



MULTISTATE TAX COMMISSION

To: Members, Executive Committee

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

Date: April 10, 2020

Subject: Report of the Audit Committee

The Audit Committee has met twice during this fiscal year. The audit committee first met on August 5, 2019, in Boise, Idaho. There were 66 members, guests, and staff present during the public session and 67 members and staff present during the closed session of the meeting. There were two members of the public present during the public session and there were 56 individuals representing 25 audit program states present during the closed session of the meeting.

The committee also met on November 5, 2019, in San Antonio, Texas. This was the second meeting of the committee in fiscal year 2020. There were 44 members, guests, and staff present during the public session and 42 members and staff present during the closed session of the meeting. There were two members of the public present during the public session and there were 34 individuals representing 22 audit program states present during the closed session of the meeting.

During both meetings, the 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. MTC staff attorneys also provided a presentation on recent happenings in the State and Local Tax area.

During our meeting in San Antonio, members voted to allow taxpayer-provided audit narratives to be included, along with MTC staff narratives, in the confidential audit packet provided to Audit Committee members for discussion beginning at the committee meeting scheduled for July 2020, in Little Rock, Arkansas.

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's 53rd Annual Conference and Meetings in Little Rock, Arkansas, July 27th through July 30th.