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Governor

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## **Wisconsin Audit Initiative Provides 38 to 1 Return on Investment** *Revenue generation of \$385 million was \$303 million higher than goal*

The 2015-2017 biennial budget, Wisconsin Act 55, requires the Department of Revenue to annually report to the Joint Committee on Finance the actual or estimated amounts of state tax revenues generated by, and expenditures associated with, the additional full-time audit-related positions created by Act 55. These include auditors and other audit-related positions, such as supervisors and resolution officers, which support audit functions and related appeals. Out-of-state audits and investigations of out-of-state companies generating revenue in the state are the primary focus of these additional audit staff.

"It is only fair that out-of-state businesses making money in Wisconsin are paying their fair share in Wisconsin," notes Governor Tony Evers. "This initiative focuses on out-of-state audits and investigating out-of-state companies generating revenue in our state. Our talented auditors are working hard for the taxpayers across Wisconsin, and I'm grateful for their good work."

This year was another record year for the audit initiative. The goal for FY2020 was additional audit collections of \$82 million. Auditors and audit-related positions created by Act 55 generated \$385 million, with an additional \$570.2 million in assessments pending payment or appeal resolution as of June 30, 2020. The resulting return on investment is 38 to 1. Last year's return was 12 to 1, exceeding the goal by nearly \$80 million.

Secretary Barca said he knew this would be a strong year, but a 38 to 1 return on investment is astounding. Over the past few years, the audit initiative has experienced record returns. "Our auditors and support staff are extremely knowledgeable, focused and professional. Post-audit survey results show very high scores in these areas. With each passing year, our auditors gain more experience, becoming savvier and more efficient with audit selections and digging deeper to find the results Wisconsin taxpayers deserve. Once we bring an out-of-state company into compliance, we reap the benefit of their ongoing compliance in future years too, so this is critical for the state's economic health and wellbeing," Barca said. "In the end, it's about fairness and ensuring that out-of-state businesses that chose to do business in Wisconsin are following the same tax rules our in-state businesses follow."

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