



2015 Sales Tax School II
Theory and Practice for the Experienced
Sales and Use Tax Professional



University of Cincinnati
Marriott Kingsgate Conference Center
Cincinnati, Ohio
April 26 - May 1, 2015

Institute for Professionals in Taxation ®

1200 Abernathy Road, Northeast

600 Northpark Town Center

Suite L-2

Atlanta, Georgia 30328

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Program

◆ SUNDAY, APRIL 26

11:00 a.m. - 4:00 p.m.	Registration	Lobby
4:00 p.m. - 4:30 p.m.	Opening of School Welcome and Overview By: Kathleen M. Holston, CMI, CPA Chair, 2015 Sales Tax School II Committee Global Tax Management, Inc. Mechanicsburg, Pennsylvania Diane J. Matulich, CMI, CPA Vice Chair, 2015 Sales Tax School II Committee Advanced Micro Devices, Inc. Sunnyvale, California	Ballroom
4:30 p.m. - 5:30 p.m.	GENERAL SESSION ▣ Ethics Ethical standards and commitment to the interests of the taxpayer one represents are key elements of professionalism. Are these elements in conflict with each other? The question impacts taxpayers on a daily basis. In some contexts the answers are clear-cut. In others they are grayer in nature. Most will vary in the eye of the beholder. This session will address the critical importance of ethics to professionalism, and its relationship to one's responsibility to the taxpayer. Learning Objectives At the end of this section, the learner will be able to: <ul style="list-style-type: none">• <i>Grasp the importance and reasons of ethical behavior in a profession.</i>• <i>Recognize unethical behaviors as related to IPT's Code of Ethics.</i> <i>Instructors:</i> Jack T. Bone, CMI Tax Professional, Retired Magnolia, Texas Joseph A. Vinatieri, Esq. Partner Bewley, Lassleben & Miller Whittier, California	Ballroom

◆ Sunday (Continued)

5:45 p.m. - 7:15 p.m.

GENERAL SESSION

Ballroom

■ Constitutional Issues - Part I

The purpose of this two-part session is to enable tax professionals to identify federal constitutional issues that may be raised by state and local taxes that are asserted against their businesses. The focus is on constitutional limitations on state and local taxing power. Coverage includes the Commerce Clause, Import/Export Clause, Equal Protection Clause, Supremacy Clause, First Amendment, and Due Process Clause. Students will learn the basic tools of constitutional analysis.

Learning Objectives

At the end of this section, the learner will be able to:

- *Identify the steps to use in analyzing a state tax.*
- *Distinguish the role of the federal Constitution from the roles of other laws and understand the impact and reach of U.S. Supreme Court decisions on constitutional issues.*
- *Know the attitudes and preferences of courts with respect to deciding constitutional issues.*
- *Distinguish the concepts of “facial” unconstitutionality from “as applied unconstitutionality.”*
- *Recognize the purpose and two-fold nature of the Commerce Clause, and identify what types of commerce are and are not protected by the Clause.*
- *Explain the import of Complete Auto Transit v. Brady and identify the four prongs.*
- *Know the concept of nexus and its sources in the Constitution.*
- *Explain the import of Quill Corporation v. North Dakota, identify the major unresolved issues, and describe the extent to which Congress has the power to change the law as expressed in the decision.*
- *Explain the meaning of “apportion” as used in the second prong and cases discussed in the material.*
- *Recite the internal and external consistency tests.*
- *Describe the role of credits for taxes paid elsewhere in Commerce Clause analysis.*
- *Recognize the import of Oklahoma Tax Commission v. Jefferson Lines.*
- *Explain the compensatory tax defense and why the conventional use tax is constitutional.*
- *Apply the discrimination prong to a simple fact pattern.*
- *Explain how the fourth prong has been interpreted and applied.*
- *Identify the elements of the constitutional test under the Foreign Commerce Clause.*
- *Identify the essential features of state tax analysis under the Import/Export Clause.*
- *Distinguish the two primary tests that are applied under the Equal Protection Clause.*
- *Recognize the factors that are relevant to claims of U.S. Government immunity under the Supremacy Clause.*

◆ SUNDAY(Continued)/MONDAY

- Identify the Court's primary concern in evaluating constitutional challenges under the Free Speech and Press Clauses.
- Know what is meant by "attributional nexus" in the use tax collection context.
- Identify the prongs of Brady that have been most effective and ineffective for taxpayers.
- Identify the current "hot issues" in the area.

