



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.

October 2, 2020

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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.

4 creative ideas to celebrate A/P Recognition Week

■ Make it count, whether in person or remote

It's time for your staff to receive some well-deserved appreciation.

This year, A/P Recognition Week will be celebrated Oct. 5 to Oct. 9. And you need to make it count!

For most A/P pros, 2020 hasn't been easy. Stress levels rose due to the pandemic, as staffers were forced to change processes, cope with new snags and work longer hours.

Not to mention, some staffers may have also had to tackle other personal issues, from financial plights to helping their kids "attend school" at home.

So, this A/P Recognition Week, it's more crucial than ever to show your

staff how much you appreciate their hard work and ability to adapt in uncertain circumstances.

The challenge: Many companies are still working from home. And remote recognition is a different ballgame.

Here are four ideas to celebrate A/P Recognition Week whether you're in person or remote:

1. Start with praise

It's important to remember that praise and recognition shouldn't just be a "Thanks for all you do!" email.

The key is to be specific, showing

(Please see Recognition ... on Page 2)

Higher 1099 penalties, courtesy of IRS

■ What's your A/P department up against now?

Stay sharp. IRS has sent its latest round of proposed penalty notices for information return errors.

And if any of these pesky 972CGs cross your desk, you should know IRS has increased some of the penalties.

Specifically, the penalty rates for returns filed or furnished in 2020 are:

- \$50 each if filed within 30 days late
- \$110 each if filed more than 30 days late but before or on Aug. 1 (up from \$100)
- \$270 each if filed after Aug. 1 or not filed at all, and

- \$550 each for intentional disregard to file (up from \$540).

Be vigilant, act quickly

These higher penalties provide good incentive for A/P to stay on top of notices – and quickly contest any penalties you feel aren't reasonable.

You can find clear advice on handling and contesting proposed penalty notices from the experts at InvoiceInfo ([at bit.ly/advice525](http://bit.ly/advice525)).

And you can get more penalty info from IRS ([at bit.ly/penalties525](http://bit.ly/penalties525)).

Recognition ...

(continued from Page 1)

you notice the efforts they make.

Pointing out and rewarding specific good remote habits is essential if you want staffers to continue them.

One tactic: Send each staffer a personal, handwritten “thank you” card, doling out praise for the skills and positivity they contribute. (If you don’t have time to get notes out the door, opt for one-on-one phone calls with the same intent.)

2. Find budget-appropriate gifts

Verbal or written praise aside, it’s no secret that most people love to receive gifts! The main concern is whether you have any room in the company budget to buy them.

If you have money to spend, gift cards are always an easy but much appreciated gift. You could go with a popular choice (e.g., \$10 for Starbucks, \$15 for Amazon) or send gift cards based on your staffers’ interests.

Another idea: Send staffers a treat or lunch through a local food delivery service. Then everyone can virtually join for a coffee break or team lunch.

If you don’t have money in the budget and your gift needs to be “free,” you may have to get a little more creative. For example, you could talk to leadership about if it’d be possible to give staffers a

Friday afternoon off or even an extra vacation day.

3. Gather the whole group

While it’s beneficial to recognize staffers individually, you may also want to address your A/P staff as a whole. During the week, consider hosting a video call to discuss joint wins, notable metrics and more.

And to make it fun, you could tack on an “Awards Ceremony” and virtually give out certificates to staffers. The certificates could be more serious (e.g., best data entry skills, best vendor customer service rating) or more fun (e.g., the office jokester, the office foodie).

Bringing everyone together for a fun virtual meeting will help boost morale and inspire more teamwork going forward.

4. Share achievements

Along with sharing successes internally, use this week as a chance to toot A/P’s horn with leadership.

In a companywide public channel, broadcast A/P’s achievements in 2020. Then give your CFO and controller more key details about how A/P’s contributed to the bottom line, improved efficiency, etc.

This will help increase A/P’s value throughout the company, as well as increase staffers’ pride in and dedication to their work.

Info: bit.ly/tips1525, bit.ly/tips2525

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.

■ Employee perks: Are Pilates classes subject to sales tax?

“Thanks for talking through all of your class options with me,” A/P Manager Jenn Smith said to her friend and local Pilates club owner, Mimi Lowe, as they stood at the club’s front desk.

Recently, Jenn’s company had been looking to offer some new employee perks, and Jenn had suggested Mimi’s Pilates classes as a fun option.

“Sure! I’m excited to teach you and your co-workers,” Mimi replied, waving to a group as they entered the club with Pilates mats.

