



Keep Up to Date on **ACCOUNTS PAYABLE™**

Inside information on how leading companies are managing cash and payments, in a fast-read format, twice a month.

March 14, 2022

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CFO DAILY NEWS

CFO Daily News, part of the SuccessFuel Network, provides the latest finance and employment law news for finance professionals in the trenches of small-to-medium-sized businesses. Rather than simply regurgitating the day's headlines, CFO Daily News delivers actionable insights, helping finance execs understand what finance trends mean to their business.

Top 3 issues A/P has with manual processes: Here's help

■ Common pain points when making payments

Even if your A/P department has started automating its operations, manual processes often get in the way.

A/P automation solutions providers Beanworks and Sage surveyed your peers on their biggest manual pain points that bogged down productivity. And the results may not surprise you.

Here are the top three issues with manual processes that hurt productivity in A/P, as well as some strategies to make your life easier.

1. Lost/missing invoices

How many times has this happened to you: You receive an invoice in

the mail and file it away, but when it's time to cut the check, it's somehow nowhere to be found?

Misplaced invoices have a huge impact on A/P operations.

To avoid late fees after the oversight's been discovered, payments may be made too hastily, which could increase the likelihood of you falling victim to fraud. And since over 75% of those surveyed have received a fraudulent invoice since the start of the pandemic, this is a big concern.

One way to keep invoices from disappearing is to scan all paper

(Please see Top 3 issues ... on Page 2)

Getting the most out of A/P benchmarks & KPIs

■ Expert tactics to improve department performance now

While it's fairly straightforward to establish the right benchmarks and key performance indicators (KPIs) for A/P, it might be trickier to put them into practice correctly.

Here's what the experts suggest to help you and your team boost performance and productivity ASAP.

Make them part of your process

Most KPIs that you'll use in A/P speak for themselves, such as cost per invoice, time to payment, dispute time to resolution, and percent of vendor discounts captured.

But you can't just set them and forget them. They should be as central to your A/P workflow as regular audits or weekly meetings.

To accomplish this, you should discuss these KPIs with your team regularly during department meetings and one-on-one check-ins.

It's also key not to focus on too many KPIs at once: Three to five per department is the sweet spot. Also, start small and celebrate little wins before expanding your goals.

Info: bit.ly/kpi558

Increase Payment Efficiency

Top 3 issues ...

(continued from Page 1)

invoices and save them securely on your computer immediately before filing them away. That way, you'll be able to find them easily.

For invoices that you receive electronically, it may be best to automatically route them to a specific email address or folder in your inbox so they don't get lost in the shuffle.

2. Data entry

Having to key in data manually into your accounting system slows down the payment process.

Even worse, it's a significant contributor to A/P errors.

In fact, 88% of your peers surveyed said most payment errors happened because of manual A/P processes.

And because of these mistakes, nearly two out of three worked longer hours to fix them.

They also contribute to stress. Almost 60% of those surveyed said the stress of their jobs in A/P keeps them awake at night, and 55% said they don't have enough time in the day to complete all the tasks on their to-do lists.

The best way to cut down on manual data entry is automation. Software that automatically enters data from scanned invoices into A/P systems for processing is one option.

If a pricey finance-specific solution isn't in the budget, ask your CFO to consider a more cost-effective document management system for scanning that the whole company can use.

3. Paper invoices & checks

As you know, paper invoices can't always be avoided. An average of 40% of invoices your peers received arrived on paper over the past year.

In addition, 72% of those surveyed exclusively use paper checks to pay their vendors.

Paper-based payments are more prone to fraud. Seven out of 10 of those surveyed said they believed their current paper-based processes were more vulnerable to fraud than automated processes were.

Because of this, many companies have now added additional layers to the payment approval process that boost security. But bad news: They also increase inefficiency in A/P.

Example: More people have to sign off on payments before checks are cut.

Changes like these have caused 77% of respondents to work overtime so payments go out by their due dates.

To help, it's important to encourage vendors to send you e-invoices whenever possible. Even just scanned PDFs may be more efficient. And you'll want to encourage vendors to accept e-payments as well. (For ideas, see our story on page 6.)

