

FOR VOTE BY JANUARY 19, 2012



**IFTA FULL TRACK FINAL BALLOT PROPOSAL
#01-2011**

Sponsor

IFTA Law Enforcement Committee
Jurisdiction of Illinois

Date Submitted

March 24, 2011

Proposed Effective Date

January 1, 2013

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

IFTA Procedures Manual P310 License

Subject

IFTA License content shall include "issued" date.

History/Digest

All IFTA licenses do not contain the "issued" date on the license itself. This information is a roadside enforcement tool when verifying IFTA credentials and a value to the Industry to support the validity of a license should a citation/penalty be issued (i.e.: Illinois issues an assessment penalty of \$1,000 for operating without a license in addition to the \$120 traffic citation). When the driver cannot produce the IFTA license to Illinois enforcement personnel, the citation will be written (\$120) and the penalty assessment issued (\$1,000). Illinois will withdraw the penalty assessment if the carrier can produce proof of licensure prior to the violation. In absence of proof of date of issue, Illinois contacts the issuing jurisdiction directly to obtain the issued date in an effort to assist the carrier by waiving their penalty assessment.

Note: "Issued date" is not the same as "effective date". Some jurisdictions print the effective date of the license as January 1, regardless of when the license was actually issued.

Intent

The intent of this ballot is to require jurisdictions to include the license “issued date” on the license itself to assist roadside enforcement personnel, audits, legal proceedings, and eliminate the necessity to contact other jurisdictions to verify the actual date on which the license was issued. “Issued date” shall be considered the date on which a specified year’s license is assigned to a licensee.

Interlining Indicates Deletion; Underlining Indicates Addition

1 **P300 LICENSE AND DECAL DESIGN**

2
3 ***P310 LICENSE**

4
5 The IFTA license shall be approximately 3-1/2 x 8-1/2 inches (9 x 21.5 centimeters), of a uniform format,
6 and shall contain, but not be limited to, the following information:

7
8 .100 Base jurisdiction identification;

9
10 .200 Licensee's name and address and DBA, if different from owner, partner or corporate
11 name;

12
13 .300 Licensee's account identification number; ~~and~~

14
15 .400 License issue date (month, day and year); and

16
17 .500 License ~~E~~ expiration date (month, day and year).

18
19 ***[SECTION P320 REMAINS UNCHANGED]***

20
21
22
23

NO REVISIONS FOLLOWING THE SECOND COMMENT PERIOD

**IFTA FULL TRACK FINAL BALLOT PROPOSAL 1-2011
VOTING RESULTS**

JURISDICTION	LANGUAGE		EFFECTIVE DATE	
	YES	NO	YES	NO
ALABAMA		1		1
ALBERTA		1		1
ARIZONA	1		1	
ARKANSAS		1		1
BRITISH COLUMBIA	1		1	
CALIFORNIA	1		1	
COLORADO	1		1	
CONNECTICUT		1		1
DELAWARE				
FLORIDA	1		1	
GEORGIA				
IDAHO	1		1	
ILLINOIS	1		1	
INDIANA	1		1	
IOWA	1		1	
KANSAS	1		1	
KENTUCKY		1		1
LOUISIANA				
MAINE	1		1	
MANITOBA	1		1	
MARYLAND	1		1	
MASSACHUSETTS	1		1	
MICHIGAN		1		1
MINNESOTA		1		1
MISSISSIPPI	1		1	
MISSOURI	1		1	
MONTANA				
NEBRASKA	1		1	
NEVADA	1		1	
NEW BRUNSWICK	1		1	
NEW HAMPSHIRE	1		1	
NEW JERSEY	1		1	
NEW MEXICO	1		1	
NEW YORK				
NEWFOUNDLAND	1		1	
NORTH CAROLINA	1		1	
NORTH DAKOTA		1		1
NOVA SCOTIA				
OHIO		1		1
OKLAHOMA	1		1	
ONTARIO	1		1	
OREGON		1		1
PENNSYLVANIA	1		1	
PRINCE EDWARD ISLAND	1		1	
QUEBEC	1			1
RHODE ISLAND		1		1
SASKATCHEWAN	1		1	

**IFTA FULL TRACK FINAL BALLOT PROPOSAL 1-2011
VOTING RESULTS**

JURISDICTION	LANGUAGE		EFFECTIVE DATE	
	YES	NO	YES	NO
SOUTH CAROLINA	1		1	
SOUTH DAKOTA	1		1	
TENNESSEE	1		1	
TEXAS				
UTAH		1		1
VERMONT	1		1	
VIRGINIA		1		1
WASHINGTON	1		1	
WEST VIRGINIA	1		1	
WISCONSIN	1		1	
WYOMING	1		1	
TOTALS	38	13	37	14

Bold font in the voting total columns and shading indicate that the jurisdiction did not vote.

Failure to vote for the ballot language counts as a "No" vote.

Failure to vote for the alternative effective date counts as a "No" vote.

