BARKER ASSOCIATES

CFO FINANCIAL STRATEGISTS

Interstate Sales Tax Checklist

Use this checklist to evaluate the level of interstate sales tax controls within the organization. Each control that receives a "No" answer is an opportunity for improved compliance; however, more "No's" than "Yes's" could be an indication that the organization is at risk of non-compliance and may need immediate intervention to avoid penalties and/or fines.

Contracts

Do you have Customer Contracts organized in one central location?	☐ Yes	☐ No
Does Internal Audit, an Independent party or legal review ongoing revenue periodically to ensure there are active contracts with Customers saved on the designated shared drive that match revenue recognized?	☐ Yes	☐ No

Customer Data

Is the Customer Data maintained consistently throughout all systems in the organization? For example, is the Legal name of the entity, the "dba" address, spelled the same in all systems for ease of analysis?	☐ Yes	☐ No
Does the Customer Data and related financial data allow for a parent Customer and separate locations for "ship to" addresses?	☐ Yes	☐ No

Month end Close process

Can a report be run from the billing system today for the prior six months that matches the revenue recorded for that month in the General Ledger?	☐ Yes	☐ No
Does your organization have a data warehouse of detail customer/revenue transactions that is periodically reconciled to the monthly financial statements? Can this data be sorted by State and Zip Code?	☐ Yes	☐ No

Merger and Acquisition Integration

Are all revenue systems integrated into the overall sales so that cumulative sales in a specific geographic region of the entire organization can be analyzed?	☐ Yes	☐ No
Do you have specific steps in the corporate due diligence process to review sales data of the target acquisition to ascertain the potential for liability related to retroactive compliance in each State?	☐ Yes	☐ No

Barker Associates professionals are available to assess your financial infrastructure to determine if it is adequate to analyze exposure to the new Interstate Sales Tax Laws.

Additional Resources – Interstate Sales Tax

Tools/Guides

Use this state-by-state guide to sales tax economic nexus rules

https://www.avalara.com/us/en/learn/nexus/find_your_nexus.html

Remote Seller Nexus Chart – another nexus identification tool provided by the Sales Tax Institute

https://www.salestaxinstitute.com/resources/remote-seller-nexus-chart

Sales Tax Resources & Updates from the Sales Tax Institute

https://www.salestaxinstitute.com/resources

Articles/Analysis

New Smaller Seller Exceptions for Sales and Use Taxes (CPA Practice Advisor)

https://www.cpapracticeadvisor.com/article/12435710/new-small-seller-exceptions-for-sales-and-use-taxes

States and sellers react to changing sales tax landscape after Wayfair decision (Columbus Business Journal)

https://www.bizjournals.com/columbus/news/2018/11/20/states-and-sellers-react-to-changing-sales-tax.html