

**AUDIT COMMITTEE MEETING  
PUBLIC SESSION-Minutes**

Santa Fe, New Mexico  
November 20, 2024

**I. CALL TO ORDER:**

Frank Hales, Audit Committee Chair (UT), called the meeting to order at 8:30 A.M. (Mountain Time) and welcomed members and guests participating in the meeting. Frank expressed a special welcome to Nikki Dobay, who joined remotely from her vacation in Mexico.

**ROLL CALL:**

Present were the following members and guests:

NAME	STATE OR AFFILIATION	NAME	STATE OR AFFILIATION
Michael Williams	AK	*Melissa Gillis	AL
Cameran Clark	AL	*Mia Strong	AL
Christina Hall	AL	*Nicci Adams	AL
Derrick Coleman	AL	*Jesse Williams	AR
Matt Tidwell	AL	*Tommy Burns	AR
Mia LeRoy	AL	*Christian Stair	CO
Timothy Sanders	AL	*Gantt Hay	CO
Vicki Gardino	AL	*Kathy Mui	CO
Eileen Henderson	AR	*Natalie Barajas	CO
Debbie Van Wyke	CO	*Rachel Bigbee	CO
Josh Pens	CO	*Sammy Khakame	CO
Michael O'Sullivan	CT	*Sarah Roberts	CO
Richardson Keith	DC	*Tom Malott	CO
Robert Kindred	DC	*Nirmail Dhaliwal	DC
Kurt Konek	IA	*Bill Esmond	GA
Tiana Slaney	IA	*Tommy Cooper	GA

Amber Ortiz	ID	*Michelle Morgan	IA
Elisa Magnuson	ID	*Ronda Detlefsen	IA
Eric Mahler	ID	*Greg Busmann	ID
Jim Rice	ID	*Robert Foster	ID
Karl Patton	ID	*Brian D'Angelo	KS
Michael Hale	KS	*Charla Wagner	KS
Adam Johnson	KY	*Victoria Nichols	KY
Miranda Scroggins	LA	*Krystal Bolton	LA
Renee Ellender Roberi	LA	*Barry Kilkowski	MD
Cynthia LaBarge	MN	*Chris Cain	MD
James Douglas	MN	*Thetius Cotton	MD
Zachary Wyatt	MO	*Terri Nelson	MD
Charles Dendy	ND	*Brian Kurtz	MI
Matt Peyerl	ND	*Kristen Shogren	MN
Alicia Romero	NM	*Don Lazo	MO
Aysa Mora	NM	*David Merrien	MT
Bobbie Jo Marquez	NM	*Mark Schoenfeld	MT
Donnita Wald	NM	*Matthew Danielson	ND
Francina Martinez	NM	*Megan Martin	ND
George Stephan	NM	*Cynthia Carpenter	NE
Mario Portillo	NM	*Deneen Beans	NE
Monica Garcia	NM	*Emily Staehr	NE
Santiago Chavez	NM	*Joyce Carhart	NE
Stephanie Schardin Clarke	NM	*Katherine Rich	NE
Veronica Galewater	NM	*Mary Hugo	NE
Greg Harris	OR	*Nicholas Doucet	NE
Joe Royston	OR	*Stacie Odom	NE
Katie Lolley	OR	*Jacob Thom	NH
Debra Houck	PA	*Colleen Chipman	NJ
Paul Blascovich	PA	*Dawn Hornung	NJ
Hal Jones	TN	*Mike Bryan	NJ
Nicholas Reich	TN	*Rebecca Moist	NJ

Angie Hillas	UT	*David Mittle	NM
Frank Hales	UT	*Lisa Gallegos	NM
Shelley Robinson	UT	*Lydia VanOrman	NM
Bryan Kelly	WA	*Victoria Johnson	OR
Rebecca Turner	Amazon	*Jane McCurdy	PA
Carlos Anguiano	AT&T	*Jon May	PA
Michael Bologna	Bloomberg Tax	*Susanna Coburn	RI
Anthony Raush	Fast Enterprises	*Kathy Smith	SD
Will Rice	Fast Enterprises	*Lynna Paradiso	TN
Brian Oliner	FTA	*Kelsey Gallacher	UT
Scott Pattison	FTA	*Valerie Newson	UT
Sharonne Bonardi	FTA	*Kelly Bain	VT
Timothy Jennrich		*Kevin Lanham	WV
Brian Hamer	MTC	*Consuelo Martinez	
Bruce Fort	MTC	*Helen On	
Cathy Felix	MTC	*Kathryn White	
Chris Barber	MTC	*robinc	
Helen Hecht	MTC	*RVAUCEF	
Holly Coon	MTC	*SherinGM	
Jeff Silver	MTC	*yamadkl	
Jennifer Stosberg	MTC	*Priya Nair	COST
Jonathan White	MTC	*Nikki Dobay	Greenberg Traurig
Larry Shinder	MTC	*Catalina Baron	Greenberg Traurig
Lila Disque	MTC	*Paul Williams	LAW360
Richard Cram	MTC	*Craig Johnson	SSTGB
Steve Yang	MTC	*Bruce Johnson	Tax Cloud
*Ali Pazand	MTC	*Nicholas Polimeros	MTC
*Brian Staley	MTC	*Paul Mond	MTC
*Jantha Jamison	MTC	*Ruth Kuvakas	MTC
*John Tracy	MTC	*Sal Tomaselli	MTC
*Lindsay Buerkle	MTC	*Shawn Rao	MTC
*Kay Mick	MTC	*Spencer Clarke	MTC

\*Joined the meeting virtually.