Number of "YES" votes necessary to pass: 44

Effective Date: January 1, 2013

LANGUAGE:

NUMBER OF "YES" VOTES RECEIVED: **38**

NUMBER OF "NO" VOTES RECEIVED: **13**

NUMBER OF VOTES NOT RECEIVED: **7**

RESULT: FAILED

ALTERNATIVE EFFECTIVE DATE:

NUMBER OF "YES" VOTES RECEIVED: **37**

NUMBER OF "NO" VOTES RECEIVED: **14**

NUMBER OF VOTES NOT RECEIVED: **7**

RESULT: FAILED

Ballot Intent:

The intent of this ballot is to require jurisdictions to include the license "issued date" on the license itself to assist roadside enforcement personnel, audits, legal proceedings, and eliminate the necessity to contact other jurisdictions to verify the actual date on which the license was issued. "Issued date" shall be considered the date on which a specified year's license is assigned to a licensee.

FTPBP #1-2011
First Comment Period Ending June 17, 2011

SUMMARY

41 Comments

Support: 27

Oppose: 9

Undecided: 5

ALABAMA

Undecided

Alabama does not currently print the issue date on the license. Doing so will not create a hardship, but we have a question. If an Alabama based carrier is operating the vehicle during the grace period with the "expired" license and Alabama issues the new license the following day, would Illinois law enforcement issue the carrier a citation? If so, and Illinois IFTA staff calls us to determine when the license was issued, what benefit has been derived from this ballot?

ALBERTA

Undecided

An analysis of the costs required to change the system will be needed. However, we are not certain of the benefits.

ARIZONA

Support

ARKANSAS

Oppose

Regardless of the date issued, the license covers the entire year.

BRITISH COLUMBIA

Support

Minor comment - BC assumes "issue date" is the date the license is printed (i.e., not the date the license is mailed or received by the carrier).

CALIFORNIA

Support

COLORADO

Support

Colorado supports this ballot, but would like clarification by what is meant by "issue date". For example, the issue date could be the date the license prints or the date the renewal is processed or several other dates.

FTPBP #1-2011
First Comment Period Ending June 17, 2011

CONNECTICUT

Oppose

A license is valid for an entire license year (plus the two month grace period) unless it has been cancelled, suspended, or revoked regardless of when it is issued. Ohio makes a valid point in that the license is issued to the entity, not the specific vehicle. We question whether or not the imposition of this additional requirement upon the member jurisdictions will result in any quantifiable additional value to the Agreement or its members.

ILLINOIS

Support

Industry Advisory Committee

Oppose

The Industry Advisory Committee does not support this ballot. Including the license issue date is more than likely to add more confusion. The issue that is trying to be resolved has very little impact on the Plan.

KANSAS

Support

KENTUCKY

Oppose

Kentucky would be burdened with cost for systematic upgrades to accomplish this task; a cost that would be counterproductive as we are currently attempting to do a system overhaul. However, future upgrades could certainly include this into the format. Kentucky utilizes their Clearinghouse and IFTA Demographics to verify a "current" status of an IFTA license when issuing a citation. Our current database can also provide support as to when a license was revoked and/or reinstated. Once a citation is written, The Division of Motor Carriers has no authority to withdraw one as our enforcement officers are a Division of Kentucky State Police, not the Transportation Cabinet.

MAINE

Support

It seems logical to include a (real) effective date on a license.

MANITOBA

Support

MARYLAND

Support

MASSACHUSETTS

Support

MICHIGAN

Oppose

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Suggest changing P310.400 to read "License issue/effective date" then we could support as we already have the effective date and that should really be the date that matters anyway. If no language change - oppose due to programming requirements and lack of resources for same.

MINNESOTA

Oppose

Minnesota needs additional information to make an informed decision on the proposal. "Issue date" needs to be defined. Is issue date the date of application, date of renewal, date of jurisdictional processing, date of printing of the license, date has the potential to change during the calendar year due to reinstatement after revocation. At this time Minnesota is unsure of the value or benefit of adding an issue date to the IFTA license credential. The physical presence of an IFTA license does not verify or determine that the licensee is valid and compliant. There will be system and administrative costs in adding the "issue date". We may be better served to add this data to the IFTA Clearinghouse data base.

MISSISSIPPI

Support

MONTANA

Support

NEBRASKA

Support

Nebraska has no objection to this ballot - we have always included an issue date on our licenses.

NEVADA

Support

Nevada supports passage of this ballot, which will ensure the actual issue date is listed on the IFTA license, assisting Nevada and other member jurisdictions in the enforcement of their statutory requirements.

NEW BRUNSWICK

Support

NEW HAMPSHIRE

Support

NEW JERSEY

Support

NEW MEXICO

Support

New Mexico has included the issue date on our IFTA License for sometime now.

NEW YORK

Oppose

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First Comment Period Ending June 17, 2011

NORTH CAROLINA

Support

NORTH DAKOTA

Oppose

Would require system changes. What happens if a carrier orders a replacement license or additional decals? What is the issue date in those situations? Do we have to list multiple issuance dates?

OHIO

Support

Ohio can support this ballot, but questions the benefit. Ohio issues a new license each time a taxpayer orders additional decals throughout the year, however the license is not vehicle specific. Therefore, when someone produces a copy of the license, it would still not prove that the license was issued for the vehicle in question.

OKLAHOMA

Undecided

Oklahoma supports the concept of providing incentives for timely licensing. Illinois' fine schedule (not having a license is more costly than not carrying a previously issued license) demonstrates that principle.

