



Keep up to date on **ACCOUNTS PAYABLE™**

Inside information on how leading companies are managing cash and payments, in a fast-read format, twice a month.

July 15, 2020

WHAT'S INSIDE

- 2 Sharpen Your Judgment**
Was sales tax incorrectly applied on purchase receipts?
- 3 Networking with Other A/P Pros**
Remote staff went the extra mile for vendors
- 5 Payables News**
IRS publishes new info on transportation fringe benefits
- 7 Making Technology Work for You**
Computer security measures A/P should take ASAP
- 8 Sales and Use Tax Update**
The latest on exemptions, internet and transportation

CFO DAILY NEWS

CFO Daily News, part of the Catalyst Media Network, provides the latest finance and employment law news for finance professionals in the trenches of small-to-medium-sized businesses. Rather than simply regurgitating the day's headlines, CFO Daily News delivers actionable insights, helping finance execs understand what finance trends mean to their business.

Keep on top of all the chaos: 4 time management tactics

■ How A/P can boost productivity now

For busy A/P pros, it can feel like there are never enough hours in the workweek.

From manual, tedious tasks to long group meetings to pressing questions from vendors, you're always needed by someone to do something.

And as soon as you finish a task or finally feel like you're caught up, a new assignment's plopped in your lap!

The truth is, time management, though easy to understand, is quite difficult to master.

And that's especially true in 2020.

Amid an international pandemic and a highly dispersed workforce,

A/P pros are continually figuring out how to navigate new waters and keep efficiency high.

Luckily, there are some simple steps and concepts you can start implementing today to get more done in the 40 hours you have.

Check out four time management tips from business leader, consultant and corporate trainer Joan Burge:

1. Recognize your work style

It's important to find out (and to encourage your staff to discover) at what time of the day each of you are

(Please see Time ... on Page 2)

IRS talks reimbursing employees' internet costs

■ New details on what A/P and employees must do

Do you pay for any employees' internet access? There's finally more word from IRS on the topic.

Ever since the Tax Cuts and Jobs Act removed "computers and peripherals" from "listed property," it's been unclear which reimbursement rules apply if you pay for employees' internet access. But recently, an IRS employee addressed the question.

A business expense, but ...

A/P can reimburse employees' home internet access as a business expense, said Joe Tiberio, the chief

of employment tax examination in IRS's Small Business/Self-Employed Division. But the regular accountable plan rules still apply.

Those rules say employees must:

1. have a business reason for accessing the internet (e.g., work from home)
2. substantiate their business use by submitting details of internet use (i.e., a cable or phone bill and the percentage used for business), and
3. return any excess reimbursement within a reasonable period of time.

Info: See more at bit.ly/internet520

Prioritize and Organize

Time ...

(continued from Page 1)

most productive. Are you on top of your game first thing in the morning, with a cup of coffee in hand? Do you do your best work midday, after your lunch break? Are you in the zone late in the afternoon, when the rest of the workforce is starting to slow down and fewer emails enter your inbox?

Once you identify your optimal work time, save your most important tasks for those hours.

2. Gather info before diving in

How many times has someone given A/P a project or task with vague or very few details? They probably promised to “get you more info later.”

When possible, push to gather all the info upfront, before you begin, to eliminate back-and-forth exchanges later or a misunderstanding of what you’re actually supposed to deliver.

For example, you don’t want to spend hours putting together a report or rewriting process instructions to only later find out there are more details now – and what the person wants isn’t exactly the same as what you’ve been dedicating your time to.

3. Improve prioritization skills

Since many A/P assignments are time-sensitive and mission-critical, it’s hard to decide which to prioritize.

To handle conflicting priorities, Burge recommends:

- **Ask for specific deadlines.** “As soon as possible” doesn’t cut it! To get a more definitive answer, it can help to replace “How soon do you need this by?” with “When is the latest time/date I can get this to you?”
- **Clarify with others.** What was a priority in the morning could easily shift by midday, depending on what comes up (e.g., rush checks). If your boss, executives or other employees are inundating you with pressing tasks, clarify with them what should take precedence.
- **When all else fails ...** and you can’t decide between two important tasks, ask yourself, “What is the impact of not getting this done today?”

