THE EASTERN TRANSPORTATION COALITION
MILEAGE-BASED USER FEE EXPLORATION

Prepared by:

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The International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP)

1 History

In 1991, President George H.W. Bush signed the Intermodal Surface Transportation Efficiency Act (ISTEA)[1] into law in the U.S., establishing an approach to highway and transit funding with collaborative planning requirements. A mandate was made that by September 30, 1996, the 48 contiguous states must establish a uniform approach to vehicle registration and collect motor fuel taxes in conformity with the International Fuel Tax Agreement.[2]

The purpose of ISTEA was clearly enunciated in this statement of policy:

"…to develop a National Intermodal Transportation System that is economically efficient, environmentally sound, provides the foundation for the Nation to compete in the global economy and will move people and goods in an energy efficient manner."[3]

ISTEA – 1991 requires

"State uniformity in vehicle registration and fuel tax reporting…"

[1] https://www.congress.gov/102/statute/STATUTE-105/STATUTE-105-Pg1914.pdf

[2] Three states were excepted from this mandate, Maine, New Hampshire, and Vermont as they were already members of the Regional Fuel Tax Agreement (RFTA).

[3] https://www.fhwa.dot.gov/planning/public_involvement/archive/legislation/istea.cfm

Among other items, provisions of the Act reflect these important policy goals:

- State and local governments were given more flexibility in determining transportation solutions, whether transit or highways, and the tools of enhanced planning and management systems to guide them in making the best choices.
- New technologies, such as intelligent vehicle highway systems (now known as Intelligent Transportation Systems (ITS) and prototype magnetic levitation systems, were funded to push the Nation forward.
- State uniformity in vehicle registration and fuel tax reporting was required. This was meant to ease the recordkeeping and reporting burden on businesses and contribute substantially to increased productivity of the truck and bus industry.

Although the International Registration Plan (IRP) and The International Fuel Tax Agreement (IFTA) cooperative agreements were in place prior to ISTEA, they were not widely adopted across the U.S. It took the “State uniformity in vehicle registration and fuel tax reporting requirements” in ISTEA to lead to the nationwide adoption of both programs.

1.1 What is the International Registration Plan[4] (IRP)?

In 1972, an ad hoc committee for National Proportional Registration was formed by the American Association of Motor Vehicle Administrators (AAMVA) during its International Conference. This committee was assigned the task of developing the proposed plan into an agreement acceptable to both industry and the licensing jurisdictions.

Administrators from all four U.S. regions were part of this ad hoc committee and held four meetings where some areas of the plan were re-worked or expanded and the plan gained favor among jurisdictions studying the feasibility of the agreement.

Kentucky, Missouri, and Tennessee initiate the pilot agreement to put into effect a prototype of the agreement based on this work. As the final draft of the plan was being prepared that July, the name was changed to The International Registration Plan. At the AAMVA International Conference that same year, the project was presented, and a resolution passed, making IRP a reality with the hope of creating the first national uniform interjurisdictional registration plan.

[4] www.irponline.org

In 1974, the Plan truly became International when Alberta was the first Canadian Province to sign on to the Plan. In 1991, ISTEA was signed into law establishing an approach to highway and transit funding with collaborative planning requirements. U.S. jurisdictions were required to participate by September 30, 1996[5] or they could not impose requirements on interstate commercial motor vehicles (CMVs) that would impede interstate commerce

Today, IRP is an international reciprocity agreement between the 48 contiguous U.S. jurisdictions, the District of Columbia, and 10 Canadian Provinces, which enables a motor carrier to register their CMV with the jurisdiction where they can either prove they have an established place of business or can prove residency if the applicant does not have an established place of business.

Participating jurisdictions are referred to as “Member Jurisdictions” and the IRP Bylaws, IRP Plan, and Audit Procedures provide the governance and framework IRP, Inc and Member Jurisdictions must follow.

Jurisdictions retain sovereignty in part by setting their own registration and renewal periods, registration fees, and exemptions.

The jurisdiction where the motor carrier is granted registration is known as the “base jurisdiction” and all activity involving that particular fleet, including the addition/deletion of vehicles, future renewals, weight changes, fees paid, and audits are handled through the base jurisdiction. A motor carrier may register fleets in more than one jurisdiction provided they meet the established place of business rules. However, if there is no established place of business, such as an owner operator, the residency rules can only be applied in the jurisdiction where the registrant can prove residency.

Motor Carriers are referred to as “Registrants.” Distance for all the Registrant’s CMVs (also referred to as fleets) are summarized by jurisdiction and reported annually to the base jurisdiction to determine the percentage of total travel *in* each jurisdiction, and thus, calculate the total registration fees due to each member jurisdictions for each of the vehicles in the fleet where travel occurred. When establishing a new IRP account, there is an Average Per Vehicle Distance chart used to “pre-pay” for the authority to travel in all jurisdictions until such time as the motor carrier has established distance for the next the registration period. A Registrant is not limited to the number of fleets they may establish and may even register fleets in more than one Jurisdiction.

[5] https://www.irponline.org/page/History

Jurisdictions retain sovereignty in part by setting their own registration and renewal periods, registration fees, and exemptions. Jurisdictions have the option to register CMVs on a staggered basis, meaning they can set up the IRP accounts for a continuous 12-month period based on the month the CMV (vehicle or fleet) is added,[6] or they can designate one or more specific 12-month periods where all CMV's registration is valid. Registration periods begin at the start of a month and end on the last day of the prior month. For example, January 1 – December 31; or April 1 – March 31. If a vehicle is added in the middle of a registration cycle, the registration fees for that vehicle are prorated for the number of months remaining in the cycle.

A fee chart containing the type of fees assessed and amount of each fee for each member jurisdiction is used by all jurisdictions to calculate the amount of registration fees due for each vehicle registered. The registration fee calculated for each vehicle is the full registration for each jurisdiction where operations occurred, multiplied by the apportioned percent of travel accrued by the fleet for each jurisdiction during the prior year reporting period of July 1 – June 30.

In the example detailed in Table 1 below, the total registration fees due are $2,751.25. The registration fees of $2,751.25 are remitted by the Registrant to the Base Jurisdiction. The base jurisdiction may keep their fees and transmit the remainder through the clearinghouse, for distribution through the IRP clearinghouse, to the other member jurisdictions. Distributions are run monthly for all activity recorded by each member jurisdiction during the month, regardless of a jurisdictions' renewal period. The funds received from each member jurisdiction are "netted" together as part of the process. If a jurisdiction owes more than they are due to receive, they send a payment to the clearinghouse. If they are due more than they remitted, they receive a payment from the clearinghouse.

[6] This method is similar to most passenger vehicles.

Table 1: Apportionment Calculation Example

Jurisdiction	Miles Traveled	Apportioned %[7]	Full Registration Fees	Apportioned Fees
Base Jurisdiction	23,487	0.2381	$2,350	$559.54
Jurisdiction B	45,689	0.4632	$3,100	$1,435.92
Jurisdiction C	23,488	0.2417	$2,560	$618.75
Jurisdiction D	5,634	0.0571	$2,400	$137.04
Summary:	98,658	1.00		$2,751.25

Lastly, any exemptions, such as government or emergency vehicles are governed by each jurisdiction. Rules for exemptions and things such as ad valorem taxes are factored into the system programming used by each jurisdiction for the calculation of fees. Each jurisdiction is responsible for validating their fees being calculated by each jurisdiction by performing an annual "fee test." Jurisdictions are also able to enter into separate reciprocity agreements for other exemptions and exceptions outside of IRP.

