



STATES OF AFFAIR

A PUBLICATION OF MILES CONSULTING

Issue 3

March 2016

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Navigate the dynamic multi-state tax environment
with Miles Consulting

Dear Monika,

March is always special at Miles Consulting Group, as it's our anniversary month! 14 years ago, my former partner, Bill Labhart and I wrote our first checks to our newly hired attorney (thanks John!), drafted our articles of incorporation, and made our initial capital contributions! While Bill retired a few years ago (and is loving his life in Florida), I still like to celebrate our annual milestone. The firm would not be where it is today without the continuing support and trust of our clients, colleagues, family and friends. It has been an amazing experience to able to connect with people across the country through the multi-state tax consulting practice.

In fourteen years, I've watched the practice change with the times – gone are the California Manufacturers Investment Credit and the Enterprise Zone benefits – both of which were significant tax credit and incentives benefits to our clients over the years. Added are some new California incentives – the CA Partial Manufacturer's Sales Tax Exemption, and the California Competes Tax Credit. Tried and true multi-state tax consulting – nexus reviews, taxability studies, voluntary disclosures, and audit defense continue to be the cornerstone of our current consulting. We've also recently added "**Jumpstart Your Rainmaking**" that's been providing some "splash"! The webinar series, aimed at helping CPAs (and others selling professional services) to enhance their marketing, networking and targeting skills begins again in May. (For more information and to register, [click here.](#))

In this month's newsletter, check out our trip down memory lane with a flashback to the year 2002 when we were founded, below. Some of the items may surprise you! Also, check out our technology series on state tax issues for SaaS companies and digital goods. And finally take look at our Rainmaking series about follow-thru issues – why and how!

If you want to know more about any of the items in this month's e-newsletter or what we do at Miles Consulting, please [contact us.](#)

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All the best,
Monika Miles
Miles Consulting Group, Inc.



A Blast from the Past: Remembering 2002

The last 14 years at Miles Consulting has been a wonderful journey. A lot has changed over the years that has affected not only our business, but our country. Here's what was happening back in 2002 when we were founded:

In 2002...

...Long-running television show American Idol made its debut.

...Arthur Andersen LLP was found guilty of unethical financial management with its client, Enron, a company who committed accounting fraud. Arthur Anderson was convicted of obstruction of justice when the firm purposely shredded important audit documents. This scandal reduced the "Big 5" accounting firms to what is now the "Big 4."

...The Euro began circulating and became the official currency of 12 European Union members.

...Kmart, WorldCom, and United Airlines filed for bankruptcy protection.

...Former President George W. Bush created the Department of Homeland Security to help the fight against terrorism.

...Denzel Washington & Halle Berry won Oscars for Best Actor & Best Actress respectively. The Academy Awards show was hosted by Whoopi Goldberg.

Feeling nostalgic yet? Certainly, there were more significant events that happened in that year that aren't on this list. It is often bittersweet to reflect on the past but it is what shapes our future.

HOT STATE TAX NEWS

[State Tax Series] SaaS & Multi-State Tax Issues

An Overview of SaaS Companies

SaaS is [defined](#) as, “A way of delivering applications over the Internet – as a service. Instead of installing and maintaining software, you simply access it via the Internet, freeing yourself from complex software and hardware management.”



State Tax Issues for SaaS Companies

As we've seen with the other technology niches, there are several state tax issues relating to SaaS companies:

- **Nexus:** As with all companies engaged in multi-state activities, it's important to first determine where the company has created nexus (taxable presence). Various things typically create nexus for SaaS companies. Primarily, SaaS companies are often growing quickly and sending a traveling salesforce (either their own employees or third party contractors) to customer locations, which can create nexus.

[Click here to read more.](#)

[State Tax Series] Digital Goods & Multi-state Tax Issues

An Overview of Digital Goods

Digital goods is a general term used to describe any goods that are stored, delivered and used in an electronic format. Examples of digital goods include e-books, music files, software, digital images, website templates, manuals in electronic format and any item that can be electronically stored in a file or multiple files.”



