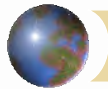


## SWAG and Determining Tax Situs: A New Way to Achieve Accuracy

A Situs Methodology by Proxix  
[www.Proxix.com](http://www.Proxix.com)



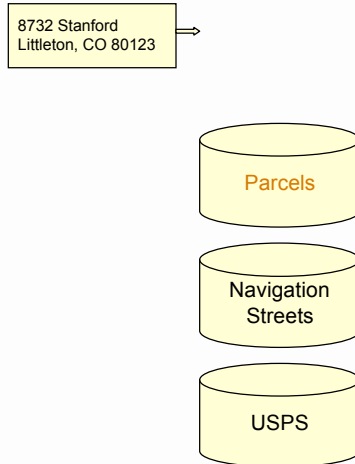
### *Objectives*

- ❖ Easy / accurate access to tax rates for (SSTP)
- ❖ Reapportion revenue for local funds and projects
- ❖ Identify out of compliance conditions by geography
  - Business locations failing to file
  - Incorrect or missing transactions at the local level
- ❖ Verify location of Real and Personal Property





## Situsing Process Data Sources



## Issues

- ❖ Postal addresses are used to locate (situs) taxable transactions and assets
- ❖ No relation between postal and jurisdiction, results in SWAG conditions
- ❖ Is it in the jurisdiction?
  - City, State, ZIP                      General area
  - Rooftop Interpolation              Range
  - Point                                      Right answer





## Class Action, Negative Publicity & Penalty Costs

- ❖ *P. J.'s Concrete Pumping Service, Inc. v. Nextel West Corp*
  - ❖ **Issue:** Nextel billed local **taxes based on zip code** and incorrectly billed city utility and gross receipts tax to some customers outside the city limits.  
Result: **Pending plus legal and administrative expenses**
- ❖ *Allen v. AT&T*
  - ❖ **Issue:** AT&T, improperly charged the 3.25% Muskogee city sales tax despite the fact they lived **outside the city limits** of Muskogee.  
Result: **\$5,000,000 in refunds plus legal and administrative fees.**
- ❖ *Qwest tax error believed to be more widespread'*  
The Spokesman-Review
  - ❖ Issue: Qwest charged all its customers the 0.6 percent sales tax for the "public transportation benefit area" that supports the Spokane Transit Authority even though much of the county is **outside the transit district.**  
Result: **\$43,000 in refunds plus legal and administrative expenses.**



## Negative Publicity & Penalty Costs

- ❖ **State's high court rules Dinuba may sue county \$325,000 clerical error shorted city, agency of funds**
  - The California Supreme Court on Thursday ruled that the city of Dinuba may sue Tulare County over a six-figure property-tax mistake.
  - The court ruled that if a county mistakenly fails to pay local agencies for their share of property tax, it can be required to come up with the money.
  - The city of Dinuba and the Dinuba Redevelopment Agency say \$325,000 was lost when, because of a clerical error, **the county failed to assign the right tax-rate codes**

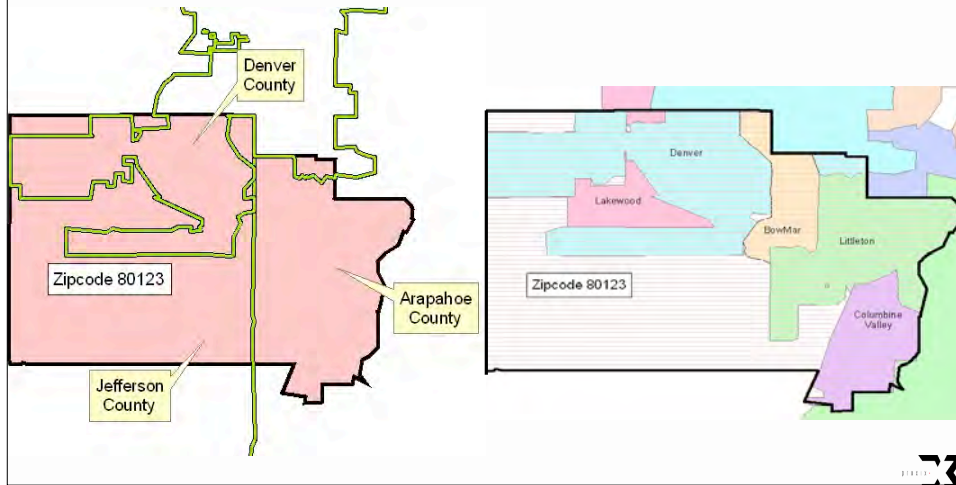




## ZIP 80123 Crosses County/City Boundaries

Denver, Jefferson, Arapahoe

Denver, Lakewood, BowMar, Littleton and Columbine Valley



## ZIP+4 Limitations

- 📁 A leading tax rate software company states "ZIP+4 methodology has an inaccuracy rate of 10-30%."
- 📁 330,000 are multi-jurisdiction
- 📁 Not available in over 7% of municipalities
- 📁 > 300,000 boundary changes monthly
- 📁 Customer's frequently don't know
- 📁 Legacy applications won't support
- 📁 Most address files contain ONLY ZIP, NO +4





