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
Agency Contacts

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