

# How Manufacturers Can Overcome the Top Sales and Use Tax Challenges

Tax laws are complex, and the consequences of getting them wrong (overpaying or, worse, incurring penalties) are costly.

## +12,000

The number of tax jurisdictions in the United States.

If you're a manufacturer operating in multiple regions, navigating all of these different sets of rules is overwhelming.

In a joint Manufacturers Alliance Foundation/Sovos survey, manufacturers highlighted their biggest challenges in trying to stay compliant with all applicable tax laws.

## Top Manufacturing Sales and Use Tax Challenges for Survey Respondents:

### Efficiency and overcoming complexity were top-of-mind challenges for manufacturing leaders:

Anticipating/preparing for more audits in the next 12 to 36 months

78%

Reducing manual effort in sales and use tax processes

67%

Building a more efficient tax compliance process

64%

Investing in additional sales and use tax technology

51%

Navigating tax complexity when implementing a new business

44%

Navigating tax complexity when adding new technology (e.g., migrating to a new ERP)

35%

## Technology: The Key to Overcoming Sales and Use Tax Challenges

Nearly two-thirds of survey respondents (67%) cited reducing manual effort to remain compliant with changing tax laws as a top priority, and planned to invest in technology to help.

The biggest benefits seen from sales and use tax software included:



32%

Reduced hours per employee dedicated to filing and remittance



28%

Saved costs



27%

Fewer audits without adjustment



25%

Higher percentage of accurate returns

## How to Choose the Right Sales and Use Tax Solution

The right sales and use tax software for manufacturing should include a few key features:



Integration with existing systems (including ERP and accounting software)



Automated tax filings across all jurisdictions



Visibility for tax data on every purchase without bogging down accounts payable



Accurate tax rate calculation including caps, thresholds, bracket taxing, tax holidays and more



Real-time exemption certificate management



Scalability and compatibility with growth, after initiatives like global expansion

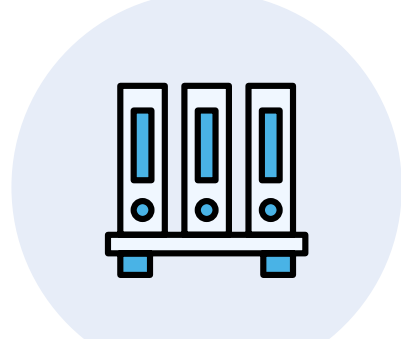
## Key Performance Indicators to Measure Success

Once implemented, how do you know your tax solution is doing its job? Manufacturers enjoying success with their tax solution tracked these KPIs:



42%

Number of audits without adjustments



39%

Percentage of on-time filings



36%

Percentage of accurate returns



22%

Audit penalties



**Need help getting started with your sales and use tax compliance? Sovos helps manufacturers handle sales and tax with ease.**

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### SOVOS

Sovos provides businesses with the confidence needed to navigate an increasingly regulated world. Offering a modern, IT driven response to compliance, Sovos' solutions are scalable, reliable and secure and provide a great user experience. Sovos has more than 100,000 customers, including half the Fortune 500, as well as businesses of every size operating in more than 70 countries. The company's cloud-based solutions integrate with a wide variety of business applications and government compliance processes.