

International Fuel Tax Association, Inc.



September 2016
Volume 16, Issue 8

THE IFTA NEWS

912 W. Chandler Blvd., #B-7
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TAX RATES

The **3Q16** tax rate matrix was finalized on September 2. Sixteen jurisdictions noted changes to the matrix. Jurisdictions now have until December 4, 2016 (Saturday) to verify or amend their tax rate data for the **4Q16** matrix. To view current tax rate changes please visit:

<http://www.iftach.org/taxchangeq.php>

REMINDER!! Please keep your Contacts updated in your IFTA, Inc. profile on www.iftach.org to prevent emails being returned with a delivery failure notice.

It is recommended that all membership review their Jurisdiction Communication Lists at this time. If your revised date is more than one year, but there have been no changes, please click to update your communication list so that the revision date shows for 2016. Thank you!

THE IFTA, INC. STAFF

Lonette L. Turner, CEO

Debora K. Meise, Senior Director

Jason DeGraf, Information Services Director

Amanda McNally Koeller, Comptroller/Treasurer

Tammy Trinker, Office and Events Administrator

Tom King, Webmaster

Patricia Platt, Program Compliance Administrator

Upcoming IFTA Meetings

The IFTA, Inc. Board of Trustees will be meeting in mid-October for the 4Q16 Board Meeting. This meeting will be held at the IFTA, Inc. offices and is open to the public. If you are unable to attend the meeting, but have an issue that you'd like the Board to address, please reach out to your Board liaison or contact IFTA, Inc. We'll make sure your concern and/or comments are presented for discussion.

The IFTA Attorneys' Section Meeting registration packet is posted to the IFTA, Inc. website and registrations are being accepted. The IFTA Attorneys' Section Steering Committee is working diligently on planning for this very informative, interactive meeting. Please keep your eye on the IFTA, Inc. website for additional information as it becomes available.



2016 Annual IFTA Business Meeting

“I found every aspect of the business meeting informative”

At the recent 2016 Annual IFTA Business Meeting, held in Indianapolis, Indiana, a record number of attendees were present. There were 124 attendees representing 50 member jurisdictions and twenty companies from industry. Including proxies from member jurisdictions not in attendance, 56 voting delegates were at the meeting.

Mr. Andrew Kossack, Commissioner of Revenue for the Indiana Department of Revenue, welcomed the attendees to the business meeting and to Indianapolis. With 2016 being the bicentennial for Indiana’s statehood, Mr. Kossack informed the delegates that there were several exciting events happening throughout the state, all culminating with the special celebration on December 11th. Mr. Kossack also acknowledged the service of all member jurisdictions and thanked them for their public service, noting that it is essential to their states’ and their states’ futures.

Following the welcome, Mr. Stuart Zion (CO), IFTA, Inc. Board of Trustees (Board) President, offered the President’s report. Mr. Zion commented that one of the reasons for IFTA’s success is the participation of those members serving on various committees and the Chairs of the committees as well. Identifying some of the highlights since the August 2015 Annual IFTA Business Meeting, Mr. Zion noted that the Board has been discussing how best to improve the voting process, redesigning the IFTA, Inc. website, decal specifications and the funds netting calendar, the timing of the Board elections, considered several jurisdiction submitted projects and proposals for funding through the organization, and the Strategic Plan review and discussions continued. Concluding his report, Mr. Zion informed membership that the Board looks forward to the success and results from the electronic credentials pilot project, changes to the program compliance review process, and implementing more of the Strategic Plan.

The 2015 Annual IFTA Business Meeting minutes were reviewed and approved, as amended, by membership. Membership then elected, by acclamation, Ms. Cindy Arnold (NV), Ms. Joy Prenger (MO), Mr. Richard LaRose (CT), and Ms. Antionette Tannous (QC) to the Board. Ms. Arnold and Ms. Prenger were re-elected and the terms for Mr. LaRose and Ms. Tannous begin January 1, 2017.

