

FOR VOTE BY DECEMBER 5, 2022



**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)

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|------------------------------|---------------|
| Articles of Agreement | Section R2130 |
| 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 assess interest at the prevailing IFTA, Inc. interest rate per Articles of Agreement, Section R1230 on jurisdictions that fail to timely fund the IFTA Inc. Clearinghouse by the dates specified in the IFTA Inc. Funds Netting Calendar.

Interlining Indicates Deletion; Underlining Indicates Addition

1 ARTICLES OF AGREEMENT

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3 **R2130 INTEREST ASSESSED FOR UNTIMELY SUBMITTED TRANSMITTAL DATA**

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5 *[Section *R2120 remains unchanged]*

6 **Participating Members failing to timely fund the IFTA Inc. Clearinghouse by the dates specified in**
7 **the IFTA Inc. Funds Netting Calendar will be assessed interest at the prevailing IFTA, Inc. interest**
8 **rate per Articles of Agreement, Section R1230.**

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

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19 PROCEDURES MANUAL

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21 *P1040 Monthly Transmittals

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23 Outgoing Transmittals

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

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31 **Participating Members failing to timely fund the IFTA Inc. Clearinghouse by the dates specified in**
32 **the IFTA Inc. Funds Netting Calendar will be assessed interest at the prevailing IFTA, Inc. interest**
33 **rate per Articles of Agreement, Section R1230.**

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

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44 Incoming Billing Transmittals

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

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50 **Participating Members failing to timely fund the IFTA Inc. Clearinghouse by the dates specified in**
51 **the IFTA Inc. Funds Netting Calendar will be assessed interest at the prevailing IFTA, Inc. interest**
52 **rate per Articles of Agreement, Section R1230.**

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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. 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.

No Revisions Following the Second Comment Period