4. Focus on results

One last key to keep in mind is that lots of activity, hard work and hours spent don’t necessarily equal results.

Your A/P staffers could be running around, working their tails off – and still not achieving their desired outcomes.

So, if your department’s working hard (perhaps too hard) and ending up with less-than-stellar results, ask:

“Is this the best use of our time? Is there a better process that would yield more positive results?”

Info: Joan Burge, “Getting Things Done,” at officedynamics.com/getting-things-done/

Sharpen your judgment

This feature provides a framework for decision making that helps keep you and your company out of trouble. It describes a recent legal conflict and lets you judge the outcome.

■ Was sales tax incorrectly applied on purchase receipts?

“Hey, Jenn,” said Sales Rep Ian Meyers. “Got a second?”

“Sure,” Jenn said, putting her work aside. “What’s up?”

Ian pulled out a few papers. “These are receipts for items I purchased. For some of the items, I used coupons. And the receipts separately stated the coupon value and the reduced sales price when it was applied. But it looks like we were charged sales tax on the full purchase prices.”

Jenn looked at the receipts. “So, they applied sales tax to the full prices without reducing the prices after the coupon was applied?”

Ian nodded. “Exactly.”

“Hmm. It’s tricky because some of these receipts have taxable and nontaxable items,” Jenn said. “But I think we should contact our state’s Board of Finance and Revenue and see if we can get tax refunds.”

Not enough description

Weeks later, Jenn’s company found out the Board denied all its requests for sales tax refunds.

“I don’t get it,” Ian said. “Why did they deny us?”

“Our state says coupons warrant a reduced price if both the taxable item and the coupon are ‘described’ on the invoice or receipt,” Jenn explained. “The Board said the receipts ‘didn’t adequately describe’ what the coupon was for.”

“That seems wrong,” Ian said. “Can we push back?”

Jenn’s company challenged the Board’s decision. Was it able to prove it deserved sales tax refunds?

■ *Make your decision, then please turn to Page 6 for the court’s ruling.*



Keep up to date on
ACCOUNTS PAYABLE™

EDITOR-IN-CHIEF: ALYSSA EVANS

aevans@pbp.com

MANAGING EDITOR: RENEE COCCHI

PRODUCTION EDITOR: AMY JACOBY

EDITORIAL DIRECTOR: CURT BROWN

Keep Up to Date on Accounts Payable (ISSN 1098-0202), Issue date July 15, 2020, Vol. 23 No. 520, is published semi-monthly, except once in December (23 times a year).

Subscription: 800-220-5000

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting or other professional services. If legal or other expert assistance is required, the services of a competent professional should be sought. — From a declaration of principles jointly adopted by a committee of the American Bar Association and a committee of publishers.

Copyright © 2020 CFO | Daily News. Please respect our copyright: Reproduction of this material is prohibited without prior permission. All rights reserved in all countries.

Networking with Other A/P Pros

Our subscribers come from a broad range of companies, both large and small. In this regular section, three of them share success stories you can adapt to your own unique situation.

1 Remote staff went the extra mile for vendors

When the coronavirus pandemic first hit, our team was scrambling to figure out how to deal with A/P operations in such unprecedented times.

Topping the list of priorities was taking care of vendors.

Luckily, our A/P staffers were motivated to prove that working remotely didn't mean letting go of vendors' needs.

Going above and beyond

One of the biggest ways our team excelled was making sure our vendors

were in the loop on what our plan of action was right from the start.

We talked with them about changes in payment timing and made sure they understood a credit card would be the preferred method of payment.

Most importantly, we promptly answered or addressed any questions or concerns they had.

For example, remote work meant we now had to pay many vendors electronically, but there were some vendors that still relied on more manual methods.

So, our team made the extra effort. If a vendor

needed a paper check, a staffer made a special trip into the office to process it.

This showed vendors we're dedicated and value them, which will help us maintain their loyalty.

As we continue on through this new way of work, we know it'll be key to uphold the high standards that we've set with our vendors.

Our team will keep sharing ideas and working to improve. We're in this together. And that makes these crazy times a little easier.