“Since IFTA Inc. has invested its funds over the past 7 years, we have seen an overall 22% increase” – IFTA, Inc. financial report

Mrs. Amanda Koeller, IFTA, Inc. Comptroller / Treasurer, presented the financial report and informed membership that IFTA, Inc. remains financially sound. A financial audit and a SOC II audit have been completed. Additionally, a security audit of the organization was also completed.

Following the financial report, Mr. Thomas King, IFTA, Inc. Webmaster, provided a demonstration of the modernization of the IFTA, Inc. website.

“Demo of new web site very well presented and informative. That needs to be videotaped for information for all users of the web.”

Board members Ms. Prenger and Mr. Stephen Nutter (VA) offered a review of the IFTA, Inc. Strategic Plan progress. During this presentation it was explained that additional travel had been approved wherein member jurisdictions can choose to send a single delegate to one of the various IFTA related functions and the related fees would be paid for by IFTA, Inc. An Annual Report Working Group was recently established to review and update the IFTA Annual Report.

The Board has also evaluated current real estate offers pertaining to the sale of the office building. Perspective buyers have reviewed the location. A salary and position study of the IFTA, Inc. personnel was also approved by the Board.

Ms. Marie Stark (MT), Agreement Procedures Committee (APC) Chair, presented IFTA Full Track Preliminary Ballot Proposal (FTPBP) 2-2016 for discussion. The intent of this ballot is to allow carriers to display their IFTA renewal credentials two months prior to the effective date shown on the license and decals. Carriers would still be required to carrier the current, active requirements. Following discussions, Ms. Stark chose to allow the ballot to remain as a full track ballot. It was offered that the effective date should be moved to a July 2017 effective date.

Mr. Trent Knoles (IL) and Ms. Arnold presented FTPBP 3-2016. The intent of this ballot is to ensure that a vote's final outcome is representative of the eligible jurisdictions' voting position as truly intended. An in-depth review of this ballot proposal was provided. Comments from some jurisdictions were against the adoption of this ballot due to the fact of requiring a lesser number of jurisdictions being eligible to pass a ballot. However, it was also expressed that any member jurisdiction that is restricted from voting should not be counted towards the active votes as either a positive or negative vote for the issue in question. The ballot sponsors appreciated membership's input on this ballot and it will continue as a full track ballot.

"All current votes that are abstained from voting are recorded as a no vote."



The 2016 Richard L. Reeves IFTA Leadership Award was presented during a special luncheon. The recipient of this award was Mr. Gary Bennion, XPO Logistics.

In the afternoon of the first day, regional breakout sessions were held where attendees could discuss issues relative to their regions. When the open session of the business meeting resumed, a review of these discussions was offered by a regional Board representative. Some of the regional issues discussed are shown below.

1) Canadian Region

- Implementing a carbon tax for all Canadian provinces
- Varying rates of fuel between single, dual, and triple trailers
- Electronic data sharing problems and finding solutions
- Inconsistencies with farming equipment, road building equipment, and colored fuel
- Determining a means to provide additional audit credits to jurisdictions with larger audits

2) Midwest Region

- Updating and utilizing the exemption database
- Annual report filings
- Price per gallon used in audits
- Clearinghouse changes and recent correspondence regarding returning to standardization
- ELDs and the number of vendors not providing valid information to consumers

"I found the most value in the regional breakout sessions."

3) Northeast Region

- Illinois issue and a possible solution
- Value of the regional calls with the Board
- Maryland issue regarding submission of late returns
- Wisconsin pilot project and the elimination of paper credentials
- Future IFTA projects and the elimination of the IFTA decal
- Weigh stations and enforcement efforts
- IFTA app and potential problems with tax payer data
- CNG/LNG vehicles

4) Southeast Region

- Financial reserve issues
- IFTA, Inc. paying for travelers to a meeting of their choice
- Experience levels and turnover and transition for both membership and industry
- Decals and electronic credentials
- Communicating with and working alongside service providers in a positive manner
- Data quality for IFTA
- Program compliance reviews and the new proposed procedures
- CNG issues
- Communicating with IFTA and ensuring all communications are responded to

