

FOR VOTE AT THE 2024 ANNUAL IFTA BUSINESS MEETING



**IFTA BALLOT PROPOSAL
Ballot 01-2024**

Sponsor

IFTA Clearinghouse Advisory Committee

Date Submitted

April 29, 2024

Proposed Effective Date

January 1, 2025

Manual Sections to be Amended (January 2024 Version)

IFTA Articles of Agreement (Effective January 2024) Section R2120.100

Subject

IFTA Inc 5 years' worth Demographics data uploaded daily.

History/Digest

IFTA Ballot 1-2018 Required a daily uploaded of demographic data, effective December 1, 2018. Recently it has been discovered in a compliance review that jurisdictions were uploading data for different time periods. Participating members are expected to upload a minimum of 5 years of demographic data daily to be added in the Articles of Agreement Manual and IFTA Procedures Manual.

Intent

All jurisdictions to be uniform in their submission for daily demographic files.

Interlining Indicates Deletion; Underlining Indicates Addition

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

3
4 **.100 Licensee Demographic Data**

5
6 When the exchange of licensee demographic data is required of the participating
7 members by the IFTA Articles of Agreement and the IFTA Procedures Manual, such
8 requirements shall be deemed satisfied by the successful and timely transmission of the
9 full demographic data as defined in R2110.200 to the clearinghouse each business day.

10
11 IFTA, Inc. shall be responsible for providing the data from the participating members to all
12 other member jurisdictions.

13
14 Participating members are required to upload a minimum of 5 years' worth of
15 demographic file data of all accounts in the daily upload regardless of the status of the
16 account.

17
18
19
20

Ballot #1-2024
Comment Period Ending June 12, 2024

Support: 17
Oppose: 2
Undecided: 3

ALBERTA

Support

BRITISH COLUMBIA

Support

IDAHO

Support

INDIANA

Support

KANSAS

Support

MAINE

Support

MANITOBA

Support

MICHIGAN

Support

NEBRASKA

Support

Nebraska supports the ballot, but read with interest the comments made by several jurisdictions regarding the need to clean up the wording and specify what exactly is meant by "5 years worth of demographic file data". We would recommend cleaning up the ballot language before a vote is done.

NEW BRUNSWICK

Support

NEW HAMPSHIRE

Undecided

New Hampshire supports the intent of this ballot, however, like Prince Edward Island (PEI) and North Carolina, we feel the language does not clearly demonstrate the intent. The language proposed by PEI seems to communicate the intent of the ballot more clearly. The ambiguity in the current language, specifically the "5 years' worth of demographic file data. . . regardless of the status of the account", must be corrected before New Hampshire can support this ballot.

NEW JERSEY

Support

NORTH CAROLINA

Undecided

North Carolina generally supports the ballot to provide consistency for data uploads. However, the language is not clear.

First, North Carolina reads the ballot similarly to Prince Edward Island. The ballot appears to require that for *each* daily

upload, the participating member must upload 5 years of data.

Also, if it is the intent of the ballot to require participating member to upload 5 years of data daily, the ballot does not clarify the 5 years of applicable data to be uploaded. For example, can a participating member submit the 5 years of data from 10 years ago? It seems that would be acceptable under the terms of the ballot.

Second, North Carolina reads this even more broadly than noted in Prince Edward Island's comments. The ballot proposes that participating members upload 5 years of data on "all accounts . . . regardless of the status of the account." North Carolina is concerned that "all accounts" means "all accounts." In other words, the ballot may require participating members to upload 5 years of data for all accounts that have **ever** been created by the participating member.

Both of the above issues must be resolved before North Carolina can support this ballot.

NOVA SCOTIA

Oppose

OKLAHOMA

Support

ONTARIO

Support

PENNSYLVANIA

Support

PRINCE EDWARD ISLAND

Oppose

As written, for every account, each jurisdiction has to send 5 years' worth of demographic data, including every address change over that carrier's latest 5 years.

This means for an account that was closed in 2022, we have to send all their demographic data from 2017 to 2022. For each account that is still active we have to send all their demographic data from 2019 to 2024.

We hope and believe that is not the intent. We hope the intent is to upload the current demographic data on all carriers who were active within the past 5 years, regardless of their current status.

If that is the intent, the language should be more like:

Participating members are required to INCLUDE IN THE DAILY UPLOAD, CURRENT demographic file data of all accounts WHICH HAVE BEEN ACTIVE WITHIN THE PAST 5 YEARS regardless of the CURRENT status of the account

QUEBEC

Undecided

Does the 5 years start on January 1st, 2025. We need to confirm that our system retains information relating to an inactive carrier.

SASKATCHEWAN

Support

WASHINGTON

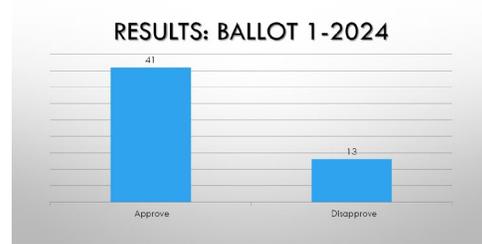
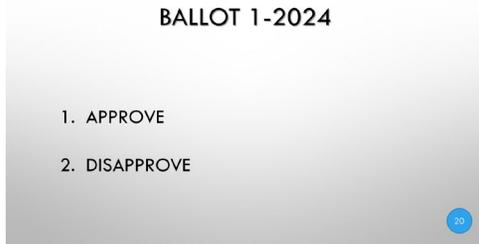
Support

WYOMING

Support

Question Details (003-004) Ballot **PASSED with 3/4 of the total eligible member jurisdictions who voted**

Total Responses: 54



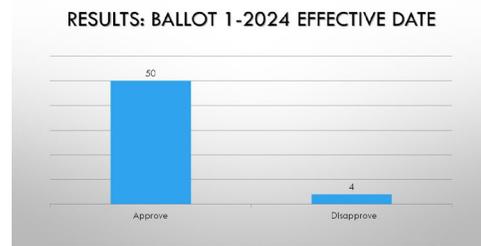
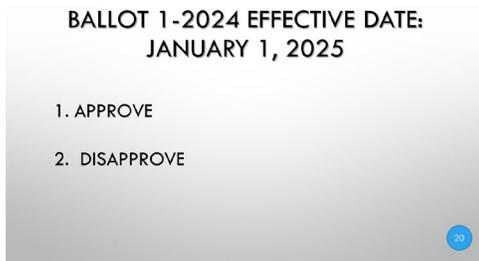
Participant	Response
AB Ackroyd	Approve
AL Lawrence	Approve
AZ Simmons	Disapprove
AR Richard	Approve
BC Harrison	Approve
CA Amezcua	Approve
CO Zion	[No Response]
CT Romeo	Approve
DE Postle	Approve
FL Gunter	Approve
ID Alvarez	Approve
IL Blessing	Disapprove
IN Boone	Approve
IA Yeh	Approve
KS Agnew	Approve
KY McDaniel	Approve
LA LA	[No Response]
ME Brown	Approve
MB Bachinski	Approve
MD O'Lare	Approve
MA Adamek	Disapprove
MI Guzman	Approve
MN Loper	Approve
MS Johnson	Approve

2024 Annual IFTA Business Meeting - Voting Results

MO Scott	Approve
MT Schatz	Approve
NE Beedle	Disapprove
NV Stanfield	Disapprove
NB Leahy	Approve
NL Lockyer	Approve
NH Hall	Disapprove
NJ Walker	Approve
NM Ringo	Disapprove
NY Galarneau	Approve
NC Panza	Approve
ND Voegelé	Approve
NS QC Tannous	Disapprove
OH Horvath	[No Response]
OK Greenawalt	Approve
ON Hill	Approve
OR Bowlin	Approve
PA Wisyanski	Approve
PE Pineau	Disapprove
QC Tannous	Approve
RI Lebeuf	Approve
SK Godlien	Approve
SC Carlson	Disapprove
SD Gerry	Approve
TN Lanfair	Approve
TX Julius	Approve
VT Robillard	Disapprove
VA Harrison	Disapprove
WA Briscoe	Approve
WV Acree	Disapprove
WI Litscher	Approve
WY Lopez	Approve
GA Richardson	Approve
UT Miner	[No Response]

Question Details (005-001) Effective Date **PASSED with 3/4 of the total eligible member jurisdictions who voted**

Total Responses: 54



Participant	Response
AB Ackroyd	Approve
AL Lawrence	Approve
AZ Simmons	[No Response]
AR Richard	Approve
BC Harrison	Approve
CA Amezcua	Approve
CO Zion	Disapprove
CT Romeo	Approve
DE Postle	Approve
FL Gunter	Approve
ID Alvarez	Approve
IL Blessing	Approve
IN Boone	Approve
IA Yeh	Approve
KS Agnew	Approve
KY McDaniel	Approve
LA LA	[No Response]
ME Brown	Approve
MB Bachinski	Approve
MD O'Lare	[No Response]
MA Adamek	Disapprove
MI Guzman	Approve
MN Loper	Approve
MS Johnson	Approve

2024 Annual IFTA Business Meeting - Voting Results

MO Scott	Approve
MT Schatz	Approve
NE Beedle	Approve
NV Stanfield	Approve
NB Leahy	Approve
NL Lockyer	Approve
NH Hall	Approve
NJ Walker	Approve
NM Ringo	Approve
NY Galarneau	Approve
NC Panza	Approve
ND Voegelé	Approve
NS QC Tannous	Disapprove
OH Horvath	Approve
OK Greenawalt	Approve
ON Hill	Approve
OR Bowlin	Approve
PA Wisyanski	Approve
PE Pineau	Approve
QC Tannous	Approve
RI Lebeuf	Disapprove
SK Godlien	Approve
SC Carlson	Approve
SD Gerry	Approve
TN Lanfair	Approve
TX Julius	Approve
VT Robillard	Approve
VA Harrison	Approve
WA Briscoe	Approve
WV Acree	Approve
WI Litscher	Approve
WY Lopez	Approve
GA Richardson	Approve
UT Miner	[No Response]

FOR VOTE AT THE 2024 ANNUAL IFTA BUSINESS MEETING



**IFTA BALLOT PROPOSAL
02-2024**

Sponsor

IFTA Clearinghouse Advisory Committee

Date Submitted

May 8, 2024

Proposed Effective Date

January 1, 2025

Manual Sections to be Amended

(2022 Version, Effective January 2022, as revised)

Articles of Agreement
IFTA, Inc. Procedures Manual

Section R2120
Section P910

Subject

Fee will be assessed on jurisdictions that fail to submit the transmittal data to the IFTA, Inc. Clearinghouse by the Funds Netting deadline.

History/Digest

When a member jurisdiction fails to transmit data to the clearinghouse by the pre-determined date on the funding calendar, other member jurisdictions are negatively impacted in the following way:

- Participating Members due funds from the Participating Member that failed to upload data timely will not receive the full amount of the funds that they are owed or will have to pay additional funds into the process.

Intent

The intent of this ballot is to assess a fee on jurisdictions that fail to upload their data timely to the IFTA Inc. Clearinghouse by the dates specified in the IFTA Inc. Funds Netting Calendar.

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

2
3 **ARTICLES OF AGREEMENT**

4
5 ***[SECTION *R2120 REMAINS UNCHANGED]***

6
7 **R2130 FEE ASSESSED FOR UNTIMELY SUBMITTED TRANSMITTAL DATA**

8
9 Participating Members failing to upload data timely the IFTA Inc. Clearinghouse by the dates specified in the
10 IFTA Inc. Funds Netting Calendar will be assessed a fee:

11 Graduated late for failing to timely transmit data to the Clearinghouse.

12 First offense \$1000 Fee

13 Second offense \$2500 Fee

14 Third offense and after \$5000 Fee

15 One exception will be granted for a lifetime.

16
17
18 The offender would be billed with the Annual Dues invoice.

19
20 The funds can be put to use for the next Educational Forum or the Funded/POP travel budget. Or have
21 the funds split 50/50 to the General and Educational Forum.

