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When you have a sales tax problem,
we are the solution!

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Valentine's Day Massacre: New York State Sales and Use Assessment is a Mob-Style Murder

A sales and use tax assessment isn't exactly a 1920's mob-style murder. Though going through a New York State sales and use tax assessment can hurt in ways many people never consider until it's too late.

Let's start with the closest part of an assessment to the "vig", which is also known as the "juice": penalties and interest. A conversation about an assessment cannot be limited to just the tax due; penalties and interest must be considered. Generally, penalties are 30% of the tax assessed but depending on the situation can range from 0% to 200%. Interest is usually around 14.5% but the lowest interest rate you could hope for is around 7.5% (and the interest is calculated from when the tax was due, not from when you got "pinched").

Obviously, the penalties and interest can really escalate an assessment quickly. But often, they're not where the "screws get turned" on you.

When a business is subject to audit it doesn't mean an individual involved in the business shouldn't be concerned on a personal level. If an individual is deemed a responsible person of a business, they in-turn are held personally liable for the tax, interest and potential penalty due. Responsible person assessments aren't limited to owners or corporate officers; a manager or an employee can also be held as responsible persons depending on their responsibilities – your whole "outfit" can be dragged in.

If neither the business nor the individual can pay the assessment, what happens to the responsible person? A warrant can be issued against that person. While not as bad as someone placing a "hit" on you, a warrant can negatively impact your credit score, can lead to liens against properties, lead to levies from financial accounts and other collection action. A warrant is like a legal "shakedown".

Still don't think a responsible person assessment is "packing heat"? If you are the owner or corporate officer of another "family business", the New York State Department of Taxation & Finance won't issue or renew a Certificate of Authority for other business. Without a Certificate of Authority, that other business can't do things like sell tangible personal property and certain taxable services, collect New York State and local sales tax, issue or receive New York State sales tax exemption documents and much, much more.

So if you ever receive a notice about an audit to be conducted or receive an assessment without an audit being conducted, don't just say "fuhgeddaboutit". Call Sales Tax Defense LLC to be your "consigliere" and let us help you before your client, your business, or your personal finances end up "sleeping with the fishes".



Success Story: Connecticut Registration Penalties and Their Subsequent Reduction

As a business from California expanded operations into other states, the business eventually created nexus with many of those states. One of the states with which the business created nexus with was Connecticut.

Seeking to do the right thing, the business began completing registrations in Connecticut. A few months later, to the business's surprise, they received an assessment in the mail related to their request for a Certificate of Authority. Connecticut issued penalties and license fees in the amount of \$20,715. Apparently, the wrong date was entered as the date that they began transacting business in Connecticut; the correct start date wasn't in 2004, it was in 2009.

That's right, a SINGLE line filled out incorrectly on a form lead to a bill of OVER \$20,000! The only way to resolve the issue was to work with the Staff Attorney employed by Connecticut.

Working with the Staff Attorney is exactly what Sales Tax Defense LLC did. Phone calls and emails were exchanged and research was also completed. As a result, Sales Tax Defense LLC was able to work with the business to provide the documents the Staff Attorney needed.

Just over 1 month from the date of the initial assessment, the mistakenly entered date was corrected. The penalties and license fees were reduced to \$5,160 – a reduction of over 75%!

About Us

We are a dedicated team of tax professionals who have committed our careers to helping businesses and fellow professionals with tax problems. Since the only work we are focused on is solving tax problems, businesses never have to be concerned that we will try to sell them other services they do not need. And professionals never have to be concerned with us encroaching on their client relationships, because we view you, our fellow professional, as our client.

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