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# STATE AND LOCAL TAX GROUP SERVICES

## **OVERVIEW**

State and local tax (SALT) obligations present some of the most complex challenges for businesses to navigate. New regulations and differing compliance requirements across numerous jurisdictions can make the prospect of staying current with your various tax obligations daunting.

Anchin's State & Local Tax Group is committed to helping you manage your SALT burden, while proactively seeking opportunities to lower your tax exposure and ensure continued compliance.

We work with a wide range of businesses from entrepreneurial startups to large corporations, designing solutions to best fit their business needs. Anchin keeps current with ongoing changes to the state and local tax landscape so we are well-positioned to provide insight regarding how these new laws and regulations apply to businesses in various industries.

## **SERVICES**

- Income, franchise, excise and gross receipts taxes
- Sales and use tax
- Domicile and residency
- New York City unincorporated business tax
- New York City commercial rent tax
- State and local tax dispute resolution and audit representation
- Voluntary disclosure agreements
- Tax amnesty programs
- Real estate transfer taxes
- Transactional due diligence
- Unclaimed/escheatable property compliance and recovery
- Worker classification and Department of Labor examinations

## **THE VALUE OF ADDING SALT**

- Analysis of the nexus and taxability footprint
- Development of methodologies for multistate income allocation and apportionment
- Identification of potential refunds and risk exposure
- Provision of tax audit representation and mitigate assessments
- Guidance on new state tax policy and legislation
- Monitoring credit and incentive opportunities

## **CASE STUDIES**

### **Sales Tax Example**

A large, privately held estate real estate landowner and management company in New York City was sub-metering electricity to tenants. The client failed to claim a credit for sales taxes paid on electricity purchased from the utility and ESCo which was resold to its various property tenants.

We identified the issue and performed a reverse sales tax audit of the company's electricity purchases and resales for the prior three years for each of its 11 properties. We filed refund claims for the overpayment of the sales tax resulting in over \$1 million of refunds for our client.

### **Residency and Domicile Example**

The taxpayer was a resident of New York City and paid income tax at the combined state and city rate. Her primary source of income was an interest in a casino-hotel located in another state. The resort received a lucrative buyout offer which, based on her ownership percentage, would have exposed the taxpayer to a \$25 million New York State and City tax liability.

Prior to finalizing the sale, we helped the taxpayer move her state of residence to Nevada, a no income tax jurisdiction, thereby eliminating resident state income taxes on the sale proceeds. We then represented the taxpayer in a subsequent New York residency audit focusing on the year of the sale. We prevailed in the examination saving our client millions of dollars in state and city taxes.

