

***MULTISTATE TAX COMMISSION***

***AUDIT DIRECTOR'S REPORT***

***FISCAL YEAR 6/11***

**PRODUCTIVITY**

Audit Program completed 1 income tax audits and parts of 5 other income tax audits through January 31, 2011 of fiscal year end 6/11. The Audit Program also completed 3 and parts of 1 sales audit for the same period. There are 23 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 \$19,898,314 for income tax and \$4,646,219 for sales tax.

The Commission's Audit Manuals drafts for income and sales tax manuals are posted on the Commission's web site. Any comments will be appreciated.

**STAFFING**

There is one vacancy in the income tax audit program. There is a hold on any future hiring due to budget constraints.

**AUTOMATION**

The MTC is pursuing electronic records in every sales tax audit that is commencing. We are finding more taxpayers have been cooperative in supplying the records. We were able to obtain apportionment data on electronic records for one income tax audit. This proved to be very helpful. This was the first time were able to do so for an income tax audit.

**AUDIT COMMITTEE**

The Audit Committee met in Hood River, Oregon on July 27, 2010 and via a teleconference on November 17, 2010.

## **TRAINING**

Jeff Silver and Les Koenig participated as instructors in an income tax course in South Carolina in October, 2010. Jeff Silver and Larry Shinder are scheduled to conduct an income tax class in Boston in March 2011.