(Melisa Garcia, Finance Manager, Acuren Inspection Inc., Danbury, CT)

IMPROVING YOUR OWN A/P PROCESS

2 Spoke CFO's language to earn more buy-in

At the end of the day, A/P knows better than anyone else what A/P needs – like when policies should be revamped, when we should work to improve compliance and so on.

The problem is getting higher-ups, like the CFO and controller, to buy in to these changes.

We'd tried to relay our perspectives and ideas in the past, but they didn't always hit home with finance execs.

We realized we needed to take

a different approach. We had to speak their language and appeal to what was most important to them.

Attaching numbers

Now, whenever we approach our CFO or controller with a policy idea, compliance initiative or other change, we add concrete dollar amounts and possible legal penalties.

In one situation, when we were looking to boost compliance with 1099s (i.e., properly reporting and

documenting them), we spelled out exactly how much fines could cost us and what the financial

impact would be for our company.

After, they were much more willing to hear and use our ideas.

Along with implementing positive changes, we also earn more credibility when we spell out numbers, laws and penalties. In a way, A/P becomes like a business advisor for finance execs.

(Christie Russey, A/P and Credit Card Manager, Chenega Corp., Anchorage, AK)

3 Now our finance team is flooded with experts

When I first joined my current finance team, I knew we all had room to grow.

And I knew if everyone could manage to reach their own potential, the entire department would be lifted by each individual's efficiency.

For that to happen, I wanted people to become certified professionals. But I knew that would be met with some resistance.

After all, many of these people had

been working in our department for years without any certification – and they were doing a good job.

Going back to school

So, I launched a new deadline for everyone to show them just how serious I was: You have two years to get certified. And that's that.

As expected, there was plenty of groaning from the team.

But to show I was really invested in them, I allowed two one-hour study sessions each week – on the clock. I

got the budget to pay for all of it.

As people began to see the value in the training, the grumbling died out.

People started to take more pride in their studying, learning and personal development.

Now we have an entire team of certified pros – and you can tell by how much more efficient our team is now that they've expanded their knowledge.

(Martin Armstrong, VP of Payroll Shared Services, Charter Communications, Charlotte, NC)

T&E Spotlight

T&E comprises 8%-12% of the average organization's total budget – and it's also one of the areas where A/P can make the most impact. This regular feature showcases the latest ways you can save time and money on processing travelers' expense reports and reimbursements.

TRAVEL BUBBLES

Amid lingering coronavirus concerns, many companies are anxious to see what role corporate travel will take on in the coming months.

Recently, some countries have enacted "travel bubbles" – agreements between governments allowing people to bypass quarantine limitations – and companies in the private sector are looking to use the same process to bring back corporate travel.

As the idea catches on, take a look at how this new concept could affect T&E and what A/P should anticipate.

The trailblazer, Singapore

So far, only a few countries, such as China and Thailand, have eased restrictions for biz travel, but other countries are showing interest in the allure of what restarting travel could mean for the wilting economy.

The details on how it'll work will vary by country. Here's the current process for travel into Singapore, one of the first countries permitting biz travel:

First, a company files for a "SafeTravel Pass" that the employee

must keep on them. The traveler also has to produce a negative coronavirus test within 48 hours before departure. Upon arrival, they must show the pass and take another coronavirus test.

Moving forward

With restrictions easing, the U.S. could be one of the next to consider "travel bubbles." And if biz travel is essential to your operations, leadership may want employees to resume travel if the option becomes available.

Though it's hard to know when or if travel bubbles will come to the U.S., it's a good idea to make your A/P staff aware that traditional travel expenses could be back in the picture soon.

You may also want to talk with leadership about your T&E budget going forward, especially if a travel influx makes prices skyrocket. And discuss other details like whether your company would consider letting only select employees fly or placing a cap on how much flights can cost.

Since no one knows exactly when or how travel will return, it's good to get everyone on the same page now.

Info: bit.ly/bubble519

TEST YOUR KNOWLEDGE

■ Payment automation: Weighing the pros and cons

As tech advances continue to arise, some A/P pros are left wondering whether payment automation is worth all the hype.

While many companies see the value in newer software, others maintain that it has significant drawbacks.

