



IFTA BALLOT PROPOSAL
#01-2026

Sponsor

Jurisdiction of Arizona

Date Submitted

3/23/2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended - addition (January 2026 Version, as revised)

P250 Display of Account Identification Number

Subject

IFTA Account Identification Number

History/Digest

The IFTA fuel tax license number sometimes corresponds to an individual's social security number for those who don't have an EIN. This number is also printed on the physical license kept in the trucks of an owner's fleet, potentially exposing them to fraudulent activities. In today's world, where identity theft is increasingly common, it would be prudent to avoid printing this number on their paper license. The Agreement specifies that the EIN should be used, which suggests it ought to be printed on the IFTA paper license as well.

We have worked with our Department of Public Safety and they confirmed the IFTA license number is not used and stated if IFTA chooses to remove that from the form it will not create an issue for them.

Intent

Our goal is to allow for the display of only the last four digits of the IFTA license number on the IFTA License. We will maintain the complete license number in our systems, but access will be restricted to those who require it to perform their duties.

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

P250 DISPLAY OF ACCOUNT IDENTIFICATION NUMBER

To mitigate the risk of fraud and to protect Personally Identifiable Information (PII), member jurisdictions may limit the display of the Federal Employer Identification Number, Social Security Number, Canadian Identification Number, or Base Jurisdiction Assigned Number to the last four digits of that number on the IFTA License. Display of the last four digits of the account identification number on the IFTA License does not affect the requirement to include the complete account number of each licensee on the Licensee Demographic Data in accordance with Article R2110.200 of the IFTA Articles of Agreement or on the Incoming Billing Transmittals in accordance with Section P1040.150 of the IFTA Procedures Manual.

Ballot #1-2026 Comment Period Ending July 5, 2026
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Support: 19
Oppose: 0
Undecided: 2

BRITISH COLUMBIA
Support

CALIFORNIA
Undecided

The Jurisdiction of California is Undecided with this ballot as it is written for the submission of the proposal. California supports the intent of the ballot and agrees that protecting our carriers' Personally Identifiable Information (PII) is important to mitigate the risk of fraud. In addition, we find it favorable that it is up to a jurisdiction's discretion to limit the IFTA fuel tax license number on the physical license or not. However, we agree with the other jurisdictions who voiced that the language in the ballot should be revised. California is concerned about how this will affect law enforcement verification of the proper credentials and if this change will create other limitations. This may also negatively affect jurisdictions not displaying PII by having to change their internal processes.

ILLINOIS
Undecided

Illinois is leaning toward supporting the ballot. Since Article P200 deals with establishing accounts and not display, new P250 is not necessary. Instead of adding P250 we suggest amending P310 as follows:

P310 License

The IFTA license shall be approximately 3-1/2 x 8-1/2 inches (9 x 21.5 centimeters), of a uniform format, and shall contain, but not be limited to, the following information:

- .100 Base jurisdiction identification;
- .200 Licensee's name and address and DBA, if different from owner, partner or corporate name;
- .300 Licensee's account identification number, ***or the last four digits of the account identification number, or a randomly generated number that corresponds to the FEIN or SSN account identification number;*** and
- .400 Expiration date (month, day and year).

Should P250 remain, we suggest revising the language as follows:
P250

To mitigate the risk of fraud and to protect Personally Identifiable Information (PII), member jurisdictions may limit the display of the Federal Employer Identification Number, Social Security Number, Canadian Identification Number, or Base Jurisdiction Assigned Number to the last four digits of that number on the IFTA License ***or a randomly generated number that corresponds to the FEIN or SSN account identification number as specified in P310.300. These display methods do*** not affect the requirement to include the complete account number of each licensee on the Licensee Demographic Data in accordance with Article R2110.200 of the IFTA Articles of Agreement or on the Incoming Billing Transmittals in accordance with Section P1040.150 of the IFTA Procedures Manual.

Also, an issue with searching by the last 4 digits will arise in IFTA Demographics. Currently, the search only pulls up any 4 digits in an account number which generates a lot of irrelevant results. The search function would have to be updated. Also, it should be noted that the first two digits are letters corresponding to the jurisdiction and the last two digits are a suffix usually 01 or 02. Utilizing last 4 digits only provides 2 usable digits for search and identification purposes.

INDIANA

Support

Indiana supports the ballot, but with the following recommendations:

Remove sentence 1, in lines 3 through most of line 6. This sentence is more appropriate as an explanation in the 'Intent' section of the ballot and is not necessary in the proposed language.

The terms 'Licensee Demographic Data', and 'Incoming Billing Transmittals' are not defined elsewhere in the Articles, and should not be capitalized.

Industry Advisory Committee

Support

IAC is in support of protecting tax payer personally identifiable information (PII).

KANSAS

Support

Kansas supports this ballot.

I agree that protecting PII is an important aspect of the services provided by a Revenue Service. Kansas does not display the social security number on the IFTA license. The social security number is requested for internal purposes only.

KENTUCKY

Support

Protecting PII is important.

MANITOBA

Support

MARYLAND

Support

Maryland supports this ballot.

MICHIGAN

Support

We support protecting PII and therefore agree with this ballot. However, for U.S. jurisdictions that use fleet identifiers, an additional two-digit suffix is added to the carrier identification number. Wouldn't this require displaying the last six digits instead of just the last four?

***P210 FEDERAL EMPLOYER IDENTIFICATION NUMBERS**

For U.S. jurisdictions, the subsequent nine characters will be the Federal Employer Identification number of the licensee issued by the Internal Revenue Service. Jurisdictions that establish fleet accounts shall identify each account with a fleet identifier in addition to the carrier identification number.

NEBRASKA

Support

Like WY we support this ballot because it is optional and we do not accept accounts being setup under a SSN. We would continue to print the full EIN on the IFTA license.

NEVADA

Support

We support protecting PII of our Taxpayers, and NV does not accept or display the SSN. We will support the ballot as optional. One concern of reducing to the last four numbers, is the impact to law enforcement when validating their credentials, if a member jurisdiction chose to limit the display. Additionally, we agree with North Carolina, Quebec, and Illinois that the language for the modification on the license, should be placed under section P310.

NEW BRUNSWICK

Support

NORTH CAROLINA

Support

North Carolina supports the general intent of the ballot. However, language modifying what must be on a license should be placed under P310. This allows the language to be clearer and more succinct.

North Carolina would support the following language (underlines and strikethroughs are not applied):

P310 LICENSE

The IFTA license shall be approximately 3-1/2 x 8-1/2 inches (9 x 21.5 centimeters), of a uniform format, and shall contain, but not be limited to, the following information:

- .100 Base jurisdiction identification;
- .200 Licensee's name and address and DBA, if different from owner, partner or corporate name;
- .300 Licensee's account identification number, or at the discretion of the member jurisdiction, the last four characters of the account identification number; and
- .400 Expiration date (month, day and year).

ONTARIO

Support

PENNSYLVANIA

Support

QUEBEC

Support

While the jurisdiction of Quebec supports the intent of the ballot, we also provide the following recommendations:

- We suggest that the drafting be reviewed and that this new provision be replaced with an amendment to section P310.300.

Alternatively, if section P250 remains as currently proposed, we are of the view that it should be moved to a section dealing with the information appearing on the license (i.e., after section P320), rather than to a section dealing with account identification.

- We would also suggest to review the interaction between the proposal and articles P220 and P230 of the Procedures Manual.

RHODE ISLAND

Support

SASKATCHEWAN

Support

IFTA licenses in Saskatchewan do not utilize any U.S. identification numbers and do not display any personal information of the carrier. However, as the wording reflected in the suggested changes of the ballot states that jurisdictions “may limit the display” of the IFTA license number and therefore is not a mandatory requirement, SK can support this ballot.

WASHINGTON

Support

WYOMING

Support

I support the ballot because it is optional. It is up to the jurisdiction if they want to list a partial Social Security number (SSN) or Employer Identification Number (EIN) on the IFTA License. In Wyoming we do not accept SSN, so we will continue to print the full EIN on the IFTA License.

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING



IFTA BALLOT PROPOSAL #01-2026

Sponsor

Jurisdiction of Arizona

Date Submitted

3/23/2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended - addition (January 2026 Version, as revised)

P250 Display of Account Identification Number

Subject

IFTA Account Identification Number

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We have worked with our Department of Public Safety and they confirmed the IFTA license number is not used and stated if IFTA chooses to remove that from the form it will not create an issue for them.

Intent

Our goal is to allow for the display of only the last four digits of the IFTA license number on the IFTA License. We will maintain the complete license number in our systems, but access will be restricted to those who require it to perform their duties.

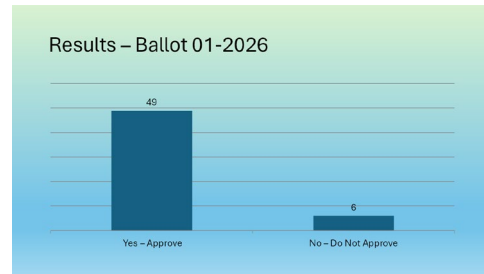
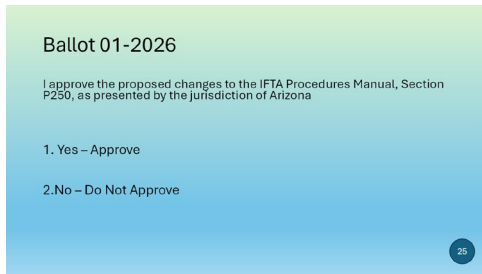
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Question Details (Ballot #01-2026) PASSED

Total Responses: 55

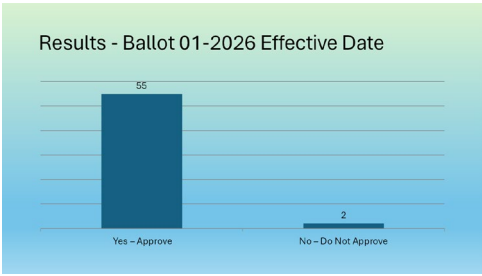
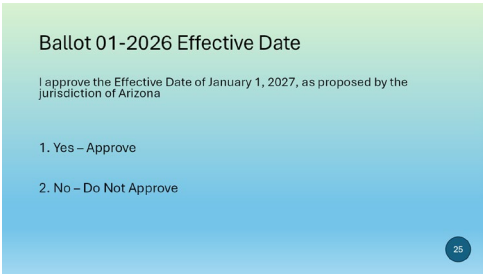


Participant	Response
Alabama Thigpen	Yes – Approve
Alberta Ackroyd	Yes – Approve
Arizona Williams	Yes – Approve
Arkansas Richard	No – Do Not Approve
British Columbia Harrison	Yes – Approve
California Kimsey	Yes – Approve
Colorado Zion	[No Response]
Connecticut Romeo	Yes – Approve
Delaware Himmler	Yes – Approve
Florida Cunningham	[No Response]
Georgia Prince	Yes – Approve
Idaho Alvarez	Yes – Approve
Illinois Blessing	No – Do Not Approve
Indiana Boone	Yes – Approve
Iowa Winston	Yes – Approve
Kansas Parker	No – Do Not Approve
Kentucky McDaniel	Yes – Approve
Louisiana Cooper	Yes – Approve
Maine Gerry	Yes – Approve
Manitoba Hanlan	Yes – Approve
Maryland O'Lare	Yes – Approve
Massachusetts Acevedo	Yes – Approve
Michigan Steele	Yes – Approve
Minnesota Loper	[No Response]

Mississippi Shore	Yes – Approve
Missouri Dorrough	Yes – Approve
Montana Alexander	Yes – Approve
Nebraska Crawford	No – Do Not Approve
Nevada Bigler	Yes – Approve
New Brunswick Leahy	Yes – Approve
Newfoundland & Labrador Lockyer	Yes – Approve
New Hampshire Gray	Yes – Approve
New Jersey Walker	Yes – Approve
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Ohio DeRose	Yes – Approve
Oklahoma Willingham	Yes – Approve
Ontario Bowie	Yes – Approve
Oregon Fitzgibbon	Yes – Approve
Pennsylvania Wisyanski	Yes – Approve
Prince Edward Island Pineau	Yes – Approve
Quebec Boucher	Yes – Approve
Rhode Island Iafate	Yes – Approve
Saskatchewan Worobec	Yes – Approve
South Carolina Bruce	Yes – Approve
South Dakota Gerry	Yes – Approve
Tennessee Lanfair	Yes – Approve
Texas Julius	Yes – Approve
Utah Hesche	Yes – Approve
Vermont Robillard	Yes – Approve
Virginia Harrison	No – Do Not Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	Yes – Approve
Wisconsin Litscher	No – Do Not Approve
Wyoming Lopez	Yes – Approve

Question Details (Ballot #01-2026 Effective Date) **PASSED**

Total Responses: 57



Participant	Response
Alabama Thigpen	Yes - Approve
Alberta Ackroyd	Yes - Approve
Arizona Williams	Yes - Approve
Arkansas Richard	Yes - Approve
British Columbia Harrison	Yes - Approve
California Kimsey	Yes - Approve
Colorado Zion	[No Response]
Connecticut Romeo	Yes - Approve
Delaware Himmler	Yes - Approve
Florida Cunningham	Yes - Approve
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Virginia Harrison	Yes – Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	Yes – Approve
Wisconsin Litscher	No – Do Not Approve
Wyoming Lopez	Yes – Approve



IFTA BALLOT PROPOSAL
#02-2026

Sponsor

IFTA Agreement Procedures Committee & IFTA Audit Committee

Date Submitted

April 10, 2026

Proposed Effective Date

Upon passage

Manual Sections to be Amended

Articles of Agreement

Article XIII

R1300 Audits

R1340 Review / Revision Of Audit Requirements

Subject

Revision of Audit Requirements

History/Digest

It has come to the attention of the IFTA Agreement Procedures Committee that current language in R1340.300 and R1635 creates conflicting requirements regarding effective dates for implementing amendments to the Audit Manual. Through committee discussions, we believe the framers of the original Agreement did not intend for different requirements to exist for effective dates.

However, as currently written:

- R1340.300 prohibits R1635 from advancing an effective date by a $\frac{3}{4}$ majority vote of the voting members.
- This restriction prevents ratification of a change to the effective date listed in R1635, even when such a change has broad member support.

This inconsistency suggests that the original intent was not to limit flexibility in setting effective dates for amendments.

Further, R1340 requires the Audit Committee to review the audit requirements at least once every three years.

R1340.200 and .300 are redundant to requirements already established in R1635 with respect to making amendments.

It is recommended that R1340 be simplified for consistency with the Audit Committee's role, which is to review and maintain the Audit Manual in accordance with Article XVIII. Further to the Audit Committee's review, the process for any proposals for amendment to the Audit Manual shall be in accordance with Article XVI. Therefore, the process for making amendments to the Audit Manual will be consistent with the process for making amendments to all of the IFTA manuals.

Intent

To address redundancy and to create uniformity in the process for making amendments to the Audit Manual.

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

R1340 REVIEW / REVISION OF AUDIT REQUIREMENTS

~~.100 The Audit Committee shall review the audit requirements of this Agreement at least once every three years.~~

~~.200 Proposed changes shall be subject to approval by the member jurisdictions in accordance with IFTA Articles of Agreement Section R1600.~~

~~.300 Changes to the Audit Manual shall not be effective with less than a one-year notification, unless unanimously approved for an earlier date.~~

The Audit Committee shall review the IFTA Audit Manual at least once every three years and may propose any amendments considered necessary in accordance with Article XVI.

Ballot #2-2026 Comment Period Ending July 5, 2026
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Support: 14
Oppose: 1
Undecided: 3

BRITISH COLUMBIA

Support

CALIFORNIA

Support

The Jurisdiction of California supports this ballot. California agrees that there should be consistency with the requirements for the effective dates for implementing amendments.

CONNECTICUT

Support

FLORIDA

Undecided

Florida is concerned if the effective date is advanced and programming is required, we may not have the changes implemented prior to the effective date.

ILLINOIS

Support

INDIANA

Support

Industry Advisory Committee

No comment.

KENTUCKY

Support

MANITOBA

Support

MARYLAND

Support

Approval of this ballot would establish a uniform and consistent process for implementing amendments to the Audit Manual as well as all other IFTA manuals.

MICHIGAN

Undecided

Michigan supports the goal of aligning the language to allow effective dates to be advanced with a three-quarters vote, ensuring consistency with the rest of the Agreement.

However, the proposal does not specify any minimum lead time before a change is effective. This could create challenges, particularly if the changes are significant.

NEBRASKA

Support

NEVADA

Support

NORTH CAROLINA

Undecided

North Carolina is undecided about this ballot.

Original Intent and Framing the Change

The sponsors posit that the original drafters of this section "did not intend for different requirements to exist for effective dates" and that the "original intent was not to limit flexibility in setting effective dates for amendments." The "inconsistency" was thus the primary impetus for the change.

North Carolina respectfully disagrees with the sponsors regarding its analysis and views this change under a different lens, which it invites other jurisdictions to do as well. Specifically, North Carolina does not agree that sections R1340.200 and R1340.300 are "redundant" or "inconsistent." Both provisions serve in conjunction showing the drafters knew the mechanics of how to change the governing documents (R1340.200) and showed an intentional deviation from those mechanics (R1340.300).

As with any document establishing rights and duties, reasons may exist to deviate from general requirements. Therefore, the question is not how to correct an inconsistency, but to evaluate whether there are reasons to justify removing the 'higher bar' (unanimous approval as opposed to three-fourths approval) placed on when changes to audit requirements may be effective.

To this point, North Carolina is undecided and welcomes discussing further whether to remove the higher bar.

Other Notes and Concerns

North Carolina notes two additional issues with the ballot.

