

State & Local Tax



Potential Benefits to You

- ▶ View your tax department as a revenue, not cost, center
- ▶ Avoid tax overpayments
- ▶ Protect your legal tax interests
- ▶ Take advantage of refunds, credits & incentives
- ▶ Obtain support during state tax audits

Sales & Use Taxes

Sales and use taxes are a significant revenue source for states. However, the laws in this area are full of special exemptions, elections and exceptions that vary by state. We help you sort through and take advantage of the different laws and interpretations by providing:

- Reverse audits for refunds
- State tax audit assistance
- Nexus studies
- Compliance assistance
- Ruling requests
- Structuring for tax reduction

Income & Franchise Taxes

Whether you do business in one state or several, you know too well how difficult state income and franchise taxes can be. We work with you to develop a strategic tax plan that allows your company to grow.

Our state tax professionals help you take advantage of planning opportunities that can reduce your tax burden. And we apply our knowledge of nexus, apportionment, legal entities and other concepts to help reduce your state income and franchise taxes. We can help you with:

- Nexus planning
- Entity selection
- Apportionment studies
- Credits and incentives
- Compliance

- Audit assistance
- Due diligence reviews

Property Taxes

Our tax and business valuation consultants can assist in identifying opportunities to save on real and personal property taxes and seek refunds from local and state taxing authorities. We can help you:

- Challenge incorrect valuations
- Identify exemptions, refunds and abatement opportunities
- Look for misclassifications
- Appeal to taxing authorities and file necessary documents
- Seek refunds for unclaimed property

Your Questions...Our Expertise

- How much of a bite from your company's profits do state and local taxes take?
- Is your company up to speed on new state and local tax exemptions?
- Are you taking advantage of available state and local tax incentives and exemptions?
- Do you have a convenient, reliable source for finding answers to your state tax questions?

BKD clients are significantly more satisfied with our service than clients of other top U.S. firms included in a recent comparison by an independent research firm. Our overall results are higher than those of any other CPA firm the researcher has surveyed in the past 25 years

Credits & Incentives

Many state and local governments offer incentives to attract new businesses and expand existing ones. Researching the opportunities and taking advantage of them can be difficult and time consuming. We can help you:

- Identify opportunities
- Take advantage of exemptions, refunds, abatements and credits
- Develop strategies to profit from these incentives on an ongoing basis

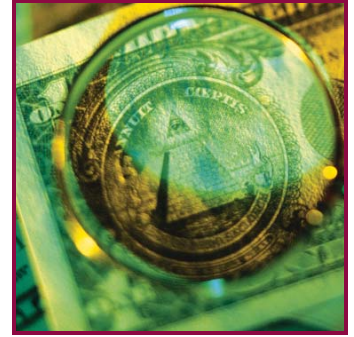
Accounts Payable Recovery

As part of our review of your sales and use taxes, we often look at accounts payable records and see opportunities to recover lost accounts payable revenues.

Large companies are the most susceptible to lost accounts payable revenues because of their volume of purchases and sales. But any size company has the potential for its accounts payable function to unnecessarily drain profits in these ways:

- Oversights from processing large amounts of paperwork under time demands
- Staff turnover or realignments creating omissions in payment processing
- Incomplete purchase order information, *e.g.*, the payables department may not have updated contracts or agreements
- Reliance on vendors for the integrity of agreements, *i.e.*, at the time purchase orders are originated
- Paying sales and use taxes on exempt purchases
- Maintaining a computerized purchases/ payables system with few built-in "accuracy checks"

To help you recover lost accounts payable revenues, BKD looks for double payments, reviews invoices to make sure contractual obligations were upheld by vendors and finds out if you took advantage of discount offers. The result can be compelling savings and the documentation to withstand vendor review.



Beyond Your Numbers

BKD would like to take you beyond your numbers by applying our technical expertise, unmatched client service and disciplined delivery of solutions to your management and financial needs. We are committed to delivering results with integrity: solutions that are ethical, timely and affordable. Let us take you beyond your numbers.

SALT Opportunities

Company Characteristics

Growing, expanding or investing company

Company pursuing acquisitions

Company under examination

Mergers, acquisitions & bankruptcies

Company paying significant multistate taxes

The Need

Obtaining incentives, grants, credits or abatements

Tax exposure of a target company

Reduction of audit assessment, negotiating settlements without litigation

Reduction of taxes associated with the transactions

Review of a company's income/franchise/property tax liabilities

Type of Service

Mergers & acquisitions & credits & incentives

Due diligence review

Representation on any tax examinations

Corporate reorganizations & due diligence review

Minimization diagnostic study



For a complete list of our offices and subsidiaries and their contacts, visit:

bkd.com

or call one of our SALT coordinators

Rob Mandel 816.221.6300

Doug Stucker 317.383.4000