



# STATES OF AFFAIR

A PUBLICATION OF MILES CONSULTING

Issue 8 | August 2023

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## Greetings!

As we craft our August newsletter, the word of the month that comes to mind for me is “tumultuous”. As state tax consultants, we really do have our minds on the happenings in states across the country. And in the last several weeks (and leading up to this week), we’ve watched fires on Maui, a tropical storm/hurricane in southern California, record setting temperatures in Arizona and Texas, and another hurricane cutting across Florida. Each of these events affects clients, friends and family for us. In our firm alone, many of our team members are very familiar with each of these locations and our hearts go out to those affected by these tragedies.

Another area in which we’ve seen quite a bit of activity recently (creating a sense of tumult for clients) is audit activity by the states. At this moment, we have several clients being audited by the California CDTFA for sales tax. Of these, many were approached as “random” audits. (Nevermind that we truly don’t believe that audits tend to be random... but that’s a story for another day.) Texas, New York and Washington are also fairly popular with our clients at the moment. Do these things come in waves? They certainly seem to. And what we continue to try to impress upon our readers is that it’s never too early to get your sales tax compliance house in order. It’s so much better to be on the offense than the defense. But if you do get the audit notice, give us a call. Please don’t go it alone!

Speaking of audits, check out our 3<sup>rd</sup> blog in the “Sales and Use Tax Audit” series. Team member John Huk walks you through the various phases of an audit scenario in California. And stay tuned next month for another installment. We also have a couple of articles on the importance of considering state tax ramifications in the case of an impending merger and the importance of due diligence.

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Many of our clients are on the “sell side” of a transaction and look to us to be an advocate when dealing with the full weight of large law firms and CPAs on the other side of the transaction. Finally, in our state “compare and contrast” series, we compare New York and New Jersey and how they treat SaaS, software and other revenue streams.

Enjoy those last remaining weeks of summer. We hope they aren’t too tumultuous for you.

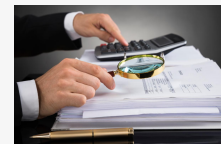
Fondly,  
Monika Miles & Bill Loew  
Miles Consulting Group, Inc.

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## THE SALES AND USE TAX AUDIT SERIES- 3RD BLOG- THE PRE-AUDIT

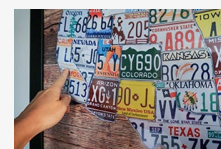
In this article we cover what to do when the Company receives a letter that it has been selected for a sales and use tax audit. We discuss everything that you should and should not do before the audit starts. We call this the Pre-Audit because the auditor’s letter is the first signal to “circle your wagons” and call a professional in sales and use tax, like Miles Consulting Group (“MCG”). In this blog we will discuss what the auditor wants you to do and what your representative will likely recommend you do. If you just received an audit letter then we recommend the following: stop, breathe, don’t talk to the auditor without representation, and call an expert in sales and use tax.



To read more about The Pre-Audit in our audit series, [click here](#).

## MAXIMIZING BENEFITS FROM STATE TAX DUE DILIGENCE

State tax due diligence plays a crucial role in maximizing benefits and minimizing liabilities. By conducting thorough



research and analysis of state-specific tax regulations, businesses can uncover potential savings opportunities and optimize their transactions.

To learn more about maximizing benefits from state tax due diligence, [click here](#).

## THE IMPORTANCE OF STATE TAX DUE DILIGENCE

In today's complex business landscape, mergers, acquisitions, and other transactions require careful consideration of various financial and legal factors. Among these considerations, state tax obligations play a critical role.



To learn more about the importance of state tax due diligence, [click here](#).

## NEW YORK & NEW JERSEY AND SALES TAX- SaaS, SOFTWARE & OTHER

This month, we continue our blog series with a contrast of a couple of Northeast states – New York and New Jersey – specifically their treatment of technology items for sales tax purposes.



To read more sales tax in New York and New Jersey, [click here](#).

## What's Up at Miles Consulting?

### Networking:

#### [NAWBO-SV](#)

Join NAWBO Silicon Valley on Thursday, Sept. 14 from 6:00 to 7:30 at the Silicon Valley Capital Club for an event on local civil engagement. There will be a moderated panel focused on how to make an impact in your local community. For more information, [click here](#).

#### [AFWA](#)

This year the "Women Who Count" conference will be held in Reno, NV in October. Miles Consulting Group will be a sponsor and Monika will be a speaker. To read more information about the conference, [click here](#). More information on that will follow.

### Educating/Speaking:

Our blogs are frequently featured on [Tax Connections](#).

Don't forget- We do customized multi-state tax presentations for local accounting firms; invite us to do one at your firm! Stay tuned for upcoming webinars!

For more information, please call us at 408-266-2259

### **About Miles Consulting**

*Miles Consulting Group is a professional services firm specializing in multi-state tax solutions. We address state and local tax issues for our clients, including general state tax consulting, nexus & taxability reviews, audit support, voluntary disclosure agreements, and other special projects. We also specialize in SaaS and other technology industries. For more information, visit [www.milesconsultinggroup.com](http://www.milesconsultinggroup.com).*