



Case Study: Audit Defense

Company Background

This company is a retailer/reseller of mobile satellite service, equipment and accessories for industry and individuals across the globe. They are headquartered in Florida and have no other offices. The company collected sales tax for products and services sold to customers located within Florida as instructed by state sales tax laws. To their surprise, the client was selected for a Florida sales and use tax audit.

Client Issue

When initially contacted by the client, there was concern about the internal sales and use tax policies in effect. It was unclear to management whether current procedures were adequate based on their audit selection. Recent changes to how telecommunications companies were being taxed and the impact the Communications Services Tax (CST) were expressed as significant management concerns. In the initial meeting, we provided assurance that our history with Florida Department of Revenue audits was positive and generally led to abatements.

Daszkal Bolton's Solution

Daszkal Bolton LLP worked on behalf of the company to manage the audit process. We prepared the client for the audit by discussing potential issues upfront to ensure there were no surprises. Our professionals focused on making the audit run smoothly by working with employees to ensure all necessary documentation was provided to auditors in a quick and organized manner.

The Result

Daszkal Bolton LLP was successful in reducing the assessment levied by the state from \$200,000 in taxes due plus interest and penalties to \$80,000 in taxes plus interest. The client was pleased with our work because we were also successful in having the proposed penalty of \$40,000 waived.

State & Local Tax (SALT)

Daszkal Bolton LLP has significant experience providing State & Local Tax services to emerging, and middle market privately held companies. For assistance with SALT matters, please contact Brian Swanson, at 561.953.1486 or bswanson@daszkalbolton.com.

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