VOLUNTARY COMPLIANCE BOARDGAME
Why are we here tonight...

**Vision**
To be an efficient organization that simplifies administrative processes and maximizes voluntary compliance with state tax laws.

**Goal 1**
To simplify voluntary compliance and to educate and assist taxpayers.
Why are we here tonight...

98,784
Is the number of Taxpayers that we have served since I began work in January 2011.

627
Is the number that attended our workshop to become voluntarily compliant.
Why are we here tonight...

.63%
response rate
Why are we here tonight...

Statement of Values
...Continuous Improvement

Goal 5
To utilize administrative and planning processes as well as innovative methods to provide continuous improvement.
Why are we here tonight...
LET THE GAME BEGIN HERE!

Please Take Good Notes!

START HERE

Congratulations On your first step!

Move 2 steps Forward...
Understand Business...

- Business Opportunity
- Customer Focus
- Cash Flow
- Feedback
- Business Growth

- Focus
- Growth Strategy
- Short Term
- Long-Term

- Leverage
- Compliance
- Legislation
- Exit Strategy
If you understand all of this, you will...
Honestly, you probably will have……

PLAN A  PLAN B  LOAN

TENSION  FAILURE  OTHER ISSUES

TEAM  TAKE ACTION  SUPPORT
COOL
Talk to someone who can help you…

U.S. Small Business Administration

SCORE
FOR THE LIFE OF YOUR BUSINESS

AMERICAS SBDC
TENNESSEE

COMMUNITIES Unlimited

BDC
Business Development Center

City of Memphis Office of Business Diversity & Compliance
When to register...

- Within 30 days of getting a Standard Business License ($10,000+)
- Before due date of first return
- No more than 3 months before opening
Where to register…

- Secretary of State for Corporate Charter (LP, LLC, and Corp)
- IRS for Federal Employee Identification Number (FEIN)
- TN Department of Revenue for State Tax Accounts
- City and County Clerks for Business Licenses
How to register…

Proprietorship, Marital Joint Partnership, & General Partnership

SSN is required

Major tax type liabilities include:

▪ Sales and Use Tax
▪ Business Tax
How to register...

Limited Partnership, Corporation, & Limited Liability Company (LLC)

FEIN is required

Major tax type liabilities include:

- Sales and Use Tax
- Business Tax
- Franchise and Excise Tax
After Registration…

- File all returns promptly
- Keep copies of all returns
- Maintain records
- Notify each agency when making changes
- Notify each licensing agency upon closure
- Keep up with any changes in tax laws
Electronic Filing...

Tennessee Taxpayer Access Point (TNTAP)

A free website with state-of-the-art functionality

- Access your account information 24 hours a day
- Save your return and finish later
- View correspondence
- Calculations done for you
- Maintain your tax account

Filing your taxes is now quicker, more efficient, and more streamlined!
Electronic Filing...

Tennessee Taxpayer Access Point (TNTAP)

Flexible – can change passwords, users, etc.

Returns and payments will be filed electronically

Payments can be warehoused

No charge for electronic filing
Electronic Filing…

Tennessee Taxpayer Access Point (TNTAP)

www.tn.gov/revenue/
Electronic Filing...
## Electronic Filing...

<table>
<thead>
<tr>
<th>Recent Periods</th>
<th>Requests, Notices, and Letters</th>
<th>Names and Addresses</th>
<th>Logons</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-Apr-2017</td>
<td>$0.00</td>
<td>Generated-Not Filed</td>
<td>File Return</td>
</tr>
<tr>
<td>31-Mar-2017</td>
<td>$11,091.00</td>
<td>Processed-On-time</td>
<td></td>
</tr>
<tr>
<td>29-Feb-2017</td>
<td>$11,304.87</td>
<td>Processed-Late</td>
<td>Make Payment</td>
</tr>
<tr>
<td>31-Jan-2017</td>
<td>$13,076.93</td>
<td>Processed-Late</td>
<td>Make Payment</td>
</tr>
<tr>
<td>31-Dec-2016</td>
<td>$16,152.28</td>
<td>Processed-Late</td>
<td>Make Payment</td>
</tr>
<tr>
<td>30-Nov-2016</td>
<td>$13,685.60</td>
<td>Processed-Late</td>
<td>Make Payment</td>
</tr>
<tr>
<td>31-Oct-2016</td>
<td>$16,239.31</td>
<td>Processed-Late</td>
<td>Make Payment</td>
</tr>
<tr>
<td>30-Sep-2016</td>
<td>$16,556.54</td>
<td>Processed-Late</td>
<td>Make Payment</td>
</tr>
<tr>
<td>31-Aug-2016</td>
<td>$3,758.46</td>
<td>Processed-Late</td>
<td>Make Payment</td>
</tr>
<tr>
<td>31-Jul-2016</td>
<td>$0.00</td>
<td>Processed-On-time</td>
<td></td>
</tr>
<tr>
<td>30-Jun-2016</td>
<td>$0.00</td>
<td>Processed-Late</td>
<td></td>
</tr>
<tr>
<td>31-May-2016</td>
<td>$0.00</td>
<td>Processed-Late</td>
<td></td>
</tr>
</tbody>
</table>
Electronic Filing...

