

WITHHOLDING CONFIDENTIAL COMMENTS WHERE NO ADJUSTMENTS WERE NECESSARY

CASE NUMBER:

**LEGAL NAME;
T/P REPRESENTATIVE:
TELEPHONE NUMBER:
NATURE OF THE BUSINESS**

Respond to comments with the following:

Yes - denotes no problems discovered.
No - denotes problems discovered and narrative comments are attached

YES NO **Situation 1 - Non-registered Taxpayers**

___ ___ The taxpayer currently does not have any employees and does not anticipate hiring any employees in the foreseeable future.

Situation 2 – Registered taxpayers

___ ___ The taxpayer is registered for Louisiana withholding tax purposes.

___ ___ Debits to the Louisiana withholding tax payable account consist of either Louisiana withholding tax remitted to the Department or valid correcting debits resulting from the incorrect posting of credits

___ ___ Louisiana withholding tax remitted by the taxpayer agrees with Louisiana individual income tax withheld from the employees.

___ ___ The amounts collected from employees agree with the amounts that should have been withheld according to the withholding tables and the employees' L-4 (or W-4) forms.

___ ___ The examination of the L-4 (or W-4) forms confirms that excess exemptions (more than 9) are not being claimed by any employee.

Audit Checklist:

Is the taxpayer currently filing for withholding?
Is the taxpayer currently filing IT and CFT returns?
Is a CR-55 included in this audit file?

Yes	No	N/A

Computer verification: BMF#: _____ Date Checked: _____

Tax	Balance	Month/Year	Disposition

Were any refund checks affecting tax issued to this taxpayer during the audit period? yes no If yes, explain.

If additional information is required, attach additional pages for comments.

Signature

LGST CONFIDENTIAL COMMENTS WHERE NO ADJUSTMENTS WERE NECESSARY

CASE NUMBER:

**LEGAL NAME;
T/P REPRESENTATIVE:
TELEPHONE NUMBER:
NATURE OF THE BUSINESS**

Respond to comments with the following:

Yes - denotes no problems discovered.
No - denotes problems discovered and narrative comments are attached

YES	NO	
___	___	Amounts reported on sales tax returns equal amounts reflected on the income tax returns and general ledgers.
___	___	Sales tax collected was properly remitted and all deductions of the tax collected were correct.
___	___	Sales invoices were secured and determined to be intact. Control document used:
___	___	Sales transactions were properly taxed.
___	___	Deductions reported were in accordance with the sales tax statutes and documentation for these transactions was maintained.
___	___	Consumable purchase invoices were secured and determined to be intact. Control document used:
___	___	Consumable purchase invoices were properly taxed by the vendor or the taxpayer accrued.
___	___	Fixed asset invoices were properly taxed by the vendor or the taxpayer accrued. Control document used:

Audit Checklist:

Reviewed all sources of income for LGST.
Is the taxpayer currently filing for withholding?
Is the taxpayer currently filing IT and CFT returns?
Is a CR-55 included in this audit file?

Yes	No	N/A

Computer verification: BMF#: _____ Date Checked: _____

Tax	Balance	Month/Year	Disposition

Were any refund checks affecting tax issued to this taxpayer during the audit period? yes no If yes, explain.

If additional information is required, attach additional pages for comments.

Signature

LOUISIANA CORPORATION FRANCHISE TAX

TAXPAYER NAME: _____

Answer the following with yes, no, or N/A (not applicable). If a problem has been discovered, comment in the Additional Information section below.

TAXABLE BASE:

- _____ Were all items not included in the taxable base examined?
- _____ Are the balance sheets per the Louisiana returns the same as the federal return balance sheets?
- _____ Did the taxpayer net intercompany payables and receivables?
- _____ Comments: _____
- _____ Is there an overaccrual of federal income tax?
- _____ Do amounts reported on the Louisiana return tie to the amounts on the federal return and the general ledger? Include reconciliation in the file.
- _____ Were problems noted but determined to be immaterial?

REVENUE FACTOR:

- _____ Do total and Louisiana revenue per the by-state information tie to amounts reported? Specific Source: _____
- _____ Did the taxpayer exclude gains on sale of assets from the factor?
- _____ Did the taxpayer properly attribute intercompany interest and dividends to Louisiana?
- _____ Did the taxpayer properly report partnership revenue in the factor? Indicate the method used: ___ Partnership's net income ___ Gross income, including losses, ___ Other (identify): _____
- _____ Were problems noted but determined to be immaterial?

PROPERTY FACTOR:

- _____ Do total and Louisiana property per the by-state information tie to amounts reported? Specific Source: _____
- _____ Are total assets per Louisiana Schedule A and Schedule M the same?
- _____ Did the taxpayer properly attribute intercompany investments and advances to Louisiana?
- _____ Do assets reported on the Louisiana return tie to the amounts on the federal return and the general ledger? Include reconciliation in the file.
- _____ Were the accounts receivable properly attributed to Louisiana by the taxpayer? Method used -- Actual or ratio?
- _____ Are there any negative investments in subsidiaries?
- _____ Were problems noted but determined to be immaterial?

CONCLUSION:

- _____ Has the taxpayer been informed in writing of any problems too immaterial to adjust? Date: _____
- _____ Has the taxpayer been informed in writing that the audit file will be submitted as a "no change"? Date: _____
- _____ Were any amended Louisiana returns filed and examined?

ADDITIONAL INFORMATION:

In the case of a no change, I have performed a limited number of procedures and have determined to the best of my ability that no material adjustments are evident and no additional taxes are due the state of Louisiana. Base on the procedures performed, I recommend a no change.

