Automate tax preparation, filing, and remittance with Avalara Returns

PRODUCT GUIDE

Avalara
Tax compliance done right

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Introduction

Avalara Returns helps businesses manage sales and use tax compliance and reduce audit risk by replacing manual processes that are prone to error with automation. The solution automates returns preparation, filing, remittance, and notice management for sales and use tax, excise tax, and industry-specific tax types. Avalara Returns frees up finance managers, controllers, and tax compliance teams to focus on revenue-generating tasks.

Avalara has solutions to fit every size of business, from small and medium-sized companies looking to outsource returns management to large businesses and enterprises that need a dedicated tax specialist to handle custom filing needs.

Automating tax return preparation, filing, and remittance can enable your company to reduce costs, operate more efficiently, and grow.

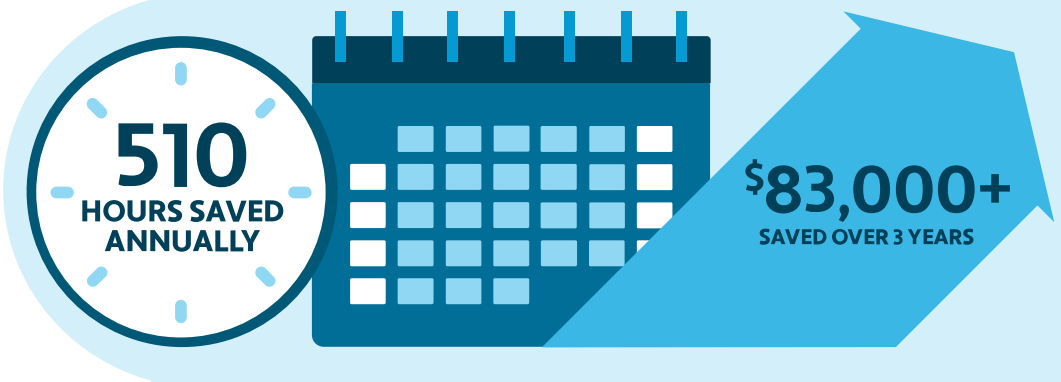
When selecting a tax return automation solution such as Avalara Returns, consider how it will help solve the following business challenges and benefit your company.

AVALARA SOLUTIONS SAVE TIME AND MONEY

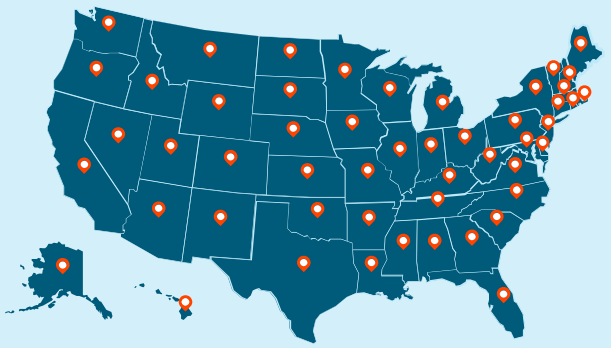
Avalara commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study that took a closer look at the return on investment (ROI) companies might expect by automating tax compliance with Avalara. Forrester interviewed Avalara customers to determine **the ROI** they received by using Avalara Managed Returns and other Avalara solutions.

Prior to implementing Avalara solutions, the businesses that were interviewed said their organizations were at risk of additional audits when it came time to file their taxes because of incorrect and missing forms. This risk, combined with the manual effort their teams needed to manage compliance, left them feeling frustrated and inefficient.

Forrester used information provided during the interviews to construct a composite global company and an aggregate financial analysis. The study found that implementing Avalara solutions can save businesses 510 hours annually on managing and filing tax returns, resulting in a three-year savings of over $83,000 for the composite organization.



Remit tax once for multiple jurisdictions



Businesses that sell into multiple states face substantial tax compliance challenges. Each state tax authority has its own website for filing returns and remitting sales and use tax.

Avalara Returns eliminates the hassle of remembering sign in credentials for multiple websites and signing in to each site separately.

Manage sales and use tax compliance for all states you sell into from a single platform that provides access to filing schedules and rules. Avalara Returns allows you to remit once for all jurisdictions.

