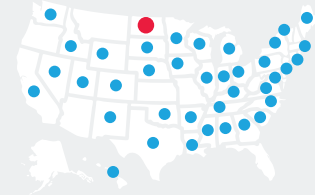TAX SERVICES

Client Success Story

Company Background

A Midwest company that sells farm and ranch supplies has new nexus requirements as a result of the *South Dakota v. Wayfair* decision.

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Company Issue

Prior to the *Wayfair* decision, the company only had nexus in **one state** based on physical presence laws. Due to new economic nexus standards after *Wayfair*, the company now needs to report and remit taxes in **almost all states**.

Their existing systems were not able to track economic nexus or the **thousands of state and local tax rates** which can frequently change.

Some of the company's customers are pharmaceutical-related and therefore tax-exempt, which creates added complexity and **mixed taxability issues** within some states.

Unsure where to begin, the company started to implement new software, but quickly ran into issues and couldn't find anyone to help. They eventually decided to switch to Vertex Cloud software which better met their needs, however, they still struggled with implementation. **Vertex recommended BDO as a preferred technology implementer.**

BDO's Solution

BDO was immediately able to understand the client's issues and assist in developing a plan to update their processes and implement Vertex Cloud software.

There was a need to act quickly as many states started enforcing economic nexus laws on April 1, 2019.

BDO helped develop a custom integration between the company's enterprise resource planning (ERP) system and Vertex Cloud.

BDO also provided consulting services for exemption certificate management, registration in states where the company will now need to file sales tax returns, and guidance on how to structure the overall solution design to best leverage the tax engine.

Company Benefits

The new software launched prior to the April 1 target date, which **minimized potential risk and penalties** had the company not been in compliance.

BDO helped the company use the new software to **manage taxability and exemption certificates.**

The software provides a central reporting source which **saves time** when filing tax returns and **provides a historical record** in the event of an audit.

Tracking and calculating tax rates for all states and local jurisdictions was enough work for a full-time position. The tax software maps billing system product codes to Vertex Taxability Categories, and updates automatically when taxability content and tax rates change. This **saves time and frees up resource to focus on business strategy.**

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