5) Western Region

- VMT tax
- Tribal fuels and tax evasion
- CNG/LNG
- Pre-paid decals and their value
- Selling of fuel from unmanned pumps
- No tax being charged on biodiesel in Texas
- Exports and bills of lading
- Electric vehicles using LNG to start the vehicle
- Testing of "platooning" with trucks being tested in Utah
- Passage of IFTA FTFBP 3-2014 and its impact on membership

Mr. Hinkley reported on the activities of the Electronic Credentials Working Group (ECWG) that was established in 2014 to determine if IFTA licensing documentation is still practical. The group had also been charged with identifying options for the use of technology in relation to licensing and decals. A large concern of the working group is to verify the quality of the provided data. The ECWG has also been working with IFTA, Inc. in relation to the IFTA smart phone app for roadside assistance. This app will be secure and contain licensee data and status relative to the carrier. Additionally, the working group is working with Wisconsin regarding the pilot project for motor carrier electronic credentialing.

Mr. Paul Bernander (WI) then reported on the creation and progress of the Motor Carrier Electronic Credentialing pilot project. The objective of this pilot program is to develop a system or process to promote the acceptance and use of electronic motor carrier credentials, instead of paper, at the roadside. The pilot project, which began April 1, 2016, is progressing nicely and has seven confirmed jurisdiction participants including WI, AL, IL, IA, MI, MN, and VA. This project has been extended in order to gather more concrete data and will conclude September 30, 2017.

“More member jurisdictions are considering participating in this pilot project as well.”

The pilot project has two phases to it. The first is the Image Phase. During this first stage both electronic and paper credentials will be maintained. Enrollment is not necessary on behalf of the carrier. When the project enters the Data Phase, the second phase of the project, all carrier credentials will be maintained in a database that would be accessible to those participating in the pilot project. The purpose of this stage is to verify that a vehicle is licensed by IFTA, registered through IRP, and is in good standing with both. It is opined that this phase of the project would support the elimination for paper credentials as well as decals as the data would be available to both IFTA and IRP in both the US and CND.

Mrs. Debora Meise, IFTA, Inc. Senior Director, moderated the Town Hall discussions. Several topics were offered and discussed at length. Some of these topics included:

- Jurisdictions allowing IFTA, Inc. to provide data to SAFER and Nlets
- Canceling accounts at the end of the calendar year for non-renewal
- Moving towards scanning technology vs. manual data entry of IFTA returns
- Lessons learned from the Illinois budget issue
- Funds netting and possible penalties for non-payment
- Tax rate corrections following the closing and publishing of the matrices
- Audit Committee representation serving as a possible audit to the jurisdiction
- Support for returning to Canada for a future Annual Business Meeting
- Effective use of demographic data
- Uncollectable debts
- Introduction to the Annual Report Working Group
- Audit Report Exchange System (ARES)
- Status of the IFTA, Inc. property sale
- Expanding the definition of an exempt vehicle to government plated vehicles
- Non-receipted fuel or exempt fuel purchases

On the second day of the Annual IFTA Business Meeting, attendees were divided into three groups in

“The sessions didn’t resolve anything but did cause us to realize problems and the need for resolution and consistency. It made us think about our own issues and how we can help the IFTA Community through the change”.

order to attend the different breakout sessions that were provided. These sessions included a clearinghouse breakout, a program compliance review breakout, and a license status breakout. All attendees were able to participate in all three breakouts prior to the general session resuming.

Mr. Richard Wagner (NV), Program Compliance Review Committee (PCRC) Chair, then presented the PCRC Guide for discussion and ratification by membership. Concern was expressed by membership that the guide itself was in conflict with current Agreement language and, if passed, a ballot would be required to permit the guide to be functional. A consensus of membership indicated that while they

were in favor of the concept of the guide they were not supportive of the guide itself. Concluding the discussions, a motion to ratify the Guide was withdrawn. Mr. Wagner will request the Board to submit a new or amended charge to the PCRC regarding the direction for them to pursue.