The jurisdictions have made thoughtful comments that highlight the need to clarify what effective dates and issue dates really mean. There seems to be some agreement that an effective date establishes the return filing obligation, whereas the issue date simply means the date the base jurisdiction accepted the licensee into the IFTA program. For purposes of this ballot, these are important distinctions. Since this ballot does not have prescriptions for both, it is creating some confusion which is unfortunate because we support the underlying concept.

ONTARIO

Support

We see the value in adding clarity to the IFTA licence by including the "issue" date.

OREGON

Undecided

I inquired of my IT staff what time and expense would result from an affirmative vote on this ballot and was advised:

After discussing in more detail, we determined that yes, we can develop that functionality. It's not a complex change. However, it would involve 1 CICS program (FLIC), 3 batch programs (CFXBCRED, CVABCED1, CVABCRED), and 3 stored procedures (CSTLICE, CSTPAYVA, CSTVPAYU) that format and print an IFTA license. We estimate that it would take 40 hours to make the necessary changes. In addition, it would require 5 to 10 hours of testing from MCTD business staff.

That said, I am left to wonder if this is a reasonable request to make of every IFTA jurisdiction in order to facilitate the collection of a monetary sanction imposed by one jurisdiction on motor carriers determined to

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First Comment Period Ending June 17, 2011

be operating in interstate commerce without an IFTA license. The alternative seems to require a simple phone call to the base jurisdiction in order for the determination to be made as to whether or not the financial sanction applies.

Also, if I am correctly interpreting other comments, I believe they disclose a basic lack of agreement on the significance of the date on which a license is issued. The reasonableness of the ballot on that score would seem to hinge on how the underlying question is answered.

In any event, for these two basic reasons I am having difficulty understanding why the ballot is necessary.

PENNSYLVANIA

Support

QUEBEC

Oppose

TENNESSEE

Support

TEXAS

Support

UTAH

Undecided

Utah will not vote against this ballot; however Utah does not understand the value in requiring all Jurisdictions to put the date issued on the license. No matter when it is issued, a license is only good for the calendar year in which it was issued.

VERMONT

Support

Vermont already includes the issue date on our credentials.

WEST VIRGINIA

Support

WYOMING

Support

Wyoming does not oppose this ballot, we already do something similar. We put an "Effective Date" on our license.

FTPBP #1-2011
Second Comment Period Ending November 4, 2011

SUMMARY

26 - Comments

20- Support:

3- Oppose:

3- Undecided:

ALBERTA

Oppose

Costs will be required to update our system.

ARIZONA

Support

CALIFORNIA

Support

California supports this ballot to help roadside enforcement support their IFTA citations

COLORADO

Support

Colorado supports this ballot.

CONNECTICUT

Oppose

We do not support this ballot. While the addition of an issue date is not difficult to program, we do not believe this ballot provides any real benefit. The violation of the Agreement is for not having a copy of the license in the QMV upon inspection at roadside. When roadside enforcement stops a vehicle there is a requirement to have a copy of the license present; if it is not in the vehicle, the Agreement has been violated and the offender would be subject to whatever fine(s) the base jurisdiction's statutes mandate. The printing of the issue date really does very little in that if the license is present at the time of inspection there is no violation. Even with an issue date there is really no assurance that the license is not currently suspended, cancelled or revoked. To ascertain whether or not a license is valid requires more research than a simple presentation of a license. This proposal places a burden upon the base jurisdiction to print an issue date. The party violating the Agreement is the carrier who failed to maintain the copy of the license in the vehicle; they should bear the burden of proving that they had a valid license at the time the infraction was issued.

IDAHO

Support

ILLINOIS

Support

IOWA

Support

KANSAS

Support

Kansas supports and will have the issued date on our 2012 Licenses.

KENTUCKY

Support

After further reviewing the intent of the ballot, Kentucky has reconsidered and will agree to support the ballot with the understanding ample time should be provided to jurisdictions to make any systematic changes required as accomplishing the task may mean it can only be achieved as funds are available.

MANITOBA

Support

MARYLAND

Support

MINNESOTA

Oppose

The physical presence of an IFTA license with an "issue date" does not verify or prove to roadside that the IFTA license is valid. The IFTA License could be suspended, revoked or driver no longer working for a company, and still operating with the company IFTA decal and license. In these cases the license still has the appearance of being valid.

The wording change of issue date in the intent did not clearly address the questions: Is issue date the date of application, date of renewal, date of jurisdictional processing, system issue date, date of printing. The issue date has the potential to change during the calendar year due to: change in IFTA licensee, and reinstatement after revocation. Printing the issue date has the potential to cause more problems than it would solve. Example in the case of an owner operator who begins the year operating with ABC company, midyear then changes to own ifta license. The issue date for the owner operator will show July 1 but the owner operator was valid in April under company ABC IFTA license.

There will be system and administrative costs in adding the "issue date". If the ballot passes is this a data element that jurisdictions would upload to the clearinghouse.

Minnesota questions whether or not the imposition of this additional requirement upon the member jurisdictions will result in any quantifiable additional value to the Agreement, the membership, roadside, or the IFTA licensee.

MONTANA

Support

NEVADA

Support

Nevada supports passage of this ballot, which will ensure the actual issue date is listed on the IFTA license, assisting Nevada and other member jurisdictions in the enforcement of their statutory requirements.

NEW BRUNSWICK

Support

NEW MEXICO

Support

New Mexico has always had the issue date as part of the IFTA License.

