

EMPLOYMENT TAX SERVICES

CLIENT REVIEW:

We are all busy and there are many aspects of state tax return preparation throughout the year that impede the ability to thoroughly review and gain knowledge of a client's activities or consider past activities within any given state. However, more effective state tax consulting requires an in-depth understanding of your client's business on a regular basis, particularly as it relates to their state activities. During various review periods you should always have: an updated organizational chart; the most current 3-years sales-by-state; a general review of a client's activities during the past year; and any activities planned for prospective years.

SALT ASSESSMENT:

During a review period, the following is a high-level list of state & local tax items that should be assessed to uncover a myriad of state issues and opportunities that are often overlooked.

1. Perform a two (2) to three (3) day on-site review.
2. Obtain copies of documented procedures applicable to scope areas (i.e., procedural manuals),
3. Obtain copies of wage elements paid by company, including executive comp items and non-cash fringes provided to employees,
4. Identify process owners,
5. Interview process owners and discuss procedures and methodologies with process owners,
6. Review documented procedures to substantiate discussions with process owners,
7. Obtain sample calculations and tax configuration documentation, as necessary,
8. Determine Propriety of Taxable Wages- includable taxable wages such as, executive compensation and fringe benefits and successor employer rights
9. Determine accuracy and timeliness of tax withholdings / remittances- Federal, state and local income taxes, FICA, FUTA and SUTA,
10. Identify potential under reporting of tax (risk) and/or over reporting of tax (opportunity),
11. Determine required information Reporting- Forms 941, 940, W-2, W-3, 1099-MISC,
12. Determine Record Retention requirements,
13. Determine Executive Compensation Elements, including:
14. Nonqualified deferred compensation,
15. Fringe benefits and perquisite,
16. Review data and documents provided and assess the findings, and
17. Assign each finding a High, Medium, or Low Risk level.

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