



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.

August 16, 2021

WHAT'S INSIDE

- 2 Sharpen Your Judgment**
Should vendor have disclosed more sales tax info to A/P?
- 3 Networking with Other A/P Pros**
Ensuring compliance with all vendor types
- 5 Payables News**
This state just sent more unclaimed property letters
- 7 Making Technology Work for You**
IRS publishes 2021 'Dirty Dozen' scams
- 8 Sales and Use Tax Update**
The latest on services, state updates and lawn care

CFO DAILY NEWS

CFO Daily News, part of the SuccessFuel 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.

IRS report talks new 1099 platform, deadline changes

■ Here's what A/P pros should prepare for

Changes to 1099 season could be coming to your A/P department, courtesy of IRS.

The Electronic Tax Administration Advisory Committee (ETAAC) recently released a new report with key recommendations that the Service should make to improve year-end, technological capabilities and more.

Two of the big recommendations affecting A/P involve the continuing progress of the forthcoming 1099 filing platform and earlier deadlines for certain 1099 forms.

Here are more details on each of those key recommendations, so your

team can prepare for what's coming in the future.

1099 platform progress

As we've mentioned, IRS is currently developing an online platform to help you prepare and file 1099s.

This year's report says: "The Form 1099 Platform should have functionality that integrates with key stakeholders at the time of rollout."

Last year, the ETAAC advised IRS to get input from stakeholders, which the Service did. In fact, this year's report says "IRS has worked

(Please see IRS ... on Page 2)

Report: How modernized are you vendors, really?

■ Research finds a disconnect between perception and reality

Heads up, A/P: Some vendors may think they're in a better place with digitization than they actually are.

A new report found 86% of A/R teams view themselves as somewhat or very modernized. They use words like "innovative" and "efficient" when discussing their processes.

But the report also revealed:

- More than 40% of vendors don't provide self-service capabilities.
- Over 50% don't have integration with their ERP systems, or your A/P or Procure-to-Pay platforms.

- More than 60% say most of their invoices or payments aren't digital.

Dig deeper

Given this research, A/P may not want to always take vendors' word at face value. Dig deeper to find out just how digitized (or not) they are.

Example: Instead of just asking if they have a portal, ask if their portal has self-service functionality, too. That way, you know what to expect and can address concerns if necessary.

Info: bit.ly/modernize545

Year-end Filing

IRS ...

(continued from Page 1)

collaboratively with stakeholders, including gathering information and input” from them.

This collaboration will still be vital going forward, especially “when adding features and developing the back-end administrative and compliance tools,” the ETAAC says.

The Committee mentioned a few of the features and tools you can expect, such as:

- inline error check capability
- file uploads for multiple 1099s, and
- prepopulation of data (by 2024).

With these and all aspects of the 1099 platform, IRS should continue to collaborate and have a future-focused mindset. The ETAAC says the Service must keep future modernization needs in mind (e.g., APIs) when it comes to the platform’s design, security components, etc.

Generally, this is good news for A/P. The ETAAC is pleased with the progress IRS is making on the 1099 platform and wants to keep the momentum going as we get closer to the 2023 rollout.

New 1099 deadlines

Are you ready for changes to certain 1099 due dates?

Another ETAAC recommendation

is: “Accelerate the filing deadline for certain informational returns.”

You may recall in 2015, when IRS changed the filing deadline for W-2s from March 31 to Jan. 31.

For the most part, companies met the new filing deadline immediately, and by tax year 2019, on-time filings were at nearly 90%.

Making the deadline for W-2s earlier had several positive effects, according to the ETAAC, like:

- decreasing the likelihood of taxpayer identity theft, and
- making it easier to correct any errors on returns.

Because of the success with the earlier deadline for W-2s, ETAAC recommends IRS continue this trend with other tax forms, including Forms 1099-R for distributions from pensions and retirement plans and 1099-K for merchant card and third-party payments.

