The importance of obtaining as much information as possible on the first contact cannot be over emphasized. Obviously, this information will be the best basis for any proposed assessment. If, however, the taxpayer refuses to provide any information, there are many sources available to you. These sources are outlined in the following paragraphs.

EMPLOYMENT TAX RETURNS

To complete employment tax returns, (Forms 940, 941, 942, 943, and CT-1) the most important information you must find is the correct amount of wages paid. Without payroll records, you may need to estimate the payroll. On your visit to the taxpayer's business, you should ask, observe and make note of:

1. The number of employees

2. An acceptable wage for the work being done

3. The number of hours the employees work (do they work overtime)?

4. Whether the business has expanded in the last year

5. Whether the taxpayer changed operations recently

6. Ask to see copies of any employment tax returns or income tax returns.

If you cannot determine payroll from the taxpayer's records or estimate the payroll from your observations and some related questions, look for other records. The income tax return (FORMS 1120, 1065 and 1040 Schedule C) may show salary and wage expense, the last filed employment tax returns may show a typical payroll, or the state unemployment return may show wages paid by the employer for the period. The taxpayer may tell you the accountant has all the records. You should ask for the accountant's name, address and phone number. Also ask the taxpayer to give you a written statement giving you permission to discuss the tax delinquency with the accountant.

Sometimes you can't get sufficient information from the taxpayer or the accountant. When that happens there are other sources. Some of these sources are listed below:

1. The LRA on the TDI

2. Microfilm for prior returns from the Service Center

3. Copies of prior returns from the Service Center