



Avalara for Government

THE FUTURE OF STATE AND
LOCAL TAX MANAGEMENT

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DISCLAIMER

Tax rates, rules, and regulations change frequently. Although we hope you'll find this information helpful, this report is for informational purposes only and does not provide legal or tax advice.

Introduction

States, local governments, and businesses suffer when companies fail to comply with tax regulations. Inaccurate tax returns and late payments can disrupt annual budget forecasts for jurisdictions. Compliance lapses can lead to time-consuming audits that are expensive for businesses and absorb limited agency resources. Making sure businesses are tax compliant helps ensure government revenues match projections and avoids pain for both parties. For tax compliance to happen, jurisdictions must have systems in place that make it easier for constituents to meet their obligations and support the government teams that administer those tax obligations.

Avalara for Government can help jurisdictions decrease delinquency, increase remittance accuracy, and improve regulatory processes while simplifying laborious operations for their constituents. Avalara uses automation expertise and cloud-based solutions to meet the complex tax management needs of government agencies.



Improving sales tax calculation accuracy with a collaborative platform for tax rates and rules

Many businesses fail to collect the right amount of tax because they use the wrong tax rates. Rates and rules for sales and use tax and other tax types vary across states and local jurisdictions – and they frequently change. This makes it difficult for your constituents to keep up with the latest regulations, assuming they even know where to look for reliable information. Left guessing, they're more likely to submit inaccurate returns.

Avalara Tax Research for Government lets businesses look up tax rates and laws using an easy-to-use address search tool. Tax rates are broken down by boundary and according to which products and services are tax exempt. States benefit from automated updates and a historical archive of tax changes they can reference. By bringing states, local jurisdictions, and taxpayers together in a central hub, Avalara Tax Research for Government helps improve data accuracy and provide businesses the information they need to file tax returns correctly.



Empowering small businesses to meet sales and use tax obligations

Tax compliance enforcement can be especially difficult for states when it involves small businesses. These businesses are pulled in many directions so they lack time and expertise to handle compliance. By offering constituents tools to facilitate sales tax compliance, tax offices can better serve the public while enhancing revenue predictability and reducing administrative burdens.

DAVO by Avalara enables your constituents to set aside the exact amount of sales tax they owe daily using sales data from their point-of-sale (POS) system, then automatically files and pays on their behalf – on time and in full. With streamlined integrations to POS systems like Toast, Clover, and Square, there's not much businesses need to do to stay compliant once their account is set up, reducing the burden from state authorities.

And because DAVO **guarantees** their taxes will be paid on time and in full, subject to terms, there's nothing for them to worry about either.



Helping states get excise tax right

Excise taxes are incredibly complicated due to multiple tax jurisdictions, varying rates, and intricate reporting requirements. And excise tax comes into play in many industries – oil and gas, fuel, tobacco, lubricants, renewable fuels, and sometimes alcohol. And when businesses in the industry file incorrect excise tax returns, it causes more work for state regulators with limited resources. Making it easier for businesses to comply with this complex tax type can help reduce administrative burdens as well as delinquencies.

Avalara for Government offers specific solutions that can help your constituents get excise tax right. These solutions provide a convenient way for businesses to file excise tax returns and remit payments through a portal on a state's website. Taxpayers that attempt to submit inaccurate returns receive detailed error messages, allowing them to make corrections and helping to ensure states receive clean data.

State tax departments benefit from the ability to generate tax notices, conduct audit analysis, and send messages to taxpayers in the same portal. Additional support from Avalara excise compliance specialists, who have filed e-returns in every state, expands your team's abilities with advice on Federation of Tax Administrators filing standards.



Enhancing economic development through property tax compliance administration

Managing real and personal property tax is among the most challenging, time-consuming, and costly compliance activities a business will encounter because of the volume of tasks involved. And for county assessors it can be difficult to know whether they're taking the best valuation approach for assessments. Determining how one jurisdiction values a computer, for example, compared to the valuation method of another jurisdiction in a different state can be tough without access to reliable data.

Avalara Property Tax provides economic development groups, states, and local jurisdictions with information that helps them determine whether their property tax valuation approaches may be too high or too low. By streamlining this process, your agency can help constituents with more accurate assessments and reduced delinquencies by utilizing integrations to third-party payment facilitators that automate property tax payments for businesses.