Instructors:

Robert S. Goldman, CMI, Esq.

Partner

Madsen Goldman & Holcomb, LLP

Tallahassee, Florida

Joseph A. Vinatieri, Esq.

Partner

Bewley, Lassleben & Miller

Whittier, California

7:15 p.m. - 9:00 p.m. Dinner 5/3Plaza (Outdoors, weather permitting)

◆ MONDAY, APRIL 27

6:30 a.m. - 7:45 a.m. Breakfast Caminetto

8:00 a.m. - 10:15 a.m. **GENERAL SESSION** Ballroom

■ Constitutional Issues - Part II

Continuation from Part I Session.

Instructors:

Robert S. Goldman, CMI, Esq.

Partner

Madsen Goldman & Holcomb, LLP

Tallahassee, Florida

Joseph A. Vinatieri, Esq.

Partner

Bewley, Lassleben & Miller

Whittier, California

10:30 a.m. - 12 Noon **BREAKOUT GROUPS**
(Constitutional Issues)

Group #1 - Mt. Lookout: Room 136 - TBA

Group #2 - Mt. Echo: Room 130 - Goldman

Group #3 - Amphitheater 1 - Matulich

Group #4 - Mt. Storm: Room 140 - Anderson

Group #5 - Mt. Adams: Room 111 - Hulin

Group #6 - Amphitheater 2: Room 144 - Bone

Group #7 - Mt. Auburn: Room 120 - Helms

12 Noon - 1:00 p.m. Lunch Caminetto

◆ MONDAY (Continued)

1:00 p.m. - 2:30 p.m.

GENERAL SESSION

Ballroom

▣ Advanced Topics in Retailing

This session will illustrate the application of sales tax principles to selected issues that have been especially challenging for tax professionals in the retailing industry.

Learning Objectives

At the end of this section, the learner will be able to:

- *Recall the major facts and implications in the following court cases:
Steelcase v. New Jersey
VSA v. Faulkner
Lyon Metal Products v. California SBE
D. H. Holmes Co., Ltd., v. McNamara*
- *Recognize the different types of coupons and rebates and their tax implications.*
- *Know how the bracket calculation and the normal mathematical calculation can differ.*
- *Define Qui Tam Actions.*
- *Recognize how audits are handled in a retail setting.*
- *Know how retailers may act in other capacities and the tax implications of such.*
- *Recognize the importance of legislative actions regarding taxation.*
- *Define sales tax holidays and analyze the difference in the various holidays.*
- *Apply the analysis presented in the breakout problem.*

Instructors:

Lynn L. Monsalvatge, CMI

Tax Director
The Home Depot
Atlanta, Georgia

Patrick J. Reynolds, Esq., CPA

Senior Managing Counsel
J.C. Penney Corporation, Inc.
Plano, Texas

2:45 p.m. - 3:45 p.m.

GENERAL SESSION

Ballroom

▣ Advanced Topics in Leasing

This session will illustrate the application of sales tax principles to selected issues that have been especially challenging for tax professionals in the leasing industry.

Learning Objectives

At the end of this section, the learner will be able to:

- *Know the difference between a lease and conditional sale (see Glossary of terms).*
- *Identify the steps in a sale and leaseback transaction.*

◆ MONDAY(Continued)/TUESDAY

- *Recognize the concept of form versus substance.*
- *Identify the legal sources for the financing exemption related to sale and leaseback transactions.*
- *Know what the SST definition of rental/lease includes.*
- *Review the SST sourcing rules for lease/rental transactions.*

Instructor:

William J. McConnell, CMI, CPA, Esq.

Manager - Sales, Use & Excise Taxes

General Electric Company

Ft. Myers, Florida

4:00 p.m. - 5:00 p.m.