To test whether you're in the know about A/P digitization and automation, answer *True* or *False* to the following questions:

1. Some vendors don't like payment automation because it may require specific payment methods or charge fees.
2. Implementing payment automation is the only surefire way to eliminate the risk of payment-related fraud.
3. When looking at payment automation from a financial perspective, the resulting benefits will likely go head-to-head with the costs.

ANSWERS

- Cite: bit.ly/automate520*
1. *True.* This is one area where some suppliers say payment automation falls short. Because using only certain payment methods and charging fees can make vendors more stressed and less likely to comply, it's key to consider flexibility and fees.
 2. *False.* Though automated controls can help, minimizing the risk of pay-related fraud often comes down to repeatedly training and teaching staffers how to deal with unsolicited emails, phone calls and other threats.
 3. *False.* If implemented properly, payment automation can be a revenue generator, yielding sizable benefits that outweigh relatively minor sacrifices.

Answers to the quiz:

What's tripping up Finance?

What are the most inefficient aspects of your financial operations?

Note: Respondents could pick more than one.



Source: Strategic Treasurer, strategictreasurer.com

Do any of these top four ring true for your own financial operations? If one or two automatically jump out, brainstorm how A/P's processes and data can make those aspects more efficient (see *related story on Page 6*). Or if you're not completely sure, it could help to discuss processes with others in Finance.

Performance Boosters

To help our readers improve payables operations, KAP selects the best ideas from a variety of sources and presents them in a quick-read format.

Curbing employee expenses without being unreasonable

Right now, it may feel like employees are buying everything from at-home electronics to in-office sanitary supplies and expecting you to foot the bill.

How can you weed out costs your company won't spring for, while still showing employees you value them? Be proactive and reactive:

- **Proactive:** Anytime you revise your expense policy, redistribute it. Give explanations (in writing or in a meeting), so employees understand why the changes were made.
- **Reactive:** Be sympathetic and open to hearing employees' concerns. It can help to prepare answers to common questions – and it's even better if those answers come from company leaders or other experts.

Info: bit.ly/costs519

Can't see eye to eye with a higher-up? How to handle it

No one agrees on everything all the time. There will be times when you disagree with your own boss or someone else high up in the company.

Before you dive into one of these tricky conversations:

1. **Think about why** you disagree. Is it a technical matter, a difference in opinion, an ethical matter?
2. **Decide if it's worth it.** Will the gain outweigh a potential dispute?
3. **Come up with solutions to offer.** Most importantly, if you want to speak up, be prepared with alternative ideas or directions.

Info: bit.ly/improvement520

Boost compliance by adding details to your A/P manual

The more thorough and clear your A/P manual is, the easier it is for employees to get procedures right.

Along with step-by-step instructions

for procedures, some other points you may want to include are:

- why the procedure is key (i.e., what can go wrong if it's not followed?)
- its priority level versus other tasks
- everyone who might need to be contacted to complete it, and
- every tool that's necessary to have in place before the task begins.

When rewarding workers, it's the thought that counts

When you want to reward a hard worker, you may think a raise is what they'd want most.

However, a recent study found that 60% of job-hunting workers said their top concern is employee appreciation. Only 4% said their top concern is how often workers get raises.

So, shift your thinking away from the monetary: Do you remember birthdays? Get coffee for the office? Recognize great team effort? These seemingly small things can make a huge difference.

Info: bit.ly/reward519

SOFTWARE SKILL BOOSTER

Always forgetting the Wi-Fi password? Here's help

When your Wi-Fi isn't performing up to par, you may have to disconnect and reconnect again. But what if you don't remember the password?

To easily retrieve a password:

1. Go to *Network and Sharing Center*.
2. Right click on the Wi-Fi icon.
3. Select *Wireless Properties* and double-click.
4. Click on the *Show Characters* box to show the full password.

Info: bit.ly/PCtips519

If you have a story idea or comment to share, contact the editor at aevans@cfodailynews.com

PAYABLES NEWS

■ IRS publishes new info on transportation fringe benefits

Tell your CFO: IRS proposed new regs with guidance on the deduction of qualified transportation fringe (QTF) and commuting expenses.

As you know, tax reform no longer allows deductions for QTF expenses or certain expenses of transportation/commuting between home and work.

