



# Georgia Department of Audits and Accounts Performance Audit Division

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## Why we did this review

This special examination was conducted at the request of the Senate Appropriations Committee. The Committee requested that we examine the Department of Revenue's sharing of tax data with various stakeholders, including legislative fiscal note authors, local governments, and state revenue projection analysts. The Committee requested that we determine what tax data was needed by these groups, what data is not provided and the reasons, and, if necessary, what changes could be made to facilitate additional data sharing.

## About the Department of Revenue

The Department of Revenue is the primary revenue collecting agency in the state, collecting more than \$20 billion in fiscal year 2012. DOR's primary responsibility is enforcing the state's tax code and collecting tax revenue. DOR also regulates the manufacturing and sale of alcohol and tobacco products, production and sale of automobile license plates, and administers the Unclaimed Property program.

## DOR's Sharing of Tax Data

### Legal and administrative barriers exist to expanded sharing of tax data

#### What we found

While the Georgia Department of Revenue (DOR) routinely shares tax information with stakeholders to support state and local policy-making, these stakeholders reported further needs for data. The additional needs include more detailed sales tax data, access to federal tax return data, and various reports on Georgia individual and corporate income taxes.

The stakeholders using tax data include fiscal note authors, the state fiscal economist (conducting revenue projection), and local governments. The specific information needed by the three entities varies, but the first two need access to all tax types. Local governments expressed a need for additional sales tax information only.

DOR has not provided all information wanted by the three entities due to a combination of legal and administrative issues. State and federal laws are a barrier to some requests, but administrative issues are more frequently the barriers to providing the information. These barriers include the availability of information, the data request process, and the resources to create additional reports.

State and federal laws that ensure the confidentiality of taxpayer information contain exceptions for activities such as revenue analysis and tax modeling. Georgia Code allows fiscal note authors and the state fiscal economist to obtain needed state income and sales tax information. Representatives of local governments reported a need for sales tax information by taxpayer within their jurisdictions, but local governments do not have the legal authority to obtain the information. While fiscal note authors and the state fiscal economist face a potential legal

barrier to obtaining federal income tax return information for Georgia residents, exceptions do exist. The U.S. Code restricts access to federal tax return information in DOR's possession but appears to allow data sharing for the uses cited by these stakeholders. Before DOR can provide detailed, return-level data, the Internal Revenue Service (IRS) must review the stakeholders' data needs and grant approval.

Many barriers to sharing tax data with stakeholders are more administrative than legal. For example:

- Stakeholders stated that some information should be provided more frequently and regularly, as opposed to requiring repeated requests for the same information.
- Reports could provide additional detail about tax collections without identifying information on a specific taxpayer. For example, local governments expressed a need for detailed sales tax information that, due to confidentiality restrictions, cannot be provided per state law. However, DOR could work with local government representatives to provide more detail than currently reported without disclosing taxpayer-identifying information.
- DOR has not yet submitted a formal request to the IRS for sharing federal income tax data with fiscal note authors and the state fiscal economist, but it stated that it will do so if these stakeholders determine that aggregated data, which can be provided without IRS approval and the associated security protocols, will not satisfy their needs.
- Finally, some stakeholders reported a need for information not collected by DOR. For example, the sales and use tax form does not require taxpayers to report nontaxable sales by type of exemption, nor does it require sales (and sales tax) to be reported by municipality. State law does not require that this information be collected, reporting the information could be costly for many businesses, and DOR would incur a cost to collect and store this information.

## **What we recommend**

This report is intended to provide answers to questions posed by the Senate Appropriations Committee. We hope that this report provides pertinent information to help inform policy decisions.

***DOR Response:** DOR stated that it was not aware of each of the unmet stakeholder needs and that it would implement a new data sharing process to ensure that all requests are logged and handled in a timely manner. DOR also indicated that some reports could be provided while others could be created after further discussions with the stakeholders. Finally, DOR stated that it had attempted to address the stakeholders' need for federal tax information by obtaining clarifications of IRS regulations through much of 2013. As a result of an IRS response in December 2013, DOR stated it will meet with the stakeholders in January 2014 and, based on the stakeholders' needs, either provide the data in an aggregate format or submit a formal request to the IRS to permit the sharing of return-level information.*

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## Purpose of the Special Examination

This examination was requested by the Senate Appropriations Committee. The Committee asked that we examine the Department of Revenue's practices for sharing tax data with various stakeholders. Specifically, our examination set out to answer the following questions as requested by the Committee:

1. What tax data is needed by various stakeholder groups, including legislative fiscal note authors, local governments, and revenue projection analysts?
2. What are the administrative and data confidentiality issues that may limit or restrict DOR from providing the information requested/needed by stakeholders?
3. Discuss the extent to which changes could be made to meet stakeholders' tax data needs. To the extent possible, please provide an assessment of the associated costs of providing the data.

A description of the objectives, scope, and methodology used in this review is included in [Appendix A](#). A draft of the report was provided to the Department of Revenue for its review, and pertinent responses were incorporated into the report.

## Background

### Tax Information Collected by DOR

The Georgia Department of Revenue (DOR) serves as the state's primary tax collection agency, receiving and distributing tax monies to the state's General Fund, local county and municipal governments, and school systems. As a result of this role, the Department possesses tax information on various state taxes and fees, including income and sales and use taxes, motor fuel taxes, alcohol and tobacco taxes, and others. The Department also receives federal income tax data from the Internal Revenue Service (IRS) for all Georgia taxpayers.

