

# Middle Market Healthcare Diagnostic Testing Services Company, Mako Medical

## OVERVIEW

This case study showcases how a strategic blend of tax research, innovative funding methods, and thorough audits can yield substantial financial benefits for businesses, effectively turning a cost center into a revenue generator.

## PROBLEM

A company sought assistance in identifying potential tax savings opportunities related to specific categories of their annual spend, particularly on lab supplies. They had heard about state exemptions for diagnostic and lab supplies and wanted to explore if there were any overlaps with the states where they operated.

## SOLUTION

To address the client's needs, a comprehensive solution was devised.

### In-Depth Research

- This involved thoroughly understanding the nature and types of supplies in question and conducting extensive taxability research in all relevant states where the company conducted procurement and utilized these supplies.

### Reduced Risk:

- Recommending a reverse audit (refund review) on specific categories of the client's headquarter-type spending.
- Executing the refund review on a contingent fee basis, ensuring zero financial risk to the client. Compensation would only be received when the client successfully secured refunds.

## RESULTS

The client embraced this approach, and Clarus, the consulting firm, simultaneously initiated both the refund review and the taxability research related to lab supplies. The outcomes achieved were remarkable:

Successfully identified and secured **over \$130,000 in sales and use tax refunds** for the client.

Even after deducting the contingent fee from the refund amount, the client was left with a **substantial net gain, which more than covered the costs of the initial research they had requested.**

## TESTIMONIAL

"Brian and his team at Clarus Partners found significant value for our company. Their refund review process was very straightforward and unintrusive. They even continued to follow up with the vendors to ensure they had what they needed to allow them to issue our refunds. We couldn't be happier with their tax expertise and service."

James Starling | Controller, Mako Medical



CONTACT US TO SEE WHAT CLARUS PARTNERS CAN DO FOR YOU

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