General TNTAP How-to Videos

★ Creating a TNTAP logon
★ TNTAP: Filing a Sales Tax Return
★ TNTAP: Filing a Business Tax Return
Logging into TNTAP
What can I do on TNTAP?
Navigating in the TNTAP Home Screen
Navigating in Your TNTAP Account
TNTAP: Navigating in a Period
TNTAP: Managing Logons
TNTAP: Add Access to Another Account
TNTAP: Gaining Access as a Third Party
Using TNTAP as a Third Party
Know Your Taxes...
Know Your Taxes...
Know Your Taxes...

Sales and Use Tax

Overview

Generally, if you make retail sales, leases, or rentals in Tennessee of any goods, computer software, warranty contracts, or certain services and amusements, you should register for the sales tax. You, as the retailer, are liable for the tax, but you may collect it from your customers. The sales tax applies to the sales price, which includes the entire amount the customer must pay for the item purchased.

A person must also register to report and pay use tax on purchases of tangible personal property, computer software and specified digital products that they cause to be imported for use in Tennessee. The use tax applies to the purchase price of the imported item, which includes the entire amount the customer must pay for the item.
Know Your Taxes...

Business Tax

Overview

Generally, if you conduct business within any county and/or incorporated municipality in Tennessee, then you should register for and remit business tax. Business tax consists of two separate taxes: the state business tax and the city business tax.

With a few exceptions, all businesses that sell goods or services must pay the state business tax. This includes businesses with a physical location in the state as well as out-of-state businesses performing certain activities in the state. If you are an out-of-state business, you must pay the state business tax if you have substantial nexus (see the Tennessee Business Tax Guide) and you:

- sell a service that is delivered to a location in Tennessee,
- lease items in Tennessee,
- sell items that are shipped or delivered to a location in Tennessee, or
- make sales as a natural gas marketer to customers located in Tennessee through the presence of your property in Tennessee, through the holding of pipeline capacity on pipelines located in Tennessee, or by using someone located in Tennessee acting on your behalf.
Know Your Taxes...

Franchise & Excise Tax

Overview

If you are a corporation, limited partnership, limited liability company, or business trust chartered/organized in Tennessee or doing business in this state, then you must register for and pay franchise and excise taxes. The franchise tax is based on the greater of net worth or the book value of real or tangible personal property owned or used in Tennessee. The excise tax is based on net earnings or income for the tax year.
## Due Dates and Tax Rates

### Due Dates

Sales tax due dates depend on how frequently you file your return:

- **Monthly**: 20th day of the month following the end of the reporting period
- **Quarterly**: 20th day of the month following the end of the quarter (January 20, April 20, July 20, October 20)
- **Annually**: January 20

### Tax Rates

- **State Tax**: The sales tax rate on food is 4%. The general sales tax rate for most tangible personal property and taxable services is 7%. A few products and services, such as aviation fuel or telecommunication services, have different tax rates.

- **State Single Article Rates**: 2.75% on any single item sold in excess of $1,600 but not more than $3,200 - [see local tax on single articles](#)

- **Local Tax**: Set by the local government - [see local tax chart](#)
Due Dates and Tax Rates

Due Dates

Your business tax return is due on the 15th day of the fourth month following the end of your fiscal year. For example, if your fiscal year coincides with the calendar year, then your return will be due on April 15.

