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

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[HOW WE WORK](#)
[SEMINARS](#)
[NEWS](#)
[CASE STUDIES](#)
[MEDIA COVERAGE](#)

New York State Goes Fishing

Has your company received a visitor asking about your certificate of authority? Have you received a letter in the mail asking your company to volunteer its records? If so, do not be surprised. With New York State's increasing deficit, the Tax Department is "fishing" for companies that owe it money.

The Tax Department recently spent 10 million dollars on high tech computer equipment and a data mining system to perform financial analysis and search for abnormalities in Taxpayer's reporting. With this equipment, the Tax Department analyzes companies' reporting and uses it to determine who to audit.



However, the Tax Department's fishing expedition does not simply stop with computers. The Tax Department will also make unannounced visits to stores. Representatives will check the store's certificate of authority, make note of the number of employees, and even go so far as to ask an employee specific questions about operations. If any of this information does not appear correct or does not correspond with its reporting, the store will be sure to receive either a bill or notification that it is under audit.

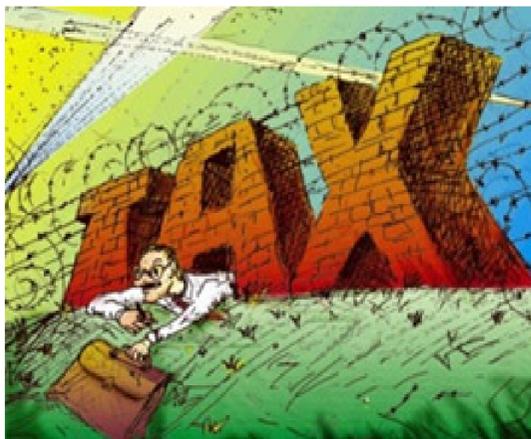
The Tax Department has sent out letters to companies stating that the company may have miscalculated its taxes. If the company would like to send in its bank statements, the State will be more than happy to do the calculations for the company.

Prior officers have received letters concerning companies that have been closed for years or even decades. These letters ask the previous officers to remit tax that the State may not take legal action to collect.

When contractors claim a credit on their income tax returns for taxes paid on materials, the Tax Department will closely scrutinize the return. As a result, contractors will sometimes get a letter requiring them to substantiate their credits. This sometimes leads to an audit.

The Tax Department is going door to door, scrutinizing return after return, and looking for companies to audit and areas in which to bring in revenue. If you receive requests from the Tax Department for information or documentation, contact us so that we may advise you on the appropriate action to take.

In honor of the Tax Department's fishing expedition, we will be purchasing our own beta fish that will reside in our office. We are asking our readers to submit names for our fish. The reader who submits the name we choose will win a \$100 gift certificate to one of our favorite restaurants! The winner (with their permission) and the chosen name will be announced in our next newsletter. Submit your entry to info@SalesTaxDefense.com.



Success Stories

An assessment of over \$60,000 reduced to ZERO!

Despite only being assessed for 5 sales and use tax quarters in an audit, a local bar/restaurant was assessed over \$60,000 in tax, interest, and penalties.

The Department used external indices to estimate the company's sales based on the company's reported cost of goods sold. The estimated sales were then compared to the reported sales and tax was assessed on the difference. The Department also refused to abate the penalties issued in connection with the assessment. The Department appeared unwilling to continue to work with the company and it appeared that the assessment would have to be resolved at a hearing. Accordingly we timely filed for a hearing before The Bureau of Conciliation and Mediation Services.

Sales Tax Defense LLC worked with the company to obtain the necessary sales information and other related documentation. Through numerous discussions, letters, exhibits, and arguments we were able to show the Department that sales were not underreported. Given the additional documentation and our client's record keeping, the Department agreed that no tax was due thereby reducing the total assessment amount to zero – prior to the hearing date!

At Sales Tax Defense LLC we specialize in working with you, your business and your accountant or attorney to resolve your tax problem. In addition to helping resolve the problem at hand we also make recommendations that should help prevent similar problems from arising in the future. While we understand that the Sales and Use Tax Law is extremely complex and many people make mistakes while trying to follow the law, we believe it is incredibly important to try to prevent future mistakes from occurring so that one never has the same problem again.

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.