



Multistate Tax Commission Audit Committee Meeting July 31, 2017

1. Productivity

The Audit Program has completed four income tax audits and parts of eight other income tax audits for the fiscal year 2017. The Audit Program also has completed eight sales tax audits and parts of six other sales tax audits for this same period. Currently, there are twenty-one (21) income and thirty-three (33) sales tax audits in progress.

The MTC Audit Program has proposed assessments of \$167,460,884 for the completed income tax audits and \$3,753,760 for the completed sales tax audits for the fiscal year ending June 30, 2017.

2. Staffing

Since my last report in March, I am happy to report that we have no changes to the MTC audit program complement.

3. Audit Committee

The audit committee has met three times in fiscal year 2017. The first meeting was in Kansas City, Missouri on July 25, 2016. The second meeting was held in Houston, Texas on December 13, 2016. The third meeting was held in San Diego, California on March 9, 2017.

During the meeting in San Diego the audit committee discussed closing one of the audit program audits. After the discussion the committee recommended closing the audit pursuant to the early audit closure provisions. The audit committee also discussed the sales tax audit program results. Overall, there was a common understanding that the results of the sales tax audits would not compare to the income tax audit results and the committee was satisfied with the sales tax audit results. As usual, the committee reviewed active cases and held the states' round table discussion.



4. TRAINING

This fiscal year, the MTC held a Statistical Sampling for Sales and Use Tax Audits, September 19 -22, 2016 in Wheat Ridge, Colorado. Bob Schauer was the instructor for this class. We also held a Computer Assisted Audit Techniques Using Excel class October 18-19, 2016 in Hoover, Alabama. Harold Jennings and L.D. Ridenour were the instructors for that class. Another Statistical Sampling for Sales and Use Tax Audits was held in Sioux Falls, South Dakota May 16-19, 2017. The instructor for that class was Bob Schauer, with assistance from Sam Moon.