Info: bit.ly/painpoints558

Sharpen your judgment

This feature provides a framework for decision making that helps keep you and your company out of trouble. It describes a recent legal conflict and lets you judge the outcome.

■ Must company pay for goods that weren't reshipped yet?

A/P Manager Jenn Smith was blindsided by the email she'd just opened from Anna Kent, the office manager at Mayall Technologies.

"While we appreciate your business, full payment on all outstanding orders must be received immediately before we send you any new inventory," it said.

Jenn called Anna and she answered after the first ring. "Anna, I got your email. What's going on?" Jenn asked.

"You're behind on all your payments," Anna began. "It says at the bottom of all of our invoices: 'Please pay within 30 days.'"

"Hang on," replied Jenn. "We've always paid 30 days from the time shipments arrive, and we've never had problems before."

"That language actually means 30 days after you received the invoice, so you're quite behind now." Anna said.

Unacceptable orders

"Well, what about the equipment we sent back because it needed adjustments? We're not paying for those orders until we receive the products we asked for," Jenn said.

"And we won't be resending those until you pay us in full," Anna replied.

"You can't force us to pay for items we can't use and that haven't shipped yet," Jenn said.

The vendor sued for breach of contract, but Jenn's company told the judge it shouldn't have to pay for goods it didn't receive or sent back because they needed to be fixed. Was the argument successful?

■ *Make your decision, then please turn to Page 6 for the court's ruling.*



Keep Up to Date on
ACCOUNTS PAYABLE™

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Networking with Other A/P Pros

Our subscribers come from a broad range of companies, both large and small. In this regular section, three of them share success stories you can adapt to your own unique situation.

1 Navigating sales tax registration process

Leadership was counting on A/P to stay on top of our sales and use tax filing and remitting responsibilities for each new state we planned to do business in.

The trouble was state economic nexus laws had become more complicated in recent years.

For example, the deadline to register as a taxpayer after crossing a sales/transaction threshold differs from state to state.

While a few states offer “grace periods” to get started on sales tax

registration and reporting, others expect tax reporting starting with the very next transaction after exceeding the threshold.

What had me concerned was failure to register and remit sales tax according to state timetables can result in having to pay interest and penalties.

Looked up obligations

The first step to understanding economic nexus was visiting the various state department of revenue (DOR) websites to get familiar with what their thresholds are.

To track possible new sales tax responsibilities,

we created a periodic review process for our business activities. This includes regularly checking an account dashboard to identify the states where we’re approaching economic nexus.

If there’s a good chance we’ll meet the threshold, we’ll go back to the state DOR site to look up how to register. So far, the compliance plan has been a success.

(Clifford Turner, Vice-President of Customer Experience, Avalara, as presented during the webinar “Companies Experiencing Rapid Growth: Your Five-Step Game Plan for Compliance)

IMPROVING YOUR OWN A/P PROCESS

2 ‘Hotline’ voice mailbox for vendors saved time

Our company had expanded to multiple locations. Each dealt with a wide variety of vendors.

I’m usually available if a vendor needs to ask me a question. However, if every single vendor for all our sites had my direct office phone number, I’d never get anything done.

Set up vendor hotline

To prevent spending more time on the phone than necessary, we set

up a dedicated voicemail extension for all our vendor inquiries.

I let all our site managers know they should direct vendor questions and concerns to our vendor hotline number.

In addition, anyone that calls our main number hears a prompt to press 5 for the vendor hotline.

The hotline greeting assures vendors that they’ll receive a call back within 24 hours.

A/P staffers check the messages daily. We also log the calls on

a spreadsheet with fields for company, reason for call, invoice number, etc.

A phone line just for our vendors makes them feel like they’re important. Plus, A/P doesn’t get overwhelmed with answering too many phone calls.

As we move through the process of switching to ACH payments, the next step will be to set up an email address for vendor inquiries.

(Jayne Fennimore, A/P Manager, Springpoint Senior Living, Wall Township, NJ)

3 Vendor file rule: Only last 3 years matter

Since we were going to be switching to a new ERP system, I thought it was a good time to clean up the list of all our suppliers.

