

Tax planning strategies



MULTI-STATE TAX PLANNING AND COMPLIANCE

State and Local Tax (SALT) laws lack uniformity and often cause compliance dilemmas for business leaders.

Across states, municipalities, counties and other jurisdictions, each region imposes its own specific tax law that businesses must follow. State and local governments are sophisticated and must ensure penalties are imposed on businesses in noncompliance. However, they also offer tax saving credits to promote business activity and growth in their area – leaders unaware of these opportunities miss out on alleviating their companies' tax burden.

Evolving state tax laws include:

- **Market sourcing rules:** An increasing number of states have changed their rules for determining the amount of revenue attributable to them for tax purposes from service businesses.
- **Economic "wayfair" nexus:** The U.S. Supreme Court has significantly shaken the sales tax nexus rules by holding that physical presence is no longer required to be subject to a state's sales tax collection and reporting requirements, and all but a few states have wasted little time in implementing Wayfair economic nexus rules.
- **Business exemptions:** As states look for additional revenue, exemptions for businesses should be analyzed. State laws are constantly being redefined, and exemptions are narrowing.
- **Contractor services:** Contractor rules are difficult to comply with and interpret.

Our extensive knowledge and experience with multi-state matters and taxing authorities include:

- Compliance in all states and major municipalities
- Structural and transactional planning to minimize overall state tax liabilities
- Sales/use tax, real and personal property, and unclaimed property compliance in all states and major municipalities
- ERP and tax system changes
- Analysis of potential state and local tax opportunities or potential exposure:
 - Nexus studies
 - Income tax compliance evaluations
 - Sales and use tax procedures and compliance reviews
 - Reverse audits, including utility reviews
- SALT controversy including handling or consulting on:
 - State and municipal audits
 - Administrative appeals and providing support to litigation professionals
 - Notices, questionnaires and other SALT inquiries
 - Voluntary Disclosure Agreements, amnesty programs, and negotiations to lower overall potential tax, penalties, and/or interest

Sikich's SALT expertise extends to all major taxes, including income, franchise, sales/use, real and personal property, unclaimed property taxes, state tax credits and incentives, and various other types of taxes imposed by state and local jurisdictions. The SALT experts at Sikich have experience across industries to support your business through tax opportunities and challenges, minimizing your state and local tax costs.



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