First, the amended language is more restrictive than the existing language. R1340.100 provides that the Audit Committee reviews "audit requirements" as part of its duties. The revised language limits the review to the "IFTA Audit Manual." North Carolina notes this discrepancy may be significant and thus should be re-reviewed by the sponsors to ensure that was the sponsors' intent.

Second, the language provides that the Audit Committee "may propose any amendments considered necessary in accordance with Article XVI." This is unnecessarily ambiguous. Is it the Audit Committee that determines whether a proposal is necessary or is it the language in Article XVI that determines whether language is necessary? It is much clearer to simply state that the committee "may propose any amendments in accordance with Article XVI."

ONTARIO

Support

PENNSYLVANIA

Support

QUEBEC

Oppose

The jurisdiction of Quebec agrees with the intent to harmonize the language that allows for the advancement of an effective date by means of a three-quarters vote, which is consistent with the rest of the agreement.

However, the current proposal doesn't include a minimum delay related to the effective date. Therefore, we raise the possible operational issues, especially if the changes are substantial:

- Not having enough time to implement changes and provide training to the audit team;
- From a PCRC standpoint, an potential implementation of a new practice in the middle of the year;
- The possibility to propose retroactive changes, which isn't consistent with audit procedures.

Our suggestion would be to propose a language which includes a minimal effective date at the start of the following calendar year. For example, a change proposed in 2026 could have been proposed with a minimal effective date of January 1st, 2027.

SASKATCHEWAN

Support

Saskatchewan supports this ballot as it allows section R1635 of the Articles of Agreement to dictate the effective date of proposed changes, in alignment with changes to other IFTA manuals.

WASHINGTON

Support

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING



IFTA BALLOT PROPOSAL #02-2026

Sponsor

IFTA Agreement Procedures Committee & IFTA Audit Committee

Date Submitted

April 10, 2026

Proposed Effective Date

Upon passage

Manual Sections to be Amended

Articles of Agreement

Article XIII

R1300 Audits

R1340 Review / Revision Of Audit Requirements

Subject

Revision of Audit Requirements

History/Digest

It has come to the attention of the IFTA Agreement Procedures Committee that current language in R1340.300 and R1635 creates conflicting requirements regarding effective dates for implementing amendments to the Audit Manual. Through committee discussions, we believe the framers of the original Agreement did not intend for different requirements to exist for effective dates.

However, as currently written:

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- This restriction prevents ratification of a change to the effective date listed in R1635, even when such a change has broad member support.

This inconsistency suggests that the original intent was not to limit flexibility in setting effective dates for amendments.

Further, R1340 requires the Audit Committee to review the audit requirements at least once every three years.

R1340.200 and .300 are redundant to requirements already established in R1635 with respect to making amendments.

It is recommended that R1340 be simplified for consistency with the Audit Committee's role, which is to review and maintain the Audit Manual in accordance with Article XVIII. Further to the Audit Committee's review, the process for any proposals for amendment to the Audit Manual shall be in accordance with Article XVI. Therefore, the process for making amendments to the Audit Manual will be consistent with the process for making amendments to all of the IFTA manuals.

Intent

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R1340 REVIEW / REVISION OF AUDIT ~~REQUIREMENTS~~ MANUAL

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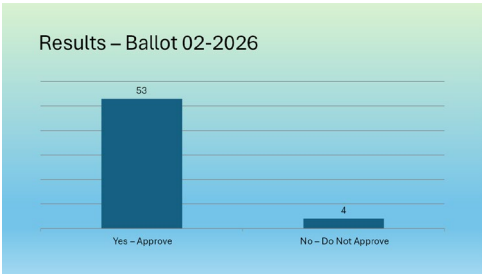
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The Audit Committee shall review the Audit Manual at least once every three years. Proposed changes shall be made in accordance with Article XVI.

Question Details (Balot #02-2026) **PASSED**

Total Responses: 57

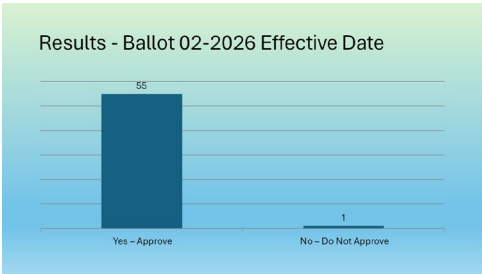
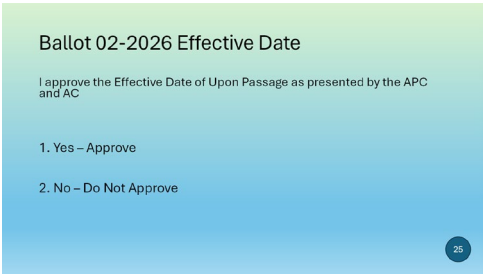


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Utah Hesche	Yes – Approve
Vermont Robillard	Yes – Approve
Virginia Harrison	No – Do Not Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	Yes – Approve
Wisconsin Litscher	Yes – Approve
Wyoming Lopez	Yes – Approve

Question Details (Ballot #02-2026 Effective Date) **PASSED**

Total Responses: 56



Participant	Response
Alabama Thigpen	[No Response]
Alberta Ackroyd	Yes – Approve
Arizona Williams	Yes – Approve
Arkansas Richard	Yes – Approve
British Columbia Harrison	Yes – Approve
California Kimsey	Yes – Approve
Colorado Zion	Yes – Approve
Connecticut Romeo	Yes – Approve
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New Mexico Casaldue	Yes – Approve
New York Effinger	Yes – Approve
North Carolina Milak	Yes – Approve
North Dakota Voegelé	Yes – Approve
Nova Scotia St. John	Yes – Approve
Ohio DeRose	Yes – Approve
Oklahoma Willingham	Yes – Approve
Ontario Bowie	Yes – Approve
Oregon Fitzgibbon	Yes – Approve
Pennsylvania Wisyanski	Yes – Approve
Prince Edward Island Pineau	Yes – Approve
Quebec Boucher	No – Do Not Approve
Rhode Island Iafrate	Yes – Approve
Saskatchewan Worobec	Yes – Approve
South Carolina Bruce	Yes – Approve
South Dakota Gerry	Yes – Approve
Tennessee Lanfair	Yes – Approve
Texas Julius	Yes – Approve
Utah Hesche	Yes – Approve
Vermont Robillard	Yes – Approve
Virginia Harrison	Yes – Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	Yes – Approve
Wisconsin Litscher	Yes – Approve
Wyoming Lopez	Yes – Approve



IFTA BALLOT PROPOSAL
#03-2026

Sponsor

IFTA Audit Committee

Date Submitted

April 22, 2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended

Audit Manual A420 Notification

Subject

Amend IFTA Audit Manual Section A420.200 to clarify that the submission of requested records prior to the proposed audit start date may be reasonably interpreted as licensee consent to begin the audit within the 30-day notification period.

History/Digest

Section A420.200 currently allows the base jurisdiction to initiate the audit within the 30-day notification period if there is agreement from the licensee or “for just cause”. However, audit practices vary regarding whether proactive submission of records is deemed “agreement” sufficient to proceed before the required notification expires. This inconsistency leads to uncertainty and potential conflict in audit initiation procedures. The proposed addition to section A420.200 promotes transparency and consistency.

Intent

The intent of this amendment is to remove ambiguity regarding what constitutes “agreement from the licensee” in A420.200. By expressly recognizing that submission of the requested records prior to the proposed start date may be “reasonably interpreted as consent,” jurisdictions gain a clear and documented basis for exercising early audit initiation when warranted.

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

Audit Manual

A420 NOTIFICATION

.100 The licensee should be contacted at least 30 days prior to the conduct of an audit. Through the initial or subsequent audit contacts, the licensee must be advised of the audit period, the type of records to be audited, and the proposed audit start date.

.200 The base jurisdiction may begin the audit within the 30 day notification period with agreement from the licensee, or for just cause. Submission of the requested records prior to the proposed audit start date may be reasonably interpreted as consent to begin the audit.

Ballot #3-2026 Comment Period Ending July 5, 2026
--

Support: 14
Oppose: 1
Undecided: 1

CALIFORNIA
Undecided

The Jurisdiction of California is Undecided with this ballot as it is written for the submission of the proposal. California supports the intent of the ballot and agrees that submission of records for audit should be deemed as agreement to initiate the audit. However, we agree with the other jurisdictions who voiced that the language in the ballot should be revised.

ILLINOIS
Support

Illinois supports the ballot. We agree with North Carolina's language and understand the concerns brought up by Industry and Quebec. A possible suggestion to address the comments would be :

A420 NOTIFICATION

.100 The licensee should be contacted at least 30 days prior to the conduct of an audit. Through the initial or subsequent audit contacts, the licensee must be advised of the audit period, the type of records to be audited, the proposed audit start date, ***and that the audit may begin sooner than the audit start date if responsive records are received from the licensee prior to the start date.***

.200 **The base jurisdiction may begin the audit before the expiration of the 30-day notification period if the licensee consents, the licensee provides responsive records, or a jurisdiction finds just cause.**

INDIANA
Support

Industry Advisory Committee
Oppose

IAC would support if language were added to stipulate that the engagement notification needs to clearly indicate that the submission of records prior to date stipulated in notice will be considered start of audit.

KENTUCKY
Support

MANITOBA
Support

MARYLAND
Support

This change would remove the need for Field Audit to request that the licensee sign our 30-Day Waiver, which is currently required when records are received and the audit is initiated prior to the 30-day notification period.

MICHIGAN
Support

NEBRASKA

Support

Nebraska supports this ballot and has always felt that receiving the records was implied consent.

NEVADA

Support

We support this ballot's intent, and agree with Nebraska's comment. In regard to the specific verbiage, we agree with Illinois and North Carolina's language suggestions.

NORTH CAROLINA

Support

North Carolina generally supports this ballot but has concerns regarding the language.

The sponsor wants to remove ambiguity in A420.200. However, the phrase "may be reasonably interpreted as consent" injects its own ambiguity into the solution. In other words, instead of providing clear guidance to when an audit may begin, this language necessitates other questions to be resolved before an audit can begin. Ultimately, this would cause each member jurisdiction to determine the circumstances that would not operate as consent to begin the audit.

North Carolina suggests the following language change to A420.200 (underlines and strikethroughs are not applied):

.200 The base jurisdiction may begin the audit before the expiration of the 30-day notification period if the licensee consents, the licensee provides responsive records, or a jurisdiction finds just cause.

ONTARIO

Support

PENNSYLVANIA

Support

QUEBEC

Support

The jurisdiction of Quebec agrees with the ballot, which aligns with common audit practices. We would also suggest that the licensee should be specifically informed of fact that the audit can start as soon as the jurisdiction receive the required documents for the audit.

SASKATCHEWAN

Support

The proposed amendment provides reasonable clarification to existing audit notification provisions and supports a practical interpretation of licensee cooperation during audit commencement procedures. The change does not create a new authority for jurisdictions but rather clarifies circumstances under which consent may reasonably be inferred. This aligns with existing administrative practices where licensees voluntarily provide documentation prior to the proposed audit start date. The amendment may also reduce disputes or uncertainty relating to audit timing and improve consistency between jurisdictions in the application of audit procedures.

WASHINGTON

Support

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING



IFTA BALLOT PROPOSAL #03-2026

Sponsor

IFTA Audit Committee

Date Submitted

April 14, 2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended

Audit Manual A420 Notification

Subject

Amend IFTA Audit Manual Section A420.200 to clarify that the submission of requested records prior to the proposed audit start date may be reasonably interpreted as licensee consent to begin the audit within the 30-day notification period.

History/Digest

Section A420.200 currently allows the base jurisdiction to initiate the audit within the 30-day notification period if there is agreement from the licensee or "for just cause". However, audit practices vary regarding whether proactive submission of records is deemed "agreement" sufficient to proceed before the required notification expires. This inconsistency leads to uncertainty and potential conflict in audit initiation procedures. The proposed addition to section A420.200 promotes transparency and consistency.

Intent

The intent of this amendment is to remove ambiguity regarding what constitutes "agreement from the licensee" in A420.200. By expressly recognizing that submission of the requested records prior to the proposed start date may be "reasonably interpreted as consent," jurisdictions gain a clear and documented basis for exercising early audit initiation when warranted.

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

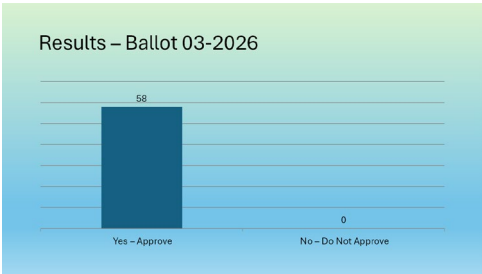
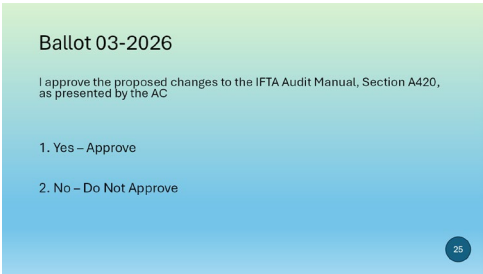
1 Audit Manual
2 A420 NOTIFICATION

3
4 .100 The licensee should be contacted at least 30 days prior to the conduct of an audit. Through the initial
5 or subsequent audit contacts, the licensee must be advised of the audit period, the type of records to be
6 audited, and the proposed audit start date.

7
8 .200 The base jurisdiction may begin the audit within the 30 day notification period ~~with agreement from~~ if
9 the licensee consents, the licensee provides requested records, or ~~for a jurisdiction finds~~ just cause.

Question Details (Ballot #03-2026) PASSED

Total Responses: 58

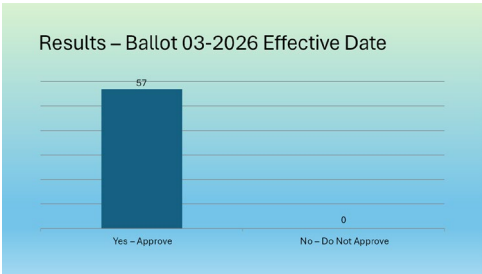
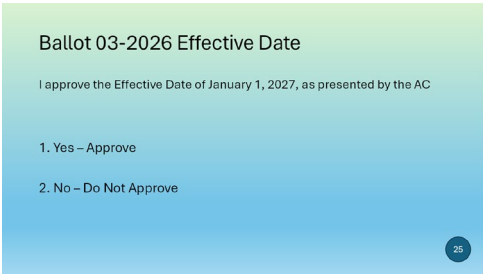


Participant	Response
Alabama Thigpen	Yes – Approve
Alberta Ackroyd	Yes – Approve
Arizona Williams	Yes – Approve
Arkansas Richard	Yes – Approve
British Columbia Harrison	Yes – Approve
California Kimsey	Yes – Approve
Colorado Zion	Yes – Approve
Connecticut Romeo	Yes – Approve
Delaware Himmler	Yes – Approve
Florida Cunningham	Yes – Approve
Georgia Prince	Yes – Approve
Idaho Alvarez	Yes – Approve
Illinois Blessing	Yes – Approve
Indiana Boone	Yes – Approve
Iowa Winston	Yes – Approve
Kansas Parker	Yes – Approve
Kentucky McDaniel	Yes – Approve
Louisiana Cooper	Yes – Approve
Maine Gerry	Yes – Approve
Manitoba Hanlan	Yes – Approve
Maryland O'Lare	Yes – Approve
Massachusetts Acevedo	Yes – Approve
Michigan Steele	Yes – Approve
Minnesota Loper	Yes – Approve

Mississippi Shore	Yes – Approve
Missouri Dorrough	Yes – Approve
Montana Alexander	Yes – Approve
Nebraska Crawford	Yes – Approve
Nevada Bigler	Yes – Approve
New Brunswick Leahy	Yes – Approve
Newfoundland & Labrador Lockyer	Yes – Approve
New Hampshire Gray	Yes – Approve
New Jersey Walker	Yes – Approve
New Mexico Casaldue	Yes – Approve
New York Effinger	Yes – Approve
North Carolina Milak	Yes – Approve
North Dakota Voegelé	Yes – Approve
Nova Scotia St. John	Yes – Approve
Ohio DeRose	Yes – Approve
Oklahoma Willingham	Yes – Approve
Ontario Bowie	Yes – Approve
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Pennsylvania Wisyanski	Yes – Approve
Prince Edward Island Pineau	Yes – Approve
Quebec Boucher	Yes – Approve
Rhode Island Iafrate	Yes – Approve
Saskatchewan Worobec	Yes – Approve
South Carolina Bruce	Yes – Approve
South Dakota Gerry	Yes – Approve
Tennessee Lanfair	Yes – Approve
Texas Julius	Yes – Approve
Utah Hesche	Yes – Approve
Vermont Robillard	Yes – Approve
Virginia Harrison	Yes – Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	Yes – Approve
Wisconsin Litscher	Yes – Approve
Wyoming Lopez	Yes – Approve

Question Details (Ballot #03-2026 Effective Date) PASSED

Total Responses: 57



Participant	Response
Alabama Thigpen	Yes – Approve
Alberta Ackroyd	Yes – Approve
Arizona Williams	Yes – Approve
Arkansas Richard	Yes – Approve
British Columbia Harrison	Yes – Approve
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Iowa Winston	Yes – Approve
Kansas Parker	Yes – Approve
Kentucky McDaniel	Yes – Approve
Louisiana Cooper	Yes – Approve
Maine Gerry	Yes – Approve
Manitoba Hanlan	Yes – Approve
Maryland O'Lare	Yes – Approve
Massachusetts Acevedo	Yes – Approve
Michigan Steele	Yes – Approve
Minnesota Loper	Yes – Approve

Mississippi Shore	Yes – Approve
Missouri Dorrough	Yes – Approve
Montana Alexander	Yes – Approve
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Saskatchewan Worobec	Yes – Approve
South Carolina Bruce	Yes – Approve
South Dakota Gerry	Yes – Approve
Tennessee Lanfair	Yes – Approve
Texas Julius	[No Response]
Utah Hesche	Yes – Approve
Vermont Robillard	Yes – Approve
Virginia Harrison	Yes – Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	Yes – Approve
Wisconsin Litscher	Yes – Approve
Wyoming Lopez	Yes – Approve



IFTA BALLOT PROPOSAL
#04-2026

Sponsor

IFTA Audit Committee

Date Submitted

April 14, 2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended

Procedures Manual P550 Fuel Records

Subject

Amend IFTA Procedures Manual Section P550.220.015 to specify that accepted transaction listings must be generated by the third-party fuel card system involved in the original fuel purchase transaction.