Improve accuracy and reduce audit risk

Businesses that fail to get sales and use tax compliance right face the potential of costly and time-consuming audits – it's easy to understand why even the savviest business professionals may feel overwhelmed.

Avalara Returns mitigates audit risk with more accurate and timely sales and use tax return filing.

Detailed reporting tools are available to support audit requirements. For example, you can provide auditors with a report showing line-detail sales transactions or sales where the buyer provided an exemption certificate.

Use reports to reconcile to your general ledger and digitally store records for easy retrieval. Avalara Returns also helps you find and resolve discrepancies between your business application and Avalara AvaTax before we file your returns. If you receive a tax notice from a jurisdiction, upload the notice and our compliance team will reach out with the next best steps.

SUCCESS STORY

Founded in 2015, Duo provides user-centric two-factor authentication, endpoint remediation, and secure single sign-on tools.

Duo more than doubled revenue for four consecutive years and quadrupled its user base, but their steep growth curve had tax implications. The taxability of its products varies from state to state. The tax team had to research tax rules, rates, and filing requirements every time they registered in a new state.

By automating sales tax compliance with Avalara, the company saved roughly a half million dollars and is able to dedicate more time to high-priority activities like analysis.

"Filing returns, by itself, can bog a team down for most of a month," says a tax analyst at Duo.

The team also rests easy when it comes to the risk of audits.

"Avalara's reports are designed to satisfy an auditor's expectations. So when or if an audit comes, Avalara gives us much greater confidence in the outcome," says the tax analyst.

Read the full story

Grow your business and keep pace with evolving requirements

Businesses change. Investing in technology systems that are too rigid to keep up with a company's requirements can lead to business disruptions and substantial financial loss.

Avalara Returns scales to support your business as it grows and evolves. When your company creates nexus in new states, you can easily add tax jurisdictions where you are registered.

Avalara Returns also helps you stay compliant by alerting you to where you might need to collect and remit sales and use tax. Remote sales transactions show up on a map to help you determine where you could be getting close to economic nexus thresholds.

ELETTRIC80

SUCCESS STORY

Based in Viano, Italy, Elettric80 designs and builds robotic warehouse machinery, laser-driven forklifts, high-density storage systems, and the software to run it all. When the company opened a U.S. subsidiary in Skokie, Illinois, it grew quickly.

"It was getting difficult for us to keep up with the changes in sales tax," says Julie Meredith, former director of accounting and administration at Elettric80. "A few times we learned about a change in tax rates from a customer, or because our numbers were off when we filed a return. As you grow, mistakes like that become more expensive."

Since implementing Avalara, keeping up with changing tax rates is no longer a manual effort and noncompliance is no longer the risk it once was.

"Hands down, the most important thing is knowing that we're compliant. It helps me sleep better at night," says Julie.

Read the full story

Easily aggregate multichannel sales data

Avalara Returns saves time by automatically extracting and aggregating data across brick-and-mortar stores, websites, marketplaces, and other platforms where you sell your products. By pulling sales transaction information from multiple sources, the solution enables integrated sales and use tax return filing.

