

# IFTA Program Compliance Review

## JURISDICTION OF WISCONSIN FINAL DETERMINATION FINDING OF NON-COMPLIANCE

This Final Determination Finding of Non-Compliance (“Finding”) is issued to the jurisdiction of Wisconsin by the Program Compliance Review Committee (“PCRC”). The PCRC is a standing committee of the International Fuel Tax Association, Inc. as defined by the International Fuel Tax Agreement (“IFTA”). Wisconsin has failed to comply with the provisions of the Agreement cited herein.

Non-Compliance History:

### 2020-2024 Non-Compliance Issue:

#### 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, for each year of the program compliance review period, other than the jurisdiction’s IFTA implementation year. Such audits shall cover at least one license year. 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.

#### Discussion:

Wisconsin did not meet the 3% requirement. With Wisconsin’s election to exclude 2020 audit count, Wisconsin was required to complete 652 audits during the review period and completed 511, a shortage of 141 audits. Wisconsin did not process records reviews this review cycle.

#### A260 SELECTION OF AUDITS

The following guidelines shall be used in selecting audits to fulfill the IFTA auditing requirements:

.100 Low-Distance/High-Distance Accounts Requirement

At least 15 percent of each member jurisdiction's audit requirement shall involve low-distance accounts. Low-distance accounts are considered to be the 25 percent of the previous year's licensees who had the lowest number of miles/kilometers reported in all member jurisdictions. At least 25 percent of each member jurisdiction's audit requirement shall involve high-distance accounts. High distance accounts are considered to be the 25 percent of the previous year's licensees who had the highest number of miles/kilometers reported in all member jurisdictions.

#### Discussion:

Wisconsin did not meet the low-distance 15% requirement. With Wisconsin’s election to exclude 2020 audits for 3%, low-distance and high-distance requirements, Wisconsin was required to complete 163 high-distance audits during the review period and completed 75, a shortage of 88 high-distance audits.

### 2015 – 2019 Non-Compliance Issue

#### 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

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new licensees, for each year of the program compliance review period, other than the jurisdiction's IFTA implementation year. Such audits shall cover at least one license year. 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.

### **Discussion:**

Wisconsin did not meet the 3% requirement.

Wisconsin was required to complete 745 audits during the review period and completed 740, a shortage of 5 audits, for an average of 2.98%.

### **A260 SELECTION OF AUDITS**

The following guidelines shall be used in selecting audits to fulfill the IFTA auditing requirements:

.100 Low-Distance/High-Distance Accounts Requirement

At least 15 percent of each member jurisdiction's audit requirement shall involve low-distance accounts. Low-distance accounts are considered to be the 25 percent of the previous year's licensees who had the lowest number of miles/kilometers reported in all member jurisdictions. At least 25 percent of each member jurisdiction's audit requirement shall involve high-distance accounts. High distance accounts are considered to be the 25 percent of the previous year's licensees who had the highest number of miles/kilometers reported in all member jurisdictions.

### **Discussion:**

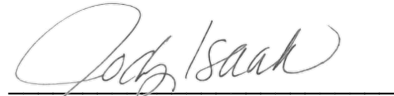
Wisconsin did not meet the 25% high-distance audit requirement.

Wisconsin was required to complete 186 high-distance audits and completed 178, a shortage of 8 audits, for an average of 24.05%.

### **Finding**

Due to Wisconsin's failure to comply with A250 3% requirement of the IFTA Audit Manual in the current and prior review cycles, and failure to comply with A260 25% High-Distance requirement the Program Compliance Review Committee has issued a Final Determination Finding of Non-Compliance pursuant to the IFTA Program Compliance Committee Review Guide, Section III.B, and Articles of Agreement, Section R1555. These matters will be referred to the Dispute Resolution Committee to be heard as a dispute with a copy to the Executive Director of IFTA, Inc for notification to all member jurisdictions.

ISSUED THIS 24<sup>th</sup> DAY OF February 2026.



Jody Isaak (ND), PCRC Chair