“It seems like your club’s been a huge success,” Jenn said. “You’re quite the businesswoman.”

Mimi sighed. “The Pilates part comes easy. But I’m not as good at the finance and business part.”

Distinctions in definitions

“What do you mean?” Jenn asked.

Mimi leaned in. “Well, I’m not 100% sure if I should be charging sales tax on my Pilates classes.”

“I see,” Jenn said. She was all too familiar with sales tax complexities. “Well, the state would probably say your classes fall under either ‘instruction in recreational activities,’ which *isn’t* taxable, or ‘commercial recreation,’ which *is* taxable.”

“Right,” Mimi said. “And I don’t know which definition fits better.”

“It’s a tough call,” Jenn said, “but when it comes to state regs, you don’t want to be guessing.”

Mimi decided to address the state, believing her Pilates classes shouldn’t be subject to sales tax.

Did the state agree with Mimi?

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



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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 How we proved A/P deserved upgrades

When A/P wanted to undergo a digital process transformation, we knew we had to go out and start socializing the idea with others.

What we soon learned: Digital transformation wasn't just relevant in A/P. Other teams at our company were looking to change and adapt, too.

Because there were competing projects across our company, it was difficult to find people to champion our A/P projects. They were already championing their own!

So, we had to prove why A/P was

especially deserving of the funding and new technology.

3 critical steps

To do that, we needed to get more educated and gather facts. So, we took three key actions:

1. We expanded our knowledge by listening to everyone we could. We attended conferences, webinars, vendor demos and site visits. We also made reference calls and engaged with other companies who had been on similar tech journeys to hear their successes and struggles.

2. We had consultants

come in to help us look at and map out our processes. They were able to confirm for leadership what we already knew: We needed enhanced technology.

3. We asked, "What keeps our leaders up at night?" Then we matched their goals to our goals to make our appeal more enticing to them.

All this upfront work helped us get leadership on board with A/P's digital transformation.

(Kim Barnes, Manager, Accounting Operation, CarMax, as presented at the A/P P2P Conference & Expo, Orlando, FL)

IMPROVING YOUR OWN A/P PROCESS

2 Shifting travel policies during the pandemic

Business travel plays a large role in our company's operations.

For our employees, flying to and from a client's city used to be an everyday occurrence. And it wasn't uncommon to need to engage with colleagues in other states. Employees would jump on a plane, do a quick day trip and come back.

Now, due to the coronavirus, many of those previously in-person engagements are happening virtually.

We've had to shift our travel policies as the health outlook has shifted.

Playing it safe and smart

Right now, we're only allowing essential travel, and it must be approved by leadership. (In the past, an employee's direct manager could approve travel.)

If travel is approved, we look at state restrictions and follow guidelines from the CDC, WHO and our travel management partners.

We're also continuously creating

new employee resources and adding policies to accommodate changes.

The way our travel program looks today is different than it looked three months ago, and it'll probably look different three months from now.

As the coronavirus continues to change in various localities, regions and countries, it's important that we stay on top of the situation.

(Jerry Underwood, Global Travel Manager, Columbia Sportswear, Portland, OR)

3 'What if?' questions help in the new normal

Like most companies, ours is in what we call the neutral zone.

We've left behind what used to be, in how we work and live. And we haven't yet arrived in the new normal.

It's a difficult place to be; there's a lot of uncertainty.

That's why our leaders and staffers are encouraged to not just think about what's now – but what's next.

We have to re-imagine what the

future could be and how we'll do work in the new normal.

Switching our approach

One tactic that's helped us move in that direction is to change agendas.

Instead of using reactive "To do" agendas that deal with the urgencies of a particular week, we use proactive "What if?" agendas that can help us prepare for the future.

We propose questions like:

- What if we started X from scratch? How would we do it?

- What if we stopped doing Y? What would happen?
- What if we had to continue working remotely for a long time? What would change?

Adding the "What if?" element has helped all of us better prepare for the new ways of work.

Plus, it's helped us pinpoint some blind spots that need to be addressed as we shape the new normal.

(Scott Eblin, Founder, Eblin Group, Los Angeles, as detailed on his blog at eblingroup.com)

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.

CONTACTLESS PAYMENTS

Right now, health and safety are major concerns in the business travel sphere, making contactless payments an appealing option for companies.

In fact, contactless payments (e.g., mobile pay) could see a major surge due to the pandemic.

And they could make your job easier, too, explain the experts at Business Travel News.