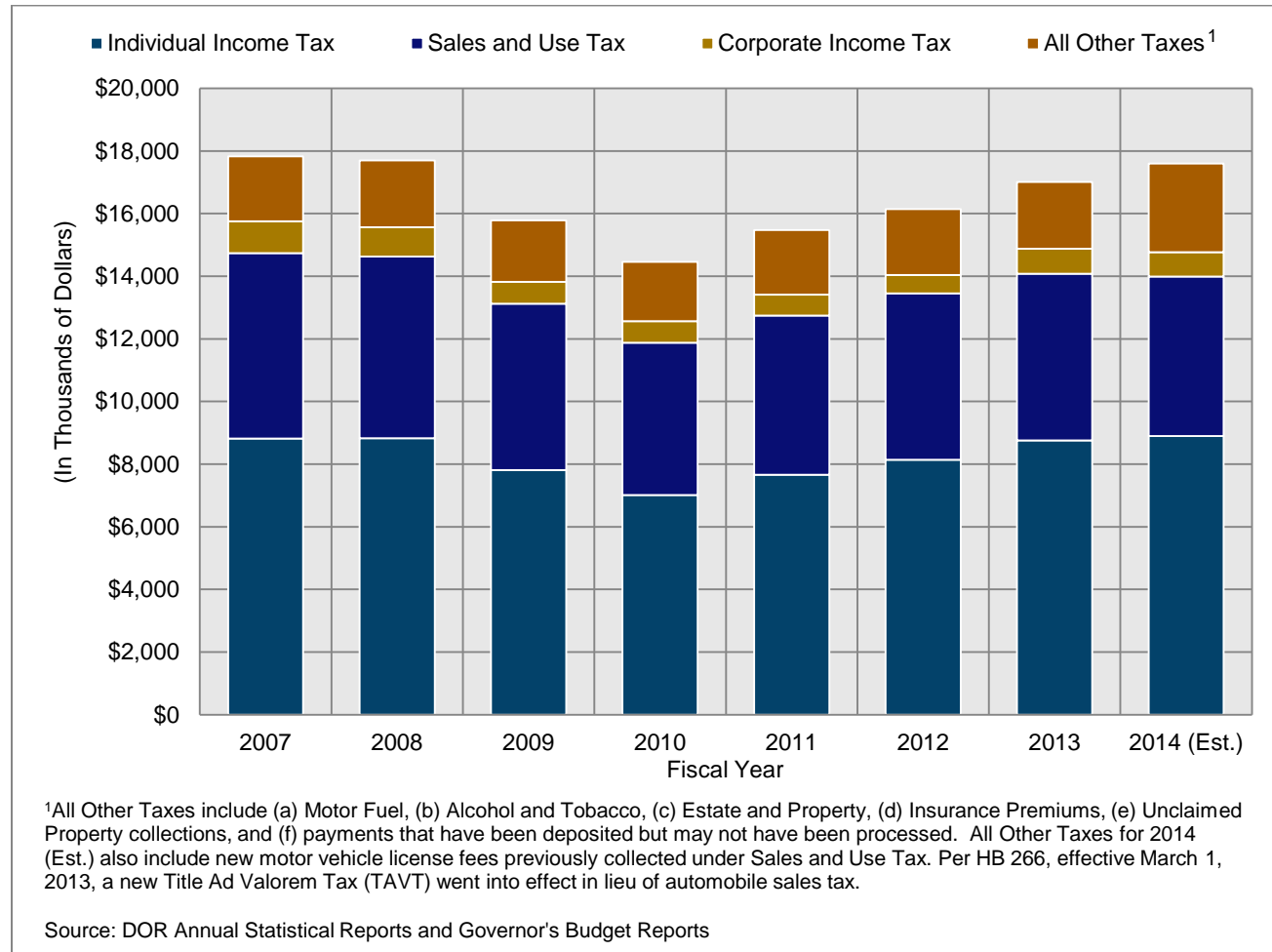
### State Tax Information

Georgia state and local governments receive tax revenue from a number of sources. A significant portion of state tax revenue comes from individual income tax, sales and use tax, and corporate income tax. In fiscal year 2012, these three taxes amounted to over \$14 billion in revenue, totaling 87% of all tax revenue for the period (see [Exhibit I](#) on the next page). In the same period, DOR distributed approximately \$4.6 billion in sales tax revenue to local governments. Descriptions of the three tax categories are below.

- **Individual Income Taxes** – Individual income tax comprises approximately 50% of annual state tax revenue and totaled more than \$8 billion in each of the last two fiscal years. In calendar year 2012, DOR processed 4.6 million individual income tax returns, with 78% filed electronically. Due to extensions and amended returns, individual income tax information is generally complete and available approximately 12 months after the end of a tax year. The information collected as part of Form 500, the Georgia Individual Income Tax Return, includes adjusted gross income, various

additions to/subtractions from income, various credits, and state income taxes owed. (See [Appendix B](#) for a summary of the information included in the Georgia Individual Income Tax Form 500.)

**Exhibit 1**  
**Individual income tax and sales and use tax represent the majority of annual state tax revenues; fiscal years 2007-2014 (estimated)**



- Corporate Income Taxes** – Corporate income taxes are significantly less than the individual income taxes, at just under \$600 million in fiscal year 2012 and about \$800 million in fiscal year 2013 (approximately 5% of state tax revenue). DOR processed 189,000 returns in fiscal year 2012, down from 365,000 in fiscal year 2009. Approximately 15% of returns are filed by corporations who do not reside in Georgia as their primary business address. Corporate income tax information is generally available approximately 12 months after the end of a tax year; however, some information, such as corporate tax credits, may not yet be complete.

The Georgia Corporate Income Tax Return, Form 600, includes information such as federal taxable income, additions and subtractions for federal taxable income, gross receipts from business within and outside of Georgia, and

taxable net worth. Form 600 also includes business category based on the business's self-reported North American Industry Classification System (NAICS) code, which includes categories such as Automotive, General Merchandise, Manufacturing, and Utilities. (See [Appendix C](#) for a summary of information included in Form 600.)

- **Sales and Use Taxes** – Sales and use taxes totaled roughly \$5.3 billion in both fiscal years 2012 and 2013. This amount represented just under one-third of the state's annual tax revenue. DOR also collected and distributed \$4.6 billion in sales and use taxes to local governments (counties and municipalities) in fiscal year 2012. The local sales taxes included county and city sales taxes, local option sales taxes, special purpose local option sales taxes, and education local option sales taxes.

All businesses, whether located within or outside Georgia, that sell or ship products anywhere in the state and that qualify as “dealers” under O.C.G.A. §48-8-2 are required to submit sales taxes to DOR each month. In calendar year 2012, 1.3 million sales tax returns were filed, 86% of them electronically. DOR reports sales tax distribution information approximately 2-3 weeks after receiving the funds from businesses.<sup>1</sup>

The Georgia Sales and Use Tax Return (Form ST-3) includes information on the business's total sales, taxable and nontaxable sales, jurisdiction/s (counties) where goods were sold or shipped to, and the total tax collected. Sales tax information can also be matched with business NAICS code if provided by taxpayers on their State Tax Registration Form CRF-002. (See [Appendix D](#) for a summary of the information included in Form ST-3.)

DOR uses an electronic data management system called the Integrated Tax System (ITS) to process tax returns. ITS consolidated 23 previously separate tax systems in 2009. ITS manages over 11 million accounts and serves as a portal where individuals and businesses can remit payments, view account balances, appeal assessments, submit sales and use tax, and conduct other transactions. DOR personnel noted that ITS has enhanced the reporting of tax information.

### Federal Tax Information

DOR receives federal income tax information annually from the Internal Revenue Service (IRS). The IRS provides data from federal individual and corporate income tax returns filed by taxpayers in Georgia. Using social security numbers or federal employer identification numbers, DOR matches the information in the federal return to certain information reported in the state returns. Federal forms contain additional information not collected on state returns, such as greater detail on sources of income. (See [Appendix E](#) for a summary of information in the federal data file.)

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<sup>1</sup> For example, a business collecting sales taxes during January must forward the funds to DOR by February 20. In early March, DOR would then report these funds as a part of the state's February revenue collections.

## Users of DOR Tax Information

Various governmental entities report a need for tax information to support state and local policy and budget decisions. These entities include those that conduct analyses of tax-related legislation on behalf of the General Assembly, that project state revenue, and that use the information for local budgeting and development. Details about the three stakeholders and their work are below.

