



Multistate Tax Commission Audit Committee Meeting April 21, 2022

1. Productivity

The Joint Audit Program completed two (2) income tax audits and parts of six (6) income tax audits during first three quarters of fiscal year 2022. Audit staff also completed four (4) sales tax audits and parts of three (3) other sales tax audit. Currently, there are sixteen (16) income tax audits and twenty-five (25) sales tax audits in progress.

During the first three quarters of the fiscal year, the income tax program proposed net assessments of \$93,150,548 for partially completed income tax audits. Income tax program staff also proposed NOL and tax credit reductions of \$2,331,514. The sales tax program proposed net assessments of \$3,417,681 for completed and partially completed sales tax audits.

2. Staffing

The Joint Audit Program has experienced two staff changes so far this fiscal year. George Fung, a longtime sales tax auditor, retired in March. While we will miss him, we wish him the very best in retirement. The program also had an addition. Melody Moncrief joined the team as a part-time administrative assistant. Melody recently retired from the Alabama Department of Revenue, and we are happy she decided to join our team.

3. Audit Committee

The Audit Committee last met on November 10, 2021, in Alexandria, Virginia. This was the second meeting of the committee in fiscal year 2022. The Audit Committee's first meeting of fiscal year 2022 was held on August 10, 2021, via teleconference.

During its fall meeting, the committee reviewed the status of ongoing MTC audits, received an exclusive SALT case update from MTC legal staff, and adopted a written policy that states the nominating state and the reasons for nomination cannot be disclosed to taxpayer representatives.

During its summer 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 closed session of the meeting, 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.

4. Training

The Commission is working to provide training via an online training platform that may allow member states access to view training on demand. Currently, only one training has been provided via this online platform, a statistical sampling course customized for Georgia income tax credits. We expect to offer more training opportunities in the future using this platform.

- Upcoming training opportunities:
 - Market-Based Sourcing Training: Emphasis on the MTC model statute and regulation relating to market-based sourcing.
Virtual Event, Registration will be opening soon.
 - You can always stay up to date with goings on at MTC by subscribing to the MTC monthly newsletter. Please sign up by sending your email address to Loretta King of the MTC staff – lking@MTC.gov

For information regarding upcoming MTC training, contact Sherry Tiggett at STiggett@MTC.gov or (202) 650-0296 or visit our website at <http://www.mtc.gov/Events-Training>.