

**AUDIT COMMITTEE MEETING  
PUBLIC SESSION-Minutes**

*Alexandria, Virginia*

*November 10, 2021*

**I. CALL TO ORDER:**

Frank Hales, Audit Committee Chair called the meeting to order at 8:31 A.M. Eastern Time and welcomed the members and guests participating in the meeting.

**II. ROLL CALL:**

Present were the following members and guests:

NAME	STATE OR AFFILIATION	NAME	STATE OR AFFILIATION
Phillip Ashley	TX	*Don Lazo	MO
John Ficara	NJ	*Hal Jones	TN
Vicki Gardino	AL	*James McAndrews	DC
Michael Hale	KS	*John Frasier	NH
Frank Hales	UT	*John Ristoro	NJ
Debra Houck	PA	*John Stringer	MS
Bryan Kelly	WA	*Joseph Immordino	NJ
Ray Langenberg	TX	*Joseph Wasicak	WI
Eric Mahler	ID	*Karolyn Bishop	WA
Jonathan May	PA	*Katherine Rich	NE
Renee Nacrelli	MD	*Kathy Mui	CO
Matthew Peyerl	ND	*Katie Lolley	OR
Jordan Raye	KS	*Kelsey Gallacher	UT
Nicole Reynolds	AK	*Kevin Lanham	WV
Kevin Richards	LA	*Krystal Bolton	LA
Maria Sanders	MO	*Kurt Konek	IA
Phil Skinner	ID	*Latonia Dooley	KY
Tiffany Southworth	UT	*Laura Miguez	LA
Cecilia Traini	MD	*Leo Lebeuf	RI
Christy Vandevender	AL	*Lynne Reynolds	AR
Warren Wood	DE	*Mark Stones	ID
Robert Kindred	DC	*Meg Inouye	ID
*Aaishah Hashmi	DC	*Michael Williams	AK
*Angie Hillas	UT	*Michaela Virchow	NE
*Bethany Whitmarsh	RI	*Milligan, Kevin	PA
*Bill Esmond	GA	*Victoria Nichols	KY
*Bridgette Thomas	MS	*Rod Boogaard	UT
*Charla Wagner	KS	*Sal Tomaselli	MO
*Cindy Frenchers	KS	*Scott Fryer	AR
*Colleen Chipman	NJ	*Scott Spilinek	NE
*David Merrien	MT	*Steven Alvarez	GA
*Dawn Hornung	NJ	*Susanna Coburn	RI
*Dee Wald	ND	*Teresa Miller	IA

Kay Mick	MTC	*Thom, Jacob	NH
Holly Coon	MTC	*Timea Boros	AL
Richard Cram	MTC	*Valerie Newson	UT
Scott Pattison	MTC	*Kim Stewart	MTC
Larry Shinder	MTC	*Ali Pazand	MTC
Steve Yang	MTC	*James Lee	MTC
Sherry Tiggett	MTC	*Bill LoCascio	MTC
Richard Cram	MTC	*Ki Yun	MTC
Scott Pattison	MTC	*Lindsey Buerkle	MTC
Larry Shinder	MTC	*Melissa Kopp	MTC
Steve Yang	MTC	*Nick Polimeros	MTC
Sherry Tiggett	MTC	*Jackie Dalenberg	MTC
Brian Hamer	MTC	*Brian Staley	MTC
Bruce Fort	MTC		
Cathy Felix	MTC	Christie Comanita	SSTGB
Chris Barber	MTC	Nikki E Dobay	Eversheds
Brian Hamer	MTC	Craig Johnson	SSTGB
Bruce Fort	MTC	Michael Bologna	Bloomberg Tax
Jeff Silver	MTC	John Mollenkamp	Intuit
Greg Matson	MTC	Virgil Helton	FAST
Nancy Prosser	MTC	*Amy Hamilton	State Tax Notes
		*Jake Hoffman	FAST
		*David Sawyer	EY
		*John Vecchiarelli	FAST
		*Will Rice	

\*Joined the meeting virtually.

**III. REPORT ITEMS FROM CLOSED SESSION-AUGUST 10, 2021**

Due to the virtual nature of the Summer Audit Committee meeting, the public session was not reopened after the closed session. Frank stated that during the closed session of the summer meeting, the committee discussed a request by a taxpayer representative to be informed of the state that nominated his employer for audit and the reasons the state provided for the nomination. The committee directed MTC legal staff to draft a policy stating that MTC audit staff may not divulge the nominating state's name or reasons for an audit nomination.

**IV. PUBLIC COMMENTS:**

There were no Public Comments.

**V. APPROVAL OF MINUTES PUBLIC SESSION**

The minutes of the public session of the Audit Committee meeting on August 10, 2021 conducted via teleconference were approved unanimously with a motion by Jordan Raye, KS.

## **VI. AUDIT DIRECTOR'S REPORT**

Holly referred to her written report on the status of the Audit Program. She noted that during the first quarter of the fiscal year, the income tax program proposed net assessments of \$5,526,429 for partially completed income tax audits. Income tax program staff also proposed NOL and refund reductions of \$68,324. The sales tax program proposed net assessments of \$2,057,431 for completed and partially completed sales tax audits. Currently, there are eighteen (18) income tax audits and twenty-seven (27) sales tax audits in progress.

Holly also highlighted the training portion of the report. The Commission has two upcoming training events: Applying Public Law 86-272 to Modern Business Activities on December 1<sup>st</sup> and CLE/CPE Ethics and Confidentiality Extravaganza on December 14<sup>th</sup>. Both training events will be held virtually and open to all state tax administrators and state legal counsel, but not open to the public.

Regarding roundtable discussions, Holly noted that the next audit roundtable will be held December 8<sup>th</sup> at 2:00pmET and the topic is Section 17 with a focus on income producing activity as determined by cost of performance. Audit roundtable sessions are training and informational sessions, not Audit Committee meetings. Participants must be authorized to share and receive confidential information on behalf of their state to participate.

## **VII. REVIEW PROPOSED POLICY- MTC EMPLOYEES CANNOT DISCLOSE NOMINATING STATE**

Frank referred the committee to the proposed policy. John Ficara, NJ moved that the committee adopt the policy as proposed. The motion passed by a large margin.

## **VIII. NEW BUSINESS AND ADJOURNMENT**

There was no other new business to discuss and the public session was recessed at 8:52 A.M. by a motion from Christy Vandevender, AL so the committee could hold a closed session. The public session was reopened, and the meeting was adjourned at 12:03 P.M.