1.2 What is the International Fuel Tax Agreement[8] (IFTA)?

In 1983, the states of Arizona, Iowa, and Washington formed a cooperative program for the reporting and payment of fuel use taxes. The cooperative agreement was known as the International Fuel Tax Agreement. In 1984, provisions of federal legislation were implemented authorizing the formation of a working group on motor carrier procedures to review the states' methods of collecting fuel use taxes. Over a period of years, the working group drafted a model base state fuel tax agreement.

[7] Formulas:
Apportion % = Miles traveled by jurisdiction / total all miles
Apportioned Fees = Full registration fees x apportioned %

[8] www.iftach.org

In 1987, the National Governors' Association recommended the adoption of the model agreement as the IFTA. In April of that year, the membership of IFTA (now AZ, ID, IA, MN, OK, and WA) voted to adopt the model. By the end of 1990, 16 states had joined the IFTA. In addition to IFTA, three states, Maine, New Hampshire and Vermont, had also formed a cooperative agreement which was known as the Regional Fuel Tax Agreement (RFTA).

In 1991, ISTEA mandated the 48 contiguous U.S. states collect motor fuel use taxes in conformity with IFTA in order to continue receipt of federal highway monies. In 1992, IFTA truly became "International" when Alberta was the first Canadian Province to join.

Today, IFTA is an international reciprocity agreement between the 48 contiguous U.S. jurisdictions and 10 Canadian Provinces, which enables a motor carrier to report their fleet distance by jurisdiction and reconcile fuel taxes paid at the pump with the estimated fuel consumed on the road in each jurisdiction. The District of Columbia is not a member of IFTA.

Jurisdictions retain sovereignty in part by setting their own tax rates and exemptions, such as off-road miles, toll roads, and other exempt travel.

Motor Carriers apply for an IFTA license to operate their commercial motor vehicles (CMV) in excess of 26,000 pounds, or those with three or more axles regardless of weight, across state lines. All distance traveled and fuel purchases are reported on the quarterly IFTA return filed with the base jurisdiction, as opposed to reporting to each jurisdiction individually. As with IRP, the jurisdiction where the motor carrier is granted an IFTA license is known as the "base jurisdiction" and all activity involving that particular fleet, including audits are handled through the base jurisdiction. A motor carrier may apply for more than one IFTA license, however, the concept is one base jurisdiction and one license. Additionally, in order to be eligible to apply for an IFTA license, the motor carrier must have at least one vehicle registered in the jurisdiction which they seek to obtain a license.

Jurisdictions participating in IFTA are also referred to as "Member Jurisdictions." The IFTA Bylaws, Articles of Agreement, Procedures Manual, and Audit Manual provide the governance and framework that IFTA, Inc and Member Jurisdictions must follow.

Motor Carriers are referred to as "Licensees." Distance and total fuel purchased for all of the Licensee's CMVs (also referred to as fleets) are summarized by jurisdiction and reported quarterly to the base jurisdiction on an IFTA tax return.

Jurisdictions retain sovereignty in part by setting their own tax rates and exemptions, such as off-road miles, toll roads, and other exempt travel. Rules for each jurisdiction's exemptions are contained on the IFTA website[9] and the Licensee is responsible for ensuring they correctly report exempt miles.

The total miles traveled in all jurisdictions are totaled along with all "tax paid gallons purchased" to determine the fleet MPG. Exempt miles for each jurisdiction are deducted from the total miles in the jurisdiction and the difference is referred to as "Taxable miles in IFTA Jurisdiction." These miles are divided by the fleet MPG to determine the "Taxable Gallons". The Taxable gallons in each jurisdiction are multiplied by that jurisdictions Tax Rate to determine the tax due from or refunded to the Licensee in each jurisdiction. The Tax Due in each jurisdiction is netted together to give the Licensee the total amount due or to be refunded, depending upon where the fuel was purchased versus where it was consumed.

In the example detailed in Table 2 below, the total IFTA tax due from the Licensee is $1,004.46. The total IFTA tax due is remitted by the Licensee to the Base Jurisdiction with the corresponding IFTA return. If the result had been a refund to the Licensee, the base jurisdiction would issue the refund to the Licensee. The reason additional tax is primarily due to the Licensee consuming 1,989 gallons more fuel in Jurisdiction B than they purchased. With the per gallon tax rate of $0.7950, the additional amount owed to Jurisdiction B is $1,581.43 more than they paid in Jurisdiction B at the pump. Likewise, the credits in the base jurisdiction and Jurisdiction C are the result of purchasing more fuel at the pump in those jurisdictions than was consumed.

Table 2: IFTA Tax Calculation Example

Jurisdiction	Fuel Type	Tax Rate	Total Miles in IFTA Jurisdiction	Taxable Miles in IFTA Jurisdiction	Taxable Gallons	(Tax Paid) Gallons Purchased	Net Taxable Gallons	Tax Due
Base Jur	DI	0.2600	23,487	22,975	3,785	5,011	-1,226	($318.76)
Jur B	DI	0.7950	45,689	45,411	7,481	5,492	1,989	$1,581.43
Jur C	DI	0.2700	23,848	23,487	3,869	4,851	-982	($265.04)
Jur D	DI	0.3140	5,634	5,589	921	899	22	$6.83
TOTALS			98,658	97,462	16,056	16,253	-197	$1,004.46
Fleet MPG 6.07 Formula = Total miles in IFTA jurisdiction / tax paid gallons								

[9] https://www.iftach.org/exempt/view/Viewexemptions.php

Each month, every Member Jurisdiction transmits a summary of all IFTA return and audit information along with a summary of all payments/refunds to the IFTA clearinghouse, for distribution to the other member jurisdictions. All transactions are netted monthly for all IFTA activity recorded by each member jurisdiction during the month. The sum of all transactions submitted by each member jurisdiction are “netted” together to determine the net effect on each jurisdiction. If a jurisdiction owes more than they are due to receive, they send a payment to the clearinghouse. If they are due more than they remitted, they receive a payment from the clearinghouse.

Lastly, a list of any exemptions, such as off-road miles, toll roads or other exempt miles, are posted to the IFTA website by each jurisdiction and updated as needed. Licensees are responsible for maintaining records to support exempt claims and some jurisdictions require a separate exempt use form be prepared and submitted rather than allowing the exemption on the IFTA return.

IFTA makes it possible to pay for fuel use in each jurisdiction the Licensee travels in without the need to register and file with each jurisdiction individually.

1.3 Why is this important?

IFTA and IRP were both designed and created to ease registration and fuel tax reporting requirements for motor carriers, as a result of complexities involved with the registration of CMVs and payment of fuel taxes to multiple jurisdictions. For those early adopters of IRP and IFTA, efficiencies were recognized years before the widespread adoption. Industry and Jurisdictions alike benefited from a uniform approach to registration and fuel tax collection.

The policy goals set through ISTEA mandated participation in IRP[10] and IFTA[11] by September 30,1996. This is important because it demonstrates that even with a more efficient way to register CMVs and pay fuel taxes, there were many states who refused to participate without a mandate.

Although there were many compacts and reciprocity agreements in the U.S. and Canada in place prior to the formal adoption of IRP and IFTA, the only way for a motor carrier to comply with the jurisdiction's registration or fuel tax requirements and pay for the ability to operate in the jurisdiction was to file (by paper) in each jurisdiction where the CMV traveled. Each state had different registration and fuel tax requirements, and the compacts and reciprocity agreements were not consistent among jurisdictions, making compliance very challenging and inefficient.

These requirements were not only administratively challenging for the motor carrier industry and the jurisdictions, but they were also difficult to comply with. There were different registration rules and expiration periods, forms and eligibility requirements, and even record-keeping requirements. Auditing was costly, both for the motor carrier and the jurisdictions. ISTEA brought some much-needed relief to the motor carrier world, industry and government alike.