OHIO

Undecided

Still not sure of exact benefit and wonder if it may cause some additional issues. If a carrier is pulled over and does not have a license or is not displaying decals - he is not valid to be travelling in OH.

OKLAHOMA

Support

ONTARIO

Support

PRINCE EDWARD ISLAND

Support

QUEBEC

Support

After attending the Law, Enforcement meeting, Quebec reconsider and will agree to support the ballot with the condition of giving us enough time to make any system changes required and make sure that the funds are available for this change.

UTAH

Undecided

VERMONT

Support

Vermont currently has the issue date.

VIRGINIA

Undecided

Virginia appreciates the revisions made in the History and Intent sections in an effort to clarify what is intended by issue date; however, we believe the language of the ballot itself is not clear, could be interpreted in multiple ways, and could result in unintended consequences.

WYOMING

Support

FOR VOTE BY JANUARY 19, 2012



**IFTA FULL TRACK FINAL BALLOT PROPOSAL
#02-2011**

Sponsor

IFTA Audit Committee

Date Submitted

March 24, 2011

Proposed Effective Date

Upon Passage

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

IFTA Audit Manual	A300	IFTA Auditing Standards
	A310	Number of Audits

Subject

Definition of "year" for purposes of number of audits required.

History/Digest

Over the past several years there have been discussions and an interest to remove ambiguous language from the Audit manual. The Audit committee feels using licensee and registration in the same paragraph causes unnecessary confusion between the International Registration Plan year and the International Fuel Tax Agreement year.

Intent

To remove the term "one registration year". To amend the definition of "year's" by removing the word "registration" and replacing it with "license" so that it conforms with the language used to describe an IFTA licensee.

Interlining Indicates Deletion; Underlining Indicates Addition

1 **A310 NUMBER OF AUDITS**

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

11
12
13 ***[Section A320 remains unchanged]***

14

NO REVISIONS FOLLOWING THE SECOND COMMENT PERIOD

**IFTA FULL TRACK FINAL BALLOT PROPOSAL 2-2011
VOTING RESULTS**

JURISDICTION	LANGUAGE		EFFECTIVE DATE	
	YES	NO	YES	NO
ALABAMA	1		1	
ALBERTA	1		1	
ARIZONA	1		1	
ARKANSAS	1		1	
BRITISH COLUMBIA	1		1	
CALIFORNIA	1		1	
COLORADO	1		1	
CONNECTICUT	1		1	
DELAWARE				
FLORIDA	1		1	
GEORGIA				
IDAHO	1		1	
ILLINOIS	1		1	
INDIANA	1		1	
IOWA	1		1	
KANSAS	1		1	
KENTUCKY	1		1	
LOUISIANA				
MAINE	1		1	
MANITOBA	1		1	
MARYLAND	1		1	
MASSACHUSETTS	1		1	
MICHIGAN	1		1	
MINNESOTA	1		1	
MISSISSIPPI	1		1	
MISSOURI	1		1	
MONTANA				
NEBRASKA	1		1	
NEVADA	1		1	
NEW BRUNSWICK	1		1	
NEW HAMPSHIRE	1		1	
NEW JERSEY	1		1	
NEW MEXICO	1		1	
NEW YORK				
NEWFOUNDLAND	1		1	
NORTH CAROLINA	1		1	
NORTH DAKOTA	1		1	
NOVA SCOTIA				
OHIO	1		1	
OKLAHOMA	1		1	
ONTARIO	1		1	
OREGON	1		1	
PENNSYLVANIA	1		1	
PRINCE EDWARD ISLAND	1		1	
QUEBEC	1		1	
RHODE ISLAND	1		1	
SASKATCHEWAN	1		1	

**IFTA FULL TRACK FINAL BALLOT PROPOSAL 2-2011
VOTING RESULTS**

JURISDICTION	LANGUAGE		EFFECTIVE DATE	
	YES	NO	YES	NO
SOUTH CAROLINA	1		1	
SOUTH DAKOTA	1		1	
TENNESSEE	1		1	
TEXAS				
UTAH	1		1	
VERMONT	1		1	
VIRGINIA	1		1	
WASHINGTON	1		1	
WEST VIRGINIA	1		1	
WISCONSIN	1		1	
WYOMING	1		1	
TOTALS	51	0	51	0

Bold font in the voting total columns and shading indicate that the jurisdiction did not vote.

Failure to vote for the ballot language counts as a "No" vote.

Failure to vote for the alternative effective date counts as a "No" vote.

Number of "YES" votes necessary to pass: 44

Effective Date: January 20, 2012

LANGUAGE:

NUMBER OF "YES" VOTES RECEIVED: **51**

NUMBER OF "NO" VOTES RECEIVED: **0**

NUMBER OF VOTES NOT RECEIVED: **7**

RESULT: PASSED

ALTERNATIVE EFFECTIVE DATE:

NUMBER OF "YES" VOTES RECEIVED: **51**

NUMBER OF "NO" VOTES RECEIVED: **0**

NUMBER OF VOTES NOT RECEIVED: **7**

RESULT: PASSED

Ballot Intent:

To remove the term "one registration year". To amend the definition of "year's" by removing the word "registration" and replacing it with "license" so that it conforms with the language used to describe an IFTA licensee.

