

MULTISTATE TAX COMMISSION

AUDIT DIRECTOR'S REPORT

FISCAL YEAR 6/13

PRODUCTIVITY

Audit Program completed 2 parts of 4 income tax audits through September 30, 2012 of fiscal year end 6/13. The Audit Program also completed 2 sales tax audits and parts of 3 other audit for the same period. There are 23 income and 32 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 \$3,825,453 for income tax and \$55,384 for sales tax.

STAFFING

There is 1 vacant sales tax position at the current time. A job announcement was advertised in September and I anticipate the position will be filled in late 2012. The long time administrative assistant will retire in October and the position is anticipated to be filled by the end of 2012.

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AUDIT COMMITTEE

The Audit Committee met in Grand Rapids, Michigan on July 31, 2012.

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TRAINING

Jeff Silver and Larry Shinder participated as instructors in an income tax course in Montana in October, 2012. 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 will decide whether to move forward on these two recommendations.