

NCACPA Symposium

NCDOR TPAC & Examinations Divisional Updates

Cale Johnson, TPAC Director & Richard Gilbert, Examinations Director

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- We hope you find this presentation valuable and informative.



Taxpayer Assistance & Collection Division (TPAC) Overview

Cale Johnson, TPAC Director

Mission Statement



The mission of the Taxpayer Assistance & Collection Division is to provide timely and accurate assistance to taxpayers and improve compliance with revenue laws by securing delinquent returns and collecting the taxes due the State.



Organizational Overview

Section	Assistant Director	Telephone Number	Email Address
Western	Kristin Baldwin	(828) 200-6483	Kristin.Baldwin@ncdor.gov
Central	Anthony Bethea	(919) 930-7536	Anthony.Bethea@ncdor.gov
Eastern	Nicholas Wilson	(919) 614-7368	Nicholas.Wilson@ncdor.gov
Special Projects & Operations	Barrett Morris	(919) 594-8416	Barrett.Morris@ncdor.gov
Unauthorized Substances Tax	Vacant	TBD	TBD

Office Managers

Heather Rice Manager
Asheville (828) 200-6487

Kevin Dillard, Manager
Hickory (828) 767-4755

Danika Robets, Manager
Charlotte (704) 578-4637

Wendy Hester , Manager
Greensboro (336) 689-2764

Javier Carlos, Manager
Durham (919) 820-6124

Marvin Lee, Manager
Raleigh 919-634-0171

Stacy Salter, Manager
Fayetteville (910) 420-9913

Kenneth McKeel, Manager
Rocky Mount (252) 467-9200

Wanda McDowell, Manager
Greenville (252) 382-6050

Brad Thompson, Manager
Wilmington (910) 254-5000

Matthew Kennedy, Manager
Elizabeth City (252) 904-8825



- AR Balance=\$2.95 Billion
- Delinquents=2.3 Million
- 134 Revenue Officers
- 1,900 offers in compromise accepted
- 569,000 garnishments served
- \$700 Million in delinquent collections



Installment Agreements



The Installment Payment Agreement is less than or equal to 12 monthly installments, regardless of wages, salary or income amount.

Or:

The Installment Payment Agreement is greater than or equal to 7.5 percent of the following: wages, salaries, Federal Adjusted Gross Income (AGI), or North Carolina Taxable Income if Federal AGI is not available.





N.C.G.S § 105-242(b)

An attachment and garnishment is an order requiring that money be withheld from an individual's salaries, bank account or other intangible property. Attachments and Garnishments are frequently used to collect unpaid taxes.





N.C.G.S. § 105-242(a)

A tax warrant is a request to levy on and sell any personal property owned by a taxpayer who has failed to pay tax, penalty, interest and fees that have been assessed by the NC Department of Revenue. The warrant is issued to the Sheriff of the county in which the taxpayer's property or business is located in or to any Revenue Officer or other employee of the Department of Revenue charged with collection of taxes.



N.C.G.S. §105-237.1

Provides the Secretary of Revenue the authority to compromise a taxpayer's liability upon a determination that the compromise is in the best interest of the State and makes one of the following findings:



Offers in Compromise



1. Reasonable doubt as to the amount of liability
2. The taxpayer is insolvent
3. Collection of a greater amount is improbable
4. Federal tax assessment has been compromised
5. Collection of a greater amount would produce an unjust result
6. The taxpayer is a retailer or a person under Article 5 of this Chapter
7. The assessment is for sales tax the taxpayer failed to collect or use tax the taxpayer failed to pay as a result of the change in the definition of retailer



N.C.G.S. §105-164.29(d)

(d) Revocation. – The failure of a wholesale merchant or retailer to comply with this Article or G.S. 14-401.18 or the failure of a facilitator to comply with this Article is grounds for revocation of the person's certificate of registration. Before the Secretary revokes a person's certificate of registration, the Secretary must notify the person that the Secretary proposes to revoke the certificate of registration and that the proposed revocation will become final unless the person objects to the proposed revocation and files a request for a Departmental review within the time set in G.S. 105-241.11 for requesting a Departmental review of a proposed assessment. The notice must be sent in accordance with the methods authorized in G.S. 105-241.20. The procedures in Article 9 of this Chapter for review of a proposed assessment apply to the review of a proposed revocation.



