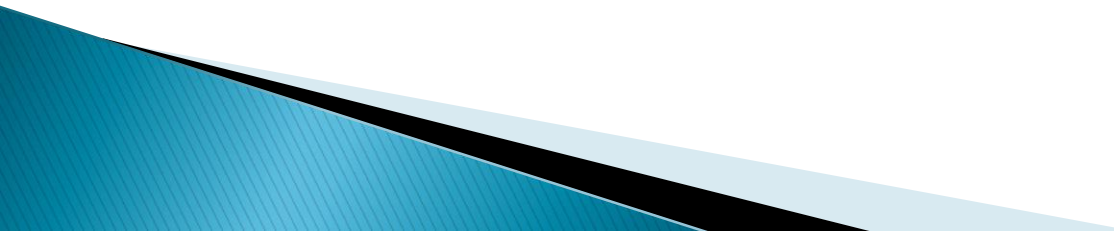


# Audit Information Sharing

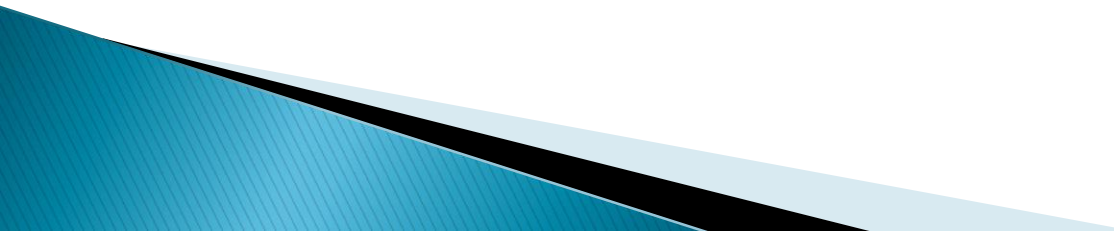
*Rouen Reynolds, CPA, Assistant Director  
Sales & Use Tax Division  
Alabama Department of Revenue*

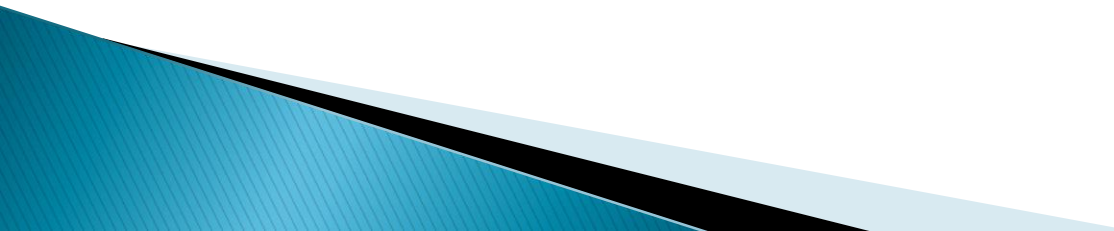
## Section 40-2A-10

### Confidentiality, disclosure and exchange of tax returns and tax information

- ▶ (e) The commissioner shall promulgate reasonable regulations permitting and governing the exchange of tax returns, information, records, and other documents secured by the department, with tax officers of other agencies of the state, municipal, and county government agencies in the state, federal government agencies, any association of state government tax agencies, any state government tax agencies of other states, and any foreign government tax agencies.
- 

# Provisions

- ▶ However, (1) any tax returns, information, records, or other documents remain subject to the confidentiality provisions set forth in subsection (a);
  - ▶ (2) the department may charge a reasonable fee for providing information or documents for the benefit of self-administered counties and municipalities;
  - ▶ (3) self-administered counties and municipalities may charge a reasonable fee for providing information or documents for the benefit of the department; and
- 

- ▶ (4) any exchange shall be for one or more of the following purposes:
    - ▶ a. Collecting taxes due.
    - ▶ b. Ascertaining the amount of taxes due from any person.
    - ▶ c. Determining whether a person is liable for, or whether there is probable cause for believing a person might be liable for, the payment of any tax to a federal, state, county, municipal, or foreign government agency.
- 

# Exchange of Information Agreement

- ▶ Be sure that the Department has the most up-to-date list
- ▶ To update the list to include authorized personnel, contact Sally Springer in the Commissioner's Office
  - 334-242-1193

# Taxpayer Fairness Act of 2014

## HB 105

- ▶ The three year statute of limitations for entering a preliminary assessment extended:
  - For the benefit of a self-administered county or municipality in cases where:
    - The Department has audited a taxpayer and has entered a final assessment against the taxpayer for **additional sales, use, rental, or lodgings tax**
    - The taxpayer owes the same type of tax to the local for the same tax periods, and
    - The taxpayer or its authorized representative has not contacted the county or municipality or its private auditing firm, pursuant to its voluntary disclosure program, prior to the entry of the final assessment

# Statute of Limitations Extended


- ▶ Shall not expire until the earlier of
  - 6 months from the date of the entry of the final assessment or
  - 60 days following the date of mailing or transmittal by electronic mail by the Department to the self-administered county or municipality or its private auditing firm of a copy of the notice of final assessment and any attachments thereto.