I was stunned to discover the master vendor file had the names of 2,600 different vendors. At first glance, it looked like we were only currently using about half of them.

Even worse, it looked like we were missing W-9s for a few of the current vendors.

It was obvious that updating the master vendor file was way overdue.

Condensing a long list

I decided that if we hadn’t worked with, and paid, a vendor in more than three years – which would’ve been before the pandemic – it wasn’t worth keeping in the master vendor file.

If it had been that long since we used that vendor, what are the odds we’d start using them again?

So I ran a payment register report just for the last three years, identified

which of those vendors were in the master file, then removed anyone that didn’t show up in that report from the file.

It was also important to identify everybody we paid in the last year that might be due for a Form 1099. From there, I could tell which vendors I needed a W-9 from.

Our master vendor file is now much leaner and easier to manage, and all vendor W-9s are accounted for.

(Deb Turner, Staff Accountant, Peabody Retirement Community, North Manchester, IN)

T&E Spotlight

T&E comprises 8%-12% of the average organization's total budget – and it's also one of the areas where A/P can make the most impact. This regular feature showcases the latest ways you can save time and money on processing travelers' expense reports and reimbursements.

EXPENSE POLICY COMPLIANCE

Even if you're still dealing with fewer expense reports than you did before COVID, you should keep your eyes peeled and expect more mistakes.

Reason: Expense policy compliance is much lower right now across the board for companies, according to a recent survey of business travelers and finance managers conducted by SAP Concur and Wakefield Research.

Preventing issues

Over the past year, invalid expenses have been showing up more often on employee expense reports.

In fact, 98% of finance managers said they've seen a rise in expenses submitted by employees that don't comply with company policy.

And, 89% of business travelers surveyed admitted that they may have submitted an expense for reimbursement in the past year that violated company policy.

If these noncompliant expenses fall through the cracks, it gets costly for your company in various ways, from the actual money lost to any time you

may spend trying to track down the employee and get a refund.

That's why it's important to review all expense reports you receive closely, even those from trusted road warriors who have traveled often in the past.

Take a look at all the supporting documentation employees submit with their expense reports. Make sure it matches up with each expense and ask for clarification if necessary.

Also, since business trips and reimbursement requests haven't been as common in the past two years, it may be a good idea to give employees a quick refresher on your T&E policy.

Remind them of the terms, and give them clear examples of the kinds of expenses that are allowed – and those your company won't reimburse.

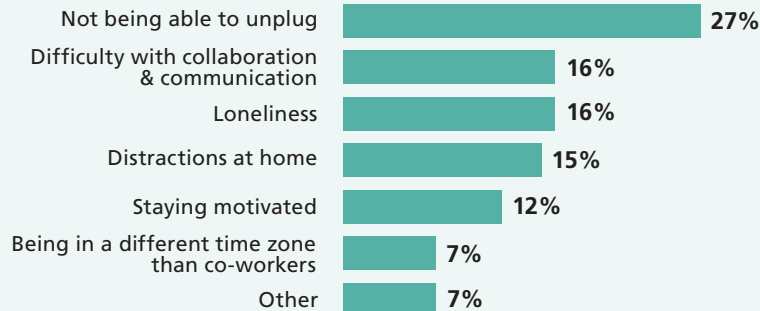
Being proactive about T&E policy reminders now can save you hassles in the future.

It cuts down on confusion and ensures employees know exactly what can be reimbursed. And that'll boost compliance while keeping costs low, which will make the top brass happy.

Info: bit.ly/compliance558

Supporting employees working remotely

What's your biggest struggle with working remotely?



Source: 2021 State of Remote Work survey, Buffer.com

One of the drivers behind the Great Resignation is employee burnout. The stress may come from trying to work harder while at home, or policies and expectations that didn't get adjusted during the pandemic. Reaching out to talk to remote staffers about challenges they're having can help.

TEST YOUR KNOWLEDGE

Prevent invoice fraud by looking for these red flags

Finance needs to keep an eagle eye on invoices to avoid money getting in the hands of fraudsters posing as a supplier or an employee with your organization.