N.C.G.S. §105-230. Charter suspended for failure to report.

(a) If a corporation or a limited liability company fails to file any report or return or to pay any tax or fee required by this Subchapter for 90 days after it is due, the Secretary shall inform the Secretary of State of this failure. The Secretary of State shall suspend the articles of incorporation, articles of organization, or certificate of authority, as appropriate, of the corporation or limited liability company. The Secretary of State shall immediately notify by mail every domestic or foreign corporation or limited liability company so suspended of its suspension. The powers, privileges, and franchises conferred upon the corporation or limited liability company by the articles of incorporation, the articles of organization, or the certificate of authority terminate upon suspension.





N.C.G.S. §105-236(8)

Willful Failure to Collect, Withhold, or Pay Over Tax. – Any person required to collect, withhold, account for, and pay over any tax who willfully fails to collect or truthfully account for and pay over the tax shall, in addition to other penalties provided by law, be guilty of a Class 1 misdemeanor. Notwithstanding any other provision of law, no prosecution for a violation brought under this subdivision shall be barred before the expiration of six years after the date of the violation.





G.S. § 105-241.24. Statute of limitations on collections.

The Department may collect a tax for a period of 10 years from the date it becomes collectible under G.S. 105-241.22. The 10-year period may be tolled for the same reasons the enforcement period for a certificate of tax liability may be tolled under G.S. 105-242(c). If the tax is not collected within the time frame authorized under this section, the remaining liability is abated.



Questions?



Contact Information

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Examinations

Richard Gilbert, Director



Exam Organizational Structure



- Interstate Section
- Central section
- Eastern Section
- Western Section
- Motor Fuel Section
- Special Teams
 - Bilingual
 - MSA
 - Cash Intensive Business Audit
 - Flow-through
 - Large Case
 - CAA
 - Discovery
 - Several other specialized groups in central section





- Out of State Taxpayers
- Complex audits of fortune 1000 companies
- 29 auditors located in satellite offices in 13 states
- 5 Traveling auditors based out Raleigh
- Audit Initiatives Updates
 - Work with Tax Analytics Division to build a leads database that better fits Interstate Exam Section criteria.
 - Ex. Market-Based Sourcing apportionment leads



Central Exam



- Central Exam is comprised of 16 audit groups of tax auditors, tax technicians and support staff. All staff report to the Revenue building in downtown Raleigh.
- Examples of projects and initiatives:
 - Individual income tax non-filer initiative
 - Information Return Master File (IRMF) - non-filer for federal and state purposes
 - Individual Return Transaction File (IRTF) - filed federal return, failed to file North Carolina return
 - RAR Revenue Agent Report (IRS agent's audit of a NC taxpayer)
 - Listed RAR - taxpayer filed a NC return for period under review
 - Not Listed - taxpayer is a NC non-filer for period under review
 - Flow through audits
 - Sales & use refund claims
 - Refund fraud & identity theft
- Audit Initiative Updates
 - Non-filer and Amended Groups continue to work on implementing standard document request letters.
 - Specialized audit group is working to identify new audit leads within our 1099k and Schedule C initiatives



- The East Section consists of the Elizabeth City, Fayetteville, Raleigh, Rocky Mount and Wilmington offices.
 - Specialty Groups:
 - Master Settlement Agreement (MSA),
 - Cash Intensive Business (CIBA)
 - Audit Processing Unit (APU) groups.
- The West Section consists of the Asheville, Hickory, Charlotte, Winston-Salem, Greensboro, and Durham offices.
 - Specialty Groups:
 - Bilingual
 - Computer-Assisted Audit groups
 - Large Case
- Audit Initiative Updates
 - Trend Analysis



Motor Fuels



- Conducts audits of International Fuel Tax Association (IFTA) and intrastate motor carriers and motor fuels tax schedules administered by the Agency. In addition, the audit group conducts the International Registration Plan (IRP) motor carrier audits for the NC Division of Motor Vehicles (NCDMV).
 - Tax auditors, law enforcement agents and administrative support staff located in various service centers throughout the state.
- Audit Initiative Updates
 - Increase road enforcement initiative and compliance via more on-road checks of transport fuel BOL's, dyed fuel and IFTA decal compliance inspections.



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