

STATE OF ARIZONA

Department of Revenue



July 4, 2015

Example Taxpayer
Attn: Joe Public
132 Oak St.
Phoenix, AZ 85023

Tom Johnson
Assistant Director

License No.: 7999999 and Non Program City Licenses Listed on Page 2
Audit Period: 7/1/2011 through 7/31/2015
Federal ID:38-9999999

Tami Benson
Administrator

Dear Taxpayer,

The Arizona Department of Revenue is issuing this **Notice of Proposed Assessment** under A.R.S. § 42-1108, as detailed below, based on an audit of your records that encompassed all taxes imposed under Chapters 5 and 6 of Title 42 of the Arizona Revised Statutes and the Model City Tax Code. Schedules substantiating the audit findings were previously provided with the Tentative Audit Assessment.

Corrected Total Tax per Audit	\$	36,897.85	
Less: Tax as Previously Reported		<u>0.00</u>	
Additional Tax Due			36,897.85
Penalties			0.00
Interest Through 7/18/2015			<u>3,917.40</u>
Total Deficiency	\$		<u><u>40,815.25</u></u>
Daily Interest	\$		3.03

Note: If payment is made PRIOR to the interest through date, please deduct the daily interest amount for each day prior to the interest through date.

This deficiency becomes final forty-five (45) days from the receipt of this notice (ARS § 42-1108B) unless an appeal is submitted to the Department as indicated on the enclosed Taxpayer Response Form. If payment is not made within the 45 day period, a lien may be filed with the County Recorder for all real property owned and with the Secretary of State for all personal property owned. If changes need to be made, please submit documentation with an informal conference request in writing to the Department. An informal conference consists of meeting with a Taxpayer and/or their representative and a Departmental representative. A formal hearing may also be requested. An Administrative Law Judge of the Office of Administration Hearings will preside over a formal hearing which includes a Taxpayer and/or their representative and a Departmental representative. The Administrative Law Judge renders a written decision after both sides have presented their positions.

IMPORTANT

All **unprotested** amounts **must** be paid at the time any protest is filed (A.R.S. § 42-1251A). Send any checks or money orders made payable to: ARIZONA DEPARTMENT OF REVENUE
Attn: Audit Processing
1600 West Monroe Street Division Code 9
Phoenix, AZ 85007-2650

Joe Auditor
ADOR Auditor Number: 845 Phone # (602) 716-0000

Date 7/4/2015

Jane Public
ADOR Supervisor Number: 160 Phone # (602) 716-0001

Date 7/4/2015

STATE OF ARIZONA

Department of Revenue



Tom Johnson
Assistant Director

Tami Benson
Administrator

Example Taxpayer
Attn: Joe Public
132 Oak St.
Phoenix, AZ 85023

State License Number: 7999999
Audit Period: 7/1/2011 through 7/31/2015
Federal ID: 38-9999999

Effective January 1, 2015, the Arizona Department of Revenue is required to audit on behalf of all taxing jurisdictions in Arizona. A.R.S. 42-6002(C)(5). This requirement includes all active "Non-Program Cities" that separately administer their municipal Transaction Privilege Tax. The audit results in this Assessment under A.R.S. § 42-1108 include the following active Non-Program City license numbers below. Any appeal received will also include these Non-Program City licenses.

Non-Program City	License Number 1	License Number 2	License Number 3	License Number 4
Apache Junction				
Avondale				
Chandler				
Douglas				
Flagstaff				
Glendale				
Mesa				
Nogales				
Peoria				
Phoenix				
Prescott				
Scottsdale				
Sedona				
Tempe				
Tucson				

CC:

