



### Why Deloitte?

Deloitte's indirect tax team offers:

1

Efficient service implementation

2

Efficient service implementation

3

Knowledge of indirect tax requirements and nuances

4

Strong problem-solving capabilities

Our tax specialists have experience with indirect tax laws and taxing jurisdictions across the United States, and our dedicated technical team provides consistent information delivery and data integration.

### Client impact and value to your company

In the United States, **45 states and the District of Columbia** impose some form of sales or use tax with **differing exemptions and procedures**. Inaccurate decisions related to these taxes may affect your company's bottom line. In our experience, indirect tax **overpayment errors** may occur on up to **10 percent** of a company's overall spend, exist across **many types of industries**, and is of particular focus for many companies with significant annual expenditures. In addition, the complexities of **changing tax laws** may reduce your company's insight into the real impact of indirect tax on its operations.



Indirect tax is an "above the line" expense, and incorrect tax overpayments may impact the profitability of your business.



After we analyze and review relevant data, Deloitte evaluates each finding with you.



Deloitte's indirect tax refund recovery service effectively analyzes and assists in the process to recover tax overpayments.



After you decide which vendors and/or jurisdictions to pursue, Deloitte prepares thorough and concise sales and use tax refund requests.

### Deloitte can help

#### Dedicated Team

National and local resources dedicated to indirect tax refund reviews.

#### Quantify Potential Opportunities

Deloitte reviews purchases for potential errors relative to the application of sales, use, telecommunications, excise, severance, and other transaction-based taxes.

#### Technology

Deloitte uses smart optical character recognition (OCR), cognitive technology and machine learning, and data analytics to efficiently analyze, recover, and reduce overpaid indirect taxes as well as analyze potential liabilities in high-volume, complex transactional data environments.

#### Experience & Communication

Deloitte also has substantial experience communicating with vendors and jurisdictions to confirm that they review filed claims. Maintaining open channels of communication is key to the recovery of overpaid taxes.

#### Process Improvements

Deloitte can recommend process improvements and provide training in order to mitigate the potential for future overpayments.



## Our approach and tools

### Data Extraction

Dedicated team extracts the data needed from Client systems using customized processes. Transactional data is extracted from Client's ERP system using Deloitte's data extraction methodologies including custom build solutions.

### CognitiveTax Insight™ (CogTax™) Solution

Finalized data is analyzed to generate quick analytics for decision making. Deloitte's Machine Learning solution CogTax™ is used to rapidly identify potential refunds.

### Data Cleansing & Validation

Extracted data is blended with helper tables, reconciled to Trial Balance and use tax returns. Summaries are generated for validation and approval. Automated process to analyze the data to produce actionable visualizations and outlines.

### Types of Data

- ERP Reports
- Master Data
- Use Tax Accrual Reports
- Compliance Workpapers
- Tax Engine Reports
- Invoices and Contracts

### Robotic Process Automation (RPA)

Customized RPAs to assist with invoice extractions

### Data Visualization

Data visualization tools assist in the identification and remediation of potential sales and use tax over- and underpayments.



## Do you own your data?

Tax Departments routinely depend on their IT teams to extract large volumes of data. Many audit and refund reviews require downloading thousands of invoice/contract copies from ERP/document management systems. As part of Deloitte's refund recovery engagements, we work with a client's team to analyze existing data extraction processes and identify areas for automation and other improvements. Deloitte can assist with implementation of these new processes and technologies in consultation with Client IT and Tax Departments so that the Tax Department can better own its data.



## Other considerations

### Has your company:

- Conducted an indirect tax review or been audited by a tax authority in the last three years?
- Had significant tax refunds or adjustments?
- Accrued significant amounts of use tax?
- Recently implemented a tax engine?
- Included the indirect tax department in planning for significant purchases?
- Experienced turnover in the accounts payable or indirect tax departments?
- Centralized indirect tax and purchasing processes?
- Purchased and/or maintained a significant fleet of vehicles or fuel?

### Deloitte can help:

- Analyze and quantify potential tax refunds.
- Assist companies in pursuing refund claims, credits, and/or vendor refunds.
- Assist in the recovery of sales and use tax underpayments.
- Recommend process improvements and provide training.



## Timing and fees overview

Recovering tax overpayments before statutes of limitations expire requires an efficient and timely approach. Deloitte's indirect tax practitioners can quantify overpayments and act quickly to initiate the recovery process.

Deloitte offers various fee arrangements depending on the facts and circumstances of each client.

## Contacts

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