



# 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 17, 2022

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## 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.

## 4 emerging office trends that'll impact A/P this year

### ■ Adapting to supply chain issues, telework & more

You've only got a few year-end tasks left to finish, and you can finally breathe a sigh of relief. But you know there's still a lot more in store for A/P in the year ahead.

The "new normal" we've been living in for the past few years will continue to set the tone for life at work in 2022.

Here's what you can expect in both A/P and Finance in general.

#### Vendors & supply chain issues

Given all the issues we've seen with the supply chain in 2021, having good relationships with your suppliers and

vendors in 2022 will be essential.

Thinking more strategically about supplier relationships was top of mind for 60% of Finance leaders in 2021, and that's only going to increase this year.

The No. 1 way to keep those relationships strong is to continue doing what you're doing: making sure payments are timely and correct.

Keeping the lines of communication open with your vendors will also be critical this coming year, including being proactive about discussing your company's needs and the estimated

*(Please see Office trends ... on Page 2)*

### Watch out! Latest A/P scam even trickier to avoid

#### ■ The new way criminals are posing as execs to steal money

Scammers continue to get more sophisticated, so A/P must stay one step ahead of their schemes.

The latest type of cybercrime combines artificial intelligence (AI) technology with identity theft, which makes it harder to detect than ever.

#### Voice impersonation

Criminals are obtaining samples of voices of CEOs or CFOs, often from videos posted to social media or company websites, and plugging them into AI software programs that can mimic voices. Next, they use this

software to create a fake, realistic recording of the exec giving verbal instructions to A/P about where to send fraudulent payments.

Then they send the message via email or phone and wait for an unsuspecting A/P staffer to reply.

To protect yourself against this scheme, be sure to confirm *any* requests for payments that you don't receive in person. Call execs on their direct phone lines or visit their offices in person to confirm whether the request is legit.

*Info: [bit.ly/soundscam554](https://bit.ly/soundscam554)*

## Office trends ...

(continued from Page 1)

time frame for any payments.

It's also helpful to ask if vendors anticipate any delays with supply so your company can adapt ASAP. And make sure you have a list of backup suppliers ready for any critical purchases, just in case.

### Processes & remote work

While many Finance pros are back in the office (or never left), at least half expect to be working either fully remote or on a hybrid schedule during all or part of 2022, according to a *CPA Practice Advisor* survey.

That means the issues created by remote work will remain a big part of your life this year, including dealing with inefficient manual processes when making payments.

This trend will continue to drive the push toward automation in A/P, so manual data entry and checks won't impact your ability to make important payments while you're working from home.

### Adjusting to smaller workforce

The Great Resignation has had far-reaching effects companywide, and that'll continue in the new year.

As a way to make up for lost employees while being cost-effective, many companies will be turning

toward automation as a solution.

Not only will businesses be looking to eliminate paper-based processes in Finance, they'll also be looking at cutting back on manual data entry in HR and customer service.

What this means for you: More companies may start adopting integrated software suites that perform a variety of business functions employees may have done in the past.

### Bigger role for data

Data analysis is the name of the game for most businesses nowadays, and that trend will continue in 2022.

As more companies use integrated automated solutions that centralize company data, they'll have an easy way to access A/P and Finance metrics to set performance benchmarks. That'll also give you more access to info to help you figure out what's working well with your processes, along with what can be improved.

With automation and data analysis, A/P can get more insight into the types of payments that cause the most trouble for vendors (and which ones work the best), along with the types of transactions that are most vulnerable to fraud.

The top brass can get info that helps them, too – including more insight into the company's cash flow so they can make more accurate forecasts about spending and budgets.

*Info: [bit.ly/trends554](https://bit.ly/trends554)*

## 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.*

### ■ Vendor makes unexpected changes: Contract breach?

A/P Manager Jenn Smith could hear CFO Jeff Rizzo ending a heated call with one of the company's new vendors, Sirata Supplies.

After waiting a few moments for him to cool off, Jenn knocked on Jeff's door. "Couldn't help but notice that your phone call sounded rough," she said. "Do you feel like talking about it?"

"Yeah, sit down, Jenn. You're the first to know," said Jeff. "Sirata Supplies is threatening to sue us for breach of contract.

"But it's us who should be suing them. They fulfilled just one out of 20 purchase orders we sent over so far, and then jacked up the price – which I didn't agree to at all."

### Terms ignored?

"What exactly does the contract say?" Jenn asked.

