



2016 SALES TAX CONFERENCE AND AUDIT SESSION

February 22 – 25, 2016

HARD ROCK HOTEL

SAN DIEGO, CALIFORNIA

PRELIMINARY AGENDA 2/1/16

MONDAY, FEBRUARY 22, 2016	
1:30 – 8:00	Registration
1:30 – 3:30	<p>SSUTA Issues Including Legislation/Litigation Related to Remote Sales</p> <p>The sales tax states want remote seller collection authority. This bolt-on session is open for COST members, practitioners and the SSUTA’s Business Advisory Council to address issues related not only to the Streamlined Sales Tax Project, but will also cover other initiatives by SSUTA member and non-member states to obtain remote seller collection authority. This interactive session will allow the participants to provide their perspectives on this important issue as well as obtain information by listening to input from others.</p> <p>Moderators: Charles Collins, ADP, Raleigh, NC Fredrick Nicely, COST, Washington, DC</p>
3:30 – 5:30	COST Board of Directors Meeting
6:00 – 8:00	Welcome Reception
TUESDAY, FEBRUARY 23, 2016	
7:30 – 5:30	Registration
7:30 – 8:30	Continental Breakfast and Networking
8:30 – 8:45	<p>Welcome and Opening Remarks</p> <p>Douglas Lindholm, COST, Washington, DC Jeffrey Hyde, Chair, COST, IBM Charles Drury, COST, Washington, DC</p>
8:45 – 9:45	<p>Is Quill Comatose? Nexus in the New Economy</p> <p>In recent years states have become increasingly assertive in establishing nexus over out of state companies. This session will consider the latest sales and use tax nexus trends and delineate the current legal standards for establishing sales and use tax nexus versus income tax nexus in light of these expanding state approaches.</p> <p>Moderator: Fred Nicely, COST, Washington, DC</p> <p>Speakers: Clark Calhoun, Alston & Bird*, Los Angeles, CA James Levinson, PricewaterhouseCoopers*, San Diego, CA</p>
9:45 – 10:00	Refreshment Break & Networking
10:00 – 11:00	<p>Top 10 Transactional Tax Cases in 2015</p> <p>Coverage of the past year’s litigation results, focusing on the most important and impactful cases.</p> <p>Speakers: Jordan Goodman, Horwood, Marcus & Berk*, Chicago, IL Eric Tresh, Sutherland Asbill & Brennan*, Atlanta, GA</p>
11:00 – 12:00	Choice of Breakouts
	<p>Coordinating Sales/Use Tax with Other State Taxes</p> <p>The speakers in this session will emphasize that despite the trend in deep specialization in SALT, it remains necessary for a company to have a well-rounded person with broad SALT expertise to ensure coordination on SALT and other tax matters. They will explain how seemingly isolated state tax decisions can have technical and pragmatic business considerations. They will also explain how to leverage data from one specific area in SALT to another, and ensure that reconciliations between the two areas are accurate. Finally, they will demonstrate the effect that a sales and use tax decision may have on other SALT</p>