## **II. PUBLIC COMMENTS:**

There were no Public Comments.

## **III. APPROVAL OF PUBLIC SESSION MINUTES**

The minutes of the public session of the Audit Committee meeting on July 29, 2024, in Denver, Colorado, were approved unanimously with a motion by Michael Williams, Alaska.

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

Holly Coon, Audit Program Director, referred the meeting attendees to her written report. The Joint Audit Program completed three income tax audits and parts of six other income tax audits and parts of one sales tax audit during the first quarter of fiscal year 2025. Currently, there are sixteen income tax audits and twenty-one sales tax audits in progress. During the first quarter, the income tax program proposed net assessments of \$134,605,830 for completed and partially completed income tax audits. Income tax program staff also proposed NOL and tax credit reductions of \$3,753,289. The sales tax program proposed net assessments of \$0 for partially completed sales tax audits. Holly also highlighted recent staffing changes. The Joint Audit Program lost one sales tax auditor and added one income tax auditor during the first quarter of the fiscal year 2025. Kim Stewart, a sales tax auditor, resigned in July. Ruth Kuvakas joined the income tax team in August. Ruth previously worked with the Vermont Department of Taxes. Sal Tomaselli will also be joining the income tax audit team in October. The Joint Audit Program is actively seeking to hire sales tax auditors. Holly also highlighted two upcoming MTC training opportunities: the MTC's annual online Ethics Extravaganza on December 11th and the in-person MTC Partnership Training Summit, January 13<sup>th</sup>-15<sup>th</sup> in New Orleans, LA.

## **V. SALES TAX COMPLIANCE ASSURANCE REVIEW PROGRAM**

During the summer Audit Committee meeting, Nikki Dobay presented a proposal for a Sales Tax Compliance Assurance Review (ST-CAR) program. The committee requested time to discuss this proposal during the fall meeting. Nikki joined remotely to address concerns and/or questions about the proposed program. To begin the discussion, Frank summarized his understanding of the proposed program. Ms. Dobay confirmed his understanding and clarified that this would be an elective process. The MTC would not seek out businesses, but a taxpayer could approach the MTC to begin the process. The taxpayer would be required to submit a letter explaining why they would be a good candidate for the program and the taxpayer's objectives for the

review. Nikki stated that the program was intended to be a collaborative partnership, and they would be open to working with individual states as well to develop a focus of the audit and have periodic check-ins where information is provided in real time and review is provided quickly.

Holly stated she was concerned that a taxpayer may assume that once a taxpayer elects a review, such taxpayer would not be scheduled for an audit for some period of time, but no recommended amount of time was set out in the proposal. Nikki stated that this was an intentional omission to allow flexibility but noted that some businesses may contemplate a period of 2-3 years where they would not be audited. Nikki continued that when the MTC/taxpayer/individual states reached an agreed-upon error rate, the taxpayer would be making prepayments. If the states were not comfortable providing a period without audit, the prepayment based on the error rate would be expected to cover any potential liability from a subsequent audit.

Frank asked if Nikki was aware of any taxpayers who would be interested in this program. Nikki stated that there are businesses interested in exploring the option.

Colleen Chipman, New Jersey, attending remotely, asked if there was a proposed process for determining an agreed-upon error rate and whether it would vary taxpayer-to-taxpayer. Nikki said it would differ by taxpayer and would probably be based on error rates from prior audits.

Vikki Gardino, Alabama, asked whether the error rate would be carried forward. Nikki said that the taxpayer would be making an additional payment with each filing - a prepayment to ensure that they've captured everything that should be due and owed to the state.

Holly asked whether a taxpayer could expect a refund if the error rate was found to be too high in a subsequent audit. Nikki said the error amount would be the amount that the taxpayer paid with the understanding that the taxpayer wouldn't be audited for those periods.

In response to a question from James Douglas, Minnesota, regarding error rate, Nikki said that the error rate would be determined via audit conversations, including whether the error rate would differ from state-by-state.

There were no further questions, and Nikki thanked the committee for considering her proposal.

## **VI. UPCOMING MEETINGS**

Frank Hales shared the dates and locations for upcoming MTC meetings. The 2025 Spring Committee Meetings, April 28-May 1, 2025, in Spokane, Washington.

The 2025 Annual Meetings, July 21- 24, 2025, in Salt Lake City, Utah.

The 2025 Fall Committee Meetings, November 17-20, 2025, in New Orleans, Louisiana.

## **VII. NEW BUSINESS**

There were no new business items.

## **VIII. ADJOURNMENT OF PUBLIC SESSION**

The public session was recessed at 9:06 A.M. Mountain Time with a motion by Michael Williams, Alaska.

The public session was reopened at 12:24 P.M. Mountain Time with three public members joining the meeting. Mr. Hales reported that the committee decided not to move forward with Nikki's proposal at this time but may consider a similar program at a later time when MTC staffing is better and the committee feels the program would be beneficial. The public session was closed with a motion by Katie Lolley, Oregon.