KANSAS CITY
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Revenue Division

City of Kansas City, Mo.

The Examination Process

Mission statement

Provide Kansas City's taxpayers top quality service by helping them to understand and meet tax responsibilities, and by applying the tax law with integrity and fairness to all.

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Welcome

The City of Kansas City, Mo., Revenue Division accepts most City returns as filed. Some returns, however, are examined or audited to determine if income, expenses and apportionments are reported accurately. This publication discusses general rules and procedures we follow in examinations. It explains what happens before, during and after an examination. It also explains protest and payment procedures.

As a taxpayer, you have the right to fair, professional, prompt and courteous services from revenue employees as outlined in the Taxpayer Expectations section.

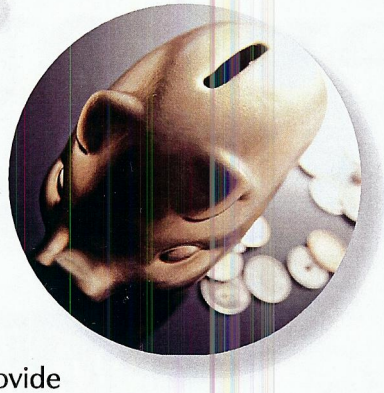
We must follow the tax rules set forth by City Council in the Code of Ordinances and the regulations of the Finance Department as adopted by City Council, as well as any applicable court decisions to administer the tax laws.

If the examination results in a change to your tax liability, you may ask us to reconsider your case. Some reasons why we may reconsider your case include:

- You submit additional information that could result in a change to the additional amount we have determined that you owe;
- You file an original delinquent return after we have determined that you owe an additional amount; or
- You identify a mathematical or processing error we made.

You must request reconsideration in writing and submit it to the commissioner of revenue, 414 E. 12th St., Kansas City, MO 64106.

Taxpayer expectations



Protection of your rights

Our employees will explain and protect your rights as a taxpayer throughout your contact with us.

Privacy and confidentiality

We will not disclose to anyone the information you give us, except as authorized by law. You have the right to know why we are asking you for information, how we will use it and what happens if you do not provide the requested information.

Professional and courteous service

If you believe that an employee has not treated you in a professional, fair and courteous manner, you should ask to speak with that employee's supervisor. If the supervisor's response is not satisfactory, you should contact the commissioner of revenue at City Hall.

Representation

You may either represent yourself or, with proper written authorization, have someone else represent you. Your representative must be a person allowed to practice before the City, such as an attorney or certified public accountant. We will also recognize anyone who is an enrolled agent with the IRS. If you are in an interview and ask to consult such a person, we will stop and reschedule the interview. You can have someone accompany you at an interview. You may make sound recordings of any meetings with our examination, appeal or collection personnel, provided you tell us in writing 10 days before the meeting.

Payment of only the correct amount of tax

You are responsible for paying only the correct amount of tax due under the law—no more, no less. If you cannot pay all of your tax when it is due, you may be able to make payment arrangements.

Help with unresolved tax problems

You may get help with an unresolved tax problem by contacting the Revenue Division at (816) 513-1120, going online to our Web site at www.kcmo.org or sending an email to revenue@kcmo.org.

Appeals and judicial review

If you disagree with us about the amount of your tax liability or certain collection actions, you have the right to ask the commissioner of revenue to review your case by sending your request in writing to City Hall. You also have the right to pay the liability under protest as provided for in Section 68-395(7) of the City Code of Ordinances.

Relief from penalties

The City may waive penalties where allowed by law under special circumstances. However, the City is not allowed to waive any interest due.

For general information ...

For information about a specific examination, contact the person named on the appointment letter.

Write us ...

Enclose a copy of your tax bill. Please print your name, social security number or taxpayer identification number and the tax form and period shown on your bill. Write us at the address shown on your tax bill.

Do you have questions or need help right away? Please call us at the City Manager's Action Center by dialing 3-1-1 from any telephone in Kansas City. We're here to help you.

Online ...

