

SENATE FILE NO. SF0027

Excise tax audits.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to excise taxes; specifying audit
2 procedures to assess credits and deficiencies against
3 excise taxpayers and vendors; providing that an audit tolls
4 the statute of limitations during the pendency of the
5 audit; and providing for an effective date.

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7 *Be It Enacted by the Legislature of the State of Wyoming:*

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9 **Section 1.** W.S. 39-15-108(a) and 39-16-108(a) are
10 amended to read:

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12 **39-15-108. Enforcement.**

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14 (a) Audits. ~~Except as otherwise provided, there are~~
15 ~~no specific applicable provisions for audits for this~~
16 ~~article.~~ To assess credits and deficiencies against

1 taxpayers and vendors, the department is authorized to rely
2 on final audit findings made by the department of audit,
3 taxpayer information, vendor information or department
4 review subject to the following conditions:

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6 (i) Audits shall commence when the taxpayer or
7 vendor receives written notice of the engagement of the
8 audit. The issuance of the written notice of the audit
9 shall toll the statute of limitations provided in W.S.
10 39-15-110 for the audit period specified in this
11 subsection. The audit shall be completed by the department
12 of audit with final findings issued to the taxpayer or
13 vendor within one (1) year of the date of the notice of
14 engagement. This time limit may be extended only upon
15 mutual agreement between the taxpayer or vendor and the
16 department;

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18 (ii) After receiving notice of an audit under
19 this subsection, the taxpayer or vendor shall preserve all
20 records and books necessary to determine the amount of tax
21 due for the time period that is being audited;

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1 (iii) Except as otherwise provided in this
2 paragraph, audits shall encompass a time period not to
3 exceed three (3) years immediately preceding the reporting
4 period when the audit is engaged. The three (3) year limit
5 shall not apply to an audit if:

6
7 (A) There is evidence of a violation of
8 paragraph (c)(iv) or subsection (f) of this section by the
9 taxpayer or vendor for the reporting period being audited;
10 or

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12 (B) There is evidence of gross negligence
13 by the taxpayer or vendor in reporting or remitting taxes
14 for the reporting period being audited.

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16 (iv) If a taxpayer is not willing or able to
17 produce adequate records to demonstrate taxes due, the
18 department or the department of audit may project taxes
19 based on the best information available. If a vendor is not
20 willing or able to comply with the record requirements of
21 paragraph (c)(xi) of this section, the department or the
22 department of audit may project taxes based on the best
23 information available;

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39-16-108. Enforcement.

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(v) Audits under this subsection are subject to the authority and procedures provided in W.S. 9-2-2003.

(a) Audits. ~~The following shall apply~~ To assess credits and deficiencies against taxpayers and vendors, the department is authorized to rely on final audit findings made by the department of audit, taxpayer information, vendor information or department review subject to the following conditions:

(i) ~~If~~ Audits shall commence when the taxpayer or vendor receives written notice of the engagement of the audit. The issuance of the written notice of the audit shall toll the statute of limitations provided in W.S. 39-16-110 for the audit period specified in this subsection. The audit shall be completed by the department ~~believes any return and the taxes paid are incorrect it shall recompute the return and the tax based upon the best information available.~~ of audit with final findings issued to the taxpayer or vendor within one (1) year of the date

1 of the notice of engagement. This time limit may be
2 extended only upon mutual agreement between the taxpayer or
3 vendor and the department;

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5 (ii) After receiving notice of an audit under
6 this subsection, the taxpayer or vendor shall preserve all
7 records and books necessary to determine the amount of tax
8 due for the time period that is being audited;

9
10 (iii) Except as otherwise provided in this
11 paragraph, audits shall encompass a time period not to
12 exceed three (3) years immediately preceding the reporting
13 period when the audit is engaged. The three (3) year limit
14 shall not apply to an audit if:

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16 (A) There is evidence of a violation of
17 paragraph (c)(iv) of this section by the taxpayer or vendor
18 for the reporting period being audited; or

19
20 (B) There is evidence of gross negligence
21 by the taxpayer or vendor in reporting or remitting taxes
22 for the reporting period being audited.

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1 (iv) If a taxpayer is not willing or able to
 2 produce adequate records to demonstrate taxes due, the
 3 department or the department of audit may project taxes
 4 based on the best information available. If a vendor is not
 5 willing or able to comply with the record requirements of
 6 W.S. 39-15-108(c)(xi), the department or the department of
 7 audit may project taxes based on the best information
 8 available;

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10 (v) Audits under this subsection are subject to
 11 the authority and procedures provided in W.S. 9-2-2003.

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13 **Section 2.** This act is effective July 1, 2018.

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(END)