



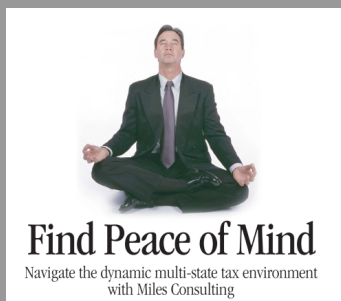
STATES OF AFFAIR

A PUBLICATION OF MILES CONSULTING

In This Issue:

- AI and Sales Tax Compliance: What Finance Leaders at AI Companies Need To Know
- Sales Tax Audit Defense: A Strategic Guide For Finance Leaders
- Alabama & Mississippi and Sales Tax- SaaS, Software and Other

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Issue 8 | December 2025

Dear Readers:

As the year winds down, we're approaching one of the most important planning windows for sales tax compliance. With 2026 just around the corner, now is an ideal time to pause, reflect, and think strategically about where your business stands today and what adjustments may be needed in the new year. Whether it's evaluating nexus exposure, reassessing product taxability, or preparing for potential audits, proactive planning now can help prevent costly surprises later.

In this month's newsletter, we're covering several timely topics that continue to challenge finance and tax leaders. Our team shares insights on **sales tax audit defense**, outlining how businesses can respond strategically and protect themselves when states come knocking. We also take a closer look at **Alabama and Mississippi**, highlighting how two neighboring states can take very different approaches to taxing SaaS, software, and digital products. Finally, we explore **sales tax compliance for AI companies**, addressing how emerging technologies are being taxed under existing state frameworks and where companies often uncover unexpected exposure as they scale.

December also gave us a chance to step away from the spreadsheets for a bit and enjoy time together as a team. We were happy to gather for our annual Miles Consulting Group Christmas party, a great reminder of the people behind the work and the relationships that make what we do meaningful.

As we close out the year, we want to wish you and your teams a happy holiday season and a very **Happy New Year**. While things may slow down over the next few weeks, it's the perfect time to start thinking about your sales tax needs for the year ahead. If you're planning growth, entering new states, launching new products, or simply want peace of mind heading into 2026, we're always here to help you think through the next steps.

Fondly,

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Monika & Bill



AI AND SALES TAX COMPLIANCE: WHAT FINANCE LEADERS AT AI COMPANIES NEED TO KNOW

The shift from "SaaS company" to "AI company" reflects real innovation in your product and market positioning. But when it comes to

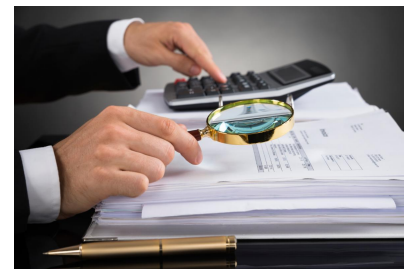


sales tax compliance, that rebrand doesn't change the fundamental challenge you face: a complex patchwork of state-by-state tax rules that classify and tax your offerings based on how they're delivered, not what you call them.

To read more about AI and sales tax compliance [click here](#).

SALES TAX AUDIT DEFENSE: A STRATEGIC GUIDE FOR FINANCE LEADERS

Receiving a sales tax audit notice creates immediate stress for any finance leader. The notice demands attention, documentation, and a strategic response.



This guide walks through the considerations businesses face during a sales tax audit, from the moment you receive the notice through resolution. Whether you're currently facing an audit or want to

prepare for one proactively, understanding the process and your options can significantly impact the outcome.

To read more about sales tax audit defense, [click here](#).

ALABAMA & MISSISSIPPI AND SALES TAX- SaaS, SOFTWARE AND OTHER

This month, we continue our blog series with a contrast of southern states— Alabama and Mississippi – specifically their treatment of technology items for sales tax purposes.



To read more about the tax landscape in Alabama and Mississippi, [click here](#).

MILES CONSULTING HOLIDAY PARTY

The Miles Consulting team celebrated its holiday party at the Olympic Club in San Francisco. Happy Holidays from all of us to all of you and your families!



Networking:

[NAWBO-SV](#)

Join us on Tuesday, January 13 from 10 am to 11 am for NetWORK IT! Join NAWBO for this fast-paced, high-energy virtual networking hour where meaningful connections happen in minutes. For more information on this event, [click here](#).

To find out more about NAWBO, [click here](#).

[AFWA](#)

Monika gave a presentation about state tax audits at the Women Who Count Conference in Mesa, AZ from Oct. 21 to Oct. 25, 2025.

Stay tuned for more updates on AFWA events. For more info on AFWA, [click here](#).

Educating/Speaking:

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.

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