FOR VOTING PERIOD ENDING DECEMBER 21, 2026

IFTA®
International Fuel Tax Association Inc.

IFTA BALLOT PROPOSAL
#06-2026

Sponsor

IFTA Agreement Procedures Committee

Date Submitted

September 25, 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 how to determine base jurisdiction per Article V Lessors/Lessees and Household Goods Carriers.

Following the initial comment period and feedback provided after the 2026 IFTA Annual Business Meeting, the ballot was revised to address comments and concerns expressed by the membership.

History/Digest

Section R212 of the IFTA Articles of Agreement, provides the definition of Base Jurisdiction as follows: "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 phrase of "member jurisdiction where qualified motor vehicles are based for vehicle registration purposes" has been interpreted to mean 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, the language in Section R212 was modified to include exceptions in Article V scenarios.

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

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

.050 At least one qualified motor vehicle, other than a motor vehicle that is leased, is registered by the applicant or licensee with a government agency of the member jurisdiction; and

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

.200 ~~Where s~~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.

ARTICLE V

R500 LESSORS/LESSEES AND HOUSEHOLD GOODS CARRIERS

***R510 RENTAL/LEASING**

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

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

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

.005 The lessee, if the lessor and lessee 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 lessee.

.010 The lessor, if the lessor and lessee do not enter into a written contract, or if the contract between the parties is silent regarding which party is 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.

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

~~be the licensee, and such lessor may be issued a license if an application has been properly filed and approved by the base jurisdiction~~

.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.

.010 The lessee, if the lessor and lessee do not enter into a written contract, or if the contract between the parties is silent regarding which party is 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 lessee.

***R520 HOUSEHOLD GOODS CARRIERS**

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

.100 The lessee ~~(carrier) when~~ , if the qualified motor vehicle~~s~~ are ~~is~~ being operated under the ~~lessee's~~ jurisdictional operating authority of the lessee. 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, if ~~(independent contractor, agent, or service representative) when~~ the qualified motor vehicle~~s~~ are ~~is~~ being operated under the ~~lessor's~~ jurisdictional operating authority of the lessor. 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.~~

***R530 INDEPENDENT CONTRACTORS**

.100 Short-Term Leases. In the case of a carrier (lessee) using an independent contractor~~s~~ (lessor) under a short-term motor vehicle rental ~~/trip leases~~ of 29 days or less, the ~~trip~~ lessor will report and pay the ~~all~~ fuel use tax~~es~~. The base jurisdiction for the purposes of this Agreement shall be the base jurisdiction of the lessor.

.200 Long-Term Leases. In the case of a carrier (lessee) using an independent contractor~~s~~ (lessor) under a long-term motor vehicle rental of ~~leases (~~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.

.010 The lessee, if the lessor and lessee do not enter into a written contract, or if the contract between the parties is silent regarding which party is 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 lessee.

~~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.~~

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).~~

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.