Our Web site is www.kcmo.org. There you'll find answers to frequently asked questions, online forms and searchable tax information.

In person ...

The Revenue Division is located on the 2nd Floor at City Hall, 414 E. 12th St., Kansas City, MO 64106, between Oak and Locust streets. Public parking is available.

Your return is going to be examined

Before the examination

We accept most taxpayers' returns as filed. If we inquire about your return or select it for examination, it does not suggest that you have done anything wrong. The inquiry or examination may or may not result in additional tax owed. We may close your case without change or you may receive a refund.

The process of selecting a return for examination usually begins in one of two ways. One way is to use computer programs to randomly select taxpayer returns for examination. Another way is to identify returns with information that falls outside certain parameters. The programs may be based on information returns, such as Forms 1099 or W-2, on studies of past examinations or on certain issues identified by other special projects.

What to do when you receive a tax bill in the mail from the City of Kansas City, Mo., Revenue Division

IF CORRECT	IF INCORRECT
pay the full amount now (call to discuss your payment options)	gather copies of the bill, any records tax returns and canceled checks

Contact us at (816) 513-1120, write or visit us at
City of Kansas Ctiy, Mo., Revenue Division
414 E. 12th St., 2nd Floor
Kansas City, MO 64106

Payment options are cash, check or credit

During the examination

Examinations by mail

Some examinations are conducted entirely by mail. If the examination is conducted by mail, you'll receive a letter from us asking for additional information about certain items shown on your return, such as income, expenses and itemized deductions. For this examination, you can:

1. Act on your own behalf
2. Have someone represent you in correspondence with us. This person must be an attorney, accountant, enrolled agent or the person who prepared the return and signed it as the preparer. If you choose to have someone represent you, you must furnish us with written authorization. Make this authorization on Form 1214-906, Power of Attorney.

Note: You may obtain any of the forms and publications referenced in this publication by calling (816) 513-1120.

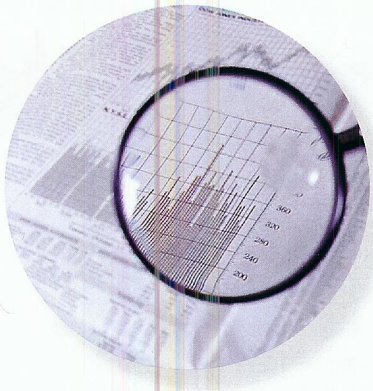
Examinations in person

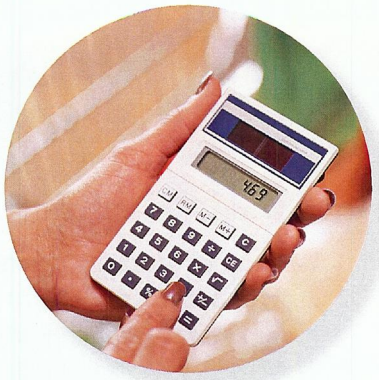
An examination conducted in person begins when we notify you that your return has been selected for audit. We'll tell you what information you need to provide at that time. If you gather the information before the examination, we may be able to complete it more easily and in a shorter amount of time.
If the examination is conducted in person, it can take place in your home, your place of business, a Revenue Division office or the office of your attorney, accountant or enrolled agent. If the time or place is not convenient for you, we will try to work out something more suitable. For this examination, you can:

1. Act on your own behalf. If you are acting on your own behalf, you may leave to consult with your representative. We will suspend the interview and reschedule the examination.
2. Have someone accompany you, either to support your position or to witness the proceedings.
3. Accompany someone who will represent you. This person must be an attorney, an accountant, an enrolled agent or the person who prepared the return and signed it as the preparer.
4. Have your representative act for you and not be present at the examination yourself. If you choose to have someone represent you in your absence, you must furnish us with written authorization. Make this authorization on Form 1214-906, Power of Attorney.

