

# South Florida Business Journal

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## Professional Services

# Inside the List: Marcum's John Bonk on tax filing options for exposed firms



By [Eman Elshahawy](#) – Data Reporter, South Florida Business Journal  
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With sales tax challenges on the rise, accountants are urging companies to disclose liability before it's too late.

Accelerated by the Covid-19 pandemic, these hurdles are be[ing] created by taxability of services and sourcing of sales to states, said [John Bonk](#), Marcum LLP's national state and local tax practice leader.

“These issues commonly surface years too late, either during a state tax analysis or a due diligence review, and significant exposure exists,” said Bonk, who's based in the firm's West Palm Beach office.

This exposure is particularly troublesome for small businesses that often rely on programs such as the U.S. Small Business Administration's popular 7(a) loan, which requires that companies have no pending debts or liens.

Companies in South Florida not only have to consider the sales tax for transactions nationwide, but also within the state.

While the Florida sales tax sits at 6%, local taxes vary. There is an additional 1% sales tax in each of South Florida's three counties. Other counties, such as Hillsborough and Orange, have a 1.5% local sales tax – which Bonk said can make a difference in deducting from your gross revenue when you file.

“The numbers add up really quickly,” he said. “For sales tax, you’re taking somewhere between 7% and 10% of your gross sales – and that can be a huge number.”

He said firms can address potential exposure through voluntary disclosure before a state closes off this option.

Voluntary disclosures can be filed under the condition that a company is not currently filing a tax return and has not been contacted by the state, indicating exposure.

Bonk noted one of the advantages of this process is that it limits the exposure to three to four years. So if a company had 10 years of exposure, essentially five to six years of that is omitted and no longer under liability.

In addition, he said every state will also waive related penalties, which average 20%.

“The only way for companies to get rid of that past exposure correctly is either to file a back [tax] return, which will include penalties, or file a voluntary disclosure and get the slate cleaned,” Bonk said.