

**WISCONSIN DEPARTMENT OF REVENUE
DIVISION OF INCOME, SALES, AND EXCISE TAX**

NOTICE OF PROPOSED GUIDANCE DOCUMENTS

Pursuant to sec. 227.112, Wis. Stats., the Wisconsin Department of Revenue, Division of Income, Sales, and Excise Taxes hereby seeks comment on the proposed guidance document listed in the table below.

SUBMITTING PUBLIC COMMENTS

Public comments on proposed or adopted guidance documents may be submitted online at: <https://www.revenue.wi.gov/Pages/contactUs/proposed-Guidance.aspx>.

When submitting a comment, enter information in all data fields, including the "Guidance Document Number" referenced in the table below.

DEADLINE FOR SUBMISSION

The period for public comment for proposed guidance documents ends 21 days after publication in the Administrative Register, unless the Governor approves a shorter commenting period.

Document Number	Document Title
100231	Electronic Records Requested During Audits - News Article

State of Wisconsin
Department of Revenue

Electronic Records Requested During Audits

This is a proposed guidance document. The document has been submitted to the Legislative Reference Bureau for publication in the Administrative Register for public comment as provided by sec. 227.112(1), Wis. Stats.

The department often utilizes a taxpayer's electronic records to conduct a more efficient audit for both the taxpayer and the department. Generally, the taxpayer must provide electronic records to the auditor when requested.

Electronic records include data files and information from accounting, enterprise, and Point-of-Sale software applications. Some commonly known examples include QuickBooks, Sage, Oracle, SAP, Micros, and Square.

The Internal Revenue Service has published a list of Frequently Asked Questions (FAQs) about providing electronic records, which is available at <https://www.irs.gov/businesses/small-businesses-self-employed/use-of-electronic-accounting-software-records-frequently-asked-questions-and-answers>. The guidance provided in these FAQs applies to department audits as well.

The department has authority to request records from taxpayers under secs. 71.74(2), 73.03(9), and 77.59(2), Wis. Stats. Wisconsin statutes provide for a penalty when a taxpayer does not provide the records requested (secs. 71.74(2), 73.03(9), 77.59(2), 71.80(9m), and 77.61(19), Wis. Stats.). Rules to administer these penalties are provided in secs. Tax 2.85 and 11.90, Wis. Adm. Code. These rules note that "records" include electronic records.

If complete and accurate records are not maintained, gross receipts, purchases, deductions, and exemptions may be determined by the department through reconstruction or other methods.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of September 30, 2019: Sections 71.74(2), 71.80(9m), 73.03(9), 77.59(2), and 77.61(19), Wis. Stats., and secs. Tax 2.85 and 11.90, Wis. Adm. Code.

Laws enacted and in effect after September 30, 2019, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to September 30, 2019, that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2)(a), Wis. Stats.

Guidance Document Certification: <https://www.revenue.wi.gov/Pages/Certification-Statement.aspx>

Guidance Document Number: 100231

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