

Dispute Resolution Conference

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This brochure explains the Dispute Resolution process and whom you should request to listen to your protest.



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Carole Keeton Strayhorn

CAROLE KEETON STRAYHORN
Texas Comptroller

At the Comptroller's office we want to be fair and give taxpayers full consideration in every case. Prior to receiving a **Texas Notification of Audit Results** for an audit or refund recovery, per Tax Code §111.108, you have the right to protest any assessment that you consider is wrong. You also have the right to protest any reduction in a requested refund that is verified by an auditor. This brochure explains the Dispute Resolution process and whom you should request to listen to your protest.

Question: What is the purpose of the Dispute Resolution Conference?

Answer: The purpose of the conference is to resolve disputed audits, refund recovery assessments, and refund verifications at the local level. This will save you, the taxpayer, the expenses associated with preparing for and attending hearings in the formal administrative process. In addition, it could reduce the expenses of this agency, thus benefiting all the taxpayers of Texas.

Question: Who is the Dispute Resolution Officer (DRO)?

Answer: The DRO is a Comptroller employee who reports directly to the Manager of Audit Division. The DRO is a former auditor/supervisor with a high level of experience and is not assigned to any field office that conducts audits.

Question: What is the Dispute Resolution Conference?

Answer: The Dispute Resolution Conference is an informal meeting. The DRO is responsible for conducting conferences with the taxpayer and the audit staff. The purpose is to resolve the disagreed upon issues in the audit, refund recovery, or refund verification. Issues that can be brought up in the conference include taxability issues, sampling issues, accounting or auditing disputes, and waiver of penalty and interest.

The conference with the DRO allows you to meet with a third party that has not been actively involved in the audit or refund process.

After the conference, the DRO will notify you of the recommendations made as a result of your conference.

If you want a copy of the written Conference Report, you must request it from the DRO.

Question: Are there any situations where a DRO conference is not available?

Answer: Yes. These situations are:

1. When the only disputed issue is the penalty and/or interest assessment (the Audit Division Manager or Assistant Manager will review the facts and determine if any waivers will be approved.)
2. When the 50% additional penalty has been approved on an audit or refund recovery assessment.
3. When there were no records provided to the auditor to verify the refund requested; verify a previously paid refund; or to perform the audit and the audit liability had to be estimated, even if the disagreement is with the way the estimate was calculated.
4. When you have already received a written response from Tax Policy on your issue of disagreement.
5. When you have not explained to the auditor or his/her management what your specific disagreements are with the audit, refund recovery, or refund verification results.
6. Once a DRO conference is held for a particular audit and a decision is rendered, a second conference is not allowed.

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We strongly encourage you to meet with the auditor and the auditor's supervisor or manager to discuss and resolve any issues prior to the Dispute Resolution Conference.

If you disagree with the results of your audit or refund recovery assessment, but are not eligible for a DRO conference, you must file a timely request for redetermination hearing.

Question: I am interested in having a Dispute Resolution Conference. What do I do now?

Answer: During the exit conference, let the auditor know the issues that you disagree with and request a conference with the DRO. The auditor in turn will notify his/her supervisor and/or manager, and they will contact the DRO and set up an appointment at a mutually acceptable date and location. The conference will not be held until after you have had your exit conference.

While the field work is being conducted, we strongly encourage you to meet with the auditor and the auditor's supervisor or manager to discuss and resolve any issues prior to the conference with the DRO.

Question: I have my conference appointment set. What do I do now?

Answer: Come to the conference prepared to discuss the issues that you disagree with. Bring records and other information to support your position. It is recommended that your documentation include a written statement of your position. This is **your meeting** to discuss the audit issues.

Since interest will continue to accrue on the proposed audit and refund recovery assessment, you may wish to make payment on any part of the assessment that you agree with and stop interest from accruing on that amount.

Question: Does participation in a Dispute Resolution Conference cancel my right to the rest of the administrative process?

Answer: No, you still may participate in the redetermination process or file for a refund as explained in the Comptroller publication *What if I don't agree with the results of my audit?* (publication #96-129).



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Interest Rate)

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