



**IFTA BALLOT PROPOSAL
#06-2026**

Sponsor

IFTA Agreement Procedures Committee

Date Submitted

April 10, 2026

Proposed Effective Date

Upon passage

Manual Sections to be Amended

Articles of Agreement

Article II

R212 Base Jurisdiction

Article V

R510 Rental/Leasing

R520 Household Goods Carriers

R530 Independent Contractors

R540 Filing of Leases

Subject

To provide clarification to the definition of base jurisdiction and determining base jurisdiction as it applies to Article V Lessors/Lesseees and Household Goods Carriers.

History/Digest

In accordance with IFTA Articles of Agreement, Article II, Section R212, the definition of Base Jurisdiction in part means “The member jurisdiction where qualified motor vehicles are based for vehicle registration purposes and (.100) Where the operational control and operational records of the licensee’s qualified motor vehicles are maintained or can be made available; and (.200) Where some travel is accrued by qualified motor vehicles within the fleet. The commissioners of two or more affected jurisdictions may allow a person to consolidate several fleets that would otherwise be based in two or more jurisdictions.”

Historically, the preamble to the definition of Base Jurisdiction meant that the applicant for a license must have vehicles registered in the jurisdiction the application for license is being presented. The standard interpretation has been that at least one qualified motor vehicle must be registered in that jurisdiction. At the 2025 Annual Business Meeting, a Town Hall topic focused on the meaning of the word “based” and how the definition poses an issue regarding the definition of base jurisdiction. It was said that when a carrier leases vehicles, the applicant may not have vehicles registered in said jurisdiction because the vehicle is registered in the base jurisdiction of the leasing company.

The IFTA, Inc. Board of Trustees issued a Board Charge to the IFTA Agreement Procedures Committee (APC) requesting for a review of and research the definition of Base Jurisdiction (R212) in the IFTA Articles of Agreement to determine whether clarification or changes are warranted. The APC formed a subcommittee and held discussions with representatives from the Attorney Advisory Committee, Law Enforcement Committee, Dispute Resolution Committee, Industry Advisory Committee, and Board Liaisons to review the language in R212 and discuss the impacts as it relates to Article V. Research was conducted through a survey to membership with questions surrounding the interpretation of the definition for base jurisdiction and what their jurisdiction does when an applicant does not have any qualified motor vehicles registered in their jurisdiction.

Survey results from membership were reviewed and through discussion and recommendations with subcommittee members, revisions to R212 and Article V have been drafted to address the concerns noted from the IFTA, Inc. Board of Trustees Charge.

Intent

To address the concerns noted by the IFTA, Inc. Board of Trustees Charge, revisions have been drafted to the IFTA Articles of Agreement R212 and Article V.

A subsection was added to the definition of Base Jurisdiction to clarify that a minimum of one qualified motor vehicle must be registered with a government agency of the member jurisdiction.

In addition, in follow up to the Town Hall topic at the 2025 Annual Business Meeting where it was said that when a carrier leases vehicles, the licensee/applicant may not have vehicles registered in said jurisdiction because their vehicle(s) are registered in the base jurisdiction of the leasing company, therefore the language was modified to include exceptions in Article V scenarios.

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

1 **R212 Base Jurisdiction** means the member jurisdiction where: ~~qualified motor vehicles are based for~~
2 ~~vehicle registration purposes and~~

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4 .050 At least one qualified motor vehicle is registered with a government agency of the
5 member jurisdiction; and

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8 .100 ~~Where t~~The operational control and ~~operational~~ records of the ~~licensee's~~ qualified
9 motor vehicles of the applicant or licensee are maintained ~~or can be made~~
10 available; and

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13 .200 ~~Where s~~Some travel is accrued by qualified motor vehicles within the fleet. The
14 commissioners of two or more affected jurisdictions may allow a person to
15 consolidate several fleets that would otherwise be based in two or more
16 jurisdictions.

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19 **ARTICLE V**

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21 **R500 LESSORS/LESSEES AND HOUSEHOLD GOODS CARRIERS**

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23 ***R510 RENTAL/LEASING**

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25 ~~.100 — Short-Term Leases. In the case of a short-term motor vehicle rental, by a lessor regularly~~
26 ~~engaged in the business of leasing, or renting motor vehicles without drivers, for compensation to~~
27 ~~licensees or other lessees of 29 days or less, the lessor will report and pay the fuel use tax unless~~
28 ~~the following two conditions are met:~~

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30 ~~.005 — The lessor has a written rental contract which designates the lessee as the party~~
31 ~~responsible for reporting and paying the fuel use tax; and~~

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33 ~~.010 — The lessor has a copy of the lessee's IFTA fuel tax license which is valid for~~
34 ~~the term of the rental.~~