Right now, the deadline for these 1099s is still March 31 – which leaves more time for identity theft to occur and errors to go unchecked. (In fact, Form 1099-R fraud is currently one of the top schemes on IRS’s radar.)

If the Service agrees to set a new filing deadline for these forms, other forms your finance team files could be affected as well.

We’ll keep you posted on any official deadline changes.

Info: See the full ETAAC report at irs.gov/pub/irs-pdf/p3415.pdf

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.

■ Should vendor have disclosed more sales tax details to A/P?

“This feels unethical,” CFO Jeff Rizzo said to A/P Manager Jenn Smith as they scrutinized receipts for cell phone purchases. “Can you go over the details with me again?”

“Sure,” Jenn said. “Since a few employees needed corporate phones, we bought some from a tech vendor at a discounted price. The phones were part of bundled transactions with telecommunications provider service contracts.”

“But the tech vendor chose to collect sales tax based on the *unbundled* price of the phones, right?” Jeff asked.

“Right,” Jenn confirmed. “Which, per state law, they’re allowed to do.”

Violated the law?

Jeff sighed. “Like I said, it seems fishy. They didn’t even include the unbundled price or show how they calculated sales tax on the receipts.”

“Unfortunately, I don’t think they’re technically required to do that,” Jenn said.

“It sort of feels like the vendor prevented us from getting a better deal elsewhere,” Jeff said. “It’s possible that they violated state law by not disclosing that the sales tax for our bundled transactions would be calculated based on the *unbundled* price.”

“So, where do we go from here?” Jenn asked.

Jenn’s company decided to take their concerns to court, saying the tech vendor violated the state’s Unfair Competition Law and Consumer Legal Remedies Act.

Did the company win?

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



Keep Up to Date on
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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 Ensuring compliance with all vendor types

Our company dealt with all kinds of vendors in various industries.

And when it came to securing and storing the proper info, we wanted to ensure compliance with federal regs and company policies.

So, we added more industry-specific questions to our vendor portal.

Gathering needed info

Now, as vendors answer one question, more questions automatically pop up based on the previous one. In other words, the screen changes as

vendors fill things out.

It's easy and user-friendly for everyone. There are drop-down menus for things like supplier category, one-time or recurring payment, contract in place, product/project implementation, etc.

So, for example, if the vendor says there's a contract, a box will pop up for them to upload a contract.

And this doesn't just benefit A/P. There are also questions that help other business units, like Supply Chain, IT and Corporate Compliance.

Before, we were finding out after the fact that a

vendor has certain requirements or that there should be a contract in place or services were provided before.

Now we can make sure much earlier that everything is covered and vendors are legit – from OFAC checks to IRS TIN matching to Medicare's "do not do business with" list.

If we find anything that poses a potential issue, it goes to our compliance officer and they can make the determination.

(Amy Platis, A/P Manager, Northwestern Medicine, as presented at the A/P P2P Conference & Expo, Orlando, FL)

IMPROVING YOUR OWN A/P PROCESS

2 A hot-pink solution to our filing troubles

As careful as we tried to be, mistakes occasionally happened when it came to filing.

Someone would remove something from the filing cabinet, and then the file would just seem to enter some sort of mysterious black hole in the office.

While every file would turn up eventually, it wasn't a good way to run our office.

As long as we were going to have paper files in the office, we knew we'd

need a better method to keep track of everything.

An easy visual

Our solution turned out to be a fairly simple one.

We went out and bought a stack of hot-pink index cards.

Now when we pull a file, we take an index card and write down:

1. the date
2. who's taking the file, and
3. why he or she is taking it out.

Then we clip the card to the file's folder.

It's really helpful when you open up

a filing cabinet drawer.

If you want to see how many files are missing, all you have to do is look for the pink cards.

Plus, when we're looking for a form, we can go to the filing cabinet and see who took it out last.

It holds everyone accountable, and it makes filing a lot easier for us.

