



## Multistate Tax Commission Audit Committee Meeting August 10, 2021

### 1. Productivity

The Joint Audit Program completed seven (7) income tax audits and parts of six (6) other income tax audits during fiscal year 2021. Audit staff also completed six (6) sales tax audits and parts of ten (10) other sales tax audits. Currently, there are eighteen (18) income tax audits and twenty-nine (29) sales tax audits in progress.

During the fiscal year, the income tax program proposed net assessments of \$40,161,302 (proposed assessments of \$42,525,382 less taxpayer requested adjustments of \$2,364,080) for completed and partially completed income tax audits. Income tax program staff also proposed tax credit, NOL, and refund reductions of \$2,020,131.

The sales tax program proposed net assessments of \$9,767,932 (proposed assessments of \$10,243,451 less taxpayer requested refunds of \$475,519) for completed and partially completed sales tax audits. Sales tax program staff also proposed \$203,571 in tax refund reductions.

### 2. Staffing

At the Spring Audit Committee meeting, I notified you of Bob Schauer's plans to retire from the Commission and I am sad to say Bob did not follow through with those retirement plans. Bob was a key member of our sales tax program staff for 14 years and is well known for his expertise using statistical sampling in sales tax audits.

### 3. Audit Committee

The Audit Committee met three times in fiscal year 2021 on July 28, 2020, November 17, 2020, and finally April 21, 2021. Due to the global COVID-19 pandemic, all meetings of the Audit Committee were held via teleconference.

During its spring meeting, the committee reviewed a proposed charter for the Audit Committee and recommended that it be accepted by the Executive Committee. The committee also voted to add nine additional companies to income tax audit inventory. As always, the audit supervisors provided an update on the on-going income tax and sales tax audits.

#### 4. Training

The Commission is working to provide training via an online training platform that may allow member states access to view training on demand. Currently, only one training has been provided via this online platform, a statistical sampling course customized for Georgia income tax credits. We expect to offer more training opportunities in the future using this platform.

- Upcoming training opportunities:
  - Market Based Sourcing Training: Michael Fatale and I are working to develop a virtual multi-session training course on market-based sourcing focusing on the MTC's model statute and regulation. Recordings were delayed while we contracted with a production firm. Exact dates, times and fees are still being determined, but we expect the training to be available in Fall 2021.
  - You can always stay up to date with goings on at MTC by subscribing to the MTC monthly newsletter. Please sign up by sending your email address to Loretta King of the MTC staff – lking@MTC.gov