

# TEXAS SALES AND USE TAX OVERPAYMENT REVIEW

Have a former Texas Comptroller Credit and Refund Verification auditor review your purchase invoices for overpayments of sales and use tax today!

## State Tax **Credit/Refund** and Audit Defense Specialists

“Our team of former **State Tax Auditors** is your **best defense.**” - *Dino Marcaccio, President Texas Tax Group and 16 Year Former Texas Comptroller State Tax Auditor*



**20+**

Former Comptroller Auditors,  
Supervisors & Policy Experts

**250+**

Combined Years of Service  
with the Texas Comptroller

**400+**

Combined Years of State Tax  
Audit & Refund Experience

**4000+**

Successfully Defended  
Audits, Refunds & VDAs

- State Tax Audit Defense
- Credits & Refund Claims
- Settlement Negotiations
- Managed Audits
- Texas Nexus Studies
- Litigation Support
- Protest Audit Results
- Audit Settlement Services
- Sales Tax Training for Your Employees
- Mock Audits
- Voluntary Disclosure Agreements
- State Tax Research & Reviews



# GETTING STARTED

## **Project Kick-Off / Requirements / Documentation**

Texas Tax Group consultants will need access to your accounts payable records. If your records are paper based, our consultant will begin with stated portion of records are available. If your records are digital, you have the option of allowing us to conduct your review from one of our offices located in Houston, Dallas, Austin, or San Antonio.

## **COVID 19**

Texas Tax Group consultants take alcohol wipes (70% Isopropyl Alcohol Content), hand pump liquid sanitizer (70% Isopropyl Alcohol Content), hand pump spray cleaner (70% Isopropyl Alcohol Content), medical face masks, full face plastic face shield, medical gloves, and paper towels to onsite reviews.

We're scheduling all consultants to begin their review 45-60 days after receiving the signed proposal back. Please notify your Texas Tax Group sales associate if you need your review to begin sooner.

## **Digital Records**

### **Two ways for our consultant to review your digital records:**

- Texas Tax Group will provide you with a secure encrypted link to upload your digital records to our servers.
- You can provide your Texas Tax Group consultant with logins to your accounting software.
- A Texas Tax Group consultant will work side by side with you at your accounting offices to help download invoices from your company accounting software.

**\*Our consultant may still request a plant tour even if digital records are provided.**

## **Training**

Your assigned Texas Tax Group consultant familiar with your review will provide a Custom Tax Workshop via Zoom Meetings/RingCentral Meetings to train your staff to ensure proper tax compliance.



# REVIEW PROCESS

In many cases, our clients are paying sales tax on items they feel are one step removed or not part of the manufacturing process in error. Our firm is often able to leverage little-known or obscure tax policies in favor of our clients.

## Texas Tax Group Credit/Refund Review Process

- **Proposal signed** and appointment made for a Texas Tax Group consultant to begin the review.
- **Texas Tax Group** will review accounts payable records for the last four years to become familiar with the vendors used as well as the type of equipment/services purchased. As the consultant reviews the **Accounts Payable records**, he or she will:
  - Scan and/or copy invoices and supporting documentation for purchases that have potential credits.
  - Review for any potential exposure of taxable purchases where sales tax is not being properly assessed.
  - Create a list of questions to eventually ask a plant manager or someone else with technical knowledge of the manufacturing process and equipment.
- **Based on your availability**, a Texas Tax Group consultant will request an opportunity to discuss the preliminary findings.
- **A Texas Tax Group** consultant will need technical questions answered to have a complete picture of what vendors and purchases are of interest.
- **A Texas Tax Group** consultant will prepare schedules of the credits we intend to present in our refund request.
- **Texas Tax Group** files the refund request with the State:
  - Refunds less than \$25,000 may be subject to a Desk Audit. The Comptroller does not assign a field auditor to verify the refund claim.
  - Refunds over \$25,000 will be assigned an auditor from a field office closest to your address.
  - Texas Tax Group will start the process of verifying the refund request.



# REVIEW PROCESS

- Texas Tax Group works with the State to have as much of the refund request approved and processed. Once processed, the Notification of Refund will be sent from Comptroller Processing Department after 4-6 weeks and a refund check sent 7-10 days after the receipt of the refund paperwork.
- Your Texas Tax Group consultant will provide a custom Tax Workshop to review what was discovered and reasons for the types of credits allowed.

## **Predominant Use Study – How Does it Work?**

The Predominant Use Study looks at several energy elements. It determines the kilowatt per hour electricity consumption at each electric meter, and the cubic foot of gas used at each gas meter.