FTPBP #2-2011
First Comment Period Ending June 17, 2011

SUMMARY

40 Comments

Support: 40

Oppose: 0

Undecided: 0

ALABAMA

Support

ALBERTA

Support

ARIZONA

Support

ARKANSAS

Support

BRITISH COLUMBIA

Support

CALIFORNIA

Support

COLORADO

Support

CONNECTICUT

Support

Industry Advisory Committee

Industry has no comment on this ballot

KANSAS

Support

KENTUCKY

Support

MAINE

Support

MANITOBA

Support

FTPBP #2-2011
First Comment Period Ending June 17, 2011

MARYLAND

Support

MASSACHUSETTS

Support

MICHIGAN

Support

MINNESOTA

Support

Minnesota agrees with the cleanup language to alleviate the current ambiguous language.

MISSISSIPPI

Support

MONTANA

Support

NEBRASKA

Support

NEVADA

Support

Nevada supports passage of this ballot, which will change 'registration year' to 'license year', conforming to the language used to describe an IFTA license.

NEW BRUNSWICK

Support

NEW HAMPSHIRE

Support

NEW JERSEY

Support

NEW MEXICO

Support

NEW YORK

Support

NORTH CAROLINA

Support

FTPBP #2-2011
First Comment Period Ending June 17, 2011

NORTH DAKOTA

Support

OHIO

Support

OKLAHOMA

Support

ONTARIO

Support

The ballot has merit and is an example of the clear writing principles endorsed by Ontario.

OREGON

Support

PENNSYLVANIA

Support

QUEBEC

Support

SASKATCHEWAN

Support

TENNESSEE

Support

TEXAS

Support

UTAH

Support

VERMONT

Support

WEST VIRGINIA

Support

WYOMING

Support

FTPBP #2-2011
Second Comment Period Ending November 4, 2011

SUMMARY

27 - Comments

27- Support:

Oppose:

Undecided:

ALBERTA

Support

ARIZONA

Support

Audit Committee

Support

This cleanup language replaces "registration" with "licensing" year to be consistent with other verbiage in the Agreement.

CALIFORNIA

Support

COLORADO

Support

Colorado supports this ballot

CONNECTICUT

Support

IDAHO

Support

ILLINOIS

Support

IOWA

Support

KANSAS

Support

KENTUCKY

Support

MANITOBA

Support

FTPBP #2-2011
Second Comment Period Ending November 4, 2011

MARYLAND

Support

MINNESOTA

Support

MONTANA

Support

NEVADA

Support

Nevada supports passage of this ballot, which will assist in changing 'registration year' to 'license year', conforming to the language used to describe an IFTA license.

NEW BRUNSWICK

Support

NEW MEXICO

Support

OHIO

Support

OKLAHOMA

Support

ONTARIO

Support

PRINCE EDWARD ISLAND

Support

QUEBEC

Support

Quebec supports the ballot.

UTAH

Support

VERMONT

Support

VIRGINIA

Support

FTPBP #2-2011
Second Comment Period Ending November 4, 2011

WYOMING
Support

WITHDRAWN FOLLOWING THE ANNUAL BUSINESS MEETING



**IFTA FULL TRACK PRELIMINARY BALLOT PROPOSAL
#03-2011**

Sponsor

Jurisdictions of Alberta, Manitoba, New Brunswick, Nova Scotia, Newfoundland, Ontario, Prince Edward Island, Quebec and Saskatchewan

Date Submitted

April 14, 2011

Proposed Effective Date

January 1, 2013

Manual Sections to be Amended

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

IFTA Audit Manual Section A300

Subject

Application of a jurisdiction's enforcement, educational and compliance activities to assist the jurisdiction in meeting its audit requirements under the Agreement.

History/Digest

Several ballots, all which have been withdrawn or failed, have been proposed in the past to address audit coverage. The inability to meet the target number of audits is spread across the IFTA community in both the United States of America and Canada. In 2009, approximately one-third of member jurisdictions were unable to meet the audit requirement of completing audits equal to 3 per cent of the number of IFTA accounts reported by the jurisdiction.

The sponsors submit that while audits are an effective method for promoting licensee compliance, other tools such as roadside enforcement, educational and compliance programs may be equally as effective.

Intent

The intent of this ballot is to introduce a pilot program whereby the IFTA Audit Manual is amended to permit a credit for audit coverage that recognizes a jurisdiction's own enforcement, educational and compliance activities. This pilot project would be applicable only to the Canadian sponsoring jurisdictions and be in effect for five years unless terminated earlier by vote of the member jurisdictions.

Interlining Indicates Deletion; Underlining Indicates Addition

1 **A300 IFTA AUDITING STANDARDS**

2
3 **A330 PILOT PROJECT – CONTRIBUTION OF ENFORCEMENT, EDUCATIONAL &**
4 **COMPLIANCE ACTIVITIES**

5
6 Notwithstanding sections A310 and A320, the following audit requirements will apply to
7 participating jurisdictions for a period of five years, commencing the date this section comes into
8 effect. These provisions recognize the contribution of alternative measures taken by a jurisdiction
9 towards improved compliance in the trucking industry.

10
11 .100 This pilot project will consist solely of Canadian jurisdictions and be in force for a
12 period of not more than five years and will automatically expire five years after it
13 comes into effect.