Tax Rates

The business tax rates vary, depending on your classification and whether you are a retailer or a wholesaler. However, every taxpayer must pay at least a minimum tax of $22.
Know When To File…

Due Dates and Tax Rates

Due Dates

- **Annual** - 15th day of the 4th month following the close of your books and records. For business with a 1/1-12/31 calendar year, this tax is due on April 15th of the following year.
- **Quarterly estimated payments** - 15th day of the fourth, sixth, and ninth months of the current tax year and the 15th day of the first month of the next succeeding tax year, if you have a combined tax liability of $5,000 or more in both the prior and current tax years.
- **Extension** - 6-month extension upon request

Tax Rates

- **Franchise tax** - 0.25% of the greater of net worth or real and tangible property in Tennessee. The minimum tax is $100.
- **Excise tax** - 6.5% of Tennessee taxable income
Make a Tax Calendar...

**FEDERAL**

**STATE**
https://www.tn.gov/revenue/events

Signup for RSS and Twitter feeds.
# Make a Tax Calendar...

<table>
<thead>
<tr>
<th>Tax Due</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sole Proprietor - No Sales Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Calendar</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year of 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Local</strong></td>
<td>None</td>
<td>None</td>
<td>1st - Personal Property Schedule Due</td>
<td>None</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>15th - 2017 Business Tax Due</td>
</tr>
<tr>
<td><strong>Federal</strong></td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>15th - 2017 Personal Income (1040) Tax Return Due</td>
</tr>
</tbody>
</table>
### Make a Tax Calendar...

**Sole Proprietor - With Monthly Sales Tax**

**Tax Calendar**

**Year of 2018**

<table>
<thead>
<tr>
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<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local</strong></td>
<td>None</td>
<td>None</td>
<td>15th - Personal Property Schedule Due</td>
<td>None</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>20th - December 2017 Sales Tax Return Due</td>
<td>20th - January 2018 Sales Tax Return Due</td>
<td>20th - February 2018 Sales Tax Return Due</td>
<td>15th - 2017 Business Tax Due</td>
</tr>
<tr>
<td><strong>Federal</strong></td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>15th - Personal (1040) Income Tax Return Due</td>
</tr>
</tbody>
</table>
Make a Tax Calendar...

<table>
<thead>
<tr>
<th>Muti-Member LLC/ S-Corp - With Monthly Sales Tax</th>
<th>Tax Calendar</th>
<th>Year of 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Due</td>
<td>Jan</td>
<td>Feb</td>
</tr>
<tr>
<td>Local</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>State</td>
<td>15th - Final 2017 Estimated F&amp;E Payment Due</td>
<td>20th - January 2018 Sales Tax Return Due</td>
</tr>
<tr>
<td>Federal</td>
<td>15th - Final 2017 Estimated 1040 Payment Due</td>
<td>None</td>
</tr>
</tbody>
</table>
# Make a Tax Calendar...

## C Corporation - With Monthly Sales Tax

**Tax Calendar**

**Year of 2018**

<table>
<thead>
<tr>
<th>Tax Due</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local</strong></td>
<td>None</td>
<td>None</td>
<td>1st - Personal Property Schedule Due</td>
<td>None</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>15th - Final 2017 Estimated Payment Due</td>
<td>20th - January 2018 Sales Tax Return Due</td>
<td>15th - 2017 Business Tax Due / 2017 Franchise/Excise Tax Due or Extension with $100 Minimum Payment / Estimated Payment for 1st Quarter 2018 Due if Last Year Tax &gt; $5k</td>
<td></td>
</tr>
<tr>
<td></td>
<td>20th - December 2017 Sales Tax Return Due</td>
<td>20th - February 2018 Sales Tax Return Due</td>
<td>20th - March 2018 Sales Tax Return Due</td>
<td></td>
</tr>
<tr>
<td><strong>Federal</strong></td>
<td>15th - Final 2017 Estimated 1120 Payment Due</td>
<td>None</td>
<td>None</td>
<td>15th - Federal (1120) / Personal (1040) Income Tax Return Due / 1st Quarter 2018 Estimated 1120 Payment Due</td>
</tr>
</tbody>
</table>
Make a Tax Calendar...

Wake Up Call
Knowledge
Understanding
Technical Skill
Don't Wait
Make a Tax Calendar...
MORE TO COME!

