Creating a World Class Transaction Tax Department

Telecom 201: Increased Simplicity & Understanding

Part 1

Telestrategies - Orlando 2015
Part 1 – Presentation Outline:

- Tax Department Purpose
- Transaction Tax Life Cycle
  1. Sales and Purchases
  2. General Ledger
- Questions and Answers
To develop creative solutions to maximize efficiency and planning.
Transaction Tax Life Cycle

1. Sales and Purchases
2. General Ledger (G/L)
3. Tax Returns (Compliance)
4. Audits
1. Sales and Purchases
This is an exchange of an item or service for compensation.
Sales Tax

Sales tax is charged when something taxable is bought.
Use Tax

Use tax is paid when something taxable is bought, and sales tax was not charged.
Billing Systems and Automation Systems
These are systems used by companies to make tax decisions on things that are bought and sold.
Setting Up A Tax System

1. Identify what the products are.
2. Group the products into categories.
3. Identify where the products will be sold.
4. Research applicable tax laws.
5. Create table of tax decisions for use.
2. General Ledger
This is a record of every transaction a company makes.
Setting Up A General Ledger

1. Identify types of transactions to be tracked.
2. Group types of transactions into categories.
3. Create a code for these categories – GL Code.
Questions?
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Part 2

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Part 2 – Presentation Outline:

- Transaction Tax Life Cycle

3. Tax Compliance

4. Audits

- Questions and Answers
Transaction Tax Life Cycle

1. Sales and Purchases
2. General Ledger (G/L)
3. Tax Returns (Compliance)
4. Audits
3. Tax Compliance
This is following the tax laws of the state, such as registering, filing tax returns, and remitting tax due.
Compliance Tips

• Planning - Tax Calendars
• Understand the Information on the Return
• Optimize Use of Tax Systems
4. Audits
No definition needed.
Audit Tips

1. The best defense is a good offense - know your work papers.
2. Manage the Audit – understand the state’s audit procedure.
3. Manage the Auditor – be kind to humans and timely respond to auditor requests.
Audit Tips

4. Manage the Information – keep the audit focused by only providing what is asked for and understanding all information given to the auditor.
Questions?