

***MULTISTATE TAX COMMISSION***

***AUDIT DIRECTOR'S REPORT***

***FISCAL YEAR 6/12***

**PRODUCTIVITY**

Audit Program completed parts of 4 income tax audits through September 30, 2011 of fiscal year end 6/12. The Audit Program also completed 2 sales tax audits and parts of 1 other audit for the same period. There are 20 income and 25 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 \$1,455,657 for income tax and \$2,931,377 for sales tax.

**STAFFING**

There are 2 vacant income tax positions at the current time. A job announcement will be made in October and anticipate filling the positions in early 2012.

**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 White Fish, Montana on July 26, 2011.

## **TRAINING**

Cathy Felix and Les Koenig participated as instructors in an income tax course in Wisconsin in September, 2011. Also, Harold Jennings and Bob Schauer participated in a sampling class in New Mexico in September 2011.