22
23 The offenses are based on fiscal year to keep track of, to include fees on the Annual Dues Invoice

24
25 The late fee is for the late submission of Transmittal Data only. Funding late currently has a 'penalty', and
26 that is a jurisdiction would have to send out checks.

27
28
29 **PROCEDURES MANUAL**

30
31 ***{ALL OTHER SECTIONS REMAIN UNCHANGED}***

32
33 ***P1040 Monthly Transmittals**

34
35 **Outgoing Transmittals**

36
37 Each member jurisdiction shall forward transmittal data listings related to tax returns received during each
38 month. Transmittal data listings and related funds must be forwarded monthly in accordance with the
39 transmittal and funding calendar prepared by the Clearinghouse Advisory Committee and approved by
40 the IFTA, Inc. Board of Trustees. The funds and the supporting transmittal data listings may be sent
41 separately. A report of no activity is required for each member jurisdiction if no revenue was collected on
42 its behalf.

43
44 Graduated late fee for failing to timely transmit data to the Clearinghouse.

45 First offense \$1000 Fee

46 Second offense \$2500 Fee

47 Third offense and after \$5000 Fee

48 One exception will be granted for a lifetime.

49
50 The offender would be billed with the Annual Dues invoice.

51
52 The funds can be put to use for the next Educational Forum or the Funded/POP travel budget. Or have
53 the funds split 50/50 to the General and Educational Forum.

54
55
56
57
58
59
60
61

The offenses are based on fiscal year to keep track of, to include fees on the Annual Dues Invoice

The late fee is for the late submission of Transmittal Data only. Funding late currently has a 'penalty', and that is a jurisdiction would have to send out checks.

Ballot #2-2024
Comment Period Ending June 12, 2024

Support: 4
Oppose: 16
Undecided: 5

ALBERTA

Undecided

Generally supportive of the concept, but have a few concerns with the ballot as written,

It is unclear what happens in the event a penalty is assessed and the respective jurisdiction refuses to pay it. Does interest accrue? Does it impact the jurisdiction's membership?

There should be the possibility of a waiver or cancellation of the penalty if the failure of the member jurisdiction to transmit the data as and when required occurred as a result of circumstances that were out of the jurisdiction's control. Such circumstances could include fires and floods within government offices, civil disturbances, or public health emergencies.

There is also a lack of a proposal that would permit the fee to not be charged in the event a transmittal was late on account of the Clearinghouse being inoperative at the time data is to be transmitted, i.e., due to the fault of IFTA, Inc., as opposed to the member jurisdiction.

BRITISH COLUMBIA

Oppose

IDAHO

Oppose

ILLINOIS

Undecided

Do we really need this? Has it been considered to refer a jurisdiction that fails to comply with transmittal requirements to the Dispute Resolution Committee? Specific ballot issues:

1. Line 9, add "to" between "timely" and "IFTA".
2. Line 12, "Graduated late fee for failing . . ."
3. Lines 13-15, Replace the word "offense" with "occurrence"
4. Line 16, "One exception will be granted for a lifetime." Whose lifetime? We recommend a reasonable cause-type exception instead. Also, consider rewarding compliance by not keeping forever penalties. (i.e., after 36 consecutive months of timely uploaded transmittals, the clock starts over.)
5. Line 18, "The fee(s) shall offender would be be billed with the Annual Dues invoice." Question: If a jurisdiction is late with transmittal data each month, will they first hear about the penalty with their Annual Dues Invoice – which will include fees of \$53,500 (\$1K, + \$2.5K + \$5K x 10 = \$50K)?
6. Line 20 & 21, Need explicit direction for how the fees shall be used, not suggestions.
7. Line 23, Do we need this line since line 18 speaks to this? Using the term "Fiscal year" complicates things. The Annual Dues Invoice was sent 3/31. Does the fiscal year end prior to 3/31?
8. Delete lines 25 & 26.
9. For change to P1040 consider cross-referencing, rather than re-stating the fees. So: "Failure to timely upload transmittal data to the IFTA Clearinghouse is subject to the fees provided for under R2130."

INDIANA

Oppose

There have only been a handful of late jurisdictions in the last few years and no repeat offenders.

IOWA

Oppose

Iowa appreciates the spirited discussion of this ballot at the IFTA Educational Forum in Denver. We also would point to Illinois' comments that the ballot language needs clarification and is confusing at points.

Broadly, Iowa opposes this ballot because we do not think a punitive measure is merited in this situation. A jurisdiction never intends to have a late transmittal of fees and this is almost always due to system or other issues beyond the control of a jurisdiction.

Iowa would also note that the real problem appears to be that the other jurisdictions need to receive fees in a timely manner when a transmittal is late. This is completely understandable, but if that is the goal then IFTA should reconsider the provision that the late transmittal fees must be delivered by paper check. The paper check process is the slowest process in most jurisdictions to issue a payment. IFTA should instead find a method or require jurisdictions to use a method that would transmit late fees as quickly as possible, since that is really the issue that needs to be fixed.

KANSAS

Oppose

This issue seems to be, sometimes, related to the implementaiton of a new system which to us, does not warrant a late fee. There also seems to be no repeat offenders. We are not in favor of this proposal at this time.

MAINE

Oppose

MANITOBA

Oppose

MICHIGAN

Support

NEBRASKA

Oppose

We agree with most of what others have already stated in their comments namely:

- seem unnecessary as there have been few late transmittals and no repeat offenders
- how does one define "lifetime"?
- disconnect between the history section which implies this is needed as jurisdictions won't receive their full funds and the ballot language which provides that the penalty/fines will be used to fund IFTA, Inc. activities.

NEW BRUNSWICK

Support

NEW HAMPSHIRE

Oppose

New Hampshire opposes this ballot for many of the same reasons stated by Indiana, Iowa, Kansas, New Jersey, North Carolina, Oklahoma, Quebec, and Washington. We are unsure why this amendment is needed as no data was provided to illustrate the need. We are also unsure why the ballot would specify what the fees collected "can" be used for vs. what the fees "shall" be used for. New Hampshire also feels that there should be language provide for a process to request the fee be waived due to extenuating circumstances, as those are most likely the reason for late submissions.

NEW JERSEY

Oppose

We see no data that suggests this is necessary.

NORTH CAROLINA

Oppose

Although North Carolina does not object to the underlying purpose of the ballot, North Carolina cannot support the ballot without significant revisions. There are sentences without a period, sentence fragments, and sentences that are incoherent.

Based on the condition of this ballot, North Carolina recommends that the sponsor allow the Attorney Advisory Committee to review the ballot and help the sponsor make changes. In the alternative, the sponsor can also reach out to

North Carolina directly and it will assist the sponsor in making revisions to this ballot.

In addition to the general condition of this ballot, North Carolina has the following concerns with the ballot:

1. It unnecessarily repeats the same language in two sections;
2. It should provide a means to challenge the assessment of the fee;
3. It must avoid the use of acronyms (e.g., POP);
4. It should not use the Educational Forum as a recipient for fees as this is a new event and it not well established;
5. It should clarify who decides on the allocation of fees;
6. It should provide clarity for the consequences if the jurisdiction fails to pay the penalty;
7. It is unclear on whose fiscal year the penalty applies; and
8. It needs to allow exceptions more often than once or it should provide exceptions for cause.

NOVA SCOTIA

Oppose

OKLAHOMA

Oppose

If there were serial offenders, we could see the need for enforcement mechanism here. But according to the IFTA Board 4th quarter 2023 meeting minutes, there were only 2 late data transmittals in each of the last 2 years. And none of those were repeat offenders. Other points to consider are the penalty proposed does nothing to make the jurisdictions whole nor does it confront the compliance issue.

ONTARIO

Support

This policy will penalize late transmittals due to unintentional technical or user errors. We would like to see a distinction made between failing to submit transmittal data on time due to negligence and failing to submit data due to unforeseen circumstances and/or errors with the penalty not applying to unintentional errors.

Having said that, since annual dues invoices are sent out before the fiscal year ends, it may be easier to track these fees by calendar year if this ballot passes.

PENNSYLVANIA

Support

PRINCE EDWARD ISLAND

Undecided

This “one exception will be granted” suggests a jurisdiction can wait for their third offense and have the \$5000 fee excepted. If that is not the intent, it may be better to draft the table as:

1st offense	warning,
2nd offense	\$1000,
3rd offense	\$2500,
4th & subsequent	\$5000

We are unsure the intent of:

“The late fee is for the late submission of Transmittal Data only. Funding late currently has a ‘penalty’, and that is a jurisdiction would have to send out checks.”

If we are late funding, we have to send checks, understood.

If we are only late submitting Transmittal Data, we have to pay the new fee, understood.

If we are late both submitting Transmittal Data AND funding, as written, we have to send checks and there is NO fee.

If the intent is to apply the late fee and have the jurisdiction send checks as a “penalty” for being late on both then the “fee is for the late submission of Transmittal Data only” should be worded as “the late fee is only for the late submission of Transmittal Data”

QUEBEC

Oppose

Considering the systemic issues some membership faced in recent years, we believe that it would have been appropriate to provide for the possibility of waiving these fees when a jurisdiction is faced with exceptional circumstances (not one exception !). We also would like to define the term POP that was not define anywhere. We question the appropriateness of such an amendment if delays are so rare.

SASKATCHEWAN

Undecided

Saskatchewan would like a better understanding of the fair application of the penalty. This would include the criteria to be used to approve a waiver request and an increase in the number of waivers that could be provided from one a lifetime. The criteria for waivers could be based on business disruptions outside the control of the organization over a period of several days, such as a loss of IT services, disruption of utilities in building or data centre for an extended period of time, health and safety incidents resulting in serious injury, flood or fire impact that renders a building uninhabitable, a pandemic event requiring business operations to shut down or a violent act at the administrative level.

WASHINGTON

Oppose

Further data is needed to determine what this ballot is attempting to resolve that dispute resolution cannot. In addition, clarification is needed within the proposed language to clarify whether the offense escalations are continuous over the jurisdiction's lifetime or restart every fiscal year.

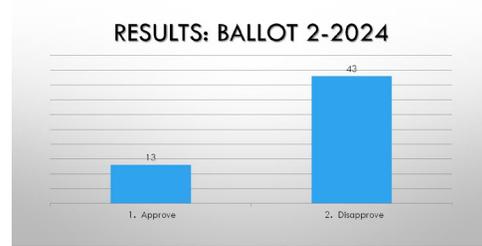
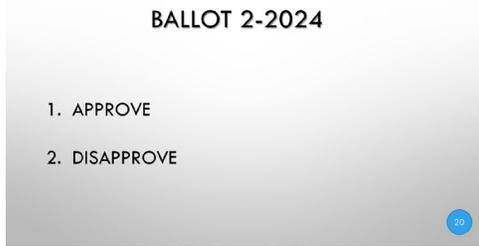
WYOMING

Oppose

2024 Annual IFTA Business Meeting - Voting Results

Question Details (003-002) Ballot FAILED

Total Responses: 56



Participant	Response
AB Ackroyd	2. Disapprove
AL Lawrence	2. Disapprove
AZ Simmons	2. Disapprove
AR Richard	1. Approve
BC Harrison	2. Disapprove
CA Amezcua	1. Approve
CO Zion	2. Disapprove
CT Romeo	1. Approve
DE Postle	2. Disapprove
FL Gunter	1. Approve
ID Alvarez	2. Disapprove
IL Blessing	2. Disapprove
IN Boone	2. Disapprove
IA Yeh	2. Disapprove
KS Agnew	2. Disapprove
KY McDaniel	1. Approve
LA LA	[No Response]
ME Brown	2. Disapprove
MB Bachinski	2. Disapprove
MD O'Lare	2. Disapprove
MA Adamek	2. Disapprove
MI Guzman	1. Approve
MN Loper	2. Disapprove
MS Johnson	1. Approve
MO Scott	1. Approve

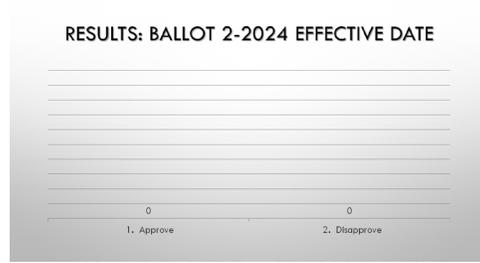
2024 Annual IFTA Business Meeting - Voting Results

