



RISK ADVISORY • TAX • FINANCE & ACCOUNTING

STATE AND LOCAL TAX Center of Expertise

Sales & Use Audit Defense

Jefferson Wells delivers professional services in the areas of risk advisory, tax, and finance and accounting. We serve clients, including Fortune 500 and Global 1000 companies, through highly experienced professionals working from offices worldwide.

To learn more about our firm and our professional services, contact your local Business Development Manager or visit our Web site at www.jeffersonwells.com.

- Client:** A leader in the wireless messaging industry with more than 1.7 million customers and revenues of nearly \$300 million
- Need:** The company was under audit, with the initial audit assessment exceeding \$1.4 million. It needed to provide an adequate audit defense. According to the audit schedules, the assessment was due to underpaid taxes on expense and asset purchases.
- Reason:** Because of its rapid addition of fixed assets and lack of internal controls, resources and systems, the company did not have adequate control over its sales and use tax compliance function. The audit had been under way for a few months, and the auditor was frustrated with the client's lack of responsiveness.
- Capabilities:** The company needed an outsource partner with expertise in sales and use tax, familiarity with its business and data, and an understanding of the company's critical issues that could promptly resolve the audit problem.
- We Provided:** Since the state auditor was about to turn in the audit for final processing, the first task was to ensure the auditor was comfortable that Jefferson Wells was now managing the audit and would work with the state to finally resolve the concerns. We fielded an experienced team of sales and use tax professionals - including several members who were former state auditors. Working with the auditor, the team analyzed the technical issues, gathered the appropriate documentation to support the positions taken and resolved all outstanding issues.
- Results:** The client was extremely satisfied with the resulting assessment reduction. Jefferson Wells was able to have the audit assessment reduced by \$726,000.