What Is IFTA?

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Overview

The International Fuel Tax Agreement (IFTA) is a cooperative agreement between participating U.S. states and Canadian provinces that simplifies fuel tax reporting for interstate motor carriers. Prior to IFTA, carriers were required to obtain fuel permits and file fuel tax reports with every jurisdiction they traveled through. IFTA streamlines this process by allowing carriers to file a single quarterly fuel tax return through their designated base jurisdiction.

Why IFTA Exists

Fuel taxes collected at the pump help fund highway maintenance and transportation infrastructure. Because commercial vehicles often travel through multiple states and provinces, IFTA ensures that fuel taxes are distributed fairly based on where the miles were actually driven rather than where fuel was purchased.

How Advanced IFTA Helps

Advanced IFTA automates mileage tracking, fuel reporting, exception monitoring, audit preparation, and quarterly reporting to simplify compliance and reduce administrative workload.