Audit Committee (AC) Chair, Mr. David Nicholson (OK), presented Short Track Preliminary Ballot Proposal (STPBP) 4-2016 to membership. The intent of this ballot is to allow the audit of any four consecutive quarters to count toward a jurisdiction's total number of audits for compliance with A310. Additionally, it was noted that the audit of all returns would be required to be filed in a license year in order to be counted toward a jurisdiction's total number of audits for compliance. Membership voted to allow this proposal to continue as a short track ballot.

Ms. Lonette Turner, IFTA, Inc. CEO, recognized the outgoing Board members. Mr. Hughson and Mr. Hinkley were acknowledged for their years of service to the Board. Mr. Hughson had completed six years of service to the Board while Mr. Hinkley concluded eleven years. Both members' terms expire December 31, 2016. Ms. Turner also recognized Mrs. Meise for her twenty years of service to IFTA, Inc.

Mr. Hughson explained that there had been a change in the recommendation of reporting methodology for dual fuel use vehicles. Originally, it was recommended that dual fuel vehicles be treated and reported separately. Furthermore, dual fuel vehicles must be treated and reported as two vehicles. The revised methodology now recommends that membership not report dual fuel vehicles separately. Dual fuel vehicles' fuel purchases and distances travelled, after pro-rating, should now be added/combined with other fleets.

"The new methodology is less complex and offers the chance for fewer errors."

This change is due to the fact that there are less dual fuel vehicles currently in operation than originally anticipated. Additionally, the new methodology is less complex and offers the chance for fewer errors to be made. Ballots necessitating these changes include FTFBP #03-2013, which became effective July 1, 2015, and FTFBP #05-2015, which becomes effective July 1, 2017.

IRP, Inc. CEO, Mr. Tim Adams, updated membership on the activities of IRP, Inc. Mr. Adams explained that, effective January 1, 2016, charter buses are no longer exempt as outlined in a ballot which was passed by IRP membership in 2014. Effective July 1, 2016, new language removed the existing requirement to be registered when a lease company owner has an established place of business. This change reflects a long term lease vehicle ballot approved by IRP membership in 2013.

Referencing the IRP, Inc. clearinghouse, Mr. Adams announced that fifty-six jurisdictions belonged to the clearinghouse and an estimated \$800 million was transferred through the IRP clearinghouse. A clearinghouse standardization project is also being considered by the IRP IT committee. During 2015 and part of 2016, sixteen IRP peer reviews have been completed with eleven of these reviews conducted onsite.

IRP is also looking into electronic credentials and has a task force charged with developing a white paper to present to the IRP Board regarding what is necessary to move towards a true electronic records capability across the board.

Ms. Sandy Johnson (North Star Fleet Solutions, Inc.), Industry Advisory Committee (IAC) Chair, submitted a videotaped report on how technology is changing how things are done in the trucking industry. Ms. Johnson commented on the Unified Registration System (URS), Uniform Carrier Registration (UCR), as well as Electronic Logging Device (ELD). Ms. Johnson noted that education was the best tool a carrier

could have when learning how to properly work with these new and upcoming systems and that allowing access to third party providers to assist carriers with the necessary filing and reporting is a step in the right direction.

Mrs. Meise reviewed the decal specifications with membership. It was explained that a three color rotation was permanently approved by the Board. These specifications will be published on the IFTA, Inc. website. However, viewers must have log-in credentials to view this data. The color rotation will be as outlined below and then automatically repeat.

Year	Color	Pantone Number
2017	Green	354C
2018	Red	485C
2019	Blue	299C

The 2017 Annual IFTA Business Meeting has been contracted and will be held August 9 – 10 at the Wild Horse Pass Resort and Casino in Chandler, Arizona.

Prior to concluding the business meeting, membership was advised of a survey drafted on behalf of the Motor Carrier Electronic Credential Pilot regarding an electronic credential ballot. This four-question survey was made available to membership at the business meeting to solicit comments. The 33rd Annual IFTA Business Meeting was then adjourned.

