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631-491-1500

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IS A BCMS CONCILIATION CONFERENCE A KANGAROO COURT?

Attending a Conciliation Conference with the New York State Department of Taxation & Finance Bureau of Conciliation and Mediation Services is often the first legal protest of a potential assessment. If someone disagrees with an auditor's findings but doesn't want to go all the way to tax court, this is considered the best option. But is it a valid option?

New York State describes a Conciliation Conference as a "rapid and inexpensive way to resolve protests without a formal hearing. The conference is conducted informally by a conciliation conferee who will review all of the evidence presented to determine a fair result."

Yes, in almost every case, a Conciliation Conference leads to a faster outcome than a Tax Court proceeding since it is usually scheduled within a few months of your request and usually resolved at the Conciliation Conference itself or



shortly thereafter. And yes, in almost every case, a Conciliation Conference is less expensive than a Tax Court Proceeding as it does not require detailed briefs, pre-hearing conference calls or days spent in court which can cost tens-of-thousands of dollars in professional fees.

Another benefit is that if you do not like the outcome of the Conciliation Conference, you can still pursue a Tax Court proceeding with either the original assessment or a lesser assessment (at a Conciliation Conference, the potential assessment cannot be increased outside of the accrual of interest/penalties).

However, whether a Conciliation Conference provides an opportunity for a "fair result" is a little less clear.

First and foremost, the Conciliation Conferee hearing the case is a New York State Tax Department employee. New York State signs his/her checks. Both the Conferee's and the auditor's emails end with @tax.ny.gov. If you go up the ladder high enough, they both answer to the same person and they both know that. Furthermore, the Conferee is usually an ex-auditor. Do you think an ex-auditor is more likely to agree with an auditor's perspective or a taxpayer's perspective? Is it possible that this dynamic of using ex-auditors who are New York State employees creates a bias that even the most well-intentioned Conciliation Conferee is unaware of?

If you've attended enough of these hearings, you've probably heard a Conciliation Conferee say, "Well, the auditor needs to talk to his/her supervisor to see if that's something they'll agree to" or "I need to see if the audit division will agree to that before I can issue that." Does asking the audit division for their approval sound fair to you? What about attending a Conciliation Conference where an auditor's manager attends it and decides after a while that he doesn't agree with your position, packs up and leaves before the Conciliation Conferee concludes the hearing? A judge would never allow that.

Don't misunderstand... there are plenty of hard-working, intelligent, honest Conciliation Conferees working to achieve a fair result in good faith. And many, many, many cases have been settled at Conciliation Conferences. But before you believe any propaganda, remember the potential lack of independence and potential bias that can exist. And remember that there are professionals that have dedicated their careers to helping you navigate through these situations.

Friends & Referrals:

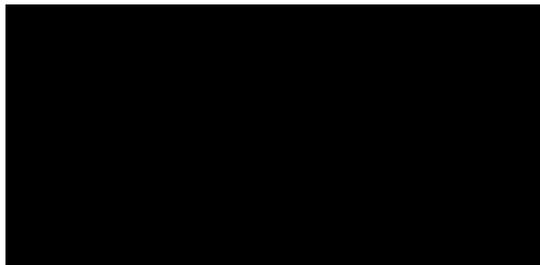


We know how important it is to connect to the right professionals. This year we'd like to help our friends find the connections that really matter.

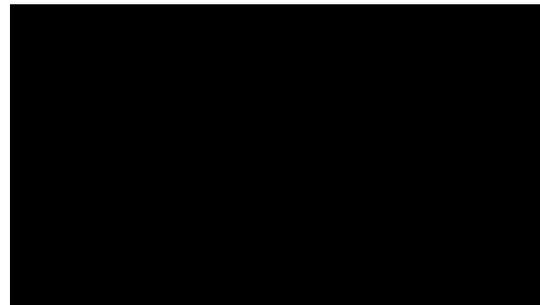
This month we are looking to refer a friend of the firm to a CPA firm who works with unions. If you would like to connect please contact Mark L. Stone directly at:
mstone@salestaxdefense.com

If we can help you connect with someone please let us know!

DOUBLE OFFER-IN-COMPROMISE SUCCESS X2!



ABOUT OUR FIRM





A client came to Sales Tax Defense LLC with a New York State liability stemming from a Company that is no longer operating. The total NYS tax liability was approximately \$345,000. Tax Defense filed an Offer-In-Compromise with the state and reached a settlement of \$10,000! That is a settlement of less than \$0.03 on the dollar!

In addition to the liability with New York State, the same client also had a liability with the Internal Revenue Service. The liability with the IRS totaled approximately \$175,000. After several negotiations, Tax Defense was able to reach a settlement of \$4,899.00 to settle the tax debts owed to the IRS! That is a settlement of less than \$0.03 on the dollar!



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.

BOTH CASES SETTLED FOR LESS
THAN \$0.03 ON THE DOLLAR!!!

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

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CONTACT US!

“

“Mark,
I can't thank you enough for the hard work you and your staff put in to helping me out of the deep tax issue I was saddled with. With the settlement now fulfilled I am able to live life with a lot less stress and move towards financial stability.”

-Daniel C, Business Owner

MORE TESTIMONIALS

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