



# STATES OF AFFAIR

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## In This Issue

- **How Colorado is Easing the Tax Burden for Retailers**
- **What You Need to Know About Long-Term Impacts of the Pandemic on Online Retailers**
- **State Tax Issues Associated with Troubled Companies: Part Two- Sales and Use Taxes**
- **California's Partial Manufacturing and R&D Equipment Exemption**
- **Focus on New Mexico**

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Greetings!

Happy Autumn! Along with the short days, we have also noticed a chill in the air. Summer is definitely over.

This month marks Breast Cancer Awareness Month and our "Monika's Miles" team has been fundraising once again for the American Cancer Society's Making Strides Against Breast Cancer. It's our 22<sup>nd</sup> year raising money for this cause. Thank-you to our friends, colleagues and clients who have helped us raise over \$250,000 over the years. [Click here](#) to find out more and to donate if you wish!

Check out our multistate articles in this month's newsletter. We explore how Colorado is easing the tax burden for retailers, the long term impacts of the pandemic on online retailers; and our state spotlight is on New Mexico, known as the land of enchantment. We also explore some sales and use tax issues associated with troubled companies. We hope you and yours continue to be safe and healthy during this challenging time.

Happy Fall!

Fondly,  
Monika Miles & Bill Loew  
Miles Consulting Group, Inc.





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## HOW COLORADO IS EASING THE TAX BURDEN FOR RETAILERS

Over the last two years, retailers across the U.S. have needed to adjust to the widespread implementation of



economic nexus. As of today, only two states with a general sales tax have yet to implement it. However, a handful of states add an additional layer of complexity. These states, known as home rule states, create a tax burden that can be overwhelming. Colorado is included in this number.

However, much to the relief of retailers, Colorado is now looking to simplify local sales tax collection for remote sellers within the state.

[Click here to read more about how Colorado is easing the tax burden for retailers.](#)

## WHAT YOU NEED TO KNOW ABOUT LONG-TERM IMPACTS OF THE PANDEMIC ON ONLINE RETAILERS

In the last 10 months, much of daily life has been turned upside down. Large events have been canceled, schools have



switched to distance learning and many workplaces are still depending on remote setups for employees. One of the many other consequences of the pandemic is the temporary closure of in-person retailers. Between this and understandable safety concerns, many consumers have turned to online shopping as their default.

This has offered many retailers the lifeline they needed to stay afloat during the pandemic, but it's also creating problems for those that were unprepared for the complex tax burdens associated with online retail.

[Click here to read more about the Impacts of the Pandemic on Online Retailers.](#)

## STATE TAX ISSUES ASSOCIATED WITH TROUBLED COMPANIES: PART TWO- SALES AND USE TAXES

Last month, we featured the [first](#)

[article](#) in this series. Here is the next one: sales taxes are often overlooked when a company is experiencing an economic crisis. Given that some jurisdictions can have rates over 10%, this can be very costly at a time when a company can least afford this expense. With the exception of bankruptcy situations, there are no “special” rules with regard to sales or use taxes when a company is experiencing financial difficulties. So, how can a troubled company minimize their sales and use tax obligations?



[Click here to read about State Tax Issues Associated with Troubled Companies: Part Two- Sales and Use Taxes.](#)

## **CALIFORNIA'S PARTIAL MANUFACTURING AND R&D EQUIPMENT EXEMPTION**

The California Manufacturing Partial Sales and Use Tax Exemption allows manufacturers and certain research and developers to exempt a portion of sales and use tax. In general, this partial exemption allows a qualified person, who purchases qualified tangible personal property and used that property in a qualifying manner, to purchase the property at a reduced tax rate, according to the [CDTFA](#). While it's been around for a few years, in 2017, California amended the exemption to expand the partial sales and use tax exemption for purchases of certain tangible personal property used in manufacturing or research and development activities.



[Click here to read more about CA's Partial Manufacturing and R&D Equipment Exemption.](#)

## **MILES CONSULTING GROUP WELCOMES BABY AGOPIAN!**

Miles Consulting Group is excited to welcome the newest member of the Miles Consulting Group Family, Sophie Agopian. Nikki and her husband, Mathias, welcomed her on October 10th. Please join us in welcoming Sophie! Congratulations Nikki!



## **FOCUS ON NEW MEXICO**

New Mexico, nicknamed "The Land of Enchantment," is located in the Southwest part of the United States. The state



was admitted to the union as the 47<sup>th</sup> state on January 6, 1912. It is one of the mountain states and shares the Four corners region with Utah, Colorado, and Arizona.

The dramatic climate, a sharp diversity of people, and famous landscapes are some of the things that make New Mexico a unique state. The state's climate is generally semiarid to arid, though portions of the state have a continental and alpine climate, and its terrain is mostly covered by mountains, high plains and desert. The state is home to prospering art communities, colleges, and historic sites that inspired many influential early artists.

[Click here to learn more about the tax landscape in New Mexico.](#)

## What's Up at Miles Consulting?

### Networking:

#### [NAWBO-SV](#)

Due to the coronavirus, NAWBO'S events are now virtual. You can join us on the 3rd Tuesday of each month at 4:30 for informative Zoom calls on a variety of topics. Entry is free for both members and non-members at this time. Join us for camaraderie, information sharing and a glass of wine!

#### [AFWA](#)

Due to the coronavirus, AFWA's events are currently suspended. Stay tuned to updates on our annual Gala to take place later this year.

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