



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.

January 4, 2021

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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.

5 keys for filing the new 1099-NEC this year-end

■ Know these nuances to stay compliant

After months of hype and talk about the new 1099-NEC, it's finally time for A/P to file it.

Of course, like most tax forms and IRS procedures, the 1099-NEC has a few quirks.

And since this is the first year A/P's filing the new 1099-NEC, you'll want to be aware of the finer points, so you can ace year-end reporting.

A quick review

Check out some key considerations and nuances of Form 1099-NEC, courtesy of the finance pros at Accounting Today:

1. Recipients. Who should get a 1099-NEC? IRS specifies that some of the most common payees are those who received at least \$600 in:

- payments for services performed by worker(s) who aren't employees at your company (including costs for parts and materials)
- payments to attorneys (including law firms or other legal service providers), and
- payments to people from whom your company's withheld any federal income tax under the backup withholding rules

(Please see 1099-NEC ... on Page 2)

What difficulties has COVID-19 created for A/P?

■ Research highlights your peers' top pandemic problems

There's no denying the coronavirus pandemic created new hurdles and risks for A/P departments.

What are the top challenges? Some of the biggest pain points your peers are facing due to COVID-19 are:

- concerns about fraud and compliance issues resulting from disrupted operations (25%)
- an increase in vendor queries about payment status (22%), and
- inability to pay vendors on time due to operational issues (20%).

That's according to research

presented during a virtual town hall from Transcepta and IOFM.

Adjust as you go

As the pandemic continues on, it's smart for A/P to regularly re-evaluate its operations: Are new aspects being disrupted? What risks are popping up? Are you giving vendors enough communication and assurance?

Stepping back briefly to ask these kinds of questions can help you step forward in the right direction.

Info: bit.ly/pandemic530

1099-NEC ...

(continued from Page 1)

(regardless of the payment amount).

If you're issuing a 1099-NEC to someone for payments outside of those broad categories, you may want to double-check that you're using the correct 1099.

2. Software complications. Take note: Many tax filing or accounting software systems may not yet be equipped with a 1099-NEC flag for payees or be able to produce 1099-NEC-based reports.

It's a good idea to reach out to your software provider or tech support to see if their software will be updated to accommodate 1099-NECs before year-end deadlines.

Also, see whether your provider has a long-term plan for incorporating 1099-NECs into its tax filing features.

In the interim, try this hands-on approach from Accounting Today: If you have payees who typically use 1099-MISC Boxes 1 or 3, implement a "Display Name" flag, like [Payee 1]: NEC and [Payee 2]: MISC.

That way, when it's time to file, you can easily download the 1099-MISC file and segregate payees who need a 1099-NEC.

3. State-by-state filing obligations. As mentioned (see KAP 11/16/20), IRS excluded Form 1099-NEC from

its Combined Federal/State Filing Program.

That means if your state mandates 1099-NEC filing, you'll have to do it separately from your IRS filing.

Be sure you account for the extra time to research state requirements and file with states, if necessary.

4. Corrections for old 1099-MISCs. Let's say your A/P department needs to correct a Box 7 (nonemployee compensation) amount from a 2019 1099-MISC.

Since the new 1099-MISC doesn't include that same Box 7 anymore, how should you handle the correction?

According to IRS, corrections to 1099-MISC Box 7 for tax years 2019 and earlier should remain on the old 1099-MISC form. (In other words, don't correct a 2019 1099-MISC for nonemployee compensation with a 2020 1099-NEC.)

5. Deadlines. As a final reminder, 1099-NECs and 1099-MISCs don't have identical due dates. And you'll want your A/P staffers to ingrain the difference in their heads!

Paper and electronic 1099-NECs are due to IRS by Feb. 1, 2021.

Paper 1099-MISCs are due by March 1, 2021, but electronically filed 1099-MISCs aren't due until March 31, 2021.

Info: Adapted from Accounting Today, "Meet the 1099-NEC," at accountingtoday.com/opinion/meet-the-1099-nec

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.

■ Past-due payments, delivery delays: Breach of contract?

A/P Manager Jenn Smith sat down across from CFO Jeff Rizzo. "What's going on?" she asked.

"I just filed a suit with Seneca Supplies for breach of contract," Jeff said. "Their delivery delays are costing us big time."

Jenn sighed. While their business relationship with Seneca had been rocky recently, she was surprised to hear it'd escalated to this level.

"You know we were past-due on payments to Seneca, right?" Jenn asked. "In fact, we still are."

"I thought we adjusted the payment schedule," Jeff said.