- *Fiscal Note Authors* – Fiscal notes are written to determine the effect of legislation expected to have a significant impact on state revenue or expenditures and are required by Title 28 of the O.C.G.A. They are produced by several entities under the direction of the Governor's Office of Planning and Budget and the Department of Audits and Accounts. Fiscal notes for tax-related legislation are generally prepared by one of two entities; Georgia State University's Fiscal Research Center (FRC) or the University of Georgia's Carl Vinson Institute of Government (CVIORG). The state fiscal economist may also produce fiscal notes on tax-related legislation.
- *State Revenue Projection Analyst* – The state fiscal economist uses tax information from DOR and other sources to project the amount of tax revenue the state will bring in each year. The revenue projection is used by the Governor to determine the amount of revenue available for budget preparation. The state fiscal economist is a member of the faculty of Georgia State University and the FRC, although his salary is provided by the Governor's Office of Planning and Budget since the creation of the state revenue estimate is a function of the budget process under the executive branch.
- *Local Governments* – Georgia's county and city governments rely on sales tax data from DOR to assist in budget preparation and management, as well as assisting in local development.

Other state agencies, such as the Department of Human Services (DHS), may use tax data to verify information obtained by social welfare programs for eligibility purposes; however, program integrity purposes were not included in this report. The agencies have portals allowing them to access limited information for these purposes.

## State and Federal Law Governing Tax Information

Georgia state laws and federal laws both ensure the confidentiality of individual and corporate taxpayer information. While they generally allow the compilation of statistics or the compiling of information in an aggregate manner, the laws limit tax agencies' ability to share information that would otherwise allow a user to identify the income, sales, assets, or other reported information for a specific taxpayer. There are some exceptions to the confidentiality provisions for certain purposes, including some of the activities conducted by the stakeholders.

- *State Laws* – O.C.G.A. 48-2-15(a) states that "Except as otherwise provided in this code section, information secured by the commissioner incident to the administration of any tax shall be confidential and privileged. Neither the commissioner nor any officer or employee of the department shall divulge or disclose any such confidential information obtained from the department's



records or from an examination of the business of any taxpayer to any person other than the commissioner, an officer or employee of the department, an officer of the state or local government entitled in his official capacity to have access to such information, or the taxpayer.”

An exception affecting Georgia stakeholders is found in 48-2-15(e), which states that the code section does not “prohibit persons or groups of persons other than employees of the department from having access to tax information when necessary to conduct research commissioned by the department...and the providing of other services for purposes of tax administration.” The exception allows access only when DOR and the party have a written agreement for the “handling, permitted uses, and destruction of such tax information, requiring security clearance checks for such persons or groups of persons similar to those required of employees of the department, and including such other terms and conditions as the department may require to protect the confidentiality of the tax information to be disclosed.”

O.C.G.A. 48-7-60(a) also addresses the disclosure of income tax information. It states that “Except in accordance with proper judicial order or as otherwise provided by law, it is unlawful for the commissioner, other officer, employee, or agent, or any former officer, employee, or agent to divulge or make known in any manner the amount of income or any particulars set forth or disclosed in any report or return required under the law of this state or any return or return information required by the Internal Revenue Code when the information or return is received from the Internal Revenue Service or submitted by the taxpayer as provided by the laws of this state.” O.C.G.A. 48-7-60(d) contains the same exception for stakeholders noted above.

- *Federal Law* – Section §6103(a) of the Internal Revenue Code cites the confidentiality of federal tax return information (FTI) and states that “return information shall be confidential and, except as authorized by this title, no officer or employee of the United States, no officer or employee of any State...shall disclose any return or return information obtained by him in any manner in connection with his service as such an officer or an employee or otherwise or under the provisions of this section.”

Exceptions allowing disclosure of federal return information by DOR exist, including for the analysis of tax information and revenue projection. These exceptions are made by written request to the IRS and assurances that the disclosure of information on taxpayer identity will be protected. Agencies in receipt of federal tax data must establish certain procedures to ensure that data confidentiality is protected. If there is misuse and/or inadequate safeguards to protect the confidentiality of the information, the IRS is authorized to suspend or terminate FTI disclosures to any external agencies and other authorized recipients.

## Requested Information

### What tax data is needed by various stakeholder groups, including legislative fiscal note authors, local governments, and revenue projection analysts?

*In 2012 and 2013, fiscal notes required knowledge of sales taxes for kidney dialysis equipment, aircraft parts, and energy used by data centers and manufacturers. Income-tax related bills required net capital gains, taxes paid by businesses in less developed areas, and income taxes paid by volunteer firefighters.*

Fiscal note authors, the state fiscal economist, and local governments have varying needs for tax-related information, as well as varying success at obtaining the information. Those stakeholders reporting a need for individual and corporate income tax information were generally able to access state information but are still in the process of trying to obtain federal tax information from DOR. Stakeholders requesting sales tax information consistently cited a need for more frequent and detailed reports than they were receiving.

#### Fiscal Note Authors

The Fiscal Research Center<sup>2</sup> and Carl Vinson Institute of Government, who both produce tax-related fiscal notes, reported the need for a significant range of tax information. Because their information needs are related to the tax legislation introduced each year, it is varied and wide-ranging (see box on left). As shown in [Exhibit 2](#) on the following page, fiscal note authors reported the need to analyze information on state individual and corporate income taxes, sales and use taxes, and even federal individual and corporate income taxes. The two entities receive much of the needed state income tax information but reported a need for greater information on sales/use tax and greater access to federal income tax information.

- *Georgia Individual and Corporate Income Tax* – Depending on the legislation, fiscal note authors may require access to any number of data fields on Georgia's individual and corporate income tax forms. As noted in [Exhibit 2](#) and [Appendices B & C](#), the forms and schedules contain information such as taxable income, deductions, credits, exemptions, and taxes owed. Corporate forms also note the type of business and primary industry using a NAICS code.<sup>3</sup>

Both FRC and CVIOG reported that DOR provides the needed information on Georgia's income taxes. O.C.G.A. 48-7-60(d), revised in 2011, provided the two entities with access to all tax return data for the purposes of fiscal notes. The entities now receive a file that contains all information from each individual and corporate return, minus taxpayer-identifying information such as name, social security number or taxpayer number, and detailed address. According to DOR, FRC and CVIOG have not stated a need for specific taxpayer-identifying information.

<sup>2</sup> FRC produces the annual Tax Expenditure Report under agreement with the Georgia Department of Audits and Accounts. The data needs of fiscal note authors are similar to those needed for the Tax Expenditure Report.

<sup>3</sup> A 2 to 6 digit North American Industry Classification System (NAICS) code is used to classify businesses by type. NAICS code is currently captured on Georgia Corporate Income Tax Returns and is requested on the State Tax Registration Form CRF-002. If provided, the code is used to identify business types for sales tax purposes. Businesses are not required by DOR to select a NAICS code nor are they required to select a particular level of code.

