

Recover Overpaid Taxes and Identify Money-Saving Tax Opportunities

Sales and Use Tax Services



STEVENS & LEE
LAWYERS & CONSULTANTS

Understanding Your Business Is Our Business

Every year, businesses across the country lose hundreds of thousands of dollars in overpaid sales and use taxes.

Your company may be one of them.



Although every business runs the risk of paying more tax than is necessary, businesses in certain sectors are particularly at risk due to the complexities of the tax regulations to which they are subject. These sectors include manufacturing, wholesaling, non-profit, transportation, telecommunications, broadcasting, financial services, healthcare, pharmaceutical, gas/electric utilities and technology.

If your company operates in an industry subject to myriad tax regulations, or if you operate in multiple states, make significant purchases of equipment or materials, are a relatively new company, have made a recent acquisition, or have experienced turnover in your accounts payable or tax management departments, you may have unknowingly overpaid sales and use taxes or have missed money-saving exemptions.

A Taxing Problem

The reasons for overpayment of taxes are many and varied. Typically, however, companies lose money simply by failing to claim tax exemptions to which they are entitled or by not appealing exemptions that have been denied. Vendor overcharges and the uncertainty of tax law as it applies to new product lines or operations also cause many businesses to pay more than they should.

Each month that passes without filing a refund claim is another month lost. Most states restrict the opportunity to recover overpaid sales and use taxes to 36-48 months after filing a return.

The good news is that each year, companies are issued tens of millions of dollars of sales tax refunds, plus interest, by actively searching for these missed exemptions and overpayments. They also receive the additional benefit of tax savings in years to come.

Your Full-Service Solution

Stevens & Lee offers a turnkey approach to sales and use tax recoveries, from the audit process through recovery to the creation of strategies to reduce future taxes.

Our multi-state sales tax attorneys include a former Fortune 300 in-house tax director and Big Four tax principal, attorneys experienced in multi-state sales and use tax recoveries and tax litigation settlements and Government Affairs professionals who have previously served as the Majority Leader of the Pennsylvania State Senate and a former Pennsylvania Cabinet Secretary.

Our recent successes in tax recovery include:

- \$1.2 million for a large distressed cable provider with operations in several states
- \$4 million recovered over 10 states for a telecommunications company that overpaid taxes during a time of rapid expansion
- \$400,000 in state taxes for a hospital system that overpaid vendor utility charges
- More than \$300,000 recovered for charitable organizations due to missed exemptions
- \$300,000 in refunds recovered for Internet Service Providers (ISP) that overpaid taxes on circuit purchases and are now exempt from similar future taxes

We have supervised complex multi-state tax recoveries and have assisted clients in recovering millions of dollars in overpaid sales and use taxes and exemptions.

Services to Recover Tax Dollars

The complexities of multi-state tax rules and regulations prevent many companies from efficiently recovering overpayments without the advice of counsel. Stevens & Lee has represented companies operating in 46 states in sales and use tax matters and can help you recover your overpaid tax dollars.

Reverse Audit

The first and most crucial step to recovering overpaid tax dollars is a complete review of your tax and accounts payable records to locate where the overpayments occurred. Stevens & Lee invests time and research to discover all sources of overpayment (which may include double-payments or overpayments to vendors). We learn and understand your operations, including any industry-specific rules and regulations and apply our multi-state sales and use tax knowledge to your circumstances. Our approach to the reverse audit involves:

- Review past sales and use tax returns, past state audits, information on major tax events and other pertinent documentation and analyze accounts payable data from your accounting system
- Identify accounts, vendors and issues of potential sales and use tax overpayment and validate any potential overpayment items or issues with in-house staff
- Document potential refunds and craft legal arguments to support your position

Following the audit, we present a comprehensive report of our analysis, findings and recommendations. We can also continue to serve as a research resource and provide ongoing support through special sales and use tax projects.

Pursuing Tax Savings

After completing our review, Stevens & Lee will prepare the required documentation and pursue refunds from both the government and vendors for sales tax paid in error. In addition, unlike many accounting firms and consultants, we are able to represent you beyond the administrative level and file, negotiate or, if necessary, litigate refund claim appeals. We will:

- File refund claims with the state taxing authority
- Represent you at administrative and court levels (most settled at this stage)
- Represent you at the appellate court level, if necessary
- Identify problems to correct overpayment issues going forward

Stevens & Lee's sales and use tax recovery services are contingency-based. Our fee is based solely on a percentage of the recovery we obtain for you.

Our Tax Recovery Team Leaders

Thomas A. Bowen, Esq., CPA, has more than two decades of multi-state sales and use tax experience based in the southwest and mid-Atlantic regions. A CPA and a lawyer, he concentrates his practice in state and local tax minimization (recoveries, planning and controversies) and business incentives. He served for over 15 years as a tax executive and counsel to a Fortune 300 company and spent seven years with Ernst & Young. Mr. Bowen received a J.D. from University of Wisconsin Law School, an M.S. in Taxation from DePaul University and a B.B.A. from University of Wisconsin.

Michael A. Gruin, Esq., has represented clients in complex sales, use and excise tax matters in 20 states, assisting them in obtaining refunds of erroneously paid taxes and defending them against tax assessments imposed by state Departments of Revenue. He has successfully recovered \$20 million for clients in refunds and assessment reductions and acted as lead counsel in a complex, multi-party appellate litigation in Pennsylvania. He received a J.D. from University of Virginia School of Law and a B.S. from The Pennsylvania State University.

For more information on our Sales and Use Tax practice, please contact:

- Thomas A. Bowen at 717.255.7363 or tab@stevenslee.com
- Michael A. Gruin at 717.255.7365 or mag@stevenslee.com



The Right Choice for Your Company

Stevens & Lee is a firm of more than 185 attorneys and 40 non-lawyer business and consulting professionals and is among the 200 largest law firms in the nation.

Stevens & Lee's tax practice offers you unmatched tax planning, business incentive, risk management and tax controversy capabilities. We regularly advise clients on state and local tax matters wherever they arise throughout the United States and provide clients with proactive and reactive solutions to a full spectrum of tax issues not only involving sales and use tax, but also income and franchise, personal and real property taxes and other excise taxes, such as realty transfer tax. Additionally, our services include state and local business development and relocation incentives and unclaimed property consulting.

In addition to our corporate tax attorneys, our tax practice includes experienced litigators. We have attorneys licensed in 18 states and a referral network of reputable and knowledgeable local counsel throughout the country to ensure that your company has access to complex multi-state tax litigation coverage.



STEVENS & LEE
LAWYERS & CONSULTANTS

Understanding Your Business Is Our Business

Pennsylvania | New York | New Jersey | Delaware | **800.510.0274** | **www.stevenslee.com**