



Monthly News & Updates

August 2026|

Dear Readers:

August always seems to bring a shift in rhythm. Summer begins to wind down, school is back in session, and calendars start filling up again as we move toward the final stretch of the year. For many businesses, this time of year also offers a natural opportunity to look ahead, review priorities, prepare for upcoming changes, and make sure there are no surprises waiting around the corner.

That idea of preparation runs through several of the topics we are sharing this month. We take a closer look at Colorado's upcoming changes to the taxation of SaaS and other digital products, including the new state-level taxability taking effect January 1, 2027. We also explore sales tax due diligence in mergers and acquisitions and provide a six-step framework for finance leaders who want to identify potential exposure well before a transaction is underway.

We also tackle an important question that can arise after a sales tax audit: Should you fight the assessment, settle, or consider another path? Our article walks through the factors finance leaders should consider when evaluating their options and deciding how best to move forward. And on the Miles Consulting Group front, we are pleased to introduce Mitch Bailey, our new Senior Tax Manager, and share a little more about his background and experience.

California remains firmly on our radar. With the passage of SB 122, California is preparing for a significant change in the taxation of SaaS and certain digital software beginning January 1, 2027. As the state continues to work through implementation and additional guidance, our team is closely monitoring the latest developments. We will continue to keep our readers informed as new information becomes available and help businesses understand what these changes may mean for their sales tax obligations.

We're also highlighting Illinois' new Remote Retailer Tax Amnesty Program, which may help qualifying businesses address past sales tax liabilities with relief from penalties and interest. Read below for more details.

As we head into this next season, we hope the information in this month's newsletter helps you stay informed, prepared, and ready for what's ahead. As always, thank you for reading and for allowing us to be a resource for your state and local tax needs.

Fondly,
Monika & Bill

CO SaaS Taxability



As Colorado continues to evolve its sales and use tax landscape, one of the most significant developments in 2026 is the enactment of House Bill 26-1223. Colorado expands sales and use tax to software downloads, apps, and remote access. The bill clarifies and expands the circumstances under which software-as-a-service (SaaS) and other digital goods and services are subject to Colorado sales and use tax. Colorado will begin taxing SaaS at the state level as of 1/1/2027. The

historical exemption to SaaS in CO was repealed in HB26-1223, and the new taxability will go into effect at the start of the new year.

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Sales Tax Due Diligence in M&A: A Six-Step Framework for Finance Leaders



If a sale of your company is on the horizon, the strongest position is the one with no surprises: multi-state obligations mapped years ago, returns filed, and documentation ready for review. Sales tax due diligence, done properly and done early, is what makes that possible. If a deal is 12 months out and you suspect your sales tax position is not fully in order, you are not alone and there is still time to act.

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Should you Fight your Sales Tax Audit Assessment: A Decision Framework for Finance Leaders



The letter has arrived. The sales tax audit is over, the assessment is larger than you expected, and you have a limited window to respond. Our [strategic guide to audit defense](#) covers how to manage the audit itself; this article addresses the decision that comes after it.

Should you fight the assessment, settle it, or, in some states, pursue both at once? We have advised on this point many times, and the answer is: it depends. But of course, "it depends" is only useful if you know what it depends on. Here is the framework we use.

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The Illinois Department of Revenue recently announced the 2026 Illinois Remote Retailer Tax Amnesty Program, which runs from **August 1 through October 31, 2026**. The program gives qualifying

remote retailers an opportunity to resolve eligible Illinois sales tax liabilities from January 1, 2021, through June 30, 2026, with related penalties and interest waived. Businesses must be registered with the Illinois Department of Revenue and have an active MyTax Illinois logon to participate.

Learn more on the [Illinois Department of Revenue's Illinois Tax Amnesty website](#). If you are wondering whether your business may qualify, or if you simply want a second set of eyes on your Illinois sales tax exposure, we're here to help. Reach out to us at info@milesconsultinggroup.com or reply to this email, and we would be happy to talk through your situation and help you determine the best path forward.

Introducing Mitch Bailey, Our New Senior Tax Manager



Mitch has been in public accounting since 2017 following the lead of his family. Prior to joining Miles Consulting Group, he worked in the state and local tax group at a top 10 CPA firm. When he's not talking taxes, he can be found unwinding with his family and friends in the west coast's mountains, streams and ski trails. [Click here](#) to read his full bio to learn more about his journey and what drives him—both in and out of the office.

Networking and Events

[NAWBO-SV](#)

Join us on Thursday, August 27, from 9 a.m. to 12:30 p.m. for ChatGPT for small businesses. This event is at the Martin Luther King Library: 150 E San Fernando Street San Jose, CA 95112. It is a workshop for small businesses that want to learn real AI skills, access live support, and use AI tools right away. For more information on this event, [click here..](#)

Have any questions for us? Click [here](#) to schedule a call with Bill or Monika



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