



MULTISTATE TAX COMMISSION

To: Members, Executive Committee

From: Frank Hales, Audit Committee Chair
Lee Baerlocher, Vice Chair

Date: April 13, 2018

Subject: Report of the Audit Committee

The audit committee met on July 31, 2017, in Louisville, Kentucky. This was the first meeting of the committee in fiscal year 2018. There were 59 members, guests and staff present during the public session and 59 members and staff present during the closed session of the meeting. There were no members of the public present during the public session, and there were 50 individuals representing 20 audit program states present during the closed session of the meeting.

The audit committee also met on November 15, 2017 in New Orleans, Louisiana. There were 58 members, guests and staff present during the public session and 54 members and staff present during the closed session of the meeting. There was one member of the public present during the public session, and there were 44 individuals representing 21 audit program states present during the closed session of the meeting.

During both meetings the audit committee reviewed the status of all the audits in progress. A discussion was held on several income tax and sales tax audits that had significant issues.

At the meeting in Louisville Kentucky, the audit committee reviewed the sales tax audit nominations and voting results and moved to add eight new companies into the MTC sales tax audit inventory.

During the meeting in New Orleans Bruce Fort, MTC staff attorney, gave a presentation on recent happenings in the State and Local Tax area. This was very well received and may become a semi-regular part of the committee meeting.

As is customary, the audit committee ended both meetings with a round table discussion regarding audit leads and issues that individual states are experiencing.

The next meeting of the audit committee will be held during the MTC annual meeting in Boston, Massachusetts, July 23rd through July 26th.