The license plate on the CMV had small rectangular "boxes" for the decal from each state where registration was obtained, to be displayed. This plate was commonly referred to as a "bingo plate". This process was not only incredibly difficult to comply with from a registration standpoint, but it was also virtually impossible to get the vehicle registration and plate decals from every jurisdiction the motor carrier was registered in, affixed to the plate in a timely manner as many of the vehicles did not return to a set location on a reoccurring basis. This challenge led to many motor carriers receiving citations for expired registration when in fact, their registration was current they just did not have proof.

10 (f) VEHICLE REGISTRATION- After September 30, 1996, no State (other than a State participating in the International Registration Plan) shall establish, maintain, or enforce any commercial motor vehicle registration law, regulation, or agreement which limits the operation of any commercial motor vehicle within its borders which is not registered under the laws of the State if the vehicle is registered under the laws of any other State participating in the International Registration Plan.

11 (g) FUEL USE TAX.— (1) REPORTING REQUIREMENTS.—After September 30, 1996, no State shall establish, maintain, or enforce any law or regulation which has fuel use tax reporting requirements (including tax reporting forms) which are not in conformity with the International Fuel Tax Agreement. (2) PAYMENT.—After September 30, 1996, no State shall establish, maintain, or enforce any law or regulation which provides for the payment of a fuel use tax unless such law or regulation is in conformity with the International Fuel Tax Agreement with respect to collection of such a tax by a single base State and proportional sharing of such taxes charged among the States where a commercial motor vehicle is operated.

Fuel tax reporting was also manual process where each motor carrier had to register and file fuel tax returns in any jurisdiction that required them. Obtaining fuel receipts and trip records from drivers, sorting records and filing returns by jurisdiction, and the recordkeeping needed for potential audits by every jurisdiction the motor carrier was registered to travel was not only costly, but it was also incredibly burdensome.

However, even in 1991 when ISTEA was enacted, very few jurisdictions or motor carriers had computer systems in place for anything other than basic word processing and general spreadsheet creation. The foundations of IRP and IFTA were created during a time where everything was filed through the mail on paper forms. This has been modified over the past three decades to adapt to the changes in electronic filing and other improvements such as electronic credentialling and payments, but still have much of their core framework around an archaic paper-based foundation. This can be readily seen in the ballot process needed to make changes to either The Plan (IRP) or The Agreement (IFTA) governing documents. The length of time it takes to make changes does not reflect the ability of jurisdictions to communicate through e-mail, video conferences, and other electronic means to present ballot language, make comments, and vote on proposed changes.

Both IRP[12] and IFTA[13] presented ballots in 2021 to adjust the time it takes to make changes to the governing documents. IRP ballot 441 was passed in October 2021 with an effective date on January 1, 2022. At the time of this writing, IFTA's ballot #03-2021 is pending membership vote. Although the ballot process will be much more efficient with these changes, it can still take 12-18 months from the time of approval before changes are implemented. The ballot details can be found through the links provided.

The cooperative agreements between the U.S. jurisdictions and Canada keep recordkeeping and regulatory requirements easy to administer, comply with, and enforce. Even with framework that has been in place for more than three decades, IRP and IFTA serve the motor carrier industry and member jurisdictions well. As transportation needs and highway funding options evolve, the premise of IRP and IFTA serve as a viable model to follow.

[12] IRP Proposed Ballot Number 441 https://cdn.ymaws.com/www.irponline.org/resource/resmgr/irp_ballots/Ballot_441.pdf
[13] IFTA Full Track Preliminary Ballot Proposal (FTPBP) #3 2021

1.4 What is the principle/purpose of IRP and IFTA?

These are defined in The Plan and The Agreement as follows:

- **IRP Section 105 – Fundamental Principle:** "The fundamental principle of The Plan is to promote and encourage the fullest possible use of the highway system by authorizing apportioned registration of Fleets of Apportionable Vehicles and the recognition by each Member Jurisdiction of the registration of Vehicles apportioned by other Member Jurisdictions, thus contributing to the economic and social development and growth of the Member Jurisdictions."
- **IFTA Section R130 – Purpose:** "It is the purpose of this Agreement to promote and encourage the fullest and most efficient possible use of the highway system by making uniform the administration of motor fuels use taxation laws with respect to motor vehicles operated in multiple member jurisdictions.
    - **.100** To effect this purpose, the Agreement implements three core provisions that, as between states of the United States, constitute an interstate compact approved by Congress in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). These core provisions, incorporated by ISTEA, are:
        - .**005** The base jurisdiction concept, which allows a licensee to report and to pay motor fuel use taxes to a base jurisdiction for distribution to other member jurisdictions in which the licensee traveled and incurred motor fuel use tax liability.
        - **.010** Retention of each jurisdiction's sovereign authority to determine tax rates, exemptions and exercise other substantive tax authority.
        - **.015** A uniform definition of the vehicles to which the Agreement applies.
    - **.200** To enable participation in this Agreement and to supplement the core provisions, the relationship among the member jurisdictions is further expressed in:
        - **.005** Reciprocal statutes enacted in member jurisdictions authorizing participation in IFTA, and
        - **.010** Provisions in the Agreement reflecting a reciprocal administrative agreement for the administration of the IFTA program. These administrative provisions are subject to amendment and interpretation as provided in this Agreement."

2 IRP and IFTA Requirements

IRP and IFTA are very similar by design, but do have distinct differences when it comes to the definition of an apportionable vehicle (IRP) versus a qualified vehicle (IFTA); and the selection of a base jurisdiction. (See Appendix C – Comparative Overview)

2.1 IRP Apportionable Vehicle, Registration Fees, and selection of Base Jurisdiction

IRP defines an apportionable vehicle as one with travel in two or more jurisdictions; and, two or more axles and a Gross Vehicle Weight (GVW) or Registered GVW in excess of 26,000 pounds, or, three or more axles regardless of weight, or, when used in combination with the GVW exceeding 26,000 pounds. IRP also allows vehicles under 26,001 to be registered at the option of the Registrant.

Registration fees are based on the percent of distance traveled in each jurisdiction and the reporting period is from July 1 – June 30 with total distance traveled in all jurisdictions supplied once a year at the time of renewal.

- New accounts use an Average Per Vehicle Distance (APVD) chart unless the fleet had prior operations during the previous reporting period and the operations under the new account will not change.
    - For example, a company that is sold or otherwise acquired along with the existing customer base and operations, would report its actual prior year distance activity for the fleet at the time the account is registered instead of using the APVD chart.
    - All other new accounts must either submit a business plan to estimate miles in particular jurisdictions or use the APVD chart. Most new accounts use the APVD.

Selection of Base Jurisdiction is contingent upon an established place of business[14] or proof of residency if registrant does not have an established place of business in the state where registration is sought.

[14] IRP Section 305 Selection of Base Jurisdiction

- Acceptable documents:
    - While there is guidance to documents acceptable for proof of an established place of business or proof of residency, Jurisdictions have the ability to determine what other documents are acceptable for proof.

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Apportionable Vehicle:

- Travel in two or more jurisdictions, and
- Two or more axles and a GVW or Registered GVW in excess of 26,000* lbs., or
- Three or more axles regardless of weight, or
- Used in combination when the GVW of such combination exceeds 26,000 pounds.

Selection of Base Jurisdiction:

- Must have an established place of business or residency
- Must accrue distance in base jurisdiction.

Recreational vehicles are not apportionable.

*Vehicles under 26,000 pounds may be registered at the option of the registrant.

IRP is intended for **interstate** operations and the Licensee must accrue distance in base jurisdiction during the license year to remain eligible for renewal. Vehicles solely operating **intrastate** (also known as “base state operations”) are not registered through IRP.

