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

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June 2013

June is Graduation Month! Heck Yeah!

Graduations mark the end of one chapter and the beginning of another. It's a turning point whereby a new level has been realized. We'd like to take this opportunity to congratulate everyone's family and friends who have graduated and encourage them to continue achieving their goals.



Here at Sales Tax Defense LLC we are often recognizing a different kind of graduation for our clients: Completing their sales and use tax audit, especially first time audits. It's not met with the excitement of graduating from an academic institution (unless the audit resulted in a no change because then it's time to party!) but it's important to remember that you've went through the process and have reached a new stage in your sales and use tax life.

Putting together documentation for the audit can be exhausting, discussing the taxability of sales can be confusing, and the entire audit process can be worrisome. Unfortunately, an audit can also lead to an assessment. But you can't change the past so it's important to learn from mistakes made pre-graduation and correct those mistakes post-graduation.

Probably the most common lesson to apply post-graduation is in regards to recordkeeping. If you've been audited, you've learned where the flaws in your recordkeeping are, if any, and the solution is usually rather straightforward (e.g., keep register tapes, keep purchase invoices, etc.) Keeping the correct records will also help prevent penalties from being issued on a potential next audit.

Another common lesson to apply post-graduation is charging sales tax correctly on transactions. If you've been audited, an auditor has determined whether they believe certain transactions are subject to sales tax. If you owed tax, you probably lost the argument about the transaction's taxability. You should start taxing those transactions going forward so you won't be assessed on those transactions on a potential next audit. After all, ignorance is no excuse when it comes to sales tax even prior to a first audit.

The last lesson is that if you've been audited and an assessment was issued, you're on the radar. The taxing authority that audited you has reviewed your reporting, they know whether or not you are in full compliance and they want you to correct any errors you may have made. If you were assessed, there's no reason to believe that the taxing authority won't audit you again. Be prepared.

Let Sales Tax Defense LLC help you make sure your sales tax graduation is a celebration instead of a lesson learned the hard way.



Success Story

Hi Mark... Thanks for getting back to me... As of this most recent pay week John's wages are no longer being garnished. I had forwarded the two release of income execution letters that we had received to his payroll department and they confirmed receipt of them and also stopped the garnishment. NYS received two pay periods of garnishment beyond the date that they were supposed to collect. I drafted a letter to them and have attached it for your file. I am in receipt of your final bill in the sum of \$537.50 which I will be forwarding to you at the end of this pay week.

We cannot thank you enough for all that you have done for us. Had we not come into see you, NYS would have continued garnishing his wages until the end of time I am more than sure... Your agency and all of the employees whom we have had the pleasuring of working with, in particular Joe, are all outstanding. Again thank you so much... You will never know how much we appreciate it.

Sincerely,
Jane & John Smith*

*names changed to protect their confidentiality

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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