14
15 .200 A jurisdiction may use enforcement, educational or compliance activities to meet
16 up to a maximum of one third of its requirement to audit an average of 3 per cent
17 per year of the number of IFTA accounts reported annually.

18
19 .300 In order for an enforcement, educational or compliance activity to be recognized
20 for credit, all participating jurisdictions shall agree to the activity and the value of
21 the credit.

22
23 .400 Participating jurisdictions will consult with and obtain advice from the IFTA Audit
24 Committee prior to the recognition of any enforcement, educational or compliance
25 activity that is intended to contribute towards a jurisdiction's audit count.

26
27 .500 Any proposed enforcement, educational or compliance activity shall be
28 measurable and recorded in a manner that is consistent among all participating
29 jurisdictions.

30
31 .600 Credits derived from any enforcement, educational, or compliance activity related
32 to IFTA may only be used to meet the audit requirement for the year in which the
33 activity occurs.

34
35 **Definitions**

36 **Compliance activities** may consist of but are not restricted to compliance visits (to
37 licensees to ensure awareness and understanding of IFTA reporting) or licensee
38 compliance reviews. Compliance reviews may include a review and an evaluation of a
39 licensee's recordkeeping system and internal controls to assess the licensee's
40 compliance with IFTA requirements.

41
42 Compliance reviews are to be limited to low and medium distance accounts. They may
43 cover a shorter review period than the standard audit period under IFTA and will not result
44 in establishing any liabilities. Any significant deficiencies uncovered in the course of a
45 compliance review will lead to a full audit.

47 Educational activities may consist of but are not restricted to external training sessions
48 such as those for other enforcement agencies or trucking associations, trade show
49 participation, Internet webinars or similar methods, etc.

50
51 Enforcement activities may consist of but are not restricted to roadside inspections and
52 weigh scale inspections.

53
54 **Application**

55 Credits for enforcement, educational and compliance activities may be applied to meet a
56 jurisdiction's overall audit requirement to a maximum of one third of the audit requirement.

57
58 The sponsors have estimated that an average of 59 hours is assigned to each IFTA audit
59 completed by a Canadian jurisdiction. It is proposed to credit 1 hour of enforcement,
60 educational or compliance activity as an equivalent to 1 hour of audit time resulting in 59
61 hours of enforcement, educational or compliance activity being counted as one completed
62 audit.

63
64 Jurisdictions participating in the pilot project will continue to satisfy the audit selection
65 provisions and ensure the proportion of audits completed by the jurisdiction are comprised
66 of the required low distance/high distance accounts.

67
68 Statistics will be maintained and analyzed by the participating jurisdictions throughout the pilot
69 period to record all qualifying enforcement, educational and compliance activities and to identify
70 any impact to audit revenue. The sponsors will report the variance of the average audit revenue
71 for the first four years of the pilot project, as compared to the average audit revenue for the four
72 years before the pilot project commenced, at the Annual Business Meeting in the fifth year of the
73 project.

74 ***[SECTION A310 and A320 REMAIN UNCHANGED]***

75
76

WITHDRAWN FOLLOWING THE ANNUAL BUSINESS MEETING

SUMMARY

40 Comments

Support: 7

Oppose: 30

Undecided: 3

ALABAMA

Oppose

We agree with Illinois' comments.

ALBERTA

Support

Alberta agrees with Ontario's comments

ARIZONA

Oppose

ARKANSAS

Undecided

BRITISH COLUMBIA

Support

BC agrees with Ontario's comments, the proposed pilot program is intended to:

>Formally recognize the effort and benefits of alternative compliance activities such as education/outreach and roadside enforcement;

> Allow jurisdictions to redirect a portion of their resources to alternative compliance activities and engage with a larger population of carriers; and

>Improve overall IFTA compliance.

CALIFORNIA

Oppose

California recognizes the sponsors attempt to expand the ways a jurisdiction may meet their audit requirements. This ballot would also adding a measurable value to roadside enforcement, taxpayer education, and other compliance activities.

However, while California applauds the sponsors attempt to think outside the box, we cannot support this ballot. We recognize the benefits from each of these activities are interrelated but California does not feel they are interchangeable. An audit is an audit. While these other activities can impact the audit results, you have no way of knowing what impact they have without doing the audit.

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COLORADO

Undecided

CONNECTICUT

Oppose

We agree with California's comments on what an audit is as opposed to other types of enforcement activities; they are not the same, nor are they interchangeable. While we respect the intent of the authors, we agree with other members who have cited uniformity as a primary mission of IFTA. This proposal opposes the goal of uniformity. It should be noted that there have been numerous attempts over the years to reduce the audit requirement. At one point in the early 1990's, the requirement was 5% per year. We fear that jurisdictions that habitually fail to meet the 3% requirement would also likely fail to meet a lower standard as well. Connecticut is against a proposal that would result in a diminished emphasis on auditing licensees to ensure that the member jurisdictions' fuel use tax has been paid timely and correctly.

ILLINOIS

Oppose

With all due respect to the sponsors, this is not the way to address the audit percentage issue.

This completely undermines the intent of IFTA regarding uniformity and is extremely exclusionary and discriminatory. It is incendiary and has the potential to affect long standing, and necessary, cooperation between jurisdictions.

