PREPARING FOR AN AUDIT

The auditor will explain the records required for the review. Gather these before your meeting.

The audit period is usually for the past four calendar years, plus the current year through the end of the last completed calendar quarter.

The records requested may include the following:

- Washington State excise tax returns and workpapers.
- Federal income tax returns for the business.
- Summary accounting records and source journals, such as check registers, general ledger, sales journal, general journal, cash receipts journals, and other records used to record income and expenses.
- Sales invoices.
- Purchase invoices, such as accounts payable and receipts.
- Depreciation schedule and purchase invoices for assets acquired during the audit period.
- Reseller permits/resale certificates for wholesale sales.
- Supporting documentation for all deductions and exemptions.

Although most audits can be completed with the above records, additional documents may be requested.

DURING AN AUDIT

The auditor will take a tour and/or observe your operations to get a better understanding of your business activities and accounting records.

The auditor will review those records and provide you with valuable information and instructions for future use.

We are committed to working with you in a professional and cooperative manner.
FINALIZING THE AUDIT
You will be notified of the audit findings. The auditor will explain any adjustment to you or your representative before finalizing the audit. If you have information we have not considered or believe a mistake has been made, please contact the auditor promptly.

IF YOU AGREE WITH THE ADJUSTMENTS
You have the option to prepay your assessment once the audit has been completed. Full payment will include the tax, any applicable penalties, and estimated interest. Since a full prepayment stops the accrual of interest, you will save money by making the payment early. Any questions you have about making a prepayment should be discussed with the auditor.

IF YOU DISAGREE WITH THE ADJUSTMENTS
You may request a meeting with the auditor’s manager and review disputed issues.

IF AN AGREEMENT CANNOT BE REACHED
You have 30 days from the date the audit report is mailed to appeal to the Department’s Appeals Division. If you file an appeal prior to the assessment’s due date, you should pay the unprotested amounts. Payment is not required for the protested amounts and will remain due pending the appeal. However, interest continues to accrue until taxes are paid in full. If you file an appeal more than 30 days after the audit report is mailed, you must pay the total amount due and petition for refund.

THE AUDIT PROCESS

WHAT TO EXPECT

HOW TO PREPARE

DURING THE AUDIT

FINALIZING THE AUDIT

RIGHTS AND RESPONSIBILITIES

Your rights as a taxpayer include:
- Simple and prompt administrative process for tax refunds and credits.
- Timely, fair and equitable treatment with dignity and respect.
- Accurate written information on reporting instructions, appeal procedures, refund claims, and reasons for assessment.
- Public hearings on proposed rules.
- Review and appeal of assessments, business registration revocation, and adverse rulings.
- Remedies when statutes and rules are found to be unconstitutional.
- Confidentiality of business and financial information.

Your responsibilities as a taxpayer include:
- Registering with the Department.
- Knowing your tax reporting obligations and seeking instructions when you are uncertain.
- Keeping accurate and complete business records.
- Filing returns and paying taxes in a timely manner.
- Ensuring the accuracy of the information entered on your tax return.
- Substantiating claims for refund.
- Notifying the Department and paying taxes promptly when closing a business.
- Timely respond to communications from the Department.

This brochure provides general information on the audit process. If you need more information, please contact your local Department of Revenue office.

DEPARTMENT OF REVENUE OFFICES

<table>
<thead>
<tr>
<th>Location</th>
<th>Phone</th>
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</thead>
<tbody>
<tr>
<td>Bellingham</td>
<td>(360) 594-4840</td>
</tr>
<tr>
<td>Bothell</td>
<td>(425) 984-6400</td>
</tr>
<tr>
<td>Kent</td>
<td>(253) 437-3440</td>
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<tr>
<td>Port Angeles</td>
<td>(360) 417-9900</td>
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<tr>
<td>Richland</td>
<td>(509) 734-7526</td>
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<tr>
<td>Seattle</td>
<td>(206) 727-5300</td>
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<tr>
<td>Spokane</td>
<td>(509) 327-0200</td>
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<td>Tacoma</td>
<td>(253) 382-2000</td>
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<tr>
<td>Vancouver</td>
<td>(360) 256-2060</td>
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<tr>
<td>Wenatchee</td>
<td>(509) 663-9714</td>
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<tr>
<td>Yakima</td>
<td>(509) 454-5160</td>
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TELEPHONE INFORMATION CENTER 1-800-647-7706

WEBSITE
http://dor.wa.gov

HOW TO PREPARE FOR AN AUDIT

If you’re facing an audit, or just want to know more about audits, this video will give you information about what to expect before, during, and after an audit. Find it on our home page, under Learn about....

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.

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