



THE NEW YOU LOVES RECORDS

The New Year means a new you. This year, the new you loves keeping records. The new you wants to break the record for loving records. The new you loves records so much that the new you wants to buy a house with a white picket fence with records and have plenty of babies with records. Records all day every day.

Why don't we stop talking about records? Because if you don't keep records, the New York State Department of Taxation & Finance is given broad discretion to estimate a business's sales and based on that estimate, they determine if you owe tax. The auditor can't just make up a number, but they can use their imagination to estimate a number. Don't be fooled by the stereotype of auditors as many of them have good imaginations. But we're just warning you, they're not using them to imagine swimming in a pool of records like the new you does.



Failing to keep records can also lead to recordkeeping penalties. Whether there's a new you or not, nobody has ever been happy to be on the receiving end of a penalty so don't be.

While there are more types of records than there are crayon colors, New York State mandates that the records document certain information.

For example, a restaurant maintaining a thorough set of records should have a guest check for every sale. Each sale should appear on a detailed register tape that separately states the tax, lists the date/time of the transaction, keeps a sequential count of the transactions and provides enough information to determine what was sold. There should be a summary tape that summaries all of the information on the detailed register tape. The information on the summary tape should be entered into a daybook. The daybook should be used to complete the sales and use tax return. If your company isn't a restaurant, it might need to keep invoices. In that case, the invoices should list what is being sold, the sales price, the sales tax, the date, have a sequential count and potentially more information depending on the business.

The records needed vary from business to business but the requirement to keep records does not. And please note that keeping records means keeping them. To generate an invoice but throw it out the next day is not helpful. To put register tapes into an old cardboard box under a leaky pipe that is guaranteed to explode is not helpful either. If you're going to go through the trouble of generating records, go through the trouble of keeping them safe.

Create and protect your records as if someone could walk into your business one day, estimate your sales using a factor you find incredibly unfair and assess you enough tax to ruin your life because, well, that can definitely happen.

Also, while not discussed here, please also keep purchase records. They need love too!

If you have questions about starting to keep records, the records you currently have or the records you kept in the past, call us! We'd love to help more than the new you loves records!

SUCCESS STORY: NO CHANGE ON SECOND AUDIT



ABOUT OUR FIRM



Several years ago, a Company came to us after their first audit was completed to research the taxability of their services. They had hired another firm to handle the first audit and were not satisfied with the advice they were given to handle the taxes going forward after owing hundreds of thousands of dollars on the audit.

Tax Defense researched their services and prepared a written memorandum explaining the taxability of their services and how tax collection and remittance should be handled going forward. The Company implemented new procedures and followed our advice.

The Company was recently selected for a second audit and hired us to handle the second audit. Since the Company listened to our advice, this second audit resulted in a no change! The Company will probably not have to deal with the New York State Department of Taxation and Finance for a long time!!

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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So far ...so good. You deserve a Nobel prize for everything you have done. We are optimistic!

-Vin G. Business Owner

MORE TESTIMONIALS

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