



## Sales Tax Audit Preparation Checklist

Use this checklist to help manage the audit process.

<b>1. Initial Response</b>	<b>2. Clarify the Audit Scope</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Review the audit notice carefully</li> <li><input type="checkbox"/> Identify the audit period and tax types involved</li> <li><input type="checkbox"/> Confirm response deadlines</li> <li><input type="checkbox"/> Notify internal stakeholders (finance, tax, AP, AR, IT)</li> <li><input type="checkbox"/> Engage a CPA or sales tax advisor if appropriate</li> <li><input type="checkbox"/> Designate a primary contact for the auditor</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Confirm audit period and jurisdictions</li> <li><input type="checkbox"/> Request the auditor’s document list</li> <li><input type="checkbox"/> Ask whether statistical sampling will be used</li> <li><input type="checkbox"/> Determine the preferred format for data submissions</li> <li><input type="checkbox"/> Establish an audit timeline</li> </ul>
<b>3. Sales Documentation</b>	<b>4. Exemption Documentation</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Sales journals or sales reports</li> <li><input type="checkbox"/> General ledger for the audit period</li> <li><input type="checkbox"/> Customer invoices</li> <li><input type="checkbox"/> Sales tax collected by jurisdiction</li> <li><input type="checkbox"/> Filed sales tax returns</li> <li><input type="checkbox"/> Proof of tax payments</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Resale certificates</li> <li><input type="checkbox"/> Exemption certificates</li> <li><input type="checkbox"/> Customer exemption documentation</li> <li><input type="checkbox"/> Certificate expiration tracking</li> </ul>
<b>5. Purchase Documentation</b>	<b>6. Internal Pre-Audit Review</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Vendor invoices</li> <li><input type="checkbox"/> Accounts payable reports</li> <li><input type="checkbox"/> Expense account detail</li> <li><input type="checkbox"/> Fixed asset purchase records</li> <li><input type="checkbox"/> Use tax accrual documentation</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Reconcile sales reports to filed tax returns</li> <li><input type="checkbox"/> Review exempt sales for valid documentation</li> <li><input type="checkbox"/> Identify potential use tax exposure</li> <li><input type="checkbox"/> Ensure documentation is complete and organized</li> <li><input type="checkbox"/> Prepare explanations for any discrepancies</li> </ul>
<b>7. Audit Management</b>	
<ul style="list-style-type: none"> <li><input type="checkbox"/> Track documents provided to the auditor</li> <li><input type="checkbox"/> Maintain a log of auditor questions and responses</li> <li><input type="checkbox"/> Review preliminary findings before accepting adjustments</li> <li><input type="checkbox"/> Request clarification for any audit adjustments</li> </ul>	

### What to do next

A sales tax audit can have a substantial negative impact on your business – and open the door to more audits down the road – but you don’t have to go it alone. Our team of top Sales Tax Compliance pros have deep experience in sales tax compliance, and can help you navigate your audit, minimize the impact, and reduce the burden on your team’s resources.

[Contact us today](#) for a free consultation, and let’s get through this together.