BREAKOUT GROUPS

(Advanced Topics In Retailing, Advanced Topics In Leasing)

Group #1 - Mt. Lookout: Room 136 - Simeral

Group #2 - Mt. Echo: Room 130 - TBA

Group #3 - Amphitheater 1 - Goldman

Group #4 - Mt. Storm: Room 140 - McConnell

Group #5 - Mt. Adams: Room 111 - Anderson

Group #6 - Amphitheater 2: Room 144 - Hulin

Group #7 - Mt. Auburn: Room 120 - Bone

6:00 p.m. - 10:00 p.m.

Study Hall (Optional)

Ballroom

◆ TUESDAY, APRIL 28

6:30 a.m. - 7:45 a.m.

Breakfast

Caminetto

8:00 a.m. - 9:30 a.m.

GENERAL SESSION

Ballroom

▣ **Advanced Audit Management**

This session will provide an understanding of advanced topics in the sales and use tax audit function including:

- ✓Limits on state authority
- ✓Statute of limitations and consent to extend the statute
- ✓Sampling agreements
- ✓Offsets
- ✓Managed compliance agreements
- ✓Managed audits, contract audits
- ✓Missing records issues
- ✓Estimated and jeopardy assessments
- ✓Problem resolution

Learning Objectives

At the end of this section, the learner will be able to:

- *Know a taxpayer's right with respect to audit notification and statute of limitations.*
- *Recognize a taxing jurisdiction's rights and limitations with respect to audit.*
- *Distinguish between estimates and jeopardy audit assessments.*

◆ TUESDAY(Continued)

- *Know the availability and use of taxpayer's defense opportunities during an audit.*
- *Recognize the value of stratification with respect to audit sampling.*
- *Recognize the events that affect a taxpayer's data and subsequent audit samples.*
- *Define the following terms:*
 - Stratification
 - Population
 - Universe
 - Error rate
 - Extrapolation
- *Distinguish between Managed Audit and Managed Compliance Agreements.*
- *Realize the use of Voluntary Disclosure Agreements.*

Instructors:

Kenneth W. Helms, CMI

Consultant

Ken Helms Consulting

Canton, Georgia

Lynn L. Monsalvatge, CMI

Tax Director

The Home Depot

Atlanta, Georgia

9:45 a.m. - 10:45 a.m.

GENERAL SESSION

Ballroom

▣ Taxpayer Remedies

This session will address common taxpayer remedies, with emphasis on the process that occurs subsequent to an audit exit conference. Topics covered will include:

- ✓Protests and appeals
- ✓Claims for refund
- ✓Settlement options
- ✓Exhaustion of administrative remedies
- ✓Effective presentation

Learning Objectives

At the end of this section, the learner will be able to:

- *Know the three appeal options available upon receipt of an assessment notice.*
- *Recognize and understand the difference between the following terms:*
 - assessment
 - determination
 - estimated assessment
 - jeopardy assessment
- *Explain what is meant by "Exhaustion Doctrine"*
- *Identify the general rules of statutory construction for the imposition of tax and/or exemptions.*

◆ TUESDAY(Continued)

- *Recognize records accessible through the State Freedom of Information Acts and Right to Know Laws.*

Instructor:

William J. McConnell, CMI, CPA, Esq.

Manager - Sales, Use & Excise Taxes

General Electric Company

Ft. Myers, Florida

11:00 a.m. - 12 Noon

BREAKOUT GROUPS

(Advanced Audit Management, Taxpayer Remedies)

Group #1 - Mt. Lookout: Room 136 - Bone

Group #2 - Mt. Echo: Room 130 - Monsalvatge

Group #3 - Amphitheater 1 - TBA

Group #4 - Mt. Storm: Room 140 - Helms

Group #5 - Mt. Adams: Room 111 - McConnell

Group #6 - Amphitheater 2: Room 144 - Anderson

Group #7 - Mt. Auburn: Room 120 - Hulin

12 Noon - 1:00 p.m.

Lunch

Caminetto

1:00 p.m. - 3:15 p.m.

GENERAL SESSION

Ballroom

▣ Statistical and Block Sampling

This session is intended to provide a practical approach to a variety of sampling-related issues, including: how to determine when block or statistical sampling is preferable to a detailed audit; what guidelines are useful in setting up samples; and how one evaluates sample results. Although students will not be required to perform complex statistical analysis, they will be expected to understand the concepts underlying sampling methods and to identify issues that affect the reliability of sampling in a given context.

