



# LBMC CLIENT SUCCESS STORY

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*– Bill Fowler, Director of Tax at America Service Group, Inc.*

## Outsource sales tax compliance or keep it in house?

### Challenge: Monthly sales/use tax reporting in dozens of states

Bill Fowler wanted better. He had been appointed Director of Tax at America Service Group not long before, and was getting too many notices from state sales tax departments about late filings and other tax issues. The company, which provides health care to inmates, serves jails and prisons in more than 30 states, each with its own complex set of rules on sales and use taxes. The company is required to file between 40-50 State and Local Sales tax returns a month.

Fowler knew he had two options to get his tax reporting running smoother: Hire a full-time state and local tax staff or outsource the work.

### Solution: 'Seamless' improvements

His answer after a cost-benefit analysis?

"It was a win-win solution," Fowler says. In 2005 he started using LBMC, Tennessee's largest regional professional services company. "LBMC was far less expensive than what we could do," he says. To keep the function in house, "you require a full-time staff person, and you also have to look at the tax software that you have to acquire."

LBMC worked closely with the company to reorganize its procedures, setting up a matrix showing what was taxable in each state. "They went into every single item that we purchase -- and you know in the medical field that can be quite extensive -- and said, 'alright this is taxable; this is not taxable. And here are the state codes to back that up.'"

Fowler was pleased with the system LBMC professionals helped set up, and also with the way they went about it. "It was very seamless," he says.

"At the time we were not one of LBMC's largest clients, but they treated us like we were important. They're very easy to access. They will always return your phone calls promptly."

### Results: Savings with better service

Fowler sums up the benefits for America Service Group this way: "Less expensive. Greater service." He estimates that by using LBMC the company saves \$40,000 a year over what it would have cost to hire a full-time person and buy the software. "They mail out the returns, do the payments. They're handling everything and just sending us copies and we save \$40,000," Fowler says. What's more, problem notices are down significantly. And if there is an audit, Fowler says, "you instantly have a very qualified team of individuals that can assist you in any audit that would come down the pike."

"I couldn't be more happy with the way they did things and where we're at right now."



### The Client

America Service Group is the leading provider of health care to inmates in the nation's prisons and jails and is the only such company that is publicly traded. ASG, headquartered in Brentwood, Tennessee, operates in more than 30 states.

### The Solution

Lattimore Black Morgan & Cain, PC (LBMC) has over 400 employees in three offices across Tennessee. The firm has a dedicated state and local tax department that assists clients nationwide with sales and use tax reporting. For more information, call Mark Loftis at (615) 309-2321 or email [mloftis@lbmc.com](mailto:mloftis@lbmc.com).



Nashville  
(615) 377-4600

Knoxville  
(865) 691-9000

Chattanooga  
(423) 756-6585