



**INTERNATIONAL
FUEL TAX
ASSOCIATION, INC.**

Manages
The International Fuel Tax Agreement

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MEMORANDUM

TO: IFTA Community

FROM: Lonette L. Turner
CEO/CFO

DATE: September 24, 2012

RE: 2Q12 and 3Q12 Tax Rate Matrices

As you are aware, the exchange rates used for the 2Q12 and 3Q12 tax rates were incorrect. On Friday, September 21, we posted a Memorandum on our website containing a link to the downloads of the corrected tax rates.

After careful consideration and conversations with the Executive Committee of the IFTA, Inc. Board of Trustees, it was determined that the matrices on our website for both of those quarters should be corrected. We have taken that action and the corrections are completed. This is different than our practice in the past of not updating a matrix after a jurisdiction has made a late change to tax rates. In that instance, the IFTA Procedures Manual specifically provides that if a tax rate change is not timely made, the other jurisdictions do not have to take extraordinary measures to collect at the new rate. There is no guidance in the Governing Documents regarding an error to the calculation of the exchange rate.

The Board will be discussing the issue at its meeting next month.