If a problem exists with the audit percentage, change the requirement. Do not create an exemption for a small portion of those who cannot meet the audit requirement. Just because some jurisdictions are unable to meet the requirement does not indicate a problem with the requirement itself.

My recommendation to the sponsors is to withdraw this ballot and work with the IFTA committees to study the issue and provide the membership with a review and recommendation regarding the audit percentage.

Industry Advisory Committee

Industry has no comment

KANSAS

Oppose

KENTUCKY

Oppose

There is a lack of vision and direction in this ballot. Consulting and obtaining advice only from the Audit Committee could lead to unguided efforts to reach the 3% audit goals. Currently there is nothing in the

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Agreement that prevents a jurisdiction from using the tools listed in this ballot to assist in promoting compliance and should already be part of a jurisdiction's compliance plan

MAINE

Oppose

MANITOBA

Support

Manitoba agrees with Ontario's comments.

MARYLAND

Oppose

MASSACHUSETTS

Oppose

MICHIGAN

Oppose

Creating separate standards for a 5 year pilot program undermines the intent of the IFTA Agreement. Educational and enforcement activities do not equate to an actual audit of a taxpayer's records. Agree with other jurisdictions that perhaps the audit percentage should be examined again if 1/3 of the jurisdictions cannot meet the 3% requirement.

MINNESOTA

Oppose

Changing the Agreement for one or several jurisdictions, in this case, has an impact on the other jurisdictions. This proposal is contrary to the intent, foundation and guiding principle of IFTA. Using enforcement, education and compliance activities to meet the 3 percent audit mandate for a select few jurisdictions has an impact on the entire membership. Minnesota feels this proposal is not the means to address the historic issue we all face in meeting the 3 percent audit mandate. It appears that the need to open up discussions again to discuss reducing the 3% mandate to recommended auditing standards for other tax auditing types (sales, income, etc).

MISSISSIPPI

Oppose

MONTANA

Oppose

Montana is all for increasing the level of education and enforcement, but 3% is already a minimal amount of audits and decreasing that would bring undue risk to the program.

NEBRASKA

Oppose

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Creating a separate set of rules, even in a pilot project, undermines the integrity of the entire IFTA program. If jurisdictions can't make the audit count in the traditional fashion (auditing carriers) they should either (1) examine their own shop to determine if adequate resources have been devoted to audit OR (2) work towards changing the 3% to something less.

NEVADA

Oppose

Nevada opposes this ballot. While there is a 3% audit requirement in the Agreement, we must be aware that 97% of licensees are not audited, potentially impacting Nevada's fuel tax revenues in addition to compliance issues often determined during an actual audit. Nevada opposes reducing or modifying the audit requirement in any way.

NEW BRUNSWICK

Support

NEW HAMPSHIRE

Oppose

NEW JERSEY

Oppose

New Jersey agrees with Illinois. Uniformity should be maintained so as not to defeat the spirit and intent of the Agreement.

NEW MEXICO

Oppose

NEW YORK

Oppose

NORTH CAROLINA

Oppose

NORTH DAKOTA

Oppose

ND supports lowering the audit percentage requirements. This however is not the way to accomplish that.

OHIO

Oppose

Ohio agrees with California. An audit is an audit. Enforcement and education activities will not guarantee adequate record retention, reporting and compliance.

OKLAHOMA

Oppose

For the year 2007 ballot, 2005-12 allowed jurisdictions to significantly reduce their audit requirements by removing new accounts from the basis on which audit requirements were calculated. This resulted in an overall audit reduction of 15% for the jurisdictions.

Oklahoma does not support any further dilution of the audit requirements until empirical evidence can be presented that demonstrates the IFTA community is conducting more audits than necessary to obtain an acceptable level of compliance.

ONTARIO

Support

Why does the pilot split along national lines – doesn't this weaken the uniformity of interests among all IFTA jurisdictions?

The sponsors felt that limiting the application to Canadian jurisdictions, with their comparatively low number of licensees and relatively low revenues, would protect the general membership from any unexpected and adverse effects of the pilot.

Why alternative compliance measures?

The sponsors believe education/outreach and roadside enforcement are essential and proactive elements in maintaining a foundation for voluntary compliance but their effort and benefits are not currently recognized by IFTA. This ballot attempts to recognize this and allow jurisdictions flexibility to redirect shrinking resources in a cost effective manner, and believes the result of these alternatives measures will result in better compliance and better targeting of carriers for audit.

How can alternative measures be comparable to an audit?

As an example, incorporating compliance reviews of low-medium distance accounts permits more meaningful audit selection and may uncover deficiencies leading to a full audit. In consultation with the IFTA Audit Committee, application of alternative measures will be documented to be administered as formally and consistently as existing audit requirements.

Why not lower the 3% audit requirement?

Several attempts have been made to reduce the 3% requirement. The sponsors believe these failed because the result was an overall loss in compliance activities. This ballot proposes alternatives such as education/outreach and roadside enforcement to a much larger population of carriers thereby improving overall compliance and better protecting the interests of the IFTA community.

How do you measure the results of the pilot program?

Statistics to be reported back by participants at ABM on effectiveness and revenue changes for the first four years of the pilot. Variances will identify whether audit revenue was affected by alternative measures.

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OREGON

Oppose

Level of audit and educational outreach do not in my mind equate in any way to justify the reduction of one requirement proportionally to the level of effort invested in the other.

