



**IFTA BALLOT PROPOSAL  
#05-2026**

**Sponsor**

IFTA, Inc. Board of Trustees

**Date Submitted**

April 29, 2026

**Proposed Effective Date**

January 1, 2000

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

IFTA Audit Manual Section A250

**Subject**

Audit Manual provision for the basis of the 3% annual average.

**History/Digest**

Member jurisdictions are required to complete audits of an average of 3 percent per year of the number of IFTA accounts required to be reported by that jurisdiction on the annual reports filed pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees, for each year of the program compliance review period, other than the jurisdiction's IFTA implementation year.

Since approximately 2000, this has been interpreted and enforced to mean the basis for the required number of audits in the **current year** is the number of accounts reported on the *prior year's* annual report (e.g. the audit requirement in the year 2026 is based on the accounts reported on the 2025 Annual Report). The direct language of Section A250 of the IFTA Audit Manual does not support the long-standing practice and interpretation. Unlike the provisions in Section A260 (Selection of Audits), there is no language in Section A250 that provides for utilizing the prior year's data to determine the current year's requirement.

This practice was brought to the attention of the Board of Trustees at the 1Q2026 Board Meeting. The Board tasked IFTA, Inc. with analyzing the data to determine what the result would be if the direct language of the Agreement had been applied. The review revealed several instances where jurisdictions that had been deemed compliant with Section A250 would be non-compliant if the direct language had been applied. There were also instances where the subject jurisdiction should have been referred to the Dispute Resolution Committee had the direct language been applied. It should be noted that the status of the four (4) jurisdictions that appeared before the Dispute Resolution Committee in 2024 and 2025 would not have changed; although the number of audits required to be made up would have increased slightly.

**Intent**

To amend the language in IFTA Audit Manual Section A250 to be consistent with the long-standing practice of utilizing the prior year's account information on the Annual Report as the basis for determining the audit requirement in the current year.

**Interlining Indicates Deletion; Underlining Indicates Addition – ALL CHANGES MUST BE HIGHLIGHTED IN RED**

**\*A250 NUMBER OF AUDITS**

Base jurisdictions will be held accountable for audits and will be required to complete audits of an average of 3 percent per year of the number of IFTA accounts required to be reported by that jurisdiction on the annual reports filed in the preceding year pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees, for each year of the program compliance review period, other than the jurisdiction's IFTA implementation year. Such audits shall cover all of the returns that were filed or required to be filed during a license year or shall cover at least four (4) consecutive quarters. This does not preclude audits of individual licensees several times during the program compliance review period. However, audits of a single licensee that cover multiple license years, fuel types, or both shall be counted as one audit for program compliance review purposes.

For purposes of this requirement, a Member Jurisdiction may substitute three Records Reviews for one Audit; provided, that no Member Jurisdiction may substitute Records Reviews for more than twenty-five percent of the total of the Audits required under this section. To use Records Reviews as a substitute for Audits, a Member Jurisdiction must adopt formal procedures that comply with the guidelines for Records Reviews set out in the Audit Manual. All accounts may be subject to a Records Review. Records Reviews cannot count toward the high or low distance audit requirement established in Section A260 Selection of Audits of the IFTA audit manual. All Records Reviews will count towards the unspecified distance account audit requirements. Any follow up or secondary Records Review on compliance issues will not count as another Records Review.