History/Digest

Section P550.220.015 of the IFTA Procedures Manual currently allows a “transaction listing generated by a third party” to be used as acceptable fuel records. However, this language is broad and has led to inconsistent interpretation among jurisdictions. In some cases, jurisdictions have accepted summaries or reports generated by entities that were not part of the original fuel purchase or card-processing system. These secondary documents may not reflect the actual transactional data used to authorize, process, and record the purchase.

Because these records are often used to substantiate tax-paid fuel credits, it is essential that they meet the same reliability standards expected of other primary source documentation, such as original credit card receipts. Fuel card systems involved in the original transaction maintain the authoritative record of the purchase, including date, location, product, quantity, and other key elements. Limiting acceptable transaction listings to those generated by the fuel card system used at the point of purchase strengthens audit consistency, reduces reliance on unverifiable secondary summaries, and ensures the integrity of tax-paid credit claims across all jurisdictions.

Intent

The intent of this ballot is to improve clarity, consistency, and reliability in accepted fuel purchase documentation by specifying that a transaction listing must be generated by the third-party fuel card system involved in the original transaction. Because these records are often used to substantiate tax-paid fuel credits, it is essential that they reflect the same level of accuracy and source-integrity required of other primary purchase documentation, such as original credit card receipts.

This change promotes uniform audit standards across jurisdictions by ensuring that accepted records originate from the system that processed the fuel purchase, reducing reliance on secondary, reconstructed, or non-source-generated reports. Strengthening the definition in this manner supports consistent verification practices, protects the integrity of tax-paid credit claims, and reinforces the original purpose of electronic fuel transaction documentation: to rely on records produced by the actual transaction source.

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

- 1 Procedures Manual
2 *P550 Fuel Records
3
4 .220 The base jurisdiction shall not allow a licensee credit for tax paid on a retail fuel purchase unless the
5 licensee produces, with respect to the purchase:
6
7 .005 a receipt, invoice, or transaction listing from the seller,
8 .010 a credit-card receipt,
9 .015 a transaction listing generated by a third party fuel card system involved in the original
10 transaction, or
11 .020 an electronic or digital record of an original receipt or invoice.

Ballot #4-2026 Comment Period Ending July 5, 2026
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Support: 15
Oppose: 1
Undecided: 1

CALIFORNIA
Undecided

The Jurisdiction of California is Undecided with this ballot. We are concerned with possible unintended consequences by making this section so specific that it will limit acceptable records.

ILLINOIS
Support

INDIANA
Support

Indiana supports but additional language should be included with examples that would be considered verification of the transaction listing generated by a third-party fuel card system involved in the original transaction.

Industry Advisory Committee
Oppose

– The IAC, considering the input of other industry stakeholders, formally oppose the proposed amendment to IFTA Procedures Manual Section P550.220.015, which would restrict acceptable fuel records to transaction listings generated exclusively by the "third party fuel card system involved in the original transaction". While we appreciate the sponsor's intent to improve the consistency and reliability of fuel purchase documentation, we believe the proposed language may have the unintended consequence of reducing audit efficiency and limiting the ability of carriers to present complete and accurate fuel records. Additionally, we wonder if the ballot is attempting to solve a problem that doesn't exist. Auditors already have the ability to request original fuel card records when necessary.

This ballot should be opposed for the following reasons:

1. Data Accuracy and Auditor Burden

The proposal appears to assume that the raw data generated by the original fuel card transaction is always the most accurate representation of the purchase. In practice, this data frequently contains human errors—such as incorrect or transposed unit numbers entered by drivers, or fuel assigned to the wrong vehicle at the point of sale. Currently, it is standard practice for service providers and carriers to correct these errors within their systems to ensure accurate reporting. Fuel card providers, however, will not correct them after the transaction has occurred. If auditors are restricted to viewing only the original fuel card provider's listing, they will be forced to spend significantly more time manually identifying and reconciling correct unit numbers. The objective of the audit should be to verify tax-paid fuel and fleet activity as accurately as possible, not simply verify the original transaction record.

2. Fragmentation of Transaction Data

Many carriers utilize multiple fuel card vendors, cash purchases, onsite bulk fuel, cardlock systems, and emergency purchases during a reporting period. A comprehensive transaction file that consolidates all fuel activity provides auditors with a more complete and efficient audit record than multiple disconnected reports generated by separate vendors.

3. Misunderstanding of Modern Data Transfer (APIs)

Modern recordkeeping systems frequently import transaction data directly from the original fuel card provider through automated data transfers. The resulting reports are often generated from the same underlying transaction data supplied by the card vendor. The proposed language creates uncertainty regarding whether these reports remain acceptable even when they are derived directly from original source data.

The original data from API typically results in a flat text file output. There is concern that some jurisdictions may not be able to translate that flat text file to an excel or csv format.

4. Ambiguity and Inconsistent Interpretation

The proposed language creates uncertainty regarding what constitutes a "third-party fuel card system involved in the original transaction." It is unclear whether reports generated from API-fed systems, carrier fuel management platforms, or third-party compliance systems would remain acceptable when they are derived directly from original source data. This ambiguity could result in inconsistent interpretation among jurisdictions and create unnecessary disputes during audits.

5. Impact on Service Providers

The proposal may unintentionally limit the use of established recordkeeping systems that carriers rely upon to organize, validate, and retain fuel purchase information. These systems often provide important audit functions, including error correction documentation, reconciliation records, exception tracking, and consolidated reporting. Restricting their use may reduce audit efficiency without improving the reliability of the underlying transaction data. It is well known that original transaction data often includes data entry errors that the fuel card provider will not correct. Allowing auditors access to both allows for greater efficiency in auditing and verification that proper taxes have been paid. Summary

Rather than limiting the source of the records to the original card provider, we believe the Procedures Manual should focus on the reliability, traceability and auditability of the records presented. Auditors should have access to the original fuel card data as well as any supporting records that demonstrate how the reported fuel data was compiled, reconciled, and corrected. Maintaining both elements of the audit trail promotes accuracy, preserves flexibility for carriers and jurisdictions, and supports a more efficient audit process.

Additionally, Audit Procedures Manual A320 refers to the licensee's internal controls. The corrective measures taken by service providers and carriers show internal controls of data prior to filing any returns.

For these reasons, we strongly oppose Ballot Proposal #04-2026 as currently written.

KANSAS

Support

Kansas does support this ballot,

Updating the language would help to eliminate any confusion on accepting the documentation of 3rd party fuel receipts. I also agree that all records produced by a licensee should provide the essential information required by the Agreement and Procedures Manual.

KENTUCKY

Support

MANITOBA

Support

MARYLAND

Support

This clarification would eliminate confusion regarding the documentation required for third party fuel card receipts. Additional language should be included to explicitly define the criteria for acceptable third-party fuel receipt documentation.

MICHIGAN

Support

NEVADA

Support

NV supports and agrees with Indiana's comment.

NEW BRUNSWICK

Support

NORTH CAROLINA

Support

North Carolina supports this ballot as it agrees with the sponsor that clear, consistent, and reliable records provided in accordance P550 are critical to administering the fuel tax.

However, North Carolina has concerns regarding the phrase "fuel card system." This phrase may be unnecessary, vague, and potentially limits solutions in an ever-evolving technology driven market.

North Carolina suggests the following changes (underlines and strikethroughs are not applied):

.015 a transaction listing generated by a third party involved in the original fuel purchase transaction, or

ONTARIO

Support

PENNSYLVANIA

Support

QUEBEC

Support

The jurisdiction of Quebec agrees with the ballot, which aligns with the relevant audit practices.

SASKATCHEWAN

Support

The proposed amendment provides additional clarity regarding the nature and source of acceptable transaction listings used to substantiate tax-paid fuel credits. By limiting acceptable records to those generated by the original fuel card processing system, the amendment promotes greater consistency between jurisdictions and reinforces reliance on primary source documentation. The proposal does not significantly alter existing documentation requirements but rather strengthens audit standards by clarifying the reliability expectations associated with electronic fuel transaction records. The amendment may also reduce disagreements during audits by providing more direction on what is considered acceptable supporting documentation.

WASHINGTON
Support

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING



IFTA BALLOT PROPOSAL #04-2026

Sponsor

IFTA Audit Committee

Date Submitted

April 14, 2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended

Procedures Manual P550 Fuel Records

Subject

Amend IFTA Procedures Manual Section P550.220.015 to specify that accepted transaction listings must be generated by the third-party fuel card system involved in the original fuel purchase transaction.

History/Digest

Section P550.220.015 of the IFTA Procedures Manual currently allows a “transaction listing generated by a third party” to be used as acceptable fuel records. However, this language is broad and has led to inconsistent interpretation among jurisdictions. In some cases, jurisdictions have accepted summaries or reports generated by entities that were not part of the original fuel purchase or card-processing system. These secondary documents may not reflect the actual transactional data used to authorize, process, and record the purchase.

Because these records are often used to substantiate tax-paid fuel credits, it is essential that they meet the same reliability standards expected of other primary source documentation, such as original credit card receipts. Fuel card systems involved in the original transaction maintain the authoritative record of the purchase, including date, location, product, quantity, and other key elements. Limiting acceptable transaction listings to those generated by the fuel card system used at the point of purchase strengthens audit consistency, reduces reliance on unverifiable secondary summaries, and ensures the integrity of tax-paid credit claims across all jurisdictions.

Intent

The intent of this ballot is to improve clarity, consistency, and reliability in accepted fuel purchase documentation by specifying that a transaction listing must be generated by the third-party fuel card system involved in the original transaction. Because these records are often used to substantiate tax-paid fuel credits, it is essential that they reflect the same level of accuracy and source-integrity required of other primary purchase documentation, such as original credit card receipts.

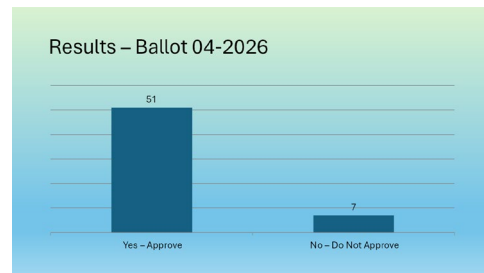
This change promotes uniform audit standards across jurisdictions by ensuring that accepted records originate from the system that processed the fuel purchase, reducing reliance on secondary, reconstructed, or non-source-generated reports. Strengthening the definition in this manner supports consistent verification practices, protects the integrity of tax-paid credit claims, and reinforces the original purpose of electronic fuel transaction documentation: to rely on records produced by the actual transaction source.

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

- 1 Procedures Manual
- 2 *P550 Fuel Records
- 3
- 4 .220 The base jurisdiction shall not allow a licensee credit for tax paid on a retail fuel purchase unless the
- 5 licensee produces, with respect to the purchase:
- 6
- 7 .005 a receipt, invoice, or transaction listing from the seller,
- 8 .010 a credit-card receipt,
- 9 .015 a transaction listing generated by a third party involved in the original transaction, or
- 10 .020 an electronic or digital record of an original receipt or invoice.

Question Details (Ballot #04-2026) PASSED

Total Responses: 58

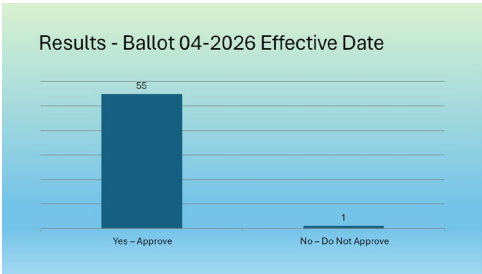
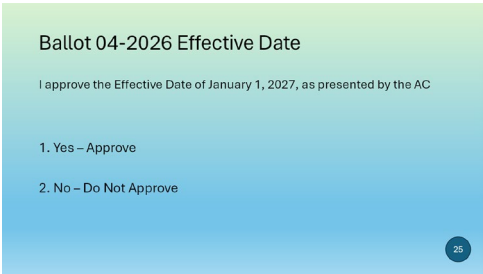


Participant	Response
Alabama Thigpen	Yes – Approve
Alberta Ackroyd	Yes – Approve
Arizona Williams	Yes – Approve
Arkansas Richard	Yes – Approve
British Columbia Harrison	Yes – Approve
California Kimsey	Yes – Approve
Colorado Zion	Yes – Approve
Connecticut Romeo	Yes – Approve
Delaware Himmler	Yes – Approve
Florida Cunningham	Yes – Approve
Georgia Prince	Yes – Approve
Idaho Alvarez	Yes – Approve
Illinois Blessing	Yes – Approve
Indiana Boone	No – Do Not Approve
Iowa Winston	Yes – Approve
Kansas Parker	Yes – Approve
Kentucky McDaniel	Yes – Approve
Louisiana Cooper	Yes – Approve
Maine Gerry	Yes – Approve
Manitoba Hanlan	Yes – Approve
Maryland O'Lare	Yes – Approve
Massachusetts Acevedo	Yes – Approve
Michigan Steele	Yes – Approve
Minnesota Loper	No – Do Not Approve

Mississippi Shore	Yes – Approve
Missouri Dorrough	No – Do Not Approve
Montana Alexander	Yes – Approve
Nebraska Crawford	Yes – Approve
Nevada Bigler	Yes – Approve
New Brunswick Leahy	Yes – Approve
Newfoundland & Labrador Lockyer	No – Do Not Approve
New Hampshire Gray	Yes – Approve
New Jersey Walker	Yes – Approve
New Mexico Casaldue	Yes – Approve
New York Effinger	Yes – Approve
North Carolina Milak	Yes – Approve
North Dakota Voegelé	Yes – Approve
Nova Scotia St. John	Yes – Approve
Ohio DeRose	Yes – Approve
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South Carolina Bruce	Yes – Approve
South Dakota Gerry	Yes – Approve
Tennessee Lanfair	Yes – Approve
Texas Julius	Yes – Approve
Utah Hesche	Yes – Approve
Vermont Robillard	No – Do Not Approve
Virginia Harrison	No – Do Not Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	No – Do Not Approve
Wisconsin Litscher	Yes – Approve
Wyoming Lopez	Yes – Approve

Question Details (Ballot #04-2026 Effective Date) **PASSED**

Total Responses: 56



Participant	Response
Alabama Thigpen	Yes – Approve
Alberta Ackroyd	Yes – Approve
Arizona Williams	Yes – Approve
Arkansas Richard	Yes – Approve
British Columbia Harrison	[No Response]
California Kimsey	Yes – Approve
Colorado Zion	Yes – Approve
Connecticut Romeo	Yes – Approve
Delaware Himmler	Yes – Approve
Florida Cunningham	Yes – Approve
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Maryland O'Lare	Yes – Approve
Massachusetts Acevedo	Yes – Approve
Michigan Steele	Yes – Approve
Minnesota Loper	No – Do Not Approve

Mississippi Shore	Yes – Approve
Missouri Dorrough	[No Response]
Montana Alexander	Yes – Approve
Nebraska Crawford	Yes – Approve
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Vermont Robillard	Yes – Approve
Virginia Harrison	Yes – Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	Yes – Approve
Wisconsin Litscher	Yes – Approve
Wyoming Lopez	Yes – Approve



IFTA BALLOT PROPOSAL
#05-2026

Sponsor

IFTA, Inc. Board of Trustees

Date Submitted

April 29, 2026

Proposed Effective Date

January 1, 2000

Manual Sections to be Amended

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

IFTA Audit Manual Section A250

Subject

Audit Manual provision for the basis of the 3% annual average.

History/Digest

Member jurisdictions are required to complete audits of an average of 3 percent per year of the number of IFTA accounts required to be reported by that jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees, for each year of the program compliance review period, other than the jurisdiction's IFTA implementation year.

Since approximately 2000, this has been interpreted and enforced to mean the basis for the required number of audits in the **current year** is the number of accounts reported on the *prior year's* annual report (e.g. the audit requirement in the year 2026 is based on the accounts reported on the 2025 Annual Report). The direct language of Section A250 of the IFTA Audit Manual does not support the long-standing practice and interpretation. Unlike the provisions in Section A260 (Selection of Audits), there is no language in Section A250 that provides for utilizing the prior year's data to determine the current year's requirement.

This practice was brought to the attention of the Board of Trustees at the 1Q2026 Board Meeting. The Board tasked IFTA, Inc. with analyzing the data to determine what the result would be if the direct language of the Agreement had been applied. The review revealed several instances where jurisdictions that had been deemed compliant with Section A250 would be non-compliant if the direct language had been applied. There were also instances where the subject jurisdiction should have been referred to the Dispute Resolution Committee had the direct language been applied. It should be noted that the status of the four (4) jurisdictions that appeared before the Dispute Resolution Committee in 2024 and 2025 would not have changed; although the number of audits required to be made up would have increased slightly.

Intent

To amend the language in IFTA Audit Manual Section A250 to be consistent with the long-standing practice of utilizing the prior year's account information on the Annual Report as the basis for determining the audit requirement in the current year.

