



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

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## Forget Daylight Savings Time. It's Shopping Spree Time!

Dust off those credit cards, cash in those bonds and lower those IRA contributions, it's time to shop again! The New York State sales tax exemption on certain clothing is making a come back.



Effective April 1, 2012, certain clothing, footwear and items used to make or repair clothing sold for less than \$110 per item or pair will be exempt from the 4% New York State sales tax.

With many counties also providing this exemption, it's once again less expensive to "get your shop on" as the kids would say. New York City - where seemingly everything including cab rides and hair cuts are subject to sales tax - will also be providing this exemption. Unfortunately, counties like Suffolk County and Nassau County will not be providing this exemption so check with your sales tax adviser (yes, you should have one and yes, we believe it should be us) to see which counties are providing this exemption before mortgaging the house to take advantage of it.

Many of you may remember this type of exemption from the pre-economic downturn days. It was eliminated in 2010 and partially revived in 2011. Now it's back with a vengeance.

It's not all sunshine though. In addition to items or pairs of items costing \$110 or more, certain items are not included in this exemption. Don't buy your Halloween costume thinking the exemption applies because the exemption doesn't apply. Don't try out for the Olympics either thinking the athletic equipment was going to be exempt from sales tax because it doesn't qualify for the exemption. And don't rent tuxedos to crash weddings thinking they're not subject to sales tax because rented formal wear doesn't qualify for the exemption either.

Get out there and shop because frankly, it seems the economy needs you.



### Success Story Mark-ups, Mark-ups, Mark-ups

A gas station was audited and as is often the case with gas stations, the audit was conducted long-distance with the New York State Department of Taxation & Finances Buffalo District Office. When Sales Tax Defense LLC was engaged to represent the business, the auditor was seeking to assess over \$100,000 in tax, which became \$200,000 when penalties and interest were added.

Almost the entire assessment stemmed from the business's convenience store. Failing to maintain adequate books and records, the auditor requested purchase information from third party vendors and calculated his own mark-up percentage.

Sales Tax Defense LLC completed its own mark-up percentage from a different quarter - accounting for tax included in the purchase price of cigarettes, the business's changing product mix and the volume of sales for each product included in the mark-up. By coming up with a more accurate mark-up and working to have penalties abated, the total tax assessment was REDUCED BY OVER \$125,000!

### About Us

We are a dedicated team of tax professionals who have committed our careers to helping businesses and fellow professionals with tax problems. Since the only work we are focused on is solving tax problems, 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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