"Everything necessary was spelled out on our POs and invoices, as you know. But Sirata couldn't even meet those basic terms. The order was late with missing parts and mislabeled shipping boxes," Jeff replied.

"And they still want us to pay the higher price?" Jenn asked.

"Yes, but if anything, they owe us a refund," Jeff said.

The vendor filed a lawsuit for breach of contract, claiming Jenn's company refused to pay for, or accept, delivery of goods. Jenn's company fought back and countersued for breach of contract.

Both companies went before a judge and asked to have the cases against them thrown out. Was either one successful?

■ *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 Created effective sales tax compliance plan

As our company grew, we realized we could be on the verge of achieving economic nexus in new states.

We didn't want to discover down the line that we had back tax liability in a state we forgot about. We needed a step-by-step plan for managing our sales tax obligations.

### 5-step program

To make sure that sales tax owed to individual states doesn't fall through the cracks, we made a habit of:

1. identifying the states where we're

making significant sales and looking up the gross receipts and/or transaction thresholds for those states (e.g., 200 transactions, \$100,000 in sales)

2. registering as taxpayers on the department of revenue websites for any state we establish nexus in and ensuring we're issued a tax ID number (there's usually a certain registration deadline from the moment the threshold is met)
3. establishing calculations for the correct percentage of sales tax to collect from customers
4. tracking and managing documentation, such

as updated exemption certificates, related to sales and/or customers that are exempt from taxes in that state, and

5. filing returns annually and remitting payment owed to state tax authorities.

Integrating these sales tax management processes into our regular workflow has helped us stay compliant and keep auditors from contacting us out of the blue.

*(Matthew Hammond, National Sales Manager, Avalara, as presented in the webinar "Sales Tax 101: A Beginner's Guide to Compliance")*

## IMPROVING YOUR OWN A/P PROCESS

## 2 Identified sources of missing invoices

If an invoice didn't make it to me here in A/P, it could lead to late payments, late fees and worse.

We found that our missing invoices problem wasn't because they were getting lost in transit between the supplier and us. The missing invoices were happening internally.

### Who had it last?

A quick reconciliation of vendor statements revealed which store

manager I needed to call to start tracing the whereabouts of a missing invoice. A lot of times somebody's cluttered inbox – either email or the paper kind – is the culprit.

Conducting internal audits at our individual stores pinpointed where invoice housekeeping needed to improve and who could use some training on what process steps to follow.

We started tracking all invoices with an invoice register so A/P can find out faster when an invoice is

stuck in the approval process longer than it needs to be.

The situation continues to improve, and we're looking to further streamline the process with a digital folder system for each touchpoint for better visibility.

Each approver would be able to electronically sign and move invoices from folder to folder as they go through checking and coding.

*(Cassie Tryggeseth, Accounts Payable Manager, T.A. Solberg Co. Inc., Minocqua, WI)*

## 3 Persistence pays off when there's a delay

Delays in delivery of products and services had become a big challenge for our organization.

People were quick to blame it on the pandemic. But in a few cases, COVID was used as a convenient excuse for not getting things done.

Also, vendors and contractors sometimes weren't as aware as they should be about important deadlines that we need to meet.

But what was the best way of

contacting these key business partners to get them to share our sense of urgency?

### Ways to get through

Whenever I'm waiting on something that I really need to get my work done, I've found that persistence in communication is the key.

Often, the best first step of reaching out is to send an email.

If that doesn't get a response, I'll directly call my contact. That tends to be effective because most of the

companies we deal with are local, understanding and good to work with.

However, if that's not working, I'll call the business's main phone number and ask to speak to my contact's manager. If necessary, I'll go up the chain of command to executive leadership until I speak to someone.

When getting to the bottom of a delay, it's helpful to remind people of our deadlines and encourage them to be proactive.

*(Cathy Parker, Office Manager, HRDC District 7 Community Action Agency, Billings, MT)*

# 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.

## HANDLING INCREASED CAR TRAVEL

While business travel rates are expected to continue to increase in 2022, many employees may not be comfortable with taking planes to destinations just yet.

That means car travel will be popular this coming year. In fact, 62% of business travelers said they'd be taking trips in their personal vehicles in 2022, according to the quarterly State of Travel and Hospitality report from Morning Consult.

Only 46% said they planned to fly.

An increase in car travel will likely lead to more mileage reimbursement than you've done in the past, and for longer distances.

Plus, due to rising gas prices and other car-related costs increasing, IRS' mileage rate is expected to be higher than it's been over the last two years.

