

## **CBM Success Story**

### **How CBM Saved Money for a Client Following a New York State Audit**

*CBM worked with a client facing a tax liability to defend the firm's position on the convenience of the employer test from the originally filed tax return.*

#### **Situation**

The client had a corporate office at his employer's headquarters in New York City and a home office in Connecticut. His employment contract required him to be in the NYC office at least part of the time.

Partway through his employment contract, he was relieved from the position that required him to perform his duties at the New York City office. Shortly after filing his taxes, the client received a notice about a three year New York State audit.



## Action Taken

After providing all the necessary documentation including details about non-residency, CBM also proved that the client's home office was for the convenience of the employer (a typically hard case to make). CBM further convinced the auditor that responses to a test about home nexus which might have led to failure did not, in fact, detract from this as a case of convenience for the employer.

## Outcome



The auditor conceded to CBM's position on the return: the vague portion of the client's employment contact had physical nexus in the client's home state (CT).



A no-change audit opinion was issued and the client thus saved a significant amount in state income taxes.



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