MT Schatz	2. Disapprove
NE Beedle	2. Disapprove
NV Stanfield	2. Disapprove
NB Leahy	1. Approve
NL Lockyer	2. Disapprove
NH Hall	2. Disapprove
NJ Walker	2. Disapprove
NM Ringo	2. Disapprove
NY Galarneau	2. Disapprove
NC Panza	2. Disapprove
ND Voegele	2. Disapprove
NS QC Tannous	2. Disapprove
OH Horvath	2. Disapprove
OK Greenawalt	2. Disapprove
ON Hill	2. Disapprove
OR Bowlin	1. Approve
PA Wisyanski	1. Approve
PE Pineau	2. Disapprove
QC Tannous	2. Disapprove
RI Lebeuf	2. Disapprove
SK Godlien	2. Disapprove
SC Carlson	2. Disapprove
SD Gerry	1. Approve
TN Lanfair	2. Disapprove
TX Julius	1. Approve
VT Robillard	2. Disapprove
VA Harrison	2. Disapprove
WA Briscoe	2. Disapprove
WV Acree	2. Disapprove
WI Litscher	2. Disapprove
WY Lopez	2. Disapprove
GA Richardson	2. Disapprove
UT Miner	[No Response]

2024 Annual IFTA Business Meeting - Voting Results

Question Details (006) Ballot **FAILED – no need for an Effective Date vote**

Total Responses: 0



Participant	Response
AB Ackroyd	[No Response]
AL Lawrence	[No Response]
AZ Simmons	[No Response]
AR Richard	[No Response]
BC Harrison	[No Response]
CA Amezcua	[No Response]
CO Zion	[No Response]
CT Romeo	[No Response]
DE Postle	[No Response]
FL Gunter	[No Response]
ID Alvarez	[No Response]
IL Blessing	[No Response]
IN Boone	[No Response]
IA Yeh	[No Response]
KS Agnew	[No Response]
KY McDaniel	[No Response]
LA LA	[No Response]
ME Brown	[No Response]
MB Bachinski	[No Response]
MD O'Lare	[No Response]
MA Adamek	[No Response]
MI Guzman	[No Response]
MN Loper	[No Response]
MS Johnson	[No Response]
MO Scott	[No Response]

2024 Annual IFTA Business Meeting - Voting Results

MT Schatz	[No Response]
NE Beedle	[No Response]
NV Stanfield	[No Response]
NB Leahy	[No Response]
NL Lockyer	[No Response]
NH Hall	[No Response]
NJ Walker	[No Response]
NM Ringo	[No Response]
NY Galarneau	[No Response]
NC Panza	[No Response]
ND Voegelé	[No Response]
NS QC Tannous	[No Response]
OH Horvath	[No Response]
OK Greenawalt	[No Response]
ON Hill	[No Response]
OR Bowlin	[No Response]
PA Wisyanski	[No Response]
PE Pineau	[No Response]
QC Tannous	[No Response]
RI Lebeuf	[No Response]
SK Godlien	[No Response]
SC Carlson	[No Response]
SD Gerry	[No Response]
TN Lanfair	[No Response]
TX Julius	[No Response]
VT Robillard	[No Response]
VA Harrison	[No Response]
WA Briscoe	[No Response]
WV Acree	[No Response]
WI Litscher	[No Response]
WY Lopez	[No Response]
GA Richardson	[No Response]
UT Miner	[No Response]

FOR VOTE AT THE 2024 ANNUAL IFTA BUSINESS MEETING



**IFTA BALLOT PROPOSAL
Ballot 03-2024**

Sponsor

IFTA, Inc. Board of Trustees

Date Submitted

May 3, 2024

Proposed Effective Date

Upon Passage

Manual Sections to be Amended

(January 1996 Version, Effective July 1, 1998, as revised)

IFTA Articles of Agreement

Section R1605.200.005

Subject

Addition of the IFTA, Inc. Board of Trustees as a party that may present a non-substantive change to the Repository in accordance with Article R1605.200.005.

History/Digest

IFTA Articles of Agreement R1600 defines who may propose an amendment or request a non-substantive change to the IFTA Articles of Agreement, the Procedures Manual, and the Audit Manual. The IFTA, Inc. Board of Trustees is a party who may propose amendments and request non-substantive changes to the governing documents of IFTA under Article R1600. Article R1605.200 defines the steps that must be taken to request a non-substantive change to the governing documents. Article R1605.200.005 states the following: *“A member jurisdiction or committee submits a proposed change to the repository.”* This conflicts with Article R1600 inasmuch as the IFTA, Inc. Board of Trustees’ existing authority to request a non-substantive change is not enumerated in Article R1605.200.005.

Intent

To remove the conflict between the language in Article R1600 and Article R1605.200.005 by adding the Board of Trustees to Article R1605.200.005.

Interlining Indicates Deletion; Underlining Indicates Addition

R1605 SUBMISSION OF NON-SUBSTANTIVE CHANGES FOR BOARD REVIEW AND DECISION

.100 ***{Remains Unchanged}***

.200 Non-substantive changes may be made in accordance with all of the following:

.005 A member jurisdiction, ~~or~~ committee, or the Board of Trustees of the Association submits a proposed change to the repository.

{All other subsections remain unchanged}

Ballot #3-2024
Comment Period Ending June 12, 2024

Support: 13
Oppose: 3
Undecided: 6

ALBERTA

Support

As the Board works extensively with the Articles of Ageement they are a party that is likely to come across minor issues that may require a non substantive change so it would make sense to allow the Board to recommend non substantve changes. As the proposed changes are non substantive and the process involves a 30 day period of comment by member jurisdictions there is no concern that changes are ultimately approved by a vote of the Board.

BRITISH COLUMBIA

Support

IDAHO

Undecided

Has there been any discussion of rather than adding the Board to section R1605.200.005; perhaps removing them from R1600?

INDIANA

Undecided

We would require a definition of non-substantive in the ballot language to decide.

KANSAS

Undecided

MAINE

Support

The current procedures for non-substantive changes includes a 30 day review period by member jurisdictions. With this step we see no problem with the Board submitting the proposed changes.

MANITOBA

Support

MICHIGAN

Support

NEBRASKA

Undecided

NEW BRUNSWICK

Support

NEW HAMPSHIRE

Undecided

New Hampshire is undecided for many of the same reasons stated by Idaho, Indiana and Quebec. Perhaps the Board of Trustees of the Association could refer their non-substantive changes to one of the IFTA committees to review and submit to the Board of Trustees for approval?

NEW JERSEY

Oppose

NORTH CAROLINA

Support

North Carolina agrees with Idaho and Quebec that the ballot is contrary to the original intent of R1605. As noted by Quebec, R1605.200.025 provides that the Board of Trustees is the final 'check' to ensure that the changes submitted are not substantive changes. It appears problematic to allow the Board of Trustees, an indispensable part of ensuring that a change is non-substantive, to approve its own submission.

It is important for all jurisdictions to understand that changes made to the governing documents outside the ballot process should be done with great care and caution. The ballot removes an important protective measure and creates an appearance of conflict for the Board of Trustees that it should avoid. This gives North Carolina pause.

Nevertheless, North Carolina considers there are other sufficient protective measures in place.

NOVA SCOTIA

Oppose

OKLAHOMA

Oppose

ONTARIO

Support

PENNSYLVANIA

Support

PRINCE EDWARD ISLAND

Support

QUEBEC

Undecided

Currently, section R1605.200.05 provides that a jurisdiction or committee may propose non substantive amendments other than by ballot. Since it is the Board of Trustees that votes on whether or not to accept non-substantive amendments (R1600.200.025), it seems curious to us that the Board is allowed to submit amendments on which it will vote on. We wonder if it would not have been appropriate for the Board to be removed from section R1600 instead to eliminate the conflict between the language of section R1600 and R1605.200.005

SASKATCHEWAN

Support

WASHINGTON

Support

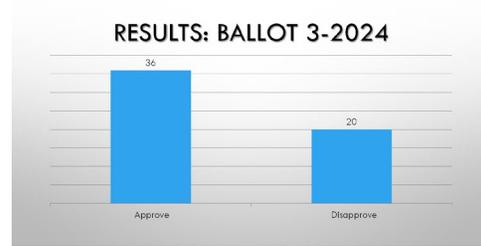
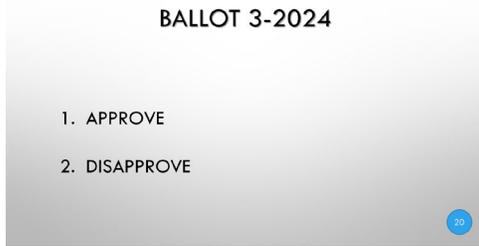
WYOMING

Support

2024 Annual IFTA Business Meeting - Voting Results

Question Details (003) – Ballot FAILED

Total Responses: 56



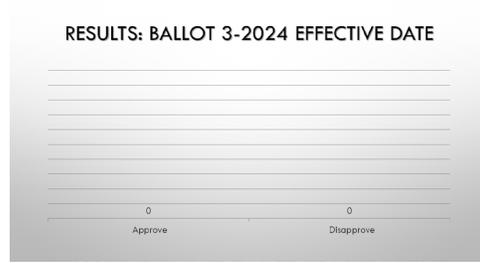
Participant	Response
AB Ackroyd	Approve
AL Lawrence	Disapprove
AZ Simmons	Approve
AR Richard	Approve
BC Harrison	Approve
CA Amezcua	Approve
CO Zion	Disapprove
CT Romeo	Approve
DE Postle	Approve
FL Gunter	Approve
ID Alvarez	Disapprove
IL Blessing	Disapprove
IN Boone	Disapprove
IA Yeh	Approve
KS Agnew	Disapprove
KY McDaniel	Approve
LA LA	[No Response]
ME Brown	Approve
MB Bachinski	Approve
MD O'Lare	Approve
MA Adamek	Disapprove
MI Guzman	Approve
MN Loper	Disapprove
MS Johnson	Approve
MO Scott	Approve

2024 Annual IFTA Business Meeting - Voting Results

MT Schatz	Disapprove
NE Beedle	Disapprove
NV Stanfield	Disapprove
NB Leahy	Approve
NL Lockyer	Approve
NH Hall	Approve
NJ Walker	Disapprove
NM Ringo	Approve
NY Galarneau	Approve
NC Panza	Approve
ND Voegelé	Approve
NS QC Tannous	Disapprove
OH Horvath	Approve
OK Greenawalt	Disapprove
ON Hill	Approve
OR Bowlin	Approve
PA Wisyanski	Approve
PE Pineau	Approve
QC Tannous	Disapprove
RI Lebeuf	Approve
SK Godlien	Approve
SC Carlson	Disapprove
SD Gerry	Approve
TN Lanfair	Disapprove
TX Julius	Approve
VT Robillard	Disapprove
VA Harrison	Approve
WA Briscoe	Approve
WV Acree	Disapprove
WI Litscher	Approve
WY Lopez	Approve
GA Richardson	Disapprove
UT Miner	[No Response]

Question Details (005) Ballot **FAILED – no need for an Effective Date vote**

Total Responses: 0



Participant	Response
AB Ackroyd	[No Response]
AL Lawrence	[No Response]
AZ Simmons	[No Response]
AR Richard	[No Response]
BC Harrison	[No Response]
CA Amezcua	[No Response]
CO Zion	[No Response]
CT Romeo	[No Response]
DE Postle	[No Response]
FL Gunter	[No Response]
ID Alvarez	[No Response]
IL Blessing	[No Response]
IN Boone	[No Response]
IA Yeh	[No Response]
KS Agnew	[No Response]
KY McDaniel	[No Response]
LA LA	[No Response]
ME Brown	[No Response]
MB Bachinski	[No Response]
MD O'Lare	[No Response]
MA Adamek	[No Response]
MI Guzman	[No Response]
MN Loper	[No Response]
MS Johnson	[No Response]
MO Scott	[No Response]