Here's a suggestion that could help your company reimburse business vehicle travel more accurately and save money: Switch to another one of IRS' methods for reimbursement. Available options include using a fixed and variable rate allowance plan that

accounts for various auto costs or a flat car allowance where employees substantiate their vehicle expenses and return any excess payments to you.

## Expenses with rental cars

Rental cars will also be popular with business travelers, whether they're using them to get to their destination or getting a car once they arrive.

Just as was the case in 2021, rental car shortages will impact the prices your people will have to pay. The supply chain issues that impacted car dealerships throughout the pandemic have also affected rental car companies. So the number of available cars is low, making the cost higher.

To save money and ensure your people have access to cars, it's key to remind them to book as early as possible, especially if the car isn't being booked as part of a package deal with a flight.

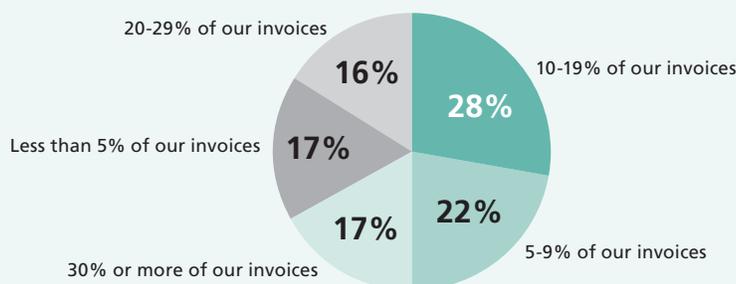
Early bookings mean better prices – and a better chance of a car being available when the employee arrives.

Info: [bit.ly/cartravel554](https://bit.ly/cartravel554)

## Streamlining non-PO invoice processing

### How many of your invoices don't have a related purchase order?

Note: Percentages are rounded



Source: Peeriosity, Peeriosity.com

At some point, most A/P pros will have to process invoices that don't have a purchase order (PO), which can slow down the approval process. Ways to reduce the headaches involved with non-PO invoices include using p-cards for low-dollar volume purchases and digital/automated A/P processing.

## TEST YOUR KNOWLEDGE

### Are workers independent contractors or employees?

Sometimes it's hard to tell the difference between a company employee and a contractor that does work for the company.

But do your staffers understand how important it is to classify and pay workers correctly?

Answer *True* or *False* to the following to check how well they know who gets a Form 1099 and who should be issued a W-2.

1. If you find out that an employee was actually misclassified as an independent contractor, you'll need to file Form 8919 to IRS on the person's behalf.
2. Tools and supplies can be provided by an employer to independent contractors.
3. Important factors in classifying a worker as a contractor or an employee are whether the work relationship will continue and if the work being performed is a key aspect of the business.

## ANSWERS

Cite: [bit.ly/class554](https://bit.ly/class554)

1. *False*. Employees should report their own uncollected Social Security and Medicare taxes by filing Form 8919, which is available at [bit.ly/8919554](https://bit.ly/8919554).
2. *False*. When employers provide tools and supplies, that makes the worker an employee. It falls under IRS' "financial control" criteria, where a company directs the financial and business aspects of the worker's job.
3. *True*. The nature of the worker/business relationship is crucial to IRS. If there's a written contract, or benefits like a retirement plan, insurance or vacation pay, involved, this probably means the worker should be considered an employee.

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.

## What to do when vendors are slow to update bank info

When updating ACH data during your next master vendor file cleanup, A/P can often glean important details from invoices. But you'll likely still need to contact some vendors to get that information.

For vendors especially slow to respond to requests for updated ACH info, P2P and O2C consultant Judy Bicking recommends double-checking who the letter is addressed to.

Send your requests to the controller or A/R, she said, because they're the ones that want the money yesterday.

## IRS: These payments subject to backup withholding

Although Form 1099 and W-2G payees are responsible for reporting and paying taxes on that income, there are several situations where you're required to withhold 24%.

Some examples you may not have thought of include:

- attorney fees and gross proceeds paid to attorneys
- barter exchanges
- original issue discounts
- payment card and third-party network transactions
- royalty payments, and
- taxable grants.

For a full list of payments that require backup withholding, see [bit.ly/withhold554](https://bit.ly/withhold554).

## Need help prioritizing tasks? Break them into 4 categories

When all the work in front of you feels like it's of high importance, prioritize tasks by urgency and level of effort. Tasks will typically fall into one of these categories:

- **High urgency, low effort.** Do these first and get them out of the way.
- **High urgency, high effort.** Estimate

the time they'll take, then block out a dedicated chunk of time for them.