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

***A250 NUMBER OF AUDITS**

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

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

Ballot #5-2026 Comment Period Ending July 5, 2026
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Support: 18
Oppose: 0
Undecided: 1

CALIFORNIA

Support

The Jurisdiction of California Supports this ballot, which would clarify the language in IFTA Audit Manual Section A250 to the practice of utilizing the prior year's account information on the Annual Report as the basis for determining the audit requirement for the current year. This new language will provide a consistent way for jurisdictions to determine the correct audit requirements. In addition, we agree with North Carolina's comment to change the proposition "in" to "for".

ILLINOIS

Support

Illinois supports the ballot with the change that North Carolina mentions. The annual reports are filed **for** the preceding year, not in the preceding year.

INDIANA

Support

Industry Advisory Committee

No Comment

KANSAS

Support

Updating the language will provide clarity regarding use the prior year annual report account information to calculate the 3% audit requirement for the current year.

KENTUCKY

Support

MANITOBA

Support

MARYLAND

Support

Maryland has interpreted and applied this provision as the basis for determining the annual 3 percent audit requirement. For example, the audit requirement for 2025 is calculated using the number of accounts reported in the 2024 Annual Report.

MICHIGAN

Support

Michigan supports the ballot with the change that North Carolina suggests. The annual reports are filed **for** the preceding year.

NEVADA

Support

NEW BRUNSWICK

Support

NORTH CAROLINA

Support

North Carolina has no objections to the ballot. However, North Carolina encourages the sponsor to reconsider the use of the preposition "in." The ballot presupposes that every member jurisdiction files the report timely or at least in the year that it is supposed to be filed. In other words, the numbers used to determine the number of required audits should not depend on whether the annual report was "filed in the preceding year" but should be determined based on the report "for" the preceding year.

ONTARIO

Support

PENNSYLVANIA

Support

QUEBEC

Undecided

The jurisdiction of Quebec supports the intent of the ballot. However, we feel more clarity is required regarding the need for a retroactive application up to 2000.

RHODE ISLAND

Support

SASKATCHEWAN

Support

The amendment does not establish a new audit requirement but instead aligns the wording of Section A250 with the established interpretation and application that has reportedly been in place since approximately 2000.

UTAH

Support

WASHINGTON

Support

WYOMING

Support

Wyoming supports the ballot. The passing of this ballot ensures that the plan remains consistent with the practices that have been in place for many years.

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING



IFTA BALLOT PROPOSAL #05-2026

Sponsor

IFTA, Inc. Board of Trustees

Date Submitted

April 29, 2026

Proposed Effective Date

January 1, 2000

Manual Sections to be Amended

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

IFTA Audit Manual Section A250

Subject

Audit Manual provision for the basis of the 3% annual average.

History/Digest

Member jurisdictions are required to complete audits of an average of 3 percent per year of the number of IFTA accounts required to be reported by that jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees, for each year of the program compliance review period, other than the jurisdiction's IFTA implementation year.

Since approximately 2000, this has been interpreted and enforced to mean the basis for the required number of audits in the **current year** is the number of accounts reported on the *prior year's* annual report (e.g. the audit requirement in the year 2026 is based on the accounts reported on the 2025 Annual Report). The direct language of Section A250 of the IFTA Audit Manual does not support the long-standing practice and interpretation. Unlike the provisions in Section A260 (Selection of Audits), there is no language in Section A250 that provides for utilizing the prior year's data to determine the current year's requirement.

This practice was brought to the attention of the Board of Trustees at the 1Q2026 Board Meeting. The Board tasked IFTA, Inc. with analyzing the data to determine what the result would be if the direct language of the Agreement had been applied. The review revealed several instances where jurisdictions that had been deemed compliant with Section A250 would be non-compliant if the direct language had been applied. There were also instances where the subject jurisdiction should have been referred to the Dispute Resolution Committee had the direct language been applied. It should be noted that the status of the four (4) jurisdictions that appeared before the Dispute Resolution Committee in 2024 and 2025 would not have changed; although the number of audits required to be made up would have increased slightly.

Intent

To amend the language in IFTA Audit Manual Section A250 to be consistent with the long-standing practice of utilizing the prior year's account information on the Annual Report as the basis for determining the audit requirement in the current year.

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

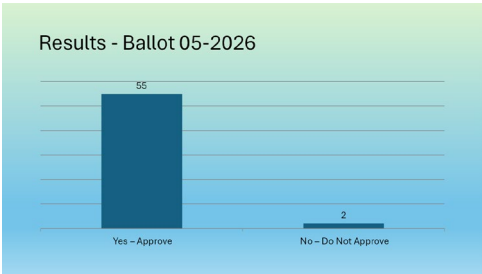
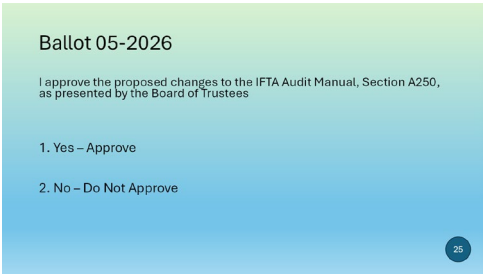
***A250 NUMBER OF AUDITS**

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

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

Question Details (Ballot #05-2026) PASSED

Total Responses: 57

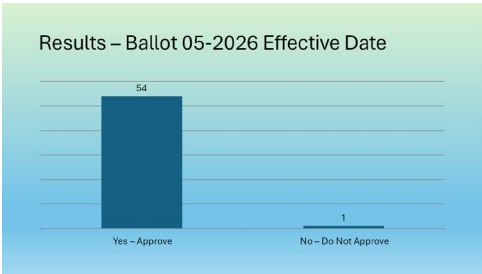
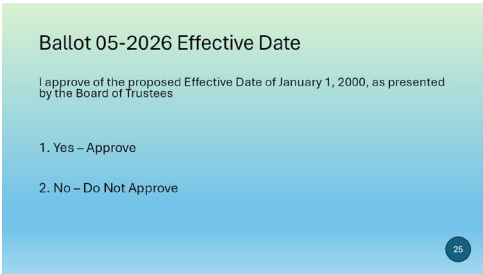


Participant	Response
Alabama Thigpen	Yes – Approve
Alberta Ackroyd	Yes – Approve
Arizona Williams	Yes – Approve
Arkansas Richard	Yes – Approve
British Columbia Harrison	Yes – Approve
California Kimsey	Yes – Approve
Colorado Zion	Yes – Approve
Connecticut Romeo	Yes – Approve
Delaware Himmler	No – Do Not Approve
Florida Cunningham	[No Response]
Georgia Prince	Yes – Approve
Idaho Alvarez	Yes – Approve
Illinois Blessing	Yes – Approve
Indiana Boone	Yes – Approve
Iowa Winston	Yes – Approve
Kansas Parker	Yes – Approve
Kentucky McDaniel	Yes – Approve
Louisiana Cooper	Yes – Approve
Maine Gerry	Yes – Approve
Manitoba Hanlan	Yes – Approve
Maryland O'Lare	Yes – Approve
Massachusetts Acevedo	Yes – Approve
Michigan Steele	Yes – Approve
Minnesota Loper	Yes – Approve

Mississippi Shore	Yes – Approve
Missouri Dorrough	Yes – Approve
Montana Alexander	Yes – Approve
Nebraska Crawford	Yes – Approve
Nevada Bigler	Yes – Approve
New Brunswick Leahy	Yes – Approve
Newfoundland & Labrador Lockyer	Yes – Approve
New Hampshire Gray	Yes – Approve
New Jersey Walker	Yes – Approve
New Mexico Casaldue	Yes – Approve
New York Effinger	Yes – Approve
North Carolina Milak	Yes – Approve
North Dakota Voegelé	Yes – Approve
Nova Scotia St. John	Yes – Approve
Ohio DeRose	Yes – Approve
Oklahoma Willingham	Yes – Approve
Ontario Bowie	Yes – Approve
Oregon Fitzgibbon	Yes – Approve
Pennsylvania Wisyanski	Yes – Approve
Prince Edward Island Pineau	Yes – Approve
Quebec Boucher	Yes – Approve
Rhode Island Iafrate	Yes – Approve
Saskatchewan Worobec	Yes – Approve
South Carolina Bruce	Yes – Approve
South Dakota Gerry	Yes – Approve
Tennessee Lanfair	Yes – Approve
Texas Julius	Yes – Approve
Utah Hesche	Yes – Approve
Vermont Robillard	Yes – Approve
Virginia Harrison	Yes – Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	No – Do Not Approve
Wisconsin Litscher	Yes – Approve
Wyoming Lopez	Yes – Approve

Question Details (Ballot #05-2026 Effective Date) PASSED

Total Responses: 55



Participant	Response
Alabama Thigpen	Yes – Approve
Alberta Ackroyd	Yes – Approve
Arizona Williams	Yes – Approve
Arkansas Richard	Yes – Approve
British Columbia Harrison	Yes – Approve
California Kimsey	Yes – Approve
Colorado Zion	Yes – Approve
Connecticut Romeo	Yes – Approve
Delaware Himmler	Yes – Approve
Florida Cunningham	Yes – Approve
Georgia Prince	Yes – Approve
Idaho Alvarez	Yes – Approve
Illinois Blessing	Yes – Approve
Indiana Boone	Yes – Approve
Iowa Winston	Yes – Approve
Kansas Parker	Yes – Approve
Kentucky McDaniel	Yes – Approve
Louisiana Cooper	Yes – Approve
Maine Gerry	Yes – Approve
Manitoba Hanlan	Yes – Approve
Maryland O'Lare	Yes – Approve
Massachusetts Acevedo	Yes – Approve
Michigan Steele	Yes – Approve
Minnesota Loper	Yes – Approve

Mississippi Shore	Yes – Approve
Missouri Dorrough	Yes – Approve
Montana Alexander	Yes – Approve
Nebraska Crawford	Yes – Approve
Nevada Bigler	Yes – Approve
New Brunswick Leahy	Yes – Approve
Newfoundland & Labrador Lockyer	Yes – Approve
New Hampshire Gray	Yes – Approve
New Jersey Walker	Yes – Approve
New Mexico Casaldue	Yes – Approve
New York Effinger	Yes – Approve
North Carolina Milak	Yes – Approve
North Dakota Voegelé	Yes – Approve
Nova Scotia St. John	Yes – Approve
Ohio DeRose	Yes – Approve
Oklahoma Willingham	Yes – Approve
Ontario Bowie	Yes – Approve
Oregon Fitzgibbon	Yes – Approve
Pennsylvania Wisyanski	Yes – Approve
Prince Edward Island Pineau	Yes – Approve
Quebec Boucher	[No Response]
Rhode Island Iafrate	[No Response]
Saskatchewan Worobec	Yes – Approve
South Carolina Bruce	Yes – Approve
South Dakota Gerry	Yes – Approve
Tennessee Lanfair	Yes – Approve
Texas Julius	Yes – Approve
Utah Hesche	Yes – Approve
Vermont Robillard	No – Do Not Approve
Virginia Harrison	Yes – Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	[No Response]
Wisconsin Litscher	Yes – Approve
Wyoming Lopez	Yes – Approve



IFTA BALLOT PROPOSAL
#06-2026

Sponsor

IFTA Agreement Procedures Committee

Date Submitted

April 10, 2026

Proposed Effective Date

Upon passage

Manual Sections to be Amended

Articles of Agreement

Article II

R212 Base Jurisdiction

Article V

R510 Rental/Leasing

R520 Household Goods Carriers

R530 Independent Contractors

R540 Filing of Leases

Subject

To provide clarification to the definition of base jurisdiction and determining base jurisdiction as it applies to Article V Lessors/Lessees and Household Goods Carriers.

History/Digest

In accordance with IFTA Articles of Agreement, Article II, Section R212, the definition of Base Jurisdiction in part means "The member jurisdiction where qualified motor vehicles are based for vehicle registration purposes and (.100) Where the operational control and operational records of the licensee's qualified motor vehicles are maintained or can be made available; and (.200) Where some travel is accrued by qualified motor vehicles within the fleet. The commissioners of two or more affected jurisdictions may allow a person to consolidate several fleets that would otherwise be based in two or more jurisdictions."

Historically, the preamble to the definition of Base Jurisdiction meant that the applicant for a license must have vehicles registered in the jurisdiction the application for license is being presented. The standard interpretation has been that at least one qualified motor vehicle must be registered in that jurisdiction. At the 2025 Annual Business Meeting, a Town Hall topic focused on the meaning of the word "based" and how the definition poses an issue regarding the definition of base jurisdiction. It was said that when a carrier leases vehicles, the applicant may not have vehicles registered in said jurisdiction because the vehicle is registered in the base jurisdiction of the leasing company.

The IFTA, Inc. Board of Trustees issued a Board Charge to the IFTA Agreement Procedures Committee (APC) requesting for a review of and research the definition of Base Jurisdiction (R212) in the IFTA Articles of Agreement to determine whether clarification or changes are warranted. The APC formed a subcommittee and held discussions with representatives from the Attorney Advisory Committee, Law Enforcement Committee, Dispute Resolution Committee, Industry Advisory Committee, and Board Liaisons to review the language in R212 and discuss the impacts as it relates to Article V. Research was conducted through a survey to membership with questions surrounding the interpretation of the definition for base jurisdiction and what their jurisdiction does when an applicant does not have any qualified motor vehicles registered in their jurisdiction.

Survey results from membership were reviewed and through discussion and recommendations with subcommittee members, revisions to R212 and Article V have been drafted to address the concerns noted from the IFTA, Inc. Board of Trustees Charge.

Intent

To address the concerns noted by the IFTA, Inc. Board of Trustees Charge, revisions have been drafted to the IFTA Articles of Agreement R212 and Article V.

A subsection was added to the definition of Base Jurisdiction to clarify that a minimum of one qualified motor vehicle must be registered with a government agency of the member jurisdiction.

In addition, in follow up to the Town Hall topic at the 2025 Annual Business Meeting where it was said that when a carrier leases vehicles, the licensee/applicant may not have vehicles registered in said jurisdiction because their vehicle(s) are registered in the base jurisdiction of the leasing company, therefore the language was modified to include exceptions in Article V scenarios.

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

R212 Base Jurisdiction means the member jurisdiction where: ~~qualified motor vehicles are based for vehicle registration purposes and~~

.050 At least one qualified motor vehicle is registered with a government agency of the member jurisdiction; and

.100 ~~Where t~~The operational control and ~~operational~~ records of the ~~licensee's~~ qualified motor vehicles of the applicant or licensee are maintained ~~or can be made~~ available; and

.200 ~~Where s~~Some travel is accrued by qualified motor vehicles within the fleet. The commissioners of two or more affected jurisdictions may allow a person to consolidate several fleets that would otherwise be based in two or more jurisdictions.

ARTICLE V

R500 LESSORS/LESSEES AND HOUSEHOLD GOODS CARRIERS

***R510 RENTAL/LEASING**

~~.100 Short-Term Leases. In the case of a short-term motor vehicle rental, by a lessor regularly engaged in the business of leasing, or renting motor vehicles without drivers, for compensation to licensees or other lessees of 29 days or less, the lessor will report and pay the fuel use tax unless the following two conditions are met:~~

~~.005 The lessor has a written rental contract which designates the lessee as the party responsible for reporting and paying the fuel use tax; and~~

~~.010 The lessor has a copy of the lessee's IFTA fuel tax license which is valid for the term of the rental.~~

~~.200 Long-Term Leases. A lessor regularly engaged in the business of leasing or renting motor vehicles without drivers for compensation to licensees or other lessees may be deemed to be the licensee, and such lessor may be issued a license if an application has been properly filed and approved by the base jurisdiction~~

.100 Short-Term Leases. In the case of a short-term motor vehicle rental of 29 days or less, for compensation, by a lessor regularly engaged in the business of leasing or renting motor vehicles without drivers, to licensees or other lessees, the person responsible for paying and reporting the fuel use tax will be:

.005 The lessee, if the lessor and lessee enter into a written contract under which the lessee is designated as the party responsible for reporting and paying the fuel use tax. The lessor shall retain a copy of the lessee's IFTA fuel tax license which is valid for the term of the rental. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessee, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.010 The lessor, if the lessor and lessee do not enter into a written contract under which the lessee is designated as the party responsible for reporting and paying the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.200 Long-Term Leases. In the case of a long-term motor vehicle rental of 30 days or more, for compensation, by a lessor regularly engaged in the business of leasing or renting motor vehicles without drivers, to licensees or other lessees, the person responsible for paying and reporting the fuel use tax will be:

.005 The lessor, if the lessor and lessee enter into a written contract under which the lessor is designated as the party responsible for reporting and paying the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.010 The lessee, if the lessor and lessee do not enter into a written contract under which the lessor is designated as the party responsible for reporting and paying the fuel use tax. The lessor shall retain a copy of the lessee's IFTA fuel tax license which is valid for the term of the rental. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessee, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

***R520 HOUSEHOLD GOODS CARRIERS**

~~In the case of a household goods carrier using independent contractors, agents, or service representatives, under intermittent leases, the party liable for motor fuel use tax shall be:~~

~~.100 The lessee (carrier) when the qualified motor vehicle is being operated under the lessee's jurisdictional operating authority. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessee (carrier), regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes by the lessor or lessee.~~

~~.200 The lessor (independent contractor, agent, or service representative) when the qualified motor vehicle is being operated under the lessor's jurisdictional operating authority. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessor, regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes.~~

In the case of a household goods carrier (lessee) using an independent contractor, agent, or service representative (lessor), under an intermittent lease, the person responsible for reporting and paying the fuel use tax will be:

.100 The lessee, if the qualified motor vehicles are being operated under the jurisdictional operating authority of the lessee. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessee, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.200 The lessor, if the qualified motor vehicles are being operated under the

jurisdictional operating authority of the lessor. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

*R530 INDEPENDENT CONTRACTORS

~~.100 Short-Term Leases. In the case of a carrier using independent contractors under short-term/trip leases of 29 days or less, the trip lessor will report and pay all fuel taxes.~~

~~.200 Long-Term Leases. Long-Term Leases. In the case of a carrier using independent contractors under long-term leases (30 days or more), the lessor and lessee will be given the option of designating which party will report and pay fuel use tax. In the absence of a written agreement or contract, or if the document is silent regarding responsibility for reporting and paying fuel use tax, the lessee will be responsible for reporting and paying fuel use tax. If the lessee (carrier) through a written agreement or contract assumes responsibility for reporting and paying fuel use taxes, the base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessee, regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes by the lessor.~~

.100 Short-Term Leases. In the case of a carrier (lessee) using an independent contractor (lessor) under a short-term motor vehicle rental of 29 days or less, the lessor will report and pay the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.200 Long-Term Leases. In the case of a carrier (lessee) using an independent contractor (lessor) under a long-term motor vehicle rental of 30 days or more, the person responsible for reporting and paying the fuel use tax will be:

.005 The lessor, if the lessor and lessee enter into a written contract under which the lessor is designated as the party responsible for reporting and paying the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.010 The lessee, if the lessor and lessee do not enter into a written contract under which the lessor is designated as the party responsible for reporting and paying the fuel use tax. The lessor shall retain a copy of the lessee's IFTA fuel tax license which is valid for the term of the rental. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessee, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

R540 FILING OF ~~LEASES~~ CONTRACTS

~~No member jurisdiction shall require the filing of such leases but such leases shall be made available upon request of any member (see IFTA Procedures Manual, Section P520).~~

162 A member jurisdiction may require the filing of a written contract entered into by a lessor and
163 lessee, under which the party responsible for reporting and paying the fuel use tax is specified.
164 Otherwise, upon the request of any member jurisdiction, the contract shall be provided by the
165 lessor and/or lessee.