Learning Objectives

At the end of this section, the learner will be able to:

- *Define the following terms:*
 - Confidence interval
 - Confidence level
 - Homogeneity
 - Mean
 - Measure of tax
 - Stratification
- Recognize the use of stratification in tax audits and characteristics commonly used for stratifying populations for sampling.
- Identify the advantages and disadvantages of audits conducted using:
 - Reviews on an actual basis
 - Block sampling
 - Statistical sampling
- Recognize how to project the results of a sample to the population using
 - Ratio estimation, i.e., projection using a percentage of error
 - Difference estimation, i.e., projection based on error per sample unit

◆ TUESDAY(Continued)/WEDNESDAY

- Identify the techniques used to analyze the accuracy or adequacy of sampling results.
- Recognize the alternatives when a confidence interval in a statistical sample is wide or a sample has missing items.
- Recognize that different populations and confidence levels require different sample sizes
- Know how to compute the multiplication factor and how it applies to sampling analysis.

Instructors:

Diane J. Matulich, CMI, CPA

Senior Tax Manager, Local Taxes
Advanced Micro Devices, Inc.
Sunnyvale, California

Keith G. Simeral

Sales and Use Tax Manager
Pinpoint Profit Recovery Services Powered by Transparent
Danbury, Connecticut

3:30 p.m. - 5:00 p.m.

BREAKOUT GROUPS

(Statistical and Block Sampling)

Group #1 - Mt. Lookout: Room 136 - Hulin

Group #2 - Mt. Echo: Room 130 - Helms

Group #3 - Amphitheater 1 - Monsalvatge

Group #4 - Mt. Storm: Room 140 - TBA

Group #5 - Mt. Adams: Room 111 - Matulich

Group #6 - Amphitheater 2: Room 144 - Simeral

Group #7 - Mt. Auburn: Room 120 - Goldman

5:15 p.m. - 6:00 p.m.

CMI Orientation Session (Attendance Is Optional - General Informational Session)

6:00 p.m. - 10:00 p.m.

Study Hall (Optional)

Ballroom

◆ WEDNESDAY, APRIL 29

6:30 a.m. - 7:45 a.m.

Breakfast

Caminetto

8:00 a.m. - 9:15 a.m.

GENERAL SESSION

Ballroom

▣ **Mergers & Acquisitions**

This session addresses sales and use tax issues and treatments related to selected corporate transactions including mergers, acquisitions and reorganizations. The information will include a discussion on available exemptions, potential limitations, due diligence reviews and bulk sales transactions.

Learning Objectives

At the end of this section, the learner will be able to:

- *Identify the scope and records required to complete a due diligence review.*
- *Identify the potential consequences of not*

◆ WEDNESDAY (Continued)

following bulk sale notification requirements.

- *Determine the allocation methodologies for a purchase price if a schedule is not provided in the sale documents.*
- *Define and recognize casual, occasional or isolated sale exemption requirements.*
- *Identify actions that could make an otherwise exempt transaction taxable.*

Instructors:

Andre B. Burvant, Esq., CPA

Partner

Jones Walker

New Orleans, Louisiana

James D. Jones, Esq.

Vice President - Tax

Boardwalk Pipeline Partners, LP

Houston, Texas

9:30 a.m. - 10:45 a.m.

GENERAL SESSION

Ballroom

▣ Tax Planning

This session will provide an overview of the sales and use tax planning function that is a key part of the sales and use tax professional's role. Specific topics will include:

- ✓The use of terminology
- ✓How to structure contracts
- ✓Tax indemnification clauses
- ✓Invoicing and billing issues

Learning Objectives

At the end of this section, the learner will be able to:

- *Identify the importance of reviewing the entire contract for tax ramifications.*
- *Identify company characteristics and strategies that could have potential tax ramifications.*
- *Analyze the benefits/issues present when working with procurement companies.*
- *Analyze the benefits of different tax planning strategies.*

Instructor:

