

Sales/Use/Indirect:

California Publication Explains Managed Audit Program and Instructions for Managed Audit Procedures

Publication No. 53: Managed Audit Program, Cal. Dept. of Tax & Fee Admin. (7/22). A California Department of Tax and Fee Administration (CDTFA) publication provides general information regarding its managed audit program as well as specific instructions for managed audit procedures. The CDTFA's managed audit program allows certain businesses to conduct a type of "self-audit" with instructions and guidance from a CDTFA auditor. Approved participants enter into a Managed Audit Program (MAP) Participation Agreement and conduct several audit tasks that ordinarily would be performed by a CDTFA auditor; those that complete a managed audit and owe additional tax generally pay interest on that tax liability at one-half the rate that would otherwise apply. Other benefits of participation include administrative ease of reviewing records and completing the underlying work at a taxpayer's own pace and schedule within a specified timeframe rather than having to meet with a CDTFA auditor during business hours at the taxpayer's workplace. Participants also may gain a better understanding of how tax applies to their business transactions, what kinds of records should be kept, and how to improve business procedures as they relate to taxes and fees administered by the CDTFA. The publication also explains that participating in a managed audit does *not* affect a taxpayer's right to appeal the audit results. Other topics in the publication address logistics for conducting a managed audit, reviewing purchases and sales, tips for completing underlying worksheets, finishing up the audit, and appealing results of audits. Please contact us with any questions.

URL: <https://www.cdtfa.ca.gov/formspubs/pub53.pdf>

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