

# 14 Sales & Use Tax Risk Factors That Could Co\$t You

Sales and use tax compliance is complicated, especially for manufacturers. Getting it wrong means you could be exposing your business to significant risk or – even worse – missing out on valuable sales tax exemptions.

Below are **14 risk factors** that could indicate your sales and use tax processes need a refresh.

## Purchases



- X** You treat all material handling equipment (such as forklifts) the same.
- X** You don't track supplies that are used for both exempt and nonexempt purposes.
- X** Invoices don't clearly identify raw materials or components parts that are incorporated into your finished products.
- X** Invoices don't clearly identify repair parts or materials consumed in the manufacturing process.
- X** Materials and labor are not itemized on vendor invoices.

## Sales



- X** Customer exemption certificates are missing or expired.
- X** You're not collecting sales tax in all the states where you do business.
- X** You sell a mix of products and services.

## Processes



- X** You use sales tax software to automate the process, but no one is checking for accuracy.
- X** You don't have a separate G/L account established for tax collected from customers.
- X** It's been several years since you or your staff received any sales tax training.
- X** You don't have a system in place to accrue use tax.

## Audits



- X** You are currently – or were recently – under audit.
- X** Your last sales tax audit resulted in a large assessment.

If any of these risk factors are present, you could be making costly sales and use tax mistakes.

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## Are you unsure whether you are maximizing the manufacturing exemptions available to you?

Do you want to recover overpayment of sales and use tax? Are you worried your sales and use process is exposing your business to risk? Schedule an appointment today and find out how to reduce risk and save money.

- Free consultation with a state and local tax expert
- Learn about all manufacturing tax exemptions available for your business
- Discover and recover overpayment of sales and use tax
- Review and assess how much you could be saving
- Identify areas of sales and use tax exposure

[Contact Us Today](#)

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