

**MODIFICATION TO INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE STATE OF ARIZONA AND CITY/TOWN**

WHEREAS, The Arizona Department of Revenue, hereinafter referred to as Department of Revenue and City/Town of Mesa, hereinafter referred to as City/Town, have entered into an Intergovernmental Agreement regarding the administration of taxes imposed by the State or City/Town dated May 5, 2008, hereinafter referred to as the IGA, and

WHEREAS, The Arizona Legislature has enacted legislation amending the provisions of A.R.S. § 42-6001 et seq. that take effect January 1, 2015, and

WHEREAS, the Department of Revenue and the City/Town are negotiating a comprehensive intergovernmental agreement in accordance with the modified statutory provisions and enter into this modification to the IGA in order to provide an interim method for disclosure of information and audit until the comprehensive agreement is completed and executed.

The parties agree to modify the IGA as follows effective January 1, 2015:

1. Additional Disclosure of Information by Department of Revenue to City/Town.

In addition to the information set forth in the IGA, and subject to the same constraints outlined in the IGA, the Department of Revenue shall provide to the City/Town information relating to transaction privilege tax, use tax, severance tax, jet fuel excise and use tax and any other tax collected by the Department of Revenue on behalf of any jurisdiction if the information relates to a taxpayer who is or may be taxable by a county, city or town or who may be subject to audit by the Department of Revenue pursuant to A.R.S. § 42-6002.

2. Audits. The Department of Revenue shall administer the audit functions for the City/Town's taxpayers in accordance with the following provisions.

2.1 Standards: All audits shall be conducted in accordance with standard audit procedures defined in the Department of Revenue audit manual.

2.2 Training: All auditors shall be trained in accordance with the policies of the Department of Revenue.

2.3 Conflict of Interest: An auditor that is trained and authorized to conduct an audit may not represent any taxpayer in any tax matter.

2.4 Single City or Town Audits: City/Town may conduct an audit of a taxpayer that is engaged in business only in City/Town. Before commencing such audit, City/Town shall notify the Department of Revenue.

2.5 Other Audits: The Department of Revenue shall conduct all audits of taxpayers that have locations in two or more cities or towns unless the Department of Revenue expressly authorizes City/Town to conduct such an audit.

2.6 Jurisdictions Included in Audit: All audits shall include all taxing jurisdictions in this State regardless of which jurisdiction conducts the audit.

2.7 Assessments: The Department of Revenue shall issue all audit assessments on behalf of all taxing jurisdictions in a single notice to the taxpayer.

2.8 Appeals: Appeals of audit assessments shall be directed to the Department of Revenue and shall be administered pursuant to A.R.S. § 42-1251 et seq.

2.9 Notice: The Department of Revenue shall notify City/Town before entering into any compromise, closing, settlement or other agreement with a person related to the tax levied and imposed by the City/Town.

3. Merger. All other terms of the IGA not in conflict with this Modification or the statutory amendments remain in full force and effect until the IGA is terminated.

4. Non-Waiver. The signing of this Modification shall not serve as a waiver by either City/Town or Department of Revenue of any of its rights, remedies, powers, and privileges it otherwise has.

5. Signature Authority.

5.1 By signing below, the signer certifies that he or she has the authority to enter into this Agreement and has read the foregoing and agrees to accept the provisions herein.

5.2 This Intergovernmental Agreement may be executed in counterpart.

Signature	Date	Signature	Date
		Christopher Brady, City Manager	
Typed Name and Title		Typed Name and Title	
		City of Mesa	
Entity Name		Entity Name	
RESERVED FOR THE ATTORNEY GENERAL:		RESERVED FOR CITY/TOWN ATTORNEY:	
Attorney General no. _____, which is an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952 by the undersigned Assistant Attorney General who has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Arizona Department of Revenue represented by the Attorney General.		APPROVED AS TO FORM AND AUTHORITY:	
		BY: _____	
		CITY/TOWN ATTORNEY	
		Date: _____	
TOM HORNE The Attorney General			
_____ Signature Assistant Attorney General			
Date: _____			