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

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ABOUT US

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Information Comes at a Price

Information is a commodity and even New York State recognizes the value of it. For years, selling certain information has been subject to sales tax. However, many people are unaware of this specific tax rule and they may be inadvertently failing to pay tax when it's legally due.

Last month the Tax Department issued a memorandum (TSB-M-10(7)s) explaining the type of information services that are subject to sales tax. When there is a charge to collect, compile, or analyze any information which is detailed in a report, then that charge is subject to sales tax. When information is provided or delivered by telephone or other electronic means such as through 800 or 900 numbers, mass announcement services, or interactive information network services, then sales tax must be paid.



However, the Tax Department does not tax all types of information services. Information and analysis that are personal and individual in nature and not incorporated into reports that are provided to others are not usually taxable. Advertising and services used by newspapers, radios, and television to collect and broadcast news would also be free from sales tax.

The taxability of information services is among the most confusing and (in our opinion) some of the most poorly written sales and use tax laws. By issuing an updated memorandum on the taxability of information services we believe that the NYS Tax Department plans on increasing audit activity on both the providers and consumers of information services.

Unless you are 100% certain that these rules do not apply to you, we strongly recommend that you review what your Company charges sales tax on, and what it pays use tax on. And please remember we are here to help you BEFORE the tax auditor knocks at your door!

Reference:

http://www.tax.state.ny.us/pdf/memos/sales/m10_7s.pdf

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 misinterpret the regulations 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.

Success Stories

Helping Accountants Help Their Clients!

A business was referred by their new accountant to Sales Tax Defense to represent the company during its sales and use tax audit.

While reviewing the business's records, Sales Tax Defense discovered the owner had never filed prior years' income tax returns. After referring the matter back to the accountant, he prepared the prior returns and requested that Sales Tax Defense attempt to resolve the matter without the company incurring penalties. Through the New York State Voluntary Disclosure Program, the business only paid the additional income tax plus simple interest – penalties were abated and more importantly the State agreed to forgo any criminal charges for the failure to file (for over 26 years.)

However, while New York State was processing the Voluntary Disclosure, the State made an error. New York State issued erroneous notices showing an incorrect amount due. Sales Tax Defense was able to have the notices quickly corrected and reissued showing the proper amount due.

Not only was Sales Tax Defense able to assist a business during the ongoing sales and use tax audit, they were able to provide additional help to the accountant by resolving the issue of unfiled returns without any penalties!

IF YOU HAVE A NEW YORK STATE TAX PROBLEM, whether it is unfiled returns, money due the state, an impending tax hearing or a SALES AND USE TAX AUDIT. We are here to help you and your professional team resolve the matter as quickly and as cost effectively as possible.

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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