(Keith New, President, HQ Solutions, Macedonia, OH)

3 How we're rebuilding trust in the workplace

With so much time away from the office during the pandemic, we felt like people grew apart.

That could be dangerous in a collaborative workforce. If employees had lost trust and respect for each other, we'd fall apart.

3 tactics that work

Trust between managers and employees can help everyone get through uncertain times with a higher

level of ease and certainty.

We wanted to help rebuild trust among teams and departments.

So, we encouraged everyone to:

- **Show up authentically.** One way was to give timely responses to colleagues. It shows you listen, even if it's a brief comment on a thread within your communication app or an email that says, "I'm looking into this."
- **Be conscious of where you show up.** Relate to people in the environment they're working or

comfortable in. Some rules that apply on-site – such as social distancing – aren't necessary for virtual meetings, and some virtual rules aren't necessary for in-person meetings.

- **Be transparent.** It's just as important to tell others what you don't know or don't have as it is to tell them what you know and have.

Overall, these approaches have worked really well for us.

(Jo McRell, Diversity & Inclusion Lead, Facebook, shared this success in an HRMorning.com masterclass)

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.

TEM SOFTWARE

Post-pandemic, you're looking at a whole new world – especially when it comes to business travel.

The way employees prep, book and expense trips has changed forever. And because of that, you may need to adjust or level up your travel expense management (TEM) system.

5 musts for the future

What should you consider when choosing a new TEM solution or simply evaluating your current one? The pros at TravelPerk suggest you use a system that:

1. Understands how critical flexible travel is now. COVID-19 brought a new era of uncertainty and the need to be adaptable, and TravelPerk says flexibility for travelers' itineraries will be a must going forward. You'll want a system where employees can easily modify or cancel trips (and do so without incurring extra costs).

2. Can offer real-time info on the latest travel restrictions and guidelines. Though vaccinations are becoming more widespread and states are easing

restrictions, employees still want to ensure safety while on the road. Travelers and managers should be able to access this kind of info at every stage of a trip, from booking to return.

3. Provides an inventory of options. Your business and your employees are unique – and a good TEM solution should work with that. It should give your company a range of booking options (e.g., flights, lodging, car rentals) to pick from, based on your specific requirements, preferences, budget, etc.

4. Helps you save on T&E spend. Travelers might not always find the best deals on their own, but a TEM solution can help. Your system should be able to provide cost-effective options and find new ways to save, so you can get the most out of your T&E budget.

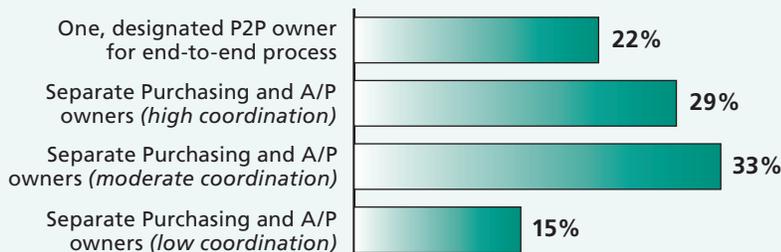
5. Acts as a one-stop shop. A/P pros know how tedious it can be when various stages of the T&E process are disconnected. But with the right TEM software, your travelers should be able to see and do everything in one place, from getting trip approval to reporting their expenses.

Info: bit.ly/temsoftware545

Purchasing and A/P teamwork

How would you describe Purchase-to-Pay (P2P)'s process alignment?

Note: Results are rounded and do not equal 100%.



Source: The Hackett Group, thehackettgroup.com

The more aligned Purchasing and A/P are, the smoother the P2P process can be. If you have a singular owner, he or she should oversee end-to-end ops and act as a go-between both teams. If you have two separate owners, they should work to maintain high levels of communication and collaboration.

TEST YOUR KNOWLEDGE

■ Working with a dominating personality? Here's help

Do the words "dominate person" bring someone in your office to mind?

This person is decisive, assertive and up for any challenge. How can you effectively work with them?

