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Keeping your clients out of sales tax trouble and in compliance are very important, of course, but if clients slip up without your knowledge and run late on tax payments, one thing they may never see coming is a seizure of property.

This is an issue that's always on my radar – and it should be on your radar, too. I know that in my home state of Colorado, where budgets are tight and more than 11,000 eating and drinking establishments exist, state and local tax (SALT) authorities actively troll for potentially risky tax practices, particularly around sales and wages taxes. This is lost revenue a state would love to recover!

Imagine an employee coming to work with a sign posted on the door that the business was shut down. Will the employee be paid back wages? What about the future?

Something as drastic as a seizure could very well happen to your clients. Seizures are more common than you might think, particularly when businesses and restaurateurs don't come clean on their own. Here are four notable news reports:

1. A-Town Pizza, a two-store chain, **shut down** for nonpayment of sales and occupational privilege taxes.
2. Longmont's Jacks café **seized for nonpayment** of sales taxes.
3. Miller Tire in South Fallsburg, N.Y., was **seized** for more than \$30,000 in delinquent taxes.
4. Mii's Bridal & Tuxedo in Dallas, Texas, **seized and inventory liquidated** to partially offset \$31,000 in alleged tax debt.

Help Your Clients Clean up Their SALT Act

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your clients' businesses are at risk, but you should be doing everything you can to keep them from that risk in the future.

One thing you can do is conduct regular check-ups on their filing status and payments. Know that the taxing authorities are more willing to work something out when a business admits that it fell behind.

Some negotiations may be more intense – and you may need to have your client settle its delinquent taxes through a Voluntary Disclosure Agreement. Either way, as the trusted advisor, you *must* take control of your clients' situations and help them determine workable solutions.

We don't live in a perfect world and I know that some clients will try and hide what's really going on. That's unavoidable, but if you're proactive with your current clients, you can try and mitigate any possible negative outcome.

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