2024 Annual IFTA Business Meeting - Voting Results

MT Schatz	[No Response]
NE Beedle	[No Response]
NV Stanfield	[No Response]
NB Leahy	[No Response]
NL Lockyer	[No Response]
NH Hall	[No Response]
NJ Walker	[No Response]
NM Ringo	[No Response]
NY Galarneau	[No Response]
NC Panza	[No Response]
ND Voegelé	[No Response]
NS QC Tannous	[No Response]
OH Horvath	[No Response]
OK Greenawalt	[No Response]
ON Hill	[No Response]
OR Bowlin	[No Response]
PA Wisyanski	[No Response]
PE Pineau	[No Response]
QC Tannous	[No Response]
RI Lebeuf	[No Response]
SK Godlien	[No Response]
SC Carlson	[No Response]
SD Gerry	[No Response]
TN Lanfair	[No Response]
TX Julius	[No Response]
VT Robillard	[No Response]
VA Harrison	[No Response]
WA Briscoe	[No Response]
WV Acree	[No Response]
WI Litscher	[No Response]
WY Lopez	[No Response]
GA Richardson	[No Response]
UT Miner	[No Response]

**WITHDRAWN PRIOR TO THE ABM
FOR DISCUSSION AT THE 2024 ANNUAL IFTA BUSINESS MEETING**



**IFTA BALLOT PROPOSAL
04-2024**

Sponsor

IFTA, Inc. Board of Trustees

Date Submitted

May 10, 2024

Proposed Effective Date

July 1, 2027 for IFTA credentials issued for the 2028 calendar year

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

IFTA Articles of Agreement	Section R221 Fleet Section R605 Identification Requirement Section R625 Display of Decals
IFTA Procedures Manual	Section P100 License Application Content

Subject

To provide for the collection of vehicle specific data related to fleet vehicles licensed under this Agreement by an applicant.

History/Digest

Since its inception, IFTA has required that an approved application for an IFTA license results in a license and a set of decals (per qualified motor vehicle) to be issued to the licensee (IFTA Articles of Agreement Article VI, Sections R600 through R660, and IFTA Procedures Manual Articles P300 through P320). Article R615 states that the decal shall not be designed to require vehicle-specific data. As part of the presentation on a future IFTA Strategic Plan at the 2022 IFTA Annual Business Meeting, several items were identified regarding the future direction of IFTA as not only an association but as an instrument of tax administration. Among the strategies to be researched was a plan to address IFTA, Inc.'s role in a possible transition to a different taxation method for sustaining a dedicated revenue source for infrastructure. The various national and regional studies being conducted now are researching a possible replacement for fuel use taxes and could involve commercial vehicles with weight classes below 26,000 lbs. and the possible inclusion of passenger vehicles. A change in the definition of qualified motor vehicles most likely would necessitate a requirement for vehicle-specific identification when credentialing for IFTA.

In the current state, every compliance program designed to detect the proper payment of fuel use tax through IFTA is hampered by the absence of vehicle specific data being collected by base jurisdictions at the time of licensing and the maintenance of same perpetually. Specifically, at licensing, jurisdictions do not know what vehicles decals issued are placed upon. Moreover, several base jurisdictions do not

charge for decals; placing compliance in jeopardy through the potential misuse of decals. Law enforcement is affected as well. Law enforcement accesses several different but related databases to determine the propriety of a vehicle status for many different safety and compliance initiatives at roadside. Currently, nothing resides in the IFTA, Inc. Clearinghouse regarding vehicle specificity that can be helpful to law enforcement at roadside. The ability to search for information based on USDOT Number, Canadian National Safety Code Number, Vehicle Identification Number, and current license plate number is essential to providing law enforcement with the tools needed to provide further assurance of compliance with IFTA and continuity with other law enforcement initiatives to ensure propriety and safety on the roads throughout the IFTA membership. Auditors are tasked with ensuring that the taxes paid on an IFTA tax return are correct and reflect all taxable operations accrued by the licensee. Currently, nothing exists that would provide the auditor with a complete profile of the vehicles operating under the IFTA license of the auditee. The audit process can be enhanced and streamlined by having this information available for review **prior** to the audit engagement. A cursory review and comparison of the licensee's fleet vehicles reported through licensing versus those reported on an IFTA tax return may also help determine whether the licensee is worthy of an audit versus a records review. This information will help ensure that the operations of all vehicles used during the subject reporting period(s) have been reported; which will further enhance a base jurisdiction's ability to identify the propriety of fuel use tax reporting in all affected member jurisdictions. The Program Compliance Review Process is designed to ensure that member jurisdictions are complying with the governing documents of IFTA. Currently, we do not know if all qualified motor vehicles operating under an IFTA license have been reported to the base jurisdiction by the licensee and taxes due have been transferred to all affected member jurisdictions.

IFTA has proactively addressed the future through the passage of Ballot 8-2022 and the intent to establish an Alternative Fuels Committee as a Standing Committee. A significant part of the future centers on how the definition of a qualified motor vehicle could change, and what that means for licensing under IFTA including vehicle-specific data.

Intent

To allow member jurisdictions to identify which qualified motor vehicles are included on an IFTA license for taxation purposes. This ballot will also have the list maintained as qualified motor vehicle information are added, deleted, or edited. The qualified motor vehicle list operated under the license will be uploaded to the clearinghouse or other database developed by IFTA, inc. This ballot does give jurisdictions time to become compliant with the requirement to maintain a list of qualified motor vehicles operated under the license for taxation purposes. This ballot will allow jurisdictions to be able to audit and verify that the vehicles operated under their IFTA license are reported during the reporting period. This ballot does not remove the decal requirement to be displayed.

Commentary

With the declining revenues for road funds and since fuel use taxes are usually used to help maintain the infrastructure this ballot will help jurisdictions verify that all vehicles operated under a license are reported during a reporting period. This list will give auditors a starting point to help verify the qualified motor vehicles and decal reconciliation and proper reporting. This list and the ability for all jurisdictions to have access to the vehicle information will help jurisdictions that may have past due tax owed identify where the vehicle is now operating. This will allow jurisdictions to work together to collect the tax due to other jurisdictions (section R140).

This ballot also allows jurisdictions to be able to use the IFTA platform for jurisdictional or possible national road use tax legislation. By having the vehicle specific information in an IFTA, Inc. database each member jurisdiction will have a definitive source to maintain fleets associated and reported on a license. The Board encourages the use of data that is already housed in a database within your jurisdiction, other member jurisdictions or a separate database that will be created and maintained by the repository where the IFTA licensee will have direct access to upload and update vehicle information. Eventually this may lead to one integrated database of vehicle information shared by authorized organizations.

Interlining Indicates Deletion; Underlining Indicates Addition

1 **ARTICLES OF AGREEMENT**

2
3 **R221 Fleet** means one or more vehicles that are reported under the license by the carrier to show the
4 information provided in P140 for all vehicles operated and reported under the IFTA Tax Returns. The fleet
5 will be maintained and updated for changes to operation status or information in P140 of vehicles
6 throughout the period the license is active.

7
8 **R605 IDENTIFICATION REQUIREMENT**

9
10 The base jurisdiction shall issue a license and two decals per vehicle. The license and decals shall qualify
11 the licensee to operate in all member jurisdictions ~~without further licensing or identification requirements~~
12 ~~in regard to motor fuel use taxes.~~

13
14 **~~R625 DISPLAY OF DECALS~~ VEHICLE IDENTIFICATION**

15
16 Each licensee shall be issued a minimum of two vehicle identification decals for each qualified vehicle in
17 its fleet. The decals must be placed on the exterior portion of both sides of the cab. In the case of
18 transporters, manufacturers, dealers, or driveaway operations, or in the case of a short-term motor
19 vehicle rental of 29 days or less whereby the lessee has assumed responsibility for reporting and paying
20 the fuel use tax pursuant to R510, the decals need not be permanently affixed, but may be temporarily
21 displayed in a visible manner on both sides of the cab.

22
23 Each licensee shall, provide an updated fleet listing for any changes of the fleet listing on a form
24 prescribed by the base jurisdiction with each quarterly return. The updated fleet listing will add, remove,
25 or edit the information provided in P140 to the fleet of the license. The updated fleet listing will include the
26 date the vehicle was added, removed or edited and shall be maintained per the Record Keeping
27 Requirements in R700. This fleet update may be done more frequently if deemed necessary or beneficial
28 by the base jurisdiction.

29
30 Each jurisdiction shall maintain a Fleet vehicle listing with information in P140 for each license with the
31 beginning and end date for each qualified motor vehicle operated under a license. This fleet list with
32 updates shall be transmitted to the clearinghouse per requirements in the data validation plan.

33
34 **PROCEDURES MANUAL**

35
36 **P100 LICENSE APPLICATION CONTENT**

37
38 The application for an IFTA fuel tax license shall be in a uniform format and shall contain, but not be
39 limited to, the following information:

- 40
41 **P105** The account identification number specified in IFTA Procedures Manual Section P200;
42 **P110** Name of owner, partners or corporation;
43 **P115** Legal business name (if different from the name given above);
44 **P120** Physical location of the business;
45 **P125** Mailing address of the business;
46 **P130** US DOT Number or Canadian National Safety Code Number (NSC) number of the business
47 entity stated in Section P115 (if applicable);

48
49 **~~*P130~~ P135** Signature or electronic submission compliant with R940.300 and P160 and date;

50
51 **~~P135~~ P140** Fleet listing of each vehicle operated under the fleet at time of application to include the
52 following:

53

54 .005 US DOT Number of the vehicle or NSC number (vehicle safety if applicable)

55 .010 Vehicle Identification Number (VIN)

56 .015 Vehicle Make

57 .020 Vehicle Model

58 .025 Current Plate registered to vehicle

59

60 **P145** The data required under Section P140 may be collected from either the applicant identified in

61 Section P115 directly through the License Application under Section P100, quarterly update with

62 tax return, or through the transfer of such data from either within the base jurisdiction or between

63 member jurisdictions, or through a database provided by and maintained by the Repository.

64

65 **P135P150** Number of IFTA decals required by licensee;

66 **P140P155** Application fee (if applicable);

67 **P145P160** Decal fee (if applicable);

68 **P155P165** Statement of existence of bulk storage in all member jurisdictions;

69 ***P160P170** Certification:

70

71 Applicant agrees to comply with tax reporting, payment, recordkeeping, and license

72 display requirements as specified in the International Fuel Tax Agreement. The applicant

73 further agrees that base jurisdiction may withhold any refunds due if applicant is

74 delinquent on payment of fuel taxes due any member jurisdiction. Failure to comply with

75 these provisions shall be grounds for revocation of license in all member jurisdictions;

76 and

77

78 A statement to the effect that the applicant certifies with his or her signature or electronic

79 submission as deemed acceptable by the base jurisdiction that, to the best of his or her

80 knowledge, the information is true, accurate, and complete and any falsification subjects

81 him or her to appropriate civil and/or criminal sanction of the base jurisdiction. (e.g.,

82 perjury).

83

84

85

Ballot #4-2024
Comment Period Ending June 12, 2024

Support: 4
Oppose: 14
Undecided: 4

ALBERTA

Undecided

Alberta is supportive of the intent of the ballot but shares the concerns expressed by other member jurisdictions about the cost and effort this requirement could impose on member jurisdictions and carriers if the information was not sourced internally. To avoid this Alberta would look to acquire the required information from registry data that has already been collected.

As currently drafted, Ballot Proposal 04-2024 does not directly restrict member jurisdictions from obtaining the required fleet information from other sources. However, a member jurisdiction obtaining the information other than from an applicant would not relieve the applicant of its obligation to provide the information at the time of application or the updated listing with the quarterly return.

Furthermore, a base jurisdiction obtaining updated fleet information other than from a licensee would not relieve the base jurisdiction from its obligation to prescribe the form on which a licensee provides its updated fleet listing with each quarterly return.