When you know what to watch for, it can protect your company from stressful, time-consuming and costly fraud recovery.

Answer *True* or *False* to the following to see how skilled you are at identifying potentially phony invoices.

1. Criminals will typically make major changes to fraudulent invoices that you can easily identify at a glance.
2. Invoices with totals that are even figures, such as \$1,000, deserve a double-check to make sure they're legitimate.
3. Regularly matching the data on invoices with the data on purchase orders (POs) can be helpful for detecting fraud.

ANSWERS

1. *False*. Crooks are more likely to change the contact info slightly – like changing the email address from .com to .org – to increase the chances of getting a fake invoice past approvers.
2. *True*. Staffers that do a lot of keying will tell you that it's uncommon for the amounts they enter to be perfect round numbers. To be sure, call a trusted vendor contact.
3. *True*. Having more invoices than corresponding POs can be a bad sign. Re-submitting invoices due to payment delays is so normal that sometimes dishonest individuals exploit gaps in the A/P process by submitting duplicate invoices.

Answers to the quiz:

Performance Boosters

To help our readers improve payables operations, KAP selects the best ideas from a variety of sources and presents them in a quick-read format.

Speed up reimbursement: Route it to employees' banks

One way to streamline business expense reimbursement is sending the funds directly to the bank accounts of employees via direct deposit.

Once staffers know there's a way to get that money faster – as well as a way to monitor the status of their reimbursement requests – they should be more than happy to provide their account information.

And when these funds are deposited separately from their paychecks, it improves employee visibility into the reimbursement process.

In addition, syncing approved reimbursement transactions directly with the general ledger keeps financial data up to date and eliminates the manual work of coding the transaction.

Info: bit.ly/expense558

When you don't know how to say someone's name

Occasionally you'll encounter a colleague with a first or last name that you can only guess how to pronounce.

HuffPost says that to avoid the embarrassment of mispronouncing the person's name, a respectful and professional thing to say is, "I may mispronounce your name because it's new to me, so I'll spell it out and let you introduce yourself."

Alternately, you can say, "There's a name in this room I don't know how to pronounce, and I'd be grateful if you could teach us how to correctly pronounce your name."

Info: bit.ly/name558

Getting the ball rolling on virtual card payments

Fintech provider Corpay says a good time to start talking to suppliers about whether they'll accept payments from you using virtual cards is while

you're setting them up for ACH.

If you have enough vendors that are interested, then you can research which virtual card programs are right for your business. Some may even offer your company rebates after a certain amount of transactions.

Info: bit.ly/virtualcard558

Encourage on-site, off-site staffers to take 'micro-breaks'

According to *The Journal of Applied Psychology*, five-minute "micro-breaks" during the workday to go for a walk, read an article or call a friend help employees pace themselves and even improve productivity.

But because six in 10 workers report feeling guilty about taking breaks while on the job, it's a good idea to remind staffers – including those off-site – that taking two to three micro-breaks a day benefits both them and the company.

Info: bit.ly/conflict556

SOFTWARE SKILL BOOSTER

Shortcuts for moving text around in a Word document

Cut-and-paste can be done in Microsoft Word without using the highlight/right-click or Ctrl X and Ctrl V methods.

You can also highlight the text you wish to move, press F2, put your cursor where you want to move the text, then hit enter.

Speaking of highlighting, you can:

- select a single word by double-clicking on the word, and
- select a sentence by pressing Ctrl and left clicking anywhere in a sentence.

Info: bit.ly/cutpaste558

If you have a story idea or comment to share, contact the editor at bbingaman@CFODailyNews.com

PAYABLES NEWS

■ Need IRS guidance fast? New fast-track PLR program begins

If you have a company tax issue you'd like to ask the Service about, there's good news: IRS has created a pilot program to fast track corporate private letter rulings (PLRs).

The agency discusses the program in Rev. Proc. 2022-10. Interested business taxpayers must start the process by writing IRS a letter that summarizes the issue and states why a quick PLR is needed.