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36 ~~.200 Long-Term Leases. A lessor regularly engaged in the business of leasing or renting motor~~
37 ~~vehicles without drivers for compensation to licensees or other lessees may be deemed to be the~~
38 ~~licensee, and such lessor may be issued a license if an application has been properly filed and~~
39 ~~approved by the base jurisdiction~~

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41 .100 Short-Term Leases. In the case of a short-term motor vehicle rental of 29 days or less,
42 for compensation, by a lessor regularly engaged in the business of leasing or renting
43 motor vehicles without drivers, to licensees or other lessees, the person responsible for
44 paying and reporting the fuel use tax will be:

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46 .005 The lessee, if the lessor and lessee enter into a written contract under which the
47 lessee is designated as the party responsible for reporting and paying the fuel
48 use tax. The lessor shall retain a copy of the lessee's IFTA fuel tax license which
49 is valid for the term of the rental. The base jurisdiction for the purposes of this
50 Agreement shall be the base jurisdiction of the lessee, as determined under
51 Section R212 notwithstanding the requirement specified in Subsection R212.050.

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.010 The lessor, if the lessor and lessee do not enter into a written contract under which the lessee is designated as the party responsible for reporting and paying the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.200 Long-Term Leases. In the case of a long-term motor vehicle rental of 30 days or more, for compensation, by a lessor regularly engaged in the business of leasing or renting motor vehicles without drivers, to licensees or other lessees, the person responsible for paying and reporting the fuel use tax will be:

.005 The lessor, if the lessor and lessee enter into a written contract under which the lessor is designated as the party responsible for reporting and paying the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.010 The lessee, if the lessor and lessee do not enter into a written contract under which the lessor is designated as the party responsible for reporting and paying the fuel use tax. The lessor shall retain a copy of the lessee's IFTA fuel tax license which is valid for the term of the rental. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessee, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

***R520 HOUSEHOLD GOODS CARRIERS**

~~In the case of a household goods carrier using independent contractors, agents, or service representatives, under intermittent leases, the party liable for motor fuel use tax shall be:~~

~~.100 — The lessee (carrier) when the qualified motor vehicle is being operated under the lessee's jurisdictional operating authority. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessee (carrier), regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes by the lessor or lessee.~~

~~.200 — The lessor (independent contractor, agent, or service representative) when the qualified motor vehicle is being operated under the lessor's jurisdictional operating authority. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessor, regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes.~~

~~In the case of a household goods carrier (lessee) using an independent contractor, agent, or service representative (lessor), under an intermittent lease, the person responsible for reporting and paying the fuel use tax will be:~~

~~.100 The lessee, if the qualified motor vehicles are being operated under the jurisdictional operating authority of the lessee. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessee, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.~~

~~.200 The lessor, if the qualified motor vehicles are being operated under the~~

jurisdictional operating authority of the lessor. The base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

*R530 INDEPENDENT CONTRACTORS

~~.100 Short-Term Leases. In the case of a carrier using independent contractors under short-term/trip leases of 29 days or less, the trip lessor will report and pay all fuel taxes.~~

~~.200 Long-Term Leases. Long-Term Leases. In the case of a carrier using independent contractors under long-term leases (30 days or more), the lessor and lessee will be given the option of designating which party will report and pay fuel use tax. In the absence of a written agreement or contract, or if the document is silent regarding responsibility for reporting and paying fuel use tax, the lessee will be responsible for reporting and paying fuel use tax. If the lessee (carrier) through a written agreement or contract assumes responsibility for reporting and paying fuel use taxes, the base jurisdiction for purposes of this Agreement shall be the base jurisdiction of the lessee, regardless of the jurisdiction in which the qualified motor vehicle is registered for vehicle registration purposes by the lessor.~~

.100 Short-Term Leases. In the case of a carrier (lessee) using an independent contractor (lessor) under a short-term motor vehicle rental of 29 days or less, the lessor will report and pay the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.200 Long-Term Leases. In the case of a carrier (lessee) using an independent contractor (lessor) under a long-term motor vehicle rental of 30 days or more, the person responsible for reporting and paying the fuel use tax will be:

.005 The lessor, if the lessor and lessee enter into a written contract under which the lessor is designated as the party responsible for reporting and paying the fuel use tax. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

.010 The lessee, if the lessor and lessee do not enter into a written contract under which the lessor is designated as the party responsible for reporting and paying the fuel use tax. The lessor shall retain a copy of the lessee's IFTA fuel tax license which is valid for the term of the rental. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessee, as determined under Section R212 notwithstanding the requirement specified in Subsection R212.050.

R540 FILING OF LEASES CONTRACTS

~~No member jurisdiction shall require the filing of such leases but such leases shall be made available upon request of any member (see IFTA Procedures Manual, Section P520).~~

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A member jurisdiction may require the filing of a written contract entered into by a lessor and lessee, under which the party responsible for reporting and paying the fuel use tax is specified. Otherwise, upon the request of any member jurisdiction, the contract shall be provided by the lessor and/or lessee.