

STATE OF ARIZONA

Department of Revenue



Process for Managed Audits under ARS § 42-2301

1. To initiate the audit process, the taxpayer submits a written request to the Department, expressing the taxpayer's desire to perform a managed audit pursuant to ARS § 42-2301. The request must include the following information and documents:

2. Information:

Taxpayer's name, address, telephone number, TPT License number and Federal Employer Identification Number (FEIN);

Name and contact information of the accountant intended to be the taxpayer's authorized representative conducting the audit;

Power of Attorney (Arizona Form 285) authorizing the taxpayer's representative to conduct the requested managed audit;

The request should be sent to the following address:

**Arizona Department of Revenue
Audit Division
Attention: Tom Johnson, Assistant Director
1600 W. Monroe St, Room 601
Phoenix, AZ 85007**

The decision to authorize a managed audit rests solely with the Director (or appointed designee) of the Department.

1 Once the request is received, the Department will contact the taxpayer for a preliminary meeting to discuss the managed audit process. At that meeting or afterward, the Department will provide a sample limited managed audit agreement, including a sample audit plan summary and timeline to assist the taxpayer in the managed audit. Additional meetings may be held with the Department's auditor.

2 A managed audit agreement will be prepared by the Department and sent to the taxpayer. The agreement must be signed by an officer of the corporation. Taxpayer's authorized representative cannot sign the agreement. For the Department, the Director (or appointed designee) will sign the agreement. A fully executed copy will be returned to the taxpayer.

3 Communication between the taxpayer's authorized representative and the Department's auditor is essential for conducting the managed audit.

4 Schedules submitted by the taxpayer shall be in a format specified by the Department.

For more information please contact:

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Audit Division
Attention: Tom Johnson,
Assistant Director
1600 W. Monroe St, Room 601
Phoenix, AZ 85007

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