



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

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### One Less Way NYS is Dumping on Taxpayers

This may be a once in a lifetime event... New York State is looking to make something NOT taxable! Assemblyman David Weprin and Senator Phil Boyle are urging lawmakers to repeal the tax on toilet paper and feminine hygiene products. Their position is that these items are a necessity and “sales tax is generally not meant for items of necessity”. They also believe that sales tax on toilet paper and feminine hygiene products disproportionately harm the lower income class. So some time in the very near future, we may finally be able to keep a few extra pennies in our pocket. (Or use that new found savings to buy the expensive really soft stuff at the supermarket!)



In other good news, the United States Supreme Court just handed down a decision in the case *Comptroller v. Wynne* which involves Maryland tax issues. Under Maryland law, a Maryland resident can claim a tax credit for taxes paid to other states against the state portion of the Maryland tax but not against the local/county portion of the income tax. The Supreme Court ruled that Maryland must allow a credit against local/county taxes.

Similarly, New York State does not currently allow taxpayers to take a credit for all taxes paid in other states. The decision in *Comptroller v. Wynne* may be the Supreme Court’s way of saying that while states that are becoming overly aggressive when it comes to taxes and nexus, the aggression must be limited.

However, do not get too excited. New York may be getting restrained with one hand, but they are tightening their hold with the other hand. The Tax Department has instituted some new policies that will make your head turn.

Collection agents are now making what they call “soft contact” with taxpayers who *may* owe money in the future. For example, when a company has been audited and a potential assessment has been uploaded into their system but is not yet final because it is being appealed to the next level, collection agents are still contacting the owner. They basically say that if you lose and owe the money in the future, they will be the person doing the collecting and you can start making payments as a sign of good faith if you’d like to – all of this despite the fact that the assessment may be incorrect.

Another new policy of the Tax Department is that even if a taxpayer has a representative, the Tax Department will still contact the taxpayer directly. Your representative may be exchanging correspondences and calculations with the Tax Department and actively working on your case but you may still receive letters and requests from the auditor directly. It’s as if powers of attorney don’t exist.

If you have a question about nexus, claiming a credit for sales taxes paid in another state, or the taxability of your sales, contact Sales Tax Defense. We are here to help!



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### IRS Taxes Settled for Five Cents on the Dollar!

The owner of a business personally owed \$170,000 to the Internal Revenue Service from payroll taxes. Due to his financial situation, he was never going to be able to repay the amount due especially considering that interest continue to accrue every day. Sales Tax Defense LLC submitted an offer to the IRS to settle the taxes for less than the full amount.

As a result of our negotiations, the IRS took the court ordered payments into consideration when calculating income. The court ordered payments far exceeded the normal IRS allowable living standards. The owner wanted to continue to operate his business so we were also able to negotiate the value of the business’s assets with the IRS in calculating the owner’s assets and liabilities.

In the end, we were able to settle the taxpayer’s \$170,000 liability for \$9,500 through the government’s Offer-In-Compromise program. This settlement equates to 5 cents on the dollar!

### 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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