Overdue balance

"Yes, we added an amendment to the contract for us to pre-pay 130% of the amount due in advance, which gets applied to our oldest invoice," Jenn explained. "But that means we still have past-due invoices with them."

"You run a tight ship, Jenn. I assume we're following the new terms, right?" Jeff asked.

"Yes, but we still haven't paid for all the work they've done for us," Jenn replied. "In my opinion, that hardly puts us in a position to sue Seneca for delivery delays."

Jeff frowned. "Well, word is Seneca plans to bring a counterclaim that we're the one who breached contract and move to have our claim against them dismissed," he said.

In the end, that's just what Seneca Supplies did.

Was Jenn's company able to move its case forward?

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



Keep up to date on
ACCOUNTS PAYABLE™

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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 **Emails fast-tracked our invoice approvals**

Like a lot of other companies, we struggled with how to speed up the approval process for invoices.

When we put invoices in approvers' mailboxes at work, they would often forget to check their mail for a while.

We decided it was time to try a different approach by emailing approvers their invoices.

It was a much more accessible way of sending and receiving invoices that prevented approvals from sitting, forgotten, in mailboxes.

In some cases, this new method cut down turnaround times from weeks to just mere minutes. And for most people, this new digital system worked perfectly fine.

However, there were some people who still posed a challenge.

A simple, quick reminder

So, we started taking a second step.

Now, if we don't get an invoice back from the approver by a certain time, we send a follow-up email to see what the holdup is.

And because we have an email documentation

trail to refer to, it's easy to keep track of the exact dates and times we sent both the original email and the reminder, so we can refer back to that and hold approvers accountable.

There are those few people who A/P might still need to send repeated reminders to, but for the most part, we've found that just one simple reminder jolts people into action.

Overall, it's made the invoice approval process much faster and more organized.

(Ralph Sirani, Senior Staff Accountant, Goodway Technologies Corp., Stamford, CT)

IMPROVING YOUR OWN A/P PROCESS

2 **Started focusing more on A/P achievements**

In the busy day-to-day of problem solving and fixing issues, our great wins were getting overshadowed.

I met with my boss, the VP of Finance, every week. And in the past, I used our meetings as gripe sessions.

For example, I'd talk about how Joe doesn't approve his invoices.

But, I realized, I can handle Joe. What I wanted our boss to see is that we solved the problem with Joe.

I knew I needed to incorporate

more positivity and wins into these weekly talks.

Switched up the agenda

Now, I start off by discussing recent A/P accomplishments.

The way I see it, something good happens at least once a week. So, I spell out the benefits we've delivered.

That may include how we:

- handled tricky vendor situations
- saved money for the company, or
- averted a crisis.

I also started incorporating more

talk about our goals (for one year, five years, etc.) and if we're on track.

Lastly, after we've talked about our successes and goals, I look to my boss for suggestions: What can we do to add more value to the company?

Thanks to these changes, our weekly talks are much more positive, effective and forward-looking.

(Bethany Mezzadra, Director of Disbursements, University of Maryland Medical System, as presented at the A/P P2P Conference & Expo, Las Vegas)

3 **Tackling training during busy season**

Training can be particularly tough in our industry because certain times of the year are a lot busier than others.

And during busy seasons, it's sometimes tough to find the time to make sure everyone goes through all the various training – and that the training is consistent.

Keeping it fresh

First and foremost, we know it's important for leaders to set a good

example and prioritize training.

So, we focus on seeing that all managers are frequently updated on our training goals and procedures.

We even put together a "how-to" book for managers. We're also working on designing concrete training programs across the board.

With everyone so busy, it can be tempting to just keep sending out the same materials time after time.

For example, we have a really effective training video that we could pump out repetitively.

But we want to make sure our people don't just shrug it off because they already saw it last year.

To freshen things up, we created a set of slides that's updated with new material on critical issues everyone needs to be aware of.

These ongoing efforts, like the how-to books and updated slides, keep everyone in the loop and ensure consistency in our messages and instructions.

(Robyn Byrne, Training Manager, Omni Resorts, Bretton Woods, NH)

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.

CRAZY EXPENSES

If your A/P department's like most, you've seen a few questionable expense reimbursement requests come through.

Truth is, there may always be employees who try to push the limits.

That's made very clear by Emburse's "Craziest Business Expenses of 2020."

To reimburse or not?