Kenneth W. Helms, CMI

Consultant

Ken Helms Consulting

Canton, Georgia

Timmy Hulin, CMI

Director of Audits

Didier Consultants

Zachary, Louisiana

◆ WEDNESDAY (Continued)

11:00 a.m. - 12 Noon

BREAKOUT GROUPS

(Mergers & Acquisitions, Tax Planning)

Group #1 - Mt. Lookout: Room 136 - McConnell

Group #2 - Mt. Echo: Room 130 - Hulin

Group #3 - Amphitheater 1 - Bone

Group #4 - Mt. Storm: Room 140 - Burvant

Group #5 - Mt. Adams: Room 111 - TBA

Group #6 - Amphitheater 2: Room 144 - Helms

Group #7 - Mt. Auburn: Room 120 - Anderson

12 Noon - 1:00 p.m.

Lunch

Caminetto

1:00 p.m. - 2:30 p.m.

GENERAL SESSION

Ballroom

▣ Taxation of Computer Software & Services

This session covers the principles of law and general theories applied by various states to computer-related services, canned and custom software, software maintenance, intellectual property rights and services sold in conjunction with the sale of hardware. The session will also address points to consider when reviewing multi-state contracts involving tangible personal property, services and intellectual property.

Learning Objectives

At the end of this section, the learner will be able to:

- Provide examples of/or definitions for the following:
 - Prewritten or canned software
 - Custom software
 - Data processing services
 - Cloud Computing (software as a service, infrastructure as a service and platform as a service)
 - Information Services
 - Digital Automated Services
 - Technology licensing contract
 - Intellectual property
- Discuss the difference between basic operational software and application software.
- Determine factors to consider when analyzing the taxability of prewritten or custom software.
- Evaluate the taxability of software sales based on delivery mechanism and the reasoning behind it.
- Determine how tax applies to the following:
 - Mandatory and optional maintenance contracts for hardware and software
 - Training services
 - Software installation or implementation services
 - Consulting services
- List types of exemptions that apply to purchases of computer software
- Discuss the general sourcing rules for software accessed from multiple jurisdictions when:
 - Software is loaded on and accessed by users at the purchaser's server

◆ WEDNESDAY(Continued)

- Software is loaded on and accessed by users at the vendor's server
- Define phrase "True Object of the Contract".
- Analyze the tax ramifications of complex contracts that bundle services, goods, and intellectual property.
- Analyze the impact of software modifications to prewritten software vs. custom software.
- Determine how tax applies to contracts involving goods, services, and/or intellectual property.

Instructors:

Diane J. Matulich, CMI, CPA

Senior Tax Manager, Local Taxes
Advanced Micro Devices, Inc.
Sunnyvale, California

Laurie J. Wik, CMI

Tax Director
Du Charme, McMillen & Associates, Inc.
San Jose, California

2:45 p.m. - 3:45 p.m.

GENERAL SESSION

Ballroom

▣ **Advanced Topics in Telecommunications**

This session will illustrate the application of sales tax principles to selected issues that have been especially challenging for tax professionals in the telecommunications industry.

Learning Objectives

At the end of this section, the learner will be able to:

- *Know the basic elements of the SSUTA definition of telecommunications services.*
- *Grasp how the SSUTA definition impacts VoIP.*
- *Identify what service elements are needed to be considered a private communications service.*
- *Identify situsing concepts applicable to VoIP, flat fee based calling plans, and private communications services.*

Instructor:

Michael P. Kenny, CMI

Managing Director
KPMG LLP
New York, New York

◆ WEDNESDAY(Continued)/THURSDAY

4:00 p.m. - 5:15 p.m.	BREAKOUT GROUPS (Advanced Topics In The Taxation Of Services, Telecommunications, Quiz)	
	Group #1 - Mt. Lookout: Room 136 - Matulich Group #2 - Mt. Echo: Room 130 - McConnell Group #3 - Amphitheater 1 - Simeral Group #4 - Mt. Storm: Room 140 - Bone Group #5 - Mt. Adams: Room 111 - Goldman Group #6 - Amphitheater 2: Room 144 - Monsalvatge Group #7 - Mt. Auburn: Room 120 - Helms	
5:15 p.m. - 6:00 p.m.	Stat Sampling Review (Optional)	Ballroom
6:00 p.m. - 10:00 p.m.	Study Hall (Optional)	Ballroom

◆ THURSDAY, April 30

6:30 a.m. - 7:45 a.m.	Breakfast	Caminetto
8:00 a.m. - 9:15 a.m.	GENERAL SESSION	Ballroom

▣ Advanced Topics in Manufacturing

This session will illustrate the application of sales tax principles to selected issues that have been especially challenging for tax professionals in the manufacturing industry.