These new regs:

- address the elimination of the deduction for QTF expenses
- provide methods to determine the amount of a QTF parking expense that's nondeductible, and
- include definitions and special rules to clarify and simplify the calculations of those methods.

Info: bit.ly/fringe520

■ Where sales tax stands halfway through 2020

A/P pros should expect the slew of recent sales tax rate increases to keep pace for the rest of 2020.

In the first five months of the year, you saw 150 city sales tax rate changes. (A whopping 140 were sales tax rate increases and only 10 were decreases.) There were also 35 new city taxes and 88 new district taxes. That's all per research from Vertex.

This spike in sales tax increases may be COVID-19-related, says Vertex. It predicts significant sales tax rate changes to continue through 2020.

Info: bit.ly/midyear520

■ Back to the office? People are apprehensive, survey finds

If your company's planning to get employees back in the office soon, check in with your A/P staffers and see how they're feeling.

Almost two in three (64% of) workers are anxious about returning to the workplace, found a new survey from Articulate Global.

The top reason for worry was the potential inability to maintain social distance with co-workers/customers.

Info: bit.ly/return520

Brainstorming session! Looking toward more paperless processes

■ *Bring your team together for big-picture thinking*

The slow-climbing – then suddenly rapid – shift to a remote business world has furthered the argument for replacing manual A/P processes with electronic ones.

That said, you know now may not be the ideal time to jump into a whole software system overhaul.

During this hectic period, A/P needs to focus its time and energy on core tasks, not feel pressured to quickly implement automation, explains finance expert Ilija Ugrinic.

Get your wheels turning

You can, though, use the remote work shift as a chance to dive deep, analyze your existing processes and see how you can go more paperless.

Start the brainstorming session by considering these questions:

1. **Are the files we receive and send truly “electronic”?** Some regard any invoice or P.O. sent through a digital channel as “electronic.”

But you know an image-based PDF invoice that’s emailed isn’t the same as a truly electronic invoice in XML

format, where data can be more easily extracted. Consider if your “electronic” methods could be improved upon.

2. **For e-invoices, should we focus on our end (A/P) versus their end (vendors)?** For many companies, the goal is to make all invoices electronic from the source. But it may not be realistic to expect that of vendors that don’t have the time or capability for e-invoicing, especially right now.

Perhaps a better goal is to get all invoices, regardless of source, into one organized, accurate digital location that A/P’s system can process, Ugrinic says.

3. **For e-payments, what’s the best tactic for vendor conversion?** Similarly, not every vendor will be equipped to receive e-payments.

A/P should analyze its vendor base and identify the best candidates to target for conversion (i.e., those that are digitally advanced), recommends A/P expert Rob Israch. Then provide a range of e-payment options (ACH, wire, credit card, etc.) and find one that matches their needs and capabilities.

Info: Adapted from bit.ly/think520, bit.ly/think2520

had taxable *and* nontaxable items. If it can’t be determined if the coupon applied to a taxable or nontaxable item on the receipt, the full purchase price should be taxed, the court said.

Analysis: Watch those receipts!

This case marks a win and a loss for companies. And it shows how the minor details on and layout of a receipt can make all the difference.

Make sure employees are taught to get detailed receipts that show when and how coupons are applied, so you aren’t overpaying on sales tax.

Based on Meyers v. Commonwealth of Pennsylvania. Dramatized for effect.

MISTAKES THAT COST

This regular feature shows how companies and individuals have run afoul of state or federal laws. See how others got off track so you can avoid similar problems.

A mother’s love? Took \$620K in just 2 years

Individual: Beverly Cross, former accountant at Microfab Technologies Inc. in Plano, TX.

Violation: Cross pleaded guilty to wire fraud, her stolen funds totaling over \$620,000.

Penalty: She was sentenced to eight-and-a-half years in federal prison and ordered to pay restitution.

Note: The former accountant falsified documents to steal roughly four times her monthly salary over a two-year period. Perhaps the craziest part: During her scheme, Cross bought a car from a co-worker for her son – after stealing the exact amount needed to buy the car.

Cite: bit.ly/cross0519

Prison time looming for sneaky finance director

Individual: Lesley Wade, former financial director of the Frankfort County Board of Education (FCBOE) in Frankfort, KY.

