International Fuel Tax Association, Inc.
P. O. Box 24195
Tempe, AZ 85285
www.iftach.org

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INTERNATIONAL FUEL TAX ASSOCIATION
DISPUTE RESOLUTION COMMITTEE

PROGRAM COMPLIANCE REVIEW COMMITTEE	)	
	)	
VS.	)	DRC 2026-0002
	)	
STATE OF WISCONSIN	)	

FINAL ORDER

Background

This matter came before the Dispute Resolution Committee (DRC, the Committee) of the International Fuel Tax Agreement (IFTA) upon the Final Determination Finding of Noncompliance (FDFNC) issued on February 25, 2026, by the IFTA Program Compliance Review Committee (PCRC, the Complainant) against the State of Wisconsin. The PCRC's referral of the matter was in accordance with R1555 of the IFTA Articles of Agreement.

Threshold Determinations

Based on the parties' initial filings with the Committee, the DRC made the following initial determinations:

- That DRC jurisdiction over this matter was proper under the IFTA Articles of Agreement.
- That notice was properly and timely provided in accordance with the IFTA Dispute Resolution Process (DRP).
- That all submissions required under the DRP for a hearing of this dispute were complete and timely filed by the parties.

Hearing

The DRC held a hearing on the dispute on August 27, 2026, in conjunction with the 2026 IFTA Annual Business Meeting in Austin, Texas. Jody Isaak, Chair of the PCRC, appeared on behalf of the Complainant. Justin Litscher, IFTA Commissioner for the State of Wisconsin, appeared on behalf of the Respondent.

At the hearing, after taking roll the Parliamentarian determined that a quorum was present. The Chair then introduced the parties to the dispute before the Committee. All parties were given an opportunity to present arguments and witnesses and to cross-examine testimony.

Following the presentations of the parties, the Chair opened the floor for comments from others who wished to be heard. The DRC then held the matter over for deliberation in an executive session and considered the issues before it.

Findings

In its FDFNC, its filings with the DRC, and its testimony at the hearing, the PCRC presented the following findings. Since the Respondent did not dispute these findings, the DRC adopted them for purposes of deciding the dispute.

1. Audit Count Requirements

    a. For the 2015-2019 audit cycle, the Respondent was required to perform 745 audits under A250 of the IFTA Audit Manual but only completed 740 audits, leaving a deficit of 5 audits for the period.

    b. For the 2020-2024 audit cycle, the Respondent was required to perform 652 audits under A250 of the IFTA Audit Manual but only completed 511 audits resulting in a deficit of 141 audits for the period. The Respondent also failed to complete the audit deficit of 5 audits from the previous Review cycle leaving a combined deficit of 146 audits.

2. High Distance Audit Requirement

    a. For the 2015-2019 audit cycle, the Respondent was required to complete 186 high distance audits under the IFTA Audit Manual but only completed 178, falling short by 8 high distance audits.

    b. For the 2020-2024 audit cycle, the Respondent was required to complete 163 high distance audits under the IFTA Audit Manual but only completed 75, falling short by 88 high distance audits.

Decision of the DRC

At the conclusion of its executive session, the DRC returned to open session in order to decide the dispute. The parties' representatives rejoined the proceeding at this time. Prior to the Committee taking a vote, a Proposed Order was projected onto a screen visible to the audience in the room as well as to those attending the meeting remotely. The Proposed Order was then read aloud, and the Chair announced that the Proposed Order was open for discussion and debate. There were no questions or debate from the parties, the audience, or the Committee. Accordingly, the Chair called for a motion with respect to the Proposed Order.

A motion was made and seconded to adopt the Proposed Order as presented. The motion passed with 7 yes votes and 1 no vote. Following is the Order that was adopted by the Committee:

> THE DRC ORDERS that the findings of the Program Compliance Review Committee (PCRC), which are not disputed by the Respondent, are hereby adopted as the findings of the Dispute Resolution Committee.
>
> THE DRC FURTHER ORDERS the Respondent to complete its deficit of audits for the two review periods as detailed in the Final Determination Finding of Non-Compliance (FDFNC) by December 31, 2027, in addition to meeting the other audit requirements contained in the Agreement.
>
> THE DRC FURTHER ORDERS the Respondent to complete its deficit of high-distance audits for the two review periods to meet its 25 percent high-distance audit requirement pursuant to Section A260 by December 31, 2027.
>
> THE DRC FURTHER ORDERS the Respondent to follow a compliance plan, to be developed by the PCRC, which includes providing quarterly audit production reports, including the high/low distance requirements found in Section A260, to the PCRC until they are compliant with this Order. The PCRC will report progress to the DRC concerning the Respondent's compliance plan.
>
> THE DRC FURTHER ORDERS that if the Respondent fails to comply with the orders above by December 31, 2027, it shall suffer immediate loss of voting power, standing committee membership, and Board positions until the Respondent comes into compliance with this Order.
>
> THE DRC FURTHER ORDERS that if the Respondent fails to comply by March 1, 2028, then for Fiscal 2029, its Membership Dues shall be doubled and its Plus One Person (POP) Funding shall be lost.
>
> THE DRC FURTHER ORDERS that if the Respondent fails to comply by December 31, 2028, the DRC shall request a Resolution to Expel the Jurisdiction as required pursuant to Section R1555.300.005.
>
> THE DRC FURTHER ORDERS that if the Respondent fails to comply by March 1, 2029, then for Fiscal 2030, its Membership Dues shall be tripled and its POP Funding shall be lost.

This Order is hereby incorporated into and given full effect in this Final Order.

Rationale for Decision

The DRC considered both aggravating and mitigating circumstances. The Respondent's failure to meet audit requirements over two consecutive audit cycles and the significant shortfall in high distance audits were viewed as serious violations. The DRC acknowledged that the organizational unit responsible for administering the IFTA program might not have full control over its funding and/or operational priorities. However, the prolonged non-compliance and the substantial shortfall in audits indicated a systemic issue that needed to be addressed.

The DRC's decision is based on a thorough review of the evidence, consideration of mitigating and aggravating circumstances, and alignment with the IFTA Agreement, Audit Manual, Procedures Manual and Dispute Resolution Process. The actions taken were necessary to promote fairness and to remind jurisdictions of the importance of following the requirements set out in IFTA's governing documents.

IT IS SO ORDERED.

Issued this 16th day of September, 2026, by:

Tom McDaniel, Chair