

**COMMONWEALTH of VIRGINIA***Department of Taxation**www.tax.virginia.gov*

Northern VA

PO Box 223824
Chantilly, VA 20153E-mail: reese.brackett@tax.virginia.gov

Phone: 703-326-2222

Fax: 703-326-2223

January 19, 2012

RE:

January 1, 2008 - December 31, 2010
Sales and Use Tax

Dear David Holmes:

We recently concluded our examination of your records for Virginia Sales and Use Tax for the period of January 1, 2008 - December 31, 2010. We have enclosed a copy of our findings concerning your liability in the "Report of Field Audit." The purpose of this letter is to provide you with:

- Information concerning the audit assessment and the payment process
- Information to help you comply with Virginia tax laws in the future
- Clarification of audit issues
- Explanation of the appeal process

The enclosed report indicates a total deficiency of \$31,147.41. You will receive an assessment for this amount in a separate mailing from our agency headquarters.

The assessment notice will include payment instructions. If the assessment includes any amnesty eligible tax liability (i.e., tax liability for May 2009 and prior periods) and no amnesty penalty was assessed, then the amnesty eligible tax liability must be paid within 30 days of the bill assessment date to avoid the imposition of the 20% amnesty penalty (see Bill of Rights-Addendum). In addition, if the balance due is not paid within 30 days of the date on the assessment notice, additional interest will be added at the current interest rate of 5.0%.

We have enclosed "Table A, Areas of Tax Liability" to help explain the major areas of tax liability identified during the audit. The table includes a list of categories where we identified audit issues and the corresponding Virginia Sales Tax Regulation or Code of Virginia section that relates to the particular category. The table also provides an explanation to help you with future compliance in these areas. If you have questions or need assistance in any of these areas, please call John Pigman at 301-530-1074.

January 19, 2012

Page 2

If you are not satisfied with the findings of the audit, you have the right to appeal the assessment. You may appeal informally by contacting me and arranging a meeting to discuss the audit findings. If we are unable to resolve the issues, you may file a formal appeal to the Tax Commissioner. Your appeal must be submitted within 90 days of the audit assessment bill date. Please refer to the attached Appeal Procedures for additional information on how to file an appeal with the Department.

We appreciate the cooperation and courtesy extended to our auditor(s) during this audit. If you have any questions or comments about the application of Sales and Use Tax or the manner in which the audit was conducted, please feel free to contact me at 703-326-2222.

Sincerely,

Reese Brackett
Audit supervisor



Attn: Ken Drexler

COMMONWEALTH of VIRGINIA*Department of Taxation**www.tax.virginia.gov*

Northern VA

PO Box 223824
Chantilly, VA 20163E-mail: reese.brackett@tax.virginia.gov
Phone: 703-328-2222
Fax: 703-328-2223

July 31, 2012

RE:

January 1, 2008 - December 31, 2010
Sales and Use Tax

Dear David Holmes:

We recently concluded our examination of your records for Virginia Sales and Use Tax for the period of January 1, 2008 - December 31, 2010. We have enclosed a copy of our findings concerning your liability in the "Report of Field Audit." The purpose of this letter is to provide you with:

- Information to help you comply with Virginia tax laws in the future
- Clarification of audit issues
- Explanation of the appeal process

The enclosed report indicates a total overpayment of \$15,287.22 and this refund will be issued within sixty (60) days. If you have any delinquent debts owed the State of Virginia or any participating localities, your refund will be reduced by the outstanding debt. If this should occur, you will be notified in writing.

We have enclosed Table A that includes a list of categories where we identified audit issues and the corresponding Virginia Sales Tax Regulation or Code of Virginia section that relates to the particular category. The table also provides an explanation to help you with future compliance in these areas. If you have questions or need assistance in any of these areas, please call John Pigman at 301-530-1074.

If you are not satisfied with the findings of the audit, you have the right to appeal. You may appeal informally by contacting me and arranging a meeting to discuss the audit findings. If we are unable to resolve the issues, you may file a formal appeal to the Tax Commissioner. Please refer to the attached Appeal Procedures for additional information on how to file an appeal with the Department.

July 31, 2012

Page 2

We appreciate the cooperation and courtesy extended to our auditor(s) during this audit. If you have any questions or comments about the application of Sales and Use Tax or the manner in which the audit was conducted, please feel free to contact me at 703-328-2222.

Sincerely,

Reese Brackett
Audit supervisor