2.2 IFTA Apportionable Vehicle, Reporting Requirements, and Base Jurisdiction Selection

IFTA defines an apportionable vehicle as one with travel in two or more jurisdictions; and, two or more axles and a GVW in excess of 26,000 pounds or; three or more axles regardless of weight or; when used in combination with the GVW exceeding 26,000 pounds. IFTA does not allow vehicles under 26,001 pounds to be reported and neither IRP nor IFTA allow recreational vehicles to be included.

IFTA is intended for interstate operations- A company must have at least one qualified vehicle with travel in two or more jurisdictions to qualify for an IFTA license. However, intrastate distance can be reported on the IFTA return with other qualified vehicles in some jurisdictions at the discretion of that jurisdiction.

IFTA returns are filed quarterly by the Licensee with the Base Jurisdiction. Reporting periods are January – March; April – June; July – September; and October – December. The Licensee is required to report all distance and fuel purchased by its qualified vehicles during the reporting period.

- One fleet MPG is applied[15] to all vehicle travel (Total all vehicle miles / all fuel purchases = Fleet MPG).
- Each jurisdiction sets their own per gallon tax rate and exemptions.
- One tax payment (or refund) paid by the motor carrier through the base jurisdiction.

[15] This is one reason some jurisdictions do not allow intrastate vehicles to be reported on the IFTA return, as intrastate vehicles are often lighter weight and have a higher MPG than long haul vehicles, potentially skewing the fleet MPG.

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Section R245 - Qualified Motor Vehicles:

- Two or more axles and GVW exceeding 26,000 pounds or
- Three or more axles regardless of weight; or
- Used in combination when the weight of such exceeds 26,000 pounds.

Does not include recreational vehicles.

Does not record individual units or weight.

Jurisdictions:

- To qualify, licensee must operate a qualified vehicle in two or more jurisdictions.

Section R212 - Base Jurisdiction

Section R305 - Licensing Requirements

The IFTA Base jurisdiction is the jurisdiction where a company has **at least one vehicle registered**[16] for IRP and can produce records within that state if ever selected for audit. The company must also have some distance traveled in the base jurisdiction during the reporting period to file the IFTA return. One tax return is filed quarterly with the base jurisdiction.

[16] With the expansion of "leased" vehicles in recent years, this requirement has posed a problem for some smaller motor carriers who lease from a company with vehicles based (registered) in a jurisdiction outside of their operations.

2.3 IRP and IFTA Data Repository and Clearinghouse

Both IRP and IFTA have a data repository and clearinghouse that serves to capture all registrant and licensee information with jurisdictional access. Registration and fuel tax information, along with the funds exchanged between the Licensee and Registrant and the Base Jurisdiction are transmitted monthly to the appropriate Clearinghouse. Although highly encouraged, a member jurisdiction does not have to participate in the Clearinghouse.

- Jurisdictions send all IFTA transactions (original/amended returns and audits) processed by the jurisdiction to the IFTA Clearinghouse on a monthly transmittal.
- Once a month the transactions from all member jurisdictions are netted together. The Clearinghouse notifies the member jurisdictions of the monthly netting results. If the jurisdiction owes the Clearinghouse that month, they remit a payment, otherwise they will receive a refund once the funds are collected from the member jurisdictions who owe and are redistributed.

The IRP Clearinghouse has the ability to drill down into individual vehicle registration information with the exception of distance traveled by jurisdiction, which is reported at a fleet level. However, both IRP and IFTA recordkeeping requirements include individual vehicle trip records and fueling receipts that correspond with any registration documents and tax returns be maintained by the Registrant/Licensee for a minimum of four (4) years from the date submitted.

2.4 IRP and IFTA Framework

The framework of IRP and IFTA are quite similar, each with governing documents that apply to all member jurisdictions and applicants equally. Although there are differences given the purpose of each program, there are consistencies that make administration and compliance for the jurisdictions and motor carriers easier.

The Board of Directors/Trustees are comprised of jurisdictional representatives from each of the IRP and IFTA regions. Representatives are elected by member jurisdictions. In IRP, the regional members vote for their representatives; in IFTA, the vote goes to the full membership.

Jurisdictions pay annual membership dues to each organization which are used to support and maintain their operations. In exchange, the jurisdictions receive the following benefits:

- Access to the data repository and clearinghouse;
- Training materials for jurisdictional staff members;
- Standing Committees and Working Groups;
- Workshops for Auditors, Managers, Attorneys, and Law Enforcement
- Audit Exchange;
- Standardized reporting;
- Monthly netting of funds;
- Jurisdictional support;
- Voting privileges.

Standing committees from each organization work together to provide workshops, webinars, and other training materials to both jurisdictional staff and industry stakeholders. This collaborative effort provides consistency among jurisdictions by ensuring materials available can be easily accessed, referenced, and are applied to jurisdictions equally.

Both organizations have a “peer” or “program compliance” review committee comprised of members from each region who review the operational and audit processes of member jurisdictions on a reoccurring rotated basis. Although the frequency of the review is not identical, both organizations conduct concurrent reviews, meaning that there are no unreviewed periods. Jurisdictions found out of compliance are given time to make necessary corrections before being brought to the Dispute Resolution Committee for action.

Although membership in both organizations includes all of the contiguous U.S. states and the same Canadian Provinces, administration of the two programs is not consistently conducted in the same Department. About 40-45% of the jurisdictions have what are known as “split shops” where the IRP functions and the IFTA functions are performed by different agencies within the jurisdiction. Likewise, some jurisdictions also process their Intrastate commercial vehicle registration in a different department than the IRP registrations. This adds a layer of complexity to any modifications needed to IRP and/or IFTA in order to expand the programs to include Mileage-Based User Fee (MBUF).

2.5 IRP and IFTA in an MBUF World – A look at the synergies

During both the first Multi-State Truck Pilot and the first National Truck Pilot, synergies between IRP and IFTA were analyzed to see if or how they could be modified to work in an MBUF world. Although there is still real-world testing that needs to be conducted in future pilots, both IRP and IFTA appear to have synergies that could work.

Four scenarios, detailed below in Table 3, were evaluated as follows:

Table 3: Scenarios Evaluated in Coalition Truck Pilots

Scenario		Assumptions
1	Replace Fuel Tax and incorporate other fees into the MBUF, such as FET, HVUT, Registration, etc.	MBUF would be calculated on individual vehicle distance with various rates based on factors such as weight, configuration, number of axles, or age. May also include type of operations.
2	Replace Fuel Tax with MBUF. Includes a weigh or other variable factor but does not consider fuel consumption or incorporate in other fees.	MBUF would be calculated on individual vehicle distance with factors, such as weight, configuration, number of axles, or age.
3	Replace fuel tax with MBUF based on individual rates, conditions in each state. Weight and/or MPG may or may not be a factor, based on policy of each state.	MBUF would be calculated on individual vehicle distance based on various rates in each state. May or may not be based on MPG, weight, or characteristics of individual vehicles.
4	May or may not replace fuel tax. Apply MBUF to all vehicles equally based solely on number of miles traveled. May include weight categories and would maintain a fleet based approach. Could allow for HVUT, FET, UCR, etc. to be incorporated in rates.	MBUF could be calculated as a single rate applied to all commercial vehicles equally regardless of other factors such as size, weight, age, or MPG; or, applied to various weight categories with each category representing a fleet.

Below, Table 4 compares MBUF synergies scenarios.