Once the request for a PLR is approved, companies should receive a response in about 12 weeks. The pilot program will last 18 months.

Info: bit.ly/plr558

■ Future of A/P: Fewer checks & more electronic payments

Paper-based payments might be almost completely eliminated sooner than you think.

According to the B2B Payments Tracker from PYMNTS and American Express, 80% of buyer-to-supplier payments will be done electronically by 2025. That means even your most stubborn holdouts will likely accept e-payments in the near future.

Info: bit.ly/payments558

■ Latest evidence that 4-day workweeks could help you

You may have heard the recent buzz about four-day workweeks. But are they actually effective?

Buffer, a social media company, shifted its operations from the typical Monday to Friday schedule.

To make sure people adjusted well to the switch, the company cut back on meetings (changing most check-ins to monthly), started using communication tools like Slack and made sure company deadlines were in line with the new schedule.

Result: 91% of employees said they were not only happier, but more productive at work. Could be worth mentioning to the top brass!

Info: cnb.cx/3LS0tjW

Vendor upset because payment is late? Keep calm & follow these steps

■ Have a plan in place to verify invoices

If payment to a vendor takes longer than the vendor thinks it should, you'll know it – you'll start receiving phone calls and emails.

This can damage your relationship with the vendor fast if it persists.

To get things moving back in the right direction and prevent late fees, it's important to address the reason for any payment delays as soon as possible.

Take a deep breath and follow these three steps recommended by third-party CFO services provider DeepSky.

Due diligence

Step 1: Verify the invoice is legitimate first. Before automatically pushing a payment through, keep in mind the problem might not be on your end.

Is it possible the vendor's accounting records are inaccurate? Could this be a duplicate invoice?

Also, it's crucial to check that this isn't a scammer imitating the vendor. Check the email address for typos. If

something seems off, call the company for confirmation of the balance using a trusted phone number.

Step 2: Double-check for any invoice discrepancies.

Is the accounts receivable information on the invoice correct? Are the right contact details listed?

Does the amount or quantity match what your firm and the vendor originally agreed on?

Step 3: Follow up.

If the unpaid invoice is valid, don't panic – just process the payment as quickly as possible.

It's smart to pause and take a closer look into your firm's A/P processes. It may identify how the invoice managed to slip through the cracks.

Find out where the breakdown happened, why it occurred and what can be done to prevent that situation from happening again.

To keep the vendor relationship strong, it's a good idea to follow up with your contact to reassure them that the problem's been solved.

Info: bit.ly/angry558

of contract because the company had reason not to pay some invoices and the language was vague on others.

Analysis: Clear terms are a must

Vendor contracts need to specify if payments are due upon receipt of the goods or the invoice. Contracts should also address what happens if there's undelivered/unacceptable inventory.

In addition, regular communication with vendors is key to making sure disputes over unacceptable inventory don't end up in court.

Based on SIM Surgical LLC v. SpineFrontier LLC. This case was fictionalized for dramatic effect.

MISTAKES THAT COST

This regular feature shows how companies and individuals have run afoul of state or federal laws. See how others got off track so you can avoid similar problems.

Checks to businesses stolen directly from mail

Individual: Johnson Ogunlana, mail carrier for the U.S. Postal Service, Edgewood, MD.

Violation: Along with multiple co-conspirators, Ogunlana created fake businesses with similar names to real businesses, then stole checks payable to those businesses from the mail, cashed them and deposited them into fraudulent bank accounts.

Penalty: The former mailman was sentenced to six years in federal prison, followed by three years of supervised release. He must also pay \$232,588 in restitution.

Note: Ogunlana and his co-conspirators also stole credit card offers from the mail, opened fraudulent cards in victims' names and used the cards to pay the fees to start their fake businesses.

Cite: bit.ly/postal558

Finance director forged \$3M in company checks

Individual: Curtis Anderson, former director of finance, Kappa Alpha Psi Fraternity Inc., Claymont, DE.

Violation: Anderson admitted to writing fraudulent checks to himself from his employer's bank account using signature stamps from authorized personnel for years. He also wrote checks to other employees, forged endorsements for them and cashed them.

