



# STATES OF AFFAIR

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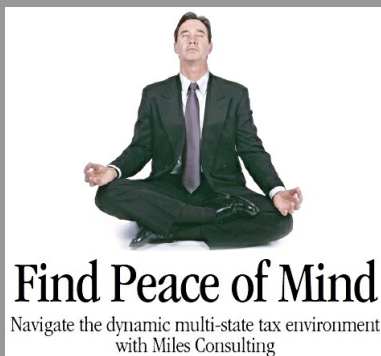
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Greetings!

This month we officially welcome spring. We also have a special anniversary to celebrate! This month marks the 15th anniversary for Miles Consulting Group working with you, our valued clients. Over the past 15 years, we have helped businesses with their enterprise zone benefits, their multistate tax needs and their rainmaking strategies. We thank-you for being on the ride with us and hope you'll continue for many years to come.

Remember when U2 played during the Super Bowl Halftime Show and when Alicia Keys took home five Grammy Awards? Both of those things happened back in 2002. Also 15 years ago, the Sanyo SCP-5300 became the very first cell phone to be released in the United States with a built-in camera. Viewed with today's hindsight, the world maybe seemed a lot simpler back then. Miles Consulting Group was formed to address the tax complexities facing our clients then and now. We weren't yet dealing with SaaS or the complexities of digitally downloaded products 15 years ago. The need for our service continues due to the increasing complex tax laws in technology and other industries.

Check out some of the articles in this month's newsletter. We take a special look at how businesses should be aware of the taxability of services. We also look at Pennsylvania as it revisits some important legislation passed last summer regarding electronically downloaded software. Lastly, we put our state spotlight on the "Show Me" state of Missouri.

And... we look forward to working with you for 15 more years! Thank-you!

Cheers,  
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## HOW TO DETERMINE TAXABILITY OF SERVICES, PART I

In general, the sale of tangible property starts out as subject to sales tax, but then may ultimately be non-taxable as a result of statutory exemptions. On the other hand, services are generally non-taxable unless specifically delineated by a state's statutes as taxable.



To summarize:

- Most states do not subject services to sales and use tax unless a specific statute requires it.
- Recently, many states have started to expand their definitions of which services are subject to sales and use taxes.
- A common trend seen in states across the country is imposing sales tax on specific services: utilities, landscaping, property repair, maintenance and information services. Sometimes it's difficult to determine what, exactly, is included in these definitions.

[Click here to read more.](#)

## HOW TO DETERMINE TAXABILITY OF SERVICES, PART 2

In this follow up article on the taxability of services, we share a few examples of how selected states determine if a company is responsible for sales and use tax on their services.



[Click here to read more.](#)

## PENNSYLVANIA- CLARIFICATION ISSUED ON LEGISLATION?

Businesses obviously grow by selling their products outside of their local boundaries and across state lines. Pennsylvania (PA) has experienced, like most states, a relatively large amount of sales from companies outside PA, and, with that, the loss in sales tax revenue from those sales, as out of state companies do not often collect sales tax. Pennsylvania has a growing economy, and like most states, it is continually modifying its tax laws to be current with changing conditions and technologies.



Last summer, we wrote an [article](#) about a new Pennsylvania law going into effect related to taxing out of state companies. **STATE OF THE MONTH: MISSOURI** The law went into effect on August 1, 2016.

This month we travel to the "Show Me" state of Missouri. The people of Missouri have earned their motto as the "Show Me" state for their very practical skepticism of the fads that sweep other parts of the country. This attitude manifests itself in the state government's approach to business encouragement and regulation. So, let's look at the state and see how their approach could help your business.



[Click here to read more about Missouri's tax landscape.](#)

## What's Up at Miles Consulting?

### Networking:

[NAWBO SV](#) - As the National Association of Women Business Owners President, Monika invites you to celebrate International Women's Day with them on Tuesday, March 28. Hannah Kain of ALOM will be one of their speakers for the evening, as will Lanie Denslow, of World Wise and Jennifer Mitrenga, of Opportunity International. [Click here for more details.](#)

[AFWA](#) - As a member of the Accounting & Financial Women's Alliance, Monika invites you to their 11th Annual Spring Gala and Scholarship Awards Night on April 25th. Erin McConlogue, of Dale Carnegie San Francisco, will be speaking about building a rapport and other communication tactics. [Click here for more details.](#)

### 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](http://www.milesconsultinggroup.com).*