



State and Local Tax Services: Sales and Use Taxes



Sales and use taxes are a major responsibility and an often-overlooked cost for most companies. In many cases, businesses are surprised by the amount of sales taxes they have paid – typically, with an impact of more than 8 percent on the bottom line. To recover taxes paid in error or address complex tax issues, you need the advice of experienced sales and use tax professionals. Whether your corporation is seeking to reduce its tax burden, requires assistance in managing its sales tax function or wants to reduce the burden of managing sales tax audits, Alvarez & Marsal Tax (A&M Tax), the leading independent global professional services firm, can help you tackle your most difficult sales and use tax challenges.

Sales and use taxes are a major responsibility and an often-overlooked cost for almost every company – with impact of more than 8% on the bottom line.

Our Services Focus on Value Creation & Risk Mitigation



Audit Management and Defense

Companies are routinely audited for sales and use taxes more than any other type of tax. A&M Tax provides advice on all aspects of a state tax audit – from discreet audit support to full audit management – assisting with both the examination and tax controversies.



Reverse Audit Services

Most state tax auditors are focused on identifying underpayments of transaction taxes. A&M Tax helps you to recover and manage “above-the-line” taxes – the indirect taxes. Our professionals identify areas of overpayment and assist companies in recovering overpaid tax monies from tax authorities. If performed in conjunction with a sales tax audit, this detailed review could also save interest and penalty expenses.



M&A Activities

M&A activities often lead to unanticipated sales and use tax exposures. Companies planning a sale, spin-off, or taking a private company public should contact A&M Tax to identify understated payables and probable contingent liabilities before the transaction. A&M Tax can also review the new nexus footprint and recommend sales tax collection adjustments caused by the M&A activities. If potential sales tax exposures are identified, A&M Tax can assist the Company in becoming compliant with the past periods through a voluntary disclosure agreement (VDA), tax amnesty program, or other state programs allowing them to settle the sales tax debt without typical penalties assessed during state audits.



Automation/Implementation

A&M Tax can help assess Companies' business operations and needs to determine the right fit of sales and use tax solutions and ensure its successful implementation. Automation needs range from complex bolt-on solutions to more simplistic non-interactive solutions. These options can significantly impact the company since sales and use tax determinations originate with virtually all business and financial operations (i.e., procurement, accounting, project budgeting). Our goal is to find and implement a cost-effective solution that adds value to your company.



Utility Usage Studies of Electricity and Natural Gas

Many states allow manufacturers to reduce the amount of sales tax due on purchases of electricity and natural gas. A&M Tax can conduct a utility usage study to evaluate a business's energy consumption, identifying potential state and local sales tax exemptions helping businesses save on future tax spend, and requesting a sales tax refund for taxes paid within the statute of limitations.



Distressed Companies

Companies in crisis situations such as bankruptcy require assistance in managing state audits, securing cash associated with refunds to help pay creditors, as well as interim assistance with managing sales and use tax functions. Leveraging Alvarez & Marsal's core operational heritage, A&M Tax is uniquely positioned to assist businesses in troubled and underperforming situations.



Process Review

People, processes, and technology are the bedrock of efficient operations, so it is important to integrate your tax strategy with the day-to-day execution of the transaction tax function. A&M Tax performs in-depth analyses of the transaction tax function and brings the necessary experience to identify and implement process improvements.



Transaction Tax Planning

With extensive experience gained from working in global tax departments, A&M Tax professionals provide a unique perspective on upcoming expenditures and projects and assist Companies in planning to ensure that they are afforded the maximum amount of savings allowed by law.

The A&M Tax Advantage

Alvarez & Marsal Tax professionals bring the knowledge and quality of service you have come to expect from Big Four accounting firms. Many of our Managing Directors have led successful tax practices or previously served as national technical resources in the world's largest public accounting firms. Because A&M Tax does not offer audit services, neither we nor our clients spend any time clearing independence issues — a time-consuming process that reduces effective and responsive client service. Instead, we are able to partner with clients and advocate in their best interest.

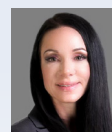
A&M's distinct operational heritage has instilled a results-driven approach in all of our professionals, enabling us to deliver comprehensive tax advice to meet your needs. Working directly with company management, our tax professionals assist your sales tax department with its operational performance improvement and implement comprehensive plans to maximize value.

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ABOUT ALVAREZ & MARSAL TAX

Alvarez & Marsal Tax, part of Alvarez & Marsal (A&M), a leading global professional services firm, is an independent tax group made up of experienced tax professionals dedicated to providing customized tax advice to clients and investors across a broad range of industries. Its professionals extend A&M's commitment to offering clients a choice in advisors who are free from audit-based conflicts of interest, and bring an unyielding commitment to delivering responsive client service. A&M Tax has global presence in major metropolitan markets throughout the Americas, EMEA, and APAC.

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