



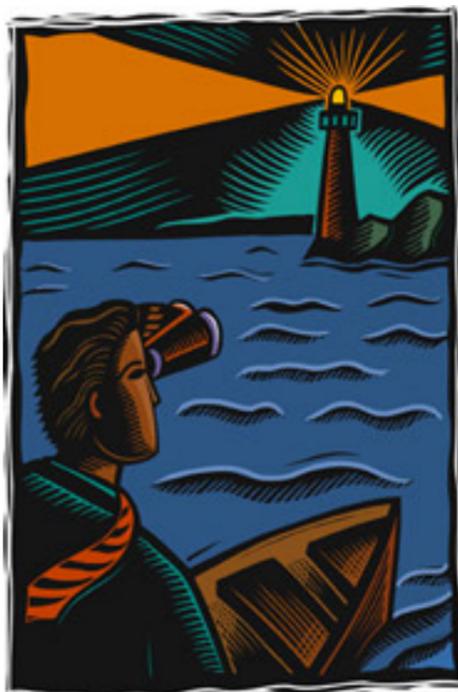
[ABOUT US](#) [WHAT IS SALES TAX](#) [HOW WE WORK](#) [SEMINARS](#) [NEWS](#) [CASE STUDIES](#) [MEDIA COVERAGE](#)

Don't Let NY Sink Your Ship

"Sales Tax" is a term everyone knows and one that is becoming increasingly important to business owners and professionals alike. However, most people don't know its evil twin "use tax". Use tax (also commonly referred to as a "compensating use tax") is a tax you **MUST** self-assess at the same rate as the sales tax on taxable purchases where sales tax was not charged or paid.

That's right... if you're not charged sales tax, even if the purchase is from out-of-state, New York State still gets its money by making you tax yourself at the proper sales tax rate on a normally taxable item or service.

One of the biggest issues with use tax is lack of knowledge. Many business owners and professionals are unaware that use tax even exists. For the ones that do know, they are unsure of which items are purchases subject to use tax, when sales tax is not charged. If a business was supposed to have paid tax on a purchase but didn't, they can be assessed use tax whether or not they knew the tax was due.



Common items that New York State looks for use tax on are cars, boats, and planes that are purchased in other states, and brought into New York.

There are many approaches businesses take to account for use tax. Some businesses try to self-assess a minimal amount of use tax with every return figuring that they owe at least some unpaid sales tax, and some businesses try to ignore use tax altogether. However, the only correct approach is to determine which items are taxable, which items the business is currently paying tax on, and determine how much, if any, use tax should be self-assessed. Sales Tax Defense LLC provides Use Tax Operational Reviews whereby we can help you determine if any use tax is due providing you valuable tax assistance and invaluable peace of mind.

Success Stories

A Taxpayer was recently assessed almost \$50,000 in use tax, interest, and penalties on a boat that was purchased out of state many years ago. Even without the Bill of Sale, Sales Tax Defense LLC was able to have that amount reduced through research and hard-fought negotiations with New York State Department of Taxation. The assessment was reduced to approximately \$22,000 in tax and interest; all penalties were abated. **Saving the client almost \$28,000!**

Similarly, Sales Tax Defense was able to have a use tax assessment stemming from the purchase of another boat reduced from approximately \$40,000 in tax, interest, and penalties reduced to approximately \$6,500 in tax and interest; again, all penalties were abated. **A savings of \$34,500!**

PLEASE REMEMBER THAT JUST BECAUSE YOU RECEIVE A TAX NOTICE FROM THE GOVERNMENT, IT DOES **NOT** MEAN THAT IT IS CORRECT OR THAT THE MONEY IS LEGALLY DUE!

About Us

We are a dedicated team of sales and use tax professionals who have committed our careers to helping businesses and fellow professionals with sales and use tax problems. Since the only work we are focused on is sales tax consulting, businesses never have to be concerned that we will try to sell them other services they do not need. And professionals never have to be concerned with us encroaching on their client relationships, because we view you, our fellow professional, as our client.

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