Ballot #6-2026 Comment Period Ending July 5, 2026
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Support: 5
Oppose: 3
Undecided: 9

CALIFORNIA
Undecided

The Jurisdiction of California is Undecided with this ballot as it is written for the submission of the proposal. California supports the intent of the ballot and agrees that there should be clarification to the definition of “Base Jurisdiction” and as it applies to leased vehicles. However, we agree with the other jurisdictions who voiced that the language in the ballot should be revised to indicate the party responsible for reporting to IFTA.

ILLINOIS
Undecided

Illinois sees that the ballot scope covers many angles that need more consideration and analysis.

INDIANA
Oppose

Indiana does not support the ballot as written. The language no longer indicates who is responsible in the event the contract is silent regarding who should report to IFTA under R530 .200. That language should still be included. We audit many carriers who hire independent contractors or owner operators. Often there is a contract, however, quite often, the contract is silent as to who is to report to IFTA. The contract may mention who pays to IFTA, but not who reports. There is a difference.

Industry Advisory Committee
Oppose

Industry generally supports this ballot, with the exception of the language requiring that a copy of the lessee’s fuel tax license be retained under a long-term lease. A long-term lease should not be treated as a short-term rental. Given the nature of the arrangement, the following statement should be struck from the ballot proposal in proposed section R510.200.010: “The lessor shall retain a copy of the lessee’s IFTA fuel tax license which is valid for the term of the rental.”

KENTUCKY
Support

MANITOBA
Support

MARYLAND
Oppose

This proposed ballot does not identify which party is responsible for reporting IFTA activity when the contract between involved parties—particularly in independent contractor arrangements—does not clearly assign this responsibility.

MICHIGAN
Undecided

The revision to R212.050 does not clarify whether the registered vehicle must belong to the licensee or whether it may be owned by a lessor. R212.200 continues to be an issue for all jurisdictions. Licensees often station vehicles in other jurisdictions and, in some cases, fail to report mileage to the base jurisdiction for extended periods.

Michigan has consistently relied on R212.100 as the primary basis for licensing a carrier, since vehicle registration is not required when applying for a license. Additionally, travel cannot be restricted to the base jurisdiction without potentially conflicting with the R150 “one license and one base jurisdiction” principle.

NEBRASKA

Undecided

Nebraska is undecided and is concerned about the implications of the update to R212.100 as well as IN's comment regarding being silent to who is responsible for reporting for under independent contractors section R530.200

NEVADA

Support

NV currently requests a consolidation letter if the lease does not specify who is responsible for reporting and paying IFTA. Although, all jurisdictions may not have this in place, it would be beneficial to have this language clearly stated.

NEW BRUNSWICK

Support

NORTH CAROLINA

Undecided

North Carolina is currently undecided based on the current ballot language. North Carolina is open to considering alternative versions of this ballot to resolve the lease issue as it relates to determining the base jurisdiction. North Carolina has proposed language below.

First, North Carolina is not clear why the sponsor re-wrote most of Article V to address an issue that could be resolved in R212. North Carolina concedes that R510, R520, and R530 could be re-written for clarity, but adding exceptions to R212 in each of these sections is not the best way to achieve the intent of the sponsor.

Second, North Carolina is unable to determine the purpose of some of the modifications to R212. For example, in the age of digital records and the outsourcing maintenance of those records, it is unclear why the sponsor kept as a condition of determining the base jurisdiction that the records must be “maintained” in the base jurisdiction while removing where the records must be made available. This is the opposite of what North Carolina would expect from R212.100.

North Carolina asks the sponsor to consider the following re-write of R212 (underlines and strikethroughs are not applied):

R212 Base Jurisdiction means the member jurisdiction that meets all the following:

.050 If the applicant or licensee operates at least one qualified motor vehicle that is not leased, where one qualified motor vehicle is registered with a government agency of the member jurisdiction;

.100 Where the operational control and records of the applicant or licensee’s qualified motor vehicles can be made available; and

.200 Where some travel is accrued by qualified motor vehicles within the fleet. The commissioners of

two or more affected jurisdictions may allow a person to consolidate several fleets that would otherwise be based in two or more jurisdictions.

PENNSYLVANIA

Undecided

Our concern from the Audits perspective is whether our jurisdiction would be responsible for informing a taxpayer that, since their leased vehicles are registered in another state, they need to be IFTA registered in that state. Would we then treat the vehicles as non-qualifying to remove the activity reported? The account would presumably not be able to report the activity prior to the date they register, so they would basically be getting a pass for the activity for that timeframe. Would the alternative be to audit the activity as it was reported, instead of removing the activity, then report the taxpayer to the other jurisdiction so that they can get the taxpayer registered in that jurisdiction? We would want to confirm the activity was reported, but does it matter which jurisdiction it is reported in?

QUEBEC

Undecided

The jurisdiction of Quebec hasn't completed its legal analysis of the ballot. Therefore, we remain undecided on the matter.

RHODE ISLAND

Support

SASKATCHEWAN

Undecided

This ballot appears to be attempting to resolve an actual issue, however it is changing the framework from a base jurisdiction to a split base jurisdiction/contract rule which increases complexity, and does not cover when there is a contract but it is silent on fuel reporting and paying responsibilities. SK does not support the ballot in its current format, but does agree changes are needed to clarify requirements for leases.

Question1: Do these changes create an opportunity to structure leases to pay tax in a lower tax jurisdiction? Currently with the base jurisdiction being based on vehicle registration that is difficult to determine.

Question2: The amendments do not speak to who is responsible if the written contract is silent on who is responsible for reporting and paying. This would need to be clarified prior to SK supporting this ballot.

WASHINGTON

Undecided

Needs further analysis and discussion.

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING



IFTA BALLOT PROPOSAL #06-2026

Sponsor

IFTA Agreement Procedures Committee

Date Submitted

April 10, 2026

Proposed Effective Date

Upon passage

Manual Sections to be Amended

Articles of Agreement

Article II

R212 Base Jurisdiction

Article V

R510 Rental/Leasing

R520 Household Goods Carriers

R530 Independent Contractors

R540 Filing of Leases

Subject

To provide clarification to the definition of base jurisdiction and determining base jurisdiction as it applies to Article V Lessors/Lessees and Household Goods Carriers.

History/Digest

In accordance with IFTA Articles of Agreement, Article II, Section R212, the definition of Base Jurisdiction in part means “The member jurisdiction where qualified motor vehicles are based for vehicle registration purposes and (.100) Where the operational control and operational records of the licensee’s qualified motor vehicles are maintained or can be made available; and (.200) Where some travel is accrued by qualified motor vehicles within the fleet. The commissioners of two or more affected jurisdictions may allow a person to consolidate several fleets that would otherwise be based in two or more jurisdictions.”

Historically, the preamble to the definition of Base Jurisdiction meant that the applicant for a license must have vehicles registered in the jurisdiction the application for license is being presented. The standard interpretation has been that at least one qualified motor vehicle must be registered in that jurisdiction. At the 2025 Annual Business Meeting, a Town Hall topic focused on the meaning of the word “based” and how the definition poses an issue regarding the definition of base jurisdiction. It was said that when a carrier leases vehicles, the applicant may not have vehicles registered in said jurisdiction because the vehicle is registered in the base jurisdiction of the leasing company.

The IFTA, Inc. Board of Trustees issued a Board Charge to the IFTA Agreement Procedures Committee (APC) requesting for a review of and research the definition of Base Jurisdiction (R212) in the IFTA Articles of Agreement to determine whether clarification or changes are warranted. The APC formed a subcommittee and held discussions with representatives from the Attorney Advisory Committee, Law Enforcement Committee, Dispute Resolution Committee, Industry Advisory Committee, and Board Liaisons to review the language in R212 and discuss the impacts as it relates to Article V. Research was conducted through a survey to membership with questions surrounding the interpretation of the definition for base jurisdiction and what their jurisdiction does when an applicant does not have any qualified motor vehicles registered in their jurisdiction.

Survey results from membership were reviewed and through discussion and recommendations with subcommittee members, revisions to R212 and Article V have been drafted to address the concerns noted from the IFTA, Inc. Board of Trustees Charge.

Intent

To address the concerns noted by the IFTA, Inc. Board of Trustees Charge, revisions have been drafted to the IFTA Articles of Agreement R212 and Article V.

A subsection was added to the definition of Base Jurisdiction to clarify that a minimum of one qualified motor vehicle must be registered with a government agency of the member jurisdiction.

In addition, in follow up to the Town Hall topic at the 2025 Annual Business Meeting where it was said that when a carrier leases vehicles, the licensee/applicant may not have vehicles registered in said jurisdiction because their vehicle(s) are registered in the base jurisdiction of the leasing company, therefore the language was modified to include exceptions in Article V scenarios.

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

R212 Base Jurisdiction means the member jurisdiction where: ~~qualified motor vehicles are based for vehicle registration purposes and~~

.050 At least one qualified motor vehicle is registered with a government agency of the member jurisdiction by the applicant or licensee; and

.100 ~~Where t~~The operational control and ~~operational~~ records of the ~~licensee's~~ qualified motor vehicles of the applicant or licensee are maintained~~or can be made available~~; and

.200 ~~Where s~~Some travel is accrued by qualified motor vehicles within the fleet. The commissioners of two or more affected jurisdictions may allow a person to consolidate several fleets that would otherwise be based in two or more jurisdictions.

ARTICLE V

R500 LESSORS/LESSEES AND HOUSEHOLD GOODS CARRIERS

***R510 RENTAL/LEASING**

~~.100 Short-Term Leases. In the case of a short-term motor vehicle rental, by a lessor regularly engaged in the business of leasing, or renting motor vehicles without drivers, for compensation to licensees or other lessees of 29 days or less, the lessor will report and pay the fuel use tax unless the following two conditions are met:~~

~~.005 The lessor has a written rental contract which designates the lessee as the party responsible for reporting and paying the fuel use tax; and~~

~~.010 The lessor has a copy of the lessee's IFTA fuel tax license which is valid for the term of the rental.~~

~~.200 Long-Term Leases. A lessor regularly engaged in the business of leasing or renting motor vehicles without drivers for compensation to licensees or other lessees may be deemed to be the licensee, and such lessor may be issued a license if an application has been properly filed and approved by the base jurisdiction~~

.100 Short-Term Leases. In the case of a short-term motor vehicle rental of 29 days or less, for compensation, by a lessor regularly engaged in the business of leasing or renting motor vehicles without drivers, to licensees or other lessees, the person responsible for paying and reporting the fuel use tax will be:

.005 The lessee, if the lessor and lessee enter into a written contract under which the lessee is designated as the party responsible for reporting and paying the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessee, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.010 The lessor, if the lessor and lessee do not enter into a written contract under which the lessee is designated as the party responsible for reporting and paying the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.200 Long-Term Leases. In the case of a long-term motor vehicle rental of 30 days or more, for compensation, by a lessor regularly engaged in the business of leasing or renting motor vehicles without drivers, to licensees or other lessees, the person responsible for paying and reporting the fuel use tax will be:

.005 The lessor, if the lessor and lessee enter into a written contract under which the lessor is designated as the party responsible for reporting and paying the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.010 The lessee, if the lessor and lessee do not enter into a written contract under which the lessor is designated as the party responsible for reporting and paying the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessee, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

***R520 HOUSEHOLD GOODS CARRIERS**

~~In the case of a household goods carrier using independent contractors, agents, or service representatives, under intermittent leases, the party liable for motor fuel use tax shall be:~~

~~.100 The lessee (carrier) when the qualified motor vehicle is being operated under the lessee's jurisdictional operating authority. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessee (carrier), regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes by the lessor or lessee.~~

~~.200 The lessor (independent contractor, agent, or service representative) when the qualified motor vehicle is being operated under the lessor's jurisdictional operating authority. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessor, regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes.~~

In the case of a household goods carrier (lessee) using an independent contractor, agent, or service representative (lessor), under an intermittent lease, the person responsible for reporting and paying the fuel use tax will be:

.100 The lessee, if the qualified motor vehicles are being operated under the jurisdictional operating authority of the lessee. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessee, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.200 The lessor, if the qualified motor vehicles are being operated under the jurisdictional operating authority of the lessor. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection

R212.050.

***R530 INDEPENDENT CONTRACTORS**

~~.100 Short-Term Leases. In the case of a carrier using independent contractors under short-term/trip leases of 29 days or less, the trip lessor will report and pay all fuel taxes.~~

~~.200 Long-Term Leases. Long-Term Leases. In the case of a carrier using independent contractors under long-term leases (30 days or more), the lessor and lessee will be given the option of designating which party will report and pay fuel use tax. In the absence of a written agreement or contract, or if the document is silent regarding responsibility for reporting and paying fuel use tax, the lessee will be responsible for reporting and paying fuel use tax. If the lessee (carrier) through a written agreement or contract assumes responsibility for reporting and paying fuel use taxes, the base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessee, regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes by the lessor.~~

.100 Short-Term Leases. In the case of a carrier (lessee) using an independent contractor (lessor) under a short-term motor vehicle rental of 29 days or less, the lessor will report and pay the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.200 Long-Term Leases. In the case of a carrier (lessee) using an independent contractor (lessor) under a long-term motor vehicle rental of 30 days or more, the person responsible for reporting and paying the fuel use tax will be:

.005 The lessor, if the lessor and lessee enter into a written contract under which the lessor is designated as the party responsible for reporting and paying the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.010 The lessee, if the lessor and lessee do not enter into a written contract under which the lessor is designated as the party responsible for reporting and paying the fuel use tax. In the absence of a written contract, or if the document is silent regarding responsibility for reporting and paying fuel use tax, the lessee will be responsible for reporting and paying fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessee, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

R540 FILING OF LEASES CONTRACTS

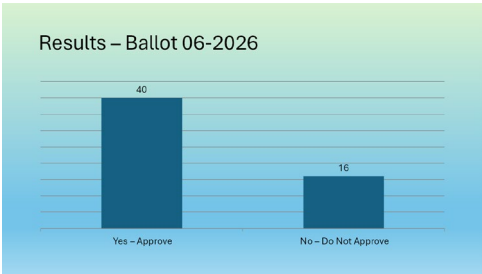
~~No member jurisdiction shall require the filing of such leases but such leases shall be made available upon request of any member (see IFTA Procedures Manual, Section P520).~~

A member jurisdiction may require the filing of a written contract entered into by a lessor and

162 lessee, under which the party responsible for reporting and paying the fuel use tax is specified.
163 Otherwise, upon the request of any member jurisdiction, the contract shall be provided by the
164 lessor and/or lessee.