- **Low urgency, high effort.** Make a long-term plan for how to accomplish these tasks, or
- **Low urgency, low effort.** Consider delegating them to someone else.

*Info: [bit.ly/priority554](https://bit.ly/priority554)*

## Tactfully handling an awkward copier moment

What should you do if you find a personal, or potentially embarrassing, document left behind on the copier?

Peter Post, author of "The Etiquette Advantage in Business," advises delivering the document in person without reading it and say: "I didn't read this when I opened the copier lid, but I could tell it was private and thought I'd drop it by."

*Info: [bit.ly/copy554](https://bit.ly/copy554)*

### SOFTWARE SKILL BOOSTER

## A faster way of getting to your Excel macros

A great way to customize Excel is to add your macros to a toolbar. From the Tools menu, choose Customize. Select the Toolbars tab. In the Toolbars list, click the check mark beside the toolbar where you want to add your macro.

Click on the Commands tab. Under the list of Categories, choose "Macros." Your macros will appear in the Commands list. In the Commands list, select the macro you want on a toolbar.

Click, drag and drop the macro from the Commands list to the location on the toolbar where you want it to appear.

*Info: [bit.ly/macro554](https://bit.ly/macro554)*

*If you have a story idea or comment to share, contact the editor at [bbingaman@CFODailyNews.com](mailto:bbingaman@CFODailyNews.com)*

### PAYABLES NEWS

#### ■ IRS will continue to allow e-signatures for tax forms

To make life a little easier for A/P and Finance pros, IRS will continue to allow electronic or digital signatures on several tax forms until Oct. 31, 2023.

According to Memorandum NHQ-10-1121-0005, forms that fall under this umbrella include Form 1128, *Application to Adopt, Change or Retain a Tax Year*; Form 3115, *Application for Change in Accounting Method*; and Form 2678, *Employer/Payer Appointment of Agent*.

*Info: [bit.ly/esign554](https://bit.ly/esign554)*

#### ■ Hybrid employees create new trend by 'super commuting'

You may have to put a new business expense on your radar in 2022, according to Skift: hotel stays for hybrid employees who are "super commuters." These are employees who moved far away from their office's home city while they worked remotely during the pandemic.

Instead of driving home each evening after spending a couple days working at the office, they're booking hotels for overnight stays.

Because you may need to specifically address this situation in your expense policy, it's smart to ask your CFO about it.

*Info: [bit.ly/hybrid554](https://bit.ly/hybrid554)*

#### ■ Notice more rudeness at work? Survey says it's not just you

Rudeness in the workplace has been steadily rising recently.

A survey by consulting firm Korn Ferry found that nearly 60% of employees said their colleagues are ruder now than they were pre-COVID.

Working remotely has made rude behavior like not answering emails or cutting in on calls easier to some extent, said 70% of participants. If someone's rude to you, experts say you should take a second to breathe, then address the issue directly.

*Info: [bit.ly/ruderemote554](https://bit.ly/ruderemote554)*

# Addressing toxic co-workers in A/P: Stop negative people in their tracks

### ■ Vital strategies to keep morale & productivity high

Sometimes, there's that one troublesome staffer who's productive, but also manages to spread negativity throughout your entire department.

This can eventually poison your whole team, impacting productivity and morale. But there are ways of giving the person feedback to help turn things around.

#### Dos and don'ts

According to Harvard Business Review, here's what the experts recommend you do:

1. **Talk to the employee** to try to understand the cause of the behavior. Ask how they're doing. Is the person unhappy in the job, frustrated with a co-worker or struggling in their personal life?
2. **Give specific feedback and offer opportunities to change.** Maybe they just need a chance to have a more positive impact. Discuss new objectives and develop an improvement plan with clearly defined, measurable goals.
3. If appropriate, look for ways to

minimize interaction between the problematic employee and the rest of your team, and make sure any interactions are for positive reasons.

4. **Define the point when the problem can't be fixed.** Some people won't change, and a small percentage of people engage in toxic behavior because they think they can get away with it. In those rare cases, it's time to explore discipline or, if necessary, termination.
5. **Document everything.** If letting the person go starts looking like the only option, you need a record of offenses and what was done to address them. Were there formal complaints? What info, warnings or resources did the employee receive? But here's what to *avoid*:
  - Bringing up the situation with co-workers or team members. Instead, allow them to mention it first, then provide suggestions, and
  - Getting so distracted by handling this issue that you fall behind on addressing important work responsibilities and tasks.

