

# Utah State Tax Commission Tax and Revenue



# Utah State Tax Commission

- Monthly webinars of various tax topics.
- Ability to access the recording and presentation after the event.
- Free to all attendees.



# Utah State Tax Commission Monthly Webinars


[tax.utah.gov/training/webinars](https://tax.utah.gov/training/webinars)

## Tax Webinars & Videos

- Tax Instruction & Training
- Tax Workshops +
- Tax Webinars & Videos**
- Free Online Training
- Are You New to TAP?
- TAP FAQs +
- TAP Help for Sales Taxes
- TAP Help for Withholding, Quick Start Guide
- TAP Help for Garnishments
- SALT Report & Tax FAQ

Each month, the Tax Commission holds live public webinars on various tax topics, with access to the recording after the event. We'll also add other training items here as needed. The links will appear below as they're available.

All webinars are held on the third Thursday of each month and begin at **10:00 a.m.**



Category/Tax Type ▾

Date	Title	Category/Tax Type	Links
Jan 19, 2023	What's new this filing season for income tax	Individual Income Tax	<a href="#">MP4</a>   <a href="#">PDF</a>
Feb 16, 2023	Sales Tax licensing requirements and application process	Sales Tax	<a href="#">MP4</a>   <a href="#">PDF</a>
Mar 16, 2023	Who needs to file a Utah Income Tax return?	Individual Income Tax	<a href="#">MP4</a>   <a href="#">PDF</a>
Apr 20, 2023	Sales Tax rates and how to remit taxes	Sales Tax	<a href="#">MP4</a>   <a href="#">PDF</a>
May 18, 2023	Income Tax residency, domicile and special instructions	Individual Income Tax	
Jun 15, 2023	Basics of what is taxable and what is exempt from Sales Tax	Sales Tax	
Jul 20, 2023	Income Tax Audit / Exam Process	Tax Audits	
Aug 17, 2023	Sales and Use Tax on Goods Consumed	Sales Tax	
Sep 21, 2023	Taxpayer Access Point (TAP)	Taxpayer Access Point (TAP)	



# Income Tax Audit / Exam Process



# Audit/Exam Process

## Request Letter

- Request return be filed, request verification, propose changes, etc.
- Documents/info exchanged, communication between examiner & taxpayer
- 30-day response date is flexible

## Cancellation Letter

- Sent to taxpayer if requested information is provided & no changes are needed to return

## Notice of Deficiency

- Notice sent that shows changes to return and amount due
- 30-day deadline is firm/strict
- Must pay or file appeal within 30 days



# Audit Categories

- Federal Tape Mismatch
- CP2000 / Revenue Agent Report
- State-Only Line Items
- Non-filers





# Federal Tape Mismatch


Some line items on the Utah return come directly from lines on the federal return. These amounts must match and sometimes they don't match for various reasons. An audit is created when they don't match and making the adjustment would result in material tax due.

Those items include:

- Federal Adjusted Gross Income
- State Tax Refund
- Number of Exemptions / Dependents
- Standard / Itemized Deductions
- State Tax Addback
- Filing Status



# Federal Tape Mismatch

 **Utah State Tax Commission**  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100 Website: tax.utah.gov

REQUEST FOR VERIFICATION - Federal Return Comparison

Letter Issue Date  
August 22, 2019

Response Required Before  
**September 23, 2019**

Letter ID  
[REDACTED] 080

Account Type  
Individual Income Tax (IIT)

Account ID  
[REDACTED] -002-IIT

Period  
Dec-2016

**AUD**  
AUD

[REDACTED]

The Auditing Division compared your 2016 Utah individual income tax return with your 2016 federal income tax return. This comparison shows a difference. Proposed changes to your Utah return are listed below.

Line Item in Question	Utah Income Tax Return	Proposed Amount Based on your Federal Return
Personal Exemptions Deduction	\$9,114	\$6,076
Total Number of Exemptions	3	2

Utah allows a personal exemption deduction equal to 75% of the exemption amount allowed on your 2016 federal income tax return.