Take a look at some of the craziest expenses that A/P saw this year (and whether they got approved or denied):

- \$39 in house plants because the employee "missed plants in the office." *Approved.*
- \$52.90 in sports bras "for health and wellness." *Denied.*
- A \$79 dog crate, so the employee's dog wouldn't run in the room during Zoom meetings. *Approved.*
- \$100 per month in magazine subscriptions because the "lack of dialogue" when remote required stimulus via magazines. *Approved.*
- \$264 in tea, since free tea is supplied in the office. *Denied.*

- A \$389 case of wine for "online networking events." *Denied.*
- \$1,250 in branded coffee mugs to boost morale at weekly coffee meetings. *Approved.*
- A \$1,895 Peloton bike "for health and wellness." *Approved.*
- A \$2,500 helicopter ride labeled "transportation." *Denied.*
- A \$20,000 private jet ride to reduce COVID-19 exposure. *Approved.*

Cover your company

While it's crazy to think employees would be so bold as to expense these things, what's just as crazy is that some of them actually got approved.

In A/P, it may be worthwhile to check out the language in your T&E policy of what's reimbursable and what's not – and adjust, if necessary.

That way, employees can't claim they "didn't know" or something "wasn't clearly addressed in policy."

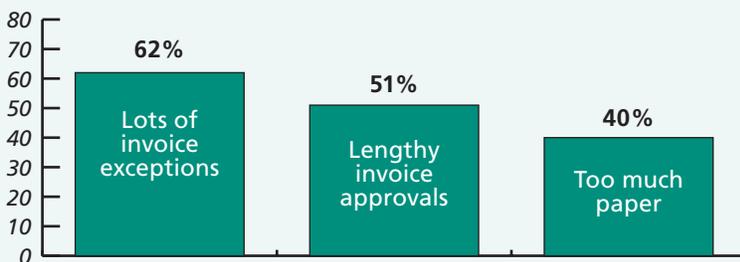
The more definitive, detailed rules you can provide, the less you'll have to justify denying crazy reimbursement requests like some of these.

Info: bit.ly/emburse530

Long-standing A/P woes

What are the top challenges holding A/P back?

Note: More than one answer accepted.



Source: Ardent Partners, ardentpartners.com

Though many challenges can pop up, overall, the most long-standing A/P headaches can be summed up in three words: exceptions, approvals and paper. And automation can help tackle all three! Use data on your invoice exception rate, approval times and manual hurdles to make the case for digitization.

TEST YOUR KNOWLEDGE

Are you thinking about new work goals for 2021?

Another new year is here. And with it comes the idea of a fresh slate – a chance to consider where you are and where you want to go in your finance career.

After some thoughtful reflection, defining your career goals is the first step to achieving them.

Answer *True* or *False* to the following questions to see how much you know about setting career goals:

1. Reflecting back on your childhood can help determine long-term career goals in your adult life.
2. Once you have a specific career goal in mind, the best way to make it more "real" is to develop a mantra you keep in your mind and repeat to yourself often.
3. It's usually more effective to focus on one long-term career goal rather than many short-term career goals.

ANSWERS

- Answers to the quiz:
1. *True.* Career expert Elaine Boylan advises thinking about times in your childhood when you were most at ease. What you loved at a young age helped define you, and you can use it to drive long-term career goals. Consider how childhood (or more recent) interests could fit into your work.
 2. *False.* Your goals shouldn't just live in your head! Writing them down is key, as it makes them feel more real, Boylan says.
 3. *False.* If you want to reach a long-term goal, it's essential to come up with short-term goals that help you get there, Boylan explains. What can you do in the next month, quarter or year to get closer to your ultimate goal?

Cite: bit.ly/goals530

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.

Keep travelers on their toes and deter mileage fraud

Mileage fraud is all too common nowadays. You may recall “extra mileage” was the top expense fraud method (39%) in a recent survey.

So, how can you prevent it?

Try mileage checks. Choose a few random mileage locations and check the mileage accuracy with a program like MapQuest, advises SutiSoft.

You may catch mileage fraud that otherwise would’ve slipped by. Plus, if employees *know* you do these checks regularly, they’ll be less likely to even try to slip something by A/P.

Info: bit.ly/mileage530

Stressed? Use it to your advantage with these tips

For some staffers, stress might seem like an unavoidable hurdle. But what if you could use it to succeed?

To leverage your jitters:

- **Make hard deadlines that impact others.** For example, verbalize that you’ll finish a project before your boss leaves for vacation next week. That promise will propel you into action and hold you accountable.
- **Get out of your comfort zone.** Do things outside of work that scare you, from karaoke to zip lining. When true stress arises at the office, you’ll have a tolerance built up.
- **Find what hits the nerve.** Consider what aspects of certain tasks make you nervous. Once you pinpoint them, you’ll be aware of triggers.