Avalara MyLodgeTax and Avalara for Government

States and local governments are facing significant challenges when managing short-term rental (STR) tax compliance and enforcement. The rapid growth of platforms like Airbnb, Vrbo, and Booking.com has created a dynamic, decentralized STR market, making it difficult for governments to ensure proper tax collection and for small operators to stay educated on how to stay compliant.

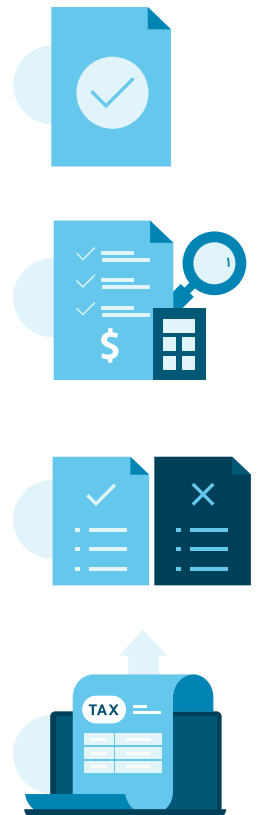
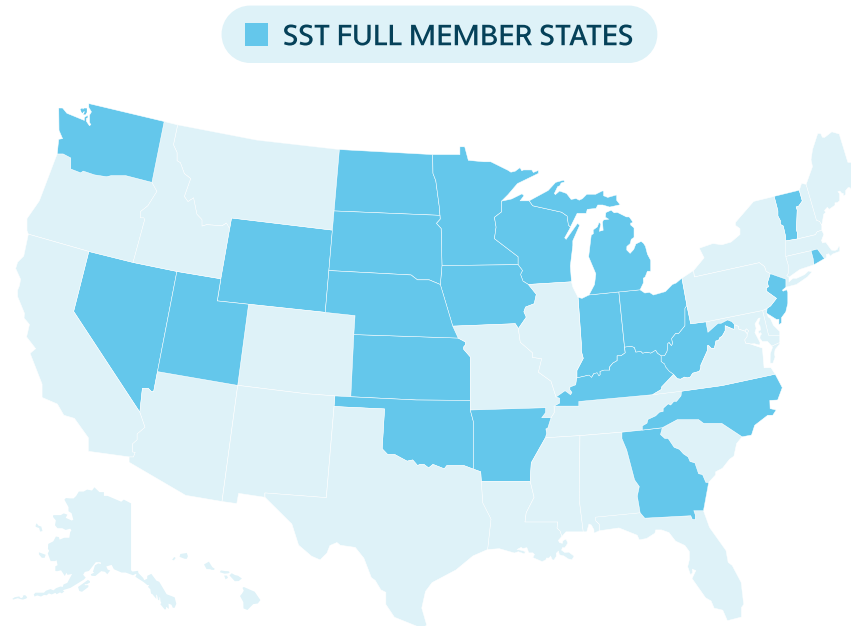
Avalara MyLodgeTax is a powerful solution that can help your agency and constituents by automating STR tax compliance and enforcement. It supports local and state governments to reduce revenue leakage by ensuring more accurate tax collection, reporting, and remittance from operators. Operators benefit from having a central location for their registration or licensing, reliable lodging tax rates, and returns prepared and filed by Avalara tax experts.



Participating in Streamlined Sales Tax to increase tax compliance

If your state participates in the **Streamlined Sales Tax (SST) program**, you're helping your constituents stay compliant by simplifying sales and use tax compliance for businesses selling into multiple states.

Avalara is an SST certified service provider (CSP) and supplies businesses with solutions to simplify sales tax registration, calculation, exemption certificate processing, and returns preparation, filing, and remittance. As a CSP, Avalara improves access to uniform filing forms and certified rates, boundaries, and tax codes that are updated automatically, in addition to audit support. Governments benefit by reducing delinquencies and businesses benefit by reducing their risk. Avalara makes it easier for states to administer tax compliance and reduce time and costs associated with audits.





Tax compliance administration made easier

Avalara for Government can help your agency lower delinquency rates and collect the taxes it's owed with less work. Learn more about how Avalara can help your constituents today by calling 877-286-2149

ABOUT AVALARA

Avalara makes tax compliance faster, easier, more accurate, and more reliable for 41,000+ business and government customers in over 75 countries. Tax compliance automation software solutions from Avalara leverage 1,200+ signed partner integrations across leading ecommerce, ERP, and other billing systems to power tax calculations, document management, tax return filing, and tax content access. Visit avalara.com to improve your compliance journey..