Check one of the following boxes to indicate whether you agree or disagree with the proposed changes:


☐ If you **agree** with the proposed changes, mail us a copy of this letter with this box checked before **September 23, 2019**. We will adjust your return and send you a Notice of Deficiency.

☐ If you **disagree** with the proposed changes listed above, send in the following information before **September 23, 2019**:

1. A copy of this letter.
2. A complete copy of your original federal income tax return, including all schedules, attachments, W-2s, 1099s, and K-1s.
3. Copies of any amended 2016 federal tax returns and an explanation of items changed on your amended federal return.
4. Copies of all Internal Revenue Service letters regarding your 2016 federal tax return.
5. Your daytime telephone number in case we need to contact you, ( ) \_\_\_\_\_.

Unless we hear from you, we will adjust your 2016 Utah individual income tax return. If you disagree with the proposed changes and provide additional information, your return may still be adjusted. An adjustment to your return may result in additional tax, interest, and penalty (if applicable) that you will owe.



 **Utah State Tax Commission**  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100 Website: tax.utah.gov

Letter ID  
[REDACTED] 080

August 22, 2019

Mail information to: Brandon [REDACTED], Auditing Division, Utah State Tax Commission, 210 North 1950 West, Salt Lake City, UT 84134-2100. For questions, contact Brandon [REDACTED] by phone at 801-297-4658 or 1-800-662-4335 ext. 4658, by fax at 801-297-4603, or by email at [REDACTED]@utah.gov.

Thank you for your assistance and cooperation in this matter.

Respectfully,  
Brandon [REDACTED]  
Auditor  
Auditing Division



# CP2000 – Unreported Income Audits


Automated unreported income audits originally assessed by IRS. The IRS forwards this information to the states. We adjust their Utah return if an amended return wasn't filed or they didn't correct it with the IRS.

Common income items not reported on tax returns:

- Wages
- Unemployment compensation
- Stocks/bonds sales
- Debt cancelation
- Retirement distributions



# CP2000 – Unreported Income Audits

 **Utah State Tax Commission**  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100 Website: tax.utah.gov

**NOTICE OF DEFICIENCY AND AUDIT CHANGE** qil024 05/2018

Letter Issue Date  
August 7, 2019


Make Payment By  
**September 6, 2019**


Letter ID  
[REDACTED]

Account Type  
Individual Income Tax (IIT)

Account ID  
[REDACTED]-002-IIT

Period  
Dec-2016





The Auditing Division reviewed your 2016 Utah individual income tax return. Information from the Internal Revenue Service (IRS) shows your federal taxable income increased. Your Utah income tax return was adjusted based upon available information and additional tax, interest, and penalty (if applicable) are due.

Audit Tax Due: \$186.00  
Audit Interest Due (04/18/2017 - 09/06/2019): \$14.58  
Audit Penalties Due: \$0.00

**Audit Total Due: \$200.58**

The following adjustment(s) were made to your 2016 Utah individual income tax return:

Item(s) Changed on Utah Return	Original	Revised	Change
Federal Adjusted Gross Income	44,664	49,380	4,716
Withholding Tax Credit	1,440	1,551	111

The IRS provided the Auditing Division a list of possible sources of your unreported income. Refer to the attached list. This list may include income that was previously claimed on your 2016 federal return.

This notice only reflects tax, interest, and penalty (if applicable) assessed from the audit and does not include any previous payment or tax liabilities for 2016. For information about the interest calculation, visit our website at tax.utah.gov.

## Paying the Audit


If you agree with the audit adjustment(s), as shown above, full payment of the audit must be received by **September 6, 2019**. Make your check or money order payable to the Utah State Tax Commission. Enclose your payment along with the payment coupon in the envelope provided.

You may also pay online by e-check or credit card at [tap.utah.gov](http://tap.utah.gov). There is a fee for credit card payments.

You can contact the Taxpayer Services Division at 801-297-7703 if you cannot pay the total audit amount due. They can help you set up a payment plan.

## Contesting the Audit

If you do not agree with the audit, you may appeal directly to the Tax Commission. For more information, refer to the enclosed Appeal Instructions.

