

# As State & Municipal Taxes Expand & Overlap, A New Field Of Forensic Tax Recovery Arises, Often Finding Overpayments

*For many multi-state corporations, forensic tax analyses, focused on sales & use taxes, can often reveal 6 and 7 figure overpayments, leading to refunds.*

PHILADELPHIA, PA, UNITED STATES, March 21, 2024 /EINPresswire.com/ -- When a corporation,



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*Bill Flick - President & Co-Founder FM Cost Containment*

headquartered in Kentucky, but with an office building in Pennsylvania is charged for janitorial services by their contracted national janitorial services firm, sales tax can often be charged on the total invoices. Until recently, the company just paid the bill. However, in Pennsylvania, the sales tax on labor can be exempted if the vendor separately breaks out the cost of labor and the cost of the cleaning materials. For companies with large janitorial expenses, like this one, a forensic review of the last 3 years can reveal the sales tax overpayment, making them eligible for a refund, which at times can be significant.

There are over 10,000 jurisdictions in America that both do and don't charge sales and use taxes. The nexus of jurisdiction and sales & use taxes, for companies doing

business in diverse locales and with a variety of governments, can lead to overlap where one jurisdiction has tax collection precedence over others. Often this can mean that a company mistakenly is billed for and/or pays taxes it doesn't owe or from which they are exempt.

Until recently, tax overlap has not been a priority for top corporate financial management and accounting firms, but that focus is changing. According to forensic sales tax thought leader, Bill Flick, President & Founder of FM Cost Containment, "With average U.S. large corporations averaging net profits about 7% of gross revenues, recouping as much as 6% to 10+% from sales and use tax overpayments can significantly affect the bottom line."

Flick observes that because laws, rates and jurisdictions are continually changing, it takes a specialist in this area who is focused on these types of laws and the overlapping tax law nuances.

Flick points out that in most cases, corporate financial departments and their accounting firms have not prioritized this area because they have felt that it was insignificant. As well, many assume that their accountants provide these services when few do. Until now, many companies have ignored or overlooked their sales tax overpayments.

Financial software, too, has its limitations. It often is not updated with the frequency needed, even as frequently as 3 months. Or it is missing the rule updates or technical components to catch overpayments.

Lately companies are increasingly becoming aware that tax overpayment can result in significant refunds. For

example, many typical forensic tax analyses can reveal 6 and 7 figure overpayments, leading to refunds. The growth in this area has created the demand for qualified forensic tax professionals, who have been trained to have knowledge of or access to thousands of tax laws and exceptions, as well as being able to identify situations where one jurisdiction takes priority over others. Flick predicts that as the demand grows, more financial professionals will pursue this area as a focus and grow the category of "forensic tax recovery specialist."

Said Flick, "Until recently, the major trigger of forensic tax initiatives has been companies being notified of a tax audit. Today, because companies are starting to realize that overpayments and refunds can be significant, more and more are taking a proactive approach, leading to growth in the field and in the demand for forensic tax recovery specialists."

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#### ABOUT FM COST CONTAINMENT

FM Cost Containment is one of the leading forensic tax recovery firms in the United States. FM specializes in tax confirmation and recovery of overpayments of taxes, as well as tax audit defense, utilizing proprietary research and knowledge of little-known technicalities in the tax laws of each of the 50 states, including over 10,000 tax entities throughout the nation. Headquartered in the Philadelphia Metropolitan Area, FM Cost Containment provides services throughout the U.S.



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