Currently, state individual and corporate income tax data is provided to FRC and CVIQG upon request. FRC officials stated that 2011 information was provided in the fall of 2013, though DOR officials estimate the data is generally complete about 12 months after the tax year ends. Corporate income tax information is less complete due to the timeframes for filing corporate tax credits.

**Exhibit 2**

**Fiscal note authors report a need for information on Georgia income, sales and use, and federal income taxes**

Tax Data Sources <sup>1</sup>	Access to Needed Information
<b>Georgia Individual Income Tax Data</b>	
Federal & State Adjusted Gross Income (AGI) State Income Adjustments State Deductions, State Credits	<b>Complete access to all Georgia Individual Income Tax Return Data:</b> Taxpayer-identifying data is not requested or provided
<b>Georgia Corporate Income Tax Data</b>	
Primary Business NAICS Code <sup>2</sup> Georgia Taxable Income and Tax Owed Net Worth and Net Worth Tax Owed Total Tax Due Georgia Net Worth (including Value of Property, Gross Receipts)	<b>Complete access to all Georgia Corporate Income Tax Return Data:</b> Taxpayer-identifying data is not requested or provided
<b>Sales and Use Tax Data</b>	
Total State Sales (including Taxable and Exempt Sales) Total Use Tax List of Counties where goods sold/shipped and tax owed TSPLOST Sales per county	<b>Partial access to Sales and Use Tax Return Data</b>  <b>Further Data Needed:</b> Fiscal note authors have not received reports showing taxable and nontaxable sales by NAICS code and zip code since January 2012; need data for periods as early as fiscal year 2000
<b>Federal Individual and Corporate Income Tax Data</b>	
<b>Federal Individual Income Tax Data</b> Income (Interest, Dividends, Capital Gains, Unemployment Compensation, Social Security) Adjusted Gross Income Tax and Credits Tax Payments <b>Federal Corporate Income Tax Data</b> Total Assets Income (Gross Receipts, Sales, Profit, Dividend, etc.) Deductions Credits Taxable Income Total Payments and Credit Assets (Cash, Inventory, Real Estate, etc.) Liabilities (Accounts Payable, Mortgages, Loans, etc.)	<b>No access to Federal Income Tax Return Data</b>  <b>Further Data Needed:</b> Fiscal note authors have requested access to federal return data that includes information that is not found on state income tax forms (such as income sources).
<p><sup>1</sup>All forms include identifying information not listed here; for individuals (name, address, Social Security Number, etc.) and for corporations (Business name, location, Federal Tax ID Number, State Sales Tax Number, etc.). Listed are the key data fields or categories of data included.</p> <p><sup>2</sup>North American Industry Classification System (NAICS): industry and business definition codes.</p> <p>Source: Georgia and Federal Returns, Interviews with Stakeholders</p>	

- *Georgia Sales and Use Tax* – Fiscal note authors reported that proposed legislation may require analyses of taxable and nontaxable sales by business type, non-taxable sales by type of exemption, and sales by detailed location (county and zip code).

Needed detailed sales tax information has been provided to FRC before, but it has not been provided with the information regularly. Each quarter, DOR publishes monthly sales tax collections for each county, categorized by 12

major commodity codes (e.g., automotive, construction, general merchandise). Because this report does not fully meet the needs of fiscal note authors, DOR provided FRC a more detailed sales tax report that included monthly sales tax revenues by zip code and detailed NAICS code (including the actual code entered on the tax registration form). FRC officials noted a need to receive this information updated on a monthly basis but stated that they have not received a report since January 2012.

- *Federal Individual and Corporate Income Tax* – Proposed legislation regarding taxes often requires analysis of information not available on the Georgia individual or corporate income tax returns but found in federal returns. For example, Georgia's individual income tax return includes federal adjusted gross income but does not contain the various components of that amount, such as business income, capital gains, IRA distributions, unemployment compensation, Social Security Benefits, and others. According to fiscal note authors, federal return information is necessary to properly assess the impact of some Georgia tax legislation.

The Internal Revenue Service provides DOR with a file containing federal return information for Georgia individuals and corporations. FRC and CVIOG do not currently have access to that information. The reason for the denial is discussed on page 13.

### Revenue Projection Analyst

The state fiscal economist is based at FRC and is able to use information provided to the fiscal note author. However, the information needed for revenue projection differs in some ways, requiring separate or additional information requests. These needs include information associated with Georgia individual income tax, sales and use tax, and federal income tax (see Exhibit 3 on the following page).

- *Georgia Individual and Corporate Income Tax* – The state fiscal economist reported that standard Georgia income tax return information (see fields collected in [Appendices B & C](#)) is generally not used in revenue projections. However, estimated tax payments made throughout the year would be used to more accurately assess the state's economy and the accuracy of the state revenue estimate.

As a result of the 2011 amendment to O.C.G.A. 48-7-60(d), the state fiscal economist has access to all individual and corporate income tax return information. This information has been supplied as a single data file provided to FRC each year. Estimated tax payment information is not provided throughout the fiscal year.

- *Georgia Sales and Use Tax* – The state fiscal economist reported a need for monthly sales tax information by detailed NAICS codes. This would include taxable and nontaxable sales. The information is also needed for an extended timeframe, beginning with fiscal year 2000.

As noted above, DOR publishes sales tax collections by 12 major commodity codes, but the information is published quarterly. This information and the monthly press release on state revenue collection are used. However, the

state fiscal economist reported that he has not received the detailed NAICS code reports.

- *Federal Individual and Corporate Income Tax* – The state fiscal economist indicated a need for federal income tax information that would allow analysis of the income sources and payments by income level. The federal return notes the type of income (e.g., wages, capital gains, interest), while the Georgia return does not include this information.