# Limitations

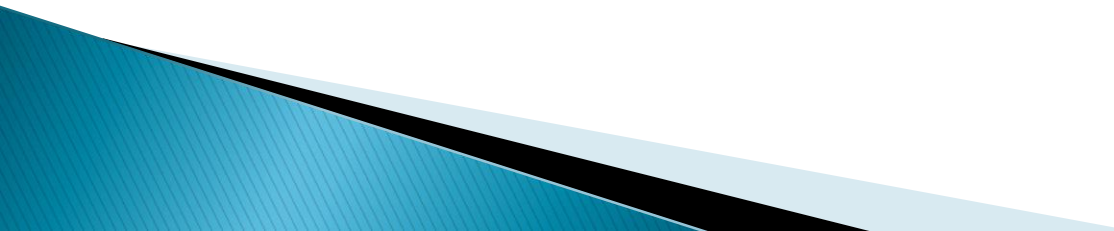
- ▶ Any tax assessed by the self-administered county or municipality within the additional time period allowed shall be limited to:
  - Those items changed or adjustments included in the final assessment entered by the Department.



# Information Available

- ▶ Field Managers report monthly audits conducted
    - Paid & Unpaid
    - Local Tax Implications infer local tax liabilities based on location of business/activities
  - ▶ Field Managers receive notification of assessed audit when a final assessment entered
  - ▶ The Alabama Tax Tribunal, during the months of January and July of each year, shall publish a list of pending appeals and the tax or taxes at issue.
- 

# How to Request Information

- ▶ Contact the Manager in the District you are located.
    - Define scope of audits being requested
  - ▶ Make sure the names on the Exchange Agreement are up-to-date
  - ▶ Designate type medium for information preferred
    - Taxmaster file
    - PDF
    - CD
  - ▶ Information is encrypted and password protected
- 

# Statute Extension Only Applies to Final Assessments

- ▶ Final Assessments not published
  - Subject to confidentiality laws
- ▶ Request District to advise of any contested audits
- ▶ Contact local TPSC to check status of audits subject to being assessed
- ▶ Public record once appealed to Administrative Law Division aka Tax Tribunal

# Sample Letter Transmittal

Dear Ms. H:

Subject: Transmittal of Audits – July thru September 2011

In accordance with the agreement between the State of Alabama Department of Revenue and XXXXX County, enclosed is a disc containing the State tax audits conducted by the Montgomery District Sales and Use Tax Field Office. This information was obtained while a state tax audit was being conducted on the taxpayer. There may be other untaxed items for your locality which were not picked up in this audit.

The data is being provided using \_\_\_\_\_. Password: LOCAL

As you are aware, the information may be used for tax administration purposes only.

Upon completion of the use of the enclosed tax information, the recipient agrees to destroy the information and to advise the furnishing party in writing of its destruction.

We hope this information will prove helpful in the administration of your tax laws.

Yours very truly,

Bill Hall, Manager  
Sales & Use Tax Division  
Montgomery Taxpayer Service Center

# Taxpayer Service Centers

[www.revenue.alabama.gov/salestax](http://www.revenue.alabama.gov/salestax)

- ▶ **Auburn–Opelika TPSC**
  - Wayne Harkins: 334–887–9549
- ▶ **Jefferson–Shelby TPSC**
  - Anne Carlton: 205–733–2741
  - Lynn Nicholson: 205–733–2765
- ▶ **Dothan TPSC**
  - Debbie Lee: 334–793–5803
- ▶ **Gadsden TPSC**
  - Lisa McKnight: 256–547–0554
- ▶ **Huntsville TPSC**
  - Russell Jones: 256–837–2319
- ▶ **Mobile TPSC**
  - Michele Mayberry: 251–344–4737
- ▶ **Montgomery TPSC**
  - Bill Hall: 334–242–2677
- ▶ **Tuscaloosa TPSC**
  - Jerry Bobo: 205–759–2571

▶ Foreign Audit Division

◦ Leslie Michaud 334-242-1266

▶ Sales & Use Tax Division

◦ Ron Rein 334-242-1633

◦ Rouen Reynolds 334-242-1494 or 1575