Penalty: Anderson was sentenced to two-and-a-half years in prison and three years of supervised release. He'll also pay almost \$3 million in restitution.

Note: Anderson was only authorized to make deposits for his employer and couldn't sign checks at all.

Cite: bit.ly/checks558

Sharpen your judgment THE DECISION

(See case on Page 2)

Yes. Although the judge said Jenn's company must pay the full balance for previous orders that were shipped and accepted, it's not responsible for products that haven't been shipped or were sent back to be modified.

The vendor argued Jenn's company was liable for a contract breach because it failed to remit full payment within 30 days of receiving the invoice for each shipment. The court said this didn't necessarily count as a breach

Making Technology Work for You

Persuade vendor holdouts to start accepting e-payments: Myths v. facts

■ Build your case for payment optimization

You know that increasing electronic payments and decreasing paper checks helps you streamline operations in A/P.

But what about those vendors you work with that still don't accept e-payments? How can you win them over?

Put yourself in their shoes

A good place to start is understanding the most common reasons why vendors would be reluctant to change.

Then, counter those myths with the facts.

Myth: Switching to a new payment method will be too time consuming because we'll have to retrain A/R on new technology or processes.

Fact: What if A/R didn't have to spend as much time as it does following up on payment status or processing checks? With e-payments,

the funds arrive in their account faster, and they won't have to call you and wait on hold. Manually processing a check is replaced by an internet connection and a few mouse clicks.

Myth: Electronic payments are less secure because cyberthreats come into play.

Fact: Paper checks are still the No. 1 primary target for payment fraud. Payment methods such as ACH or virtual cards have an extra layer of protection.

Myth: The transaction fees aren't worth it.

Fact: Accepting e-payments does sometimes result in fees on the vendor's side.

However, remind them that the cost involved with processing check payments – including the time it takes to sign and deposit them – adds up, often to as much as \$5 for each check.

Info: bit.ly/epay558

Threat alert: New malware attacks from Excel files

■ 3 ways to protect yourself from malicious add-ins

Heads up: Double-check that emailed Excel file before downloading it.

In its 2021 Q4 Threat Insights Report, HP's Wolf Security service detected a dramatic 588% surge in malware infections involving Excel add-in files that end in .XLL.

Double-clicking these attachments or links opens Excel, which then prompts the user to install and activate the add-in. These particular attacks don't require the user to exit Excel's Protected View and enable macros.

Prevent sneak attacks

The report offered three different options for organizations to protect

themselves from .XLL attacks:

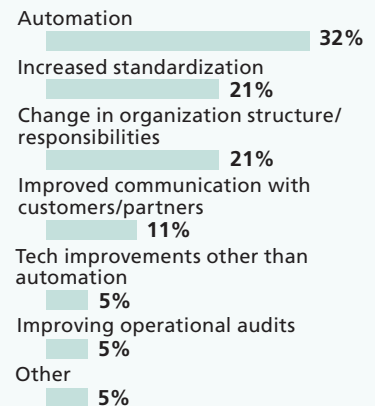
1. Have IT configure your firm's email gateway to block inbound messages that have .XLL attachments. Some email gateways already do this because .XLL files are dynamic link libraries, a type of file not typically sent by email.
2. Configure Excel to allow only add-ins from trusted publishers. From the File menu, click on More, Options, open the Trust Center, then Trust Center Settings.
3. Configure Excel to disable all proprietary add-ins. This can be done under "Add-Ins" in the Excel Trust Center Settings.

Info: bit.ly/malware558

How do you stack up?

P2P wish list

What would make the greatest impact on your firm's P2P process?



Source: Peeriosity, Peeriosity.com

If you're like a lot of your peers, standardization of the Purchase to Pay (P2P) process would make your job easier. Could it be time to consolidate and streamline different processes across your company?

Each issue of KAP contains an exclusive survey to give payables professionals insight into what their peers nationwide are thinking and doing.

THE LIGHTER SIDE

■ When a penny saved can be way more than 1 cent earned

A 73-year-old Louisiana man had an unusual hobby of picking up pennies off the street. To him, it was a reminder to always be thankful for what he had in his life.

