





State of the states: Transaction taxes

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With you today



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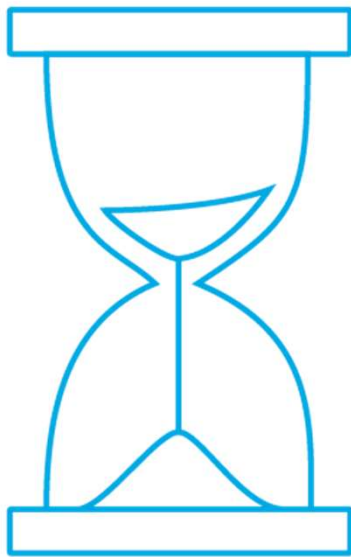
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Agenda



- New nexus norms and managing risk
- Taxes on the digital economy
- Other sales and use tax trends
- Audit and controversy trends



Learning objectives

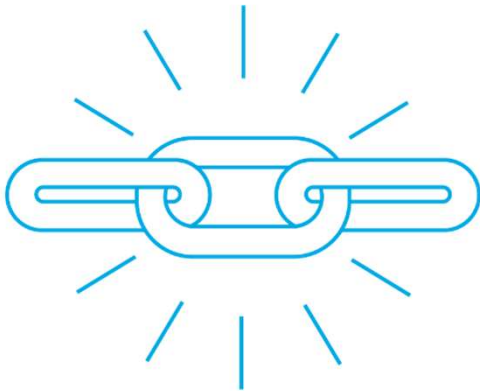


By the end of this presentation, participants will be able to:

- Explain how states have reacted to the Wayfair decision and its effect on businesses
- Identify risks associated with sales/use tax non-compliance and what to do if you think you may have issues
- Describe recent developments in sales and use tax on digital goods and sales tax controversy

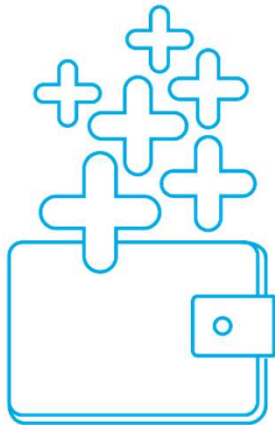


New nexus norms and managing risk



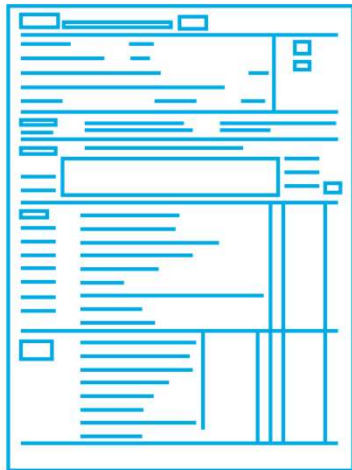
- Sales tax exposure risk continues to expand in a post-*Wayfair* world, and strategies for effectively managing this increased risk depend on several key factors
- How does economic nexus interplay with physical presence/existing 'doing business' laws?
- Marketplace nexus
- ASC 450 compliance
- Sourcing complexity
- Common risk mitigation strategies

Taxes on the digital economy



- States three-steps behind a constantly evolving digital economy
- Digital advertising and base expansion
- Sourcing challenges
- Digital asset complexity
- MTC/SSUTA/COST efforts to recognize digital goods and services complexity in state tax codes

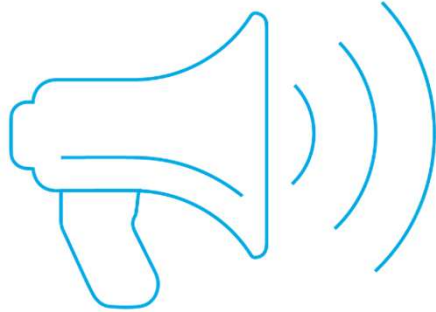
Other sales and use tax trends



- Local tax complexity
- Expansion of the sales tax to services
- Exemption certificate compliance and management
- Bundled and mixed transactions
- Non-traditional manufacturing
- Procurement companies and supply chain management



Audit and controversy issues



- State audit procedure leading to appeals/litigation over informal resolution
- Arguing the evidence and not the position
- Personal responsibility for sales and use taxes
- Aggressive application of taxable service rules
- Sometimes it's about people

THANK YOU FOR
YOUR TIME AND
ATTENTION



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