

2013 Oil & Gas Production Tax Audit Update



Presented by

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- 2012 Audits Complete:
 - Reviewed all sections of a taxpayer's return
 - Some sections were 100% audited
 - Time consuming, but deemed to be necessary with new tax and new staff
 - Scope was wide and materiality was low – it was a learning process
- Stable tax law provides time to get caught up, plan, and develop better procedures.
- Tax Revenue Management System (TRMS) in place provides better transparency and organization of data.

- 2013 Audits:
 - Mostly complete
 - Several in review cycle. Many levels of review: peer, audit master, supervisor and director.
 - Similar scope as 2012 Audits. They were worked together in the early stages.
- Stop, Evaluate and Plan
 - Focused on improving the audit process starting with the 2014 Audits.
 - Held all-day meeting last week to brainstorm audit guidelines, timelines and strategy.
 - Plan to hold taxpayer engagement meetings before we kick off the 2014 Audit

- Future Audits – Time and Backlog:
 - 2014 audits complete by 2nd quarter of 2020
 - 2015-2017 audits complete by 3rd quarter 2021
 - 2018-2019 audits complete by end of 2022
 - Maintain 3-year audit cycle on go-forward basis
- Continuous Improvement
 - Collaborative engagement with all taxpayers
 - Soliciting and incorporating taxpayer feedback into TRMS
 - Standardization of work-papers
 - Incorporating lessons learned from prior audits into the process

Thank You

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