Question Details (Ballot #06-2026) **FAILED**

Total Responses: 56



Participant	Response
Alabama Thigpen	No – Do Not Approve
Alberta Ackroyd	No – Do Not Approve
Arizona Williams	No – Do Not Approve
Arkansas Richard	Yes – Approve
British Columbia Harrison	Yes – Approve
California Kimsey	Yes – Approve
Colorado Zion	Yes – Approve
Connecticut Romeo	Yes – Approve
Delaware Himmler	Yes – Approve
Florida Cunningham	Yes – Approve
Georgia Prince	Yes – Approve
Idaho Alvarez	Yes – Approve
Illinois Blessing	Yes – Approve
Indiana Boone	Yes – Approve
Iowa Winston	Yes – Approve
Kansas Parker	Yes – Approve
Kentucky McDaniel	Yes – Approve
Louisiana Cooper	Yes – Approve
Maine Gerry	Yes – Approve
Manitoba Hanlan	Yes – Approve
Maryland O'Lare	Yes – Approve
Massachusetts Acevedo	Yes – Approve
Michigan Steele	Yes – Approve
Minnesota Loper	Yes – Approve

Mississippi Shore	No – Do Not Approve
Missouri Dorrough	No – Do Not Approve
Montana Alexander	Yes – Approve
Nebraska Crawford	No – Do Not Approve
Nevada Bigler	Yes – Approve
New Brunswick Leahy	Yes – Approve
Newfoundland & Labrador Lockyer	[No Response]
New Hampshire Gray	No – Do Not Approve
New Jersey Walker	Yes – Approve
New Mexico Casaldue	Yes – Approve
New York Effinger	No – Do Not Approve
North Carolina Milak	No – Do Not Approve
North Dakota Voegelé	Yes – Approve
Nova Scotia St. John	No – Do Not Approve
Ohio DeRose	Yes – Approve
Oklahoma Willingham	No – Do Not Approve
Ontario Bowie	Yes – Approve
Oregon Fitzgibbon	No – Do Not Approve
Pennsylvania Wisyanski	Yes – Approve
Prince Edward Island Pineau	No – Do Not Approve
Quebec Boucher	Yes – Approve
Rhode Island Iafrate	Yes – Approve
Saskatchewan Worobec	No – Do Not Approve
South Carolina Bruce	Yes – Approve
South Dakota Gerry	Yes – Approve
Tennessee Lanfair	No – Do Not Approve
Texas Julius	Yes – Approve
Utah Hesche	Yes – Approve
Vermont Robillard	Yes – Approve
Virginia Harrison	No – Do Not Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	[No Response]
Wisconsin Litscher	Yes – Approve
Wyoming Lopez	Yes – Approve

Total Responses: 0

Results - Ballot 06-2026 Effective Date

Participant	Response
Alabama Thigpen	[No Response]
Alberta Ackroyd	[No Response]
Arizona Williams	[No Response]
Arkansas Richard	[No Response]
British Columbia Harrison	[No Response]
California Kimsey	[No Response]
Colorado Zion	[No Response]
Connecticut Romeo	[No Response]
Delaware Himmmler	[No Response]
Florida Cunningham	[No Response]
Georgia Prince	[No Response]
Idaho Alvarez	[No Response]
Illinois Blessing	[No Response]
Indiana Boone	[No Response]
Iowa Winston	[No Response]
Kansas Parker	[No Response]
Kentucky McDaniel	[No Response]
Louisiana Cooper	[No Response]
Maine Gerry	[No Response]
Manitoba Hanlan	[No Response]
Maryland O'Lare	[No Response]
Massachusetts Acevedo	[No Response]
Michigan Steele	[No Response]
Minnesota Loper	[No Response]

Mississippi Shore	[No Response]
Missouri Dorrough	[No Response]
Montana Alexander	[No Response]
Nebraska Crawford	[No Response]
Nevada Bigler	[No Response]
New Brunswick Leahy	[No Response]
Newfoundland & Labrador Lockyer	[No Response]
New Hampshire Gray	[No Response]
New Jersey Walker	[No Response]
New Mexico Casaldue	[No Response]
New York Effinger	[No Response]
North Carolina Milak	[No Response]
North Dakota Voegelé	[No Response]
Nova Scotia St. John	[No Response]
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Saskatchewan Worobec	[No Response]
South Carolina Bruce	[No Response]
South Dakota Gerry	[No Response]
Tennessee Lanfair	[No Response]
Texas Julius	[No Response]
Utah Hesche	[No Response]
Vermont Robillard	[No Response]
Virginia Harrison	[No Response]
Washington Briscoe	[No Response]
West Virginia Acree	[No Response]
Wisconsin Litscher	[No Response]
Wyoming Lopez	[No Response]



IFTA BALLOT PROPOSAL
#07-2026

Sponsor

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

Date Submitted

May 29, 2026

Proposed Effective Date

January 1, 2027

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

IFTA Audit Manual	Section A250	NUMBER OF AUDITS
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Subject

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

History/Digest

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

A review of the IFTA Annual Reports for years 2020 through 2025 demonstrates that 92% of IFTA Jurisdictions are already meeting an average of at least 2%. By amending the audit requirement to 2%, it would allow IFTA Jurisdictions to keep an active and compliant membership within IFTA, Inc., while maintaining carrier compliance through current audit coverage.

Intent

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

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

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

IFTA AUDIT MANUAL

A250 NUMBER OF AUDITS

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

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

Ballot #7-2026 Comment Period Ending July 5, 2026
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Support: 19
Oppose: 2
Undecided: 0

CALIFORNIA
Support

The Jurisdiction of California continues to support this ballot, which will reduce the audit requirement from 3% to 2%. This is the same ballot that narrowly missed passing by only a couple of votes during the second voting period in December of 2025. This amendment will benefit all jurisdictions by creating additional time for jurisdictions to use their audit resources more efficiently. Jurisdictions would be able to pursue more investigative audit methods, conduct more complex audits, and conduct team audits across State lines. In addition, jurisdictions may focus on a robust audit selection to increase compliance and fuel tax recovery on behalf of all member jurisdictions. This ballot proposal will strengthen the engagement of all IFTA Jurisdictions through effective communication as we address emerging issues in the fuel tax industry.

CONNECTICUT
Support

Connecticut continues to fully support this ballot as presented by the sponsors.

ILLINOIS
Support

Illinois supports the ballot. It would help to clarify how this would be implemented for jurisdictions that are several years into their peer review period. It is not clear if the requirement would be prorated to reflect the number of years a jurisdiction has completed at the 3% rate prior to the implementation of the new rate. For instance, if a jurisdiction is 3 years into the peer review period when this change is effective, will they have to complete an average of 2.6% of their registered accounts? (3% for the first 3 years and 2% for the last two years)

INDIANA
Support

Indiana fully supports the ballot. This ballot will serve as some relief until the audit study is complete, which may take a couple of years and may create a long term resolution.

Industry Advisory Committee

No Comment.

KANSAS
Support

Kansas strongly supports this ballot as the 2% requirement would allow over 90% of the jurisdictions that ability to meet the goal. Providing more time for the larger, more complex accounts to be reviewed. The more complex audits may have an increase in fuel tax dollars collected.

KENTUCKY
Support

Kentucky's Audit Division supports this ballot.

MANITOBA

Support

MARYLAND

Support

This change would reduce the annual audit requirement by one percentage point, allowing Field Audit staff to devote more time to higher-revenue audit activities. For Calendar Year 2026, the current 3 percent audit requirement is 155 audits. Reducing the requirement to 2 percent would lower the total to 103 audits—a substantial decrease of 52 audits.

MASSACHUSETTS

Support

The Commonwealth of Massachusetts continues to fully support this ballot as presented by the sponsors.

MICHIGAN

Support

NEBRASKA

Oppose

NEVADA

Support

We support this Ballot and reducing the IFTA requirement to 2%. We are in hopes that IRP will do the same, as NV is a joint shop.

NEW BRUNSWICK

Oppose

We oppose this ballot as changing to a 50-year audit cycle without any research or study to ensure this will continue to provide the compliance we all depend on from the IFTA compliance program is something New Brunswick can not support. Currently IFTA/IRP's are jointly working on a comprehensive review and study of the appropriate audit percentage or coverage requirement, we are committed to waiting until this is completed before any wholesale reductions in the compliance coverage.

NORTH CAROLINA

Support

ONTARIO

Support

QUEBEC

Support

The jurisdiction of Quebec supports the current ballot. Over the last few years, many jurisdictions have encountered issues related to staff shortage, therefore experiencing difficulties to reach the annual 3 % threshold.

The current ballot present the following benefits:

- Optimization related to the use of staff;
- Potential enhancement of the audit risk assessment and targeting;

- Reduction of dysfunctional behaviors (i.e. selecting an audit case only to reach the annual threshold, and not based on actual audit risk factors).

RHODE ISLAND

Support

The Rhode Island Division of Taxation supports Ballot #4. Overall, the reduction in the quantity of audits will allow states to improve quality and achieve more consistent results for all states. Specifically, approving Ballot #7 will have the following benefits:

1. Reducing the required number of audits will allow states to focus on higher volume audits and improve the quality of the audit process.
2. This improved quality would include the ability to choose audits based on poor reporting quality with less of a focus on achieving an audit count.

A focus on quality audits also allows for taxpayer education and improved voluntary compliance moving forward to improve consistent taxpayer filings.

SASKATCHEWAN

Support

Based on the continued absence of a comprehensive evidence-based review supporting a permanent 2% threshold, SK will be voting to Support Ballot 07-2026, but encourages the IFTA Board of Trustees to issue a Charge to conduct further analysis respecting appropriate audit coverage requirements using risk-based methodology.

UTAH

Support

WASHINGTON

Support

WYOMING

Support

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING



IFTA BALLOT PROPOSAL #07-2026

Sponsors

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

Date Submitted

May 29, 2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended (Version January 2026)

IFTA Audit Manual	Section A250	NUMBER OF AUDITS
-------------------	--------------	------------------

Subject

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

History/Digest

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

A review of the IFTA Annual Reports for years 2020 through 2025 demonstrates that 92% of IFTA Jurisdictions are already meeting an average of at least 2%. By amending the audit requirement to 2%, it would allow IFTA Jurisdictions to keep an active and compliant membership within IFTA, Inc., while maintaining carrier compliance through current audit coverage.

Intent

The intent of this ballot proposal is to reduce the audit requirement from 3% to 2% per year. This amendment will benefit all jurisdictions by creating more time for jurisdictions to use their audit

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING

resources efficiently. Jurisdictions would be able to pursue more investigative audit methods, conduct more complex audits, and conduct team audits across State lines. In addition, jurisdictions may focus on a robust audit selection to increase compliance and fuel tax recovery on behalf of all member jurisdictions.

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

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

IFTA AUDIT MANUAL

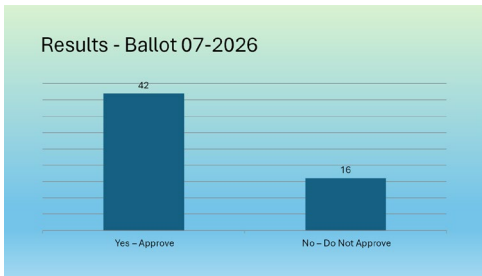
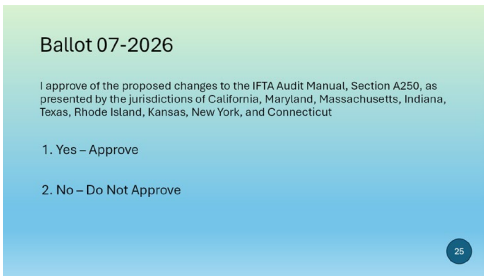
A250 NUMBER OF AUDITS

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

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

Question Details (Ballot #07-2026) **FAILED**

Total Responses: 58

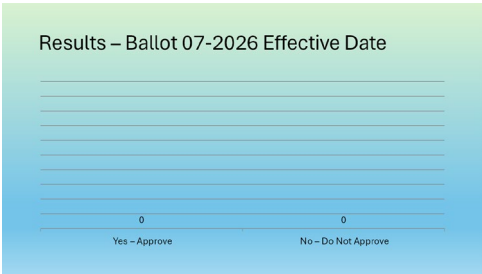


Participant	Response
Alabama Thigpen	Yes – Approve
Alberta Ackroyd	No – Do Not Approve
Arizona Williams	No – Do Not Approve
Arkansas Richard	Yes – Approve
British Columbia Harrison	Yes – Approve
California Kimsey	Yes – Approve
Colorado Zion	Yes – Approve
Connecticut Romeo	Yes – Approve
Delaware Himmler	Yes – Approve
Florida Cunningham	Yes – Approve
Georgia Prince	Yes – Approve
Idaho Alvarez	No – Do Not Approve
Illinois Blessing	Yes – Approve
Indiana Boone	Yes – Approve
Iowa Winston	No – Do Not Approve
Kansas Parker	Yes – Approve
Kentucky McDaniel	Yes – Approve
Louisiana Cooper	Yes – Approve
Maine Gerry	Yes – Approve
Manitoba Hanlan	Yes – Approve
Maryland O'Lare	Yes – Approve
Massachusetts Acevedo	Yes – Approve
Michigan Steele	Yes – Approve
Minnesota Loper	No – Do Not Approve

Mississippi Shore	Yes – Approve
Missouri Dorrough	Yes – Approve
Montana Alexander	Yes – Approve
Nebraska Crawford	No – Do Not Approve
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New Brunswick Leahy	No – Do Not Approve
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New Jersey Walker	Yes – Approve
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Ohio DeRose	Yes – Approve
Oklahoma Willingham	No – Do Not Approve
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Utah Hesche	Yes – Approve
Vermont Robillard	No – Do Not Approve
Virginia Harrison	No – Do Not Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	Yes – Approve
Wisconsin Litscher	Yes – Approve
Wyoming Lopez	Yes – Approve

Question Details (Ballot #07-2026 Effective Date) **BALLOT FAILED**

Total Responses: 0



Participant	Response
Alabama Thigpen	[No Response]
Alberta Ackroyd	[No Response]
Arizona Williams	[No Response]
Arkansas Richard	[No Response]
British Columbia Harrison	[No Response]
California Kimsey	[No Response]
Colorado Zion	[No Response]
Connecticut Romeo	[No Response]
Delaware Himmler	[No Response]
Florida Cunningham	[No Response]
Georgia Prince	[No Response]
Idaho Alvarez	[No Response]
Illinois Blessing	[No Response]
Indiana Boone	[No Response]
Iowa Winston	[No Response]
Kansas Parker	[No Response]
Kentucky McDaniel	[No Response]
Louisiana Cooper	[No Response]
Maine Gerry	[No Response]
Manitoba Hanlan	[No Response]
Maryland O'Lare	[No Response]
Massachusetts Acevedo	[No Response]
Michigan Steele	[No Response]
Minnesota Loper	[No Response]

Mississippi Shore	[No Response]
Missouri Dorrough	[No Response]
Montana Alexander	[No Response]
Nebraska Crawford	[No Response]
Nevada Bigler	[No Response]
New Brunswick Leahy	[No Response]
Newfoundland & Labrador Lockyer	[No Response]
New Hampshire Gray	[No Response]
New Jersey Walker	[No Response]
New Mexico Casaldue	[No Response]
New York Effinger	[No Response]
North Carolina Milak	[No Response]
North Dakota Voegelé	[No Response]
Nova Scotia St. John	[No Response]
Ohio DeRose	[No Response]
Oklahoma Willingham	[No Response]
Ontario Bowie	[No Response]
Oregon Fitzgibbon	[No Response]
Pennsylvania Wisyanski	[No Response]
Prince Edward Island Pineau	[No Response]
Quebec Boucher	[No Response]
Rhode Island Iafrate	[No Response]
Saskatchewan Worobec	[No Response]
South Carolina Bruce	[No Response]
South Dakota Gerry	[No Response]
Tennessee Lanfair	[No Response]
Texas Julius	[No Response]
Utah Hesche	[No Response]
Vermont Robillard	[No Response]
Virginia Harrison	[No Response]
Washington Briscoe	[No Response]
West Virginia Acree	[No Response]
Wisconsin Litscher	[No Response]
Wyoming Lopez	[No Response]



IFTA BALLOT PROPOSAL
#08-2026

Sponsor

Jurisdiction of Pennsylvania

Date Submitted

January 15, 2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended

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

IFTA Audit Manual
IFTA Audit Manual

Section A250
Section A260

NUMBER OF AUDITS
SELECTION OF AUDITS

Subject

Add language to exclude cancelled accounts from the 3 percent audit requirement by changing the Audit Manual, Section A250 NUMBER OF AUDITS, Section A260 SELECTION OF AUDITS.

History/Digest

Audit selection takes place in February after the fourth quarter return for the prior year is filed at the end of January. We are finding more accounts each year where the taxpayer cancelled their account and have gone out of business, been selected for audit, and are either uncooperative with the auditor or fail to respond to the auditor's numerous attempts to contact. The proposed amendment excludes cancelled accounts from the 3 percent audit requirement.

Intent

The intent of this ballot proposal is to reduce the audit requirement by excluding cancelled accounts. This amendment will benefit all jurisdictions by reducing time spent making countless attempts to contact a taxpayer who is no longer in business and reduce the number of estimated assessments on taxpayers who no longer maintain the records since their IFTA license is cancelled. This change does not preclude any jurisdiction from auditing a cancelled account. The cancelled accounts would only be removed from the number of audit calculation.

Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED

IFTA AUDIT MANUAL

***A250 NUMBER OF AUDITS**

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

A260 SELECTION OF AUDITS

The following guidelines shall be used in selecting audits to fulfill the IFTA auditing requirements:

{Section A260.100 remains unchanged}

- .200 Low-Distance/High-Distance Computations Low-distance computations and high-distance computations shall be based on total miles/kilometers reported by all IFTA licensees included on the annual report filed by the jurisdiction pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees and cancelled accounts, but including licensees who report no operations during a quarter, for the first three quarters of each calendar year.

Ballot #8-2026 Comment Period Ending July 5, 2026
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Support: 8
Oppose: 8
Undecided: 4

CALIFORNIA

Oppose

The Jurisdiction of California Opposes this ballot because the proposal does not clearly define “cancelled” accounts. California shares the same concerns brought up by other jurisdictions.

ILLINOIS

Oppose

Illinois shares the same concerns brought up by Kansas and Wyoming.

INDIANA

Oppose

Indiana Opposes. As written, it can be interpreted by member jurisdictions that canceled accounts need not, or should not be audited. The language as written can also encourage a carrier to repeatedly open an account, and cancel later, then repeating with other new accounts to avoid being audited. Indiana may consider if language was provided to clearly state that canceled accounts can and should be audited, and will be counted towards their requirement, if at least four consecutive quarters are audited.

Industry Advisory Committee

No Comment.

KANSAS

Oppose

Kansas doesn't support this ballot.

Ballot #8 (removing canceled accounts from the total accounts) has a similarity to ballot #7 (3% to 2%). A double dipping effect in a mathematical sense. Even though there is no conflict in the verbiage in either ballot. I do have a concern, if both measures pass. The combined effect would reduce the number of required audits to be completed each year more than either ballot's supporters may realize.

Possible implications

- **Fewer audits overall**, potentially significantly fewer required audits depending on the number of canceled accounts.
- **Lower workload for auditors**, which some may see as efficiency.
- **Financially impacted**, all jurisdictions could be affected financially (lower revenue being collected), some more than others.