The evidence

Recent research shows an increase in consumers wanting to be able to make contactless, in-person payments (without touching a card reader, keypad, etc.).

And it isn't just general consumers who feel this way – the corporate sector expressed the same desire.

Two in three business travelers said the use of contactless payment systems was the most important regulatory measure to ensure safe travel during the coronavirus pandemic, found one survey from BCD travel.

It's likely this "renewed interest" in contactless payments will be a big

part of companies' return-to-travel approaches, added April Bridgeman of Advito, the consulting arm of BCD Travel.

How to react

In light of this information, what's A/P's best move?

- 1. Do some research.** If your company's not using contactless payment methods yet, check with your corporate card provider to see if they (or when they will) offer contactless functionality.
- 2. Communicate the benefits.** It's not just about safety during the pandemic. You'll also want to share how contactless payments can boost security and efficiency, too.
- 3. Consider what will change for T&E processes and policies.** Take receipts, for example. With contactless options (e.g., pre-pay online, pay by app or phone), travelers don't swipe at the register and get handed a receipt. So, you may want to add policies or reminders for how receipts should be saved and submitted (e.g., directed to email, screenshotted in apps).

Info: bit.ly/contactless525

TEST YOUR KNOWLEDGE

■ BEC scams versus EAC scams: What's the difference?

You know there are many ways criminals can use email to infiltrate your A/P department.

But does your staff understand the key differences between business email compromise (BEC) scams and email account compromise (EAC) scams?

Answer *True* or *False* to the following questions to see if you can identify the distinctions between BEC scams and EAC scams:

1. EAC attacks use emails that look like the account of someone the recipient knows and trusts, while BEC attacks gain access to a trusted person's actual email account.
2. Both BEC scams and EAC scams are more focused on people than technical vulnerabilities.
3. Domain spoofing and display-name spoofing are both common examples of EAC scams.

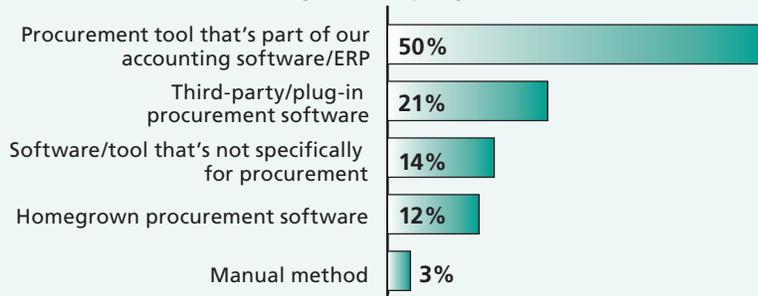
ANSWERS

1. *False.* It's the opposite. BEC attacks send emails that appear to be from someone the recipient recognizes and trusts. Meanwhile, EAC scams actually infiltrate the trusted person's real account, explains security company Proofpoint.
2. *True.* Both types of scams are more people-focused, relying mainly on social engineering and human psychology to be successful, says Proofpoint. They look to exploit users and prey on human nature.
3. *False.* Domain spoofing and display-name spoofing are examples of BEC scams, since these tactics involve pretending to be someone they're not.
- Cite: bit.ly/emailscams525

Answers to the quiz:

Procurement's process has effects on A/P

What type of requisition and P.O. management method does your company use?



Source: Levvel Research, levvel.io

Though A/P and Procurement have differing roles and goals, the two must work together and share information efficiently for a smooth Procure-to-Pay process. That's why having a system where procurement and accounting systems are intertwined and connected may be your company's best bet.

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.

Contractor classification: Are all your bases covered?

Before paying an independent contractor (IC), you know it's key to verify they're classified correctly.

Why that can be tricky: Authorities have different definitions of what makes someone an employee or IC, explains Business Management Daily.

So, you'll want to verify your IC relationships meet the definitions of all applicable organizations, including:

- federal and state taxing authorities
- each state's labor department and workers' compensation board
- the Department of Labor, and
- the National Labor Relations Board.

How to take virtual A/P meetings up another notch

Blurry screens, frozen slideshows, fuzzy audio. Sound familiar?

Virtual meetings are here to stay – and they need to be planned properly.

Here's how A/P can enhance them:

- **Time commitments:** Long meetings can cause people to lose interest. Set short, time-restricted meetings to help people stay sharp the whole time and stop side conversations.
- **Polls:** Before deciding on a new app or data entry rule, let everyone cast their votes to boost interaction.
- **More input:** After general meetings, switch to “breakout meetings” with small groups to get more feedback.