Answer *True* or *False* to the following questions to see if you know the right way to work with a dominant personality:

1. With dominant people, it's best to skip the small talk.
2. If a dominant person responds curtly, it's a telltale sign they're angry or upset.
3. Because they're so innovative, dominant people respond better to brainstorming sessions and open discussions than, say, fact-based research.
4. Because dominant people can sometimes act quickly without considering everything, it's beneficial if you can act as their opposite (i.e., act more carefully).

ANSWERS

1. *True.* Dominating personalities are all about efficiency, so it's better to get straight to the point, say the pros at Fast Company.
2. *False.* With dominant people, brusqueness isn't always a sign of negativity. Expect brevity and don't let it affect you. Remember, that's just how they are.
3. *False.* These people care about outcomes, not processes. Stick to hard facts over more open-ended exercises like brainstorming.
4. *True.* You can try to be a "foil" (opposite) for dominant people. Since they can often act a little too quickly, if you can be a more thorough, careful decision maker, things will balance out.

Answers to the quiz:

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.

A dedicated phone line for better vendor management

While you may typically use email or a portal for queries, what if vendors need or want to talk to a real person?

A dedicated phone line could be a good move, suggests A/P expert Bethany Mezzadra.

At her company, their phone line has two staffers who make it a priority. They promise availability Monday through Friday, 8 a.m. to 4 p.m. And if the phone system is down, there's an automatic message relaying that.

The phone line assures vendors that they can always reach a real person, and quickly, if needed.

Info: A/P P2P Conference & Expo, Las Vegas

3 steps to smoothly end remote work arrangements

During the pandemic, many A/P teams had to let staffers work at home.

But now, as the world is opening back up, you may want to bring people back to the office. And some staffers may not be thrilled about it.

For a smooth transition, be sure to:

1. Give as much notice as possible, so people aren't thrown off and can mentally prep for the transition.
2. Go over (and document) essential functions or duties that may have fallen off during remote work and will need to start again in the office.
3. Encourage staffers to bring any concerns – COVID-19 fears, physical or mental impairment concerns, etc. – to HR right away, so they can be expertly handled.

Info: businessmanagementdaily.com

Use T&E fraud calculators to estimate your losses

Need to convince higher-ups that you should be devoting more time and attention to T&E fraud prevention?

A fraud calculator can estimate how much you're losing each year – and that should get their attention.

For example, Validu (validu.net/fraud-calculator) simply lets you enter meal and entertainment expenses for an annual estimated loss.

A quick online search will return other calculator options, too.

Ensuring that your feedback really gets put into action

Wouldn't it be great if one solid chat was all you needed for people to put your feedback into action?

Unfortunately, it doesn't always work that way. Professional trainers Karin Hurt and David Dye advise using the "ART" acronym to escalate feedback to help staffers:

- **Action conversation.** Meet again and focus on the behavior that's not working and how it must change.
- **Repetition conversation.** If the first chat didn't work, have another about the specific action.
- **Trust conversation.** Finally, appeal to emotions. Focus on how bad behaviors break commitments and hurt relationships.

Info: bit.ly/feedback545

SOFTWARE SKILL BOOSTER

Excel: Numeric shortcuts for formatting your text

Want to format the text in your Excel cells without lifting your fingers off the keyboard?

Try using these shortcuts:

- **Ctrl + 2** (or **Ctrl + B**): bold
- **Ctrl + 3** (or **Ctrl + I**): italic
- **Ctrl + 4** (or **Ctrl + U**): underline, and
- **Ctrl + 5**: strikethrough.

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

PAYABLES NEWS

■ **This state just sent more unclaimed property letters**

Heads up if you do business in or with the First State. Delaware just recently finished sending out more letters for its Unclaimed Property Voluntary Disclosure Program.

The letters (i.e., invitations to the program), are a way for companies to get in compliance with unclaimed property without the threat of penalties and interest, explain the tax development pros at Ryan.