 **Utah State Tax Commission**  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100 Website: tax.utah.gov

Letter ID  
[REDACTED]

August 7, 2019

## Unreported Income Sources

Below is a list of possible sources of your unreported income the IRS provided. This list may include income that was previously claimed on your 2016 federal return.

Possible Sources of Unreported Income	Form	Type of Payment	Amount
FIRST BANKERS TRUST SERVICES INC.	1099-R	GROSS DISTRIBUTION	\$159
		TAXABLE AMOUNT	159
PROCESSING PAYROLL CA INC.	W-2	FEDERAL INCOME TAX WITHHELD	49
		TAXABLE WAGES	4,557
		FICA TAX WITHHELD	282
		TAXABLE FICA WAGES	4,557
		MEDICARE TAX WITHHELD	66
		MEDICARE WAGES & TIPS	4,557



# Revenue Agent Report

In-depth audits originally assessed by IRS. The IRS forwards this information to the states. We adjust their Utah return if an amended return wasn't filed or they didn't correct it with the IRS.

Common items adjusted by an RAR audit:

- Filing status, dependents, standard deduction
- Business & rental income/expenses
- Itemized deductions
- Federal credits that may or may not affect UT return (Earned Income Tax Credit, Child Tax Credit, etc.)



# Revenue Agent Report



**Utah State Tax Commission**  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100

Website: tax.utah.gov

## NOTICE OF DEFICIENCY AND AUDIT CHANGE

Letter Issue Date  
April 23, 2019  
Make Payment Before  
May 23, 2019

Letter ID  
[REDACTED]  
Account Type  
Individual Income Tax (IIT)  
Account ID  
[REDACTED]-002-IIT  
Period  
Dec-2011



The Auditing Division reviewed your 2011 Utah individual income tax return. Your Utah income tax return was adjusted based upon available information and additional tax, interest, and penalty (if applicable) are due.

Audit Tax Due: \$2,545.00  
Audit Interest Due (04/17/2012 - 05/23/2019): \$432.16  
Audit Penalties Due: \$0.00

**Audit Total Due: \$2,977.16**

The Internal Revenue Service (IRS) made changes to your federal return. These changes also affect your Utah return. Attached is a list of item(s) changed on your 2011 federal return. Because of the item(s) changed, the following adjustment(s) were made to your 2011 Utah individual income tax return:

Item(s) Changed on Utah Return	Original	Revised	Net Change
Federal Adjusted Gross Income	5,369	50,907	45,538
Standard or Itemized Deductions	1,684	773	911

This notice only reflects tax, interest, and penalty (if applicable) assessed from the audit and does not include any previous payment or tax liabilities for 2011. For information about the interest calculation, visit our website at tax.utah.gov.

### Paying the Audit

If you agree with the audit adjustment(s), as shown above, full payment of the audit must be received by **May 23, 2019**. Make your check or money order payable to the Utah State Tax Commission. Enclose your payment along with the payment coupon in the envelope provided.

You may also pay online by e-check or credit card at tap.utah.gov. There is a fee for credit card payments.

You can contact the Taxpayer Services Division at 801-297-7703 if you cannot pay the total audit amount due. They can help you set up a payment plan.

### Contesting the Audit

If you do not agree with the audit, you may appeal directly to the Tax Commission. For more information, refer to the enclosed Appeal Instructions.



**Utah State Tax Commission**  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100

Website: tax.utah.gov

Letter ID  
[REDACTED]  
April 23, 2019

Letter ID  
[REDACTED]

## IRS Changes

The IRS made changes to your 2011 federal return. Below is a list of item(s) that were changed:

Item(s) Changed by IRS	Amount
LONG-TERM CAPITAL GAIN/LOSS	\$48,999
SELF-EMPLOYMENT TAX DEDUCTION	-3,461
2% MISC. DEDUCTIONS (SCH. A)	911



# State-only Line Item

Credits, deductions, adjustments that are specific to the Utah return.

