

# State and Local Tax

## MINIMIZING YOUR TAXES AND RISKS

Your business is growing quickly and operating across many states. You need to make sure that you are strategically complying with all of the ever-changing state and local tax (SALT) rules and requirements.

For example, states are looking for ways to generate more revenue and thus are becoming very aggressive in expanding rules for determining which companies must file tax returns and pay taxes (a concept known as nexus). In addition, technological innovation is changing the way that companies conduct business, and SALT rules are slow to adjust to these changing conditions, thus creating uncertainty and risk for taxpayers.

With dozens of different taxes imposed by each of the 50 states (and thousands of local jurisdictions), we recognize how challenging it is to address the impact of state and local taxes on your business. You want a team of experts who will help you strategically minimize your SALT liabilities and risks by:

1. Advising you on the SALT consequences of your business operations and transactions;
2. Identifying tax credits and other SALT savings so that you put cash back into your business;
3. Structuring business transactions to minimize SALT liabilities;
4. Identifying SALT risks and recommending/pursuing mitigation strategies so that you are not subject to unexpected liabilities and/or penalties; and
5. Keeping you informed of significant SALT developments through the Aprio SALT Newsletter.

Aprio's SALT team has over 50 years of combined SALT experience in industry (including Fortune 100 companies), state departments of revenue, public accounting and private law practice. We specialize in all areas of SALT across all industry types, including matters related to state tax nexus, corporate and personal income taxes, sales/use tax, franchise/net worth taxes, credits and incentives, and mergers and acquisitions. In addition, we represent clients in administrative matters before state revenue departments around the country, including audit defense and settlement negotiations, pursuing voluntary disclosure agreements and obtaining letter rulings.

### Our specific services include the following:

**Nexus reviews:** We will analyze your company's business operations and provide a report identifying the states where you may be required to file tax returns and to collect/remit state sales/use taxes. The report will also make recommendations for addressing any income tax and/or sales and use tax exposures for prior years, including the possibility of pursuing voluntary disclosure agreements.



**Tax credits and government incentives:** Our team is able to identify tax credits to which you may be entitled but are not claiming, assist in calculating and maximizing the benefit of those credits, and prepare all documentation and forms necessary to claim those credits. We specialize in Georgia Jobs Tax Credits, Retraining Credits, Film Production Tax Credits and Angel Investor Credits, but we work with all state credits. In addition, as your business expands into other states by making capital investments and hiring employees, we will help you secure any tax credits and government incentives to which you may be entitled in those states.

**Income tax consulting:** We will analyze the state income tax implications of your business operations and transactions as well as identify tax positions and make recommendations for structuring your business to minimize your effective state tax rate. Our team has expertise researching and analyzing all state income tax issues, including nexus, state conformity/nonconformity with federal income tax laws, unitary combined and consolidated filing methodologies, and apportionment and sourcing.

**Sales tax consulting:** We have significant expertise in researching and analyzing the taxability of products and services, and we routinely provide taxability matrices to clients. Our team also addresses nexus issues, exemptions and exemption certificates, collection and remittance procedures, as well as refund opportunities. In addition, we can conduct a review of your sales tax process in order to identify ways to make the process more efficient and more likely to withstand audit issues. We also can assist with recommendations for and implementation of third-party sales tax compliance software.

**Mergers & acquisitions:** We have broad experience assisting buyers and sellers in both asset and equity transactions with understanding the SALT implications of their deal. Our services include (i) conducting comprehensive SALT due diligence to identify historical and future SALT exposures and benefits and recommending steps to mitigate any exposures, (ii) researching and analyzing any transfer tax consequences of the transaction (e.g., sales and use taxes, real estate transfer taxes, etc.), (iii) structuring the transaction to minimize SALT liabilities and (iv) post-transaction integration assistance.

**Audit defense:** Our team routinely handles income tax, sales/use tax, property tax and other state tax audits throughout the country. We effectively and efficiently manage the entire process on your behalf, from responding to the initial audit notice to final settlement, so that you can continue to focus on your business. We have significant experience working with state tax auditors to make sure that they understand your business and the tax positions taken, and we ensure that they receive only the documentation needed to conduct the audit. As a result of our expertise, many of our clients' audits conclude with zero changes.

**Administrative representation:** In addition to audit defense services, we represent companies in other matters before state revenue departments, including, but not limited to, pursuing refund claims and obtaining private letter rulings. We also assist our clients who do have prior SALT exposure through the voluntary disclosure (or amnesty) process in order to mitigate such exposure and potential penalties.

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## About Aprio

Since 1952, clients throughout the U.S. and across more than 40 countries have trusted Aprio for guidance on how to achieve what's next. As a premier, CPA-led professional services firm, Aprio delivers advisory, assurance, tax and private client services to build value, drive growth, manage risk and protect wealth. With proven expertise and genuine care, Aprio serves individuals and businesses, from promising startups to market leaders alike.

## Aprio.com

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