	<p>areas and advocate the need to update tax matrices to identify which taxes are registered/filing in each state, and being able to reconcile reasons for outliers.</p> <p>Speakers: Jeremy Jester, Grant Thornton*, McLean VA Lee Zoeller, Reed Smith*, Philadelphia, PA</p>
	<p>Technology Solutions Overview Review available technologies and best practices around their use/implementation; Focus on how these technologies can assist in improving sales and use tax effectiveness and accuracy as well as discuss technology options.</p> <p>Speakers: Martin Lopez, Deloitte*, Austin, TX J. P. Ngo, Grant Thornton*, Philadelphia, PA</p>
12:00 – 1:00	Lunch & Networking
1:00 – 2:10	Choice of Breakouts
	<p>Best Practices in Handling Financial Accounting Issues – ASC 450 One of the major issues when confronted with a sales and use tax audit, is how to handle financial accounting issues. This session will focus on hot issues and trends in sales and use tax audits focusing on best practices with respect to financial issues and reserve issues – including issues related to ASC 450 – that arise in ongoing audits.</p> <p>Speakers: James Barash, RSMUS*, Phoenix, AZ Stephanie Csan, Deloitte*, Parsippany, NJ</p>
	<p>What Type of Property Is It - Real Property or Tangible Personal Property? Why You Should Care This session will focus on the impact that the characterization of property, as either real or tangible personal property, can have on a company's sales and use taxes. The speakers will discuss the pros and cons of each characterization for taxation purposes. They will address common grey areas, such as semi-permanent structures and various industries, including telecommunications, cable and technology, and services related to these assets, such as installation and repair.</p> <p>Speakers: Chad Straube, DuCharme, McMillen & Associates*, Phoenix, AZ Timothy Van Valen, Gallagher & Kennedy*, Santa Fe, NM</p>
	<p>Structuring Contracts to Minimize Transaction Tax Issues The taxability of a transaction or a portion of a transaction is a common issue that arises in the sales tax arena. Careful drafting of the underlying contract governing the transaction to reflect the parties' intentions can resolve those issues. This session will discuss how to draft contracts to reflect the intended transaction, thereby avoiding audit issues and proposed assessments based on poorly written contracts.</p> <p>Speakers: Stephen Kranz, McDermott Will & Emery*, Washington, DC Richard Nielsen, Pillsbury Winthrop Shaw Pittman*, San Francisco, CA</p>
2:20 – 3:30	Choice of Breakouts
	<p>Best Practices for Handling Transactional Tax Controversies Sometimes there's an issue that arises during an audit or, in a more perfect world, you are aware of before the audit that you reasonably anticipate has little or no chance of resolution during the audit or elsewhere in the administrative process. This session will provide the steps and strategies you must consider as you prepare to take the issue to litigation. The speakers will identify the roadblocks and pitfalls that may occur if certain procedural steps are not followed and they'll identify strategies that have worked in real world situations to provide a guide for yours.</p> <p>Speakers: Scott Brandman, Baker & McKenzie*, New York, NY Steve Oldryod, BDO*, San Jose, CA</p>
	<p>Mergers and Acquisitions Transaction tax implications are often overlooked when a business evaluates the cost/benefit of a merger or acquisition. Proper planning can minimize a company's exposure to these costs – which can be significant. The speakers in this session will help attendees identify potential traps that can cause trouble in a merger, acquisition or disposition arrangement and they will explain ways to appropriately structure operations to minimize or avoid the tax consequences that can result from such arrangements.</p>

	<p>Speakers: Chris Craft, KPMG*, San Diego, CA R. Gregg Roberts, Morrison Foerster*, New York, NY</p> <p>Local Excise Taxes (Chicago Are You Kidding!) and Home Rule States While state excise taxes create a significant burden on companies, local excise taxes, especially in cities located in home rule states, are an increasing cost as well. Chicago's recent actions are significant but they are not the only locale pushing the envelope. The speakers in this session will cover all of these issues and provide guidance on what to watch out for as taxpayers navigate this increasing tax burden.</p> <p>Speakers: James Busby, The Cavanagh Law Firm*, Phoenix, AZ Bruce Ely, Bradley Arant Boult Cummings*, Birmingham, AL Marilyn Wethekam, Horwood Marcus Berk*, Chicago, IL</p>
3:30 – 3:45	Refreshment Break & Networking
3:45 – 5:30	<p>COST Members-Only Session – State-By-State Discussion on Handling Disputes and Dealing with Risk Assessment Issues This is your chance to participate in a lively discussion of transaction tax audit issues raised by states and the audit strategies for dealing with them.</p> <p>Moderators: Pat Reynolds, COST, Washington, DC Frank Yanover, GE Capital, Chicago, IL</p>
5:45 – 6:15	First-Time Attendee/New Member Meet & Greet with Board and Staff Reception
6:15 – 7:45	Reception – <i>Co-Sponsored by Ryan*</i>
WEDNESDAY, FEBRUARY 24, 2016	
6:45 – 7:30	Morning Walk – Start your day with a morning walk around the Gaslamp District with other early bird attendees.
7:30 – 5:15	Registration
7:30 – 8:30	Continental Breakfast
8:30 – 9:25	<p>Legislation Update – State and Federal Coverage of the past year's legislation results on both the state and federal level that impact sales tax. Also, a look into the future for what's in store in 2016 and beyond.</p> <p>Moderator: Ferdinand Hogroian, COST, Washington, DC</p> <p>Speakers: Jamie Yesnowitz, Grant Thornton*, Washington, DC TBA</p>
9:25 – 10:15	<p>VAT, Sales Tax and the Global Consumption Tax Outlook Consumption taxes are on the rise globally as countries rely increasingly on VAT for financing government services. This session will discuss current trends in global VAT including VAT reform in key countries, management of VAT departments from U.S. headquarters, and the treatment of digital commerce. The speakers will also analyze key differences between the U.S. sales and use tax and VAT systems and discuss the prospects for convergence on tax base expansion and business input exemptions.</p> <p>Moderator: Karl Frieden, COST, Washington, DC</p> <p>Speakers: Tom Boniface, PwC, New York, NY Anne Freden, EY*, San Francisco, CA</p>
10:15 – 10:30	Refreshment Break & Networking
10:30 – 11:45	<p>State Tax Administrators' Roundtable - Get the Latest Scoop from Key Sales Tax Administrators. Plenty of Time Will Be Allotted for Q&A's This roundtable discussion will feature key state sales tax administrators discussing the latest news, developments, and outlook from a transaction tax perspective. These administrators will provide insights on what their states are planning in the transaction tax arena for 2016 and beyond. Moderated by an experienced accounting advisor, this session will provide an opportunity to ask those important questions</p>

