CHALLENGE:
NewLink had historically relied on the Big 4 to assist with their tax reporting needs. Fundamentally, their compliance and provision processes were being performed in a straightforward manner each year. With significant NOLs and main operations in a single state, there were limited opportunities for tax savings in years when NewLink was a cash taxpayer. However, when faced with several challenges, they realized they needed a tax team with no independence issues who had the tax technical and technology-focused know-how of operational tax reporting who could support their tax processes.

SOLUTION:
The key to identifying NewLink's opportunity for tax savings was hiring tax experts that included director-level specialists on the front line asking the right questions, listening to answers, and taking a fresh look at NewLink's filings and liabilities in real-time. By taking a deeper dive into their state taxes, GTM reviewed the Company's state filing posture, including nexus-creating activities and receipts sourcing methodologies. Based on GTM's knowledge of the industry, knowledge of the company, and state expertise, GTM identified opportunities and exposures leading to substantial tax savings and exposure mitigation. GTM's analysis exceeded expectations by taking a holistic view across the provision AND compliance processes. This led to GTM providing position options which mitigated exposures and the discovery of other opportunities along the way.

RESULTS:
Saved 99% of State Cash Taxes in State “X”: During the provision review process, GTM identified an opportunity to source receipts differently, creating a solid position to amend income tax returns and ultimately request a 99% refund of the taxes paid in State “X”. State “X” reviewed the refund request and had questions which GTM addressed with the help of NewLink's legal counsel. The State responded in less than one year from filing with an acceptance of the revised sourcing, resulting in a gross savings of approximately $7M.

100% trust in outsourced tax team: NewLink initially engaged GTM to secure specialized tax reporting expertise and improve the efficiency of their internal accounting department while mitigating risk. GTM exceeded these expectations -- offering innovative ideas for the betterment of NewLink's tax continuum. NewLink now relies on the GTM team year-round to serve as their tax function, handling tax issues beyond provision and compliance. This gives NewLink the ability to focus on other operational areas for improvement.

VALUE DELIVERED

99% state tax cash savings
$7M net cash back
100% trust in GTM tax team
Time to focus on operational improvement
Amendment of returns and legal response to State “X” yielded over $7M tax refund
Having GTM serve as year-round tax function gave NewLink time to focus on other areas for operational improvement

New sourcing methodology of receipts uncovered 99% state tax savings in State “X”
Execution of new ideas and proven performance of GTM team grew NewLink’s trust to outsource 100%

~ Carl Langren
CFO, NewLink