

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 267

Short Title: GPAC/Expand Interstate Tax Audits.

(Public)

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Sponsors: Senator Martin of Guilford.

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Referred to: Government Performance Audit.

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February 19, 1993

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT PERFORMANCE AUDIT COMMITTEE THAT THE DEPARTMENT OF REVENUE SHOULD CONTINUE TO EXPAND ITS INTERSTATE AUDIT OPERATION AS PLANNED.

The General Assembly of North Carolina enacts:

Section 1. The General Assembly finds that:

- (1) On average, the Department of Revenue's interstate auditors generate more revenue than its in-State auditors.
- (2) Several southeastern states have interstate audit divisions larger than that of North Carolina, and other southeastern states plan to expand their interstate audit operations.
- (3) The Department of Revenue has had plans to expand its interstate audit division by:
  - a. Transferring one position to Atlanta.
  - b. Using an existing vacancy in the interstate audit division to hire an auditor in the New Jersey/New York area.
  - c. Reclassifying an expected vacancy in the Field Services Division as an out-of-state auditor for the New Jersey/New York area.
  - d. As three other vacancies occur in the Field Services Division, reclassifying the positions as interstate auditors to be assigned to California, Chicago, and Dallas.

- 1                   e.       Transferring five corporate auditors from the Corporate Income  
2                   and Franchise Tax Division to the interstate audit division  
3                   where they will be trained to conduct other types of audits and  
4                   will assist in training other interstate auditors to conduct  
5                   corporate audits.
- 6           (4)       It is the Department of Revenue's goal that each interstate auditor will  
7           have assessments of one million dollars (\$1,000,000) per year.
- 8           (5)       If the Department of Revenue carries out its plans described above and  
9           reaches its assessment goal for auditors, the interstate audit group  
10           could assess up to twenty million dollars (\$20,000,000) per year.
- 11       Sec. 2. The Department of Revenue shall continue and complete its planned  
12       expansion of the interstate audit division.
- 13       Sec. 3. This act is effective upon ratification.