Common examples of items reviewed include:

- Non/part-year income allocation
- Credits such as Renewable Energy Systems Credits, Health Benefit Plan Credit, Taxes Paid to Another State Credit, my529 Plan Credit (UESP), Withholding Credit, etc.
- Deductions such as Equitable Adjustments, U.S. Government Interest Deduction, Native American Income Deduction, Military Income Deductions, etc.



# State-only Line Item

 **Utah State Tax Commission**  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100 Website: tax.utah.gov

REQUEST FOR VERIFICATION-Utah Return Items

Letter Issue Date  
August 30, 2019

Response Required By  
**September 30, 2019**

Letter ID  
[REDACTED]

Account Type  
Individual Income Tax (IIT)

Account ID  
[REDACTED] 002-IIT

Period  
Dec-2016





The Auditing Division is reviewing your **2016** Utah individual income tax return. Additional information is needed to verify certain credit(s) or deduction(s) you claimed on your return.

The following general information is needed from you:

1. A copy of page 1 of this letter.
2. Copies of documents we request below. Retain all originals for your records.
3. A complete copy of your 2016 federal income tax return, including all schedules, attachments, W-2s, 1099s and K-1s.
4. Your daytime telephone number in case we need to contact you.

Specific information regarding the credit(s) or deduction(s) you claimed is also needed. All information requested must be provided by **September 30, 2019**.


## 1. Health Benefit Plan Credit \$ 252

Provide the following information to verify the credit claimed on your 2016 tax return:

1. A letter from each employer stating that you or your spouse were not eligible to participate in a health care plan funded in whole or in part by the employer.
2. If you or your spouse are retired, a letter from your retirement plan administrator stating you are not eligible to participate in a health care plan funded in whole or in part by your former employer.
3. A record of your 2016 payments for health care insurance premiums:
  - a. Cancelled checks
  - b. Health care insurance premium statements
  - c. A letter from your health care insurance provider stating the date and amount of health insurance premiums paid in 2016.
4. A complete copy of your 2015 federal income tax return.

If you are eligible to participate in a health care plan that is funded in whole or in part by a current employer or former employer, the credit cannot be claimed for any amount. To qualify for the credit, you must pay 100% of the health care insurance premiums. Any health care insurance premiums deducted on your federal return cannot be claimed on your Utah return. The credit is 5% of the qualifying amount of health care insurance premiums paid.

Unless we hear from you, we will adjust your 2016 Utah individual income tax return. If you do provide additional information, your return may still be adjusted. The adjustment to your return may result in additional tax, interest,

 **Utah State Tax Commission**  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100 Website: tax.utah.gov

Letter ID  
[REDACTED]

August 30, 2019

and penalty (if applicable) that you will owe.

The requested information may be submitted to Brandon [REDACTED] by mail at the address shown above, by fax at 801-297-4603 or by email at [REDACTED]@utah.gov. Brandon [REDACTED] may also be contacted by phone at 801-297-4658 or 1-800-662-4335 ext. 4658.

Thank you for your assistance and cooperation in this matter.

Respectfully,  
Brandon [REDACTED]  
Auditor  
Auditing Division





# Non-filers

Many individuals just don't file returns.

Discovery program creates leads based on multiple factors such as amount of income, where that income is sourced, Utah residency ties, etc.

Common excuses/reasons for not filing a Utah return include:

- I wasn't a Utah resident
- I didn't have Utah source income
- My refund or tax due is small, so why bother filing?
- I didn't think I made enough money
- Marriage, family, financial or medical issues kept me from filing



# Non-filers

 **Utah State Tax Commission**  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100 Website: tax.utah.gov

**REQUEST FOR FILING INFORMATION**

Letter Issue Date  
June 28, 2019

Response Required Before  
**July 29, 2019**

Letter ID  
[Redacted]

Account Type  
Individual Income Tax (IIT)

Account ID  
[Redacted]-002-IIT

Period  
Dec-2012

**AUD**  
**AUD**

Barcode: [Redacted]

Our records show you have not filed a 2012 Utah individual income tax return. The Auditing Division reviewed information from the Internal Revenue Service (IRS) and from other sources showing you have income and may be required to file a Utah tax return.