Violation: After it was discovered that Wade had stolen over \$1.6 million, she pleaded guilty to money laundering and filing a false tax return.

Penalty: She is scheduled to be sentenced this September. Wade could face up to 20 years in prison and a maximum fee of \$500,000 for money laundering.

Note: While serving as the finance director of the FCBOE, Wade wrote unauthorized checks to herself and falsified records to cover it up. Because she also served as the treasurer of a local church, she was able to use her power over the church’s finances to launder the money she’d stolen.

Cite: bit.ly/wade519

Sharpen your judgment THE DECISION

(See case on Page 2)

Yes, Jenn’s company earned sales tax refunds – for *some* of its receipts.

The court reversed the Board’s order in part, saying tax should only be applied to the reduced price if the receipt separately stated the coupon’s value and only included taxable items.

The receipt just needs a description showing the coupon was accepted and applied toward a taxable item.

But the court sided with the Board in its order denying refunds if the receipt

Computer security measures your A/P department should take ASAP

■ Staying safe in an uncertain world

As the country slowly starts to reopen, your company might end up in a transitional state, with a mix of remote and on-site staffers.

And because the internet plays a huge role in your A/P operations, it's important that you keep your electronic devices – and the important information they hold – safe.

A quick tech evaluation

Here are a few steps your staff can take right now to guarantee secure data isn't compromised, no matter where they're working:

1. Enable your first line of protection. Make sure you have security updates enabled, an anti-virus software installed and a firewall configured. (IT may be able to help you verify these things.) If you can't check off all three, your computer is an easy target for hackers.

2. Passwords, passwords, passwords.

Recently, you may have been using default passwords for networking devices and Wi-Fi, so update them to something no one could guess.

3. Consider using multifactor authentication (MFA). It may be a pain, but you know it can also be a lifesaver. Many MFA programs are free online, so you can easily set them up and block out attackers.

4. Secure online chat services. If you're using videoconferencing, verify that not just anyone can join your call. Also, consider blurring or changing your background while you're chatting so that no unwanted viewers can see your location.

5. Beware of new scams. You'll likely be receiving lots of emails and requests as your business ramps back up, so it's worth reiterating to your staff to be wary of any spam that could compromise A/P.

Info: bit.ly/security519

Conference calls: Should you use video or audio?

■ Know which is appropriate for different situations

When you can't meet with people in person, it's time to turn to technology. The question: Should you set up a conference call or a videoconference?

Here are some arguments to ditch the phone and grab your computer for videoconferencing from business founder Scott Edinger:

- **People focus more.** In a regular call, there's always the temptation to check email or surf the web. When people are present via video, they don't tend to multitask or get distracted as much.
- **There are fewer misunderstandings.** Face-to-face interactions can be more effective because nonverbal

cues help you understand others' words and feelings.

- **Science says so!** Research shows teams that use videoconferencing report higher levels of collaboration.

How to choose

So, how should A/P decide whether to opt for a regular conference call or a videoconference?

Edinger says to use this test:

If the conversation requires undivided attention from you and other participants to solve a problem, use videoconferencing.

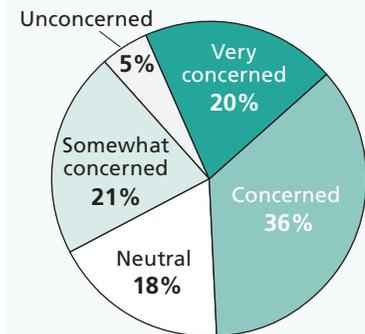
If not, go ahead and just call.

Info: bit.ly/videoconf520

How do you stack up?

In the cloud

How concerned do you think C-level execs are about security when moving ERP applications to the cloud?



Source: Onapsis, onapsis.com

A/P pros know software offerings are moving away from on-premise deployment in favor of cloud-based implementation. Consider how you can show wary execs the benefits of switching (sooner rather than later).

Each issue of KAP contains an exclusive survey to give payables professionals insight into what their peers nationwide are thinking and doing.

THE LIGHTER SIDE

■ Out-of-the-box activities for some office bonding

After months of remote work, you might like to help staffers readjust to office life with a fun outing.