On behalf of the IFTA, Inc. staff and the Board of Trustees, I want to thank the Jurisdiction of Indiana for all of their assistance at the meeting. I'd like to thank the following for their hard work and dedication to IFTA.

Mr. Andrew Kossack,
Commissioner of Revenue for the Indiana Department of Revenue

Jim Poe
Indiana IFTA Commissioner

Joe Dian Monica Halstead Jeff Hood
Sara Kedzierski Kathryn Kennedy Tom Sullivan

I would also like to thank all of our presenters. Every presentation was well planned and well received by those in attendance. We appreciate all of the time and hard work. Your loyalty and dedication to IFTA and its members is apparent.

And to those in attendance, your input is always so valuable! Thank you for helping to make our meeting such a success.

I hope to see you next year in Chandler, Arizona!



IFTA/IRP MANAGERS' AND LAW ENFORCEMENT WORKSHOP



IFTA/IRP Managers' and Law Enforcement Workshop

September 27-29, 2016

Westin Tampa Harbour Island, Tampa, FL

LAST CALL!

The IFTA/IRP Managers' and Law Enforcement Workshop provides an in-depth exploration of issues impacting IRP, IFTA, law enforcement, and the motor carrier industry in general. Attendees include both jurisdiction and industry representatives from the US and Canada. Visit the IRP, Inc. website today to register! A link to the online registration is also available on the IFTA, Inc. website.

Reasons to Attend:

By attending this year's workshop, you will be able to:

- Recognize fraud in your workplace
- Explain IRP and IFTA to carriers in different and creative ways
- Participate in an outdoor demonstration of the Commercial Vehicle Safety Alliance (CVSA) commercial vehicle and driver inspection and a roadside dyed fuel inspection
- Gain ideas from colleagues on collection efforts, weight variances, and place of residence during interactive breakout discussions
- Understand a motor carrier's perspective by learning about a carrier's challenges when legalizing vehicles
- Understand how electronic logging devices work and what they capture
- Gain the perspective of a third party service provider
- Leverage the similarities between IRP and IFTA to streamline processes
- Learn about automated technology in the trucking industry
- Discuss hot issues with colleagues in your job function by attending interactive breakouts
- Learn the basics about IFTA, IRP, and/or law enforcement during optional 101 sessions.
- Network with representatives from US and Canadian jurisdictions, as well as industry stakeholders

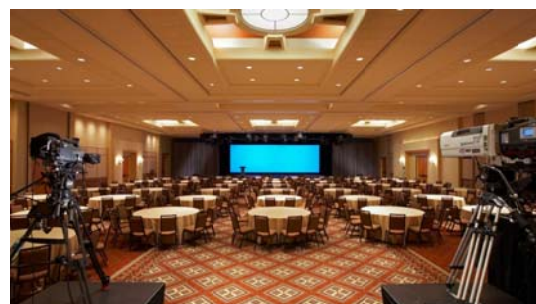
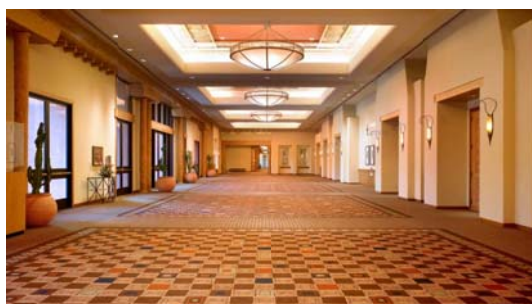
Other session topics include industry updates, CVIEW, active shooter in the workplace, human and tobacco trafficking, IFTA Ballot #03-2014, the IRP Clearinghouse data standardization project, and improving communication between law enforcement and administration.

2017 Annual IFTA Business Meeting

August 9-10, 2017

Chandler, AZ

Mark your calendars now to join us at the Sheraton Grant at Wild Horse Pass in Chandler, Arizona for our 2017 Annual IFTA Business Meeting.