A person is required to file a Utah tax return if:

1. They have income from any Utah source and were required to file a federal return.
2. They were a resident or domiciled in Utah at any time during the year and were required to file a federal tax return.

If you did not file a Utah return, you can still file your return. Forms and instructions are available on our website at [incometax.utah.gov](http://incometax.utah.gov) or by calling us at 801-297-4703. Provide a copy of your completed and signed return, TC-40, including W-2s with a copy of this letter.

If you believe you do not need to file a Utah income tax return, provide the following information before **July 29, 2019**:

1. A copy of this letter.
2. A complete copy of your 2012 federal income tax return, including all schedules, attachments, W-2s, 1099s, and K-1s.
3. A complete copy of every 2012 state return you filed.
4. An explanation why you believe a 2012 Utah tax return is not required.
5. The dates and reasons you entered and/or left Utah.
6. If on active duty with the US Armed Forces, a copy of DD form 2058 or your 2012 Leave and Earnings Statement.
7. Your daytime telephone number in case we need to contact you, ( ) \_\_\_\_\_.


If you filed a 2012 Utah income tax return with a payment, provide the following information before **July 29, 2019**:

1. A copy of this letter.
2. A signed copy of your completed 2012 Utah return.
3. A copy of the front and back of your cancelled check, money order, or receipt.
4. Your daytime telephone number in case we need to contact you, ( ) \_\_\_\_\_.

If you filed a 2012 Utah income tax return and received a refund, provide the following information before **July 29, 2019**:

1. A copy of this letter.
2. A signed copy of your completed 2012 Utah return.
3. A copy of your 2012 form 1099-G issued to you by the Utah State Tax Commission.
4. Your daytime telephone number in case we need to contact you, ( ) \_\_\_\_\_.



 **Utah State Tax Commission**  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100 Website: tax.utah.gov

**NOTICE OF DEFICIENCY AND ESTIMATED INCOME TAX**

Letter Issue Date  
September 3, 2019

Make Payment Before  
**October 3, 2019**

Letter ID  
[Redacted]

Account Type  
Individual Income Tax (IIT)

Account ID  
[Redacted]-002-IIT

Period  
Dec-2012

Barcode: [Redacted]

**TAXPAYER ACCESS POINT**  
**U T A H**  
**tap.utah.gov**

Our records show you have not filed a 2012 Utah individual income tax return. The Auditing Division reviewed information from the Internal Revenue Service and from other sources showing you have income and are required to file a return. Your Utah income tax liability was calculated based upon available information and additional tax, interest, and penalty (if applicable) are due.

Audit Tax Due: \$1,436.00  
Audit Interest Due (04/15/2013 - 10/03/2019): \$236.21  
Audit Penalties Due: \$287.20

**Audit Total Due: \$1,959.41**

The following adjustment(s) were made to your 2012 Utah individual income tax return:

Items Used in Utah Income Tax Liability Calculation	Amount
Return Type	Full-Year Resident
Filing Status	Single
Total Number of Exemptions	1
Federal Adjusted Gross Income	33,851
Standard or Itemized Deductions	5,950
Personal Exemptions Deduction	2,850

A 10% late filing penalty and a 10% late payment penalty were assessed. For information about the interest calculation, visit our website at [tax.utah.gov](http://tax.utah.gov).

This notice only reflects tax, interest, and penalty assessed from the audit and does not include any previous payment or tax liabilities for 2012. Any 2012 pre-payments you made will change the tax, penalty, and interest listed above.

## Paying the Audit

If you agree with the audit adjustment(s), as shown above, full payment of the audit must be received by **October 3, 2019**. Make your check or money order payable to the Utah State Tax Commission. Enclose your payment along with the payment coupon in the envelope provided.

You may also pay online by e-check or credit card at [tap.utah.gov](http://tap.utah.gov). There is a fee for credit card payments.

You can contact the Taxpayer Services Division at 801-297-7703 if you cannot pay the total audit amount due. They can help you set up a payment plan.