How to stop interest from accumulating

During your examination, if you think you will owe additional tax at the end of the examination, you can stop interest from accumulating by paying all or part of the amount you think you will owe. Interest will stop accumulating on the part you pay when the Revenue Division receives your money. Interest will be charged only on the tax that is unpaid on the date it assessed.





Consents to extend the statute of limitations

A return's statute of limitation generally limits the time we have to examine it and assess tax. Assessments of tax generally must be made within five years (three years for Convention & Tourism taxes) after a return is due. We can't assess additional tax or make a refund or credit (unless you filed a timely claim) after the statute of limitations has expired. Also, if you disagree with the results of the examination, you can't protest the items you disagree with unless sufficient time remains on the statute. Because of these restrictions, if there isn't much time remaining to examine your return, assess additional taxes and/or exercise your protest rights, you have the opportunity to extend the statute of limitations. This will allow you additional time to provide further documentation to support your position, request an appeal if you do not agree with our findings, or to claim a tax refund or credit. It also allows the Revenue Division time to complete the examination, make any additional assessment, if necessary, and provide sufficient time for processing. A written agreement between you and the Revenue Division to extend the statutory period of a tax return is called a "consent." Consents can be used for all types of tax.

Results of the examination

If we accept your return as filed, you will receive a letter stating that the auditor proposed no changes to your return. You should keep this letter with your tax records.

If we don't accept your return as filed, we will explain any proposed changes to you and your authorized representative. It is important that you understand the reasons for any proposed changes; don't hesitate to ask about anything that is unclear to you.

What to do if you agree or disagree with the examination process

If you agree

If you agree with a proposed increase to tax, you can sign an agreement form and pay any additional tax you may owe. You must pay interest and applicable penalties on any additional balance due. If you pay when you sign the agreement, interest is generally calculated from the due date of your return to the date of your payment.

If you do not pay the additional tax and interest, you will receive a bill. If you are entitled to a refund, you will receive it sooner if you sign the agreement form at the end of the examination. You will also be paid interest on the refund.

If you do not agree

If you do not agree with the proposed changes, the auditor will explain your protest rights. If your examination takes place in a Revenue Division office, you may request an immediate meeting with the auditor's supervisor to explain your situation. If an agreement is reached, your case will be closed.

If you cannot reach an agreement with the supervisor at this meeting, or if the examination took place outside a Revenue Division office or was conducted through correspondence with a Revenue Division employee, the auditor will prepare a report explaining your position and ours. The auditor will forward your case for processing. You will receive:

- A letter (known as a 30-day letter Notice of Assessment) notifying you of your rights to protest the proposed changes within 30 days, and
- A copy of the auditor's report explaining the proposed changes.

You generally have 30 days from the date of the 30-day letter to tell us whether you will accept the proposed changes or protest them. The letter will explain what steps you should take, depending on what action you choose. Be sure to follow the instructions carefully.

If you do not respond to the 30-day letter, we will send you a 10-day letter (known as a 10-day Notice of Assessment). This is a legal document that explains the proposed changes and the amount of the proposed tax increase. You will have 10 days from the date of this notice to respond. If you do not respond to the letter as instructed, you will receive a bill for the amount due.

Payment options

If you can't pay all that you owe now

If you can't pay all your taxes now, pay as much as you can. By paying now, you reduce the amount of interest and penalty you owe. Then immediately call, write or visit the Revnenue Division to explain your situation. After you explain your situation, we may ask you to fill out a Collection Information Statement. If you are contacting us by mail or by telephone, we will mail the statement to you to complete and return to us.

Payment by credit card

Individual taxpayers may make credit (and debit) card payments on tax liabilities. Payments may be made to the KCMO Treasury on the 1st floor of City Hall. Call us at (816) 513-1120 for further details.

