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# Turn a Sales and Use Tax Assessment into a Refund of Overpayments

STATE AND LOCAL TAX  
BY

Has the Pennsylvania Department of Revenue notified you of a pending sales and use tax audit? Have you ever received an assessment from the Bureau of Audits? If you've been contacted or previously audited, you need to understand that an audit also represents an opportunity.

In 2003, the Supreme Court of Pennsylvania ruled that when the Department audits a taxpayer, it is their "responsibility to determine the 'proper amount' of tax due ... which includes uncovering both underpayments and overpayments." In practice, auditors may bring obvious overpayments to your attention, but since their job involves generating revenue for the Commonwealth, taxpayers need to take the initiative to identify and document overpayments for the auditor.

The auditor is required to provide you with an opportunity to present third-party credits (or sales tax overpayments). An audit is an excellent time for a review of your records to determine if sales and use tax overpayments exist. Documented overpayments presented during the audit reduce the tax assessment as well as penalty and interest imposed by the Department as a result of the assessment. The \$5, \$50 or \$500,000 in overpayments can greatly reduce the penalty and interest assessments resulting from an audit.

Schneider Downs has the experience and expertise to assist your business with a review of your sales and use tax records for overpayments. We have a history of helping our clients document overpayments to offset assessments or obtain refunds through appeals. Taxpayers have up to six months from the date of assessment to file a petition for refund for the audit period. The fee for our services is typically success-based, resulting in no out-of-pocket costs for you. [If you're interested in learning how we can help you with your sales and use taxes, contact us.](#) For other services that we offer, visit our [State and Local Tax webpage](#).

## You've heard our thoughts... We'd like to hear yours

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