

Sales & Use Tax Consulting

Opportunity to Manage and Control
Sales and Use Taxes



The EHTC State and Local Tax (SALT) group has developed several specific Sales and Use Tax consulting services to assist clients to better manage and control the payment of sales and use taxes and thereby improve cash flow. The services review both the financial burden of the tax along with the operational, technical and procedural issues supporting the taxes. The group uses a proven methodology to identify and implement tax savings solutions.

The Four Step Process

Evaluation – An initial no charge evaluation of the sales and use tax compliance system is made to identify a potential opportunity to extend our services. The evaluation usually consists of a two-hour meeting between members of the EHTC SALT Group and key members of the company’s management who are knowledgeable in the operations of the company and the tax compliance systems. From the evaluation process we can identify potential problem areas and a general idea of the potential for tax savings opportunities.

Analysis – A series of interviews with managers and staff that have working knowledge of the current sales and use tax compliance system will be completed during the Analysis phase. The detail system walkthrough may include the review of selected invoices. It is during this phase that the EHTC team and the client form a team to identify and evaluate tax savings ideas.

Implementation – The implementation step involves a joint effort between the client and the EHTC team to implement the tax savings ideas. The EHTC SALT Group acts as a quarterback to assure that the right mix of tax professionals are used in the implementation of the ideas, all procedures are completed, and the tax savings are realized.

Follow Up – The EHTC SALT Group will conduct a post implementation follow-up review to assure that all steps were completed and that there is proper documentation to support the ideas implemented. We will continue to work with the client to assure complete compliance with the sales and use tax laws.

Sales and Use Tax Consulting Services

Reverse Audits – When the states conduct sales and use tax audits, the auditors review invoices to identify tax deficiencies. We look for sales and use taxes erroneously paid to vendors and the state. Our tax professionals include many former state auditors who will utilize computer technology and analytical procedures to search for overpayments of tax.

Compliance System Review – Experienced tax professionals in the EHTC SALT Group will examine the sales and use tax compliance systems to identify weaknesses in the compliance system that may allow for an overpayment or underpayment of sales and use tax.

Direct Pay and Compliance Agreements – As a result of a Compliance System Review, the EHTC SALT Group may recommend applying for a direct pay permit or entering into a compliance agreement with the applicable state. We can assist in preparing and submitting the application, securing approval for the use tax compliance systems, and implementing the compliance system.

Exemption Certificate Documentation – The EHTC SALT Group can assist in establishing a system to obtain the required exemption certificates. We can scan and store the exemption certificates in a database for future retrieval upon request by a state auditor. We can also assist in establishing a system to render exemption certificates to vendors in order to make tax-exempt purchases.

Industrial Processing/Manufacturing Exemption – Most states offer some sort of industrial processing or manufacturing exemption or credit for purchases of machinery and equipment used in the manufacturing process. We can assist in identifying purchases qualifying for the exemption or credit.

Utility Study – Many states offer sales and use tax exemptions on the purchase of electric, gas, or other utility used in manufacturing or some other kind of exempt activity. The Utility Study involves a detail review and understanding of the manufacturing process and the determination of the exempt percentage used in manufacturing.

Nexus Studies – When a company is involved in a business activity in a state, there may be a sales or use tax-filing obligation. A Nexus Study determines whether there is a filing obligation.

Sales and Use Tax Training – Experienced sales and use tax professionals can present training seminars for any size group for two to eight hours. Textbooks written by the SALT Group professionals are available for the training.



About EHTC

Echelbarger, Himebaugh, Tamm & Co., P.C. (EHTC), a professional corporation was established in 1977 by Dennis M. Echelbarger. Since that time, our Firm has grown to become one of the largest, most successful, local accounting firms in the Greater Grand Rapids, Michigan area, and we are a recognized leader in the business community. Our success is based on building partnering relationships with our customers. We are large enough to serve a wide diversity of customers but small enough to maintain personalized attention.

EHTC's professional team is highly trained to provide technical and consulting services in the areas of accounting, taxes, and strategic planning to nonprofit, profit and service organizations and related entities.

Minimizing your tax liability requires careful, advance planning rather than preparing tax returns as deadlines near. Our tax professionals provide complete tax services and are assisted by our extensive tax library and the latest technology.

We pay careful attention to your unique circumstances such as your current requirements and your plans for the future. We then recommend a plan that best suits your needs while minimizing financial risk.

How to Reach Us

Visit us on the web at www.ehtc.com or contact Ron Kaley, MBA at (616)575-3482 or email ronk@ehtc.com for more information.

If you would like to start receiving information about topics that are of importance to you, please sign up on our website at www.ehtc.com/ehtc/contact.



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