Info: bit.ly/virtualmeetings519

Don't get fooled! 3 classic signs of a bank scam

A/P's used the occasional email or notification from your company's bank.

But there's always a chance it could be a scammer on the other end instead. Some signs of bank scams are:

- **Typos or awkward wording:** If the message is riddled with errors, it's

most likely a fake.

- **Sketchy phone calls:** Scammers may say your account's locked and ask for a password. (Tell them you'll call them back, then check with your local branch to see if it was them.)
- **Suspicious links:** If you get an email with a link from your “bank,” it could be a scam that'll release a virus and seize your personal info.

Info: bit.ly/banking519

Help staffers stay motivated by encouraging time off

Many staffers may open their work laptop during holidays or vacations just to stay on track. But this can do more harm than good for A/P.

According to a recent survey, people working on days off felt less intrinsic motivation in their jobs, which could lead to more resentment and lower retention rates.

So, encourage staffers to separate their work and play time – and stick to it. They might not get that finance report done until next week, but they'll be more motivated to get it done (and do it right) when they return.

Info: bit.ly/vacation519

SOFTWARE SKILL BOOSTER

PowerPoint: Ditch the mouse, try the laser

Here's a simple way to make your PowerPoint presentations a little more professional and impactful.

Instead of using the standard mouse pointer, use a laser pointer.

When you're in presentation mode, press Ctrl and left click.

Your mouse pointer will instantly become a round, red laser pointer.

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

PAYABLES NEWS

■ IRS releases interest rates for fourth quarter of 2020

The final round of interest rates for 2020 has arrived.

And this quarter, they're not changing. As of Oct. 1, 2020, the rates remain:

- 2% for corporate overpayments
- 0.5% for corporate overpayments exceeding \$10,000
- 3% for underpayments, and
- 5% for large corporate underpayments.

Info: Revenue Ruling 2020-18, irs.gov/pub/irs-drop/lrr-20-18.pdf

■ This state's sending unclaimed property compliance letters

If there's a chance your company has any unclaimed property (UP) in Delaware, stay vigilant.

The state recently sent compliance letters to 200 companies that may not be in compliance with its UP laws, strongly encouraging them to enter into its Voluntary Disclosure Agreement (VDA) Program.

The program allows companies to disclose unreported or past-due UP without incurring interest/penalties. And though the program's voluntary, companies that get a letter and don't reply within 60 days saying they intend to participate will be referred to the state for audit.

Info: bit.ly/unclaimed525

■ Tax relief for recent natural disasters, courtesy of IRS

Has your company been affected by any of the major natural disasters across the U.S.?

In three recent news releases, the Taxman announced it's providing tax relief and extending deadlines for victims of:

- the Iowa derecho (see IR-2020-190 at bit.ly/iowa525)
- California wildfires (see IR-2020-191 at bit.ly/cali525), and
- Hurricane Laura (see IR-2020-197 at bit.ly/laura525).

Master vendor file management: 3 major reasons why issues occur

■ Expert shares his best practices for A/P

Feel like handling the master vendor file (MVF) is a constant hassle?

Breakdowns in your MVF can usually be attributed to one of three things, according to A/P expert Karl Andersson: the people, the process or the technology.

Rules to work by

Check out advice from Andersson on each of those three aspects:

1. The people. To efficiently control MVF access, you should:

- Limit the number of people/teams who have access to and can edit the MVF. The more cooks in the kitchen, the more that can go wrong.
- Ensure people entering vendor data are segregated from those in invoicing and purchasing roles. This will help deter fraud.
- Concretely define who “owns” the MVF. That way, there’s clarity on which department and staffer(s) are responsible for adding to, updating and maintaining data.

2. The process. To ensure every

change to your MVF is done right:

- For each new vendor entry, first double-check that the vendor hasn’t already been created.
- Before processing a new vendor, always obtain TIN info and perform TIN/OFAC checks.
- Create standardized forms and data entry rules. And occasionally, be sure to update your forms/rules and ensure they’re being used properly.

3. The technology. To make the most of tech with your MVF:

- Turn on “change history” features, so you have a record of when changes were made and by whom.
- Know your tech system’s capabilities and make the most of them (e.g., create data entry shortcuts, run accuracy checks).
- Leverage reporting to get insight into aspects like duplicate vendors, missing data, change history and record creation.

Info: Adapted from the Financial Operations Networks’ webinar, “Getting and Keeping Your Vendor Master File In Tip Top Shape”

exercise regime and the instructors received training and certification, the state said the classes were exempt.