Arizona Department of Revenue

Transaction Privilege & Use Tax

License No.: 07999999

Record Tracking ID No: 00012454

Legal Name: Example Taxpayer

D.B.A. Name: Example

Auditor Name: Joe Auditor

Tax Period Start Date: 7/1/2011

Auditor Phone: (602) 716 - 0000

Tax Period End Date: 7/31/2015

SUMMARY BY JURISDICTION

Jurisdiction	Business Classification	Audited Gross Receipts	Audited Deductions	Audited Taxable	Corrected Total Tax Per Audit	Tax As Previously Reported	Excess Tax	Additional Tax Due
MARICOPA County	Contracting - Prime	850,000.00	423,858.59	426,141.41	31,108.33	0.00	0.00	31,108.33
PRIVILEGE TAX	Sub-Total	850,000.00	423,858.59	426,141.41	31,108.33	0.00	0.00	31,108.33
	State/County Total	850,000.00	423,858.59	426,141.41	31,108.33	0.00	0.00	31,108.33
Phoenix	Contracting Prime	450,000.00	268,261.11	181,738.89	3,634.78	0.00	0.00	3,634.78
Surprise	Construction Contracting	100,000.00	41,763.88	58,236.12	2,154.74	0.00	0.00	2,154.74
PRIVILEGE TAX	Sub-Total	550,000.00	310,024.99	239,975.01	5,789.52	0.00	0.00	5,789.52
	City Total	550,000.00	310,024.99	239,975.01	5,789.52	0.00	0.00	5,789.52
Grand Total					\$ 36,897.85	\$ -	\$ -	\$ 36,897.85

Arizona Department of Revenue

Transaction Privilege & Use Tax
 License No.: 07999999
 Record Tracking ID No: 00012454

Legal Name: Example Taxpayer
 D.B.A. Name: Example

Auditor Name: Joe Auditor
 Auditor Phone: (602) 716 - 0000

Tax Period Start Date: 7/1/2011
 Tax Period End Date: 7/31/2015

STATE AND COUNTY AUDIT ANALYSIS

Business Classification	A.R.S Reference	Explanation of Audit Adjustments	Tax Adjustments
Contracting - Prime	A.R.S. §42-5075/-5076	Taxpayer was a non-filer. Assessment results from income information received from the bank statements.	\$ 31,108.33

State/County Total

\$ 31,108.33

CITY AUDIT ANALYSIS

Jurisdiction	Business Classification	MCTC Reference	Explanation of Audit Adjustment	Tax Adjustment
Phoenix	Contracting Prime	Sec. 415-417	Taxpayer was a non-filer. Assessment results from income information received from the bank statements.	\$ 3,634.78
Surprise	Construction	Sec. 415-417	Taxpayer was a non-filer. Assessment results from income information received from the bank statements.	\$ 2,154.74

City Total \$ 5,789.52

State/County Excess Tax \$ -

City Excess Tax \$ -

Total Tax Adjustment \$ 36,897.85

Penalty \$ -

Interest \$ 3,917.40

Total Deficiency \$ 40,815.25



ARIZONA DEPARTMENT OF REVENUE
Transaction Privilege & Use Tax Division
Taxpayer Response Form

Example Taxpayer
Example
Attn: Joe Public
132 Oak St.
Phoenix, AZ 85023

Mail To:
Arizona Department of Revenue
ATTN: Audit Processing
1600 W. Monroe St., Division Code 9
Phoenix, AZ 85007-2650

License Number: 7999999
Audit Period: 7/1/2011 through 7/31/2015

IMPORTANT INSTRUCTIONS

If you are filing a protest, this form must be submitted within *FORTY-FIVE (45)* days of the date of the receipt of the Notice of Proposed Assessment. If no response is received by that date, the Proposed Assessment will become final, due and payable.

- (1) **Be sure to READ ALL OF THE INFORMATION on the following page before completing this form.**
- (2) Complete all of the blank spaces at the top of this form.
- (3) If you agree with the Proposed Assessment, complete Part A only. If you disagree with the Proposed Assessment, complete Part B only. Be sure to complete Lines 1 through 6 of Part B. Attach all available documentation to expedite the resolution of your protest. Please call the Department's auditor if you have any questions or want help with the calculations of the protested tax, penalty and interest.

PART A **I AGREE with this PROPOSED ASSESSMENT and do NOT WISH to FILE a PROTEST.**

Checking this box indicates that you agree with all of the changes shown on the Notice of Proposed Assessment. Checking this box also waives your right to appeal and the Notice of Proposed Assessment becomes due and payable. Please complete the attached payment stray and make your check payable to the Arizona Department of Revenue.

SIGNATURE of the TAXPAYER or AUTHORIZED PREPRESENTATIVE

Date

PART B **I DISAGREE with this PROPOSED ASSESSMENT and WISH to FILE a PROTEST. Enclosed is a check for all unprotested amounts. (Make checks payable to *Arizona Department of Revenue.*)**

For areas with which you disagree:

- (1) List the specific tax classification(s) : _____
- (2) List the specific jurisdiction(s) : _____
- (3) Enter the amount of tax (if any) : _____
- (4) Enter the amount of penalty (if any): _____
- (5) Enter the amount of interest (if any): _____
- (6) Identify the specific issues and/or income adjustments you disagree with and explain why you disagree (attach additional pages if needed): _____

(7) Check one of the following boxes:

I request an **INFORMAL CONFERENCE** with a representative of the Transaction Privilege & Use Tax Division. **NOTE:** If you select this option, you may still request a formal hearing at a later date.

