



[← Home](#) [← Insights](#) [← Tax](#)

CASE STUDY

April 10, 2023

BDO Sales & Use Tax Client Successes

No matter the industry or geographic area, BDO state & local tax professionals are ready to assist you in recovering overpaid sales and use tax.

Healthcare

A multistate healthcare system consisting of hospitals, ambulatory care centers, physician practices and other health services approached BDO about ongoing sales tax overpayments to vendors that did not have the correct exemption certificates. The healthcare system was a merger of several different systems and had centralized most of the financial and purchasing functions.

We provided two simultaneous services:

- ▶ Contacted all vendors that had incorrectly charged tax and worked with them to cease future tax charges while obtaining a refund of the overpaid tax.
- ▶ Consulted on modifications to the health system's purchasing and accounts payable

function, including a revision of its standard purchase order, in order to mitigate future exemption issues.

Within one year, the health system had received over \$3.8 million in refunds or credits while resolving another outstanding \$1.4 million in overpayments. Future tax overpayments were also prevented.

Manufacturing - Automotive Supplier

A large auto parts supplier with manufacturing facilities across the country hired us to review one Tennessee plant. In reviewing the capital assets and expense purchases, opportunities were identified and recovered resulting in savings of \$3,500,000. Due to the client service, recovery and process improvements identified for the Tennessee plant, the auto supplier requested that BDO expand its scope to a national state sales and use tax review.

Manufacturing - Plastic Packaging

A manufacturer of plastic packaging products has manufacturing facilities across the country. We were engaged to perform a national state sales and use tax review for the manufacturing process. Opportunities were identified and recovered relating to erroneous overpayments on utilities, expenses and capital procurement for savings of \$8,000,000.

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