PENNSYLVANIA

Oppose

Pennsylvania agrees with Illinois comments.

QUEBEC

Support

Quebec agrees with Ontario's comments.

SASKATCHEWAN

Support

Saskatchewan agrees with Ontario's comments. The changes being proposed will facilitate a more effective and efficient use of our resources which benefits all IFTA participants.

TENNESSEE

Oppose

TEXAS

Undecided

Support the concept of this ballot. We feel there must be more oversight of the pilot program by the IFTA Audit Committee, Board of Trustees, or a special committee established by the Board of Trustees. The ballot should specify how the compliance, educational and enforcement activities will be approved and that the IFTA Audit Committee, Board of Trustees, or special committee must also approve the activity and the value of the audit credit earned.

UTAH

Oppose

Utah has long supported a reduced audit requirement, however (with respect) we do not support this ballot.

VERMONT

Oppose

WEST VIRGINIA

Oppose

DID NOT RECEIVE SUFFICIENT NUMBER OF VOTES AT THE
2011 ANNUAL BUSINESS MEETING TO CONTINUE



IFTA SHORT TRACK PRELIMINARY BALLOT PROPOSAL
#04-2011

Sponsor

IFTA, Inc. Board of Trustees

Date Submitted

May 13, 2011

Proposed Effective Date

July 1, 2013

Manual Sections to be Amended

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

IFTA Articles of Agreement

R1200 ASSESSMENT AND COLLECTION
*R1230.100 U.S. Jurisdiction Interest Rate

Subject

An amendment to revise language effective July 1, 2013, resulting from the passage of Full Track Final Ballot Proposal #2-2010, sponsored by Indiana.

History/Digest

As a result of the passage of Full Track Final Ballot Proposal (FTPBP) 2-2010, the following language will be in effect on July 1, 2013 in R1230:

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

**DID NOT RECEIVE SUFFICIENT NUMBER OF VOTES AT THE
2011 ANNUAL BUSINESS MEETING TO CONTINUE**

Intent

The implication of the language of FTFBP #2-2010 is that it is IFTA, Inc.'s responsibility to calculate the rate of interest charged on delinquent taxes by its member jurisdictions. The IFTA, Inc. Articles of Incorporation state:

The purposes for which this Corporation is organized are the administration and management of the International Fuel Tax Agreement and all other lawful business for which nonprofit Corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

The initial business of the corporation was defined, in part, in the Articles of Incorporation as: "communication with members and organizational meetings, as necessary:"

The IFTA, Inc. Board of Trustees is of the opinion that the calculation of an interest rate that a jurisdiction is required to charge each year is beyond the scope for which IFTA, Inc. was incorporated. In addition, the 1Q11 interest rate for underpayments was not issued by the IRS until December 7, 2010. The language found in FTFBP #2-2010, effective July 1, 2013, requires that IFTA, Inc. issue a rate by December 1. In that case, IFTA, Inc. would not have been able to comply with the language and what would the consequences of that be? Would IFTA, Inc. have the responsibility to decide which IRS rate to apply from a previous quarter? The Board does not believe that was the intention of the language in FTFBP #2-2010. The Board believes that just as all jurisdictions establish fuel tax rates and the Canadian member jurisdictions currently establish an interest rate each quarter, that each US member jurisdiction should calculate the annual interest rate.

The IRS issues its interest rate for underpayments as a whole number and the information is readily available through IRS.gov. The Board would ensure that IFTA, Inc. provides a link on its website to the interest information at IRS.gov.

The intent of this ballot, therefore, is to amend the language prior to going into effect to ensure that member jurisdictions have the responsibility to calculate the actual interest rate that will be applied pursuant to R1230. This amendment results in language similar to that currently in effect for interest rates calculated by our Canadian members.

The language from FTFBP #2-2010 is not effective until July 2013. The revisions shown in this ballot are to that language. The only change to the language of FTFBP #2-2010 is to remove the following sentence: The Repository shall notify Jurisdictions of the new rate by December 1. All other changes made by FTFBP #2-2010 would remain in effect.

**DID NOT RECEIVE SUFFICIENT NUMBER OF VOTES AT THE
2011 ANNUAL BUSINESS MEETING TO CONTINUE**

Interlining Indicates Deletion; Underlining Indicates Addition

1 **ARTICLES OF AGREEMENT**

2
3 **R1200 ASSESSMENT AND COLLECTION**

4
5 ***[SECTIONS R1210 AND R1220 REMAIN UNCHANGED]***

6
7 **R1230 INTEREST**

8 **[Language effective July 1, 2013 as a result of Full Track Final Ballot Proposal #2-2010]**

9
10 ***[SECTIONS R1230 REMAINS UNCHANGED]***

11 **.100 U.S. Jurisdiction Interest Rate**

12
13
14 For a fleet based in a U.S. jurisdiction, interest shall be set at an annual rate of two (2)
15 percentage points above the underpayment rate established under Section 6621(a)(2) of
16 the Internal Revenue Code, adjusted on an annual basis on January 1 of each year.
17 Interest shall accrue monthly at 1/12 this annual rate. ~~The Repository shall notify~~
18 ~~Jurisdictions of the new rate by December 1.~~

19
20
21 ***[SECTIONS R1230.200 THROUGH R1230.400 REMAINS UNCHANGED]***