Analysis: Always double-check

You never know when a state’s call on sales tax rules will surprise you. (For example, in Iowa, two different orders said Pilates classes were exempt but spinning classes were taxable.)

That’s why, anytime uncertainty lingers, it’s smart to verify taxability with tax pros, vendors or even states.

Based on Iowa Department of Revenue Declaratory Order, Docket No. 2019-300-2-0020. This case was fictionalized for dramatic 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/P clerk manipulates vendor info, nabs \$1.8M

Individual: Duy Duc Nguyen, former A/P clerk for Milan Capital Management in Anaheim, CA.

Violation: After stealing over \$1.8 million from the company where he worked, Nguyen pleaded guilty to wire fraud.

Penalty: A judge sentenced him to serve two-and-a-half years in prison and to pay restitution.

Note: Working in A/P, Nguyen was able to steal a critical financial password in order to alter some of their vendors’ banking info in the accounting system. He replaced vendors’ info with his own bank account details and routed money to himself. All the while, it appeared Nguyen was legitimately paying invoices to those vendors.

Cite: bit.ly/nguyen525

Secretly kept former employees’ credit cards

Individual: Wendy Hochstedler, former finance director for the City of South Haven in South Haven, MI.

Violation: In court, Hochstedler pleaded guilty to one count of illegal possession of a financial transaction device, having stolen more than \$130,000 over the course of three years.

Penalty: A judge will sentence her at a later time.

Note: Credit card misuse was at the root of Hochstedler’s scheme. She kept open five cards that had belonged to former city employees. Using the credit cards, Hochstedler purchased everything from fast food and vehicle repairs to jewelry and pet supplies.

Cite: bit.ly/hochstedler525

Sharpen your judgment THE DECISION

(See case on Page 2)

Yes, the state agreed with the club owner, saying the Pilates classes weren’t subject to sales tax.

The state reaffirmed that it taxes “commercial recreation” but exempts “instruction in recreational activities.”

To be exempt, the “instruction” must impart a level of knowledge/skill that wouldn’t otherwise be known to the person participating. Also, the instructor must have gotten training.

Since Pilates is a specialized

4 strategies for better digital communication with vendors

■ Small tweaks for clearer, more effective messaging

When it comes to interacting with vendors, A/P pros know the code: Be polite, professional and accommodating.

But digital communication has its challenges. Words can be easily misconstrued, leaving vendors confused – or even offended.

Depending on what's said, these pitfalls could spiral into costly errors or hurt vendor relationships.

Try these tactics

To avoid any issues, here are a few tips to keep in mind as you type out your next vendor response:

1. Consider your tone. Before writing, think for a few seconds about your relationship with the sender.

Is your tone too casual to use with a vendor? Do you really need to use “Ms.” with a rep you’ve worked with for years? Make sure you match your voice to the person.

2. Pause and reflect. If a vendor upsets or aggravates you, wait at least a few minutes before replying.

Even if you try to hide your true feelings, negative emotions could come through. So, take a deep breath, type it out, wait ... then go over it again to make sure you sound courteous.

3. Take advantage of BCC. If you want to send an email to a vendor about something sensitive (like a payment issue) but need to loop in your boss, use BCC to blind copy your boss without the vendor knowing. That way, the vendor doesn't feel like their issues are on display.

4. Stay neutral. This is likely a given for most A/P pros – but refrain from badmouthing competition or past vendors to your current vendors. It could make your recipient lose trust and wonder if you'll do the same to them later on.

Info: bit.ly/etiquette519

It's time to embrace blockchain, research says

■ Companies making moves to adopt this new tech

You've heard the hype about blockchain technology.

But have you looked into it further or started implementing it into your finance or Purchase-to-Pay processes?

If A/P hasn't yet given blockchain the time of day, now's the time to do so, says a recent Global Blockchain Survey from Deloitte.

First and foremost, the survey found more companies are moving from thinking about blockchain to actually implementing it: Over a third (39%) of companies have incorporated blockchain tech this year, versus less than a quarter (23%) last year.

What's more, 89% of companies

said digital assets like blockchain will become somewhat or very important in the next three years.

And 84% of companies said those who *don't* adopt blockchain will lose their competitive edge.

Fuel the conversation

This research proves blockchain has shifted from a new, speculative technology to a real business strategy.

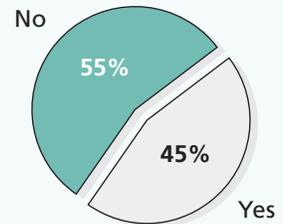
For A/P transactions, blockchain technology can provide more security and real-time capabilities. So, if you haven't yet broached the topic with leadership, you may want to do so in order to stay competitive.

