



TAX AUDIT SUCCESS STORY



TEXAS TAX GROUP

OUR TEAM OF FORMER TEXAS COMPTROLLER
STATE TAX AUDITORS IS YOUR BEST DEFENSE

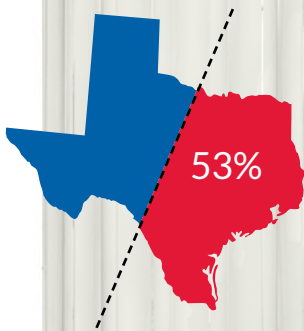


ARKOMA ENERGY SERVICES TAX AUDIT SUCCESS STORY

“Texas Tax Group made my life easy. Without them, I would have gone through hell and paid \$450,000 that I didn’t actually owe.” Don Bailey, CFO, Arkoma Energy Services

FACTS ABOUT THE COMPTROLLER

Did you know, last year the state of Texas collected \$27.39 billion in sales tax alone?



This money comes from taxing Texas businesses, attributing 53% of the state’s revenue stream.¹

OVERVIEW

Arkoma Energy Services, a Texas oil and gas transportation company, was surprised to find out that the sale of an airplane from one commonly owned subsidiary company to another would trigger two crippling tax bills from the Texas Comptroller. After their traditional tax resources proved ineffective, they turned to Texas Tax Group—who had both bills erased.

This is their story.

A NOTICE FROM THE COMPTROLLER

After the sale of an aircraft to a company subsidiary, Arkoma Energy Services received a sales tax audit notice from the Texas Comptroller. This notice came as a surprise to Don Bailey, CFO at Arkoma.

“Our local CPA and attorney never gave us advice on potential sales tax liability for this transaction” he said. “The possibility of sales tax being assessed on this transaction was never brought to our attention when we sold the aircraft.”

Without proper defense, Arkoma wound up with a \$225,000 initial sales tax bill!

Looking for answers, Arkoma’s CPA encouraged Bailey to seek advice from sales tax professionals.

ANSWERS FROM TAX EXPERTS

Bailey reached out to, and soon accepted help from, Texas Tax Group. Digging deeper into aviation tax exemptions, **Texas Tax Group discovered a means to have the \$225,000 sales tax bill completely lifted.**

From start to finish, the process Texas Tax Group took care of everything: “While I provided Texas Tax Group with all the documentation, they carefully researched the possible aircraft sales tax exemptions. Texas Tax Group had some exemption forms for me to fill out. Then they presented all the evidence and research to the Texas Comptroller’s Office. Eventually, the Comptroller came back and stated that **we didn’t owe any tax,” said Bailey.**

PREPARED FOR A SECOND AUDIT

Soon after Arkoma’s tax bill was reduced to zero, a second audit notification arrived from the state. The Comptroller now placed aircraft charges on Arkoma’s subsidiary company. Again Arkoma faced a sales tax bill of **\$225,000.**

This time, Bailey immediately knew who to call—Texas Tax Group.

Through extensive research and diligence on the part of Texas Tax Group—**this second bill was also removed!**

“Texas Tax Group investigated the initial owners of the aircraft and found a new aircraft sales tax exemption. They reached out to the original sellers and convinced them to provide the specific documents that validated the proposed aircraft sales tax exemption. Texas Tax Group made the process smooth—I never had to have a conversation with anyone from the state,” Bailey noted.

“I find it absolutely unbelievable that the Texas Comptroller could try and take almost \$500,000 in tax, penalties and interest from my business when it was never even due in the first place.” said Bailey.

\$450,000 SAVED!

After two outstanding tax audits, Arkoma Energy Services was not found to be liable for sales tax on the sale or purchase of the aircraft. This came as a relief to Bailey and his CPA. If the State of Texas finds you liable for sales tax, heed advice from Arkoma: **ensure the person managing your audit is experienced in Texas state taxes.**

Bailey advises, “Your CPA or attorney may not be your best bet. I would seek a professional that has extensive experience dealing with the Texas Comptroller’s Office.



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Texas Tax Group is here to get you through your audit. With a team of 15 former state auditors, their experience has helped over 2500 Texas businesses receive fair and accurate audit results. If you’re under audit and looking for answers, check us out online or call 1-855-892-8348, for a free 20-minute consultation, today!

¹“A Field Guide to the Taxes of Texas” Texas Comptroller of Public Accounts, Feb. 2015