

Western States Association of Tax Administrators Conference

Eugene, Oregon

Improving Internal Communications During the Audit Process



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- Formalized Process of Auditors submitting taxability questions to Tax Policy staff
 - Moved away from informal process of auditors calling their favorite tax policy analyst
 - Provided tracking and consistency of answers
 - More widespread dissemination of information to other auditors seeing similar issues

- Creation of Specialized Audit Teams for specific industries
 - Telecom, Oil & Gas, Health Care
 - Consist of experienced auditors, Tax Policy staff and hearings attorneys
 - Goals
 - Development of SMEs
 - Development and broadening of knowledge base
 - Consistent treatment of taxpayers

- Regularly Scheduled Tax Process meetings
 - Representatives of Audit, Tax Hearings and Litigation, Tax Policy, Enforcement; also included in each specific meeting the relevant staff that is submitting the topic of discussion.
 - The topics to be discussed can be submitted by any of the divisions with background and explanation of the topic included

Benefits/Results

- Incorporating Audit and Tax Hearing and Litigation in the tax policy development and rule making process earlier stages of those processes
 - Improved our communications with OAG as well
- Results
 - Beat our legislative benchmarks by approximately 10 percent in the number of audits and the amount of audit dollars for most recent two fiscal years
 - Inventory of contested cases has been reduced.
 - Inventory at the end of FY2016 was approximately 2,700 cases; Our inventory at the end of our most recent fiscal year (FY2019) is approximately 1,800 and continuing to decline.
 - While our Audit numbers are up we are not seeing corresponding increases in the numbers of new cases

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