

# CASE STUDY

## Sales Tax Audit Defense Project

Type of business:

### Paperboard Manufacturer

#### ISSUE

Client, a manufacturer of specialty paperboard products, both spiral wound and convolute tubes and cores, developed products that had applications for a variety of industries. The client was audited for a three year period that resulted in preliminary assessment of \$262,000 excluding penalties and interest. The assessment was based on exempt sales where the client was initially unable to provide acceptable documentation substantiating the exempt status of the exempt sales to the auditor.

#### SERVICES PROVIDED

Client did not have the adequate manpower, time or expertise to handle this particular audit, thereby retaining Walton's Sales & Use Tax Director, Bob Bortnick, to handle the administration of the audit. Letters were forwarded to client customers requesting resale certificates and/or documentation showing the tax was self-assessed and paid directly to the state. Shortly after the letters were sent, Bob maintained constant follow-ups until all the requested documentation was successfully obtained and subsequently accepted by the auditor.

#### RESULTS

The assessment was reduced from \$262,000 to \$42,000, resulting in savings of \$220,000 or 84% off the preliminary assessment.

<b>84%</b>	<b>Total Reduced Savings For Client</b>	<b>\$220,000</b>
	Preliminary Audit Assessment, excluding penalties and interest	\$262,000
	Final Audit Assessment	\$42,000

#### FOR MORE INFO CONTACT:

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