*Info: bit.ly/toxic554*

decide whether the contract was even official, the court said.

#### Analysis: Be open, understanding

Unresolved vendor disputes can lead to costly legal battles. Other suppliers you work with may take notice, which could impact their business dealings with your company.

Given current supply chain issues, it's important to be as flexible and transparent as possible with your vendors – and to have clearly spelled out terms for orders in your contracts.

*Based on Reach Companies LLC v. Newsert LLC. 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.*

### Fraud scheme involves fake businesses, EINs

**Individual:** Babatunde Ajibawo, Essex, United Kingdom.

**Violation:** Ajibawo worked with several co-conspirators to steal checks payable to various U.S. businesses, then create shell companies with identical or similar names to fraudulently cash the checks.

**Penalty:** After serving four years in federal prison, Ajibawo must serve an additional four years of supervised release. He'll also pay over \$262,000 in restitution.

**Note:** To further legitimize his scheme, Ajibawo created IRS Employer Identification Numbers (EINs) for his fake businesses online using stolen Social Security numbers.

**Cite:** [bit.ly/shell554](http://bit.ly/shell554)

### School administrator lacks class, steals funds

**Individual:** Brian Wheeler, former assistant superintendent, Grand Haven Area Public Schools, MI.

**Violation:** As an administrator, Wheeler allegedly created fraudulent invoices for a fake electric company and gave them to A/P to cut checks for payment. Then, on the premise of delivering the checks to the company himself, he took them, deposited them into a bank account and pulled the funds out of it using a cash transfer app.

**Penalty:** Wheeler faces a hefty fine and up to 40 years in prison for embezzlement and using a computer to commit fraud.

**Note:** Over several years, Wheeler stole more than \$900,000 from the school district.

**Cite:** [bit.ly/invoices554](http://bit.ly/invoices554)

## Sharpen your judgment THE DECISION

(See case on Page 2)

No. The vendor company failed to get the case against it dismissed. And Jenn's company was unable to get the complaint filed by the vendor thrown out, either.

The judge said granting either party's request to throw the case out was unreasonable, saying, "A trial is necessary to resolve fact disputes concerning the parties' business relationship and agreements."

For example, a jury needs to

# Making Technology Work for You

## Considering cryptocurrency to pay your vendors? You're not alone

■ *Not subject to inflation, virtual currency is changing payments*

Many of the vendors you work with may be among the more than 2,300 U.S. businesses that accept the cryptocurrency bitcoin, according to a report from Deloitte.

For A/P transactions, virtual currencies and blockchain technology can provide improved security and real-time payment capabilities.

Cryptocurrency's theoretically more secure than credit and debit card payments because your data isn't stored in a centralized hub where data breaches can occur.

Also, the blockchain general ledger is used to verify and record every transaction, which can make identity theft difficult.

If you pay vendors that are overseas, cryptocurrency can help you avoid international currency payment fees because it isn't tied to a country of origin or national bank.

But adopting it is a complex process

involving new processes and controls. There are also potential costs, risks, system requirements and other factors to consider.

### Before jumping on board

Some important questions to discuss with your CFO:

- Are IT, legal and purchasing all in favor of a cryptopay option?
- What third-party vendors/custodians should we consider partnering with? (Tip: Ask for SOC 1 and/or SOC 2 reports.)
- Do we try it out with a "hands-off," payments-only approach?
- How do we monitor the execution of transactions?
- Because of capital gains tax, how much extra accounting is involved?
- Will our vendors be on the same page on the value of the currency?

*Info: bit.ly/crypto554*

## 5 ways to clear the clutter from Windows computers

■ *How to refresh your machine for 2022*

The fresh start of a new year is a great time to digitally clean up your computer to optimize speed and efficiency.

Here are some tips for getting out of the old and into the new.

### Tidying up

1. **Delete unnecessary system files.** From Windows Settings, select System, Storage, then Temporary files. You can choose types of files, or all files, and delete them by clicking Remove Files at the top of the window.
2. **Update Windows.** In Windows Settings, you'll find updates under "Update and Security."

3. **Clean up your browser.** In Google Chrome, you can clear your browser cache by clicking the three buttons in the top-right corner, then Settings. Click "Clear browsing data" and choose "Cookies and other data" and "Cached images and files." Click "Clear data."
4. **Check your Privacy and Security settings.** In Windows Settings, click on "Privacy." After reviewing everything from the column on the left, go back, click on "Update and Security," then "Windows Security" and then give that a look.