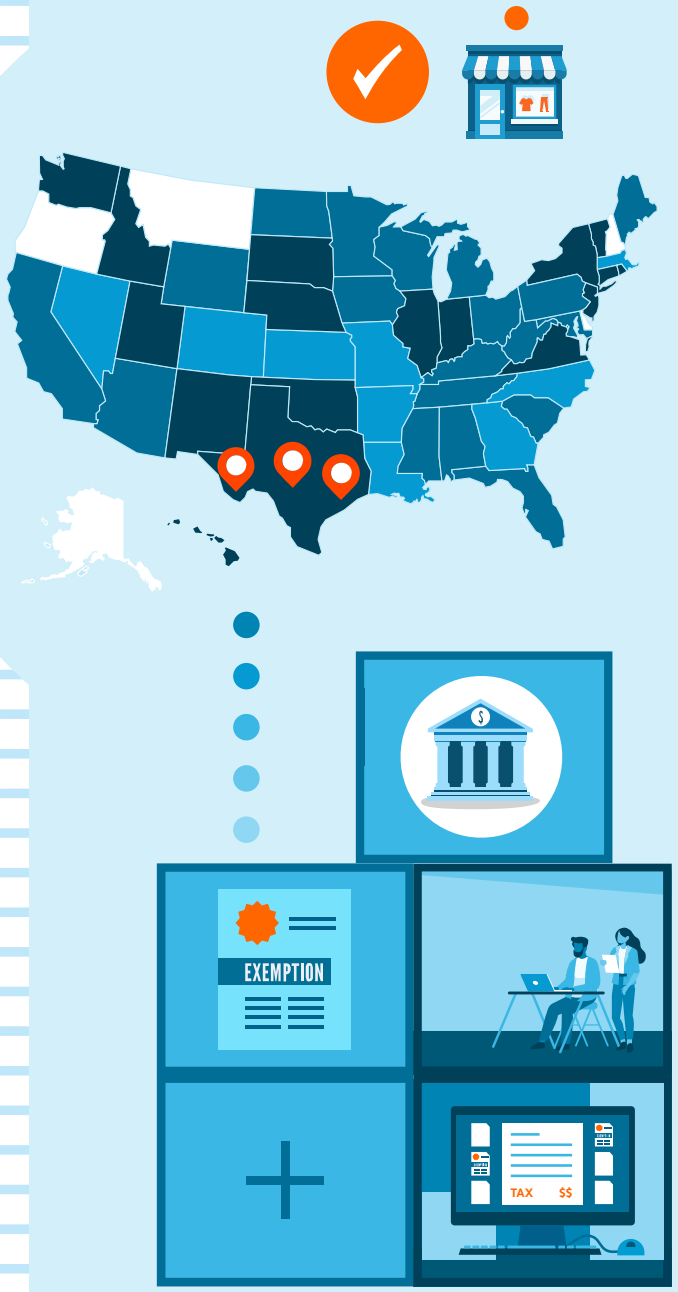
Marketplaces such as Amazon or Etsy may be required to collect and pay tax on your company's behalf. Some jurisdictions require you to report (but not pay) tax on all sales even if a marketplace has paid the tax for you.

Avalara AvaTax integrated with Avalara Returns allows you to view details about your marketplace sales and determine whether tax on a transaction needs to be paid when you file your return.

Comply with unique returns filing procedures

Keeping up with state filing procedures can be difficult. Jurisdictions have different forms, processes, and deadlines. Some states require you to report sales separately for each location where you sell. So if you have three stores in a state, you must file three separate returns. Plus, you'd file a fourth return to cover sales you made outside of those locations such as products you ship directly to customers. Other states allow you to file one consolidated return that reports sales at all your business locations.

Avalara Returns handles these scenarios. Avalara Managed Returns Premium supports an expanded list of nonstandard returns and is ideal for businesses with complex filing requirements.



Support efficient use of business resources for managing tax compliance

Trying to keep up with tax obligations often competes with other business priorities. As your business grows and expands into new markets or jurisdictions, tax compliance becomes more difficult and time-consuming. The burden is greater if you're still calculating tax manually. Compiling information to send to a CPA can take days.

Avalara Returns allows your business to allocate human resources to where they're most needed – performing strategic and high-value activities.

By addressing tax compliance with technology, your company can reduce overhead, improve margins, operate more efficiently, and ultimately gain a competitive advantage. With Avalara Managed Returns Premium, large businesses and enterprises receive a dedicated preparer who handles custom reporting needs.

MERLE NORMAN cosmetics

SUCCESS STORY

For more than 90 years, Merle Norman Cosmetics has provided beauty and self-care essentials. The company has more than 850 studios throughout the U.S. and Canada, each independently owned and operated.

Until 2017, Merle Norman Cosmetics ran its business on a 40-year-old IBM mainframe computer. "The sales and use tax requirements for the business were fairly small, which was a good thing, since our tools were a mainframe, pens, paper, and Excel," says Michael Cassidy, the company's chief operating officer and chief financial officer.

That all changed when Merle Norman Cosmetics launched its ecommerce site in 2019. The site became the company's lifeline at the beginning of the COVID-19 pandemic. At the same time, sales and use tax compliance became much more complex.

"The compliance requirements are pretty onerous. There's no way we could manage that in-house. Thankfully, we already had Avalara in place," says Michael.

Michael marvels at how much time the company saves with automation, especially with Avalara Returns.

"Compliance is non-negotiable, but there's not enough time in the day unless you want to build out a tax team. Most accounting departments are trying to do more with less, and Avalara enables us to spend our time working on business issues," says Michael.