**Exhibit 3**

**State fiscal economist reports a need for data regarding Georgia income, sales and use, and federal income taxes**

Tax Data Sources <sup>1</sup>	Current Access
<b>Georgia Individual Income Tax Data</b>	
Federal & State Adjusted Gross Income (AGI) State Income Adjustments State Deductions, State Credits	<p><b>Complete access to all Georgia Individual Income Tax Return Data:</b> Taxpayer-identifying data is not requested or provided</p> <p><b>Further Data Needed:</b> Estimated tax payments made throughout the year, by individual</p>
<b>Georgia Corporate Income Tax Data</b>	
Primary Business NAICS Code <sup>2</sup> Georgia Taxable Income and Tax Owed Net Worth and Net Worth Tax Owed Total Tax Due Georgia Net Worth (including Value of Property, Gross Receipts)	<p><b>Complete access to all Georgia Corporate Income Tax Return Data:</b> Taxpayer-identifying data is not requested or provided</p> <p><b>Further Data Needed:</b> Estimated tax payments made throughout the year, by individual</p>
<b>Sales and Use Tax Data</b>	
Total State Sales (including Taxable and Exempt Sales) Total Use Tax List of Counties where goods sold/shipped and tax owed TSPLOST Sales per county	<p><b>Partial access to Sales and Use Tax Return Data</b></p> <p><b>Further Data Needed:</b> Detailed sales tax data reports showing taxable and nontaxable sales by NAICS code; need data for periods as early as fiscal year 2000</p>
<b>Federal Individual and Corporate Income Tax Data</b>	
<p><b>Federal Individual Income Tax Data</b></p> Income (Interest, Dividends, Capital Gains, Unemployment Compensation, Social Security) Adjusted Gross Income Tax and Credits Tax Payments <p><b>Federal Corporate Income Tax Data</b></p> Total Assets Income (Gross Receipts, Sales, Profit, Dividend, etc.) Deductions Credits Taxable Income Total Payments and Credit Assets (Cash, Inventory, Real Estate, etc.) Liabilities (Accounts Payable, Mortgages, Loans, etc.)	<p><b>No access to Federal Income Tax Return Data</b></p> <p><b>Further Data Needed:</b> Federal tax return data because returns include information that is not found on state income tax forms (such as income sources).</p>
<p><sup>1</sup>All forms include identifying information not listed here; for individuals (name, address, Social Security Number, etc.) and for corporations (Business name, location, Federal Tax ID Number, State Sales Tax Number, etc.). Listed are the key data fields or categories of data included.</p> <p><sup>2</sup>North American Industry Classification System (NAICS) industry and business definition codes.</p> <p>Source: Georgia and Federal Returns, Interviews with Stakeholders</p>	

**Local Governments**

According to representatives of the Association of the County Commissioners of Georgia (ACCG) and the Georgia Municipal Association (GMA)<sup>4</sup>, counties and cities need sales tax information but have little need for corporate or individual income tax information (see Exhibit 4). Local governments would use additional sales tax information to assist with budgeting and economic development, as well as a supplement to DOR’s tax compliance efforts.

**Exhibit 4  
Local government representatives reported a need for detailed sales tax information**

Tax Data Sources <sup>1</sup>	Current Access
<p><b>Sales and Use Tax Data</b></p> <ul style="list-style-type: none"> <li>Total State Sales (including Exempt Sales and Taxable Sales)</li> <li>Total Use Tax</li> <li>Total Vendor’s Compensation</li> <li>List of Counties where goods were sold or shipped to and tax owed</li> <li>TSPLOST Sales per county</li> </ul>	<p><b>Access Limited to Publicly Available Sales and Use Tax Data:</b> DOR publishes a quarterly report of sales tax revenues by county per month by major commodity sector on the DOR website.</p> <p><b>Further Data Needed:</b> Access to all sales tax information, including identifying information, for their jurisdictions; includes tax information by municipality.</p>
<p><sup>1</sup>All forms include identifying information not listed here; for individuals (name, address, Social Security Number, etc.) and for corporations (Business name, location, Federal Tax ID Number, State Sales Tax Number, etc.). Listed are the key data fields or categories of data included.</p> <p>Source: Georgia and Federal Returns, Interviews with Stakeholders</p>	

While local governments can already obtain a public report of sales tax collections by county and major commodity group as noted above, ACCG and GMA officials indicated a need for significantly more detail regarding sales tax collections. Officials especially noted the need for information that would help determine the reason for changes in monthly collections. They reported that absent additional information, it is difficult to determine if increases or decreases in distributions from DOR are due to a change in the jurisdiction’s economic activity; the impact of a new tax exemption; or a large payment by, or a large refund to, a taxpayer.

To assist with budgeting and economic development purposes, officials with at least one organization noted a benefit of obtaining access to sales and use tax returns, minus the taxpayer name and address. Return information should allow the local government to see taxable and nontaxable sales by location and detailed NAICS code, as well as refunds by the same. They noted that absent access to distinct return information, they need reports that detail taxable and nontaxable sales by county, city, and zip code; nontaxable sales by exemption; and refunds by reason. Municipal representatives noted the need for this type of data for municipalities, not just counties.

Officials also noted that local governments should be able to use sales tax information to assist DOR’s tax compliance efforts. With tax return information that identifies the business, officials stated that local governments would be in a better

<sup>4</sup> We interviewed officials with the ACCG and GMA, who serve as representatives of local governments.

position than DOR officials to identify a local business that should be paying sales and use taxes but is not, or to identify businesses that appear to be paying too little.

**DOR Response:** *DOR stated that it was unaware of some the stakeholders’ stated needs, but acknowledged that the agency needs to have a “formal data sharing process.” DOR stated that it will implement a process “so that stakeholders have a single point of contact to ensure that data requests are logged and responded to timely.” DOR also stated that it “will begin publishing the sales tax county distributions report on a monthly basis instead of quarterly,” that it will “arrange to provide estimated tax payment information throughout the fiscal year as requested,” and will provide the requested sales tax reports to the state fiscal economist. Finally, as noted in more detail on page 17, DOR officials noted a desire to work with local governments to provide additional sales tax information but stated that forms do not capture all information desired.*

**What are the administrative and data confidentiality issues that may limit or restrict DOR from providing the information requested/needed by stakeholders?**

Stakeholders have been unable to gain access to all needed information due to a combination of legal and administrative reasons. State and federal law restrict access to tax information for some stakeholders, while a lack of needed data, a lack of a formal data request process, and/or a lack of responsiveness by DOR also hinder stakeholders obtaining needed information.

The reason that stakeholders are unable to receive tax information varies by stakeholder and type of tax. **Exhibit 5** presents whether a legal and/or administrative obstacle to stakeholder need exists. Details of obstacles are included below.

**Exhibit 5  
Most unmet needs are a result of an administrative obstacle**

	<b>Legal Barrier</b>	<b>Administrative Barrier</b>
<b>Georgia Individual Income Tax</b>		
Fiscal Note Authors	No	No
State Revenue Analyst	No	No
<b>Georgia Corporate Income Tax</b>		
Fiscal Note Authors	No	No
State Revenue Analyst	No	No
<b>Georgia Sales and Use Tax</b>		
Fiscal Note Authors	No	Yes
State Revenue Analyst	No	Yes
Local Governments	Yes	Yes
<b>Federal Individual and Corporate Income Tax</b>		
Fiscal Note Authors	Undetermined	Yes
State Revenue Analyst	Undetermined	Yes

Source: Interviews with DOR Officials and Stakeholders



### Legal Obstacles

While Georgia and federal laws contain provisions restricting or preventing the disclosure of individual taxpayer identification in most instances, the impact of the confidentiality provisions is varied.