Table 4: MBUF Synergies Comparison Chart and Scenarios

MBUF Synergies Chart based on Current Framework	Information Captured by Individual Unit			Information Captured by Fleet		
Info Required for Scenario	MBUF	IRP*	IFTA*	MBUF**	IRP***	IFTA
Vehicle Distance by Jurisdiction	1, 2, 3	1, 2, 3	1, 2, 3	4	4	4
Vehicle Type	1, 2, 3	1, 2, 3				
Vehicle Weight Category	1, 2, 3	1, 2, 3		4	4	no
Vehicle Weight Unladen	1, 2, 3	1, 2, 3				
Axles *Required in Quebec	1, 2, 3	1, 2, 3		4	4	no
USDOT	1, 2, 3	1, 2, 3		4	4	no
VIN	1, 2, 3	1, 2, 3				
FEIN	1, 2, 3	1, 2, 3		4	4	4
Clearinghouse/Data Repository	1, 2, 3	1, 2, 3		4	4	4
Registration Fees	1	1, 2, 3		4	4	no
Scalable Fees by Jurisdiction	1, 2, 3	1, 2, 3		4	4	4
Type of Operations	1, 3	1, 2, 3				
Sales/Excise Tax	1	1, 2, 3		4	4	4
Fuel Consumption*****	1, 3, 4		1, 2, 3	4	no	4
HVUT	1			4	4	4
Federal Excise Tax	1			4	4	4
Other Fees	1			4	4	4

*Distance not currently required to be reported by individual unit, but must be maintained by individual unit for audit purposes for both IRP and IFTA.

**Under Scenario 4, MBUF only requires distance information (and possibly weight categories) for the entire fleet as all vehicles would be charged equally. All other MBUF scenarios require individual vehicle information. If adopted in Canada, # of axles is required in Quebec.

***Under existing framework, most items needed for registration fee calculations

****Would be required if refunds were granted through IFTA for fuel tax paid and offset against MBUF.

Under the current IRP and IFTA models, the scenarios were evaluated by identifying the information currently captured at both the individual unit and fleet levels and compared to the information that may need to be captured or could be easily incorporated into the rates of an MBUF model.

IRP captures and calculates vehicle registration based on individual unit information, however, neither model currently captures distance on a “per vehicle” basis. There are record keeping requirements both the Registrant and Licensee must maintain for audit purposes that would provide the necessary distance and fuel consumption per individual unit if that became necessary under MBUF. However, if the MBUF model is kept simple, fleet-based reporting is very doable.

The scenarios evaluated reflect various options. Based on feedback received from the Motor Carrier Working Group (MCWG) established as part of the Pilot work, weight categories are “ok” if they are applied consistently across the participating jurisdictions and federal government.

Scenario 4 offers the simplest approach to MBUF by applying the same rate to all vehicles within the fleet. If weight categories are included, rates can be adjusted as necessary to incorporate in fees like HVUT which applies to vehicles 55,000 pounds or greater; revenue from tire taxes (based on weight/load capacity); and even Unified Carrier Registration (UCR) which applies to the number of vehicles in a company could be incorporated with the registration fees.

Neither IRP or IFTA are ready in their current form to incorporate MBUF, but the synergies each represent, such as a single-state (base jurisdiction) fleet-based approach to reporting, a clearinghouse to exchange funds between jurisdictions, and consistent framework for all jurisdictions to follow and keep tax filing simple are worth exploring further. The Phase IV National Truck Pilot will test MBUF using the IRP and IFTA framework to explore the feasibility of using IRP and/or IFTA as a transitional bridge to MBUF, potentially providing an option for jurisdictions to be early adopters.

2.6 Threat to Uniformity and Simplification of Registration and Tax Filing

…the biggest risk to the Motor Carrier is not MBUF or the electrification of motor vehicles and reduction in highway funds as a result, but rather the threat of unraveling what IRP and IFTA resolved by instituting stand-alone WDTs and in effect creating a de-facto MBUF system.

Four jurisdictions assess a Weight Distance Tax (WDT). Kentucky, New Mexico, New York, and Oregon have implemented WDTs on heavy use vehicles. Compliance with the WDTs require motor carriers traveling in these states to register and apply annually for authority to operate, submit tax returns outside of the IFTA requirements, and in some cases maintain records outside those needed for IRP or IFTA to support the weight of their operations at a particular point in time.

In June 2021, Connecticut also passed legislation (HB 6688) which imposes a Heavy Use Tax on Class 8 trucks beginning January 1, 2023 unless it is repealed before then. This brings the total jurisdictions with separate reporting, filing, recordkeeping, and audit requirements to 10% of the U.S. jurisdictions by January 2023. These separate WDT requirements diminish the ISTEA mandate to bring uniformity to vehicle registration and fuel tax reporting requirements.

Additionally, many other jurisdictions are actively pursuing highway funding alternatives. Therefore, the biggest risk to the Motor Carrier is not MBUF or the electrification of motor vehicles and reduction in highway funds as a result, but rather the threat of unraveling what IRP and IFTA resolved by instituting stand-alone WDTs and in effect creating a de-facto MBUF system. With individual WDT filing already required in four states and being explored by others; and jurisdictions taxing electric and alternatively fueled vehicles using a variety of taxing methods, reporting and compliance for motor carriers is becoming more difficult.

During testimony in June 2021 on Connecticut's Heavy Use Tax Bill, it was noted statements were made which are contrary to the role and purpose of IRP and IFTA. It was implied to lawmakers that IRP and IFTA can be used to identify and enforce non-compliance at roadside checkpoints and at weigh stations.

IRP and IFTA are not designed to provide real-time validation or reporting non-compliance at roadside enforcement checkpoints. While there is a compliance and enforcement element included in both IRP and IFTA, it is limited to validation of active credentials and not “real time” reporting. IRP has recently updated their data repository and clearinghouse to allow for electronic validation of operating credentials, but that is limited to a validation of the registered weight and does not confirm whether the registrant has filed and paid the proper fees to a jurisdiction with a weight distance tax.

Therefore, without an audit of the carrier’s operations, IRP and IFTA cannot be used to verify that appropriate weight distance taxes at a particular point in time, such as whether the weight noted at a weigh station, is reported or calculated accurately by the Motor Carrier when the return is later filed.

3 Formation of the Motor Carrier Working Group (MCWG)

During the annual IRP/IFTA Audit Workshop in February 2019, The Eastern Transportation Coalition (TETC) and their technology and research partner EROAD were invited to speak about the Multi State Truck Pilot (MTSP) work being conducted as part of the Phase II Surface Transportation System Funding Alternatives (STSFA) grant. This speaking engagement opened the door for TETC and EROAD to reach out to a diverse group of commercial vehicle subject matter experts to discuss the possibility of forming a Motor Carrier Working Group (MCWG), because it was evident the Trucking Industry was not at the MBUF table, but would be greatly impacted by any policy decisions which may one day be enacted. Figure 1 below provides an overview of the MCWG makeup.