Info: bit.ly/stress519

How to shine the company spotlight on your A/P team

You know A/P’s vital to keeping business running and should be valued just as much as any other department.

To change how A/P is viewed at your company:

- **Alter your own POV.** View A/P as its own “company” within your organization. Create your own specific mission, goals and values.
- **Emphasize your worth.** Think about why you may have been overlooked previously and what factors your CFO might consider when investing in A/P. Fill in those gaps.

Info: bit.ly/vision519

3 ways to squash workplace harassment for good

No A/P manager wants their staff to feel unsafe or worried at work.

For a bully-free environment, check off all three items on this list:

1. **Keep school in session.** Talk to HR about trainings and workshops to educate staff, so if foul play occurs, offenders can’t claim ignorance.
2. **Create clear channels.** If staffers can bring up issues anonymously, they won’t fear backlash.
3. **Be vocal on values.** Actively advocating against bullying may compel bystanders to speak up.

Info: bit.ly/bullying519

SOFTWARE SKILL BOOSTER

Remember to check your lighting for video calls

Many in-person meetings are now being replaced with video calls.

And you want to portray yourself in the best light – literally and figuratively.

During the day, ensure your back isn’t to a window, which can make your face appear dark. If it is, close the blinds or change your position.

And if it’s getting dark out, don’t forget to switch on an extra table lamp with a shade to keep your face well-lit.

Info: bit.ly/lighting530

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

PAYABLES NEWS

Get ready! Next ACH update coming soon

Here’s a reminder if you use Same Day ACH: The next new phase is coming March 19, 2021.

On that day, Nacha is planning to introduce a new processing window for transactions.

It’ll give companies until 4:45 p.m. EST to submit payments to payees’ bank accounts and have them processed/available the same day.

Info: bit.ly/achupdate530

IRS relays 2021 legal and banking holidays

A/P has to start prepping for the next year, which includes knowing where holidays fall.

Here’s a rundown of the legal and/or banking holidays in 2021:

- Fri., Jan. 1: New Year’s Day
- Mon., Jan. 18: MLK Jr. Day
- Mon., Feb. 15: Presidents’ Day
- Fri., April 16: DC Emancipation Day
- Mon., May 31: Memorial Day
- Mon., July 5: Observation of Independence Day
- Mon., Sept. 6: Labor Day
- Mon., Oct. 11: Columbus Day
- Thurs., Nov. 11: Veterans’ Day
- Thurs., Nov. 25: Thanksgiving
- Fri., Dec. 24: Observation of Christmas Day.

Info: bit.ly/holidays510

What are the most important qualities of a remote leader?

Leading A/P is one thing. Leading *remotely* is a different ball game.

A survey from Remote-How dove into the most important qualities for remote leaders to have. To step up your game, focus on being:

1. an excellent communicator (69%)
2. organized (37%)
3. self-disciplined (35%)
4. self-motivated (29%), and
5. flexible (28%).

Info: bit.ly/remotely530

3 best practices to bolster your connections with vendors

■ *Tactics to help build their trust every day*

You already know vendor relationships can have a huge impact on your business's success.

But getting your vendors to view you as a trusted partner rather than just another customer takes considerable time and effort.

Putting in the work

Fact is, all relationships take work, and your relationship with each key vendor is no different.

Even a little extra effort goes a long way. And if done right, your relationship will be more mutually beneficial in the long run.

To get started, here are some simple ways to show vendors you care and create great partnerships:

1. Opt for good service over fast service. Vendors want to feel like you value them. So, if staffers regularly rush them off the phone or write email replies that are barely a sentence, vendors may start to feel slighted.

Instead of focusing on speed, focus on completion. Taking a few extra minutes to talk them through an

invoice issue or write a more thought-out email goes a long way.

2. Remember the human element. It might seem pretty simple, but using a vendor's name when you address them is key to building an authentic relationship with individual reps and the company overall.

Not only does it add a human element, but it'll show you don't just group all vendors together. You know them and hold them in high regard.

3. Show your dedication. Keep up the positive interactions for the long haul. Don't let them fizzle out!

From a more personal standpoint, your company can surprise vendors by remembering their business's anniversary. Mail a card or send a treat around the holidays.

From an operational standpoint, check in with reps frequently to get their honest feedback on your business and processes – and take action on any criticisms.