# Tax, Penalty, Interest & Changes to Return

The Auditing Division reviewed your 2011 Utah individual income tax return. Your Utah income tax return was adjusted based upon available information and additional tax, interest, and penalty (if applicable) are due.

Audit Tax Due: \$2,545.00

Audit Interest Due (04/17/2012 - 05/23/2019): \$432.16

Audit Penalties Due: \$0.00

**Audit Total Due: \$2,977.16**

The Internal Revenue Service (IRS) made changes to your federal return. These changes also affect your Utah return. Attached is a list of item(s) changed on your 2011 federal return. Because of the item(s) changed, the following adjustment(s) were made to your 2011 Utah individual income tax return:

Item(s) Changed on Utah Return	Original	Revised	Net Change
Federal Adjusted Gross Income	5,369	50,907	45,538
Standard or Itemized Deductions	1,684	773	911

This notice only reflects tax, interest, and penalty (if applicable) assessed from the audit and does not include any previous payment or tax liabilities for 2011. For information about the interest calculation, visit our website at [tax.utah.gov](http://tax.utah.gov).



# Paying the Audit

## Paying the Audit

If you agree with the audit adjustment(s), as shown above, full payment of the audit must be received by **August 24, 2023**. Make your check or money order payable to the Utah State Tax Commission. Enclose your payment along with the payment coupon in the envelope provided.

You may also pay online by e-check or credit card at **tap.utah.gov**. There is a fee for credit card payments.

You can contact the Taxpayer Services Division at 801-297-7703 if you cannot pay the total audit amount due. They can help you set up a payment plan.



# Payment Instructions & Coupon



## UTAH AUDIT PAYMENT COUPON



### How Do I Prepare the Payment?

Make your check or money order payable to the Utah State Tax Commission. **Do not send cash.** The Tax Commission does not assume liability for loss of cash placed in the mail.

Write your name and address on the check or money order if they are not preprinted.

Print your Account Number and daytime telephone number on your check or money order.

### How Do I Send in My Payment?

Detach the payment coupon below.

Do not attach the check or money order to the payment coupon.

Enclose the payment and coupon in the envelope provided.

If you put any statement on or with your payment that indicates it will pay your tax in full, will satisfy our claim, or similar language, do not use the enclosed envelope. A payment with this type of statement must be mailed to: Utah State Tax Commission, PO Box 2998, Salt Lake City, UT 84110-2998.

REMOVE COUPON AND MAIL WITH YOUR PAYMENT

### NOTICE OF DEFICIENCY AND AUDIT CHANGE

TAX TYPE Individual Income Tax	PERIOD ENDING Dec-2020	SEND PAYMENT BEFORE August 24, 2023	PAYMENT DUE \$3,472.98	M
MEDIA NUMBER 123	ACCOUNT ID -002-IIT	ENTER AMOUNT PAID		

UTAH STATE TAX COMMISSION  
210 N 1950 W  
SALT LAKE CITY UT 84134-2100

# Division Conference

## **Auditing Division Conference**

A division conference may be requested at any time. You may use this informal conference to receive answers to questions you have about the audit, to clarify and resolve issues, or to reach an agreement on issues. To request a division conference, contact Derek by phone at 801-297-4703 or 1-800-662-4335 ext. 4703, or by email at [derek.audit@utah.gov](mailto:derek.audit@utah.gov).

A request for a division conference does not protect your appeal rights. To preserve your rights to appeal, a Petition for Redetermination must be filed.

## **Division Conference**

Sometimes, a taxpayer may have questions or concerns about an ongoing audit. The taxpayer may, at any time during the audit process, speak with the auditor handling the audit, or ask to meet with the auditor's supervisor to resolve any particular problem.

[tax.utah.gov/general/audits](https://tax.utah.gov/general/audits)





# Failing to Respond & Contact Info

## Failing to Respond to the Audit

Unless you appeal the audit by **August 24, 2023**, this Notice of Deficiency becomes a final assessment and full payment is due. If a petition is not filed or full payment is not received by **August 24, 2023**, your case will be referred to the Taxpayer Services Division. They will collect the unpaid tax, penalty, and updated interest. A penalty will also be assessed for failure to pay the tax when due. The Taxpayer Services Division may also record a lien in district court if you do not pay the full amount due.