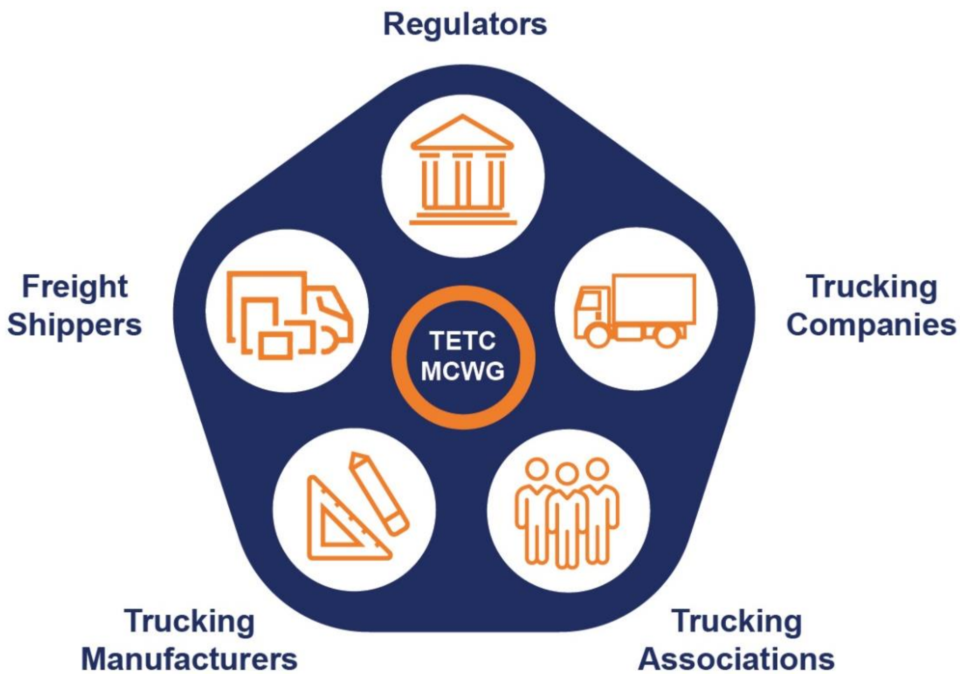


Figure 1: Motor Carrier Working Group Members

The creation of a MCWG ensures stakeholders are not only at the table, but an integral part of the trucking discussion, providing valuable insight and recommendations as the pilot work and exploration of highway funding alternatives continues. Due to the sensitive nature of MBUF discussions, the MCWG members are kept anonymous. This ensures a safe place for sensitive conversations to occur and pilot work to be advanced without a perception of anyone supporting or opposing alternative funding solutions.

To date, the MCWG has held three full working group meetings, with the most recent being in November 2021. A "Rate Setting Task Force" was established from a diverse group of volunteers from the full MCWG to focus specifically on rate setting options for commercial motor vehicles after the Phase III "1st National Truck Pilot" (NTP) confirmed using MPG alone to set rates will not work for trucks. The Task Force met twice and details of all meetings to date can be found in the Motor Carrier Working Group Technical Memo.

3.1 Motor Carrier Regulatory Requirements

During discussions with the MCWG, the industry is firm in their position, MBUF cannot become another layer of complexity in a highly regulated and taxed environment. They have repeatedly stated, "It is imperative for any future highway funding alternatives to improve reporting and regulatory compliance and not set the industry back."

As shown in Table 5, the Motor Carrier world is already highly regulated and complex. In addition to fuel tax, there are Heavy Vehicle Use Taxes (HVUT), Weight Distance Taxes (WDTs) in four states, Federal Excise Taxes (FET), Federal Tire Taxes (FTT), and tolls. With these fees, there are also multiple regulations they must comply with. Having a uniform approach such as IRP and IFTA provide has greatly simplified and improved compliance with reporting.

Table 5: Motor Carrier Regulatory Requirements

What	How much	Terms	Where	How often
State Excise Tax on Diesel	\$0.17 - \$0.795 per gallon (State) \$0.244 (Fed)	Varies per state, except Oregon has no excise tax on diesel.	Paid at the pump (or bulk deliveries)	When fuel is purchased
Heavy Vehicle Use Tax	\$100 + \$22 per 1,000 pounds over 55,001. Maximum of \$550 per vehicle	All CMV over 55,001 pounds	Issued by IRS	Annually
Weight Distance Tax	Varies, see appendix Table 1-1	Travel through State with WDT	KY, NM, NY, and OR	Varies, mostly quarterly
Federal Excise Tax	12%	Retail purchase of new Truck	Dealer	New purchases only
Federal Tire Tax	Tires over 40 pounds \$.015 per pound up to \$10.50 + \$0.50 per pound over 90 pounds.	Based on weight of tire	At Dealer/Retailer	When purchased
Toll Roads	Varies	Varies	Approximately 28 states	When road is traveled

In many regards, both IFTA and IRP *are* a mileage-based user fee approach to funding. While the fuel tax is paid at the pump as it is for passenger vehicles, both the registration fees (through IRP) and tax on fuel consumed (through IFTA) are calculated, reconciled, and redistributed proportionately to the states where travel occurs on a "per mile/per jurisdiction" basis. Electronic Logging Devices (ELDs) also provide a mileage-based approach to data collection, but the focus of ELDs is on the driver for hours of service, and not on the vehicle for taxing purposes.

The MCWG has confirmed that the framework of IRP and IFTA provide synergies that can be considered in an MBUF environment. IRP and IFTA focus on commercial vehicles in excess of 26,000 pounds traveling in two or more jurisdictions, whereas, ELDs begin at 10,001 pounds for those vehicles involved in interstate commerce.

4 In Closing

The Phase IV National Truck Pilot is slated to begin in June 1, 2022 and run through November 30, 2022. During the recruitment efforts, an emphasis will be placed on selecting companies with a variety of diverse vehicle types to test various weight categories and fuel types. The goal is to capture diesel, CNG, EV, and Hydrogen vehicles, as well as a variety of registered weight variances and vehicle types for both intra/interstate trucks.

The Phase IV National Truck Pilot intends to evaluate the following:

- The fairness and effectiveness of MBUF rates applied equally to all CMVs regardless of fuel type.
- The feasibility of eliminating separate Interstate and Intrastate fleets as all vehicle miles will be assessed based on the rates per jurisdiction.
- The benefit of adding a weight class from 10,001 – 26,000 pounds to capture and report all CMV's, not just those in excess of 26,001 pounds.
- The ability of both IRP and IFTA's Data Repository and Clearinghouse to serve as a bridge for MBUF reporting.
- The feasibility of setting rates to accommodate other fees assessed on Motor Carriers such as HVUT, UCR, Tire Tax, and Federal Excise Tax.
- The ability of IFTA to provide tax paid credit through the IFTA return.

The Coalition and EROAD will be working with both IRP and IFTA Inc to test whether the Clearinghouse process can work as a transitional bridge between fuel tax and MBUF without creating additional reporting burdens on the Motor Carriers.

It is recognized and understood that an MBUF foundation needs to be doable and provide flexibility without adding burden to the industry. Shifting to an MBUF will be a heavy lift. If IFTA and/or IRP can be used to transition between the current fuel tax model and MBUF, it is believed the impact to the motor carrier industry and administrative costs for the jurisdictions and federal government can be greatly lessened.

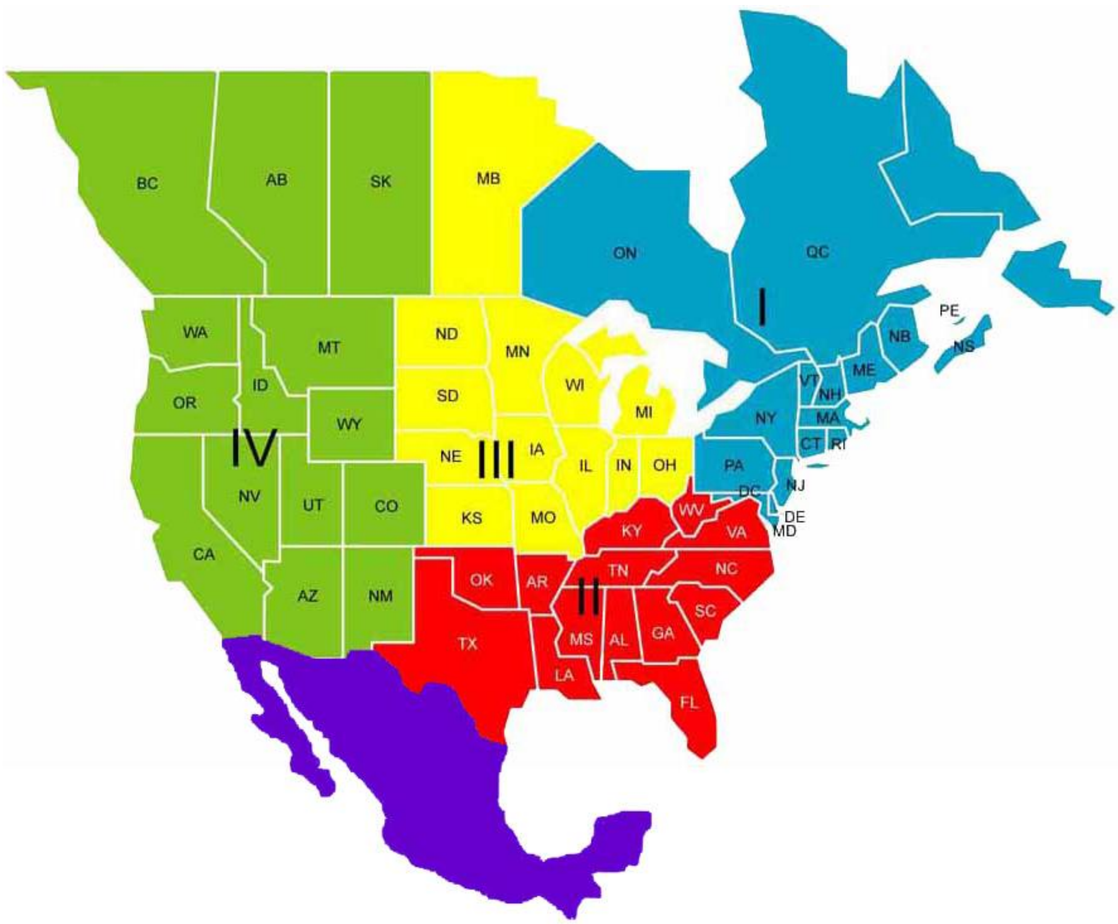
Appendix A – International Registration Plan (IRP)