- *Georgia Individual and Corporate Income Taxes* – Fiscal note authors and the state revenue analyst have no legal barrier to needed information. O.C.G.A. 48-7-60, which ensures the confidentiality of state income tax return information, was amended in 2011 to ensure that these entities could access the data for their purposes (as previously noted, they do not request taxpayer-identifying information such as name and address).
- *Georgia Sales and Use Tax* – Fiscal note authors and the state fiscal economist do not have a legal barrier to the level of information that they have requested.<sup>5</sup> By contrast, local governments do have unmet requests for sales tax information associated with legal restrictions to sharing taxpayer information. Per O.C.G.A. 48-2-15(a), “information secured by the commissioner [of DOR] incident to the administration of any tax shall be confidential and privileged.” While state law provides some exceptions, no clear exception permits DOR to provide local governments with the type of detail they desire. This includes access to actual sales tax returns (either with or without business names), taxable and nontaxable sales reported at a detailed level that would allow a taxpayer to be identified<sup>6</sup>, and the reason for refunds.
- *Federal Individual and Corporate Income Taxes* – Federal law appears to provide the state’s fiscal note authors and the fiscal economist with an avenue by which to access federal income tax information in the possession of DOR. However, DOR has not submitted the required notification forms to the IRS. Without a formal request, the IRS is unable to provide a definitive response regarding the authority of DOR to share the information with the stakeholders.

As discussed in more detail as an administrative barrier below, Section §6103(a) of the Internal Revenue Code states that federal return data is confidential but contains several exceptions. IRS publication 1075 notes that agencies such as DOR may be permitted to use the information for statistical analysis, tax modeling or revenue projection purposes.

### Administrative Barriers

Administrative barriers are frequently the reason that stakeholders do not obtain their desired tax information. These issues include the lack of needed information being collected on tax returns, an ineffectual data request process, and a lack of responsiveness by DOR officials. It should be noted that eliminating administrative

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<sup>5</sup> O.C.G.A. 48-2-15(e) was amended in 2011 with language identical to the income tax code noted above. This amendment would appear to permit fiscal note authors and the state fiscal economist to fully access sales tax returns, if needed.

<sup>6</sup> A report detailing taxable or nontaxable sales by detailed NAICS code or a geographic area may permit a user to identify a business, especially if there are few businesses of a comparable size or type within the same area.



barriers would likely involve a cost. Depending on the solution, the cost could involve compliance costs for those filing taxes (e.g., reporting detailed sales tax collections), as well as costs to DOR.

- *Needed information not collected on the tax return* – The data collected on tax forms is limited and, at times, insufficient to inform stakeholders and the public about the effects of Georgia's tax policy. The stakeholders reported a need for sales tax information not included on Form ST-3.
  - While the form requires the total amount of exempt sales, it does not require the filer to report the associated exemption(s). Without this information, it is difficult to assess the impact of exemptions on state and local revenue.
  - The form does not capture sales tax by municipality. Other than the City of Atlanta, sales tax information is reported at the county level.
  - While the corporate income tax form and tax registration form have a NAICS code field to classify the nature of the primary business, filers have not always reported a six-digit code when submitting their return.
  - The sales and use tax form does not capture sales or sales tax generated by zip code. It contains only the zip code associated with the corporate address.
- *Available tax information not provided as frequently as needed* – In some cases, DOR possesses and provides (or has provided) information needed by stakeholders, but the information is not provided as frequently as desired.
  - While DOR publishes a quarterly report that shows each county's monthly sales tax collections by 12 major commodity groups, all stakeholders stated a need for the information to be made available each month.
  - In addition to the standard sales tax commodity report, a fiscal note author and the state fiscal economist periodically request more detailed reports with mixed success. They stated that they have obtained a sales tax report detailing taxable and nontaxable sales by zip code and detailed NAICS code, but have been unable to obtain the needed information for nearly two years despite requests for the information.
- *Information provided is not as detailed as permitted by law* – Local government representatives expressed a desire to obtain detailed sales tax information that is not currently permitted by law. However, their request for more detailed information could be partly addressed with a report more detailed than the current commodities report. As previously noted, some detailed information cannot be provided because it would allow a user to identify a business. However, reports providing greater detail (e.g., nontaxable sales; detailed NAICS code; information by zip code) could be provided in some cases (when an established minimum number of filers are present in a report category).

- *DOR has not taken necessary steps to grant access to federal tax information* – Fiscal note authors and the state fiscal economist may have legal access to federal individual and corporate income tax data provided to DOR by the IRS; however, DOR has not taken all of the necessary steps allowed by federal regulation to obtain permission to share the data. Stakeholders stated that their desire for the federal information has been communicated to various DOR officials for several years.

The IRS allows federal tax information in the possession of state tax authorities, such as DOR, to be shared with other entities for certain purposes, including “statistical analysis, tax modeling or revenue projections.” A formal request must be submitted to the IRS, detailing how specific information would be used.

*DOR Response:* Regarding the provision of data more frequently, DOR stated that it would begin publishing the sales tax commodity report monthly instead of quarterly.

Regarding detailed sales tax information, DOR stated that it would work with local governments to attempt to provide additional information of use to the stakeholders. However, DOR noted limitations of the information reported on the sales tax form, including the lack of sales by zip code and the lack of nontaxable sales by zip code or county. Additional information from DOR's response is included on page 17.

Regarding federal tax information, DOR noted that it has been in communication with the IRS over the last year in an attempt to clarify data-sharing requirements and has scheduled a January 2014 meeting with the stakeholders to finalize the data sharing method. Additional information from DOR's response is included on page 16-17.

### **Discuss the extent to which changes could be made to meet stakeholders' tax data needs. To the extent possible, include an assessment of the associated costs of providing the data.**

Providing all tax data requested by stakeholders would require changes to state laws and additional support by DOR. Specifically, state laws would need to be amended to allow greater sharing of tax information with local officials and to require additional information from taxpayers. In addition, DOR would need to establish a more structured process for receiving and responding to data requests, provide additional reports of information currently in the tax system, and take steps to gain IRS approval to share federal tax data.

#### **Changes to State Law**

Changes to state law appear necessary to resolve two of the data issues: local government officials' inability to obtain sales tax return data and absence of certain data from tax return forms.

- *Permitting disclosure of sales tax returns to local governments* – As noted previously, local government representatives have stated a need for access to information captured on sales tax forms for businesses within their

jurisdictions. O.C.G.A. 48-2-15, which concerns the confidentiality of tax information, does not currently permit DOR to share this level of detail with local government officials.

- *Collecting additional information from taxpayers* – Stakeholders also stated a need for some data that is not captured on Georgia's sales tax form. DOR officials noted that, unless required by law, they will not require taxpayers to report information not essential to return processing. Currently, state law does not require information such as the amount of nontaxable sales by tax exemption, sales and sales tax information by municipality, and more detailed NAICS code reporting. While DOR requests that businesses submit a NAICS code for their primary business on their state tax registration form, not all do so and DOR does not require it.

While additional information would assist stakeholders needing tax data, it is likely that there would be considerable costs to obtaining this information. Taxpayers would have additional compliance costs associated with tracking and reporting the additional details of transactions. In addition, DOR would be required to capture and store the additional information and stated that, depending on the fields added to the returns, the cost could be considerable.