For questions, contact Derek by phone at 801-297-4703 or 1-800-662-4335 ext. 4703, by fax at 801-297-4603, or by email at [derek.audit@utah.gov](mailto:derek.audit@utah.gov).

Respectfully,  
Derek  
Audit Manager  
Auditing Division



# Contesting the Audit

## **Contesting the Audit**

If you do not agree with the audit, you may appeal directly to the Tax Commission. For more information, refer to the enclosed Appeal Instructions.



# Appeal Instructions



Utah State Tax Commission  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100

Website: [tax.utah.gov](http://tax.utah.gov)

q1L026 03/2022

July 25, 2023

Letter ID

## Appeal Instructions

### Contesting the Audit

If you do not agree with the audit adjustments, you may file an appeal with the Tax Commission. To protect your appeal rights, you must file a Petition for Redetermination, TC-738, by **August 24, 2023**. This form is available on our website at [tax.utah.gov/forms](http://tax.utah.gov/forms). Interest will continue to accrue during the appeals process on any unpaid balance.

### Submit Your Appeal

The purpose of the petition is to submit in writing the area(s) of disagreement you have with the audit and the relief you are seeking. Attach a copy of this Notice of Deficiency to your completed Petition for Redetermination and return both to the Tax Commission in **one** of the following ways:

#### Email:

[taxappeals@utah.gov](mailto:taxappeals@utah.gov)

#### Fax:

(801) 297-3919

#### Mail:

Appeals Unit  
Utah State Tax Commission  
210 North 1950 West  
Salt Lake City, UT 84134-6200

### Additional Information

The Appeals Unit will assign an appeal number and will notify you of the next scheduled event in the appeal process. The address you provide in your Petition for Redetermination will be used for all correspondence. A copy of your petition will be sent to the Auditing Division for a written response.

For more information regarding the appeals process, refer to our website at [tax.utah.gov/commission-office/appeals](http://tax.utah.gov/commission-office/appeals). You may also contact the Appeals Unit by email at [taxappeals@utah.gov](mailto:taxappeals@utah.gov).



# Appeals

If a taxpayer disagrees with the audit changes shown on the Notice of Deficiency, they may file an appeal to contest the charges.

A Petition for Redetermination (TC-738) must be filed within 30 days of the date on the Notice of Deficiency.

- A petition can be in any form, but must be in writing.
- If the 30<sup>th</sup> day falls on a weekend or holiday, the deadline is extended to the next business day.



