

Report of the Audit Committee and Audit Program

Multistate Tax Commission 2026

Michael Williams, Chair, MTC Audit Committee
Matt Tidwell, Vice Chair, MTC Audit Committee
Holly Coon, Director, MTC Joint Audit Program

The following report reflects the activities of the MTC Audit Committee and the Audit Program for the 2026 fiscal year ended June 30, 2026.

*** AUDIT COMMITTEE ***

The Audit Committee met three times in fiscal year 2026. The committee's first meeting of the fiscal year was held on July 21, 2025, in Salt Lake City, Utah. There were 144 members, guests and staff present during the public session and 130 members and staff present during the closed session of the meeting. There were 10 members of the public present during the public session, and there were 103 individuals representing 27 audit program states present during the closed session of the meeting.

The audit committee's second meeting in fiscal year 2026 was held on November 19, 2025, in New Orleans, Louisiana. There were 132 members, guests and staff present during the public session and 114 members and staff present during the closed session of the meeting. There were 3 members of the public present during the public session and there were 85 individuals representing 26 audit program states present during the closed session of the meeting.

The third and final meeting of the fiscal year was held on April 22, 2026, in Knoxville, Tennessee. There were 97 members, guests and staff present during the public session and 125 members and staff present during the closed session of the meeting. There were 2 members of the public present during the public session, and there were 99 individuals representing 29 audit program jurisdictions present during the closed session of the meeting.

At each meeting, the committee received updates on the status of open audits as well as a SALT case update from MTC legal staff. In addition, members participated in an audit roundtable discussion in New Orleans and voted on new audit inventory in Knoxville.

The audit committee will meet for the first time in fiscal year 2027 on July 27, 2026, during the MTC annual meetings which will be held in Detroit, Michigan.

*** AUDIT PROGRAM ***

1. Productivity

The Joint Audit Program completed five (5) income tax audits and parts of four (4) other income tax audits in 2026 fiscal year. Audit program staff also completed parts of eight (8) sales tax audits during the year. Currently, there are thirteen (13) income tax audits and twenty-two (22) sales tax audits in progress.

During the fiscal year, the income tax program proposed net assessments of \$80,563,369 for completed and partially completed income tax audits. Income tax program staff also proposed NOL and tax credit reductions of \$15,348,285. The sales tax program proposed net assessments of \$3,179,204 for completed and partially completed sales tax audits.

2. Staffing

The Joint Audit Program has experienced an unusually high number of staffing changes during the 2026 fiscal year.

On the income tax team, Ali Pazand departed his Auditor I position in October, and Senior Auditor Nick Polimeros retired in February. To fill these gaps, Ben Morris returned to the Commission as a Senior Auditor in April, and Deneen Beans joined the team as an Auditor I in May. In addition, Brian Staley was promoted to Audit Supervisor in anticipation of Jeff Silver's retirement. Jeff now has plans to retire late November 2026.

On the sales tax team, Steve Yang retired in May. Jantha Jamison was promoted to Audit Supervisor to succeed him, and a hiring announcement was issued for the Auditor I position in April. Jantha and Holly are still interviewing potential candidates for this position.