

# Department of Revenue: Wisconsin Audit Initiative provides 12 to 1 Return on Investment

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The 2015-2017 biennial budget, Wisconsin Act 55, requires the Wisconsin Department of Revenue to annually report to the Joint Committee on Finance the actual or estimated amounts of state tax revenues generated by, and expenditures associated with, the additional full-time, audit-related positions created by Act 55. This year was a record year for the audit initiative. “The initiative, which primarily focuses on out-of-state audits and investigations of out-of-state companies generating revenue in the state, is greatly surpassing all expectations,” notes Wisconsin Department of Revenue Secretary Peter Barca.

The Act 55 goal for FY2019 was additional audit collections of \$82 million. Auditors and audit-related positions created by Act 55 generated \$159.9 million, with an additional \$857 million in assessments pending payment or appeal resolution as of June 30, 2019. The resulting return on investment is 11.8 to 1.

Secretary Barca is not surprised at the results noting that over the past few years, the audit initiative has continued to gain momentum. “Our auditors and support staff are extremely knowledgeable, focused and professional. Post-audit survey results indicate very high scores in these areas. Additionally, with each passing year, our auditors are getting savvier and more efficient with audit selections and digging deeper to find the results Wisconsin taxpayers deserve. Once we bring an out-of-state company into compliance, we will get the benefit of their ongoing compliance in future years too. “

Secretary Barca expects the audit initiative to continue providing real value to Wisconsin taxpayers. “Our goal is to ensure a level playing field for Wisconsin companies by making sure that their out-of-state competitors pay the taxes they owe. In the end, it’s about fairness and ensuring that Wisconsin businesses are not paying more than their fair share of taxes.”