

**MEMORANDUM**

TO: State Tax Administrators

FROM: Harley Duncan (FTA) and Joe Huddleston (MTC)

SUBJECT: FTA/MTC Statistical Sampling Workshop

DATE: July 10, 2006

SUMMARY

The Federation of Tax Administrators and the Multistate Tax Commission are hosting a Statistical Sampling Workshop October 15 - 18, 2006, at the Marriott Denver City Center in Denver, Colo. This workshop is intended to promote understanding among the states and industry on sampling procedures and issues.

A daily program is attached along with registration form. This information will also be posted to www.taxadmin.org and www.mtc.gov. Please check regularly for any updates. The hotel registration deadline is September 25. The meeting registration deadline is September 29.

Questions? Contact Harold Jennings at 256-852-8216 or hjennings@mtc.gov, or John Feldmann at 573-680-2880 or john.feldmann@taxadmin.org.

The Multistate Tax Commission (MTC) and the Federation of Tax Administrators (FTA) are jointly hosting a Statistical Sampling Workshop intended to promote understanding among the states and industry on statistical sampling and related issues. The Workshop is scheduled for October 15 – 18, 2006, at the Marriott Denver City Center in Denver, Colo. The Workshop will begin on Sunday with registration and will feature two full days of discussion conducted jointly with sampling experts, government and industry. It will end with a government-only session on Wednesday morning.

Features of the Statistical Sampling Workshop include:

- Open invitation to all taxing agencies – state and local
- Open invitation to industry
- Participation by leading experts in statistical sampling as it relates to auditing for tax compliance -- to include Dr. Don Roberts, Dr. Al Kvanli, Dr. Richard Kulp and Dr. Will Yancey
- Series of discussions on pre-selected topics with input from each of the experts
- Half-day government-only session to allow for further discussion of tax administration procedures

Meeting Agenda

A Workshop agenda is attached. All program changes and updates will be posted to the FTA website (www.taxadmin.org) and the MTC website (www.mtc.gov) as they occur.

Meeting Registration

Registration for the Statistical Sampling Workshop will be held on Sunday afternoon, Oct. 15, from 3 p.m. to 5 p.m. (You may also check in between 7:30 a.m. and 8:30 a.m. on Monday.) The program begins Monday at 8:30 a.m. and will conclude by noon on Wednesday.

There will be a reception with light snacks on Monday evening from 5:30 p.m. to 7 p.m. A continental breakfast will be available each morning. Attendees will be treated to a “table topic” lunch on Monday that will provide additional networking opportunities. While no evening activities are planned, there will be area maps and restaurant lists available at the registration desk. Dress for the symposium will be business casual.

Enclosed is the registration form for this meeting. **Please submit your registration by Sept. 29.** The workshop registration fee is:

\$300 government and industry (includes Monday lunch, Monday reception and continental breakfast each morning)

On-site NEW registrations must add a \$50 fee. Cancellations will be accepted without penalty if received by Oct. 1; after that date there will be a \$50 processing fee added (except for emergencies). We do not require that the payment accompany the registration form itself; it may be sent under separate cover, paid at the time of registration or invoiced.

Please refer your registration questions to Darrell Reeves at 202-624-5892 or darrell.reeves@taxadmin.org.

Please refer all other questions about the meeting to John Feldmann at 573-680-2880 or john.feldmann@taxadmin.org or Harold Jennings at 256-852-8216 or hjennings@mtc.gov.

Hotel Information

The Workshop will be held at the Marriott Denver City Center, 1701 California Street, Denver, Colo. The room rate is \$135 single or \$149 double, plus taxes. **The hotel deadline for reservations is Sept. 25.** For reservations call 1-800-444-2206 or 1-303-297-1300. Please tell the hotel that you are with the Federation of Tax Administrators.

FTA/MTC Statistical Sampling Workshop
October 15 – 18, 2006
Denver Marriott City Center
Preliminary agenda
See www.taxadmin.org and www.mtc.gov for updates

Sunday Oct. 15

3 - 5 p.m. Registration (Note: Networking reception will be on Monday)

Monday Oct. 16

8 - 8:30 a.m. **Continental Breakfast**

8:30 - 8:40 a.m. Welcome and opening comments
John Feldmann, Harold Jennings and Ed Phillips

8:40 - 8:50 a.m. Introduction of four guest speakers
Harold Jennings

8:50 - 9:20 a.m. Statistical sampling general overview
Dr. Don Roberts, Morning Panel Moderator: Ed Phillips

9:20 - 9:40 a.m. Comments from other guest statisticians

9:40 - 10 a.m. Open Discussion (by audience)

10 - 10:20 a.m. **Break**

10:20 - 10:50 a.m. Case study demonstration on population analysis including data screening and verifying completeness of electronic records
Dr. Will Yancey