Info: bit.ly/blockchain525

How do you stack up?

An eye on A/P savings

Are you able to track discounts captured?



Source: IOFM and Hyland, iofm.com, hyland.com

Surprisingly, many A/P teams don't monitor discounts captured. Those that do, however, are in a better position to further increase savings and promote how A/P positively impacts the bottom line.

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

■ Yes, word choice does matter in the biz world!

Looking to sharpen up your resume or job descriptions with some colorful language?

That's all well and good – but you may want to avoid these ten words companies called their most hated resume buzzwords:

1. best (disliked by 76%)
2. motivated (71%)
3. dedicated (69%)
4. proven (65%)
5. reliable (62%)
6. passionate (57%)
7. excellent (54%)
8. enthusiastic (50%)
9. great (48%), and
10. hardworking (43%).

Info: bit.ly/buzzwords525

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.

SOFTWARE

As the world becomes more digital, A/P will have to process more software purchases. Check out three states with sales tax updates.

MASSACHUSETTS – Can A/P use the tax refund process as a method of apportionment? Here's new insight.

Massachusetts taxes in-state software use but exempts out-of-state use. When it's used in both places, only the in-state percentage must be taxed (i.e., "apportionment").

Recent case: A company bought software for in-state and out-of-state use. It requested tax refunds for the portion used outside of the state.

The state approved the company's claims, calling the refund process an appropriate method of apportionment.

Info: bit.ly/ma-525

IOWA – For companies in this state, new legislation has much needed clarity on software taxability.

Digital products and services have been taxable in Iowa since 2019 – but the customization of software in physical form hadn't been addressed. The new legislation clears that up, saying "software sold as tangible personal property," should generally be treated like digital products.

Also, the new legislation provides a definition for "computer peripherals" and adds them to the list of items that can be exempt in certain situations.

Info: bit.ly/ia-525

RHODE ISLAND – Working in Rhode Island? The sales tax rules for specified digital products were just amended.

Per a new law, taxable sales now include any license, lease or rental of prewritten or vendor-hosted computer software and specified digital products.

What's more, the law added that sales tax should only be applied to sales for the "end users" of specified digital products.

But, it explains, sales tax should be applied regardless of whether the products are used on a "permanent or less than permanent basis" and regardless of whether you're required to make continued payments.

Info: bit.ly/ri-525

TRANSPORTATION

Do employees take advantage of peer-to-peer car sharing? Two states have their eye on its taxability.

VIRGINIA – This one's for A/P pros working in the Old Dominion.

As of Oct. 1, 2020, there's a new tax for peer-to-peer vehicle sharing platforms that meet the marketplace facilitator threshold of \$100,000 in sales or 200 separate transactions per year.

For "small fleets," the tax rate is 6.5%, rising to 7% on July 1, 2021. For "large fleets," the tax rate is 10% (like the motor vehicle rental tax).

See more details below.

Info: bit.ly/va-525

CONNECTICUT – Here's another state looking to tax peer-to-peer car sharing platforms.

A new bill aims to include peer-to-peer car sharing in the definition of "marketplace facilitators."

If passed, peer-to-peer car sharing platforms that meet the marketplace facilitator threshold of \$250,000 in sales per year would have to collect a dollar-a-day surcharge for rentals of vehicles as of July 1, 2020.

We'll keep you posted.

Info: bit.ly/ct-525

FILING

Sales tax is all about compliance and accuracy. Here's one state that's making moves to simplify things for companies.

COLORADO – Good news for A/P and A/R pros in this state!

Previously, we mentioned Colorado was developing an online platform to streamline sales tax processes.

Now, an initial version of the online system has been launched. It promises to provide:

- a single point of remittance and a uniform remittance form
- a taxability and exemption matrix
- the ability to calculate tax rates on items with differing tax rates in the same jurisdiction, and
- a record/history of any changes.

You can share this update with A/R and view more details below.

Info: bit.ly/co-525

Don't see your state listed? Our website has many more sales and use tax updates. Log in and visit bit.ly/KAPsalesusetax

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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.

"The most helpful features of *Keep Up to Date on Accounts Payable* are the government updates and tips on improving policies and procedures."

Anthony Jackson
Accountant
Syfan Manufacturing Corp.

"KAP has valuable information for any employees who work either in or with A/P."

Alberta Quinlan
Fiscal Analyst
WA State Treasurer