ALMOST THERE...
JUST A FEW MORE MILES!
The Nuts and Bolts of Compliance…

NOTIFICATIONS

PENALTY

ENFORCEMENT

FINAL DEMAND

LIEN
The Nuts and Bolts of Compliance...

- Bookkeeping
- Compliance
- Efficiency
- E-Learning
- Prioritize
The Nuts and Bolts of Compliance...

NO EXCUSES

RELIABILITY
The Nuts and Bolts of Compliance...
The Land of Noncompliance…

BUSY

RECORDS

TAX EVASION

PROHIBIT

LIMITATION
The Land of Noncompliance...

ENFORCEMENT  LIEN  SEIZE

BANK ACCOUNT  SALARY  FINANCIAL CONSTRAINTS
The Land of Noncompliance…

STAKEHOLDER   OBLIGATION   LIEN   SEIZE

BANK ACCOUNT   SALARY   FINANCIAL CONSTRAINTS
The Land of Noncompliance…

BANKRUPTCY

STATUTE OF LIMITATIONS
The Land of Noncompliance...
The Land of Noncompliance…

MONEY LAUNDERING

TAX EVASION

DECISION
The Land of Noncompliance…
The Land of Noncompliance…

TOXIC  OTHER ISSUES  LOSS

FAILURE  PAIN
The Land of Noncompliance…
The Land of Noncompliance…
The Land of Noncompliance…

- Risk v's Reward
- Cheating
- Gambling
- Fraud Detection
The Land of Noncompliance...

Former Memphis Business Owner Arrested on Tax Fraud and Theft Charges
Tuesday, May 22, 2018 | 02:00pm

MEMPHIS - The former owner of a Memphis tobacco store, Max Suh, is now facing tax fraud and theft charges. Suh, 45, was booked into the Shelby County Jail on May 21, 2018. Bond was set at $10,000. Suh is the former owner of Tobacco Max located at 6730 Winchester Road, Memphis, Tennessee. The Special Investigations Section of the Tennessee Department of Revenue conducted the investigation that led to these charges.

Shelby County Resident Charged with Tax Evasion
Friday, June 01, 2018 | 02:33pm

MEMPHIS - The Special Investigations Section of the Tennessee Department of Revenue conducted the investigation that led to the arrest of Richard Lee Rudd for tax evasion.
The Land of Noncompliance…
The Land of Noncompliance…
The Land of Noncompliance...
The Land of Noncompliance…
The Bliss of Voluntary Compliance...

- Business Loan
- Peace
- Stress Free
- Powerful
- Lifestyle
The Bliss of Voluntary Compliance…

GROWTH STRATEGY

TECHNOLOGY
The Bliss of Voluntary Compliance…

PRACTICAL

E-LEARNING
The Bliss of Voluntary Compliance…
The Bliss of Voluntary Compliance...
LET'S FINISH THIS UP!

ALMOST THERE... JUST A FEW MORE SLIDES!
Let’s Finish This…
1. Go to TDOR’s Website (www.tn.gov/revenue/)…
2. Educate Yourself…

2. Ask Questions – Get Answers…

https://revenue.support.tn.gov/hc/en-us
3. Get A Support Team...
4. If You Are In Business, Get Help...

- Crisis Intervention
- Conflict Resolution
- Crisis Management
5. If You Are In Business, Start E-Filing…

GROSS INCOME

POSITIVE MINDSET

XYZ Company

Balance Sheet
As at 30 June 2020

Current Assets:
Cash at bank: 30,000
Inventory: 200,000
Debtors: 75,000
Total current assets: 355,000
Non-Current Assets:
Buildings: 500,000
Plant & Equipment: 250,000
Vehicles: 120,000
Total non-current assets: 870,000
Total Assets: 1,275,000

Current Liabilities:
Creditors: 110,000
Tax Payable: 25,000
Total current liabilities: 135,000
Non-Current Liabilities:
Long term loans: 720,000
Total Liabilities: 850,000

Owner's Equity:
Capital: 100,000
Retained earnings: 250,000
Total owner's equity: 425,000

PROFIT AND LOSS
6. Get A Tax Professional That E-Files…
7. Remember...

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END OF THE ROAD...BUT ONE MORE SOMETHING LEFT

THANK YOU FOR ATTENDING

ADVANCE ONE
SPACE

IT’S BEEN GREAT

END HERE