#### Changes to DOR Policies and Practices

Many of the tax information needs could be addressed by changes in DOR processes, and most of these changes could be made with existing resources.

- *Structured process for receiving and responding to data requests* – An improved, consistent method of addressing data requests would resolve an issue frequently cited by stakeholders. Stakeholders reported dealing with multiple individuals over extended periods of time, with one result being unclear or inconsistent reasons for unfulfilled information requests. An information request policy could consist of a single contact for receiving requests, acknowledgement of the request within a certain timeframe, timely negotiation of the information to be provided, and a final written statement of the information to be provided.
- *Finalize the sharing of federal return information* – U.S. Code and IRS regulations allow state tax agencies, such as DOR, to share federal tax return information with contracted entities conducting tax analysis and revenue projection. To share the information, DOR must submit certain forms for approval and taxpayer confidentiality is protected by both DOR and receiving entities following required safeguards (see box on the following page for IRS approval process for sharing information).

In the summer of 2013, DOR requested guidance from the IRS Office of Safeguards about providing federal information that had been “blurred” of taxpayer-identifying data. In December 2013, DOR officials received a response from the IRS that such “blurred” data would still be subject to IRS security protocols. DOR stated that they will meet with stakeholders in January 2014 to discuss two options for providing data, one of which would involve the more formal process of completing, with the assistance of the

### Process for Obtaining Stakeholder Access to Federal Taxpayer Information

*IRS Publication 1075: Tax Information Security Guidelines For Federal, State and Local Agencies*, maintained and published by the IRS Office of Safeguards, provides guidelines and rules for ensuring the confidentiality of federal taxpayer information (FTI). FTI is defined as "any return or return information received from the IRS or secondary source...include[ing] any information created by the recipient that is derived from return or return information." FTI includes personally identifiable information on tax payers such as name, address, Social Security Number, date of birth. The publication notes that state tax agencies may use FTI to conduct statistical analysis, tax modeling, or revenue projection, and that contractors may be used for these purposes. The publication describes a process by which state tax agencies must notify the IRS of the plan to use the FTI for these purposes.

Prior to using data for these purposes, a state tax agency must submit to the Office of Safeguards a signed *Need and Use Justification for Use of Federal Tax Information Form for Tax Modeling, Revenue Estimation, or Other Statistical Purposes* for approval. If the State Tax Agency intends to use a contractor to conduct the statistical analyses then it must also submit a 45-day notification prior to the contractor accessing the FTI and a separate statement detailing the methodology and data used by the contractor. The Office of Safeguards will then review the information to ensure that the appropriate security measures are in place to ensure that the methodology used to remove taxpayer identifying information from any final publication of results is adequate.

The responsibility for ensuring the confidentiality of taxpayer information rests with the State Tax Agency rather than the contractor, unless, according to IRS personnel, the contractor and all those under it accessing the information have been trained in understanding the necessary steps for protecting taxpayer identification and such training has been documented. Further, periodic Safeguard Procedure Reports are required of any contractor to whom a State Tax Agency discloses confidential taxpayer information.

Source: IRS Publication 1075, Effective January 1, 2014

stakeholders needing the data, a *Need and Use Justification for Use of Federal Tax Information Form for Tax Modeling, Revenue Estimation, or Other Statistical Purposes*. Once a completed form is submitted, the IRS is expected to respond within 45 days.

- *Creation of reports permitted by law* – State law specifically prohibits only a portion of the information denied to stakeholders, primarily taxpayer identifiable information. DOR has not provided the sales tax reports at the frequency and level of detail requested by fiscal note authors, the state fiscal economist, or local governments, though some of the needed information is captured in DOR's data system. Much of the information not provided, while not confidential, may still be of use to the stakeholders.

*DOR Response:* Regarding a structured process for receiving and responding to data requests, DOR stated that it "agrees and will immediately begin to implement a process so that stakeholders' data requests are handled properly and in a reasonable period of time, and DOR will designate a single point of contact for requests and inform all stakeholders of the name of this contact and the new procedures to be followed."

Regarding the provision of federal tax information, DOR stated that "it will meet with stakeholders in January 2014 to present two options for providing the data. If DOR programmers create reports for the stakeholders and sort the data by their desired criteria so that the data is aggregated by income ranges, deductions taken, etc. and taxpayer identifiers are stripped, the IRS approval process and security monitoring will not be required. If the stakeholders determine that they prefer to have the federal line-by-line data in order to create the various data sorts themselves, DOR will begin creating a formal detailed request for approval to share the federal line-by-line return data with the fiscal note authors and the state fiscal economist. Once the detailed request is submitted, IRS policy is to respond within 45 days with approval or denial of the request. If approved, DOR will work with the stakeholders to set up the data systems security protocols and physical security requirements,

*and the stakeholders will be required to submit periodic Safeguard Procedures Reports to the IRS and undergo both DOR and IRS periodic security audits.” DOR also noted that it requested guidance on sharing federal tax data from the IRS Office of Safeguards in early 2013. DOR inquired “as to whether the stringent data security requirements could be avoided if [DOR] stripped the unneeded taxpayer-identifying information before providing data to stakeholders.” DOR stated that it received verbal approval, but months after requesting approval in writing, the IRS “reversed itself.” Therefore, line-by-line return data can only be provided in accordance with a formal agreement, stringent data security requirements, and approval by the IRS.*

*Regarding the creation of additional reports permitted by law, DOR stated that it “will begin providing sales tax reports on a monthly basis rather than quarterly.” It also stated that the current sales tax commodities report “could be provided based on NAICS codes but is still provided based on commodities codes so that local governments can compare current reports to prior reports. DOR will work with local governments through ACCG and GMA to determine whether they would prefer [sales tax] reports based on NAICS codes, or perhaps whether it is feasible to provide both types of reports.”*

*Regarding reporting nontaxable sales and sales tax by zip code, DOR stated that it was “happy to discuss reporting with local governments and their representatives,” but stated that there currently is “no detailed nontaxable sales information available to share, and zip code reporting may, especially for middle and larger-sized businesses, contain significant inaccuracies in terms of the counties where sales are assigned.” DOR noted that “nontaxable sales are currently reported as a single amount” (not detailed by county) and that “any report by zip code would assign all of a business’s sales to the zip code and thus the county of its location. It would therefore ignore the sourcing of any sales to any of the other 158 counties that a taxpayer reports on its monthly ST-3 sales tax return.”*

## Appendix A: Objectives, Scope, and Methodology

### Objectives

This report examines the data needs of policy makers and state and local governments, as well as the restrictions or limitations that prevent the Department of Revenue (DOR) from sharing information.

Specifically, our examination set out to determine the following:

1. What tax data is needed by various stakeholder groups, including legislative fiscal note authors, local governments, and revenue projection analysts?
2. What are the administrative and data confidentiality issues that may limit or restrict DOR from providing the information requested/needed by the above-mentioned stakeholders?
3. Discuss the extent to which changes could be made to meet stakeholders' tax data needs. To the extent possible, please provide an assessment of the associated costs of providing the data.

