



Michigan City Area Chamber of Commerce

A RESOLUTION OBJECTING TO A LAPORTE COUNTY PRACTICE OF CONTRACTING A PRIVATE COMPANY TO CONDUCT CONTINGENCY-BASED FEE AUDITING OF BUSINESS PERSONAL PROPERTY

WHEREAS the LaPorte County Board of Commissioners has entered into an agreement allowing Tax Management Associates (TMA), Inc. of Charlotte, NC to audit the personal property statements of approximately 500 LaPorte County businesses; and

WHEREAS LaPorte County will pay TMA 35 percent of “the taxes, penalties and interest collected for discoveries resulting from each audit performed by TMA;” and

WHEREAS the contingency fee payment system described above promotes overly aggressive auditing since TMA would only receive compensation through “discoveries” during taxpayers’ audits; and

WHEREAS the practices described above placed LaPorte County business owners in a defensive position, forcing them to spend time and money defending personal property tax filings;

NOW, THEREFORE, BE IT RESOLVED the Michigan City Area Chamber of Commerce believes that private companies should not be allowed to audit the personal property returns on a contingency fee basis, and furthermore, the business of auditing tax returns is and should be the business of state and local government.

Dated: May 16, 2001

Board of Directors of the Michigan City Area Chamber of Commerce