It also includes the volume of water transmitted at each water meter. The study then investigates all of the gas, electricity, and water used from applicable equipment. This evaluation process separates the equipment into one of two categories: processing or non-processing. The important bit comes in understanding and then identifying where those tax savings apply.

**Energy Cost Management & Savings** – The major benefit to having a Texas Tax Group Certified Electrical Engineer conduct a Predominant Use Study comes down to the savings in tax exemptions that your company can receive.

The result of the study also identifies areas where you spend the most on energy costs. This is done by quantifying the electric or gas usage for all equipment and other areas of major energy consumption. The study then provides several strategies to put into place for further opportunities to save.

**Improve Energy Management** – While identifying areas of cost savings, the Predominant Use Study also highlights areas where your company can improve energy management processes. For example, if your company uses equipment 24 hours a day, there might be times when you can actually reduce the number of hours and still qualify for sales tax exemption.



# TEXAS TAX GROUP

**Texas Tax Group** has the largest team of former **Texas Comptroller** tax and credit/refund verification auditors, supervisors, and tax policy experts in the state.

The Texas Tax Group team has more than 400 plus years of combined Texas Comptroller experience. We have successfully defended thousands of state tax audits and refund verification requests.

## About our SALT Recovery Services

1. Our SALT Recovery Team is dedicated to Sales and Use Tax Credit/Refund Studies, with additional support staff in **Houston, Dallas, Austin** and **San Antonio**.
2. We do all the work necessary to identify, file, and recover sales and use tax from the taxing authority with minimal impact on you and your staff.
3. We pride ourselves in being experts in Texas tax policy and compliance. Our insight spans beyond accounting and can help guide strategy and operations within your company.
4. Conducting a state tax refund review generates instant savings and tax credits that can be re-invested immediately.
5. We will conclude your review with a free Tax Workshop. Our workshops help improve processes and guarantee future savings.

## Texas Tax Group has thousands of happy clients nationwide





# MEET YOUR TEAM



**Dino Marcaccio**  
President & Former Texas  
Comptroller State Tax Auditor,  
16 Years



**Gilbert Zamora, CPA (retired)**  
Director of Tax Policy & Former  
Texas Comptroller Policy Expert,  
31 Years



**Daniel Holcomb, CPA**  
Director of State & Local Tax  
& Former Texas Comptroller  
Auditor & Trainer, 26 Years



**Rifat 'Randy' Islam**  
Director of State & Local Tax  
& Former Texas Comptroller  
State Tax Auditor & State Tax  
Consultant, 8 Years



**Joseph Garcia**  
Senior State Tax Consultant  
Former Sales & Use Tax Refund  
Verification Auditor, 23 Years



**Glenda Aguirre**  
Senior Tax Policy Expert, & Former  
Texas Comptroller Tax Policy  
Expert, 23 Years



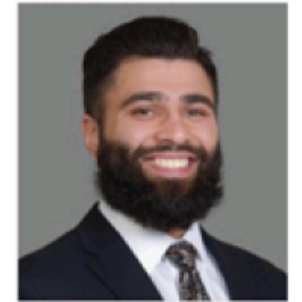
**Brad Ayres**  
Senior Tax Manager  
Former Senior Tax Consultant  
with Ryan, 19 Years Sales Tax  
Experience