Section	Description
Overview	The International Registration Plan is a reciprocal agreement between the 48 contiguous US states, the District of Columbia, and 10 Canadian provinces, known as Jurisdictions. Jurisdictions receive registration data from motor carriers on an annual basis, using their historical travel from July - June in the previous 12 month period to establish the allocated percentages for each jurisdiction in the current registration period. Registration and distance is handled as a fleet for the purposes of allocation, but individual vehicle information is obtained for each vehicle in the fleet and motor carriers (referred to as "Registrants" are required to maintain individual vehicle statistics and trip logs for audit purposes.
History	Since its inception, the International Registration Plan has provided a sound platform to facilitate a registration reciprocity agreement that would be fair to the motor transportation industry and provides each member jurisdiction a fair share of revenue from vehicle registration fees based on distance traveled. Since the establishment of IRP, Inc., the association has evolved to meet the needs of the International Registration Plan and its members by providing essential programs and leadership to ensure the success of the IRP.
Mission	To serve as the repository of the International Registration Plan, improve Plan compliance and serve as a catalyst for positive, effective change with respect to commercial motor vehicle issues.
Purpose	IRP's fundamental principle is to promote and encourage the fullest possible use of the highway system.
	NOTE: The International Registration Plan facilitates registration for almost 400,000 fleets representing approximately 2.9 million power units and accounts for close to 3 billion dollars in revenue for member jurisdictions.
Organizational Structure	CEO; 1- Senior Director of Programs and Education: 3 Program Director (Finance, Plan Compliance, and Clearinghouse/Information Systems management); 1 part time - Communications and Membership Associate; 1 - System and Member Support Specialist.
Board of Directors	Two (2) US members from each of the four (4) regions, Two additional members are from any region in Canada; and one (1) at large position make up the 11 voting board members. Executive Team: Chair, Vice Chair, Treasurer and Secretary. Officers are voted for annually at the Fall board meeting and serve from Jan 1 - Dec 31 in the upcoming year. Officers can serve multiple terms if elected by the voting members. At the end of the chair's term, if not re-elected and their board term has not expired, they remain on the board in the jurisdictional representative role they were elected to by the members in that region. If their board term is also expiring at the same time, they can remain on the board as Past Chair (advisory role) until replaced by the next Chair whose term on the board has also expired.

Section	Description
Membership	48 Contiguous US States, District of Columbia, and 10 Canadian Provinces: Membership is split into 4 different regions to ensure representation across all jurisdictional boundaries. Region I covers the Northeast; Region II covers the Southeast; Region III covers the Midwest; and Region IV covers the Western States. Region III does not have any Canadian representation. All other Regions have 1 or more Canadian Provinces included in them.
Standing Committees	Audit; Awards Nominating; Dispute Resolution; Education; Industry Advisory, IT and Data Services; Peer Review
Working Groups and Subcommittees	Working groups, Task Forces, and other Sub-committees are set up at the direction of the Board of Directors to address or study a particular topic. These groups do not have by-laws and cannot submit a ballot, but can prepare a ballot for submission through a sponsor, another standing committee, the board of directors, or a jurisdiction.
Plan Changes - IRP Plan Article XV Section 1500	All changes to the Plan are done through a ballot process. Ballots must be submitted no later than 60 days prior to a scheduled Open Meeting, Currently the Annual Meeting (AM) or any meeting so designated by the Board. Sponsors have 45 days following the open meeting and comment period to make changes to the ballot. Ballots can be submitted by the Board of Directors, individual or groups of individual jurisdictions; or any standing committee. A ballot can be withdrawn by the sponsor or modified prior to the AM, but if changes are made, the proposed changes go out for a second comment period before voting occurs. Once no additional changes are made, the ballot goes for vote. Ballots can be placed on a short track, meaning it is not necessary to have a longer implementation date; or full track which provides a longer implementation period. The implementation date for each ballot is voted on separate from the contents of the ballot.
Clearinghouse - IRP Clearinghouse 5.0	The Clearinghouse serves as the Repository for all IRP related data. Appendix E has all of the data fields captured by the current clearinghouse. IRP is undergoing a major clearinghouse modernization project and the new system will be more robust. The data dictionary has not been finalized for the new system.
	Types of information captured includes: Title; liens; weight-based registration fees (scalable by jurisdiction); special plate fees; customized fees for single jurisdiction application such as ad valorum, multijurisdictional vehicle tax, commercial vehicle excise tax, etc.); audit adjustments; foreign exchange rates; company contact information; multiple mailing addresses for different company roles; EIN; USDOT; Type of Operation; Combined GVWR/Total Axles; Number seats/passengers/horsepower for buses; Fuel Type; Make/Model/Year; vehicle type; VIN; unladen weight. The complete list can be found in the link.
Jurisdiction Contact Information	Affiliate members have access to the Jurisdictional contact directory for each of the IRP Membership jurisdictions.
Training Materials	New Learning Management System I-2 Learning Hub is expected to be operational in late Spring. Affiliate partner training will be available at a later date.

Section	Description
Frequently Asked Questions	General FAQ summary
Note: For additional information, refer to the IRP website.	