Read the full story

Streamline end-to-end tax compliance

Avalara Returns seamlessly integrates with **Avalara AvaTax** and **Avalara Exemption Certificate Management** (ECM) to provide a complete tax compliance suite to calculate tax rates, prepare returns, and manage documents.

Using Avalara Returns with Avalara AvaTax leverages sales and use tax calculation data to automate filing, and using ECM with these solutions enhances accuracy by applying exemption certificates to tax-exempt sales.

With **Avalara AvaTax for Accounts Payable**, apply the use tax you owe on your returns automatically to avoid fines and fees for underpaying. The solution calculates use tax with annotations on overpayments for credit tracking and refunds.

Manage global VAT reporting from a centralized platform

Each country has its own filing processes which makes staying compliant when selling internationally more challenging.

Avalara VAT Reporting helps you stay compliant with U.K. and EU rules in 49 countries.

The solution reports VAT to tax authorities and checks transactions for errors, then files your VAT returns. Along with other solutions in the Avalara Cross-Border suite, Avalara VAT Reporting increases accuracy, improves efficiency, and reduces manual processes through automation.

Comply with tax obligations for specific industries

When it comes to tax compliance, one size doesn't fit all. Industries such as lodging and hospitality, beverage alcohol, communications, energy, and tobacco and vape face a long list of regulatory requirements and unique tax compliance challenges.

Avalara offers solutions designed to meet the needs of your industry. Choose a comprehensive product suite for end-to-end compliance or start with Avalara Returns and scale up later.

COMMUNICATIONS

Avalara for Communications is designed specifically for the complexities of tax compliance for the communications industry. To accommodate the ever-changing needs of the industry, the Avalara for Communications suite of products has evolved to support more than traditional telecommunications companies and expand across multiple segments. This solution handles the preparation and filing of communications tax and sales and use tax returns. Avalara monitors tax and form changes and helps minimize out-of-cycle activities with notice management and backfiling support.

LODGING AND HOSPITALITY

Avalara offers distinct products to serve the needs of the lodging and hospitality industry.

Avalara MyLodgeTax Pro simplifies the management of short-term rental tax compliance for property managers, property management companies, and online travel agencies. The solution manages end-to-end occupancy and sales and use tax returns, remittance, and payments for required jurisdictions. MyLodgeTax Pro automates lodging tax returns based on your monthly transaction data, whether you have one location or thousands.

Avalara for Hospitality was designed to simplify hospitality tax compliance by efficiently navigating regulatory requirements while helping reduce risks. The suite of products manages the end-to-end tax returns and remittance process. Get help with out-of-cycle activities, including notice management and backfiling. Businesses are able to focus on guest experience and customer support.

BEVERAGE ALCOHOL

Avalara for Beverage Alcohol simplifies the ever-changing license, product registration, and tax compliance requirements for wineries, breweries, distilleries, importers, alcohol retailers, alcohol marketplaces, and alcohol delivery apps. Manage end-to-end tax filing and the remittance process. Create returns for direct-to-consumer sales, including sales and use tax, state and local excise tax, markup tax, liquor-by-the-drink tax, and shipment reports.

ENERGY

Avalara for Energy helps companies solve energy excise tax compliance challenges. Designed for the largest oil, gas, or chemical companies to the smallest fuel distributors, energy traders, and mobile refuelers, the solution automates returns across the United States and Canada. Extract sales data from multiple business systems to generate more accurate returns and create returns ready to e-file or sign.

TOBACCO AND VAPE

Avalara for Tobacco and Vape helps businesses save time and money while navigating excise tax, sales tax, business licensing, and PACT Act requirements. Companies are able to offload the burden of returns across the United States and Canada. Extract sales data from multiple business systems to generate more accurate, signature-ready returns. Compile transaction data across many systems and channels for a more complete picture of your tax liability.

Achieve more with Avalara Returns

From complying with state-specific sales tax rules to driving efficiency to growing your company, **Avalara Returns** helps your business meet significant challenges and position itself for success.

Let Avalara be your guiding partner in this journey. Connect with your Avalara representative to explore the solutions that can help produce the return on investment your business could experience from choosing Avalara.

Connect now

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.

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.