**Bryan Scogin**  
Tax Director & Former Texas  
Comptroller Supervisor and  
State Tax Auditor, 26 Years



**Kasey Williams**  
State Tax Manager  
Former Sales Tax Manager  
Ryan, 13 Years Experience



**Khayam Sharwani**  
Senior Tax Manager  
Former Texas Comptroller  
State Tax Auditor, 6 Years



**Blake Nedbalek**  
Tax Director & Former Texas  
Comptroller Tax Auditor &  
Supervisor, 25 Years



**Nick Remedios, MSAIT**  
State Tax Manager & Former  
Texas Comptroller State Tax  
Auditor, 2 Years



**Dewayne Morrison, CPA**  
Senior Franchise Tax Consultant  
& Former Texas Comptroller State  
Tax Auditor, 33 Years



**Hassan Ali**  
State Tax Consultant  
Former Tax Analyst for Expo  
Design Center & Flowserve



**Sandra Salinas**  
Senior State Tax Consultant &  
Former Texas Comptroller State  
Tax Auditor, 25 Years



**David Somerville**  
Director of Tax Policy & Fomer  
Texas Comptroller Supervisor  
of Sales Tax Policy, 25 Years



**Bob Wallace**  
State Tax Consultant & Former  
Texas Alcohol Beverage  
Commission (TABC), 33 Years



**Fancy Kalb-Perez, MSA**  
State Tax Consultant  
Multi-State Sales Tax Expert,  
11 Years



**Peter Laws, CPA**  
Senior State Tax Consultant  
Sales & Use Tax/Refund Expert,  
36 Years



**Robert Perez**  
Senior State Tax Consultant  
Former Texas Comptroller Tax  
Auditor & Supervisor, 43 Years

## Frequently Asked Questions

- **We pay less than \$1000.00 a year in sales tax, there is no opportunity for a substantial refund.**

Regardless of what your total sales tax paid was last year, the potential for tens of thousands of dollars in overpaid sales tax still exists. Vendor staff often makes errors that lead to sales tax being included somewhere on your invoice, these errors are often hard to spot which is why Texas Tax Group assigns a State Tax Consultant who is well versed in your specific manufacturing sector to conduct the review.

- **We are tax-exempt and pay little to no sales tax and provide all of our vendors with exemption certificates.**

This is the case with all of our clients. Unfortunately, more often than not vendors will charge sales tax in error which can be included in the final price or even scheduled on an obscure line item on your purchase invoice. Left unchecked these errors can leave substantial amounts of undue sales tax paid in the hands of your vendors.

- **We have a CPA on staff who takes care of filing our refund requests.**

While your CPA may be able to tell you which vendors you should or should not be paying sales tax to, it is highly unlikely they will thumb through every invoice looking for errors made by your vendors. Most companies are unaware these types of errors exist or can take place. The purpose of having a professional State Tax Consulting firm like Texas Tax Group review your purchase invoices is to uncover these types of vendor errors and recover all overpaid sales tax.

- **Our company has someone in-house who reviews all of our purchase invoices for sales tax.**

Most accounting departments have a staff member dedicated to making sure sales tax was not charged on an invoice and to make sure your vendors have up-to-date exemption certificates. But the review conducted by Texas Tax Group consultants looks more deeply into your purchase invoices for sales tax being scheduled or included in obscure ways. Even though your purchase invoice may show 0.00 charged on the line for sales tax, that does not mean it wasn't included in the invoice or final price.

- **Will your consultant look for double payments?**

Yes, our review will also uncover items that were double-billed and also make sure you are taking advantage of all of the incentives offered by the Texas Comptroller.

- **How much of my time will this take?**

Virtually no time or effort during the actual refund review. If digital records are available, then Texas Tax Group can conduct the entire review remotely. The time commitment will be upfront when reviewing your records and operations.

# FAQ

- **What records will you need access to?**

We will review accounts payable transactions no matter how large or how small the dollar amount is. Typically, isolating specific accounts of interest helps steer the review.

- **What causes a majority of the errors?**

There are countless reasons you may have overpaid sales tax. Overpayments may be due to changing vendors, vendors changing their accounting system, and changes in vendor or company personnel.

- **What happens when Texas Tax Group identifies over-paid sales tax?**

We will provide you with a detailed schedule of all the transactions that qualify for sales tax exemptions and include explanations of the reason they qualify. Once you have reviewed and approved our schedule, we will prepare and file the necessary paperwork to recover your refund.

- **What happens if we've under-paid our sales tax?**

Texas Tax Group will work with your accounting team to resolve the issues going forward. You may also elect to have Texas Tax Group initiate a Voluntary Disclosure Agreement (VDA) with the Texas Comptroller on your behalf.

- **How do we get started?**

Simply call this number 855-892-3848 Ext 127 (855-TX-AUDIT) or sign and date the attached agreement.

 **TEXAS TAX GROUP**  
HOUSTON | DALLAS | AUSTIN | SAN ANTONIO

***"NO TAXATION WITHOUT REPRESENTATION!"***

*Dino Marcaccio, President - Texas Tax Group and  
16 Year Former Texas Comptroller State Tax Auditor*



**SALES TAX, FRANCHISE TAX, HOTEL TAX, LIQUOR TAX, IFTA TAX, TOB TAX**

**COMPTROLLER AUDIT OVERSIGHT – CREDITS / REFUNDS - PROTEST HEARINGS – PRIVATE LETTER RULINGS  
LIMITED TAX REVIEWS – VOLUNTARY DISCLOSURE AGREEMENTS – MOCK AUDITS**

