

AAA Team Sales Tax, LLC

9/21/22

Nevada Tax Commission
1550 College Parkway, Suite 115
Carson City, NV 89706

Subject: How To Improve The Audit Section! (A great opportunity for a Technical Bulletin)

Hello Commissioners, the answer is proactive communication. Discussion is the key for an audit function to be successful in today's world. The days of doing an audit with zero exchange of ideas with the taxpayer (stakeholders) is obsolete. Yes, Nevada Administrative Code (NAC) 360.130 puts the burden of proof on the taxpayer (stakeholder) during the appeal process, but with Nevada Revised Statute (NRS) 360.133-Duty of Executive Director to prepare technical bulletins, requirements for technical bulletins and the Nevada Taxpayers' Bill of Rights, the audit section is being advised to become proactive in resolving issues beforehand, therefore, reducing time consuming appeals of the final audit results.

As an excellent example, it has now been over two months and I still have not received an answer to the following question before the start of an audit. How does a taxpayer (stakeholder) appeal the decision to not include "no money (aka non paid) filed sales and use tax returns that are older than three years" in the audit period? Although they were cc on emails, the Audit Manager or his Lieutenant has not responded as to this date. Require them to have a dialogue with the public (stakeholder). Communication is the key for a successful audit. Audit management and the taxpayer (stakeholder) may disagree and that is ok. "Agree to disagree". This is how improvements are made. I will be blunt, if you do not enjoy verbally dealing with the public (stakeholders), you have no business being part of an audit function.

A source available to the Nevada Tax Commission to get a sense of the current communication condition between the audit section and the public (stakeholders) is the audit survey sent after an audit is complete. Is it still being used and maintained? Does the Auditor Manager provide Director Hughes a monthly report that can be presented to the Nevada Tax Commission for oversight purposes? Answers are needed for these questions. **Commissioners**, I see your group in same way that an Audit Committee is seen in the corporate world. When I worked in the real world (aka corporate world), the different business units provided feedback on how the "Internal Audit Department" or "Public Accounting Firm" performed. It was a way to get ideas to improve the customer service provided to our clients. This is a way to see how the audit section can improve its relationship with public (stakeholders) which is crucial for its mission.

Another source that would be helpful is a "Peer Review" completed by another State Tax Department such as Arizona, California and Texas. The audit section of these States is very proactive and respected within the audit realm world. If they are unable to do it, AAA Team Sales Tax, LLC would welcome the opportunity. Commissioners, either through a professional organization, business associates, or a major client, you experienced a "Peer Review". The purpose of a "Peer Review" is to see if organizational goals (example: customer service) is being properly provided to clients. The Department's client is the public (stakeholders).

Adding an Organizational Change Manager to the Department was a great decision. Hope to see encouragement of public involvement. Remember, the more information communicated to the public (stakeholders) will not only result in more revenue, but it is also the right thing to do.

Thank You and Be Safe!

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