I request a **FORMAL HEARING** in the Office of Administrative Hearings and elect to bypass the Opportunity for an informal conference. An Administrative Law Judge will preside over a formal hearing and issue a written decision after both sides have presented their arguments.

SIGNATURE of the TAXPAYER or AUTHORIZED PREPRESENTATIVE

Date

ARIZONA DEPARTMENT OF REVENUE
Transaction Privilege & Use Tax Division
Taxpayer Response Form Instructions

IF YOU AGREE WITH ALL OF THE PROPOSED ASSESSMENT

Complete **PART A** only if you agree with the Proposed Assessment. When the Department receives your signed response, the Proposed Assessment becomes final, and the full amount becomes due and payable. To avoid additional interest charges, you may send your check or money order made payable to the *Arizona Department of Revenue* for the total amount due along with the completed Taxpayer Response Form. If you are unable to pay the total amount due, you may be able to enter into a payment plan with our Collection Section.

IF YOU DISAGREE WITH PART OR ALL OF THE PROPOSED ASSESSMENT

If you disagree with the assessment, you must complete and return the signed Taxpayer Response Form within **forty-five (45)** days of the date of receipt of the Notice of Proposed Assessment. Arizona Statutes require you to identify the dollar amount of the tax, penalty and interest that you disagree with, as well as, the reason you disagree (A.R.S. § 42-1251.A). Please contact the Department's auditor if you need assistance in calculating these amounts.

Be sure to complete all of the information requested in **PART B** of the Taxpayer Response Form. Return the signed response form with documentation to support your protest. Be sure to provide a phone number where you may be reached during the day. Please write your Transaction Privilege Tax License Number on all correspondence.

If you disagree with **part** of the Proposed Assessment, the portion you agree with becomes due and payable when you return the response form (A.R.S. § 42-1251). Make your check payable to the *Arizona Department of Revenue*.

IF THE PROTEST DUE DATE HAS PASSED

If the Taxpayer Response Form is not received by the Department or postmarked on or before the **forty-fifth** day after the date of receipt of the Notice of Proposed Assessment, you forfeit the right to protest and collection activity will begin. Then you must first pay the total assessment plus any additional accrued interest and then file a claim for refund to appeal the amount.

APPOINTING SOMEONE TO REPRESENT YOU

If at any time you wish to appoint someone to represent you, send a completed Power of Attorney Form 285 to the Department. If you wish for your representative to sign the Taxpayer Response Form on your behalf, the representative must file a Power of Attorney Form with the Department. The Department cannot discuss your case with a representative, or accept this response form signed by a representative, until a completed Power of Attorney Form is provided. Many representatives have a copy of the Power of Attorney form available. You may request a Power of Attorney form by calling (602) 542-4260 in Phoenix or 1-800-352-4090 if you live outside the Phoenix area. Forms can be obtained from the Internet at the Department's web site of: www.azdor.gov.

IMPORTANT INTEREST INFORMATION

Interest continues to accrue on any unpaid balance. All unprotested amounts are now due. **To avoid additional interest charges**, you may also pay the protested amounts to stop the interest from accruing. Send your check or money order with the completed Taxpayer Response Form. Make your check payable to the *Arizona Department of Revenue*. Any amount determined to be overpaid as a result of your protest will be refunded, with interest, after the protest is resolved (A.R.S. § 42-1123).



ARIZONA DEPARTMENT OF REVENUE
TPT Audit Section
1600 W. Monroe St Division Code 16
Phoenix, AZ 85007

7/4/2015

Example Taxpayer
Example
Attn: Joe Public
132 Oak St.
Phoenix, AZ 85023

Please Mail To:

Arizona Department of Revenue
Attn: Audit Processing
1600 W. Monroe St., Division Code 9
Phoenix, AZ 85007

Cashier 23/50	
P/M (DOR Use Only)	
Period End Date: 7/31/2015	
License Number: 7999999	
Case Number	
Taxes	36,897.85
Interest	3,917.40
Penalty	0.00
Total Due	40,815.25

Return This Sheet with Payment