If you do get a letter, you'll need to act fast: The deadline to respond is 60 days. If your company doesn't answer within 60 days, it could be submitted to the state escheator for audit.

Info: bit.ly/delaware545

■ **A new kind of business travel on the horizon**

In the future, A/P may see fewer short-term hotel stays and more long-term share lodging costs.

Airbnb CEO Brian Chesky foresees a new type of business travel in which more employees work remotely and occasionally return to offices – and they may prefer to use share lodging. In fact, Chesky says 24% of Airbnb bookings are now for longer than 28 days (versus just 14% in 2019).

To avoid T&E compliance issues, revisit your policy now and see that share lodging is effectively covered.

Info: bit.ly/lodging545

■ **New study: This is stressing out 4 in 5 employees now**

To keep staffers productive and happy, ensure your communications are clear and consistent.

Reason: Almost 80% of employees are stressed out by ineffective company communication, according to a Dignamic Signal study.

Some days, they're overwhelmed by too much info. Other days, they're left confused by too little info.

Finding a good balance is key.

Info: bit.ly/communication545

Hiring struggles in A/P? Experts share insight to help you succeed

■ Nearly 1 in 2 companies are having trouble hiring, report finds

If your company's having a hard time finding the right people to fill job openings, you're not alone.

Almost half (46%) of small businesses are having difficulty filling jobs, according to a recent report published by the National Federation of Independent Businesses (NFIB).

The cause

What's causing these hiring issues? Many people are hesitant to reenter the workforce due to pandemic-induced mental health struggles, safety concerns, unemployment benefits and more.

Speakers at the National Association of Credit Management (NACM)'s 2021 Credit Congress & Expo Virtual Plus also discussed how stimulus programs are impacting employment rates and, in some cases, making it a challenge to get people back to work.

When the world shut down, some people started looking for other jobs, and now, they don't want to come back to old ones, explained Fred Dons of Deutsche Bank. Also, the allowance people are getting could be better than a salary, Dons added.

Martin Zorn of The Kamakura Corporation agreed and also pointed out how much the gig economy has grown in the past year, providing alternative opportunities for work.

Possible solutions

What can A/P managers who need to fill positions do? It seems the most viable options would be to wait it out or increase incentives and pay.

Some experts predict labor shortages will begin to slow by the end of 2021 and will potentially resolve in 2022. So, if your positions don't need to be filled immediately, you could wait it out and see how things progress.

However, if your hiring issues are more dire, you may need to increase your wages to attract or bring back workers, Dons says. In fact, 39% of companies are raising compensation, and 26% plan to do so in the coming months, found the NFIB report.

Alternatively, you may find success with increasing your number of job postings or offering incentives, such as remote work or unique perks.

Info: bit.ly/hiring545

didn't have evidence to prove that. So, the court ruled that the company lacked standing.

Analysis: Look to similar cases

In this case, the court looked directly at similar sales and use tax legal issues to make its decision.

So, if your A/P department finds itself with sales tax questions or concerns, reviewing similar legal cases – especially ones in your specific state – can help you understand and determine what a court might say about your concerns.

Based on Adame v. Apple Inc. 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.

\$556K fraud results in 2-year prison sentence

Individual: Michael Ahlers, former administrative officer at the University of Kansas Medical Center in Kansas City.

Violation: For stealing over \$556,000, Ahlers pleaded guilty to bank fraud and filing a false tax return.

Penalty: A judge sentenced him to serve two years in prison and pay \$680,000 in restitution.

Note: One of the methods Ahlers used to steal money from the university was submitting fake invoices and taking the money for himself. Court documents revealed that the fraudster used those stolen funds for gambling, vacations, golf memberships, sports tickets and more.

Cite: bit.ly/ahlers545

Accounting pro dupes 2 employers in a row

Individual: Stephanie Simontacchi, former bookkeeper and assistant controller at Cavallo Point Lodge in Sausalito, CA, and former senior accountant and accounting manager at Redwood Credit Union in Santa Rosa, CA.