If you're feeling like the usual happy hour has run its course, here are some fresh ideas to consider:

- **Host a "mystery" lunch or dinner.** Create a sense of intrigue by emailing staffers an address and a time. Whoever shows up gets to savor a company-paid or potluck-prepared meal together.
- **Dare to enter an "escape room."** Staffers can problem-solve and reach an exciting solution.
- **Try "MasterChef," office edition.** Make delicious dishes as a team with a local chef, then eat your masterpieces afterward.

Info: bit.ly/outing519

Taking the guesswork out of state tax compliance

Here's KAP's roundup of key state tax changes. Developments in other states often indicate trends to watch. Your state may be next.

EXEMPTIONS

Where can A/P pros score sales tax exemptions now? Check out the latest from three states.

NORTH CAROLINA – If your company buys online education content in this state, lend an ear.

Thanks to a new law, digital educational content is now exempt.

Essentially, purchases that qualify include “the delivery of instruction or training, whether provided in real time, on demand or at another set time, by or on behalf of a qualifying educational entity.”

Info: bit.ly/nc-520

TENNESSEE – For those in the manufacturing industry, a new ruling provides insight on when materials and equipment are taxable.

A manufacturing plant powered by steam generated at an on-site facility wanted to know if the materials and equipment used to create a new steam facility were exempt.

The state clarified that materials or equipment used to construct or install a resource recovery facility that produces steam or electric energy are exempt – as long as they become part of the facility.

Since the materials and equipment did become part of the facility and the steam produced *was* a reusable resource, the purchases were exempt.

Info: bit.ly/tn-520

MARYLAND – Here's good news if your company works with data centers.

As of July 1, 2020, certain property used in qualifying data centers is exempt.

There are three categories of property that meet the exemption:

1. computers, servers, other hardware and software
2. heating, ventilation, air-conditioning

and other mechanical systems, and
3. items used to generate electricity.

Info: bit.ly/md520

INTERNET ACCESS

We told you that internet access fees are exempt as of July 1, 2020. And while most states already followed this practice, a few states had to adjust. Here's guidance from two of them.

TEXAS – This one's for A/P pros in the Lone Star State.

The Texas Comptroller recently posted a reminder that internet access is no longer taxable. It also made a clarification for internet access in bundled services:

If a provider bundles internet access with another taxable service (e.g., a cable television service), you shouldn't owe tax on the amount for internet. The provider just has to establish a “reasonable allocation” for the taxable service and the nontaxable internet access.

Info: bit.ly/tx-520

OHIO – Are you used to paying for internet access here?

This state also released a bulletin reaffirming that internet access is no longer subject to sales tax.

It also said that any automatic data processing or electronic information services that *accompany* – but aren't a significant part of – the internet access will no longer be taxable.

Info: bit.ly/oh-520

TRANSPORTATION

From rideshares to car rentals to taxis, A/P sees it all. Two states have news on transportation costs.

GEORGIA – Here's some tax news on rideshares in the Peach State.

You know that as of April 1, 2020, marketplace facilitators must collect sales tax. And a fiscal note in the new law clarifies that rideshare services, like Uber and Lyft, are included.

Also: A proposed bill would impose a 50-cent fee on for-hire ground transportation rides and a 25-cent fee for shared for-hire rides. We'll keep you posted on that one.

Info: bit.ly/ga-520, bit.ly/ga-5201

SOUTH CAROLINA – Should A/P expect sales tax on online peer-to-peer car rentals? The state said, “yes.”

In a new ruling, South Carolina assessed a car rental company that maintained a website through which cars are listed for rent from one third party to another third party.

The state determined the rental company must collect sales tax on short-term rentals because it qualifies as a marketplace facilitator.

Info: bit.ly/sc-520

FROM OUR SUBSCRIBERS

Over 90% of our readers say that Keep Up to Date on Accounts Payable (KAP), with its quick-read format, is more valuable than any other publication they read.

“Keep Up to Date on Accounts Payable has been used at our company as a tool in training and informing our A/P staff.”

Jackie Stupek
A/P Manager
Wilco Farmers

“The newsletter provides us with helpful suggestions on how to approach tough situations.”

Gina Carroll
Accounting Specialist II
Sierra Pine