Accordingly, the Ballot as currently proposed may not permit a member jurisdiction to obtain and provide the fleet information on behalf of its applicants or licensees.

BRITISH COLUMBIA

Oppose

IDAHO

Oppose

Idaho is not set up to track this information and would be costly endeavor to incorporate this into our system.

ILLINOIS

Oppose

More discussion is required to fully vet the concept here. The additional resources required to implement the changes this ballot makes as well as the ongoing expense of meeting the additional data gathering/maintaining are not justified to meet the collection and administration of motor fuel use taxes. In Illinois, the IFTA program is not only under a different agency than the IRP program, but also it is under a separate Constitutional Officer of the State (Governor's Office – IFTA; Secretary of State – IRP). So, while it is prudent to position IFTA for anticipated future motor fuel use tax changes, this wholesale addition of vehicle registration data collection would add considerable expense to our IFTA administration with little, if any, additional return on investment while also duplicating much of what the IL Secretary of State does under the IRP program. While we acknowledge that having this information could assist audit functions, the additional resources required to obtain and maintain this data may be better spent, for example, on direct audit activity. Finally, rather than adopt now with a delayed implementation date, IL prefers more robust discussion now and ballot changes, if needed, at a later date.

Specific ballot issues, should the ballot succeed:

1. Line 3- Definitions. The current definition of "Fleet" should be retained. That word is used throughout the agreement. A new term "fleet list" or "fleet listing" should be added. Proposed definition: "Fleet listing" means

the list provided by a licensee or applicant that includes, for each vehicle in the fleet, the information under P140.” Strike the last sentence in the definition of “fleet” in the ballot; it is not definitional, but substantive and already appears in R625 changes in the ballot.

2. Line 14- R625: Keep the caption “Display of Decals” and just add “Vehicle Identification” as follows: “R625 Display of Decals; Vehicle Identification”.
3. “Fleet listing” “fleet vehicle listing” “Fleet list” – pick a term, define it, and stick with it.
4. “Will” – use the word “shall” or “must”. “Will” is passive or future, not imperative.
5. Line 32- Concern: “requirements in the data validation plan”: The data validation plan refers to the transmittal and the data validation plan does not address vehicle data information. The Intent of the ballot states, “*The qualified motor vehicle list operated under the license will be uploaded to the clearinghouse or other database developed by IFTA, inc.*” So, is the data supposed to go on the transmittal, the demographics file, or a file for a system yet to be developed? Implementing requirements for the new data will increase resource costs for Illinois without a corresponding increase in motor fuel use tax revenues. It seems premature to accept the burden of this ballot when there is no clear plan, place, or use for the collected data. Thus, the need for more robust discussion.
6. Line 60- P145: This muddles whether the info. in P140 is “application” information or just information acquired from third parties/other sources. This needs more work to intersect with P140. For example, can the applicant authorize the jurisdiction to acquire P140 info. from other sources? If so, a provision is likely needed to have applicant verify or correct the information received from third parties.

INDIANA

Oppose

Indiana is opposed to this ballot. The required investment in infrastructure would be significant for jurisdictions and motor carriers while the benefits to audit and enforcement would be minimal.

Future improvements to the IFTA Plan should be focused on efficient and effective methods that promote and result in a reduction in costs and administrative support for all industry partners, not an increased burden. Creating a new system/program at the vehicle level is not required. The current fleet level method has been very successful for the last forty years and continues to function appropriately. This proposed change would not increase fuel tax revenues.

The History/Digest section of the ballot refers to several issues that are concerning: different taxation method that replaces fuel taxes, new definition of qualified motor vehicles, inclusion of vehicles less than 26,000 lbs., and inclusion of passenger vehicles. These topics are very complex, are unrelated to the current ballot, and would be problematic to consider when deciding how to vote on this ballot.

KANSAS

Support

We support this ballot as we have always asked for a list of vehicles when completing an application and every year after when submitting a renewal. Our IFTA and IRP accounts are not on the same system so we cannot easily compare to what IRP has on file, if needed. Having a list of vehicles provided has cut down on issuing the carriers extra decals, when not really needed. We also ask for an updated list of vehicles when additional decals are ordered, it has made the carriers more accountable for keeping vehicle records for audit purposes.

Law Enforcement Committee

Law Enforcement Committee

Comments for IFTA Ballot Proposal 04-2024

Law enforcement personnel continue to see an increase in counterfeit and altered IFTA credentials. When law enforcement personnel are attempting to investigate suspected fraud during roadside contacts, significant research is sometimes required that necessitate contacting base jurisdictions. Law enforcement operations are 24/7 in nature, whereas jurisdictions typically cannot be reached outside of normal business hours. Having the ability to search a system via a VIN to make sure the qualified motor vehicle is included on an IFTA license for taxation purposes would greatly enhance law enforcement’s ability to combat this type of fraudulent activity by more easily being able to determine if a

particular vehicle is associated with an active IFTA account.

Additionally, law enforcement personnel also encounter the fraudulent use of authentic IFTA credentials. This occurs when credentials (both decals and licenses) are unintentionally left in/on a qualified motor vehicle that is sold and then fraudulently used by the next carrier. This type of fraudulent activity is even more difficult to detect by law enforcement and represents a significant impact to the fuel taxes collected by jurisdictions. In some cases, the carrier may actually have an active IFTA account, but not be reporting that particular vehicle, thus saving themselves a significant amount in fuel taxes at the expense of jurisdictions. Having a way to verify that a specific qualified motor vehicle is being reported for IFTA taxation purposes would greatly enhance law enforcement's ability to counter these situations.

Law enforcement's goal is to enhance highway safety and ensure jurisdictions receive proper revenue for infrastructure as part of the highway safety mission. The Law Enforcement Committee believes that this ballot would greatly enhance enforcement's ability to do so, while also making IFTA enforcement more efficient, equating to less time that qualified motor vehicles are delayed while verifying IFTA credentialing.

The Law Enforcement Committee recognizes that this would pose some challenges to enforcement agencies, such as the ever-constant battle with internet connectivity in some jurisdictions. However, we believe this ballot is a step toward embracing the future evolution of qualified motor vehicles and, therefore, we support this ballot.

MAINE

Oppose

We do not agree with this ballot. We have had no problems on audit obtaining vehicle information. During pre-audit process we will conduct a vehicle analysis from available IRP registrations. We also will ask for additional vehicle information during audit. If this is a concern for other jurisdictions; we suggest that a ballot be proposed to address this audit issue. The ballot should include clear decal recordkeeping requirements for carriers and a requirement for a decal reconciliation on audit with punitive measurements for carriers for unaccounted for decals.

Programming to keep a list of vehicles for this will cost all jurisdictions.

Including vehicle information with IFTA would make that information confidential under Maine laws. Use for roadside enforcement will require a new CH access agreement.

States should keep in mind that if the IFTA return is used for a possible national road use tax, the information contained in the return could become federal tax information with limited access by states such as the federal HVUT 2290.

MANITOBA

Oppose

NEBRASKA

Oppose

Nebraska is opposed to this ballot for many of the reasons already voiced in the comments by others.

In addition to what others have said, NE has concerns about the language struck in section R605. Does this not open the door for jurisdictions to require additional credentialing requirements for IFTA qualified vehicles? Isn't that the reason IFTA started was NOT to require jurisdiction specific credentials?

In addition, to address the law enforcement concern - it would be much easier for motor vehicle registrations to capture an IFTA license number at the time of registration (similarly to how a DOT # responsible for safety is captured today by all US jurisdictions).

NEW BRUNSWICK

Oppose

NEW HAMPSHIRE

Oppose

New Hampshire opposes this ballot for many of the same reasons stated by Illinois, Maine, and Oklahoma. As New Hampshire reviews vehicle information related to all IFTA applications prior to approval, and then obtains a vehicle list from the licensee as part of our pre-audit process, we don't see the need for this amendment. New Hampshire feels it should be left to each jurisdiction to determine how they verify the number of decals they issue to each licensee, and how to obtain vehicle information related to an IFTA license during an audit.

NORTH CAROLINA

Oppose

North Carolina shares many of the concerns raised by other jurisdictions and strongly opposes this ballot. The ballot fails a cost-benefit analysis and its poor drafting will cause additional unintended consequences that will inhibit fuel tax collection.

Cost-Benefit Analysis

As noted by many jurisdictions, there is no data to support the high costs placed on: (1) IFTA, Inc., whose costs to implement this ballot will be borne by the member jurisdictions; (2) the member jurisdictions who must implement these reporting requirements, and (3) licensees who must comply.

It appears that the main reason for moving forward with this ballot was based on the History/Digest, which provides: "A change in the definition of qualified motor vehicles most likely would necessitate a requirement for vehicle-specific identification when credentialing for IFTA." Potentially, yes. However, that is not what is being proposed here: the definition of qualified motor vehicle is not amended. North Carolina agrees with Oklahoma that expanding the definition of qualified motor vehicle would require changes on a federal level (ISTEA) Therefore, this ballot is premature and cannot be used as a reason to move forward with this ballot.

The sponsor then supports the ballot for providing, in part, the following reasons:

1. "IFTA is hampered by the absence of vehicle specific data being collected by base jurisdictions at the time of licensing and the maintenance of same perpetually"
2. Jurisdictions that do not charge for decals place "compliance in jeopardy through the potential misuse of decals."
3. The ballot "will help ensure that the operations of all vehicles used during the subject reporting period(s) have been reported; which will further enhance a base jurisdiction's ability to identify the propriety of fuel use tax reporting in all affected member jurisdictions."

There is no data to support that the ballot will improve tax collections. Indeed, all the above reasons for the ballot are focuses during the audit process. North Carolina audits begin with obtaining a vehicle list, which includes performing a decal inventory. The list will not change this process and provides no additional measures to identify issues that would not have been otherwise identified.

However, the key failure in this ballot is data accuracy. Without data accuracy, the sponsor will not achieve any of the purported benefits, and the ballot does not provide a mechanism to ensure accuracy. If the licensee submits false vehicle information, what is the penalty? There is no positive feedback loop to allow the jurisdiction to rely on the data. Despite the sponsor providing that this will be "a definitive source to maintain fleets associated and reported on a license," North Carolina does not see a path forward to achieve this. Without the ability to rely on the data, the list will have limited value.

All the above concerns provide minimal benefits. The costs placed on IFTA, Inc., jurisdictions, and licensees does not seem to have been considered. Ultimately, the costs of requiring this list be maintained will exceed any potential revenue gains. This ballot is a net loss for member jurisdictions. This causes North Carolina great concern.

Drafting Concerns

North Carolina also has significant concerns with the ballot language. However, to keep this comment short, North Carolina will note three concerns.

First, the changes to definition fleet are precarious. It is unclear whether a jurisdiction can consider qualified motor vehicles during an audit that were not reported. In other words, if the motor vehicle was not reported, it was never a part of the fleet, even if it was.

Second, why did the sponsor remove language from R605? A license and decals does not, by itself, allow a licensee to operate in all member jurisdictions. There are other requirements, such as IRP.

Third, North Carolina does not understand P145. If the data can be collected from someone other than the licensee, should the licensee still be required to submit and update the data? What if there is a conflict in data? How is this resolved? How does this promote the "definitive source" theory promoted by the sponsor? It seems as if there are multiple sources.

NOVA SCOTIA

Support

OKLAHOMA

Oppose

The ballot proposal raises concerns about the cost and authority of implementing a new vehicle registration system under the International Fuel Tax Agreement (IFTA). The proposal implies (without saying it) expanding IFTA's scope to include distance-based taxes in the future, but this exceeds the authority granted by Congress and could lead to a costly program without clear benefits. The proposal suggests audit benefits without providing a cost benefit analysis justifying the increased development and personnel costs.

The ballot proposal suggests researching a shift in IFTA, Inc.'s role to potentially adopt mileage-based user fees for infrastructure funding, despite current limitations by ISTEA on taxing fuel only. It also proposes using IFTA for jurisdictional or national road use taxes, which would exceed the authority granted by Congress. The CEO of IFTA recently expressed a desire to amend ISTEA to tax distance, but without such changes, this proposal risks overstepping its bounds and creating a costly program without clear benefits. Additionally, altering the definition of qualified motor vehicles could lead to new credentialing requirements, a change deemed irresponsible without proper authority and based solely on speculation.

