



MULTISTATE TAX COMMISSION

To: Members, Executive Committee

From: Frank Hales, Audit Committee Chair
Michael Williams, Vice Chair

Date: October 30, 2021

Subject: Report of the Audit Committee

The audit committee last met on August 10, 2021. This was the first meeting of the committee in fiscal year 2022. There were 101 members, guests and staff present during the public session and 84 members and staff present during the closed session of the meeting. There were 5 members of the public present during the public session, and there were 58 individuals representing 26 audit program states present during the closed session of the meeting.

During this meeting, the committee approved an updated MTC Audit Manual for Sales Tax and MTC Sales and Use Tax Waiver and Extension of Statute of Limitations form.

During the closed session of the meeting, the audit committee reviewed the sales tax and income tax audits in progress or recently closed, including some narratives provided by taxpayer representatives. During this review, the committee was notified that a taxpayer representative requested the name the nominating state and the documented reasons for the nomination. The committee requested that MTC legal staff draft a policy stating that MTC audit staff may not divulge the nominating state's name or reasons for an audit nomination.

The audit committee will meet for the second time in fiscal year 2022 on November 10, 2021 during the MTC fall meetings held in Alexandria, Virginia.