5. **Run a virus and malware scan.** Have IT help you do this monthly.

*Info: bit.ly/windows554*

## How do you stack up?

### Vendor relations

What kinds of business review experiences do you share online?

*Note: More than one answer accepted*

62% Negative

72% Positive

Source: InvoiceInfo, [invoiceinfo.com](https://www.invoiceinfo.com)

A barometer for your vendor relationships is what they're saying about your organization in reviews on social media and other sites. Reviews can identify vendors that may need some extra attention.

*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

■ *They submitted that? Crazy business expenses from 2021*

The pandemic didn't stop employees from submitting some outrageous business expenses to their A/P departments for reimbursement. Even crazier: Some of them were actually approved!

Here are some of the wackiest requests A/P received in 2021, courtesy of spend management software provider Emburse:

- \$1,000 for tattoo removal for an incoming employee
- \$1,250 for pet sitting care for an employee's horse with separation anxiety
- \$25,000 after a new hire charged a car to his corporate card, and
- \$85 to repair lawn damage caused by a visiting co-worker attending a private dinner party.

## 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.

### TECHNOLOGY

Two states have released guidance about when you'll have to pay sales tax on online services and software.

**KENTUCKY** – Private Letter Ruling KY-PLR-21-01 from the state department of revenue says that if you purchase any computer application that's sold as a software as a service (SaaS) model, it's not subject to sales and use tax.

Reason: There's no transfer of tangible personal property during the transaction since the SaaS app isn't downloaded and remains in the cloud.

*Info: [bit.ly/ky-554](http://bit.ly/ky-554)*

**WISCONSIN** – Recently, the state updated Publication 240, which has info on sales tax and digital goods.

New to the publication is info you'll need about the taxability of "other news or information products." Per the update, taxable purchases now include charges for searchable online databases that allow you to view and download news and other info.

*Info: [bit.ly/wi-554](http://bit.ly/wi-554)*

### TAX REFUNDS

The Volunteer State now has a new procedure in place for you to request a refund of sales or use tax.

**TENNESSEE** – If you're owed a refund for sales or use tax you paid in error and the vendor hasn't responded, you're now able to request a refund directly from the state department of revenue.

A new state law, effective Oct. 1, 2021, allows customers to ask the department for their money back if the:

- claim exceeds \$2,500
- vendor/dealer collected the tax and sent it to the department, and

- customer requested a refund on at least two separate occasions and didn't receive a response.

*Info: [bit.ly/tn-554](http://bit.ly/tn-554)*

### DISCOUNTS

Often, the amount of sales tax you owe changes if the price of a product is discounted – but not always. Here's an example from the North Star State.

**MINNESOTA** – New guidance from the state department of revenue clarifies the amount of sales tax you'll owe when paying discounted prices or using coupons, rewards and rebates.

In most cases, you'll pay sales tax on the full retail price of the product. This includes when using manufacturer or third-party coupons, reward discounts refunded in store credit, and rebates issued as vouchers to be used on future purchases from the same store.

However, you'll only pay sales tax on the discounted price when using retailer coupons redeemable at specific locations that aren't reimbursable by a third party and competitor coupons.

*Info: [bit.ly/mn-554](http://bit.ly/mn-554)*

### EQUIPMENT

Make sure your company's aware of some of the latest sales tax changes before purchasing any work-related equipment or gear.

**MISSOURI** – While sales of manufacturing equipment are tax exempt if purchased by businesses, that same exemption doesn't extend to employees and required safety gear.

That's according to a ruling by the department of revenue.

The employees in question had purchased safety equipment like glasses and steel-toe boots from a retail establishment. Because sales were made directly to employees and not their tax-exempt companies, they had to pay sales tax on the items.

*Info: [bit.ly/mo-554](http://bit.ly/mo-554)*

**OHIO** – A company installed a video display system, attaching monitors to its building's walls to display messages to employees and visitors.

The company said that made the equipment nontaxable because it was attached to the business's "real property" (the building) after it was installed. That made it real property that wasn't subject to sales tax.

However, the tax commissioner disagreed. The video equipment remained tangible personal property even after installation because it counted as a "business fixture" that primarily benefited the way the company conducted business, not its real property. So it was still taxable.

*Info: [bit.ly/oh-554](http://bit.ly/oh-554)*

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