A hundred and ten in the shade is hot — but you don't gotta shovel it off your driveway.
~Arizona saying



IFTA Annual Report Working Group (ARWG)

Did you know that...

- The Annual Report Working Group (ARWG) was created by the IFTA, Inc. Board in June 2016 in conjunction with one of the goals of the revised IFTA, Inc. Strategic Plan, to continuously improve communication with member jurisdictions.
- The purpose of the ARWG is to make recommendations that will ensure that the IFTA Annual Report, required by R1510.300 of the Articles of Agreement, is a valuable tool to the member jurisdictions and IFTA stakeholders.



In the near future the ARWG will be sending a survey to member jurisdictions regarding the current IFTA Annual Report, the biodiesel and exemption databases (including General, Vehicle, Fuel, Distance and Other).

The ARWG would like to hear from membership about the IFTA Annual Report:

- What type of data does your jurisdiction currently use or not use?
- Do you have any suggestions for other information to include that may be useful to all members?
- Do you have any suggestions to improve the report?

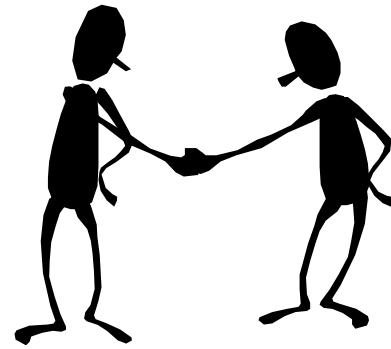
The ARWG looks forward to hearing from you in response to the survey. Thanks in advance for your participation.

The ARWG welcomes any comments and/or suggestions for change for the IFTA Annual Report from membership at any time. Any such items can be sent to any member of ARWG (contact information can be found on the ARWG page of the IFTA, Inc. website).

Ron Hester - Chair, IFTA Annual Report Working Group



IFTA Comings and Goings



Coming:

New Mexico

IFTA Commissioner:

Name: Vickie Evans

Phone: (505) 476-1581

Email: vickie.evans@state.nm.us

Ontario

IFTA Commissioner:

Name: Victoria Chiodi

Phone: (905) 435-2040

Email: virginia.barnett@ontario.ca

Oregon

IFTA Commissioner:

Name: Troy Ecostales

Phone: (503) 378-6351

Email: troy.ecostales@odot.state.or.us

West Virginia

IFTA Commissioner:

Name: Stacy Acree

Phone: (304) 558-8714

Email: stacy.l.acree@wv.gov

The following jurisdictions have updated the Jurisdiction Communication List (JCL) in some manner since *August 15, 2016*. Please visit their JCL on the secure website to ensure that you are working with the most current information for these jurisdictions:

Alabama
Connecticut
Kansas
Nebraska

Newfoundland
New Mexico
New York
North Carolina

Ohio
Ontario
Oregon
South Carolina

Tennessee
Texas
Utah
West Virginia



SAVE THE DATE!

2016

Motor Fuel Uniformity Meeting

September 16 – 17
Portland, Maine

FTA Motor Fuel Tax Section Annual Motor Fuels Conference

September 18 – 21
Portland, Maine

IFTA/IRP Managers' and Law Enforcement Workshop

September 27 – 29
Tampa, Florida

4Q IFTA Board Meeting

October 18 – 19
Chandler, Arizona

IFTA Attorneys' Meeting

October 26 - 27
Chandler, Arizona

2017

1Q IFTA, Inc. Board Meeting

January 18 - 19
Chandler, Arizona

IFTA/IRP Audit Workshop

February 28 – March 2
Houston, Texas

CVSA Workshop

April 23 – 27
Atlanta, Georgia

2Q IFTA, Inc. Board Meeting

April 25 - 26
Chandler, Arizona

IRP Annual Meeting

May 16 – 18
Tempe, Arizona

Annual IFTA Business Meeting

August 9 - 10
Chandler, Arizona

4Q IFTA, Inc. Board Meeting

October 24 - 25
Chandler, Arizona