	<p>we all seem to have, either confidentially or face-to-face.</p> <p>Moderator: Harley Duncan, KPMG*, Washington, DC</p> <p>Panelists: Michael Eschelbach, Michigan Department of Revenue Nancy Prosser, Texas Comptroller's Office Kirsten Stark, California Board of Equalization Eric Wayne, North Carolina Department of Revenue</p>
11:45 – 12:15	<p>Scorecard Presentation</p> <p>This session will cover proposed items to be included in a new COST scorecard focused on the Best and Worst of Sales Tax Administration. Your ideas and comments are needed.</p> <p>Moderators: Karl Frieden, COST, Washington, DC Ferdinand Hogroian, COST, Washington, DC Fredrick Nicely, COST, Washington, DC</p>
12:15 – 1:15	Lunch – Networking
1:15 – 2:25	Choice of Breakouts
	<p>If You Build It, The Auditors Will Come: Protecting Manufacturing Machinery and Equipment Exemptions and Exclusions on Audit</p> <p>Many states exclude or exempt from sales and use taxation purchases for use in manufacturing. The good policy reasons that states have for dangling these carrots before an investment is made by your business (including economic development concerns and protecting business inputs), do not necessarily impress auditors working to raise revenues after the money is spent. Claiming and retaining the benefits of these exemptions is complicated and requires knowledge of the applicable rules, training front line employees and vendors, appropriate and timely documentation and vigilance after the fact. This panel will discuss industry-specific MM&E concerns and will address different perspectives on manufacturing, machinery and equipment exemptions impacting manufacturers and their suppliers and contractors, as well as agency relationships and how to handle these issues on audit.</p> <p>Speakers: Jaye Calhoun, McGlinchey Stafford*, New Orleans, LA Karen Currie, Jones Day*, Dallas, TX</p>
	<p>Puerto Rico – Is the VAT Contagious? How Does It Compare to a Sales Tax?</p> <p>This session will provide an overview of the Indirect Tax Reform that the Commonwealth of Puerto Rico adopted in mid-2015. The reform provides for a transition from Puerto Rico's sales and use tax to a value added tax (VAT) between July 2015 and April 2016, which will impact all businesses with operations in Puerto Rico.</p> <p>Moderator: Pat Reynolds, COST, Washington, DC</p> <p>Speakers: Leah Durner, KPMG*, Washington, DC Carlos Serrano, Reichard & Escalara, San Juan, Puerto Rico Eric Siedentopf, COSTCO, Issaquah, WA</p>
	<p>Hot Trends and Audit Issues: Software, Service, Digital and the Cloud</p> <p>The speakers in this session will discuss the continuing efforts of states to keep up with the ever-changing, rapidly evolving marketplace. The language in decades old statutes is being expanded to cover issues that were never anticipated. This constantly creates new audit issues that taxpayers have to deal with. The speakers will explore some of these issues and provide attendees with effective ways of handling them.</p> <p>Speakers: June Summers Haas, Honigman Miller Schwartz Cohn*, Lansing, MI Carolynn Kranz, Industry Sales Tax Solutions*, Washington, DC</p>
2:35 – 3:45	Choice of Breakouts
	<p>Maximize Credits and Incentives by Partnering With Other Internal Departments</p> <p>This presentation focuses on how in-house tax departments can ensure that they are proactively included in their company's acquisitions, capital investments and reorganizations in order to take advantage of the various credits and incentives offered by state and local governments. The presentation offers valuable</p>