KENTUCKY

Support

MANITOBA

Oppose

MARYLAND

Support

This change would slightly reduce the annual audit requirement, allowing Field Audit staff to dedicate more time to higher-revenue audit activities.

MICHIGAN

Undecided

Michigan is undecided on this ballot. The ballot lacks a clear definition of what constitutes a cancelled account or how cancellations should be determined. It is unclear whether a cancelled account refers to a licensee who cancels during the license year, a licensee who fails to renew, or a licensee who cancels and later seeks to be licensed again.

NEBRASKA

Support

Nebraska doesn't have issue with the cancelled accounts being removed from how the 3% is determined. We don't see that it would impact our ability to audit cancelled accounts if we choose to.

NEVADA

Oppose

NV agrees with Indiana.

NEW BRUNSWICK

Undecided

NORTH CAROLINA

Oppose

North Carolina has one concern regarding this ballot: account statuses are not defined.

The license statuses are interpreted and applied differently by member jurisdictions. Defining and providing clear direction to member jurisdictions regarding the meaning of cancelled, suspended, and revoked accounts must be provided before North Carolina can support this ballot.

ONTARIO

Support

PENNSYLVANIA

Support

The intent of the ballot is to reduce the audit requirement by excluding cancelled accounts from the number of audits calculation in A250. A cancelled account includes an account that failed to renew or an account that the taxpayer opted to cancel. This does not include accounts that are revoked or suspended. This change does not preclude any jurisdiction from auditing a cancelled account. The cancelled accounts would only be removed from the number of audits calculation similar to "new" accounts. To put this into perspective, in PA, approximately 1,000 accounts are cancelled each year, so this would reduce the audit requirement by 30 audits. PA intended to remove A260 in the draft of this ballot but that did not happen in the version submitted, although it will be removed in the next version.

QUEBEC

Undecided

The jurisdiction of Quebec acknowledge the potential link between the outcomes related to ballots 2026-07 and 2026-08.

We feel more clarity is required regarding the main intent of the ballot: is it to reduce the yearly audit threshold or is it to handle issues related to communications with licensees who cancelled their account ?

Without such clarity, we remain undecided on the matter.

RHODE ISLAND

Support

Reducing the required number of audits will allow states to focus on higher volume audits and improve the quality of the audit process.

SASKATCHEWAN

Undecided

The amendment may improve audit efficiency while still allowing jurisdictional discretion to pursue higher-risk inactive accounts where applicable. However, as currently worded it can be interpreted to mean that no jurisdiction is required to audit cancelled accounts. Wording clarification is required to clarify that cancelled accounts can and should be audited, but that they do not have to be included in the 3% calculation.

UTAH

Support

WASHINGTON

Support

WYOMING

Oppose

Wyoming does not support this ballot because we favor Ballot 7, which proposes a change from 3% to 2%. We are concerned that if both Ballot 7 and Ballot 8 pass, the audit percentage would fall below 2%. Consequently, we prioritize the passage of Ballot 7 over Ballot 8.

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING



IFTA BALLOT PROPOSAL

#08-2026

Sponsor

Jurisdiction of Pennsylvania

Date Submitted

3/23/2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended

IFTA Audit Manual

Section A250

NUMBER OF AUDITS

Subject

Add language to exclude cancelled accounts from the 3 percent audit requirement by changing the Audit Manual, Section A250 NUMBER OF AUDITS.

History/Digest

Audit selection takes place in February after the fourth quarter return for the prior year is filed at the end of January. We are finding more accounts each year where the taxpayer cancelled their account and have gone out of business, been selected for audit, and are either uncooperative with the auditor or fail to respond to the auditor's numerous attempts to contact. The proposed amendment excludes cancelled accounts from the 3 percent audit requirement.

Intent

The intent of this ballot proposal is to reduce the audit requirement by excluding cancelled accounts from the number of audits calculation in A250. A cancelled account includes an account that failed to renew or an account that the taxpayer opted to cancel. This does not include accounts that are revoked or suspended. This amendment will benefit all jurisdictions by reducing

IFTA Ballot Proposal

#08-2026

March 23, 2026

Page 1 of 2

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING

time spent making countless attempts to contact a taxpayer who is no longer in business and reduce the number of estimated assessments on taxpayers who no longer maintain the records since their IFTA license is cancelled. This change does not preclude any jurisdiction from auditing a cancelled account. The cancelled accounts would only be removed from the number of audit calculation.

Interlining Indicates Deletion; Underlining Indicates Addition

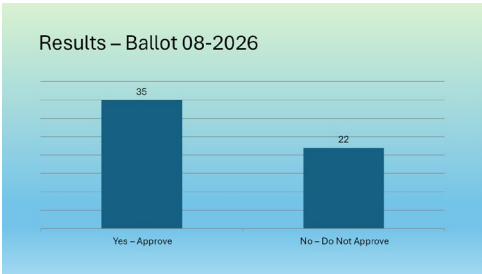
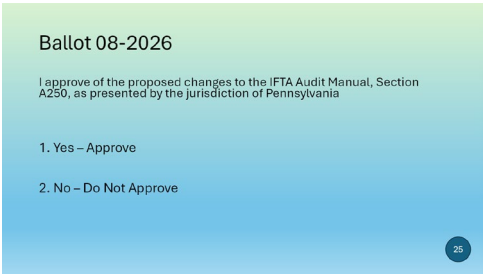
IFTA AUDIT MANUAL

***A250 NUMBER OF AUDITS**

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

Question Details (Ballot #08-2026) **FAILED**

Total Responses: 57

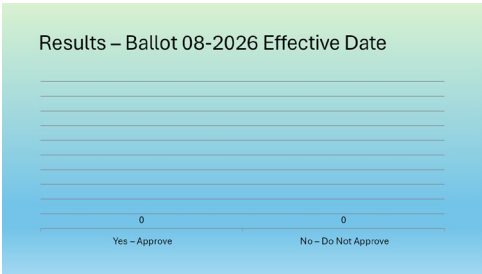
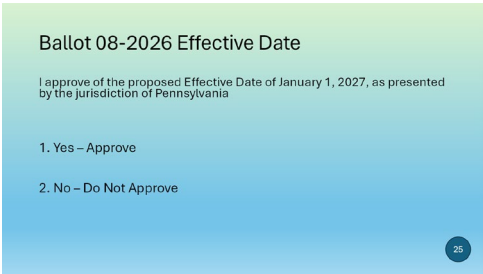


Participant	Response
Alabama Thigpen	Yes – Approve
Alberta Ackroyd	[No Response]
Arizona Williams	Yes – Approve
Arkansas Richard	Yes – Approve
British Columbia Harrison	Yes – Approve
California Kimsey	No – Do Not Approve
Colorado Zion	Yes – Approve
Connecticut Romeo	Yes – Approve
Delaware Himmler	No – Do Not Approve
Florida Cunningham	Yes – Approve
Georgia Prince	Yes – Approve
Idaho Alvarez	No – Do Not Approve
Illinois Blessing	No – Do Not Approve
Indiana Boone	Yes – Approve
Iowa Winston	Yes – Approve
Kansas Parker	No – Do Not Approve
Kentucky McDaniel	Yes – Approve
Louisiana Cooper	Yes – Approve
Maine Gerry	Yes – Approve
Manitoba Hanlan	No – Do Not Approve
Maryland O'Lare	Yes – Approve
Massachusetts Acevedo	No – Do Not Approve
Michigan Steele	No – Do Not Approve
Minnesota Loper	No – Do Not Approve

Mississippi Shore	No – Do Not Approve
Missouri Dorrough	Yes – Approve
Montana Alexander	No – Do Not Approve
Nebraska Crawford	Yes – Approve
Nevada Bigler	No – Do Not Approve
New Brunswick Leahy	No – Do Not Approve
Newfoundland & Labrador Lockyer	Yes – Approve
New Hampshire Gray	No – Do Not Approve
New Jersey Walker	Yes – Approve
New Mexico Casaldue	Yes – Approve
New York Effinger	Yes – Approve
North Carolina Milak	No – Do Not Approve
North Dakota Voegelé	No – Do Not Approve
Nova Scotia St. John	No – Do Not Approve
Ohio DeRose	Yes – Approve
Oklahoma Willingham	No – Do Not Approve
Ontario Bowie	Yes – Approve
Oregon Fitzgibbon	Yes – Approve
Pennsylvania Wisyanski	Yes – Approve
Prince Edward Island Pineau	No – Do Not Approve
Quebec Boucher	Yes – Approve
Rhode Island Iafrate	Yes – Approve
Saskatchewan Worobec	Yes – Approve
South Carolina Bruce	Yes – Approve
South Dakota Gerry	Yes – Approve
Tennessee Lanfair	Yes – Approve
Texas Julius	Yes – Approve
Utah Hesche	Yes – Approve
Vermont Robillard	Yes – Approve
Virginia Harrison	No – Do Not Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	Yes – Approve
Wisconsin Litscher	No – Do Not Approve
Wyoming Lopez	No – Do Not Approve

Question Details (Ballot #08-2026 Effective Date) **BALLOT FAILED**

Total Responses: 0



Participant	Response
Alabama Thigpen	[No Response]
Alberta Ackroyd	[No Response]
Arizona Williams	[No Response]
Arkansas Richard	[No Response]
British Columbia Harrison	[No Response]
California Kimsey	[No Response]
Colorado Zion	[No Response]
Connecticut Romeo	[No Response]
Delaware Himmler	[No Response]
Florida Cunningham	[No Response]
Georgia Prince	[No Response]
Idaho Alvarez	[No Response]
Illinois Blessing	[No Response]
Indiana Boone	[No Response]
Iowa Winston	[No Response]
Kansas Parker	[No Response]
Kentucky McDaniel	[No Response]
Louisiana Cooper	[No Response]
Maine Gerry	[No Response]
Manitoba Hanlan	[No Response]
Maryland O'Lare	[No Response]
Massachusetts Acevedo	[No Response]
Michigan Steele	[No Response]
Minnesota Loper	[No Response]

Mississippi Shore	[No Response]
Missouri Dorrough	[No Response]
Montana Alexander	[No Response]
Nebraska Crawford	[No Response]
Nevada Bigler	[No Response]
New Brunswick Leahy	[No Response]
Newfoundland & Labrador Lockyer	[No Response]
New Hampshire Gray	[No Response]
New Jersey Walker	[No Response]
New Mexico Casaldue	[No Response]
New York Effinger	[No Response]
North Carolina Milak	[No Response]
North Dakota Voegelé	[No Response]
Nova Scotia St. John	[No Response]
Ohio DeRose	[No Response]
Oklahoma Willingham	[No Response]
Ontario Bowie	[No Response]
Oregon Fitzgibbon	[No Response]
Pennsylvania Wisyanski	[No Response]
Prince Edward Island Pineau	[No Response]
Quebec Boucher	[No Response]
Rhode Island Iafrate	[No Response]
Saskatchewan Worobec	[No Response]
South Carolina Bruce	[No Response]
South Dakota Gerry	[No Response]
Tennessee Lanfair	[No Response]
Texas Julius	[No Response]
Utah Hesche	[No Response]
Vermont Robillard	[No Response]
Virginia Harrison	[No Response]
Washington Briscoe	[No Response]
West Virginia Acree	[No Response]
Wisconsin Litscher	[No Response]
Wyoming Lopez	[No Response]

FOR COMMENT PERIOD ENDING JULY 5, 2026



**IFTA BALLOT PROPOSAL
#09-2026**

Sponsor

IFTA, Inc. Program Compliance Review Committee

Date Submitted

May 29, 2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended

Procedures Manual
Procedures Manual

Section P1210
Section P1230

Subject

Jurisdiction participation in program compliance reviews.

History/Digest

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

The IFTA Board of Trustees issued a Board Charge to the Program Compliance Review Committee in March 2024 to develop new review procedures that include an annual Admin review of all member jurisdictions. The Charge directed the PCRC to streamline the review process with more focus on items that are of monetary importance to all member jurisdictions and to develop a strategy for staggered reviews. The strategy developed, guided by the Board Charge, is the 1-year Admin review, annual reporting to jurisdictions on audit accountability, and a 5-year Audit review.

Membership approved streamlined review procedures at the 2025 Annual Business Meeting by a majority vote.

The removal of the language in P1210 clarifies that member jurisdictions are not responsible for funding travel expenses under the program compliance review process. Instead, these costs are centrally funded by IFTA, Inc. to support a consistent, equitable, and streamlined team-based review model. This update aligns the manual with current practice and removes outdated language from the prior review structure.

The streamlined procedures greatly reduce audit review criteria and the number of audits reviewed for most of the criteria. The streamlined procedures for Admin review of jurisdictions rely on data analytics from IFTA Clearinghouse reports eliminating cumbersome and time-consuming time spent downloading transmittals.

The current limitation included in P1230, which restricts jurisdictions to no more than two program compliance reviews per year, conflicts with the approved annual Administrative Review requirement for all member jurisdictions and does not reflect the variable workload associated with both administrative and audit reviews. Review demands fluctuate significantly by year based on the number and complexity of assigned reviews, and the Program Compliance Review Committee seeks to ensure adequate flexibility in assignments to maintain effective coverage. The Committee continues to reduce the overall time burden on reviewers by utilizing a team-based review model that allows work to be distributed more efficiently across available resources.

Intent

This ballot updates Sections P1210 and P1230 to align the Procedures Manual with the current team-based Program Compliance Review model. The changes remove outdated funding language and outdated participation limits, ensuring that travel costs are centrally funded by IFTA, Inc. and that reviewer assignments can be flexibly managed to support both Administrative and Audit Reviews. Together, these updates promote consistency, efficiency, and equitable participation across all member jurisdictions.

Underlining Indicates Addition; Strikethrough Indicates Deletion

***P1210 REVIEW REQUIREMENT**

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

IFTA Inc is responsible for funding the designated travel week expenses for reviewers to attend and conduct team-based Program Compliance reviews.

***P1230 REQUIRED PARTICIPATION**

Jurisdictions will be required to participate in their appropriate share of program compliance reviews each year. ~~through assignment of jurisdictional reviewers to assist in the program compliance review process. No member jurisdiction will be required to participate in more than two program compliance reviews per year. Reviewer assignments are distributed equally among member jurisdictions based on the schedule maintained by the Program Compliance Review Facilitator.~~

Member jurisdiction reviewers serve a two-year term during which they participate in the team-based review process. The majority of reviewer responsibilities are concentrated during one designated travel week per year, when administrative and audit reviews are conducted collaboratively, per the program compliance review guide.

Reviewers may be asked to participate in opening review conferences, virtual training, completion of reviews started during the travel week, and limited follow-up discussions, but no additional extensive review obligations should be required.

Ballot #9-2026 Comment Period Ending July 5, 2026
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Support: 9
Oppose: 4
Undecided: 5

CALIFORNIA
Undecided

The Jurisdiction of California is Undecided with this ballot as it is written for the submission of the proposal. California supports the intent of the ballot and supports the PCRC travel expenses to be funded by IFTA, Inc. as well as the ballot intent to streamline the review process. However, we agree with the other jurisdictions who voiced that the language in the ballot should be revised for additional clarity. California is concerned with the time commitment for these reviews. In addition, this ballot conflicts with the Program Compliance Review Guide, does not address international travel concerns, and does not address training concerns.

ILLINOIS
Oppose

Illinois supports the intent of the ballot but opposes the ballot as drafted. The Program Compliance Review Guide has not been amended to show the proposed changes as a result of the Board Charge Proposal dated August 2025. Currently, they are separately standing documents. Consequently, Board Charge Proposal dated August 2025 is not incorporated in either the Program Compliance Review Guide, IFTA Articles of Agreement, Audit Manual, or the Procedures Manual. It is impossible to know what the extent of this new review program truly is unless Program Compliance Review Guide is properly redlined to show the proposed changes. If the current Program Compliance Review Guide is becoming obsolete then repeal the current guide in its entirety. Otherwise, one cohesive Program Compliance Review Guide with proposed revisions should be presented to the membership for consideration.

Remote participation in the scheduled review week should be allowed for due cause.

Also, the following questions must be addressed in the body of P1230:
"Assistance in the program compliance review process" is too ambiguous and should be replaced with more specific language.

What are the parameters for establishing a schedule by IFTA, Inc./Review Facilitator?
How frequently will a reviewer have to serve the "two-year term"?

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

Our proposed changes:

P1200 PROGRAM COMPLIANCE REVIEWS

*P1210 REVIEW REQUIREMENT and funding.

Member jurisdictions shall permit program compliance reviews required under Section R1510.200 of the Articles of Agreement to determine their compliance with the Agreement. IFTA, Inc., shall provide funding for travel expenses for the program compliance reviewers.

*P1220 PROGRAM COMPLIANCE REVIEW GUIDE

Program compliance reviews shall be conducted in accordance with the procedures and specifications outlined in the IFTA Program Compliance Review Guide, which is published under separate cover.

*P1230 REQUIRED PARTICIPATION

.050 Beginning January 1, 1997, the program compliance reviews will be conducted according to a schedule developed by IFTA, Inc. The Program Compliance Review Facilitator shall provide reviewer

assignments to member jurisdictions based on the developed schedule.

.100 Each member jurisdiction must designate program compliance reviewers, both audit and administrative, pursuant to the IFTA, Inc.'s schedule. Reviewers will serve two-year terms. Subsequently, a reviewer will serve another two-year term after all other reviewers have served their terms.

.150 Program compliance reviews shall take place during one business week (5 days) within regular business hours 9am -5pm, at a location designated by IFTA, Inc. Reviewers shall attend in person. Remote participation in the scheduled review week is allowed for due cause with prior approval from IFTA, Inc.

