

August 24, 2018

To All IFTA Commissioners, IFTA Inc. Staff, and IFTA Motor Carriers,

REF: **Arizona Senate Bill 1200** – Penalty and Interest Adjustment


The State of Arizona Legislation recently implemented an update with Senate Bill SB1200.

Effective **August 3rd, 2018**, SB1200 changes the IFTA Interest and Penalty calculation to be assessed per IFTA Articles of Agreement - Assessment and Collection (Article XII):

***R1220 PENALTIES .100** The base jurisdiction may assess the licensee a penalty of \$50.00 or 10 percent of delinquent taxes, whichever is greater, for failing to file a tax return, filing a late tax return, underpaying taxes due.

***R1230 INTEREST .100** 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.

Sincerely,



Vasile Samartinean
Senior Division Administrator
Arizona IFTA Tax Commissioner