	<p>suggestions about how and when the tax department should be introduced in the process and how to approach the state and local government officials in order to maximize these credits and incentives. Speakers: Jay Adams, Jones Walker*, New Orleans, LA Amy Eisenstadt, General Electric, Wellington, FL Janette Lohman, Thompson Coburn*, St. Louis, MO</p>
	<p>Refund Claims and Reverse Audits This presentation will address the common sales tax refund requirement of the seller needing to refund sales taxes to customers as a prerequisite for the seller getting a refund from the state. In addition, reverse audits will be covered including a discussion of the best practices of conducting a reverse audit and what to consider in determining the optimum way of maximizing any refund that results from that audit. Speakers: John Lyon, Ryan*, Los Angeles, CA Arthur Rosen, McDermott Will & Emery*, New York, NY</p>
3:45 – 4:00	Refreshment Break & Networking
4:00 – 5:15	Choice of Breakouts
	<p>Managing Other Pesky Taxes Most sales tax professionals specialize in just that – sales tax – and may not be aware of how to manage alternative taxes such as Washington’s business & occupation tax, Arizona’s transaction privilege tax, Ohio’s commercial activity tax, and more. And since some of these taxes look and feel like a sales tax because they are based on gross receipts and don’t have deductions similar to income taxes, they often become the responsibility of the sales tax staff. Sales tax professionals should also be aware of special items like environmental fees and e-device taxes so they know how to handle them correctly. In addition to all of the above, this session will also discuss local taxes, business licenses, motor fuel taxes, telecommunication taxes and unclaimed property. Moderator: Fredrick Nicely, COST, Washington, DC Speakers: Greg Barton, Perkins Coie*, Seattle, WA Eric Siedentoph, Costco, Issaquah, WA Diane Yetter, YETTER*, Chicago, IL</p>
	<p>Sampling Methodology – Make It Work For You The speakers in this session will cover the policy issues, concerns, and benefits of using statistical sampling in sales and use tax audits as well as the details of sampling and specific issues that can be expected to arise during an audit. This includes the treatment of credit invoices; treatment of procurement card and ERS transactions; treatment of missing documents; and treatment of non-recurring errors. The speakers will also review policies and strategies to allow the same sampling for determining tax due to be used to generate refunds. The speakers will review current hot issues and will share strategies and arguments to fight and counter-attack methodologies advocated by the states. Come prepared with your questions! Speakers: Harold Jennings, MTC, Chicago, IL Roger Pfaffenberger, Ryan*, Dallas/Ft. Worth, TX</p>
5:30 – 7:30	Vendor Fair Reception
THURSDAY, FEBRUARY 25, 2016	
6:45 – 7:30	Morning Run – Get up and get moving and jump start your day with a quick 3.5 mile morning run.
7:30 – 12:00	Registration
7:30 – 8:45	Continental Breakfast
7:45 – 8:45	<p>Early Morning Ethics Coffee Talk: Ethics and Professional Responsibilities for Transaction Tax Professionals It’s never too early to learn about ethics. Come to this early morning session and be entertained by these speakers as they cover new and breaking ethical issues related to transactional taxes. Speakers: Donald Griswold, Crowell & Moring*, Washington, DC William Backstrom, Jones Walker*, New Orleans, LA</p>

8:45 – 9:00	<p>Sales Tax Committee Meeting – Open to Everyone Bring your ideas to discuss future transaction tax studies and topics for the next conference. Moderators: Fredrick Nicely, COST, Washington, DC Stephen Olivier, Chevron, Concord, CA</p>
9:00 – 10:45	<p>COST Members Only Audit Session – Transaction Tax Topic-Focused Audit Discussion Topics will include registration and compliance issues; acceptance of electronic data by auditors; participating in managed audit/managed compliance programs; and best practices for handling contract auditors, exemption certificates, record retention, sampling issues and data requirements. Moderators: Doug Lindholm, COST, Washington, DC Stephen Olivier, Chevron, Concord, CA</p>
10:45 – 11:00	<p>Refreshment Break & Networking, and Hotel Check Out</p>
11:00 – 12:00	<p>False Claim Act and Class Action Lawsuits in Sales Tax - Audited Through the Courts This presentation will discuss the recent trends of qui tam actions and consumer fraud actions throughout the United States. Included in the discussion will be an analysis of the efforts of the New York State Attorney General to broadly apply the State's False Claims Act to tax disputes. This presentation will discuss the content and validity of the Attorney General's response and explore the apparent position of the Attorney General that corporations may be subject to damages for fraud under the FCA if they take a position that is contrary to the government's informal guidance. Speakers: Donald Griswold, Crowell & Moring*, Washington, DC Jack Trachtenberg, Reed Smith*, New York, NY</p>
12:00	<p>Sales Tax Conference Adjourns</p>

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