Violation: Simontacchi's indictment includes charges for bank fraud, embezzlement and tax evasion.

Penalty: Her sentencing is yet to be determined. Along with facing prison time, Simontacchi faces additional terms like supervised release, fines and restitution.

Note: In both accounting roles, Simontacchi had direct access to company money, allowing her to carry out embezzlement schemes. She allegedly stole over \$384,000 from the lodge and over \$437,000 from the credit union.

Cite: bit.ly/simontacchi545

Sharpen your judgment THE DECISION

(See case on Page 2)

No, Jenn's company didn't win.

In its assessment, the court referred to another court of appeals decision with similar facts.

And the court said if the company's only argument is that it didn't get a chance to "shop around" for a better deal, it must be able to prove that it could've bought the same product from another vendor without paying sales tax on the unbundled price.

Unfortunately for the company, it

Making Technology Work for You

IRS publishes 2021 ‘Dirty Dozen’ scams: Top highlights for A/P

■ See what your department's up against

It's that time again! IRS is warning pros of the top scams to be on the lookout for now.

And this year, the Service did things a little differently, separating the “Dirty Dozen” into four categories:

1. pandemic-related scams
2. personal information cons
3. ruses focusing on unsuspecting victims, and
4. schemes that persuade taxpayers into unscrupulous actions.

What made the list?

Here's a look at some of the top scams that could impact A/P, so your team can stay sharp and avoid scams:

- **Unemployment fraud involving 1099-Gs:** We mentioned this scam previously (*see KAP 4/14/21*). Essentially, scammers file fraudulent claims for unemployment compensation using stolen personal

info, leading to inaccurate 1099-Gs.

- **Phishing scams:** IRS mentioned “a continuing surge” of fake emails, texts, websites, etc. Though A/P should be especially vigilant during tax season, they take place all year.
 - **Impersonator calls:** This scam, aka “vishing,” uses a more personal phone call to try to trick people. And let your staff know: Vishing scams were up 14% in 2020.
 - **Social media scams:** Fraudsters can get insight into employees' personal lives via social media. Then they may send a link (a malicious one) that they think is of interest to the recipient to ensure they'll click it.
 - **Ransomware:** These scams, which block your access to a computer system or certain data, can set A/P back big time. It's worth reiterating how careful staffers need to be with clicking links, visiting websites, etc.
- Info: irs.gov/newsroom/dirty-dozen*

How to make better-looking bar charts in Excel

■ Enhance your visuals with just a few clicks

Charts allow you to convert lots of A/P data into a digestible image.

But you shouldn't settle for Excel's standard settings for bar charts, says business pro Nicolas Carteron.

6 tricks to try

To create more striking charts:

1. **Reduce extra white space.** White space between the bars can make charts look empty or unbalanced. Click the *Format data series* menu to adjust the series overlap and gap width.

2. **Change the colors.** For the chart bars, try using the same colors as your company's logo, for example, to make it more on brand. And for the text, switch it from the default gray to black,

which is more striking, Carteron adds.

3. **Remove the border.** If you use the chart in a presentation or report, this'll give it a more fluid, less boxy look.

4. **Emphasize some lines, ditch others.** For example, add data labels on the bar and bold the horizontal axis to frame your chart. Then get rid of the vertical axis and horizontal gridlines for a less cluttered feel.

5. **Move data labels.** The *Inside End* setting places data labels directly on bars for easier interpretation.

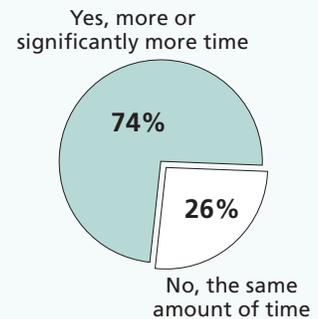
6. **Adjust the font.** Look for ones that are sans serif and monospace to boost readability, Carteron suggests.

