

# 20 Signs It's Time for a Sales & Use Tax Tune Up



## Purchases

1. Invoices don't identify if the purchases are used during production.
2. Identifying consumable supplies versus repair parts on invoices is difficult.
3. Vendors are not required to break out materials and labor.
4. A system is not set up to accrue use tax.
5. You don't fully understand tax implications on real property work.
6. You treat all forklifts the same.
7. You have a general "storeroom" containing taxable and exempt supplies.
8. You don't know when your last utility taxability study was completed.
9. No process exists to determine the taxability of P-card or credit card purchases.
10. Corporate mentality is that all purchases are exempt from sales tax.



## Sales

11. Many customer exemption certificates are missing, old, expired or lost.
12. You're not collecting sales tax in all these states where you conduct business.
13. You sell a mix of products and services.



## Audits

14. You are currently under audit.
15. Your last sales tax audit resulted in a large assessment... or no assessment.
16. The thought of an audit makes you break into a sweat.



## Processes

17. It's been 3+ years since staff received sales and use tax training.
18. Tax decisions are made "because that's the way we've always done it."
19. A separate G/L account doesn't exist for tax paid directly to vendors.
20. Sales tax processes are automated but no one is checking for accuracy.