Learning Objectives

At the end of this section, the learner will be able to:

- *Recognize that the same piece of equipment can have vastly different tax treatments depending on when, where and how it is used in relation to the manufacturing process.*
- *Recognize the importance of case law in developing definitions and precedent in the manufacturing industry.*
- *Be able to define “ancillary equipment”, and give examples.*
- *Recognize the factors to be considered when determining whether a piece of machinery or equipment qualifies for exemption in an “Active Causal Relationship” state.*
- *Recognize the key elements and import of the “Integrated Plant Theory”, and distinguish this from the “Transformative Concept”.*
- *Know the different ways that states may exempt packaging equipment, and how these affect a taxpayer’s ability to qualify for exemption(s) on this type of equipment.*
- *Know the different criteria which states may apply regarding packaging for the ultimate consumer, vs packaging for shipment, vs packaging for consumers in general.*

◆ THURSDAY (Continued)

- *Recognize the success factors necessary for effective management of the sales tax function for a manufacturing business.*
- *Identify the business consequences of accurate and inaccurate tax decisions.*

Instructors:

Debbie D. Anderson, CMI

Transaction Tax Manager
ACProducts, Inc.
The Colony, Texas

Jack T. Bone, CMI

Tax Professional, Retired
Magnolia, Texas

9:30 a.m. - 10:15 a.m.

GENERAL SESSION

Ballroom

▣ **Advanced Topics in Construction Contracting**

This session will illustrate the application of sales tax principles to selected issues that have been especially challenging for tax professionals in the construction contracting industry.

Learning Objectives

At the end of this section, the learner will be able to:

- *Differentiate between the two types of contracts and their tax ramifications*
- *Recognize the factors that should be incorporated in a scope of work and how that can determine tax applications.*
- *Determine whether the contract truly is for real property improvement or is it a contract for the sale and installation of tangible personal property.*
- *Identify key components that should be included in contracts regarding tax liabilities, tax responsibilities for collection, filing and paying sales and use taxes which should be stated in the tax clauses within the contract.*

Instructors:

Jack T. Bone, CMI

Tax Professional, Retired
Magnolia, Texas

Timmy Hulin, CMI

Director of Audits
Didier Consultants
Zachary, Louisiana

◆ THURSDAY (Continued)

10:15 a.m. - 10:45 a.m. **GENERAL SESSION**

Ballroom

■ **Advanced Topics in Oil and Gas**

This session will illustrate the application of sales tax principles to selected issues that have been especially challenging for tax professionals in the oil and gas industry.

Learning Objectives

At the end of this section, the learner will be able to:

- *Interpret guidelines provided by taxing jurisdictions and their applicability to specific situations.*
- *Analyze transactions and their tax consequences.*
- *Identify exemptions and the “True Object” of the transaction.*
- *Apply methodologies to specific projects to determine tax liabilities while meeting government guidelines and protecting company operations.*
- *Know the segments of the industry such as where the downstream starts and the activities contained therein.*

Instructors:

Jack T. Bone, CMI

Tax Professional, Retired
Houston, Texas

Timmy Hulin, CMI

Director of Audits
Didier Consultants
Zachary, Louisiana

11:00 a.m. - 12 Noon. **BREAKOUT GROUPS**

(Advanced Topics In Manufacturing, Advanced Topics In Construction Contracting)

Group #1 - Mt. Lookout: Room 136 - Helms

Group #2 - Mt. Echo: Room 130 - Anderson

Group #3 - Amphitheater 1 - McConnell

Group #4 - Mt. Storm: Room 140 - Hujlin

Group #5 - Mt. Adams: Room 111 - Bone

Group #6 - Amphitheater 2: Room 144 - Matulich

Group #7 - Mt. Auburn: Room 120 - Monsalvatge

12:00 p.m. - 1:00 p.m. Lunch

Caminetto

1:00 p.m. - 2:30 p.m. **GENERAL SESSION**

Ballroom

■ **Taxation of Electronic Commerce**

An overview of the sales and use tax issues raised by electronic commerce, with emphasis on the Internet and transactions occurring over that medium. Summary of recent developments leading to sales tax simplification efforts, and discussion of various tax planning scenarios.