.200 Prior to the scheduled review week, reviewers shall participate virtually in scheduled opening review conferences and training. During the scheduled review week reviewers will be responsible for reviewing jurisdictional records pursuant to the IFTA Program Compliance Review Guide. After the review week closes, reviewers shall complete any pending review work and participate in follow-up discussion as needed.

Please note that suggested language is bold because the underline feature doesn't work in the comment box.

***P1210 REVIEW REQUIREMENT**

Member jurisdictions shall permit periodic program compliance reviews to be performed to assure they are in compliance with the provisions of the Agreement. Beginning January 1, 1997, the program compliance reviews will be conducted according to a schedule developed by IFTA, Inc.

IFTA Inc is responsible for funding the designated travel week expenses for reviewers to attend and conduct team-based Program Compliance reviews.

***P1230 REQUIRED PARTICIPATION**

Jurisdictions will be required to participate in their appropriate share of program compliance reviews each year **through assignment of jurisdictional reviewers to assist in the program compliance review process. Reviewer assignments are distributed equally among member jurisdictions based on the schedule maintained by the Program Compliance Review Facilitator.**

Member jurisdiction reviewers serve a two-year term during which they participate in the team-based review process. The majority of reviewer responsibilities are concentrated during one designated travel week per year, when administrative and audit reviews are conducted collaboratively, per the program compliance review guide. Reviewers may be asked to participate in opening review conferences, virtual training, completion of reviews started during the travel week, and limited follow-up discussions, but no additional extensive review obligations should be required.

INDIANA

Undecided

Indiana is undecided. It is not mentioned whether jurisdictional reviewers will undergo any sort of training before being involved in a PCR.

Industry Advisory Committee

No Comment.

KENTUCKY

Support

MANITOBA

Undecided

Manitoba fully supports modifying the language to remove the limit of two reviews per jurisdiction per year to support the new peer review process.

This ballot is not only about the one-week travel requirement. However, while the ballot clarifies the expense of travel is the responsibility of IFTA Inc., it does not clarify what shall occur if a member jurisdiction cannot travel. It has been brought forward multiple times that international travel between Canada and the US is not always guaranteed in a jurisdiction and there is no consideration in the ballot for the challenges of travel. Additionally, concerns have been raised due to situations occurring in the US which may be a safety concern when sending staff to IFTA Inc. events. It has been noted, but not confirmed, a jurisdiction may be found in non-compliance in these situations and thus subject to the DRC process.

Again, we support the ballot presented by the PCRC. However, we would like the ballot to include what alternate possibilities may exist to ensure the obligations are met (i.e. virtual participation) and possible consequences if a jurisdiction is unable to meet its obligations.

MARYLAND

Oppose

The proposed ballot does not address the training that jurisdictions should be required to complete prior to participating in Program Compliance Reviews. Observations from previous Peer Reviews indicated clear inconsistencies in reviewer interpretation and judgment. To ensure fair and consistent Peer Reviews, jurisdictions should receive appropriate and standardized training before conducting these reviews.

MICHIGAN

Undecided

Michigan supports the intent of the ballot but cannot support it as written. The Program Compliance Review Guide has not been updated, making it difficult to assess the full impact. Michigan also shares concerns about vague terminology, unclear reviewer expectations, and the removal of the limit on the number of reviews per year. Clarification is needed on time commitments and maximum review workload. Michigan also supports allowing remote participation.

NEBRASKA

Support

We have a reviewer apart of the review team and this years process was significantly less time consuming than prior years. We support IFTA's efforts in the streamline process.

NEVADA

Support

NV supports the intent of this ballot, we also agree with the comments made by North Carolina, regarding the vague or undefined phrases/terms, and the removal of no more than two per year. Clarification on maximum number of reviews during term, is needed for jurisdictions to plan and accommodate the absence of the staff.

NEW BRUNSWICK

Support

NORTH CAROLINA

Undecided

North Carolina supports the intent of this ballot and encourages the sponsor to review the comments from North Carolina, Quebec, Virginia, and Illinois from last year. North Carolina appreciates the changes that

were made in response to some of the concerns highlighted by these member jurisdictions, but North Carolina seeks additional changes.

As noted in both comment periods, North Carolina is concerned about the time commitment asked of jurisdictions and its jurisdictional reviewers. The current language is grounded by limiting program compliance reviews to no more than two per year. This restraint is removed by the ballot and replaced with unclear or ambiguous language. Specifically, the following phrases and terms are undefined or vague:

- "appropriate share"
- "Program Compliance Review Facilitator"
- "majority of review responsibilities will be concentrated"
- "limited follow-up discussions"
- "no additional extensive review obligations"

These phrases need to be further developed or removed to provide certainty for the future of these reviews. A fix for all these phrases and terms was provided by North Carolina in its comments to this ballot last year. North Carolina understands that placing a time limitation on reviewers may be difficult to achieve, but guardrails and clarity placed on time commitments may go a long way in achieving wider support for this ballot.

Finally, North Carolina raises one final concern, which it omitted in its previous comments: R1510 conflicts with the Program Compliance Review Guide. R1510 provides that a compliance review "shall be performed after one year of implementation and once every five years thereafter unless a review is ordered as prescribed by [t]his Agreement" Because P1210 is silent on the annual review, additional changes to P1210 are required.

North Carolina emphasizes that it understands that this ballot needs to pass to effectively codify what the member jurisdictions seek in a program compliance review. However, the Program Compliance Review Guide can be changed quickly and easily; the Procedures Manual cannot. This is why North Carolina remains undecided and seeks the best possible version of this ballot.

North Carolina remains open to working directly with the sponsor to address the above concerns.

ONTARIO

Support

PENNSYLVANIA

Support

QUEBEC

Oppose

The jurisdiction of Quebec acknowledge the intend of the ballot to speed up both the administrative and audit peer reviews. We also acknowledge changes made to the 2025 ballot related to the bearing of the costs by IFTA inc.

However, our stance remain unchanged on the following matter: it would be desirable to allow this requirement to be fulfilled through the peer review program using a hybrid approach if (and only if) exceptional circumstances warrant it, including:

- An airline strike or any other major transportation disruption;
- Overtime restrictions resulting from a strike or other job action within the verification body;
- The inability of the designated verifier to travel due to administrative, personal, or family-related reasons (e.g., customs restrictions, exceptional family obligations, or other circumstances beyond the reviewer's control).

RHODE ISLAND

Oppose

SASKATCHEWAN

Support

The changes remove outdated funding language and outdated participation limits, ensuring that travel costs are centrally funded by IFTA, Inc. and that reviewer assignments can be flexibly managed to support both Administrative and Audit Reviews. Together, these updates are necessary to align with the updated procedures.

WASHINGTON

Support

WYOMING

Support

Wyoming supports this ballot. Having served as a member of the PCRC before the process was updated, I believe it is highly beneficial to have all participants in the same room. This ensures alignment and consistency when evaluating errors identified during the peer review process.

A supervisor from Wyoming currently serving on the PCRC attended the meeting in Phoenix and found the training very valuable. She noted that discussing errors in real time allowed for consistent decision-making across all jurisdictions. I believe that a week of training and auditing with all volunteer PCRC team members and required jurisdictional reviewers will lead to more consistent decisions regarding jurisdictional compliance with the IFTA plan.

In addition to improving consistency, the required jurisdictional reviewers will spend less time on reviews than they did under the previous process, as most of the work will be completed during the week of training and auditing.

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING



IFTA BALLOT PROPOSAL

#09-2026

Sponsor

IFTA, Inc. Program Compliance Review Committee

Date Submitted

May 5, 2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended

Procedures Manual
Procedures Manual

Section P1210
Section P1230

Subject

Jurisdiction participation in program compliance reviews.

History/Digest

Following the initial comment period, the ballot was revised to clarify reviewer responsibilities, travel funding, and training expectations based on feedback received from member jurisdictions.

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

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING

The IFTA Board of Trustees issued a Board Charge to the Program Compliance Review Committee in March 2024 to develop new review procedures that include an annual Admin review of all member jurisdictions. The Charge directed the PCRC to streamline the review process with more focus on items that are of monetary importance to all member jurisdictions and to develop a strategy for staggered reviews. The strategy developed, guided by the Board Charge, is the 1-year Admin review, annual reporting to jurisdictions on audit accountability, and a 5-year Audit review.

Membership approved streamlined review procedures at the 2025 Annual Business Meeting by a majority vote.

The Program Compliance Review Guide has been updated to reflect the streamlined review process approved by the membership in 2025 and has been posted to the IFTA website. The Guide contains the operational procedures, review methodology, standardized worksheets, reporting process, and follow-up procedures.

The removal of the language in P1210 clarifies that member jurisdictions are not responsible for funding travel expenses under the program compliance review process. Instead, these costs are centrally funded by IFTA, Inc. to support a consistent, equitable, and streamlined team-based review model. This update aligns the manual with current practice and removes outdated language from the prior review structure.

The streamlined procedures greatly reduce audit review criteria and the number of audits reviewed for most of the criteria. The streamlined procedures for Admin review of jurisdictions rely on data analytics from IFTA Clearinghouse reports eliminating cumbersome and time-consuming time spent downloading transmittals.

The current limitation included in P1230, which restricts jurisdictions to no more than two program compliance reviews per year, conflicts with the approved annual Administrative Review requirement for all member jurisdictions and does not reflect the variable workload associated with both administrative and audit reviews. Review demands fluctuate significantly by year based on the number and complexity of assigned reviews, and the Program Compliance Review Committee seeks to ensure adequate flexibility in assignments to maintain effective coverage. The Committee continues to reduce the overall time burden on reviewers by utilizing a team-based review model that allows work to be distributed more efficiently across available resources.

The Program Compliance Review Committee recognizes that reviewer participation extends beyond the designated travel week and that the amount of follow-up work will vary based on

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING

the complexity and number of reviews assigned. The streamlined review process is designed to complete the substantial majority of review activities during the designated travel week, while limiting pre-review preparation and post-review activities to those necessary to ensure review quality and consistency.

Intent

This ballot updates Sections P1210 and P1230 to align the Procedures Manual with the current team-based Program Compliance Review model. The changes remove outdated funding language and outdated participation limits, ensuring that travel costs are centrally funded by IFTA, Inc. and that Reviewer assignments may be managed based on review workload while maintaining the designated travel week as the primary period for conducting Program Compliance Reviews. ~~reviewer assignments can be flexibly managed to support both Administrative and Audit Reviews.~~ Together, these updates promote consistency, efficiency, and equitable participation across all member jurisdictions.

Underlining Indicates Addition; Strikethrough Indicates Deletion

*P1210 REVIEW REQUIREMENT

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

IFTA, Inc. is responsible for funding the travel, lodging, and approved travel-related expenses associated with the designated Program Compliance Review week for assigned reviewers. IFTA Inc is responsible for funding the designated travel week expenses for reviewers to attend and conduct team-based Program Compliance reviews.

*P1230 REQUIRED PARTICIPATION

Jurisdictions will be required to participate in their appropriate share of program compliance reviews each year- through assignment of jurisdictional reviewers to assist in the program compliance review process. ~~No member jurisdiction will be required to participate in more than two program compliance reviews per year.~~ Reviewer assignments shall be made by the Program Compliance Review Facilitator in a manner intended to reasonably distribute review responsibilities among member jurisdictions

FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING

23 while considering the number, size, complexity, and timing of assigned
24 reviews. Reviewer assignments are distributed equally among member jurisdictions
25 based on the schedule maintained by the Program Compliance Review Facilitator.
26

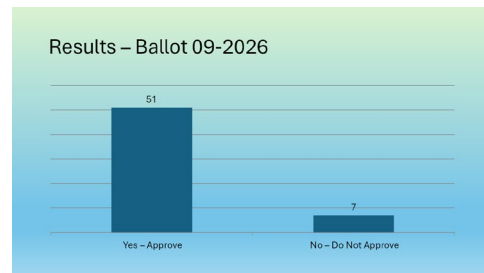
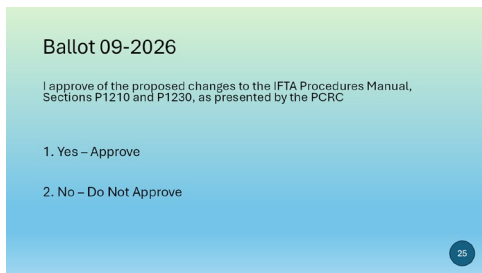
27 Each member jurisdiction shall designate reviewers to serve a two-year term. During
28 that term, reviewers will participate in assigned Administrative and Audit Reviews as
29 scheduled by the Program Compliance Review Facilitator. Member jurisdiction
30 reviewers serve a two-year term during which they participate in the team-based review
31 process. The primary review activities are expected to occur during one designated
32 travel week each year. Prior to the travel week, reviewers may participate in virtual
33 orientation, review assignments, and training. Following the travel week, reviewers may
34 complete remaining assigned work and participate in follow-up discussions as necessary
35 to finalize reviews. The majority of reviewer responsibilities are concentrated during one
36 designated travel week per year, when administrative and audit reviews are conducted
37 collaboratively, per the program compliance review guide.
38

39 Prior to participating in Program Compliance Reviews, reviewers shall complete training
40 provided by the Program Compliance Review Committee. Training will include, as
41 appropriate, virtual instruction, written guidance, or other instructional materials
42 designed to promote consistent application of review procedures. Review assignments
43 and support materials will be provided in advance of the designated travel week
44 whenever practicable to allow reviewers adequate preparation time. Reviewers may be
45 asked to participate in opening review conferences, virtual training, completion of
46 reviews started during the travel week, and limited follow-up discussions, but no
47 additional extensive review obligations should be required.
48

49 The Program Compliance Review Committee will strive to complete as much review
50 work as practicable during the designated travel week. Any remaining work is expected
51 to be limited to finalizing assigned reviews, documentation, and necessary follow-up
52 discussions.

Question Details (Ballot #09-2026) PASSED

Total Responses: 58

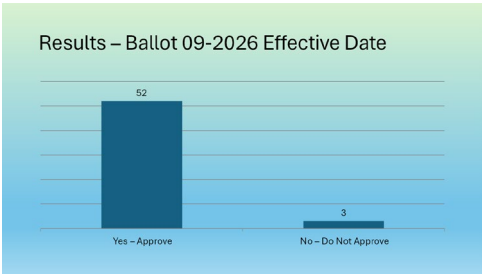
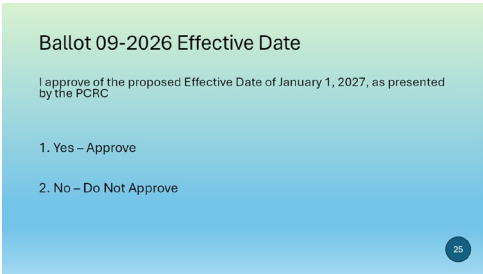


Participant	Response
Alabama Thigpen	No – Do Not Approve
Alberta Ackroyd	Yes – Approve
Arizona Williams	Yes – Approve
Arkansas Richard	Yes – Approve
British Columbia Harrison	Yes – Approve
California Kimsey	Yes – Approve
Colorado Zion	Yes – Approve
Connecticut Romeo	Yes – Approve
Delaware Himmler	Yes – Approve
Florida Cunningham	Yes – Approve
Georgia Prince	Yes – Approve
Idaho Alvarez	Yes – Approve
Illinois Blessing	Yes – Approve
Indiana Boone	Yes – Approve
Iowa Winston	Yes – Approve
Kansas Parker	Yes – Approve
Kentucky McDaniel	Yes – Approve
Louisiana Cooper	Yes – Approve
Maine Gerry	Yes – Approve
Manitoba Hanlan	No – Do Not Approve
Maryland O'Lare	Yes – Approve
Massachusetts Acevedo	Yes – Approve
Michigan Steele	Yes – Approve
Minnesota Loper	No – Do Not Approve

Mississippi Shore	Yes – Approve
Missouri Dorrough	No – Do Not Approve
Montana Alexander	Yes – Approve
Nebraska Crawford	Yes – Approve
Nevada Bigler	Yes – Approve
New Brunswick Leahy	Yes – Approve
Newfoundland & Labrador Lockyer	Yes – Approve
New Hampshire Gray	Yes – Approve
New Jersey Walker	Yes – Approve
New Mexico Casaldue	Yes – Approve
New York Effinger	Yes – Approve
North Carolina Milak	Yes – Approve
North Dakota Voegelé	Yes – Approve
Nova Scotia St. John	No – Do Not Approve
Ohio DeRose	Yes – Approve
Oklahoma Willingham	Yes – Approve
Ontario Bowie	Yes – Approve
Oregon Fitzgibbon	Yes – Approve
Pennsylvania Wisyanski	Yes – Approve
Prince Edward Island Pineau	Yes – Approve
Quebec Boucher	No – Do Not Approve
Rhode Island Iafrate	Yes – Approve
Saskatchewan Worobec	Yes – Approve
South Carolina Bruce	Yes – Approve
South Dakota Gerry	Yes – Approve
Tennessee Lanfair	Yes – Approve
Texas Julius	No – Do Not Approve
Utah Hesche	Yes – Approve
Vermont Robillard	Yes – Approve
Virginia Harrison	Yes – Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	Yes – Approve
Wisconsin Litscher	Yes – Approve
Wyoming Lopez	Yes – Approve

Question Details (Ballot #09-2026 Effective Date) **PASSED**

Total Responses: 55



Participant	Response
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Maryland O'Lare	[No Response]
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Minnesota Loper	No – Do Not Approve

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South Carolina Bruce	Yes – Approve
South Dakota Gerry	Yes – Approve
Tennessee Lanfair	Yes – Approve
Texas Julius	[No Response]
Utah Hesche	Yes – Approve
Vermont Robillard	Yes – Approve
Virginia Harrison	Yes – Approve
Washington Briscoe	Yes – Approve
West Virginia Acree	Yes – Approve
Wisconsin Litscher	Yes – Approve
Wyoming Lopez	Yes – Approve