiction, industry, IFTA staff, committee members, Board, etc.
3. Proposed revisions would be considered by the entire committee in cooperation with the Board liaisons, and ultimately approved by the Board.
4. Any revisions to IFTA (Articles of Agreement, Audit Manual and Procedures Manual) that are made should be reviewed for possible changes to the guide(s).
5. Each responsible committee should review their entire guide at least once every three years.