



State of Utah

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Interim Executive Director

February 3, 2011

Name
Address
City, State Zip

RE: Verification of Sales and Use Tax

Letter ID: PHY2110000

Dear Name:

The Auditing Division of the Utah State Tax Commission is currently conducting a self-review project on physicians. A self-review project consists of selected businesses or individuals reviewing their own books and records for a potential sales and use tax liability. Self-reviews are designed to help you become familiar with the tax laws that relate to your business, and assist you in future compliance to help you avoid penalties and interest.

A physician typically makes purchases of equipment and supplies to be used or consumed in the course of business. Such items of tangible personal property are subject to sales and use tax. As the purchaser, you are responsible for the tax on items you store, use, or consume in Utah, and you must remit this tax to the Tax Commission when the seller does not collect it. In most cases, these are purchases made from an out-of-state supplier not required to collect Utah sales tax.

What you should do:

Please read the enclosed **Examples** sheet. It lists some common types of purchases made by physicians that are subject to sales and use tax. For help in clarifying certain issues, read the enclosed **Frequently Asked Questions** sheet and **Publication 53** (Sales Tax Information for Health Care Providers).

To perform the self-review, follow the **Instructions** included in this packet. The enclosed **Checklist & Questionnaire** outlines the forms you will need to complete and submit. It is important you return the completed forms in the envelope provided, along with your payment of computed tax and interest, if applicable, by **March 7, 2011**.

If you are a clinic where multiple physicians practice, list the names of those physicians on **Summary Part 2**, and indicate whether they are responsible for tax on their own purchases. If you are an entity which is exempt from sales and use tax, if another legal entity is

responsible for your facility's purchases, or if a careful review of your records shows that Utah sales and use tax was **always** properly paid to sellers, and use tax has been reported for all cases where the seller did not charge you tax on a taxable purchase, please do the following:

1. Fill out the **Checklist & Questionnaire**.
2. Complete the **Summary**, including Section C, indicating why you do not owe tax, and date and sign. If you are part of another entity that will complete a separate self-review, provide the name and Letter ID# of the entity in Section C.
3. Return the above documents in the envelope provided by **March 7, 2011**.

All self-reviews are subject to verification by auditors. Any tax self-reported and paid as part of this self-review will be subject only to interest, and the review period will be limited to three years. However, if you do not respond to this notice, we may contact you to schedule an audit. If no sales and use tax returns have been filed, the normal three-year statute of limitations does not apply and the Tax Commission may assess tax, interest and penalty for an unlimited period.

Interest has been calculated to March 7, 2011. If payment is made before that date, you may reduce the interest amount accordingly. See the enclosed **Instructions**. If payment is made after March 7, 2011, you must adjust the interest and pay the proper amount, or additional interest and a late payment penalty may be assessed on any deficiency.

If you have questions or need additional time:

Email us at comp@utah.gov or contact one of the following from 7:00 a.m. to 6:00 p.m., Monday through Thursday:

Matthew Duke	(801) 297-4670
Stephen Peterson	(801) 297-4758
Ralph Hoggan	(801) 297-4759

Information to help you complete this self-review can be found on our website at <http://tax.utah.gov/selfreview> (select the **Physicians** link). You may read related tax references in Title 59 Chapter 12 of the Utah Code, Administrative Rule R865-21U-6, and other applicable Administrative Rules, which are found on our website at <http://tax.utah.gov/>.

Thank you for your prompt attention and cooperation regarding this matter.

Respectfully,



Michael Christensen
Tax Audit Manager

Enclosures
mbd