According to *The News-Star* of Monroe, LA, when the man decided to cash in his 45-year hoard of one-cent coins, he showed up at a bank with a truckload of 55-gallon plastic water jugs full of pennies.

He walked out with more than \$5,130. But because he probably had high-copper-content pennies minted before 1981, as well as collector-coveted 1909-1958 "wheat" pennies, the collection was likely worth more than that.

Lesson: Don't underestimate the power of the humble penny!

Taking the guesswork out of state tax compliance

Here's KAP's roundup of key state tax changes. Developments in other states often indicate trends to watch. Your state may be next.

TECHNOLOGY

Several states have updated their tax guidance on various online services your company may be using.

WISCONSIN – The virtual training your company purchases for employees may be taxable in some cases, according to a recent private letter ruling from the Department of Revenue.

Virtual training courses that provide students with online learning materials, assessments (e.g., quizzes) and a live tutor to help with the topic are subject to sales tax if they provide customers with a mix of taxable and nontaxable services at one price that isn't itemized.

If the price of the taxable services, which includes access to digital audio works, digital books and prewritten computer software, exceeds 10% of the training's total sales price, the entire purchase is taxable as a bundled transaction.

Info: bit.ly/wi-558

SOUTH DAKOTA – SB 157 would exempt the purchase of "enterprise information technology equipment" from sales tax in the Mount Rushmore State.

Tech-related equipment that would fall under the exemption includes computer hardware; servers and routers; temperature control and power infrastructure; and racking systems and exterior dedicated business-owned substations.

The exemption would apply to "data centers" that primarily function as places for companies and enterprises to store, manage and disseminate electronic info and data.

Data centers built or remodeled after Dec. 31, 2021, would be able to take advantage of the new law

if it passes. We'll keep you posted.

Info: bit.ly/sd-558

TEXAS – Working with a third-party vendor to review medical records for legal research isn't a normally a taxable service – except when you're paying for additional digital copies to have at your disposal.

That's according to the state comptroller in a private letter ruling. It said the service was taxable as a data processing service when customers (typically insurance companies and law firms) paid for copies on CDs.

Tax shouldn't be collected on any other fees paid, including the fee for the service provider to retrieve and review the records or reimburse medical providers for giving the vendor access to the records.

Info: bit.ly/tx-558

SERVICES

ALABAMA – If your travelers are renting private cars or trucks from third parties, tell them to watch out since they may owe more taxes on these transactions than they would if they're renting directly.

Here's why: According to new guidance from the state Department of Revenue, third-party facilitators must collect an additional rental tax on top of sales and use tax for any leases made to customers in the state.

Info: bit.ly/al-558

ARKANSAS – Weed control services for commercial property are taxable, said the state Department of Finance and Administration.

A lawn care vendor claimed customers shouldn't pay tax on its weed control services since they weren't considered taxable services under existing law.

However, weed control is actually included as part of lawn care services, which are taxable when provided to customers on nonresidential property.

While lawn care services aren't

taxable on residential property, the vendor typically billed customers for weed control of residential and commercial properties at the same time. This combination billing made the entire service taxable.

Info: bit.ly/ak-558

TAX RATES

KANSAS – Take note: You'll pay lower sales and use tax on purchases in Chautauqua County, effective April 1, 2022.

The county's tax rate will decrease by 1%, so the new base rate will be 7.5%. Other localities in the area will have lower rates as well (e.g., Cedar Vale's combined tax rate will be 8.5%).

Info: bit.ly/ks-558

FROM OUR SUBSCRIBERS

Over 90% of our readers say that *Keep Up to Date on Accounts Payable (KAP)*, with its quick-read format, is more valuable than any other publication they read.

"The newsletter is so valuable because it shares the perspectives of other A/P pros in a similar situation as my company."

Sherry Hibbard
A/P Specialist
King Arthur Flour

"*Keep Up to Date on Accounts Payable* gives us the maximum benefit with minimum time away from our core duties."

Rachel Dorling
Disbursements Accountant
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