IRP Regions - Staging

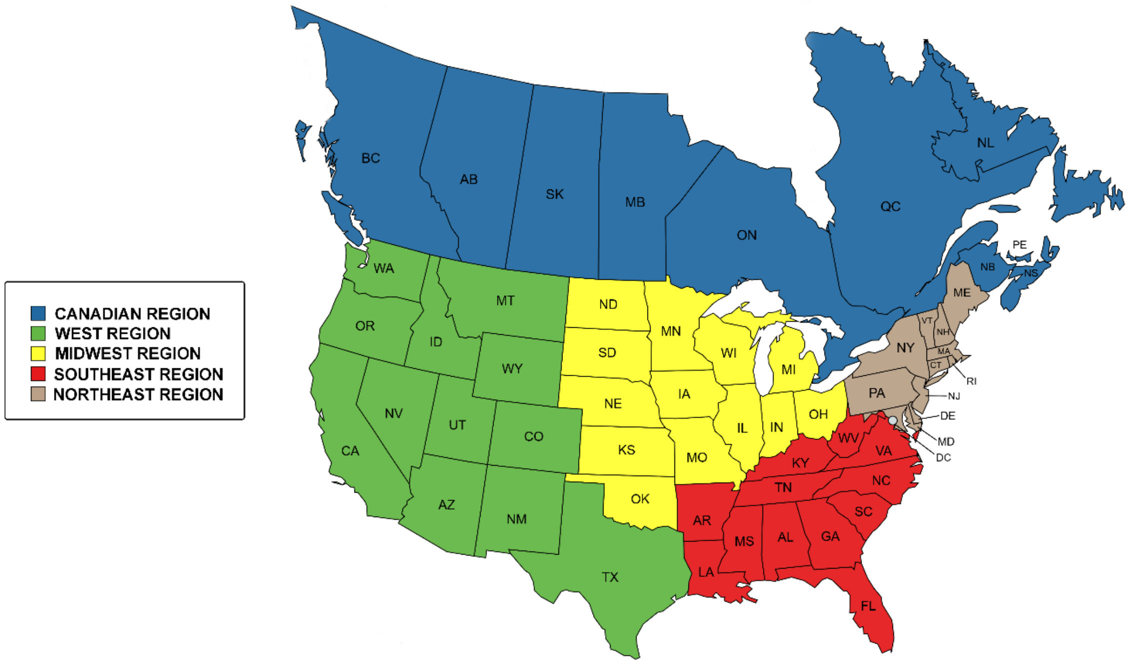


Appendix B – International Fuel Tax Agreement (IFTA)

Section	Description:
Overview	The International Fuel Tax Association, Inc., more commonly known as IFTA, Inc., is an Arizona not-for-profit corporation formed to manage and administer the International Fuel Tax Agreement.
History	Webinar #2 The History of IFTA and IRP
Mission	"To foster trust and cooperation among the jurisdictions through efficient and effective planning and coordination and oversight of activities necessary to administer the International Fuel Tax Agreement for the betterment of the members and our partners."
Purpose	Webinar #1 The IFTA Organization
Organizational Structure	CEO; 1- IFTA Business Supervisor; 1-Communications and Training Director; 1-IT Manager; I-IT Technical Support; 1-Events Administrator; 1-Program Compliance Review Facilitator
Board of Trustees	9 members from US/Canada jurisdictions: President, Vice-President, Secretary and Treasurer. Five other board members from all IFTA regions fill the remaining spots.
Membership	48 Contiguous US States, District of Columbia, and 10 Canadian Provinces: Membership is split into 5 different regions to ensure representation across all jurisdictional boundaries.
Committees	Agreement Procedures, Audit, Clearinghouse Advisory, Dispute Resolution, Industry Advisory, Law Enforcement, Program Compliance Review
Working Groups and Subcommittees	Working groups, Task Forces, and other Sub-committees are set up at the direction of the Board of Trustees to address or study a particular topic. These groups do not have by-laws and cannot submit a ballot, but can prepare a ballot for submission through a sponsor, another standing committee, the board of directors, or a jurisdiction.

Section	Description:
Agreement Changes	(R1600) All changes to the Agreement are done through a ballot process. Ballots can be submitted by the Board of Trustees, individual or groups of individual member jurisdictions; or any standing committee. A ballot can be withdrawn by the sponsor or modified prior to the ABM, but if changes are made, the proposed changes go out for a second comment period before voting occurs. Once no additional changes are made, the ballot goes for vote. Ballots can be placed on a short track, meaning it is not necessary to have a longer implementation date; or full track which provides a longer implementation period. The implementation date for each ballot is voted on separate from the contents of the ballot. Ballots must be received by IFTA Inc and posted to the repository for the first 45 day comment period which also must be completed at least 45 days prior to the open meeting. Ballots are presented during an open meeting and can be moved to a "short track" meaning the proposal is submitted to the repository for circulation to the membership within 30 days of the open meeting for a 30 day comment period. Jurisdictions have another 30 days in which to vote on the ballot. Full track ballots must be submitted to the repository within 45 days of the meeting for an additional 45 day comment period. At end of the comment period, jurisdictions have 60 days to vote on the ballot. Any amendment passed via ballot is effective the first day of January or July, whichever comes first, following the completion of 12 complete months following the close of the voting period. An alternative effective date may be allowed if 3/4 of the membership agree.
Clearinghouse	R 2100 Responsible for the maintenance and administration of licensee demographic and transmittal data
Jurisdiction Contact Information	N/A
Training Materials	New Learning Management System I-2 Learning Hub is expected to be operational in late Spring. Affiliate partner training will be available at a later date.
Tax Rate Matrix	Updated quarterly with the fuel tax rates in each jurisdiction.
Bylaws	Gives specific governing information
Note: For additional information, refer to the IFTA website.	

IFTA Membership Map



Appendix C – Comparative Overview

Comparative Overview	IRP	IFTA
Intrastate Operations	No	Yes
Fees and Exemptions set by Jurisdictions	Yes	Yes
Fleet Based Reporting	Yes	Yes
Reporting Requirement	Annual Renewal (Can be Staggered)	Quarterly, can be annual under certain conditions
Credentials Issued	Cab Card, initial registration and annual renewal	License/Decals, initial application, annually thereafter
Clearinghouse	Yes	Yes
Individual Vehicle Information Captured	Yes - All but distance	No
Includes Intrastate vehicles	No	Yes, at the option of the Base Jurisdiction
Includes CMV's under 26,001 pounds	Yes, at the option of the Registrant	No*
Base Jurisdiction Requirement	Residency or Established place of Business	At least 1 qualified vehicle registered in the Jurisdiction.
Monthly Allocation of Fees Collected	Yes	Yes
Temporary Trip Permits	Yes	Yes
Record Retention	3 Years following close of Registration Year	5 years
Recordkeeping Requirements	Individual Unit and Summary	Individual Unit and Summary
Frequency of Audits	Average of 3% of Registrants Annually	Average of 3% of Registrants Annually
Penalty for Failure to Maintain Records	Yes	Yes
Base Jurisdiction Audit Expenses	Yes, if records not available in base jurisdiction	Yes, if records not available in base jurisdiction
Appeal Process	Yes	Yes
Jurisdictional Annual Report of Activity	Yes	Yes
Number of Regions	4	5
Board of Directors/Trustees	2 per U.S. Region, 2 from Canada, and 1 "at large"	2 from each Region

Comparative Overview	IRP	IFTA
Peer/Program Compliance Reviews	Yes, concurrent reviews	Yes, Once every 5 years
Appeals to the Board	Yes	Yes
Ballot Process for Amendments	Yes	Yes
Standing Committees	Yes	Yes
Jurisdictional Membership Dues	Yes, based on # vehicles registered in jurisdiction	Yes, equally prorated for all member jurisdictions
Bylaws and Governing Documents	Yes	Yes
Suspension for Non-Compliance	Yes	Yes
*Unless vehicle has 3 or more axles		

Appendix D – Acronym List

AAMVA	American Association of Motor Vehicle Administrators
AM	Annual Meeting
APVD	Average Per Vehicle Distance
CMV	Commercial motor vehicles
ELD	Electronic Logging Devices
FET	Federal Excise Taxes
FTT	Federal Tire Taxes
HVUT	Heavy Vehicle Use Taxes
IFTA	International Fuel Tax Agreement
IRP	International Registration Plan
ISTEA	Intermodal Surface Transportation Efficiency Act
ITS	Intelligent Transportation Systems
MBUF	Mileage-Based User Fee
MCWG	Motor Carrier Working Group
MTSP	Multi State Truck Pilot
NTP	National Truck Pilot
RFTA	Regional Fuel Tax Agreement
STSFA	Surface Transportation System Funding Alternatives
TETC	The Eastern Transportation Coalition
UCR	Unified Carrier Registration
WDT	Weight Distance Tax