

MINUTES
AUDIT COMMITTEE MEETING
PUBLIC SESSION
AUSTIN, TEXAS
MARCH 19, 2003

I. CALL TO ORDER:

Rich Schrader, Audit Committee Chairman called the meeting to order at 8:00 AM and welcomed the members and guests who were present.

II. ROLL CALL:

Present were the following members and guests:

NJ Rich Schrader	LA Clarence Lymon	MO John Feldmann
WV Andrew Glancy	KY Jennifer Hayes	SD Bruce Christensen
ID Joe Randall	WA Forrest Bush	ID Dick McFarland
ND Blane Braunberger	MN Larry Wilkie	UT Frank Hales
WI Rick DeBano	NH Chuck Redfern	WY Rick Scheer
DC Charles Wilson	NM Linda Palmer	CO Christine Manthey
NE Scott Spilinek	NE Shaun Sookram	AK Robynn Wilson
KS Nick Kramer	KS Carol Ireland	MTC Cathy Felix
MTC Harold Jennings	MTC Sheldon Laskin	MTC Dan Bucks
MTC Les Koenig		

Present through teleconference:

MI Sue Pifer	OR Janielle Lipscomb	OR Don Jones
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III. PUBLIC COMMENTS:

There were no comments from the public sector present at the meeting.

IV. APPROVAL OF MINUTES OF PUBLIC SESSIONS MADISON, WI

The minutes from the Washington, DC public session held on October 15, 2002 were approved as submitted.

V. REPORT FROM EXECUTIVE COMMITTEE LIAISON

Carol Fischer was unable to attend the meeting and no report was presented.

VI. EXECUTIVE DIRECTOR'S REPORT

Dan Bucks, MTC Executive Director reported on several items. He reported on the status of HR 2526 and the effects this would have on business activity taxes. He also asked the Audit Committee consider offering an MTC joint audit to companies undergoing a merger. He also reported on the recent dot.com proposals to collect sales tax.

VII. AUDIT DIRECTOR'S REPORT

Les Koenig, MTC Audit Director issued a written report on the status of the Audit program. Les reported that 2.5 sales tax and 1 income audits were completed during the second quarter.

VIII. REPORT FROM AUDITING TECHNOLOGY SUB-COMMITTEE

Bruce Christensen reported on the sub-committee's meeting on March 18, 2003. Bruce reported that Harold Jennings is developing a sampling manual that would be used by the MTC sales tax audit staff. He also reported that various classes are being conducted by the MTC.

Bruce further reported that the Sub-Committee established a Task Force to develop a plan to be presented to the Streamed Line Sales Tax Project on how a certified audit of Model 1 and Model 2 taxpayers may be conducted. This Task Force will be comprised of representatives from KY, DC, MN, KS, SD, ID and staffed by Harold Jennings from the MTC. The goal is to have a paper drafted by the MTC Annual Meeting in July.

IX. PREVIEW OF JOINT COMPLIANCE PLANNING MEETING

Dan Bucks explained the goals of the Joint Compliance Planning Meeting that was held immediately after the Audit Committee Meeting. The purpose of the meeting was to discover the greatest compliance needs and begin to discuss ways to resolve them. This meeting involved all the Working Committees of the MTC.

X NEW BUSINESS AND ADJOURNMENT

The Audit Committee voted on its preference for a meeting place in the spring of 2004. The voting result was the following: Charleston, SC 14; New Orleans 13; San Diego 13; and Phoenix 7. The public session of the Audit Committee was adjourned at 8:40AM.