Doing both will show you value them personally and professionally.

Info: bit.ly/vendorfriendship519

with the contract as modified by the payment plan amendment. So, Seneca Supplies couldn't claim it was breaching contract by having a past-due balance. It was working to correct that in the manner agreed to by both parties.

Analysis: Be open, understanding

You know two parties bringing legal claims against each other can cause strain on a business relationship and have a negative, lasting impact.

It's better if you can solve issues together and avoid costly lawsuits.

Based on Talcott Communications Corp. v. Quad/Graphics Printing Corp. 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/P staffer nabbed for credit card scheme

Individual: Lisa Steen, former A/P staffer at Colby High School in Colby, WI.

Violation: Steen was found guilty of covertly using school money to take care of her own personal bills.

Penalty: She was sentenced to serve three years on probation, as well as repay the money she stole, complete community service and write a formal apology to the school district.

Note: Because she worked in A/P, Steen was able to use the school district's credit card without garnering much suspicion. It's estimated that she stole more than \$7,000 via the card to pay her bills.

Cite: bit.ly/steen530

694 fraudulent check requests slipped by A/P

Individual: David Kramer, former risk manager at Enterprise Holdings in Coconut Creek, FL.

Violation: After stealing more than \$1.45 million from the company, Kramer pleaded guilty to five counts of wire fraud.

Penalty: A judge will sentence him in February 2021. Kramer faces up to 20 years in prison and six-figures in fines.

Note: Over the years, Kramer rose through the ranks and became a risk management leader at the company. According to court documents, he submitted nearly 700 unauthorized check requests to the A/P department. Then he used the money to take lavish vacations and buy expensive clothing and jewelry.

Cite: bit.ly/kramer530

Sharpen your judgment THE DECISION

(See case on Page 2)

No, the company's case didn't move forward. The court dismissed it. However, the court said Seneca Supplies wasn't able to show Jenn's company breached the contract either.

While it was true that Jenn's company had outstanding invoices, the only reason it still had a balance was because the 130% of each invoice it'd been paying in advance was being applied to the oldest invoices.

Jenn's company was complying

Social engineering scams: What emotions do criminals exploit?

■ See the psychology behind the scams

Along with using advanced tech skills to infiltrate A/P, many criminals also use basic psychology.

Social engineering scams, like phishing emails, use manipulation and prey on people's emotions.

To more easily detect these scam attempts, it's essential for A/P to know what emotions criminals often exploit.

5 to keep in mind

Check out five emotions criminals focus on, courtesy of SecureWorld:

1. Greed. No one wants to miss out on a good thing! That's why criminals may use language like "last chance" to draw people in and spur quick action.

Warn purchasers about this one, so they don't make rash decisions that lead to scams rather than sales.

2. Curiosity. Criminals may try to pique your interest to get you to, say, click a link: "Have you seen this new statement in your portal?" "Are you

aware of these new policy changes?" Always pause and assess before you jump the gun and click away.

3. Urgency. Picture an "executive" asking you to wire a payment "ASAP" or take care of an "urgent request."

Remember: A request that requires you to act fast may want you to act without thinking too much about it.

4. Helpfulness. It's sad but true – criminals will exploit your desire to help others. They may pose as employees or vendors who "need your assistance."

Be sure to check people are who they say they are before offering help.

5. Fear. No one wants to create a crisis at work – and criminals know that. They may send messages about your "credit card being at risk" or "account being closed permanently."

Again, don't act on impulse. Take a moment. Verify, verify, verify.

Info: bit.ly/scams530

Enhance your Wi-Fi signal when working remotely

■ Quick tips to avoid holdups and stay productive

Offices usually have pretty good Wi-Fi signals. But when working remotely, whether it's from a city apartment or a suburban house, Wi-Fi can be more temperamental.

And when your connection's bad, your productivity suffers. Video calls freeze, online portals won't load, emails take forever to send ...

Staying efficient at home

Luckily, it doesn't have to be that way. Here are a few tips to try:

- If your connection's slow, consider moving your router. Make sure it's in an open, central place.
- Experts say you should update your router's software regularly. If you

can't remember the last time you updated it, that's probably a sign it's time to do so! Head to your router's software admin page for updates.

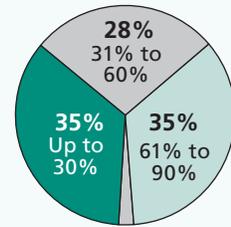
- Securing your network can help, too. Experts recommend visiting the online admin page and choosing security level WPA2. (And make sure to set a strong password.)
- Some homes or buildings may have what's known as "dead zones." If yours does, consider getting a wireless mesh network (*see more details at bit.ly/mesh530*), which provides a more stable network by using multiple connection points throughout the house.