10:50 - 11:10 a.m. Comments from other guest statisticians

11:10 - 11:30 a.m. Open Discussion (by audience)

11:30 a.m. - 1 p.m. **Table Topics Luncheon (provided)**

- 1 - 1:30 p.m. Selecting a representative sample and the importance of narrowing the sampling frame to taxable items of interest
Dr. Al Kvanli, Afternoon Panel Moderator: Harold Jennings
- 1:30 - 1:50 p.m. Comments from other guest statisticians
- 1:50 - 2:10 p.m. Open Discussion (by audience)
- 2:10 - 2:40 p.m. Determining an adequate sample size in conjunction with establishing precision and confidence
Dr. Richard Kulp
- 2:40 - 3 p.m. Comments from other guest statisticians
- 3 - 3:20 p.m. **Break**
- 3:20 - 3:40 p.m. Open Discussion on previous topic (by audience)
- 3:40 - 4:10 p.m. How to handle negative or credit transactions within statistical sampling audits
Dr. Don Roberts and Dr. Will Yancey
- 4:10 - 4:30 p.m. Comments from other guest statisticians
- 4:30 - 5 p.m. Open Discussion (by audience)
- 5:30 - 7 p.m. **Networking reception with light hors d'oeuvres**

Tuesday Oct. 17

- 8 - 8:30 a.m. **Continental Breakfast**
- 8:30 - 9 a.m. Can anything be done to correct a poorly designed sampling frame that renders poor precision and unreliable results?
Morning Panel Moderator: Ed Phillips; Dr. Al Kvanli
- 9:50 - 10:10 a.m. **Break**
- 10:10 - 10:40 a.m. Continuation of the case study to illustrate alternative methods to stratify a sampling frame
Dr. Will Yancey
- 10:40 - 11 a.m. Comments from our other Guest Statisticians
- 11 - 11:30 a.m. Open Discussion (by audience)
- 11:30 a.m. - 1 p.m. **Lunch (on your own)**
- 1 - 1:30 p.m. Viable options to allocate the results of the statistical sample to portions applicable to local tax jurisdictions or department budgets
Dr. Richard Kulp, Afternoon Panel Moderator: Harold Jennings
- 1:30 - 1:50 p.m. Comments from other guest statisticians
- 1:50 - 2:20 p.m. Open Discussion (by audience)
- 2:20 - 2:40 p.m. **Break**
- 2:40 - 4:10 p.m. Empirical Likelihood as an alternative method for evaluating the results of simple and stratified samples
Dr. Al Kvanli and Richard Kulp
- 4:10 - 4:30 p.m. Comments from other guest statisticians and open audience discussion
- 4:30 - 5 p.m. Open Forum: Ask the Experts
(audience can address any non-agenda question to any or all panelists)
Dr. Don Roberts, Dr. Al Kvanli and Dr. Richard Kulp

Wednesday Oct. 18
(Closed Session - Open only to government)

8 - 8:30 a.m.	Continental Breakfast
8:30 - 10 a.m.	Open forum discussion between the states on their sampling policies and procedures <i>Morning Panel Moderator: John Feldmann</i>
10 - 10:20 a.m.	Break
10:20 - 10:50 a.m.	Open forum discussion on the value of Computer Audit Specialist (CAS) training
11 a.m. - Noon	Open Forum: Ask the Experts (Audience can address any other questions to any or all panelists.)
Noon	Adjournment

**FTA/MTC Statistical Sampling Workshop
October 15 - 18, 2006
Denver, Colorado**

Name _____
Title _____
Agency/Company _____
Address _____
City _____ State _____ Zip _____
Telephone _____ Fax _____
E-mail _____

To help us plan, please note if you expect to attend:

Monday lunch Monday reception

REGISTRATION: _____ **\$300** for both government and industry representatives. (Includes Monday lunch, Monday reception and continental breakfast each morning)

- Payment will be made at workshop registration
- Payment will be made by voucher/purchase order
- Please invoice
- Check is enclosed
- Please charge:
 VISA MasterCard American Express

Name as it appears on card _____

Account Number _____

Expiration Date _____ Signature _____

WORKSHOP REGISTRATION DEADLINE IS SEPT. 29
An additional \$50 fee is assessed for all on-site registrants who have not
notified FTA in advance of their intent to attend.
Cancellations after Oct. 1 will incur a \$50 fee (except for emergencies).

Please make checks payable to: Federation of Tax Administrators
Note on the check that payment is for: *STATISTICAL SAMPLING WORKSHOP*
Our Federal ID # is: 36-2327263
Fax to 202- 624-7888 or mail this form to:
Federation of Tax Administrators
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Washington, DC 20001