In the unaudited case, I have *not* performed audit procedures to determine if any taxes are in fact due the state of Louisiana. Therefore, if for some reason it becomes necessary to utilize any information from the subject audit periods, I recommend an audit of those periods.

Auditor's Signature: _____

COMMENTS FOR USE ON ALL AUDITS

LEGAL NAME _____
 BMF NUMBER _____
 TAXPAYER REPRESENTATIVE _____
 TITLE OF REPRESENTATIVE _____
 TELEPHONE NUMBER _____
 FAX NUMBER _____
 LOUISIANA BANK(S) _____
 TYPE OF ORGANIZATION _____ Corporation (Regular C)
 _____ Subchapter S
 _____ Other Specify _____

HISTORY OF TAXPAYER AND NATURE OF BUSINESS

1. Commercial Domicile _____ If there are any questions on this, explain further.
2. Periods audited? IT _____ CFT _____
 Are there any short periods? No ____ Yes ____ Explain _____

3. Waivers extend the statute of limitations through _____
4. Subs or affiliates filing Louisiana returns. Identify those being audited with an asterisk. If more than four, provide additional sheets.

5. History. Include information on business activity, mergers, name changes, etc. Attach Additional sheets if necessary.

6. Taxpayer Filing: Separate Accounting _____
 Formula Apportionment _____
 All Income Allocable _____
 Auditor's Recommendation: _____
8. Federal audits:
 Periods Completed _____
 Periods Under Audit _____
 Periods in Appeals _____
 Adjustments to this audit? Yes ____ No ____
8. Legal name verified? Yes ____ Date: _____ Source: _____
9. Balances examined per system. Date examined: _____

TYPE TAX	MONTH/Y EAR	BALANCE	DISPOSITION
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

10. Refunds issued per system. Date examined: _____

PERIOD	AMOUNT	DATE ISSUED	EXPLANATION
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

LOUISIANA CORPORATION INCOME TAX

Answer the following with yes, no, or N/A (not applicable). If a problem has been discovered, comment in the Additional Information section below.

RECOMMENDATION:

- _____ No Change, limited procedures performed, immaterial adjustments
_____ Unaudited – Losses could not be overcome. If the taxpayer utilizes the losses, adjustments may be required at that time. No procedures performed to determine correctness of losses.
_____ Workpapers computing possible changes to loss attached to returns.

TOTAL NET INCOME:

- _____ Have you examined all differences in federal and state net income?
_____ Did taxpayer file any amended Federal returns?
_____ Were problems noted but determined to be immaterial?

ALLOCABLE INCOME:

- _____ Has the taxpayer properly allocated all allocable income items to total and Louisiana?
_____ Has the taxpayer properly attributed interest expense to allocable income?
_____ Has the taxpayer properly computed overhead and attributed it to allocable income?
_____ Were problems noted but determined to be immaterial?

REVENUE FACTOR:

- _____ Do the total and Louisiana revenue per the by-state information tie to amounts reported in the revenue factor? Specific Source: _____
(Note: "Taxpayer Records" is not an acceptable specific record.)
_____ Has the taxpayer included any allocable income in the factor?
_____ Were problems noted but determined to be immaterial?

PROPERTY FACTOR:

- _____ Do total and Louisiana property per the by-state information tie to amounts reported? Specific Source: _____
_____ Did the taxpayer exclude assets producing (or held to produce) allocable income from the factor?
_____ Has the taxpayer netted any reserves other than allowable valuation reserves with the assets?
_____ Do assets reported on the Louisiana return tie to the amounts on the federal return and the general ledger?
_____ Has the taxpayer excluded assets not producing income from the factor?
_____ Were problems noted but determined to be immaterial?

SALARY AND WAGE FACTOR:

- _____ Do total and Louisiana salaries and wages per the by-state information tie to amounts reported? Specific Source: _____
_____ Were problems noted but determined to be immaterial?

SEPARATE ACCOUNTING:

- _____ Has depletion been properly computed by the taxpayer?
_____ Has the taxpayer attributed overhead and federal income tax (where applicable) to properties in computing Louisiana depletion?
_____ Has the taxpayer properly reported to Louisiana revenue and expenses on Louisiana properties?
_____ Were problems noted but determined to be immaterial?

FEDERAL TAX DEDUCTION:

- _____ Has federal income tax deduction been computed properly by the taxpayer?
_____ Is there a federal income tax deduction allowed? If no, why?
_____ Were problems noted but determined to be immaterial?

FEDERAL REFUNDS:

- _____ Were federal refunds received or requested?
_____ Were any federal refunds reported on the Louisiana return and computer properly?
_____ Were problems noted but determined to be immaterial?

CONCLUSION:

- _____ Has the taxpayer been informed in writing of any problems too immaterial to adjust? Date: _____
_____ Has the taxpayer been informed in writing that the audit file will be submitted as a "no change"? Date: _____
_____ Has the taxpayer been informed in writing that the audit file will be submitted as

_____ "unaudited"? Date: _____

_____ Were any amended Louisiana returns filed and examined?

ADDITIONAL INFORMATION:

Additional lines may be added.

In the case of a no change, I have performed a limited number of procedures and have determined to the best of my ability that no material adjustments are evident and no additional taxes are due the state of Louisiana. Based on the procedures performed, I recommend a no change.

In the unaudited case, I have *not* performed audit procedures to determine if any taxes are in fact due the state of Louisiana. Therefore, if for some reason it becomes necessary to utilize any information from the subject audit periods, I recommend an audit of those periods.

Auditor's Signature: _____