You must contact us

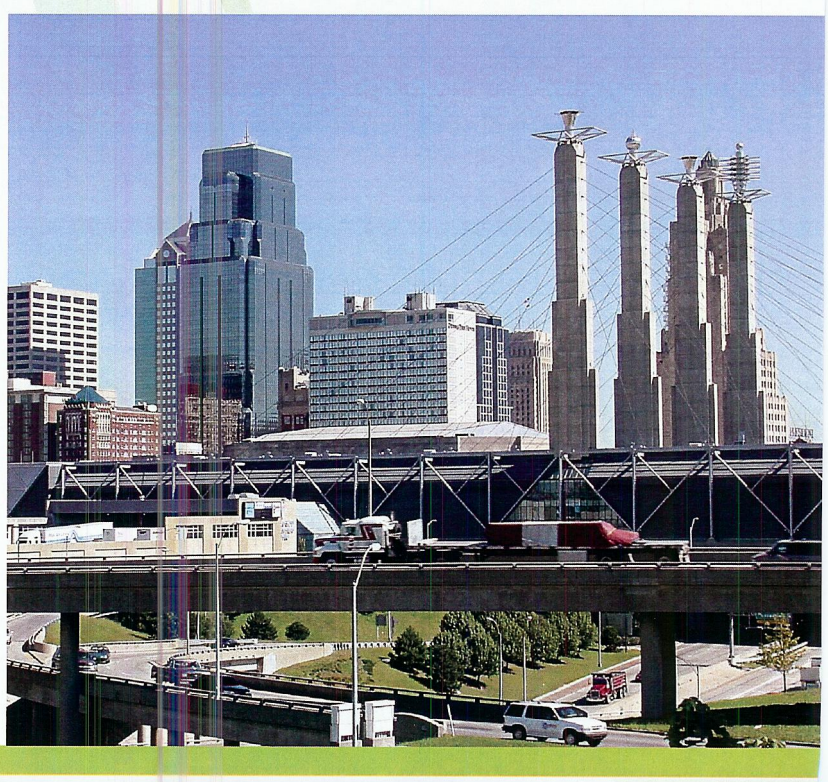
It is important that you contact us regarding any correspondence you receive from us. If you do not pay your bill or work out a payment plan, we are required by law to take further collection actions.

What if you believe your bill is wrong?

If you believe your bill is wrong, let us know as soon as possible. Call the number on your bill, write to the Revenue Division representative that sent you the bill, call us at (816) 513-1120, or visit the Revenue Division office at City Hall.

To help us correct the problem, gather a copy of the bill along with copies of any records, tax returns, and cancelled checks or other documentation that will help us understand why you believe your bill is in error.

If you write to us, tell us why you believe your bill is wrong. With your letter, include copies of all the documents you gathered to explain your case. Please do not send original documents. If we find you are correct, we will adjust your account and, if necessary, send you a corrected bill.



Privacy statement

We are obligated by law to keep your tax information confidential and to use it only to ensure that you pay the proper amount. When we ask you for information, we will explain our right to do so, why we are asking for it, and how it will be used.

Our legal right to information is found in the Code of General Ordinances, Article IV, Section 68-395 and the associated regulations. It says that you must file a return or statement with us for any tax for which you are liable. Your response is mandatory under these sections. The code states that you must show your social security number or individual taxpayer identification number on documents you file. You must also fill in all parts of the tax form that apply to you to ensure accurate identification and processing.

This notice applies to tax returns and any papers filed with them. It also applies to any questions we need to ask you so we can complete, correct, or process your return, figure your tax and collect tax, interest and/or penalties.

The City has an information sharing agreement with the Internal Revenue Service as allowed under the City Code of Ordinances. Information gathered from your City returns may be shared with the IRS. The IRS may also provide your federal return information to the City.

If you do not file a return, do not provide the information we ask for, or give fraudulent information, the law mandates that we charge you penalties. We may also disallow the exemptions, exclusions, credits, deductions or adjustments on your tax return. This could make your tax higher or delay any refund. Interest will also be charged.

Please keep this notice with your records for reference. If you have questions about the rules for filing and giving information, please call or visit the Revenue Division.

KANSAS CITY MISSOURI

Finance Department

Revenue Division

City Hall, second floor
414 E. 12th St.
Kansas City, MO 64106