◆ THURSDAY (Continued)

Learning Objectives

At the end of this section, the learner will be able to:

- Recognize E-commerce fact patterns.
- Know the general factors that distinguish E-commerce from other transactions for purposes of state tax analysis.
- Identify the features of the traditional sales tax on sales of tangible personal property that are often missing in the context of E-commerce.
- Discuss the arguments for and against applying a tax on sales of tangible personal property to digital products that are delivered electronically.
- Identify the sourcing issues associated with online sales of digital products and services and explain why those issues are more problematic than where tangible personal property is being sold.
- Recognize the import of the Internet Tax Freedom Act, as amended in 2007.
- Describe the principal ingredients for success for tax professionals dealing with the taxation of E-commerce.
- *Identify the use tax collection nexus issues that arise in the context of online sales.*
- *Know the importance of Quill for businesses engaged in E-commerce and for the states.*
- *Describe the efforts under way to change the sales and use tax system so that states may be able to impose a use tax collection duty notwithstanding Quill.*

Instructors:

Robert S. Goldman, CMI, Esq.

Partner

Madsen Goldman & Holcomb, LLP

Tallahassee, Florida

Laurie J. Wik, CMI

Tax Director

Du Charme, McMillen & Associates, Inc.

San Jose, California

2:45 p.m. - 3:45 p.m.

GENERAL SESSION

Ballroom

▣ Managing the Sales Tax Function

Compliance and audit management are well known areas of the sales tax management function everyone recognizes. Often given much less attention, either due to budgetary constraints or lean staffing, are four other areas of sales tax department management that should not be ignored: knowledge management, legislative surveillance, FAS 5 and other financial audit issues, and automation. Understanding the impacts of these areas and strategies for giving them proper attention can make the difference between doing your job and running a world class operation.

◆ THURSDAY (Continued)/FRIDAY

Learning Objectives

At the end of this section, the learner will be able to:

- *Utilize various areas of knowledge management that impact the sales tax function and optional strategies for addressing these areas.*
- *Know the importance of legislative surveillance and analysis and ways to accomplish these activities.*
- *Recognize external and internal audit issues and financial accounting standards (FAS 5) compliance, what to expect, preparation and execution.*
- *Better understand sales tax automation, both obvious and obscure areas of consideration.*

Instructor:

Robert J. Fields, CMI

Director, State & Local Tax

KPMG LLP

Orwell, Vermont

4:00 p.m. - 5:00 p.m.

BREAKOUT GROUPS

(Taxation Of Electronic Commerce, Managing Sales Tax Function)

Group #1 - Mt. Lookout: Room 136 - Monsalvatge

Group #2 - Mt. Echo: Room 130 - Matulich

Group #3 - Amphitheater 1 - McConnell

Group #4 - Mt. Storm: Room 140 - Goldman

Group #5 - Mt. Adams: Room 111 - Anderson

Group #6 - Amphitheater 2: Room 144 - Hulin

Group #7 - Mt. Auburn: Room 120 - Helms

6:00 p.m. - 10:00 p.m.

Study Hall (Optional)

Ballroom

◆ FRIDAY, May 1

6:30 a.m. - 8:00 a.m.

Breakfast

Caminetto

9:00 a.m. - 10:30 a.m.

Final Examination

Ballroom

10:30 a.m.

School Concludes



Kathleen Holston, CMI, CPA
School II Chair



Diane J. Matulich, CMI, CPA
School II Vice Chair



Arthur E. Bennett, CMI
IPT President

Faculty

Seventeen Instructors constitute the full faculty; the private and corporate sectors are represented. Biographical summaries of the Instructors will be furnished at registration.

