This document is a quick guide to the audit process. It will help you know what to expect during the audit, your responsibilities, and the auditor’s responsibilities. A tax audit is an educational opportunity to help you identify and correct bookkeeping problems that could cause additional tax liabilities. The Department of Revenue (Department) will be available to assist you or your representative throughout the audit.

1. **Pre-Audit (60 days)**

   The audit process begins with the *Notice of Intent to Audit Books and Records* (Form DR-840). This form begins the 60-day notice period and provides the tax(es) and timeframe that will be audited. Florida law guides the Department's interaction with the taxpayer during the 60-day period. Here are a few important things to know about what happens during these 60 days:
   - The Department can answer general questions about the audit process.
   - You can contact the auditor listed on Form DR-840 with questions about the audit process.
   - To respect your 60-day notice period, the Department cannot explain or discuss the specifics of your audit, such as your business operations or the types of books and records you keep. However, if you want to speak about the specifics of your audit before then, you can waive the 60-day period by signing Form DR-840 and returning it to the auditor. This waiver will allow the Department to end the 60-day period and begin the audit. It also gives you the ability to discuss your audit with the Department in detail during an audit entrance interview.
   - You should begin gathering financial records that could be helpful during the audit, such as those records listed on the tax records guide attached to Form DR-840.
   - To assist you with preparing for your audit, you may contact your accountant, tax preparer, etc., or retain representation if you choose.

2. **Beginning the Audit**

   After the 60-day notice period closes, or sooner if you sign and return the 60-day waiver on Form DR-840, the auditor will commence the audit by performing an audit entrance interview. The Department performs an audit entrance interview when any one of the following actions first occurs:
   - When the Department contacts you to explain and discuss the specific audit plan or to discuss the nature of your business operations
   - When the Department asks you to provide, compile, or make available specific books, records, documents, or other information, other than the books, records, documents, or other information that were requested in the attachment to Form DR-840
   - When the Department begins reviewing your accounts, books, or records

During the entrance interview, you and/or your representative will discuss the audit plan with the auditor. You will need to complete a *Power of Attorney* (Form DR-835) if you want the auditor to discuss the audit with your representative. The auditor will request information about your business operations, organizational structure, accounting methods, and books and records and explain the next steps for the audit.
Please use the entrance interview to ask questions and provide information that you think could be helpful as the auditor begins the audit.

While the auditor will reach out to you to perform the entrance interview, you and/or your representative are welcome to contact the auditor at any point during the audit. Be sure you have the auditor’s correct contact information provided on Form DR-840 and notify the auditor of any changes to your contact information.

3. During the Audit

Generally, the Department will audit a tax along with any related taxes, such as local option taxes. The auditor will inform you of the books and records you will need to provide. Audits can be completed using paper or electronic records. You might receive a questionnaire to assess the potential for an electronic audit. If you maintain your records electronically, Florida law requires you to make the records available to the Department electronically.

Typically, the Department audit lookback period is three years. If you did not file or filed one or more substantially incorrect returns or payments during those three years, the Department may audit for a longer timeframe.

You can request a written statement of the Department’s position on the taxation of transactions or issues at any time during the audit. This is called a Technical Assistance Advisement (TAA). To obtain a TAA, email a written request containing an accurate, detailed explanation of the transaction or issue for which you want more information to dortadr@floridarevenue.com or mail it to:

Florida Department of Revenue,
PO Box 7443,
Tallahassee, FL 32314-7443

Remember to provide a copy of the request to the auditor.

Except in certain circumstances, Florida law requires the Department to complete the audit and issue an assessment (Notice of Proposed Assessment) no later than 305 days after sending Form DR-840.

Tips for a successful audit:
- Organized records can help the audit go smoothly.
- Provide information in a timely manner.
- Feel free to ask questions.
- Do not withhold information.
- Do not change existing documents.
- Do not create documents that did not previously exist.

4. Concluding the Audit

The auditor will notify you of the audit findings. In some cases, the auditor will conduct an audit conference to make sure you understand the reasons for any proposed assessments, ask for information on anything that remains unclear, and explain your rights.

You will receive a Notice of Intent to Make Audit Changes (Form DR-1215), which summarizes the audit findings. It is important to notify the auditor of your agreement or disagreement within 30 days of the date on the notice.

- If the Department’s assessment indicates that you overpaid your taxes, the auditor will discuss refund procedures with you.
- If the audit results in no liability, the notice will indicate zero amount due.
• If additional tax is due, the notice will state the amount.
• If you disagree with the audit findings, contact the auditor to request an audit conference with the auditor and/or the auditor’s supervisor.
• If you agree with the audit findings, you may sign the notice and pay the amount due, if any. If you cannot pay the full amount, contact the auditor to discuss possible ways to pay the amount. Interest will continue to accrue on the unpaid tax balance until it is paid. Signing the notice waives your right to an audit conference. It does not waive your right to protest.

5. After the Audit

Thirty (30) days after the Department issues Form DR-1215, the Department will send you a Notice of Proposed Assessment. This notice
• Provides the amount due, if any
• Serves as a request for payment of any unpaid amounts
• Provides instructions for filing a formal or informal protest if you still disagree with the audit findings. You will have 60 days from the date of the Notice of Proposed Assessment to file an informal protest or 120 days to file a formal protest. The Notice of Proposed Assessment will also provide more information about procedures for requesting a review.

Reference Material

Tax Laws – The Florida Statutes are available at leg.state.fl.us

Brochures – Download these brochures from floridarevenue.com/forms:
• Florida Taxpayer's Bill of Rights (GT-800039)
• How to Pay Your Audit Assessment and Notice of Taxpayer Rights (GT-800004)
• What to Expect from a Florida Tax Audit (GT-800042)
• What to Expect from a Florida Reemployment Tax Audit (RT-800063)

Contact Us

Tax forms and publications are available at floridarevenue.com/forms.

Information and tutorials are available at floridarevenue.com/taxes/education.

To speak with a Department of Revenue representative, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

To find a Taxpayer Service Center near you, visit floridarevenue.com/taxes/servicecenters.

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