Info: bit.ly/wifi530

How do you stack up?

Leveraging ACH

What percentage of invoices are paid via ACH?



2%
More than 90%

Source: InvoiceInfo, incoiceinfo.com

With the world becoming more digital and new ACH enhancements rolling out (see *related story on Page 5*), it's a good time for those with a lower percentage of ACH payments to up their game.

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

■ Ringing in the new year with a little humor

Whether you've set big goals for 2020 or are just hoping for a more "normal" year, every A/P pro can enjoy a funny New Year's sentiment:

- "Good resolutions are simply checks that men draw on a bank where they have no account." – Oscar Wilde
- "May all your troubles last as long as your New Year's resolutions!" – Joey Adams
- "Youth is when you're allowed to stay up late on New Year's Eve. Middle age is when you're forced to." – Bill Vaughan
- "A New Year's resolution is something that goes in one year and out the other." – Anonymous

Info: bit.ly/newyear530

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.

ECONOMIC NEXUS

Many states are still tweaking their regulations for online sales. Check out recent updates from five states.

ARIZONA – If your company's buying from remote sellers in this state, here's a timely reminder.

As of Jan. 1, 2021, the state's economic nexus threshold decreased. Now, the threshold requiring remote sellers to collect sales tax from you is \$100,000 in gross sales per year.

(You may recall Arizona took a unique approach for collection reqs. Its threshold was \$200,000 in 2019, then \$150,000 in 2020. Now, it's set at \$100,000 for 2021 and beyond.)

Info: bit.ly/az-530

TENNESSEE – There's new remote sales tax guidance for A/P pros in the Volunteer State.

As of Jan. 1, 2021, marketplace facilitators must collect certain taxes (e.g., local occupancy taxes) here.

So, the Department of Revenue (DOR) issued a new notice with more details to ensure you're charged and paying the right taxes.

Info: bit.ly/tn-530

INDIANA – Here's another state that's updating guidance on remote sellers and marketplace facilitators.

The DOR amended *Information Bulletin No. 89* with more info on economic nexus. Specifically, it:

- discusses the relevant factors to consider when deciding if a remote seller or marketplace facilitator has physical presence in Indiana, and
- clarifies that remote sellers and marketplace facilitators that don't have physical presence still have to determine if they meet Indiana's economic nexus thresholds.

Info: bit.ly/in-530

COLORADO – One more state has updated guidance on remote sales.

The DOR revised *Sales & Use Tax Topics: Marketplaces*. Among other things, the document includes information on licensing, collection, filing and recordkeeping rules.

Make sure to review the updated document – and share it with A/R.

Info: bit.ly/co-530

VERMONT – Do you get invoices from marketplace facilitators for telecom services?

Thanks to a newly passed bill, beginning July 1, 2021, qualifying marketplace facilitators must collect the "Universal Service Charge" on sales of prepaid wireless telecommunications services made through their online platforms.

Note: These sales have been subject to the Universal Service Charge since Jan. 1, 2020, but previously, sellers were responsible for collecting it.

Info: bit.ly/vt-530

STATE GUIDANCE

Once in a while, states offer sales and use tax pros a little extra help. One state's doing so now.

NORTH CAROLINA – Heads up if you work in the Tar Heel State.

North Carolina recently published *Form E-505, 2020 Sales Tax Legislative Changes*.

It contains an overview of changes enacted by the Sales and Use Tax Division during the 2019 and 2020 General Assembly sessions, including info on the taxability of digital products and marketplace sales.

See the full document below.

Info: bit.ly/nc-530

LOCAL TAX CHANGES

Often, the start of a new year and tax quarter brings local sales and use

tax changes. Here's the latest news.

MULTIPLE STATES – This one's for A/P pros all across the country.

As of Jan. 1, 2021, local sales and use tax changes took effect in several states, including:

- **Arkansas** (bit.ly/ar-530)
- **Florida** (bit.ly/fl-530)
- **Illinois** (bit.ly/il-530)
- **Minnesota** (bit.ly/mn-530)
- **Nebraska** (bit.ly/ne-530)
- **North Dakota** (bit.ly/nd-530)
- **Washington** (bit.ly/was-530), and
- **Wyoming** (bit.ly/wy-530).

Visit any of the links above for full details from the state.

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.

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Becky Spencer
A/P Specialist

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