The proposal would significantly increase the system development and personnel costs of IFTA, Inc. without disclosing what those costs might be and ultimately how those costs would be passed onto the jurisdictions.

The proposal's justification based on law enforcement needs is concerning. While vehicle-specific decals may benefit law enforcement, IFTA's primary goal is equitable fuel tax distribution among jurisdictions. That goal has been largely met for the entire history of IFTA. There is a lack of empirical data to support any fuel tax deficit or the cost-benefit of transitioning to vehicle identification number (VIN) specificity.

The proposal presents unnecessary additional vehicle identification requirements based on unverified assumptions, despite IFTA's historical success in fair fuel tax allocation since its inception.

ONTARIO

Oppose

The administrative burden to update our systems and processes to collect and maintain this level of detailed information, and additional burden this would place on the industry, outweighs the benefits to our compliance efforts.

The intent of the ballot is specific to allowing jurisdictions to audit and verify the vehicle(s) operated under the IFTA

license are reported. For audit purposes, collecting a VIN would be sufficient.

If this ballot moves forward, or for a future iteration, we suggest the following change:

R221 defines “fleet” as “one or more vehicles.” The proposal adds to the definition, “...The fleet will be maintained and updated...”

This updated definition seems to conflate into one term the vehicles themselves and the list of vehicles.

It may be better to define a new term, e.g., “fleet listing” as used in R625.

PENNSYLVANIA

Undecided

PRINCE EDWARD ISLAND

Support

QUEBEC

Support

From the audit side, we are delighted to have this information since it will facilitate the auditors work in reconciling the decals requested vs the holder's units. From a legal perspective, it would be necessary to assess whether this proposal would require an amendment to our law to provide for the obligation to send and update this list.

SASKATCHEWAN

Oppose

There is insufficient data provided to quantify the extent of the issues attempting to be addressed by this ballot. Without knowing the extent of the issues, it is difficult to determine if the added costs to jurisdictions of implementing the ballot are justified

Stakeholders

Oppose

Chuck Ledig - IAC Chair

The concept of vehicle (i.e. VIN) specific IFTA credentials has been a topic of debate throughout the IFTA community for several years, gaining very little traction amongst jurisdiction and industry partners. Given the slightly positive to considerably negative sentiment for such a move at this time and the lack of clarity around a path to this end, the fact that this concept has risen to the level of a formal ballot upon which there will be a vote at the ABM, is concerning, and something that industry strongly opposes.

Even more concerning are the very real, detrimental impacts to jurisdiction, enforcement, and our industry if this ballot passes in its current form; a form that lacks critical details that will absolutely be essential for successful outcomes.

Beyond the inefficiencies that would result from passage in its current form, the ballot history / digest contemplates a number of topics whose supporting arguments are theoretical and have enormous potential implications as foundational elements of a ballot. The first of which is, redefining Qualified Motor Vehicles to include passenger vehicles in the future. A proposed change of this magnitude with so many unanswered questions, and a seeming need to alter Federal legislation (legislative amendments to provisions under ISTEA, the Intermodal Surface Transportation Act of 1991) in the hope of a possible, arguably remote, chance of a move to include such vehicles seems speculative, not a prudent foundational element.

The history / digest also establishes several other contributing factors for the ballot's premise. In this regard, the ballot focuses on the potential misuse of decals. With specific regard to this topic, no empirical data has been publicly presented to substantiate or quantify the impacts of “placing compliance in jeopardy through the potential misuse of decals.” Any significant action taken to address bad actors at the expense of the vast majority of carriers who are complying with the

program requirements is counterintuitive and will only slow down the ability of interstate carriers to operate. Any solution to cover the small portion of carriers who may be engaging in IFTA decal fraud must not burden jurisdictions or industry. If the issuance of excess decals is a concern, then there are simpler more effective ways to control issuance. Looking at the registration data for the carrier, or reported vehicle count under FMCSA records, for example, are means of identifying fleet size to gauge the number of decals issued. Collaboration with other agencies (e.g. FMCSA, IRP, etc.) could provide visibility to these elements since the data already exists and could be provided to the IFTA function. Longer term, it is debatable as to whether decals will be necessary at all.

On the topic of DOT information, reviewing the proposed changes, P130 USDOT / NSC, the motor carrier safety information has no tie to fuel taxes. Safety measurement belongs to the license plate process where Performance and Registration Information Systems Management (PRISM) is present. The PRISM program ensures unsafe carriers are kept off the road. Forcing carriers to provide the USDOT and jurisdictions to program for it, does not further road safety only excess administrative effort and cost.

With respect to concern that nothing currently exists that would provide an auditor with "a complete profile of vehicles" operating under a carrier's account, quite to the contrary, this is often the first request that a jurisdiction will make of a carrier under audit: to provide a complete listing of vehicles to which credentials have been issued and have been filed on tax returns. The long-established Audit Procedures and Procedures Manual provide for a very robust process to verify and ensure carrier compliance in this area today.

As this ballot relates to advancing IFTA, Inc. to accommodate vehicles that would qualify for IFTA under a broader definition of commercial QMVs (i.e. CMVs 10,000 to 26,000 lbs.), it should be made clear that these weight categories would not be subject to fuel tax netting, only distance-based jurisdictional tax models. In terms of objectively evaluating the path forward for a proposed change of this magnitude, industry measures it against questions that imbue three core tenets: 1) Is it efficient? 2) Is it easy to understand and comply with? 3) Is it fair to all who qualify? On considerations under each of these core tenets, industry offers the following:

Efficient:

- Without an articulated path to proper technology, and systems integrations to support such a requirement, requiring carriers to document and file vehicle demographics and demographic changes through undefined, and more likely inconsistent, jurisdictional processes and programs would create onerous redundancies and inefficiencies for jurisdiction and industry alike. One such example that all must all bear in mind is that VIN, DOT, make, model and plate information are already being captured under the International Registration Plan (IRP) structures today (the vast majority of IFTA qualified vehicle are registered under IRP). Expecting jurisdictions to store the same data points in two different places as well as carriers to provide the plate information is creating unnecessary redundancy and effort for both. Integrations with the IRP Data Repository (IDR) over time could provide these data elements with no additional effort.

- Specific to make and model, they are irrelevant if the VIN is known. VIN decoder programs are readily available that allow these attributes to be derived from respective character positions within the VIN.

- Requiring license plate information as a prerequisite to IFTA registration will result in additional operating delays, with the carriers having to procure a license plate / registration prior to completing an IFTA application that then would have to be submitted with duplicated data to begin the process of IFTA decal issuance; restarting the clock to operate vehicles.

Clear

- There is substantial subjectivity and many open questions embedded throughout the ballot document, from possible use for national road use tax to what "may lead to one integrated database of vehicle information"; "may", being the operative word.

- The recent contemplation of carrier DOT requirements is cause for concern. Beyond what has already been mentioned on DOT, it is not currently within IFTA's jurisdiction to enforce DOT requirements. It is not clear why this information would be critically needed.

- As mentioned, this ballot lacks clearly articulated plans to arrive at specific systems that will create a platform for efficient administration and uniformity of process. Without this, there could be dozens of varying jurisdictional approaches to data capture, not only at the time of credentialing, but throughout a qualified vehicle's lifecycle. Variations that will, most certainly, lead to delayed legalization, if not by weeks, at the very least, days for qualified vehicles.

- This ballot does not contemplate, or consider, owner-operator / independent contractor leases, or operational leases, with respect to DOT reporting: who's DOT is to be reported; the account holder's DOT often varies from the DOT entity. Will this arrangement be prohibited under the proposed structure (if so, this becomes a consideration under, Fair)?

Fair

- Vehicle-specific credentials would likely prevent jurisdictions from issuing "inventory" decals. This is particularly concerning for larger fleets that maintain decals in inventory, not specific to a vehicle today, for issuance to portions of their fleets as they are refreshed throughout the year. Vehicles that would otherwise be able to operate in less than 24 hours would be faced with the application process described above.

- This ballot does not contemplate or consider leasing companies (U.S.C. 49 part 376 subpart C), where the lessor's IFTA account (provided for under IFTA R500) could contain any number of lessee's that operate under DOT numbers that are not related to the leasing company.

Taking into account all of these considerations, the inefficiencies that would result from an implementation of this ballot in its current form would have a cumulative effect on our industry equating to hundreds of millions of dollars in additional operating expenses (foregone revenue, accumulated depreciation, unapplied overheads, etc. that result from operational delays) and delayed freight each year. Expenses and impacts that will, ultimately, be borne by the US consumer.

Full participation in the IFTA was born out of the Intermodal Surface Transportation Act of 1991 (ISTEA). One of ISTEA's chief goals for Motor Carriers was to develop a "National Intermodal Transportation System that is economically efficient and environmentally sound, provides the foundation for the nation to compete in the global economy, and will move people and goods in an energy-efficient manner." IFTA met the goal; it brought, and continues to bring, tremendous efficiency to the transportation industry. IFTA has worked well for stakeholders for 40+ years and will continue to work for its stakeholders for decades to come. Fundamental changes to this successful framework should come through lengthy debate, planning and consensus amongst all stakeholders. To this point, Industry would support a VIN-specific credential under two conditions, which the current ballot does not achieve:

1. It would require a clear plan for the development and deployment of an online software application that allows for the centralized, uniform, efficient and timely administration of the credential (i.e. would leverage integrations with other government applications to mitigate the issues outlined, above).
2. Complete and total elimination of the physical IFTA decal- which is outmoded and will be unnecessary in the long term (as evidenced throughout references to Law Enforcement functions and integrations in the history / digest section of the ballot itself).

In short, Industry reiterates its staunch opposition to this ballot in its current form. If passed, it will not only bring tremendous burdens; it will run contrary to the very spirit under which IFTA was born.

WASHINGTON

Undecided

WYOMING

Undecided

FOR VOTE AT THE 2024 ANNUAL IFTA BUSINESS MEETING



IFTA BALLOT PROPOSAL 05-2024

Sponsor

Jurisdiction of Pennsylvania

Date Submitted

May 9, 2024

Proposed Effective Date

January 1, 2026

Manual Sections to be Amended

(January 1996 Version, Effective July 1, 1998, as revised)

IFTA Articles of Agreement
IFTA Procedures Manual

Section R200 DEFINITIONS
Section P550 FUEL RECORDS
Section P570 INADEQUATE RECORDS ASSESSMENT
Section P710 GENERAL GUIDELINES
Section P720 REQUIRED INFORMATION
Section P1040 MONTHLY TRANSMITTALS
Section A350 AUDIT ADJUSTMENTS
Section A360 REDUCTION TO TOTAL FUEL

IFTA Audit Manual

Subject

To establish a definition for the unit of measurement of fuel used in electric vehicles, establish a generic definition to describe the units of measurement for all fuel types, and to amend all applicable sections of the governing documents to address all units of measurements of fuel used in qualified motor vehicles.

History/Digest

Since its beginnings, IFTA has been the instrument of fuel use tax administration for qualified motor vehicles (IFTA Articles of Agreement R245). Most of these vehicles have operated on liquid fuels; most notably diesel and gasoline. Over many years, other fuel types have been introduced, including several alternative fuels. These have included fuels in both liquid and gaseous forms along with a variety of fuels that are alcohol based or biofuels. Each of these fuels have been reported on an IFTA tax return by using the following units of measurement: gallons or liters. Some fuel types are converted to a traditional unit of measurement by employing a diesel gallon equivalent (DGE) or a gasoline gallon equivalent (GGE). IFTA Ballot 8-2022 amended the definition of Motor Fuels under Article R239 to include several other alternative fuels including electricity, hydrogen, and any form of energy used to propel a qualified motor vehicle to the definition of Motor Fuels. With the advent and expansion of qualified motor vehicles powered by electricity, another unit of measurement has been introduced, kilowatt hour (kWh). A kilowatt hour (kWh) is not a liquid form of energy, thus terms such as gallons or liters do not apply to electricity as

a motor fuel. In the future, there may be additional types of unit measurements for forms of energy used as a motor fuel in accordance with Article R239. Accordingly, the use of the verbiage “gallons” or “liters” solely in the governing documents no longer applies. Therefore, a more generic and accurate description used to define units of measurement regardless of fuel type is needed. The sponsor offers that a more appropriate term to describe a unit of measurement for any form of energy used as a motor fuel is “volume.”