Info: bit.ly/charts545

How do you stack up?

More skills for your toolkit

Finance leaders: Will you spend more time and effort improving business partnership skills this year?



Source: Gartner, gartner.com

As A/P's role expands far past the technical aspects of the job, broader business relationship skills are becoming increasingly important. Will your team dedicate more time and effort to them in the future?

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

■ A/P isn't the only one that gets ridiculous requests ...

You're used to receiving bizarre queries once in a while – and so are you pals in IT.

Here are some of the craziest:

- “I washed my keyboard. Why isn't it working now?”
- “I need to take the internet home. Can you put it on a disk for me?”
- “It says 'Click OK.' What shall I do?”
- “What program do I need to use to make a word document?”
- “My wife threw my laptop in the pool. Is it fixable?”
- “I need your help. But can you promise you won't tell anyone about this?”

Info: bit.ly/queries545

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.

SERVICES

When are services subject to sales and use tax? Three states recently made decisions that'll help A/P.

NEW YORK – This one's for companies buying consulting services in the Empire State.

A recent case addressed a vendor that helped customers design and launch marketing campaigns. Customers had access to personalized data reports and campaign results via website/software.

Were the consulting services taxable?

The Department of Taxation and Finance said no. Since the services' primary function was the creation of the marketing campaigns, not the access to the website/software, they didn't qualify as taxable information services or taxable prewritten software.

Info: bit.ly/ny-545

OHIO – Soon, A/P pros here can add two services to their exempt list.

The governor just signed the fiscal year 2022-2023 budget bill, which specifies that employment services and employment placement services will be exempt beginning Oct. 1, 2021.

"Employment services" provide or supply personnel to perform work under the supervision or control of another. And "employment placement services" either find a position for a person or find a person to fill an open position.

Info: bit.ly/oh-545

SOUTH CAROLINA – Paying for internet services in this state?

The Department of Revenue (DOR) recently issued updated guidance on the taxability of internet services.

Among other things, the guidance includes a list of exempt services. The DOR added internet email services and web hosting. And it removed live chat or conferencing

fees, meaning those are now taxable.

Info: bit.ly/sd-545

STATE UPDATES

Occasionally, states will inform business pros like yourself about their latest tax concerns, news, etc. Two states are doing so now.

ILLINOIS – Heads up if you do business in the Prairie State.

The DOR released a Compliance Alert regarding certain companies not "properly assessing, collecting, remitting and reporting" taxes.

To help companies get it right, the alert also includes details about:

- tax rates (e.g., use tax rate, origin rate, destination rate) and
- retailers (e.g., in-state sellers, remote sellers, marketplace facilitators).

Info: bit.ly/il-545

NEW MEXICO – Tax processes are leveling up in New Mexico.

In July, the Taxation and Revenue Department launched its redesigned business tax filing system, which contains "new forms for businesses that are tailored to the particular tax programs that apply to them."

Below, you can see a news release about the new system, as well as other resources about tax changes.

Info: bit.ly/nm-545

LAWN CARE

Along with purchases for *inside* your office space, A/P may also see purchases for the *exterior* of your building. Check out two states with sales and use tax news.

TEXAS – Does your company use pest control services in Texas? There's new guidance on their taxability.

Generally, pest control services are taxable as real property services. But the services can be exempt in certain instances, such as if they are:

- performed on timberland or for

agricultural purposes, or

- purchased as part of a contract to build a new residential structure.

You can view a full list of instances when they may be exempt below.

Info: bit.ly/tx-545

ARKANSAS – Here's insight for companies in the Natural State.

A commercial business used a mower for maintenance, so it could avoid using hazardous chemicals for weed and grass control.

Generally, in Arkansas, farm equipment/machinery is exempt. But the state said since the maintenance here (i.e., of a commercial business) wasn't directly used for agricultural production, the mower was taxable.

Info: bit.ly/ar-545

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