

*This publication provides general information and is not meant to be a substitute for tax laws or regulations.*

Audits of businesses are routinely conducted by the West Virginia Tax Division to determine if taxes are correctly reported and paid. The West Virginia Tax Division is committed to helping taxpayers understand and comply with state tax responsibilities in a manner that fosters public confidence in the fairness and efficiency of state tax administration.

### Audit Selection

The West Virginia Tax Division determines who to audit from Reports, Historical Data, Statistical Analysis, Observation, Complaints, Compliance, Criminal Investigations, and the Department of Labor.

Anyone conducting business in West Virginia can be selected for an audit through various channels. When a business is selected, they **must complete the Pre-Audit Questionnaire** as soon as possible to provide contact and location information necessary to assign the audit to an auditor. If the business wants to be represented by a third party, such as a CPA, lawyer, or bookkeeper, they must also complete and return an Authorization of Power of Attorney Form WV-2848. Forms can be found online at [tax.wv.gov](http://tax.wv.gov) and mailed to:

West Virginia Tax Division  
Auditing  
PO Box 902  
Charleston, WV 25323-0902

### Entrance Interview

Audit interviews and conferences can be conducted at West Virginia Tax Division offices, the audited business's location, or a designee's office. Auditors **will never** conduct audits at someone's home.

The entrance interview is when the auditor will ask questions to get an understanding of the business activities, what types of sales or services are provided, the areas of operations, number of employees, and if there have been any significant changes in business activity during the period of the audit. The taxpayer should use this time to explain any unusual events, such as business reorganizations, mergers or acquisitions, strikes, floods, thefts, etc., that may have affected the business during the audit period.

### Records

Exemption certificates are required for any sales and use tax audit - this includes exemption certificates received from customers and any provided by the business to vendors for purchases.

Taxpayers should maintain records to support filed returns as long as the returns are subject to review or audit by the West Virginia Tax Division. W. Va. Code §11-10-15(a) generally allows three years from the date a return is filed for an audit. If a fraudulent return is filed with the intent to avoid paying tax or if a taxpayer is not filing returns, an audit can be conducted for time periods longer than three years. Returns that are filed early are generally considered to be filed on the due date of the return. Other agencies, both state and federal, may have different record retention policies.

Electronic records are the preferred format, but hard copies can also be used for audit review. The audit selection notice contains a list of common records, but the auditor will advise of the specific taxes being audited, the audit periods, and the records needed to complete the audit. The auditor will determine what records are acceptable for review based on availability and accuracy of reflecting business activity. If records have not been appropriately maintained, the auditor will use the best information available to estimate tax liability.

### Exit Conference

#### For more information, you can:

- Call a Taxpayer Services Representative at (304)558-3333 or toll-free at (800) 982-8297
- Email [taxhelp@wv.gov](mailto:taxhelp@wv.gov)
- Go Online to [tax.wv.gov](http://tax.wv.gov)

After the review of audit records is complete, the auditor will explain tentative audit results at an exit conference. If an assessment is being made, the auditor will explain the issues involved and give the taxpayer instructions on how to report and remit taxes due correctly in the future. Audit results are tentative pending technical and administrative reviews and may change prior to the audit being issued. If the taxpayer agrees with the audit results, they can pay using the voucher provided at the close of the audit, or through any of the Tax Division's available electronic methods.

### Appealing an Audit

A taxpayer has 60 days from receipt of the audit results to file a petition with the Office of Tax Appeals. Petition forms can be found online at [taxappeals.wv.gov](http://taxappeals.wv.gov) and mailed to

West Virginia Office of Tax Appeals  
PO Box 2751  
Charleston, WV 25330-2751