



Transportation

At-a-Glance

Business Type: Airfreight Transportation Company

States: 38

Locations: 250+

Invoices/Month: 5,000

Transactions/Month: 23,000

Spend/Month: \$20 Million

TaxView Results

Tax Rule Structure

Situsing Rules	634
Tax Policy Rules	457

Average Monthly Findings

Over Payments	\$ 17,539
Under Payments	\$ 44,351
Total Errors	\$ 61,890

Estimated Monthly Savings

Over Payments	\$ 17,539
Audits Interest	5,322
Audits Penalties	<u>4,435</u>
Gross Savings	\$ 27,296
Less TaxView Fees	\$ 5,000
Net Savings	\$ 22,296

U.S. Based Airfreight Transportation Company Uses TaxView™ to Correct Vendor Tax Errors Without Adding Headcount

\$22,296 Monthly Savings

Tax Challenges

The leader in global airfreight that serves airline, freight, commercial and military customers had limited resources to focus on sales and use tax auditing and accruals each month. The company largely relied on vendors to determine tax decisions which they realized were resulting in potentially large over payments. When the company faced several surprise state audits they struggled to show backup tax documentation other than what their vendors could provide. This left the company at risk for costly audit assessments that would be difficult to contest.

Seeking a Self-correcting Tax Mechanisms Without Adding Headcount

Motivated by the company's fiduciary responsibly, the company's tax team sought an efficient automated tax software solution. The priorities were to be able to validate the amount of tax vendors were charging on a monthly basis, calculate accurate accrual entries and build defensible documentation of the company's tax compliance.

TaxView Solution

Once DTS began analyzing the transportation company's purchase-side transaction data, our team realized the majority of vendors were assessing sales and use tax based on the corporate headquarters address. DTS built more than 630 situsing rules that would accurately verify the appropriate jurisdiction for taxing. There were also over 450 tax rules defined and configured in the TaxView software to allow the correct determination purchases that were subject to tax.

Quantifiable Results

Due to TaxView's flexible, multi-dimensional tax rule structure and automated general ledger accrual entry generator, this client can now review every purchase transaction on a monthly basis. Without adding a single headcount, the company has been able to make accurate sales and use tax accruals and audit vendor tax on a timely basis. The result is peace of mind and a net savings of over \$22,000 every month.