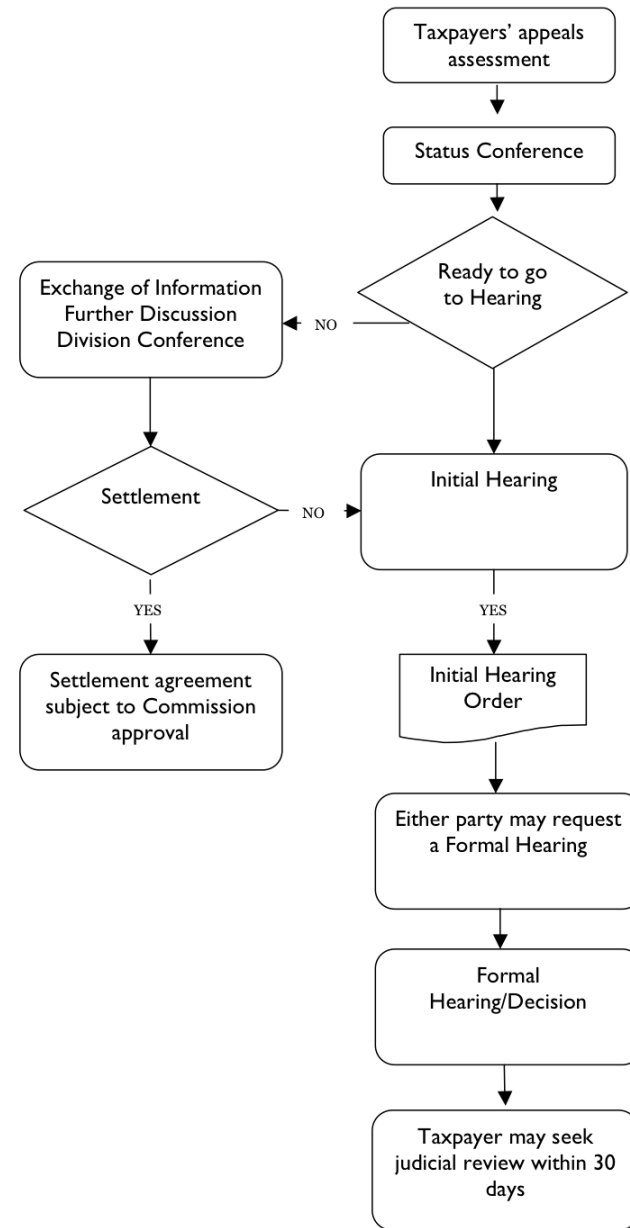
# Appeal Process

- Notice of Telephone Status Conference
- Timely appeal - Answer to Petition for Redetermination
- Late appeal - Motion to Dismiss. A Hearing on Respondent's Motion to Dismiss will be scheduled & decided.
- Status conferences are held to talk about the audit, give updates, exchange information, figure out how to proceed. Most appeals are resolved through this process. If the parties don't agree, the case proceeds to a hearing.
- Initial Hearing
- Formal Hearing – Commissioner attends, recorded, witnesses sworn in.
- Request for judicial review (District/Supreme Court)



# Appeal Process

[tax.utah.gov/commission-office/appeals](http://tax.utah.gov/commission-office/appeals)





# Statute of Limitations

- Non-filing – Anytime.
- Filed Returns – Three years from the date the return is filed. If the return is filed before the due date, will be considered as filed on the due date of the return.
- IRS Audits – Six years from the date the IRS makes a change to the return.
  - 2022 tax return due 4/18/2023
  - IRS makes audit changes 1/14/2026
  - If no UT amended return filed, corresponding audit changes can be made until 1/14/2032



# Recordkeeping

## Utah Administrative Rule R865-91-18:

- (1) Every taxpayer shall keep adequate records for income tax purposes of a type which clearly reflect income and expense, gain or loss, and all transactions necessary in the conduct of business activities.
- (2) Records of all transactions affecting income or expense, or gain or loss, and of all transactions for which deductions may be claimed, should be preserved by the taxpayer to enable preparation of returns correctly and to substantiate claims. All records shall be made available to an authorized agent of the commission when requested, for review or audit.



# Utah State Tax Commission Resources

Contact Us	
Practitioner Hotline	801-297-7790 or 1-800-662-4335 ext. 7790
Customer Service – payment processing & liens	801-297-2200 or 1-800-662-4335
Taxpayer Resources Unit – basic tax questions	801-297-7705 or 1-800-662-4335 ext. 7705
TAP Support	801-297-3996 or 1-800-662-4335 ext. 3996 Email: <a href="mailto:tapsupport@utah.gov">tapsupport@utah.gov</a>
Taxpayer Advocate Service	801-297-7562 or 1-800-662-4335 ext. 7562
Email	<a href="mailto:taxmaster@utah.gov">taxmaster@utah.gov</a>
Online Resources	
Tax Commission Website	<a href="http://tax.utah.gov">tax.utah.gov</a>
Forms and Publications	<a href="http://tax.utah.gov/forms">tax.utah.gov/forms</a>
Online Services (TAP)	<a href="http://tap.utah.gov">tap.utah.gov</a>
Tax Practitioner Information	<a href="http://tax.utah.gov/taxpros">tax.utah.gov/taxpros</a>
Individual Income Tax	<a href="http://incometax.utah.gov">incometax.utah.gov</a>
Tax Training	<a href="http://tax.utah.gov/training">tax.utah.gov/training</a>



# THANK YOU

