



STATES OF AFFAIR

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Greetings!

Being a state tax consulting firm, you'd expect that we'd have clients from all over the United States. And indeed we do! But in the last few months we've received a lot of requests for assistance from companies headquartered in foreign countries, but doing business in the US. Most of them are in the e-commerce space, but we also have a few who are SaaS companies. In the past couple of months, we've engaged in sales tax consulting projects with companies in Canada, the UK, India, Australia, and Singapore – to name a few. We thought we'd share that here because many of our readers are also our biggest sources of referrals, and we wanted to let you know that we are taking on the world! Of course, we still focus on state tax matters in the 50 US states, but as we grow our client base in foreign countries, we are also inevitably growing relationships with service providers in those countries as well. So, sometimes we can refer their services to our US clients. As you read this, and think of foreign companies that you do business with that could maybe use a hand with US sales tax matters, we'd welcome an introduction. The best compliment we can receive is a client who refers us to a friend!

This month, our technical articles include an important update regarding SaaS and sales tax, important distinctions between collecting and remitting sales tax for new business owners, and finally our state spotlights are on Connecticut and Missouri.

In light of some of the recent almost unbelievable events in the news, to include the war in Ukraine, and mass shootings in Buffalo, NY and Uvalde, TX, as we finish up the month of May and head into the Memorial Day weekend, we wish you and yours all the best. And we send a virtual group hug for healing vibes and prayers for peace.

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Fondly,
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AN IMPORTANT UPDATE ON SAAS AND SALES TAX: ANSWERING CLIENT QUESTIONS

The Software-as-a-Service (SaaS) industry has continuously grown since the first SaaS company was founded in 1999, and remains a complex and ever-changing field. It can be especially complicated when it comes to sales tax, and we constantly receive questions about it. The very nature of the product (is it a service or a software?) is a large part of the confusion, and as a result, states may define SaaS differently, which makes it hard for businesses, especially smaller ones, to keep up. SaaS is now taxed in over 20 states, but for different reasons. Other areas unique to SaaS companies in the realm of sales tax include the sourcing of revenue to the correct state, timing of the recognition of the sale and the application of the tax (versus recognition of revenue for financial/book purposes).



To read more an important update on SaaS and sales tax, [click here](#).

IMPORTANT DISTINCTIONS BETWEEN COLLECTING AND REMITTING SALES TAX FOR NEW BUSINESS OWNERS

We are often approached by newer business owners who may recently have started an e-commerce site or other business and whose sales are ramping up. Sales tax compliance is a topic that comes up quickly in these circumstances. As our company, Miles Consulting, celebrates its 20 years in business this year, it's always exciting to me to help start-ups envision their dreams.



To learn more the distinction between collecting and remitting sales tax for new business owners, [click here](#).

FOCUS ON CONNECTICUT

This month, we travel to the Southern part of New England, Connecticut. The “Constitution State” is the third smallest state according to land size, but its population is actually bigger than 20 other states. The state has a mix of coastal cities and rural areas dotted with small towns. Mystic is famed for its Seaport Museum filled with centuries-old ships, and the beluga whale exhibits at Mystic Aquarium. On Long Island Sound, the city of New Haven is known as the home of Yale University and its acclaimed Peabody Museum of Natural History.



To read more about the tax climate in Connecticut, [click here](#).

FOCUS ON MISSOURI

Now, we also 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.



To read more about the tax climate in Missouri, [click here](#).

What's Up at Miles Consulting?

Networking:

[NAWBO-SV](#)

All business professionals are invited to attend the Women’s Networking Alliance’s 15th Annual Fall Mixer and Small Business Summit! It will be virtual this year on September 29 and 30. For more information on the event, [click here](#).

[AFWA](#)

Please join us for networking and education at the Women Who Count National Conference in Chicago, IL from October 25-28. For more information about the conference, [click here](#).

Educating/Speaking:

Our blogs are frequently featured on [Tax Connections](#).

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 & taxability reviews, audit support, voluntary disclosure agreements, and other special projects. We also specialize in SaaS and other technology industries. For more information, visit www.milesconsultinggroup.com.