



STATE OF WEST VIRGINIA
Department of Revenue
State Tax Department

Earl Ray Tomblin
Governor

Mark W. Matkovich
Acting State Tax Commissioner

November 1, 2013

Mr. Aaron Allred
Legislative Manager & Legislative Auditor
WV Legislative Auditor's Office
State Capitol Complex
Building 1, E-132
Charleston, WV 25305

LEGISLATIVE

NOV - 4 2013

MANAGER

Dear Mr. Allred:

West Virginia Code §11-10-5q(e) requires the Tax Commissioner to submit to the Speaker of the House of Delegates, the President of the Senate and the Legislative Auditor a quarterly report summarizing the issues and amounts of liabilities contained in closing agreements and compromises made pursuant to said section.

Please be advised that one closing agreement was entered into during the period July 1, 2013 through October 31, 2013. The summary is attached.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark W. Matkovich".

Mark W. Matkovich
Acting State Tax Commissioner

MWM/mlw
Enclosures

Cc: The Honorable Earl Ray Tomblin, Governor
State of West Virginia

Cabinet Secretary Robert S. Kiss
West Virginia Department of Revenue

WEST VIRGINIA STATE TAX COMMISSIONER,
PO BOX 117711
CHARLESTON, WV 25339-0751
TELEPHONE (304) 558-0751
FAX (304) 558-8999

**QUARTERLY REPORT
TO THE LEGISLATURE OF THE STATE OF WEST VIRGINIA
SUMMARY 2013-01**

During the period July 1, 2013 through October 31, 2013, the Tax Commissioner entered into a closing agreement with respect to the liability of a Taxpayer for purchasers use tax and combined sales and use tax for the period 2006 through 2010.

Assessments were issued against the Taxpayer for purchasers use tax and combined sales and use tax in the amount of \$3,433,429.29 plus statutory interest. The issue involved the scope of the exemption from tax provided by W.Va. Code §19-23-12. The closing agreement resulted in a compromise of the assessments due to a doubt as to liability. The doubt is due to Administrative Decision 09-024 U issued by the West Virginia Office of Tax Appeals on or about May 2, 2012. The compromise resulted in payment of \$319,207.00 by the Taxpayer.