

State and Local Tax



State and Local Tax Evaluation

Proper planning and strategy can lower your overall state and local tax obligation

When was the last time you reviewed your state and local tax position and how it has been impacted by changes in your business?

Are you confident that your business has identified every opportunity to reduce tax liability while maintaining full compliance?

Does your tax staff have experience in the full range of state and local tax laws that apply to your business?

State and local taxes present a challenge to many businesses as the taxing methodologies, rates and deadlines vary by location and change frequently. Yet nearly every business choice—from staffing to operations to distributions to partners—has associated tax implications. Having a clear understanding of your tax position is critical to managing cash flow, implementing compliance controls and eliminating potential liabilities.

McGladrey has experienced state and local tax professionals available to help you obtain and sustain a favorable tax position. We understand the income, franchise, sales, use, employment and other taxes that can become a significant cost of doing business, and use that understanding to reduce the overall impact of taxes on your bottom line.

Optimize the effects of change

Our state and local tax professionals can assist companies as they grow and change. We can help you optimize your state and local tax strategy as it relates to a range of situations, including:

- Rapid growth
- Downsizing
- Mergers and acquisitions
- Franchise expansion

In addition to a change-related review, your business activity should be regularly evaluated against the current tax law to make certain you are in full compliance, your practices are up to date, your liabilities are accurate and your risk is minimized.

Our state and local tax evaluation delivers an analysis of tax data within the context of your overall business goals to determine if there are opportunities to achieve savings or mitigate risk. Most businesses are able to realize considerable value by focusing on one or more of the following areas:

Income tax planning

During our review of your state income tax positions, we evaluate existing positions in the states you file, review for full compliance and identify alternative methods to optimize your state tax liabilities that may lead to tax refunds and future savings.

Net worth tax planning

Opportunities exist in some states to limit—and in some cases eliminate—your company's net worth tax. With proper planning, you may be able to position your company in a manner that minimizes the impact of taxes to your bottom line.

Sales and use tax planning

Nearly every company with multistate operations faces the burden of sales and use taxes. We evaluate your company's controls and past reporting methods to determine if you can take advantage of exemptions and credits which would generate tax refunds. Additionally, we assist with automating the reporting process to create operating efficiencies and cost savings.

The McGladrey difference

McGladrey's national team of state and local tax professionals possess a deep knowledge of intricate location-driven tax laws and rules and are experienced with providing tax consulting that allows companies to optimize their state tax position and reduce costs. Evaluations are typically conducted by partners or seasoned directors, including industry specialists and individuals with state agency experience. This perspective further strengthens your evaluation and resulting recommendations.

We will meet with your tax and business leaders to understand your tax positions, any recent or planned business changes and the effective tax laws in the areas in which you operate. We then consider all areas of state and local tax to develop a comprehensive plan that can be implemented in a cost-effective manner. Our professionals are available to help you implement all or part of the recommended plan. Your business will benefit from:

- Custom analysis—built around the needs of your business
- Timely turnaround—evaluation results and recommendations are returned quickly
- Direct savings—potential refund opportunities are highlighted
- Improved planning—base your processes and reporting on current, detailed information
- Minimal risk—most engagements are structured with little or no upfront costs
- Proven experience—direct involvement from partners and directors

That's the power of McGladrey. The power of being understood.SM

888.811.1023
www.mcgladrey.com

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