FOR VOTE AT THE 2026 ANNUAL BUSINESS MEETING

IFTA BALLOT PROPOSAL

#08-2026

Sponsor

Jurisdiction of Pennsylvania

Date Submitted

3/23/2026

Proposed Effective Date

January 1, 2027

Manual Sections to be Amended

IFTA Audit Manual	Section A250	NUMBER OF AUDITS

Subject

Add language to exclude cancelled accounts from the 3 percent audit requirement by changing the Audit Manual, Section A250 NUMBER OF AUDITS.

History/Digest

Audit selection takes place in February after the fourth quarter return for the prior year is filed at the end of January. We are finding more accounts each year where the taxpayer cancelled their account and have gone out of business, been selected for audit, and are either uncooperative with the auditor or fail to respond to the auditor's numerous attempts to contact. The proposed amendment excludes cancelled accounts from the 3 percent audit requirement.

Intent

The intent of this ballot proposal is to reduce the audit requirement by excluding cancelled accounts from the number of audits calculation in A250. A cancelled account includes an account that failed to renew or an account that the taxpayer opted to cancel. This does not include accounts that are revoked or suspended. This amendment will benefit all jurisdictions by reducing time spent making countless attempts to contact a taxpayer who is no longer in business and reduce the number of estimated assessments on taxpayers who no longer maintain the records since their IFTA license is cancelled. This change does not preclude any jurisdiction from auditing a cancelled account. The cancelled accounts would only be removed from the number of audit calculation.

Interlining Indicates Deletion; Underlining Indicates Addition

IFTA AUDIT MANUAL

***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 pursuant to the IFTA Procedures Manual, Section P1110.300.005 excluding new licensees and cancelled accounts, 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.