

# LIRS introduces online meeting for tax audit reconciliation

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After the tax authority conducts an audit on business records, the next step is usually a tax audit reconciliation meeting. The purpose is to resolve any outstanding tax issues in a physical visit to the tax office. However, the COVID-19 impact has reduced the need for a face-to-face meeting, and tax authorities are gradually embracing the new normal too.

Lagos State Internal Revenue Service (LIRS) has released a Public Notice on the new procedures for online tax audit reconciliation meetings (TARC). Section 29 of the Finance Act 2019 also allows the electronic delivery of correspondences. The Notice contains the changes to the process for TARC meetings in response to the Covid-19 pandemic.

## Changes in the procedures for TARC meeting

Henceforth, the appropriate steps for TARC meeting are below:

1. Video-conferencing will be the default mode for TARC meetings, while the physical meeting will be an exception.
2. LIRS will create and host the virtual TARC meetings.
3. A taxpayer will provide documentary evidence in softcopies except in rare situations where LIRS may accept hard copies.
4. Taxpayers must support every issue with relevant documentary evidence. Non-compliance shall render the issue unresolved and dischargeable.
5. LIRS may request more documentation where the information provided is inadequate or insufficient.

## Basis for TARC meeting

TARC meetings may take place when or where:

- the position from the documents submitted conflicts or contradicts with the objection issues.
- findings from the field audit are significantly higher than the taxpayer's position
- LIRS deems it necessary

Furthermore, the taxpayer or representative must front-load all documents necessary to resolve objection issues to the LIRS at least 7 days before the TARC meeting. LIRS will not consider new documentary evidence submitted during the meeting except in an extra-ordinary occasion and at the discretion of the TARC Chairperson.

Taxpayers and other parties involved in the TARC process in Lagos State should take note of the recent guidelines.