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When you have a sales tax problem,
we are the solution!

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March Madness: NY Taxing Authorities Go Insane

Recently we have seen that New York State is not only stepping up the number of sales and use tax audits it is conducting, but it is also becoming much stricter with its approach and interpretation of its policies...leading to what many clients think is outright insanity...

For example, companies that are required to collect sales tax from its customers must register as a vendor with New York State and obtain a certificate of authority. The certificate of authority is renewed approximately every five years. However, the State is refusing to renew the certificate if the company or one of its officers or owners has an unpaid tax liability. This tax liability may consist of sales tax, income tax, payroll tax, etc. The State wants the tax liability paid before it will renew the certificate. Without a certificate, the company cannot conduct business. Without the ability to conduct business, the company and its officers/owners are not bringing in income. Without income, the company cannot pay the tax liability in order to renew the certificate of authority in the first place. Some might think this is insane...



Another example of New York's current behavior involves a 20 year statute of limitations. The law reads that the State has a 20 year time limit to collect on a warrant or a final assessment issued against a taxpayer. Once the 20 years has lapsed, the assessment is still outstanding but the State cannot take any kind of collection action. However, the State will not put in writing or make any official guarantee that once the statute of limitations has expired, no collection action will be taken. But this is the law. Additionally, we have had some clients offer to pay part of a completely uncollectable assessment to settle it in full, but the state has refused to settle the uncollectable assessment for less than full payment. Some might think this is insane....

Finally, with New York State, in some cases not even death is sufficient cause to abate penalties or forgive tax liabilities. A company's controller was in charge of filing all returns. He passed away (after losing a two year fight with cancer) shortly before the sales tax return was due to the State. As a result, the sales tax return was filed late. The State refused to abate penalties or reduce interest. To New York, death was not considered sufficient cause. Even after death, the State will chase a taxpayer's estate for unpaid sales tax. There is no rest for the deceased. Some might think this is insane.....

These are all actual client examples of situations we are currently helping to resolve. The best advice we can give you is understand the tax collection and record keeping requirements the law imposed on you and your business. Please don't be insane, if you have a question please call us before the tax man calls you. *An ounce of prevention is worth a pound of cure...*

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Success Stories

The New York State Department of Taxation and Finance recently conducted a Penalty and Interest Discount ("P.A.I.D") Program to help Taxpayers resolve their tax liabilities at a discounted rate. Under the P.A.I.D. Program, depending on how old the assessment was, it could be eligible for a 50% to 80% discount on penalties and interest connected to a liability.

An individual who was being held as a Responsible Person for a sales tax liability engaged our firm to assist her. While her liabilities were not eligible for the P.A.I.D. Program, we were able to show the Department that the company's underlying liability was eligible for the program. Using the P.A.I.D. program, we satisfied her personal liabilities through the business.

**THIS APPROACH
RESULTED IN A SAVINGS
OF OVER \$40,000!**

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.