What is the Self-Audit Program?
Taxpayer performs an audit on their books and records to make sure the 7% tax was paid to vendors on all purchases made by the business.

This program is only open for use tax at this time.

9800 taxpayers that file corporate, withholding or both tax returns have been selected to participate. Anybody is eligible, provided they don’t have a sales tax permit.

The first mailing of 3300 letters went out on 11/3/15. The second mailing went out on 6/2/16 and the last on May 2017.
Taxpayer’s Benefits:

- No penalty is assessed.
- 3 year audit period instead of the typical 6 years for non-filers.
- Discounted interest rates of 6% if completed on time or 12% if delayed.
- The Tax Division agrees not to audit the taxpayer for the self-audit period and tax type.
States Benefits:

- Taxpayers are brought into compliance.

- Tax and interest is paid at the time audit is completed.

- Taxpayers are better educated on use tax for future compliance.
Who is Eligible?

- Taxpayers who do not currently have a sales tax permit.
- No outstanding balances owed or delinquent returns.
- Taxpayer or related entities have not been audited within the past 5 years.
- If taxpayer is in bankruptcy or receivership, they are not allowed to participate in program.
- Taxpayers records are readily available and have the ability to go through them within a certain period (60, 90, or 120 days, requested by taxpayer on application).
- Must be able to make payment for tax at the time of completion. Taxpayer will be billed for interest.
Audit Process:

- Completed application is sent to tax division for review.
- A letter will be mailed to taxpayer approving or denying the application.
- If application is approved, a Revenue agent, will send an approval letter with a 3 year audit period, requested documents (depreciation schedule, source documents & Corporate returns & Purchase journals), Self-audit Use Tax Return (T-205-SA) and a time frame to submit self-audit.
- Submit completed self-audit and full tax payment within time frame requested.
- Upon receipt and acceptance by the division, an interest billing, confirmation letter, and copy of Consumer Use Tax Return for future compliance will be mailed to taxpayer.
Reasons for Denial:

- Taxpayer or related entities had an audit within the last 5 years.
- A letter/declaratory ruling was issued by the tax division for Use Tax.
- Taxpayer files use tax returns T-205’s.
- Taxpayer has delinquencies or an outstanding balance.
- Taxpayer has filed for bankruptcy or receivership.
- Taxpayer has a sales tax permit.
- Each application will be reviewed on a case by case basis.
Important Forms:

- Self-Audit Application
- Flyer, explaining use tax and giving examples.
- Self-Audit Use Tax Return (T-205-SA)
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