

Sales & Use Tax Monitor

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Tax Specialists Muse About Pros And Cons Of Their Compliance Systems

Which compliance software program your department uses in daily sales and use tax operations can make a huge difference in the workload and how long it takes to handle it. This edition, *SUTM* asked tax pros about their software and its good and bad features.



Daniel Russo, tax director, *Gulfstream Aerospace Corp./Savannah, Ga.:*

We use **Vertex** here at Gulfstream. We just implemented it. One of the reasons we decided on Vertex was that it appears to have the ability to handle everything from soup to nuts. It also has the flexibility to expand to different areas, such as international tax, in the future. We actually switched to Vertex from **Taxware**. We compared the two packages and decided that Vertex would be better for us and that it had a better track record, meaning that it has been out there longer than Taxware has.



Sean Nicholson, director of sales and use tax, *Target Corp./Minneapolis:*

We use our own in-house software package. We don't use Taxware or Vertex or something like that. We developed our own system about 15 years ago and then looked at other packages and decided they didn't offer enhancements to what we were already using. We also felt that because of the size of our company and the amount of information that we were providing, that we weren't sure the other platforms could handle it. Ours works well for us.



Sales tax accountant for a southwestern service company:

We use Vertex. I think what we like about it is that we have a homegrown system that it's able to interact with. One of the things that we really like is the historical capability, as far as keeping a filing history and keeping track of our returns in case we ever come up with a problem when we get audited. We're primarily a use taxpayer so we're not as fully deployed as a retailer with connections to cash registers across the country. But, [the system's] functionality is definitely helpful for us and what we do. Using the software allows us to minimize the amount of staff that we need to use to do our compliance monthly.



Alvin Lewis, sales and use tax director, *Saks Inc./Jackson, Miss.:*

We've outsourced our tax compliance. We are using **Tax Partners Inc./Atlanta**. We ended up making that decision for a lot of reasons that I can't discuss, but it mostly has to do with the direction the company is headed in. So, the compliance piece is outsourced. All of the other work that we do is handled through a system that we developed in-house that enables us to do what we need to.



Steve Peck, sales tax manager, *Georgia Pacific Corp./Atlanta:*

We do have some Vertex software that one division uses. We have three separate ERP systems, and one of them uses [Vertex]. We're thinking about doing another implementation in the next year or so. Right now, the one Vertex system we've been using has been in place for 10 years. We were able to customize the procurement payable system so that it uses our codes for certain items sold rather than the codes assigned by Vertex. We can also assign additional codes such as location codes or codes that determine the kind of company we are purchasing from. We don't use any kind of external tax software for our sales tax compliance. We do have a certain amount of sales that are taxable. We may sell boards directly to contractors or plastic bins directly to produce growers, but we haven't got that many customers of that kind — maybe a couple percent of our sales. Changing the rates manually is not something that we can't handle. ☐

Rants

"It's trips like this to Bismarck that make going to the SSTP meetings worth it. It's so easy to get there, you know?"

— Retail tax pro, sarcastically patting the SSTP's powers-that-be on the back for holding a meeting in North Dakota.