

# Industry Case Study-Success Story

---

## Retailer/Wholesaler of Machinery and Parts

### *Before Sales Tax Specialists, Inc.'s Involvement*

This client came to us after the initial sales tax audit work had been completed by the State Board of Equalization auditors. The client had already received the audit working papers and the standard Board of Equalization Report of Field Audit. This initial report showed additional taxable sales in excess of \$4,000,000.00. These additional taxable sales were the result of the auditor disallowing claimed exempt sales such as sales for resale and sales in interstate commerce.

### *After Sales Tax Specialists, Inc.'s Involvement*

Immediately upon being engaged to assist in this case, we noticed a potential exemption from tax that had not been considered by the client or by the Board of Equalization auditors. Through our research into this area of the law, and through our diligent work with our client in locating the proper supporting documentation, we were able to establish that the entire amount of additional taxable sales the auditor had established were actually legally exempt from any tax. As a result of the sales and use tax expertise of the consulting staff at Sales Tax Specialists, Inc., the Board of Equalization eliminated the entire amount of additional taxable sales, concluding that there was no additional tax due by our client. The expertise of Sales Tax Specialists, Inc. resulted in a savings to our client of almost \$445,000.00 in tax, interest, and penalty.

