

Profit Recovery From Reverse Audits

State and Local Tax Law Changes Result in Refund Opportunities



SMART TAX

USA

Consulting Audits Recovery

SMART TAX USA Offices in Texas and Florida

Profit Recovery From Reverse Audits



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USA

Time To Supercharge Your Sales & Use!

States and Counties are constantly changing sales tax laws and regulations. It is nearly impossible for busy accounting departments and corporate tax managers to track and analyze the impact of rapidly changing sales and use tax laws, manufacturing exemptions, incentives and tax credits. Recently states have been implementing new tax incentives to manufacturing companies to encourage growth of the economy. Because of these recent tax law changes, there are additional areas of exemptions that otherwise were not previously available, resulting in a refund and/or credit opportunity for just about every manufacturing or processing company.

law changes are not always well publicized which makes Letter Rulings, court decisions, credits, tax incentives and new exemptions difficult to research and identify. Our expertise is in knowing, applying and understanding the maze of obscure rulings, new tax law codes and administrative decisions, to the benefit of our clients. We believe, and experience has shown, most companies have significant state and local use tax refunds available to them. Furthermore we have found that many companies are not familiar with the details of the ongoing changes and are unaware of how it relates to their daily purchases. Companies today do not have the time nor manpower it takes to identify possible Sales and Use Tax refunds, and if these overpayments, credits and incentives are left undetected they will be lost due to state statutes. SMART TAX USA has identified some very specific tax recovery procedures, which has been proven to work for many companies just like yours.



SMART TAX USA is highly experienced in Sales and Use Tax arena as our auditors are former State Auditors and/or formerly from one of the big 3 national firms. We have been in business helping companies identify refunds and reduce their tax liabilities for over 20+ years. Our experience is in all types of industries. Our expertise is multi-state-faceted with a national success in tax recovery, audit defense, nexus review everything Sales and Use Tax related.

SMART TAX USA specialized comprehensive analysis can determine how these new exemptions; credits and incentives directly affect your business. This will result in a reduction of current and future tax liabilities providing significant tax savings for your business! Most importantly our success rate is 90% of the companies we work with will have a substantial tax saving benefit. Our initial review will determine the validity of your refund status and as always, the consultation is absolutely free. Our work is performed on a contingency fee basis, **"if we do not perform no fee is due!"**



Initial Review and Assessment

- 5,000+ U.S. jurisdictions have changed their sales and use tax legislation in the last decade
- State Courts are constantly interpreting sales tax laws and regulations
- Many states are coping with large budget deficits

Initial review will be performed without any interruption to your staff!

The Facts

Sales and Use reverse audits are generally performed externally because most companies do not have the time or the resources to devote to such a project. Why use Smart Tax USA? We act as an extension of your tax department. We devote our time, energy and expertise to identifying and recovering overpayments so you don't have to. Our Sales and Use Tax Review will result in maximum tax savings for your company. We will provide you with quality reports that document our findings in a clear and concise manner so that you understand what we have done and what issues to look for in the future. Our Sales and Use Tax Review has been employed in numerous facilities throughout the United States. Our commitment is to consistently maintain the highest level of quality in the services we provide to our clients.

1. Smart Tax USA will spend two to three days making a preliminary determination of the sales and use tax refund potential. This will involve reviewing the current year of accounts payable and related sales tax accrual procedures for each location. Some other records may be necessary as the review progresses.
2. Smart Tax USA will discuss our preliminary findings with the appropriate personnel and decide the best course of action from that point forward.

Solutions

SMART TAX USA will identify areas of sales and use tax overpayments and will document these areas with the appropriate references and explanations. We will review the most convenient records first, and then expand our review to include all open periods as warranted. Once we have identified a possible refund opportunity we will follow the proper procedures to validate the claim and insure that no previous credits or refunds were given on any of the issues we identify.

SMART TAX USA will take full responsibility and secure all documentation necessary to obtain the refunds from the State and /or vendors as appropriate including necessary follow-up submissions and meetings. This will involve several recovery methods to include filing a claim for refund directly with the vendors. It is our goal to keep a positive vendor relation between the vendor and your company. Secondly we will also file refund request directly with the appropriate taxing authority. Please keep in mind no refund will be sought without your approval.

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Additional Services Offered

- Accounts Payable Audits
- Duplicate Payment Audits
- Profit Recovery Audits
- Vendor Compliance Audits
- Profit Recovery
- Accounts Payable Loss Recovery
- Utility Audits
- Vendor File Cleansing
- Off-Site Recovery Audits
- Sales and Use Tax Audits
- Sales Tax Audit Defense

Our mission is to deliver the highest quality audit services that consistently exceed our customers' expectations and our competitors' capabilities. It is SMART TAX USA's commitment to provide our clients with the most valuable service with focus on client relations.

