



SALES & USE TAX

Reverse Audits

Companies are facing ever-changing sales and use tax rules as technological advancements force state taxing authorities to develop new rules and regulations. As companies grow, sales and use tax rules create challenges surrounding compliance issues, including:

- ▶ Opportunities for claiming sales and use tax exemptions based upon specific business operations makes identifying and claiming all applicable exemptions challenging.
- ▶ Changing tax laws and interpretations makes it difficult to remain in compliance.
- ▶ State auditors are under no legal obligation to notify companies of tax overpayments found. Consequently, companies may be significantly overpaying sales and use taxes.

Benefits

Cherry Bekaert's Reverse Sales & Use Tax Audit offers several benefits to companies, including:

- ▶ Recovering "lost" tax dollars
- ▶ Offsetting audit assessments and corresponding interest and penalties
- ▶ Reducing future overpayments
- ▶ Identifying errors and weaknesses in the decision making process
- ▶ Peace of mind

Reverse Sales & Use Tax Audit

Cherry Bekaert can perform an analysis of past company purchases to determine and recover erroneously paid taxes. A Reverse Sales & Use Tax Audit may include the steps below:



PHASE 1:

Scoping & Analysis

During this phase, Cherry Bekaert may interview key personnel and analyze business activities, test current accounts payable and tax reporting systems, review recent and ongoing sales & use audits, and identify and quantify potential refund/credit opportunities.



PHASE 2:

Quantification & Documentation

In this phase, Cherry Bekaert will perform cost/benefit analysis to prioritize potential refunds and compile necessary documentation to support refund claims.



PHASE 3:

Refund Filing & Verification

Cherry Bekaert will prepare refund claims for review and filing and assist in verifying refund filings.



PHASE 4:

Corrective Measures

The final phase of the engagement would include employee training and recommended internal process improvements to help reduce future overpayments.

Let Us Be Your Guide Forward



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About Cherry Bekaert

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