



Multistate tax controversy services

Do you know what your tax auditor knows?

Over 900 multistate tax professionals.
Recognized direct and indirect tax technical knowledge; extensive experience defending tax positions and proactively resolving tax disputes in most state and local tax jurisdictions.



What do state tax auditors see before the tax audit begins?

There is abundant, publicly-available information that auditors may review before an audit notification:

- Your company's website
 - Auditors may order products from online stores as well as review the in-store return process.
 - Auditors may review website/online descriptions of sales and services provided.
 - Auditors may identify sales representatives and independent contractors.
 - Auditors may be users of your products or services
- 10-K/SEC filing/annual report
 - Auditors research for detailed information on your business lines, including locations and specific activities.
- Press releases/news articles
 - Auditors look for details on how your business is changing and where it is expanding.

Through pre-audit investigation, information on the Internet or other public space may also come to the auditor's attention.

- Issues and misconceptions regarding each of the following may arise from customer comments/reviews:
 - Invoices
 - Contracts
 - Affiliate agreements
 - Job descriptions



Why Deloitte?

- Our national network of state tax specialists have in-depth knowledge of each jurisdiction's processes and procedures, which can vary significantly by state.
- Your consultation with one of our tax specialists can help your company:
 - Leverage our knowledge and experience developed from working with state tax revenue departments and their tax auditors.
 - Gain insights in recent state tax audit practices and views on important tax issues for state tax departments.
- Deloitte can help you explore various alternative procedures for your company.
 - The normal audit process may not be appropriate for your company. Advanced rulings, audit escalation or administrative appeals may be more beneficial. Often there are multiple options for obtaining guidance. Deloitte can help your company review its alternatives.
- Our nationwide state tax practice, our familiarity with state revenue department processes and procedures, and our broad client base that has allowed us to develop diverse industry experience can complement your in-house state tax resources.



Actively engage in your tax audit, don't just participate

- Staying in control of the state tax audit process means effectively interacting with your tax auditor.
 - Putting into context the information reviewed.
 - Managing which company employees are to interact with the auditor.
 - Understanding the "why" behind the auditor's questions.
- Understanding what the tax auditor is looking for, and having familiarity with common audit issues and themes.
 - For example, forced/unitary combination, nexus, sales sourcing, third-party debt agreements.
- Knowing the steps you can take to help navigate the audit process.
 - Freedom to request information that your auditor is using.
 - Accelerate the audit report and appeal process; explore which issues can be addressed within the audit rather than at appeals.



How we can help you

- Explore whether your company's publicly available information subjects the company to state tax audit risk.
- Leverage Deloitte's state tax audit knowledge and experience to help address the tax auditor's potential preconceptions.
- Assist with navigating the tax audit and appeals process as well as the different options within that process.

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