### Scope

This examination covered the current tax data needs of various stakeholder groups including the Fiscal Research Center at Georgia State University, the Carl Vinson Institute of Government at the University of Georgia, the state fiscal economist, and local governments—through officials at the Georgia Municipal Association (GMA) and the Association of County Commissioners of Georgia (ACCG). The legal and administrative limitations that prevent DOR from sharing more tax data with stakeholder groups were also examined.

### Methodology

To determine the tax data is needed by various stakeholder groups, including legislative fiscal note authors, local governments, and revenue projection analysts, we conducted interviews of various stakeholder groups.

To determine the administrative and data confidentiality issues that may limit or restrict DOR from providing the information requested/needed by the above-mentioned stakeholders, we reviewed federal and state law and regulations related to disclosure of tax information, DOR rules and regulations, interviewed DOR staff, and reviewed common federal and state tax forms to document the information collected from taxpayers.

To discuss the extent to which changes could be made to meet stakeholders' tax data needs and to the extent possible, provide an assessment of the associated costs of providing the data, we interviewed DOR staff.

This special examination was not conducted in accordance with generally accepted government auditing standards (GAGAS) given the timeframe in which the report was needed. However, it was conducted in accordance with Performance Audit Division policies and procedures for non-GAGAS engagements. These policies and procedures require that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for the information reported and that data limitations be identified for the reader.

## Appendix B: Individual Income Tax Return (Form 500)

Major Categories	Example of Information Collected
Taxpayer Information	Name(s) Address Social Security Number
Exemptions and Dependents	Filing Status Residency Exemptions Dependents
Income	Federal Adjusted Gross Income Georgia Adjusted Gross Income
Deductions	Standard Deduction Federal Itemized Deductions Georgia Itemized Deductions
Tax Computation	Georgia Taxable Income Georgia Income Tax Withheld Estimated Penalty Refund
Additions to Income	Interest on Non-Georgia Municipal and State Bonds
Subtractions from Income	Retirement Income Exclusion Social Security Benefits Georgia Higher Education Savings Plan
Schedule 2 Credits	Other State Credit Tax Credit Various Georgia Tax Credits from Form IND-CR Qualified Education Expense Credit Credits from Ownership of Sole Proprietor, S Corp., LLC Low Income Credit
Taxable Income for Part-Year Residents & Non-Residents	Wages, Salaries, Tips Interest and Dividends Business Income Other Income Itemized or Standard Deduction

## Appendix C: Corporate Income Tax Return (Form 600)

Major Categories	Example of Information Collected
Taxpayer Information	Corporate Name Address Federal Employer Number NAICS Code
Computation of Georgia Taxable Income and Tax	Federal Taxable Income Georgia Taxable Income Income Tax
Computation of Net Worth Tax	Total Capital Stock Issued Paid in or Capital Surplus Total Retained Earnings Net Worth Net Worth Taxable by Georgia Net Worth Tax
Computation of Tax Due or Overpayment	Total Tax Amount of Overpayment Interest Penalty Due
Additions to Federal Taxable Income	State and Municipal Bond Interest Expense Attributable to Tax Exempt Income Net Operating Loss Federal Deduction for Income Attributable to Domestic Production Activities Intangible Expenses
Subtractions from Federal Taxable Income	Interest on Obligation of the U.S. Exception to Intangible Expenses and Related Interest Costs
Apportionment of Income	Gross Receipts from Business Georgia Ratio
Computation of Georgia Net Income	Net Business Income Net Business Income Apportioned to Georgia Georgia Taxable Income
Computation of Georgia Net Worth Ratio	Total Value of Property Owned Gross Receipts from Business
Claimed Tax Credits	Credit Type Code Amount of Credit
Assigned Tax Credits	Credit Type Code Amount of Credit
Georgia Net Operating Losses	Loss Year and Amount Income Year



### Appendix D: Sales and Use Tax Return (Form ST-3)

Major Categories	Example of Information Collected
Taxpayer Information	Name(s) Address Sales and Use Number County of Business
Tax Summary	Total State Sales Total Exempt State Sales Taxable State Sales Total Sales Tax Total Use Tax Total TSPLOST Tax
Sales Tax Distribution Table	Taxable Sales by Jurisdiction (State, County) Sales Tax Amount by Jurisdiction
Use Tax Distribution Table	Jurisdiction of Use Use Tax Reason Code State and Local Use Tax Amount
TSPLOST Sales and Use Tax	TSPLOST Taxable Sales Amount TSPLOST Use Tax Amount
Bad Debt Reporting	Bad Debt Write-off Bad Debt Recovered

## Appendix E: Federal Individual (Form 1040) and Corporate (Form 1120) Income Tax Returns

### U.S. Individual Income Tax Return, Form 1040 (2012)

Major Categories	Example of Information Collected
Taxpayer Information	(similar to Georgia Form 500)
Exemptions and Dependents	(similar to Georgia Form 500)
Income	Wages, salaries, tips, etc. (Form W-2) Taxable Interest, Dividends Refunds, Credits Business Income/Loss Capital gain/loss Pensions, IRA Distributions Rental real estate, etc. Social Security Benefits Unemployment compensation
Adjusted Gross Income (Expenses and Deductions)	Expenses (Educator, Business, Moving, etc.) Health savings account deduction Self-employed Student loans, tuition and fees
Tax and Credits	Itemized deductions or Standard deduction Other credits (Child tax credit, residential energy credit, etc.)
Other Taxes	Self-employment tax Unreported social security and Medicare tax First-time homebuyer credit repayment
Payments/Refund	Federal income tax from W-2 Earned Income Credit Additional child tax credit Total payment/refund

### U.S. Corporation Income Tax Return, Form 1120 (2012)

Major Categories	Example of Information Collected
Taxpayer Information	(similar to Georgia Form 600)
Income	Gross receipts or sales Returns and allowances Cost of goods sold Gross profit Dividends, Interest Gross rents/royalties Capital gain/loss net income
Deductions	Compensation of officers Salaries and wages Rent, Taxes, and Interest Charitable contributions Pensions, Employee benefit programs Dividends
Tax, Refundable Credits, and Payments	Taxable income Alternative minimum tax Credits (Bonds, Foreign Tax, etc.) Total tax owed or overpayment
Assets, Liabilities, and Equity	Cash, notes, and accounts receivable Inventories, Loans Land, Buildings Depreciation Accounts payable, Loans Mortgages, notes, bonds



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The Performance Audit Division was established in 1971 to conduct in-depth reviews of state-funded programs. Our reviews determine if programs are meeting goals and objectives; measure program results and effectiveness; identify alternate methods to meet goals; evaluate efficiency of resource allocation; assess compliance with laws and regulations; and provide credible management information to decision-makers. For more information, contact us at (404)657-5220 or visit our website at [www.audits.ga.gov](http://www.audits.ga.gov).