



**IFTA BALLOT PROPOSAL  
5-2022**

**Sponsor**

IFTA Clearinghouse Advisory Committee

**Date Submitted**

May 17, 2022

**Proposed Effective Date**

Upon Passage

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

Articles of Agreement	Section R2120
IFTA, Inc. Procedures Manual	Section P1040

**Subject**

Assessment of interest at the prevailing IFTA, Inc. interest rate on jurisdictions that fail to submit funds to the IFTA, Inc. Clearinghouse by the Funds Netting deadline.

**History/Digest**

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

- Participating Members due funds from the Participating Member that failed to upload timely will receive their funds late.
- Participating Members that are either due funds from or owe funds to the Participating Member that failed to upload timely may be required to process incoming or outgoing paper checks to complete the funds netting process.

Late funding to the Clearinghouse has occurred three times since 2010; however, two of the three late funding instances occurred in 2021 (transmittal #7).

**Intent**

The intent of this ballot is to implement an interest penalty at the prevailing IFTA, Inc. interest rate per Articles of Agreement, Section R1230 for jurisdictions that fail to meet the funds netting deadline as defined by the transmittal and Funds Netting Calendar.

**Interlining Indicates Deletion; Underlining Indicates Addition**

1 \*R2120 Required Exchange of Licensee Demographic And Transmittal Data And Interjurisdictional Audit  
2 Reports

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4 {Sections .100 and .300 remain unchanged}

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6 .200 Transmittal Data

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8 When the exchange of a transmittal data listing is required among the  
9 participating members by the IFTA Articles of Agreement and the IFTA  
10 Procedures Manual, such requirements shall be deemed satisfied by the  
11 successful and timely transmission of the data to the clearinghouse.

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13 Participating Members failing to timely upload any Transmittal Data per the  
14 Funds Netting Calendar will be assessed an interest penalty at the prevailing  
15 IFTA, Inc. interest rate per Articles of Agreement, Section R1230.

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17 The participating members shall be required to pay interest to each jurisdiction  
18 where funds are owed. Assessment of interest will begin the day following the  
19 funds netting deadline, which means interest will begin to accrue the day  
20 following the funds netting due date. A full month's interest shall accrue for any  
21 portion of a month on which funds owed remain unpaid. Participating members  
22 will be required to multiply funds due to each individual jurisdiction by the  
23 prevailing IFTA, Inc. interest rate per month, and then multiply the product of the  
24 previous calculation by the number of months late. A partial month (even one  
25 day) will be charged full month of interest.

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27 The participating members shall be required to provide a transmittal data listing  
28 to all other member jurisdictions as required by the IFTA Procedures Manual  
29 Section P1040.

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31 PROCEDURES MANUAL

32 \*P1040 Monthly Transmittals

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34 Outgoing Transmittals

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

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42 Participating Members failing to timely upload any Transmittal Data per the Funds Netting Calendar will  
43 be assessed an interest penalty at the prevailing IFTA, Inc. interest rate per Articles of Agreement,  
44 Section R1230.

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46 The participating members shall be required to pay interest to each jurisdiction where funds are owed.  
47 Assessment of interest will begin the day following the funds netting deadline, which means interest will  
48 begin to accrue the day following the funds netting due date. A full month's interest shall accrue for any  
49 portion of a month on which funds owed remain unpaid. Participating members will be required to  
50 multiply funds due to each individual jurisdiction by the prevailing IFTA, Inc. interest rate per month, and  
51 then multiply the product of the previous calculation by the number of months late. A partial month (even  
52 one day) will be charged full month of interest.

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Incoming Billing Transmittals

In the event a transmittal data listing to another jurisdiction results in money being owed to the base jurisdiction, the jurisdiction being billed shall remit payment to the base jurisdiction in accordance with the transmittal and funding calendar prepared by the Clearinghouse Advisory Committee and approved by the IFTA, Inc. Board of Trustees.

Participating Members failing to timely upload any Transmittal Data per the Funds Netting Calendar will be assessed an interest penalty at the prevailing IFTA, Inc. interest rate per Articles of Agreement, Section R1230.

The participating members shall be required to pay interest to each jurisdiction where funds are owed. Assessment of interest will begin the day following the funds netting deadline, which means interest will begin to accrue the day following the funds netting due date. A full month's interest shall accrue for any portion of a month on which funds owed remain unpaid. Participating members will be required to multiply funds due to each individual jurisdiction by the prevailing IFTA, Inc. interest rate per month, and then multiply the product of the previous calculation by the number of months late. A partial month (even one day) will be charged full month of interest.

*[Sections .050 through .700 remain unchanged]*