Debbie D. Anderson, CMI
Transaction Tax Manager
ACProducts, Inc.
The Colony, Texas

Jack T. Bone, CMI
Tax Professional, Retired
Houston, Texas

Andre B. Burvant, Esq., CPA
Partner
Jones Walker
New Orleans, Louisiana

Robert J. Fields, CMI
Director, State & Local Tax
KPMG LLP
Orwell, Vermont

Robert S. Goldman, CMI, Esq.
Partner
Madsen Goldman & Holcomb, LLP
Tallahassee, Florida

Kenneth W. Helms, CMI
Consultant
Ken Helms Consulting
Canton, Georgia

Kathleen M. Holston, CMI, CPA (Chair)
Senior Manager
Global Tax Management, Inc.
Mechanicsburg, Pennsylvania

Timmy Hulin, CMI
Director of Audits
Didier Consultants
Zachary, Louisiana

James D. Jones, Esq.
Vice President - Tax
Boardwalk Pipeline Partner, LP
Houston, Texas

Michael P. Kenny, CMI
Managing Director
KPMG LLP
New York, New York

Diane J. Matulich, CMI, CPA
Senior Tax Manager, Local Taxes
Advanced Micro Devices, Inc.
Sunnyvale, California

William J. McConnell, CMI, CPA, Esq.
Manager - Sales, Use & Excise Taxes
General Electric Company
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Du Charme, McMillen
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San Jose, California

PHOTOGRAPHY

Select photographs may be taken during the course of the school for informational use in IPT's newsletters. There will be no commercial use of such photographs, and they are the property of the Institute.

BREAKOUT GROUPS

Registrants will be divided into seven groups where they will remain throughout the week. Each group will rotate through the breakout sessions on a schedule that will be posted at registration. Each breakout session will focus on specific matters discussed in the general session.

TESTING/HOMEWORK

A quiz will be given during the week, with a final examination on Friday. A passing score must be realized on the examination for successful completion of the school. The final examination must be taken on Friday morning, so travel arrangements should be made accordingly. **No exceptions can be made to taking the examination at the stated time on Friday.**

SCHOOL II FOCUS

The school is intended for those individuals who have already successfully attended School I or who have successfully challenged it (this is a requirement). Instructional level at this school is geared towards those individuals with more than four years of sales tax experience. "Sales and Use Tax School I - Introduction To Sales and Use Taxes," that will be offered in February 2016, is introductory in nature. Both School I and II are directed at the professional development of the IPT membership, as well as supporting the Professional Designation Program of the Institute.

CMI DESIGNATION

The Institute for Professionals in Taxation's designation "Certified Member of the Institute" (CMI) is available to anyone who is a sales tax member of the Institute in good standing and who meets all other requirements. The purpose of the certification program is to further the professional development of its members. For further information, please contact the IPT Office.

CONTINUING EDUCATION CREDIT

The Institute for Professionals in Taxation is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.learningmarket.org.

Thirty-nine (39) continuing education credit are available for attendance. In accordance with the standards of the National registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour. CMIs will obtain hour-for-hour continuing education credits for attendance upon submission of the appropriate continuing education form.

Registrants who wish to obtain credit from other organizations for the school may have their particular forms signed by the IPT staff. The Institute provides a standardized continuing education credit form for other organizations.

<i>Prerequisites:</i>	Sales and Use Tax School I Or Its Successful Challenge
<i>Program Level:</i>	Intermediate
<i>Recommended Field of Study:</i>	Taxation
<i>Instructional Method:</i>	Group Live
<i>Advanced Preparation Required:</i>	None

As required by regulatory agencies, IPT must verify individual attendance at sessions in order to grant Continuing Education Credits. Each attendee's name badge has a unique bar code that identifies that individual. In order to obtain CE credit, the individual must have his or her bar-coded badge scanned during the first 15 minutes of each session. No credit for the session will be given to un-scanned attendees. Lost name badges should be reported immediately to the registration desk for a replacement. All attendees will receive a Certificate of Attendance with a record of their scanned attendance.