State Tax Issues for Digital Goods

The Streamlined Sales Tax Project (SSTP) (a group of 20+ states banding together to create uniformity in sales tax definitions, among other things) has tried to create uniform

definitions of digital products across the states. Included in their definitions are “specified digital products” such as “digital audio-visual work,” “digital audio works,” and “digital books.” Items such as digital cards, music, movies, pictures and ringtones are specifically identified as meeting the definitions of digital products and are considered taxable. However, not all states are members of the SSTP and, as such, not all states uniformly tax digital goods.

[Click here to read more.](#)

Rainmaker Series

Rainmaking: Follow-Thru Strategies, Part 1

[Direct strategies](#) are those in which you purposefully put yourself either in the room with someone (a meeting, lunch, coffee, etc.) or on the phone (a prospect call, etc.). [Indirect strategies](#) are those where people can find out about you at their



leisure. It is often via your on-line persona – your company website or bio page, blogging, social media, etc. It's important that the messages between your direct and indirect strategies are consistent. The third prong of the marketing strategies (and perhaps the most important) is the follow-thru.

Why the Follow Thru?

Entire books have been dedicated to this topic. Why? Because it is an area in which so many people fail. They do well in identifying their target market. They determine where to find them and even put themselves in the room with the “right” people. They collect business cards from the “right” people. And then what? They go back to the office the next day and don't do the follow up. They get busy.

[Click here to read more.](#)

Rainmaking: Follow-Thru Strategies, Part 2

Following up with people after a successful initial meeting is important. I suggested that after a networking event, once business cards are exchanged and it has been agreed that we like each other enough to follow up – we should, indeed, follow-up within 48



hours. Truly, it's never REALLY too late if you want to ultimately try to reach someone who you met at a networking event. But the practicality is that we're all human. We want to feel important. (If you reach out to me within 48 hours, I feel important!) And we all have a lot on our plates AND we go to a lot of networking events. (If you reach out to me within 48 hours, I'm much more likely to remember you and what you do, and why I found you interesting in the first place!)

So, if we agree that follow-thru within 48 hours is important, how do we do it? And, perhaps more importantly, how do we do it even if we're really busy and we know that we don't really have time to meet with the person right now?

[Click here to read more.](#)

What's Up at Miles Consulting?

Speaking:

"Jumpstart Your Rainmaking" webinar series will return in May 4, 11, 18. [Click here](#) for more information and to register.

Community:

Monika is participating as a mentor in the 3rd Annual "**Bizwomen Mentoring Monday**" happening across the Nation on April 4. [Click here](#) for more information and to register.

Networking:

[NAWBO SV](#) - As the National Association of Women Business Owners President, Monika invites you to connect with business owners and lawmakers at NAWBO California's Annual Propel Your Business Conference on April 25-26 and to attend our monthly networking luncheon on April 19. [Click here](#) for more details and to register.


[AFWA](#) - As a member of the Accounting & Financial Women's Alliance, Monika invites you to participate in the April Membership Meeting on April 26 from 6:00pm-9:00pm with guest speaker Sandra Clark. She will be presenting about "**LinkedIn Training and Creating a Powerful Professional Profile.**" [Click here](#) for more details and to register.

Educating:

Don't forget - we do customized multi-state tax presentations for local accounting firms; invite us to do one at your firm! Stay tuned for upcoming webinars!

**For more information, please call us at 408-266-2259.
About Miles Consulting**

Miles Consulting Group is a professional services firm specializing in multi-state tax solutions. We address state and



local tax issues for our clients, including general state tax consulting, nexus reviews, credits and incentives maximization, income tax and sales/use tax planning, and other special projects. We also specialize in California tax credits and incentives. For more information visit, www.milesconsultinggroup.com.

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