



Epicor Success Story

Regency Lighting

Regency Lighting simplifies and improves its tax compliance

Company Facts

- ▶ Location: Chatsworth, California
- ▶ Industry: Electrical
- ▶ Number of Employees: 335
- ▶ Web site: www.regencylighting.com



Success Highlights

Challenges

- ▶ Implement sales tax automation integrated with the ERP system at an industry-leading West Coast electrical distributor, without resorting to customization.

Solution

- ▶ Epicor® Prophet 21® with Epicor Tax Connect

Benefits

- ▶ System prepares jurisdiction-specific tax documentation in 46 states
- ▶ Improved accuracy of taxed versus non-taxed items
- ▶ Protects company from liability in the event of an audit

For the past several years, Regency Lighting has been ranked among the top 200 electrical wholesalers in the U.S. by Electrical Wholesaling magazine. The Chatsworth, Calif.-based distributor has 335 employees in eight locations nationwide, and \$130 million in annual revenues. Regency Lighting celebrated its 30th year in business in 2012.

The company began looking for an updated enterprise resource planning (ERP) solution several years ago, and went live on Epicor Prophet 21 in January 2008. They then added Epicor Tax Connect, powered by Avalara Inc.'s AvaTax™ sales tax automation technology, in August 2013.

A complex tax environment

According to Lianne Martel, Director of Business Systems at Regency Lighting, "For our purposes, we needed something beyond the standard taxation functions of Epicor Prophet 21, as we are a national company encountering tax jurisdictions in nearly every state. We deal in tangible products as well as service-oriented items such as recycling and labor. It is very complex to get it all taxed appropriately. We kept looking for a tax automation system to integrate with Prophet 21 that would not require customization."

In 2012, Avalara Inc., a leading provider of cloud-based software that delivers a broad array of compliance solutions related to sales tax and other transactional taxes, made its technology available to Prophet 21 as Epicor



Tax Connect, and Regency Lighting became a beta site for the integration. Says Martel, “We knew that Avalara had integrated with other Epicor products before. We especially liked the granularity of the Tax Connect technology and how it can map taxation in a very precise geographical layout, literally ‘rooftop to rooftop.’” In other words, at a large customer facility with multiple buildings, the tax jurisdictions could be distinguished by building, even beyond the street address.

Martel notes, “With the threat of additional audits in the current regulatory climate, we were very aware of our increased liability as a company in addressing these very convoluted tax jurisdictions. The timing was right for Epicor Tax Connect...As a beta site, we conducted lots of testing up front, working hand-in-hand with Development and Product Management at Epicor.”

Results

Implementing Epicor Tax Connect has considerably simplified sales tax compliance at Regency Lighting. “On the whole, it has been working well,” states Martel. “Now we don’t have

to maintain the paperwork, tax rate percentages, dates of applicability, reporting and filing for every jurisdiction into which we sell. Moreover, Tax Connect prepares our tax documentation in 46 states. We can input our customers’ specific tax information in the system, and be proactive regarding expirations.”

Martel adds, “We have definitely improved the accuracy of our taxed versus non-taxed items. The level of complexity in the tax laws we’re dealing with is just incredible. For example, labor is either not taxed, partially taxed, or taxed entirely the same as physical product, depending on the type of labor and the taxing jurisdiction where the work is completed. Additionally, freight taxation can be the same thing, and these laws are always changing.”

She concludes, “We consider the integration a success. The callout [data exchange] from Epicor Tax Connect to Prophet 21 is good—there is no drag on system performance. Everything is done in real time, so we get timely, accurate information.”

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers’ unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, [connect with Epicor](#) or visit www.epicor.com.



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