



CONNECTICUT COMPUTER & DATA PROCESSING SERVICES



There are a lot of misconceptions in the world. As it turns out, the Great Wall of China is not visible from the moon, Marie Antoinette probably never said "let them eat cake" and strawberries are not actually berries (they are an aggregate fruit, which is a fruit that forms from a flower with multiple ovaries. Berries come from flowers with only one ovary, which technically means grapes are berries).

Another misconception: Jurisdictions only have 1 sales tax rate.

Take Connecticut's special tax rate for computer and data processing services, for example. While the standard tax rate is currently 6.35%, the special rate for computer and data processing services is currently only 1%. There is no shortage of speculation as to why this unusual situation exists – the most common theory is that there was intense lobbying by insurance companies who didn't want to pay the full sales tax rate of data processing – but regardless of why it exists, it does exist.

So what does this mean? It means that, in Connecticut, amongst other things, programming, code writing, the modification of existing programs, feasibility studies and the installation and implementation of software programs and systems even where such services are rendered in connection with the development, creation or production of canned or custom software or the license of custom software are all USUALLY subject to sales tax but at the special rate, not the full rate. The mistake of charging the full tax rate can lead to collecting 5.35% more sales tax than the law mandates.

5.35% can be a substantial sum. If you are a vendor of computer and data processing services, it could cause you to lose a potential job since your fee is too high. If you are a business buying those services, it can negatively impact your bottom line.

Or, if you overpaid sales tax and would like to request a refund, it's a chance for you to see Sales Tax Defense LLC in action by engaging us to handle the matter... did you know that we often complete refund claims on a contingent fee?

If we can help you with Connecticut sales tax (regular or special) or any other state or local tax, contact us!

PROACTIVE TAX RESEARCH



We recently had a client that was planning a major expansion. However, they had not been charging tax on many of their product lines. They had two concerns. First, that they had a substantial potential liability for not collecting tax. Secondly, that they wanted to make sure that they charged sales tax correctly on a go forward basis.

We researched the New York and California sales tax laws for them. We determined that they were charging tax correctly on 16 out of 18 product lines. They immediately corrected their mistake and began charging the correct tax.

Since they only had a minor liability, they went ahead and committed substantial capital to their expansion. We are pleased to report that they have now opened a distribution center in a third state, and that they are well on their way to being a household name.

ABOUT OUR FIRM



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.

WHEN YOU HAVE A SALES TAX PROBLEM, WE ARE THE SOLUTION!

CALL: **631-491-1500**

CONTACT US!

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“Mark Stone is the Babe Ruth of NYS sales tax info #LITPS”

-Tweeted by Anthony Lauro

MORE TESTIMONIALS

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