SMART TAX USA Achievements - Actual Examples of Client Cases

- Over \$10,000,000 of overpaid and/or over-assessed taxes has been filed in just the last two years due to our efforts.
- Successfully identified and filed over \$50,000,000 in sales tax refunds.
- Reviewed the activities of a chemical company after a sales tax audit was completed and recovered over \$1Mil in refunds.
- Reversed a \$60,000 sales tax audit into a refund.
- Performed a reverse sales tax audit for a large manufacturing company as a follow-up to a prior audit done by one of the national firms and we were successful in identifying over \$100,000 in additional refunds and savings.
- Utilized a variety of Hearings and letter rulings to weave a successful argument to reduce sales taxes for many different companies in various industries resulting in refunds.
- Reduced the \$100,000 sales tax audit of a large fiberglass company to a total audit of \$8,000 by researching the auditor's findings.



FREQUENTLY ASKED QUESTIONS

Proven Expertise, Substantial Recoveries

Why do we need a Sales and Use Tax Review?

Payment errors are very common. Your staff overlooks and manages multiple, local, and possibly national divisions involving hundreds or thousands of daily transactions. Changes in staff as well as ever-changing tax laws and tax codes lead to payment uncertainties and errors. It is virtually impossible to keep up with these ongoing tax law changes. This is where our expertise and knowledge will prove beneficial as well as recover substantial lost revenue.

How much do you generally recover from payment errors?

Overpayments will vary depending on company and factors within the company being reviewed. Typically a company with an annual gross revenue of a minimum of \$25-million should expect a refund of anywhere from \$30,000 to 70,000 in recovery.

What types of payment errors do your audits identify?

SMART TAX USA routinely identifies and recovers Duplicate Payments, Sales and Use Tax Exemptions not Taken, Missed Discounts, Payments to Wrong Vendors, Missed Vendor Credits, Pricing Errors, Deposits or Prepayments not deducted from Final Billings and Misinterpretation of Contract terms.

What is the time investment required from our staff?

The only time investment is approximately 2-3 hours at the max of your time and in some cases even less. Once on-site our audit team just asks for a brief orientation to systems and files, and then our auditors work independently, with no disruption to your operation.

What is the cost of your services?

We provide our services on a contingency fee basis. We get paid only once funds are recovered and deposited to your account, or once a vendor's authorized credit memo has been applied to your account. If we do not recover any overpayments, no fees are due. You will receive a final report of your Accounts Payable payment processing operation.

What about Confidentiality?

SMART TAX USA respects any limitations you may put on classified documents and information. As professionals, we guarantee absolute confidentiality of all your business records.



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Sales and Use Tax Seminars

Proven Expertise, Substantial Recoveries

Included in our service SMART TAX USA will provide a seminar to detail and explain all relevant tax laws and procedures to any and all employees you would like to have in attendance. The main focus of this seminar will be to provide the necessary information, on a go-forward basis, to correct any mistakes made prior to the review.

Included as part of our commitment to you, SMART TAX USA will also bring to your attention items (if any exist) we identify where your company may owe taxes due to underpayments. We will discuss correcting them on a go forward basis so that your company will be in complete compliance. We will also look for duplicate payments within the accounts payable records using our advanced technology to recover hidden profits. This will be achieved by reviewing your accounts payable data to look for duplicate payments and/or overpayments and missed discounts. **Here is what the business press wrote about Tax Recovery Firms:**

"Tax recovery firms scour their client's records looking for problem areas, things that don't add up or were just overlooked. Then they try to recover the missing over paid funds, creating a veritable gold mine for customers"



"Accounts-payable errors-whether by man or machine-directly affect the bottom line"



"Billions of dollars are recovered every year from accounting firms across the USA. Companies

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"Corporations and Business cannot afford to disregard accounting"



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Sample Client List

Proven Expertise, Substantial Recoveries

Coca Cola Co.

ZOOM.US Video Services

Cemex USA

Chevron Chemical

Commercial Metals

Exon

International Cellulose Corp

J& L Tank Company

National Envelop

Occidental Chem Ogleby

Norton Industrial Sands Co

Palm Harbor Homes, Inc.

Home Depot

Dell Computer Corp.

Craft Foods

Taylor Publishing

Texas Fuel & Asphalt Co, Inc.

Vistawall Architectural Products

The Fordyce Co

Kaspar Wire Works, Inc

Western Extrusions Corp

Con Agra

Chevrolet North America

International Home Foods

J&B Bar Foods

Hampshire Chemical Corp

Lockheed Martin



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