

# ***MULTISTATE TAX COMMISSION***

## ***AUDIT DIRECTOR'S REPORT***

### ***FISCAL YEAR 6/13***

#### **PRODUCTIVITY**

Audit Program completed 5 parts of 6 income tax audits through January 31, 2013 of fiscal year end 6/13. The Audit Program also completed 5 sales tax audits and parts of 3 other audit for the same period. There are 20 income and 31 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 \$35,370,706 for income tax and \$479,575 for sales tax.

#### **STAFFING**

Alexis Douglas was hired to fill vacant sales tax position in December. The vacant administrative assistant position was filled by Michelle Becker in December.

#### **AUDIT COMMITTEE**

The Audit Committee met in Grand Rapids, Michigan on July 31, 2012 and via teleconference on November 29, 2012.

#### **TRAINING**

Jeff Silver and Larry Shinder participated as instructors in an income tax course in Montana in October, 2012. Jeff and Cathy Felix participated in an income course in Hawaii in January. Also, Harold Jennings and Bob Schauer participated in a sampling class in New Mexico in September 2012.

#### **STRATEGIC PLANNING:**

The executive committee appointed a sub-committee to work on improving the audit program. Elizabeth Harchenko was appointed by the executive committee to moderate the committee. Members are; Lee Baerlocher and Gene Walborn, MT., Stacy Gibson, TN., JA Cline, LA., Frank Hales, UT.,

Rick DeBano, WI., Les Koenig, Harold Jennings, Cathy Felix, and Larry Shinder, MTC staff. The committee met in person in Grand Rapids and via a teleconference in September. The committee discussed numerous projects to improve the audit program. The committee recommended two issues to initially bring to the executive committee strategic planning team for approval. These two issues are improving the nomination process and how to handle no change audits. The executive committee strategic planning team decided to move forward on these two recommendations.

The committee on improving audit selection is staffed by Rick DeBano, Randy Tilley, Lee Baerlocher, Harold Jennings and Les Koenig. The committee on no change audits is staffed by Frank Hales, J.A. Cline, Gene Walborn, Cathy Felix, Larry Shinder, and Steve Yang. Both committees met several times via teleconference in January.