Intent

To establish a definition for kilowatt hour and a generic definition to describe units of measurement for motor fuels and to amend the applicable sections of the governing documents to account for the proposed and new definitions described in this document.

Interlining Indicates Deletion; Underlining Indicates Addition

1 **ARTICLES OF AGREEMENT**

2
3 **R228** Kilowatt means a unit of energy to define the output power of an engine and the power of an
4 electric motor.

5
6 **R229** Kilowatt Hour (kWh) means the unit of measurement used to describe the volume of electricity
7 used in or disbursed into a qualified motor vehicle. A kilowatt hour is equivalent to the energy
8 delivered by one kilowatt of power for one hour.

9
10 **R267** Volume means the unit of measurement used to define the amount of motor fuels placed into the
11 supply storage unit of a qualified motor vehicle or used by a qualified motor vehicle. This includes
12 motor fuels measured by gallons, liters, diesel equivalent gallons (DGE), gasoline equivalent
13 gallons (GGE), kilowatt hours (kWh), and/or any unit of measurement used as an industry
14 standard for a specific fuel type.

15
16 **PROCEDURES MANUAL**

17
18 **P550 FUEL RECORDS**

19
20 .100 {Remains unchanged}

21 .110 {Remains unchanged}

22 .200 {Remains unchanged}

23 .210 {Remains unchanged}

24 .220 {Remains unchanged}

25 .300

26 .005 {Remains unchanged}

27 .010 {Remains unchanged}

28 .015 {Remains unchanged}

29 .020 {Remains unchanged}

30 .025 the price of the fuel per ~~gallon or per liter~~ volume, or the total price of the fuel
31 purchased.

32
33 **P570 INADEQUATE RECORDS ASSESSMENT**

34
35 .100 {Remains unchanged}

36 .005 {Remains unchanged}

37 .010 reducing the licensee's reported MPG, ~~or~~ KPL, kWh, or any factor used to
38 compute motor fuels consumption by twenty percent.

39
40 .200 This section does not affect the ability of a base jurisdiction to disallow tax-paid credit for
41 fuel purchases which are inadequately documented, or, for cause, to conduct a best
42 information available audit which may result in adjustments to either the audited or
43 reported MPG, ~~or~~ KPL, kWh, or any factor used to compute motor fuels consumed, or
44 suspend, revoke, or cancel the license issued to a licensee.

45
46 **P710 GENERAL GUIDELINES**

47
48 .100 {Remains unchanged}

49 .200 Total volume number of gallons or liters of motor fuel used by the licensee in operation of
50 qualified motor vehicles;

51 .300 {Remains unchanged}

53 .400 ~~Volume Gallons or liters~~ of taxable motor fuel consumed within each member jurisdiction;
54 and
55 .500 ~~Volume Total number of gallons or liters~~ of tax-paid fuel purchased within each member
56 jurisdiction.
57

58 **P720 REQUIRED INFORMATION**

59
60 {Sections .050 through .450 remain unchanged}

61
62 .500 Columns for reporting for each jurisdiction in order (with rounding provided to the nearest
63 whole unit);

64
65 {Subsections .010, .015, and .020 remain unchanged}

66 .025 Taxable ~~volume gallons or liters~~;

67 .030 Tax paid ~~volume gallons or liters~~;

68 .035 Net taxable ~~volume gallons or liters~~;

69 {Subsections .040, .045, and .050 remain unchanged}

70
71 {Sections .550 through .850 remain unchanged}

72
73 **P1040 MONTHLY TRANSMITTALS**

74
75 **Outgoing Transmittals** {Remains unchanged}

76
77 **Incoming Billing Transmittals**

78
79 {Sections .50 through .300 remain unchanged}

80
81 .350 The reported taxable ~~volume gallons or liters~~ for each licensee for that jurisdiction;

82 .400 The reported tax paid ~~volume gallons or liters~~ for each licensee for that jurisdiction;

83 .450 The net taxable ~~volume gallons or liters~~ for each licensee for that jurisdiction;

84
85 {Sections .500 through .750 remain unchanged}

86
87 **AUDIT MANUAL**

88
89 **A350 AUDIT ADJUSTMENTS**

90
91 .100 When records for the fleet as a whole are adequate for audit, the base jurisdiction shall
92 have the authority to adjust the MPG, or KPL, kWh, or any factor used to compute motor
93 fuels consumption.
94

95 {Section .200 remains unchanged}

96
97 .300 {Remains unchanged}

98
99 .005 reduce the vehicle MPG, or KPL, kWh, or any factor used to compute motor fuels
100 consumption by 20% or

101
102 .010 {Remains unchanged}

103
104 .400 {Remains unchanged}

108 **A360 REDUCTION TO TOTAL FUEL**

109

110 The total fuel reported by a licensee shall only be reduced when there is clear proof, based on the
111 records provided by the licensee, to support such a reduction and such proof is documented in
112 the audit file. The absence of tax paid fuel receipts and a subsequent denial of tax-paid credits
113 claimed does not, in and of itself, warrant a reduction to reported total ~~gallons~~ volume.

114

115

Ballot #5-2024
Comment Period Ending June 12, 2024

Support: 11
Oppose: 0
Undecided: 10

ALBERTA

Undecided

Alberta supports the purpose of the ballot but recognizes that the changes to the Articles of Agreement, Procedures Manual & Audit Manual needed to accommodate fuel volumes that are not measured in gallons or liters are tricky. We agree with the comment made by Saskatchewan and the technical concerns raised by North Carolina.

BRITISH COLUMBIA

Support

IDAHO

Support

ILLINOIS

Undecided

Much like the comment by Saskatchewan, we find language on Lines 37,43, 92, and 99 in the sections that give the authority to adjust the average fuel consumption factor confusing as written. Average Fuel Consumption Factor is calculated using Distance/Volume (i.e., Miles/gallon or Kilometers/liter). Having “kWh” as a volume that stands alone on these lines does not appear to communicate the same intent. It would need a distance paired with it. Maybe miles per kilowatt hour (M/kWh) or kilometers per kilowatt hour (K/kWh)?

INDIANA

Undecided

KANSAS

Undecided

MAINE

Undecided

The definition of Volume as proposed is problematic – historically IFTA has been concerned with the gallons/liters place in the supply tank, this definition confuses this by adding “or used by a qualified motor vehicle”. Suggest removing this section from the definition of volume.

We are not sure it is appropriate to remove the most common means of measurement throughout the manuals. A measurement still used by the mass majority (98%) of carriers operating under IFTA. We suggest that with a corrected definition of volume and the addition of volume to the various sections would make the documents easier to understand and clearer for industry.

As an example of what we are proposing – P710.200 “Total number of gallons/liters, or volume of motor fuel used by the licensee in operation of qualified motor vehicles;”

MANITOBA

Support

MICHIGAN

Support

NEBRASKA

Undecided

NEW BRUNSWICK

Support

NORTH CAROLINA

Undecided

North Carolina supports the purpose of the ballot. Based on the use of electricity as a fuel source, volume more accurately captures the fuels subject to fuel use taxation.

However, North Carolina's technical concerns with the ballot is why it is currently undecided. The concerns are as follows:

P550.300.015 should be added to the ballot and amended as follows: "the total **volume** of fuel purchased."

1. P550.300.025 should be amended as follows: "the price of the fuel per **unit of volume** or the total price of fuel purchased."
2. North Carolina is unclear why the definition of volume needs the following phrase: "and/or any unit of measurement used as an industry standard for a specific fuel type." There are gallons (or equivalent), liters (or equivalent), or kWh. North Carolina is unaware of a fourth method of measuring volume.
3. The definition of kilowatt is problematic.
 1. It should not be defined. It is not helpful to understand kWh and is only used in the definition of kWh.
 2. Kilowatt is not a unit of energy: it is a unit of power. Kilowatt-hour is a unit of energy.
 3. If the ballot is defining kWh as the volume of electricity used in or disbursed into a qualified motor vehicle, why is it necessary to include a reference to an internal combustion "engine" in the definition?
4. The use of the following phrase needs to be removed: "or any other factor used to compute motor fuels consumed [consumption]."
 1. It is inconsistent with P720.350, which uses the term "fuel consumption factor."
 2. It is unclear why the phrase is not consistently used. In one instance it uses the term "consumed." In others, it uses the term "consumption."
 3. Licensees will report MPG, KPL, or kWh (miles or kilometers per kWh?). North Carolina is unaware of a fourth method to determine motor fuel consumption. Therefore, even if was not inconsistent with P720.350, it is not clear why this is needed. If a fourth method emerges, the member jurisdiction can amend the ballot when and if that occurs.

NOVA SCOTIA

Support

OKLAHOMA

Undecided

ONTARIO

Support

PENNSYLVANIA

Support

As the sponsor, PA obviously supports this ballot and we plan to speak to and clarify any concerns or comments at the ABM. We understand that the vast majority of activity is still centered around diesel fuel, but this ballot was created not

only to create a catchall term that would still encompass units of measurement like "gallons and liters," but also include real/actual units of measurement like "kilowatt hours (kWh)" now being used that conflict with those terms. Jurisdictions that currently tax per kWh are to simply put those units of measurement where the traditional gallon figures would go (Taxable Gallons/Volume, Tax Paid Gallons/Volume, and Net Taxable Gallons/Volume), but there is at least one jurisdiction that is taking the incorrect step of converting their kilowatt hours to gallons, because they think that is what the IFTA returns and schedules are asking them to do. We feel this ballot will also help clarify that unnecessary conversion issue.

PRINCE EDWARD ISLAND

Support

QUEBEC

Support

SASKATCHEWAN

Undecided

IFTA requires a method of calculating tax payable on the volume of fuel consumed in each jurisdiction based on the distance travelled within a specified jurisdiction. This is accomplished by establishing an average consumption rate and applying it to the reported distance to calculate what volume of fuel would be required to travel that distance.

Where the fuel is electricity, kWh is the volume of fuel and not a consumption rate, unlike KPLs or MPGs which use volume and another measurement (distance) to calculate the required volume of consumption over a travelled distance. Using an allocation like km per kWh or miles per kWh would be similar to km per litre (KPL) or miles per gallon (MPG). These terms are therefore not similar and would be an inaccurate reference in articles P570 and A350. This method of determining a consumption rate for EV's is further demonstrated in the EV Policy Memorandum issued by IFTA where a consumption rate is specified as dividing the total distance by the total fuel consumed and rounding to two decimal places with the example xx.yy per kWh where xx.yy represents a distance.

WASHINGTON

Support

WYOMING

Undecided

I don't completely understand this ballot. Ideally I feel like IFTA should define the standard rate of measure for all of the fuel types. ie: CNG, hydrogen, electricity, etc. The tax matrix should specify both the fuel type and the measurement. ie: Gas = gallon / liter, Diesel = gallon / liter, Electricity = kWh, CNG = whatever it is... If this is what the ballot is trying to do, then I'm all for it.

**FOR VOTE AT THE 2024 ANNUAL IFTA BUSINESS MEETING
CORRECTED**



**IFTA BALLOT PROPOSAL
05-2024**

Sponsor

Jurisdiction of Pennsylvania

Date Submitted

May 9, 2024

Proposed Effective Date

January 1, 2026

Manual Sections to be Amended

(January 1996 Version, Effective July 1, 1998, as revised)

IFTA Articles of Agreement
IFTA Procedures Manual

Section R200 DEFINITIONS
Section P550 FUEL RECORDS
Section P570 INADEQUATE RECORDS ASSESSMENT
Section P710 GENERAL GUIDELINES
Section P720 REQUIRED INFORMATION
Section P1040 MONTHLY TRANSMITTALS
Section A350 AUDIT ADJUSTMENTS
Section A360 REDUCTION TO TOTAL FUEL

IFTA Audit Manual

Subject

To establish a definition for the unit of measurement of fuel used in electric vehicles, establish a generic definition to describe the units of measurement for all fuel types, and to amend all applicable sections of the governing documents to address all units of measurements of fuel used in qualified motor vehicles.

