



ARE FREE SAMPLES REALLY FREE?



In life, there are things we all love. Pulling into a crowded parking lot on a brutally cold day and finding that the very first parking spot is open. Finding a twenty-dollar bill in your pants pocket that you don't remember leaving in there. When your favorite TV show finally starts a new season. For many people, anything chocolate. And of course, free stuff!

Free stuff might be free to the person receiving it but what about the person giving it? It's a question that must be asked but often never is because people are usually so occupied by trying to comply with their sales tax obligations that they forget about the use tax obligations – if they know about use tax at all.

Take New Jersey for example. New Jersey tax law §54:32B-6(a) imposes use tax on “any tangible personal property or digital property purchased at retail” and “any tangible personal property or digital property, however acquired, where not acquired for purposes of resale...”

For more clarification on what “use” is defined as, New Jersey tax law §54:32B-2 defines “use” to mean “...the exercise of any right or power over tangible personal property, digital property, services to property, or services by the purchaser thereof...”

Thanks, New Jersey, that's really helpful and you made it so easy...

But other states are usually just as difficult since you won't usually find a tax law that simply says, “the taxability of free samples is...” That means you're left to interpret the tax law but misinterpreting the tax law can lead to a tax assessment plus interest and penalties.

Ultimately, a business must be aware of its use tax obligations AND must think of free samples as a potential area where use tax is due AND successfully interpret the tax law AND if they owe use tax, figure out how to self-assess it AND pay the tax too. Otherwise, the business is not complying with its tax obligations.

This is one of many areas that can be difficult for business owners and can cost them money. **We can help you prevent this sort of problem by conducting a complete sales and use tax check-up!**



TAX SEASON RELIEF!

**THURSDAY APRIL 20TH 2017
5:00-7:00PM**

**SALES TAX DEFENSE LLC
673 DEER PARK AVENUE
DIX HILLS, NY 11746**

Come celebrate the end of TAX SEASON with refreshments and Hor D'oeuvres while touring our new space!

PLEASE **RSVP BY MARCH 31ST** TO AMANDA AT
ARAJOTTE@SALESTAXDEFENSE.COM



YOU SURVIVED TAX SEASON

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631-491-1500 X12

AUDIT!



A business was notified it was under a New York State sales tax audit and came to us to discuss it. The business was in the construction industry and had millions of dollars a year in exempt sales.

Sales Tax Defense worked with the business to gather the necessary documentation, including obtaining copies of purchase invoices from vendors. At the end of the audit, the Department decided that the business's reporting was correct and closed the audit as a NO CHANGE!

This business will likely not see the Department again for AT LEAST another 10 years, if ever again! Keep your fingers crossed...

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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“I do appreciate all that you have done for me. Its nice to know that when the tax department came down on me that I had a voice through you.”

-Thomas D., Business Owner

MORE TESTIMONIALS

Phone: 631-491-1500

673 Deer Park Avenue

Dix Hills, NY 11746



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