

Industry Case Study-Success Story

Bar and Restaurant

Before Sales Tax Specialists, Inc.'s Involvement

This client came to us after receiving the preliminary audit working papers. They had initially been told that they would owe tax on approximately \$450,000.00 in additional taxable sales based on the auditor's use of a markup analysis in their audit. The client had impeccable records including all supporting documentation for all purchases and all sales. Nonetheless, the auditor proceeded to use routine "industry standard" estimates that were not at all reflective of the actual operations of the client and proceeded to establish the additional taxable sales of approximately \$450,000.00.

After Sales Tax Specialists, Inc.'s Involvement

Immediately upon contacting our office we were able to identify the areas and components of the audit that were causing the errors that were creating the fictitious level of additional taxable sales. We were able to work closely with the client in developing detailed and summary reports from their records that would eventually provide the audit supervisors the information they needed to correctly determine that there were no additional taxable sales in this audit. By focusing on the key estimates that were providing the auditor with the incorrect results, we were able to save our client almost \$53,000.00 in tax, interest, and penalty.