## Match Address to Boundaries

- ❖ 2130 S Maine  
Houston, TX 77032

### More Information Required

- ❖ Aldine Community Improvement District General Description
  - The district is partially located within the Houston MTA, which has a transit sales and use tax, but the district does not include any area within the City of Houston. **ZIP Codes 77032, 77039, 77093, and 77396 are partially located within the District.**
- ❖ Actual Legal Definition
  - Being 14.79 square miles, more or less, beginning at the northeast corner of Aldine Mail Road and the Hardy Toll Road
  - Thence north along the east right-of-way line of Hardy Toll Road a distance of approximately two (2) miles to the north right-of-way line of State Highway 525
  - Plus 24 more terms
  - 3 exceptions



## Automotive Navigation Geography

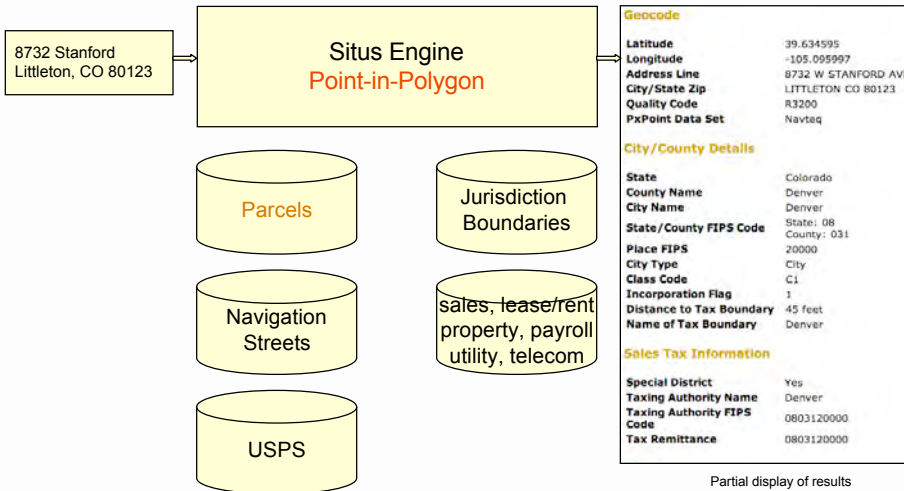
- ❖ Adds physical locations that don't get mail delivery
- ❖ Addresses behind in-car GPS - NAVTEQ
- ❖ 900 people driving the streets to verify
- ❖ Latitude / longitude streets center line







## Situsing Process



## Site-US Tax Output

**Sales & Use Tax Results**

Address 8732 W STANFORD AVE  
LITTLETON CO 80123

Latitude/Longitude 39.634595 / -105.095997

**Geocode**

Latitude	39.634595
Longitude	-105.095997
Address Line	8732 W STANFORD AVE
City/State Zip	LITTLETON CO 80123
Quality Code	R3200
PxPoint Data Set	Navteq

**City/County Details**

State	Colorado
County Name	Denver
City Name	Denver
State/County FIPS Code	State: 08 County: 031
Place FIPS	20000
City Type	City
Class Code	C1
Incorporation Flag	1
Distance to Tax Boundary	45 feet
Name of Tax Boundary	Denver

**Sales Tax Information**

Special District	Yes
Taxing Authority Name	Denver
Taxing Authority FIPS Code	0803120000
Tax Remittance	0803120000

**Special Tax Districts**


Special Tax District ID	080SD03102
Special Tax District Type	Stadium & Sports Facilities
Special Tax District Name	Metro Football Stadium District (FD)
Sales Tax	Yes
Telecom Tax	Yes
Cable Tax	No
Utility Tax	Yes
Special Tax District ID	08TRD03101
Special Tax District Type	Transit-Regional
Special Tax District Name	RTD Greater Denver
Sales Tax	Yes
Telecom Tax	Yes
Cable Tax	No
Utility Tax	Yes
Special Tax District ID	08DSC03101
Special Tax District Type	Scientific & Cultural Facil
Special Tax District Name	Scientific & Cultural Fac.(CD)
Sales Tax	Yes
Telecom Tax	Yes
Cable Tax	No
Utility Tax	Yes



**Colorado Sales Tax Rate Finder** Online Sales Tax Rate Finder Service

Powered by Prolix Solutions, Inc.

Home   Lookup Taxes   My Balance   My Account   Help   Contact Us   Logout



ENTERPRISE LOCATION SOFTWARE & SERVICES

.....  
Login to lookup all the required taxes for a Colorado address

### Welcome to the Colorado Sales Tax Rate Finder

Login or Register

Whether you need rates for multiple business locations or need to find the liabilities for various industries, this fast, affordable online service provides accurate tax jurisdictions, rates, and liabilities for any Colorado address. [View example.](#)

**New Users**

Registration is easy. Enter some brief information and use a major credit card to purchase 20 or 100 tax lookups at [low-cost](#). Tax lookups are valid for 30 days after purchase. Or, call 866.781.2662, extension 304 to order one of our subscription pricing options. [Register now.](#)


**Registered Users**

Login to begin your tax lookups.

E-mail Address


Password

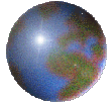
[Login](#)



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## Questions

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630-852-2032