

MULTISTATE TAX COMMISSION

AUDIT DIRECTOR'S REPORT

FISCAL YEAR 6/14

PRODUCTIVITY

Audit Program completed 2 and parts of 7 income tax audits through January 31, 2014 of fiscal year end 6/14. The Audit Program also completed 3 sales tax and parts of 4 other audit for the same period. There are 21 income and 30 sales tax audits in progress. There were several income and sales tax cases that were delayed by the taxpayers due to turn over in their tax staffs or taxpayers being sold.

The MTC Audit Program proposed assessments of \$15,456,053 for income tax and \$1,292,913 for sales tax.

STAFFING

Two income tax auditors are no longer in the Commission's employment as of November 1, 2013. These two positions will be filled when the new Audit Director is hired. This will be sometime in early 2014. Mike Bontrager resigned as sales tax auditor effective February 1, 2014 to take a position at Walgreens. We will advertise this position within the month of February.

AUDIT COMMITTEE

The Audit Committee met in San Diego, California on July 23, 2013 and New Orleans on December 10, 2013.

TRAINING

Jeff Silver and Larry Shinder participated as instructors in an income tax course in Washington, DC in October, 2013. Jeff and Cathy Felix participated as instructors in an income tax course in Denver in February. Also, Harold Jennings and Bob Schauer conducted in a sampling class in Colorado in October 2013 and are scheduled for a course in Alabama in February.

Completed Audit Hour Analysis

Last Four Quarters

	<u>3/13</u>	<u>6/13</u>	<u>9/13</u>	<u>12/13</u>	<u>Total</u>
Income Tax					
<u>Total Audits</u>	0	0	0	2	2
Total States					
<u>Audited</u>	0	0	0	41	41
Total					
<u>Hours</u>	0	0	0	2228	2228
Average Hours					
<u>Per State</u>	0	0	0	54	54
Sales Tax					
<u>Total Audits</u>	2	5	0	3	10
Total States					
<u>Audited</u>	30	74	0	35	139
Total					
<u>Hours</u>	1987	6758	0	4098	12843
Average Hours					
<u>Per State</u>	66	91	0	117	92
Total Both Taxes					
<u>Total Audits</u>	2	5	0	5	12
Total States					
<u>Audited</u>	30	74	0	76	180
Total					
<u>Hours</u>	1987	6758	0	6326	15071
Average Hours					
<u>Per State</u>	66	91	0	83	84