History/Digest

Since its beginnings, IFTA has been the instrument of fuel use tax administration for qualified motor vehicles (IFTA Articles of Agreement R245). Most of these vehicles have operated on liquid fuels; most notably diesel and gasoline. Over many years, other fuel types have been introduced, including several alternative fuels. These have included fuels in both liquid and gaseous forms along with a variety of fuels that are alcohol based or biofuels. Each of these fuels have been reported on an IFTA tax return by using the following units of measurement: gallons or liters. Some fuel types are converted to a traditional unit of measurement by employing a diesel gallon equivalent (DGE) or a gasoline gallon equivalent (GGE). IFTA Ballot 8-2022 amended the definition of Motor Fuels under Article R239 to include several other alternative fuels including electricity, hydrogen, and any form of energy used to propel a qualified motor vehicle to the definition of Motor Fuels. With the advent and expansion of qualified motor vehicles powered by electricity, another unit of measurement has been introduced, kilowatt hour (kWh). A kilowatt hour (kWh) is not a liquid form of energy, thus terms such as gallons or liters do not apply to electricity as

a motor fuel. In the future, there may be additional types of unit measurements for forms of energy used as a motor fuel in accordance with Article R239. Accordingly, the use of the verbiage “gallons” or “liters” solely in the governing documents no longer applies. Therefore, a more generic and accurate description used to define units of measurement regardless of fuel type is needed. The sponsor offers that a more appropriate term to describe a unit of measurement for any form of energy used as a motor fuel is “volume.”

Intent

To establish a definition for kilowatt hour and a generic definition to describe units of measurement for motor fuels and to amend the applicable sections of the governing documents to account for the proposed and new definitions described in this document.

Interlining Indicates Deletion; Underlining Indicates Addition

1 **ARTICLES OF AGREEMENT**

2
3 **R228** ~~Kilowatt means a unit of energy to define the output power of an engine and the power of an~~
4 ~~electric motor.~~

5
6 **R229** Kilowatt Hour (kWh) means the unit of measurement used to describe the volume of electricity
7 used in or disbursed into a qualified motor vehicle. A kilowatt hour is equivalent to the energy
8 delivered by one kilowatt of power for one hour.

9
10 **R267** Volume means the unit of measurement used to define the amount of motor fuels placed into the
11 supply storage unit of a qualified motor vehicle or used by a qualified motor vehicle. This includes
12 motor fuels measured by gallons, liters, diesel equivalent gallons (DGE), gasoline equivalent
13 gallons (GGE), kilowatt hours (kWh), and/or any unit of measurement used as an industry
14 standard for a specific fuel type.

15
16 **PROCEDURES MANUAL**

17
18 **P550 FUEL RECORDS**

19
20 .100 {Remains unchanged}

21 .110 {Remains unchanged}

22 .200 {Remains unchanged}

23 .210 {Remains unchanged}

24 .220 {Remains unchanged}

25 .300

26 .005 {Remains unchanged}

27 .010 {Remains unchanged}

28 .015 {Remains unchanged}

29 .020 {Remains unchanged}

30 .025 the price of the fuel per ~~gallon or per liter~~ volume, or the total price of the fuel
31 purchased.

32
33 **P570 INADEQUATE RECORDS ASSESSMENT**

34
35 .100 {Remains unchanged}

36 .005 {Remains unchanged}

37 .010 reducing the licensee's reported MPG, ~~or~~ KPL, kWh, or any factor used to
38 compute motor fuels consumption by twenty percent.

39
40 .200 This section does not affect the ability of a base jurisdiction to disallow tax-paid credit for
41 fuel purchases which are inadequately documented, or, for cause, to conduct a best
42 information available audit which may result in adjustments to either the audited or
43 reported MPG, ~~or~~ KPL, kWh, or any factor used to compute motor fuels consumed, or
44 suspend, revoke, or cancel the license issued to a licensee.

45
46 **P710 GENERAL GUIDELINES**

47
48 .100 {Remains unchanged}

49 .200 ~~Total volume number of gallons or liters of motor fuel used by the licensee in operation of~~
50 ~~qualified motor vehicles;~~

51 .300 {Remains unchanged}

52

53 .400 ~~Volume Gallons or liters~~ of taxable motor fuel consumed within each member jurisdiction;
54 and
55 .500 ~~Volume Total number of gallons or liters~~ of tax-paid fuel purchased within each member
56 jurisdiction.
57

58 **P720 REQUIRED INFORMATION**

59
60 {Sections .050 through .450 remain unchanged}

61
62 .500 Columns for reporting for each jurisdiction in order (with rounding provided to the nearest
63 whole unit);

64
65 {Subsections .010, .015, and .020 remain unchanged}

66 .025 Taxable ~~volume gallons or liters~~;

67 .030 Tax paid ~~volume gallons or liters~~;

68 .035 Net taxable ~~volume gallons or liters~~;

69 {Subsections .040, .045, and .050 remain unchanged}

70
71 {Sections .550 through .850 remain unchanged}

72
73 **P1040 MONTHLY TRANSMITTALS**

74
75 **Outgoing Transmittals** {Remains unchanged}

76
77 **Incoming Billing Transmittals**

78
79 {Sections .50 through .300 remain unchanged}

80
81 .350 The reported taxable ~~volume gallons or liters~~ for each licensee for that jurisdiction;

82 .400 The reported tax paid ~~volume gallons or liters~~ for each licensee for that jurisdiction;

83 .450 The net taxable ~~volume gallons or liters~~ for each licensee for that jurisdiction;

84
85 {Sections .500 through .750 remain unchanged}

86
87 **AUDIT MANUAL**

88
89 **A350 AUDIT ADJUSTMENTS**

90
91 .100 When records for the fleet as a whole are adequate for audit, the base jurisdiction shall
92 have the authority to adjust the MPG, or KPL, kWh, or any factor used to compute motor
93 fuels consumption.
94

95 {Section .200 remains unchanged}

96
97 .300 {Remains unchanged}

98
99 .005 reduce the vehicle MPG, or KPL, kWh, or any factor used to compute motor fuels
100 consumption by 20% or

101
102 .010 {Remains unchanged}

103
104 .400 {Remains unchanged}

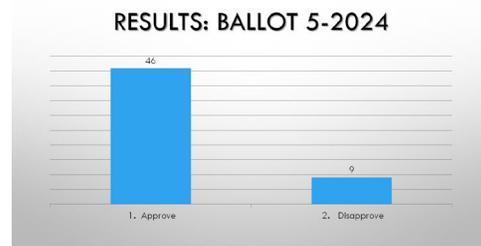
108 **A360 REDUCTION TO TOTAL FUEL**

109
110 The total fuel reported by a licensee shall only be reduced when there is clear proof, based on the
111 records provided by the licensee, to support such a reduction and such proof is documented in
112 the audit file. The absence of tax paid fuel receipts and a subsequent denial of tax-paid credits
113 claimed does not, in and of itself, warrant a reduction to reported total ~~gallons~~ volume.

114
115

Question Details (003-003) Ballot PASSED with 3/4 of the total eligible member jurisdictions who voted

Total Responses: 55



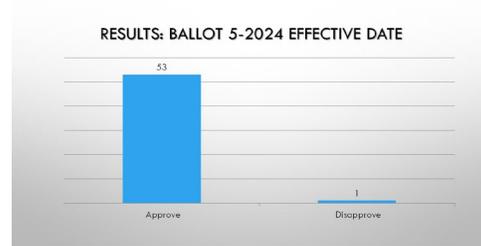
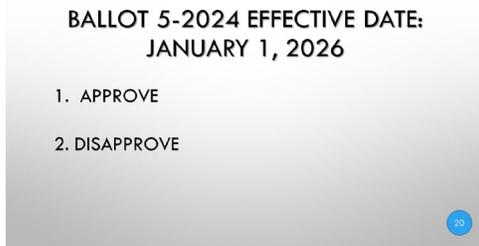
Participant	Response
AB Ackroyd	1. Approve
AL Lawrence	1. Approve
AZ Simmons	1. Approve
AR Richard	1. Approve
BC Harrison	1. Approve
CA Amezcua	1. Approve
CO Zion	1. Approve
CT Romeo	1. Approve
DE Postle	1. Approve
FL Gunter	1. Approve
ID Alvarez	2. Disapprove
IL Blessing	1. Approve
IN Boone	1. Approve
IA Yeh	1. Approve
KS Agnew	1. Approve
KY McDaniel	1. Approve
LA LA	[No Response]
ME Brown	2. Disapprove
MB Bachinski	1. Approve
MD O'Lare	1. Approve
MA Adamek	2. Disapprove
MI Guzman	1. Approve
MN Loper	1. Approve
MS Johnson	1. Approve

2024 Annual IFTA Business Meeting - Voting Results

MO Scott	1. Approve
MT Schatz	1. Approve
NE Beedle	1. Approve
NV Stanfield	1. Approve
NB Leahy	1. Approve
NL Lockyer	1. Approve
NH Hall	2. Disapprove
NJ Walker	1. Approve
NM Ringo	1. Approve
NY Galarneau	1. Approve
NC Panza	2. Disapprove
ND Voegelé	2. Disapprove
NS QC Tannous	1. Approve
OH Horvath	1. Approve
OK Greenawalt	2. Disapprove
ON Hill	2. Disapprove
OR Bowlin	1. Approve
PA Wisyanski	1. Approve
PE Pineau	1. Approve
QC Tannous	1. Approve
RI Lebeuf	1. Approve
SK Godlien	2. Disapprove
SC Carlson	1. Approve
SD Gerry	1. Approve
TN Lanfair	1. Approve
TX Julius	1. Approve
VT Robillard	1. Approve
VA Harrison	1. Approve
WA Briscoe	1. Approve
WV Acree	[No Response]
WI Litscher	1. Approve
WY Lopez	1. Approve
GA Richardson	1. Approve
UT Miner	[No Response]

Question Details (007) Effective Date **PASSED with 3/4 of the total eligible member jurisdictions who voted**

Total Responses: 54



Participant	Response
AB Ackroyd	Approve
AL Lawrence	Approve
AZ Simmons	Approve
AR Richard	Approve
BC Harrison	Approve
CA Amezcua	Approve
CO Zion	Approve
CT Romeo	Approve
DE Postle	Approve
FL Gunter	Approve
ID Alvarez	Approve
IL Blessing	Approve
IN Boone	Approve
IA Yeh	Approve
KS Agnew	[No Response]
KY McDaniel	Approve
LA LA	[No Response]
ME Brown	Approve
MB Bachinski	Approve
MD O'Lare	Approve
MA Adamek	Disapprove
MI Guzman	Approve
MN Loper	Approve
MS Johnson	Approve

2024 Annual IFTA Business Meeting - Voting Results

MO Scott	Approve
MT Schatz	Approve
NE Beedle	Approve
NV Stanfield	Approve
NB Leahy	Approve
NL Lockyer	Approve
NH Hall	Approve
NJ Walker	Approve
NM Ringo	Approve
NY Galarneau	Approve
NC Panza	Approve
ND Voegelé	Approve
NS QC Tannous	Approve
OH Horvath	Approve
OK Greenawalt	Approve
ON Hill	Approve
OR Bowlin	Approve
PA Wisyanski	Approve
PE Pineau	Approve
QC Tannous	Approve
RI Lebeuf	Approve
SK Godlien	Approve
SC Carlson	Approve
SD Gerry	Approve
TN Lanfair	Approve
TX Julius	Approve
VT Robillard	Approve
VA Harrison	Approve
WA Briscoe	Approve
WV Acree	[No Response]
WI Litscher	Approve
WY Lopez	Approve
GA Richardson	Approve
UT Miner	[No Response]