

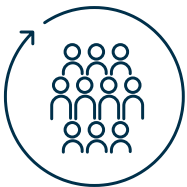


# How much risk is hiding in your business travel population?

Topia analyzed the historical travel data from 30 organizations to understand the potential tax risk due to their US domestic business travel population. Here's what we found.

- Technology organizations tend to have the highest percentage of business travelers compared to their total workforce
- Financial Services organizations tend to have the largest potential tax exposure
- Even the smallest business travel program with 350 unique business travelers had half a million in tax exposure and failed to properly allocate over \$4M in compensation
- The largest business travel program with close to 20k business travelers faced over \$30M in tax exposure and over \$150M in unallocated compensation

Here is additional risk information broken down by five key industries: Financial Services, Healthcare, Technology, Retail, and Industrials.



## Estimated Tax Exposure per 1,000 Traveling Employees by Industry

Financial Services	\$2.5M
Healthcare	\$1.25M
Technology	\$970K
Retail	\$900K
Industrials	\$700K



## Understanding Tax Exposure

Tax exposure is the dollars at risk due to where work takes place. It is the amount that you owe to a tax authority in taxes plus additional penalties and interest.

**Example:** You live in Florida and come to New York for work 60 days a year. If there are 240 working days per year, that's 25% of your time. If you make \$100k per year and the NY tax rate is 8% then you technically should have withheld and paid NY 25% \* \$100k \* 8% = \$2k. Because you didn't, there are additional penalties and interest which may make that exposure \$3-5k.



## Avg Tax Exposure Per Traveling Employee by Industry

Financial Services	<b>\$2,496</b>
Healthcare	<b>\$1,273</b>
Technology	<b>\$958</b>
Retail	<b>\$885</b>
Industrials	<b>\$660</b>



## Avg Unallocated Comp Per Taxable Traveling Employee by Industry

*The amount failed to properly allocate to the appropriate state*

Financial Services	<b>\$14,647</b>
Healthcare	<b>\$14,459</b>
Technology	<b>\$10,567</b>
Retail	<b>\$7,740</b>
Industrials	<b>\$7,645</b>

The results are clear - Business travel creates substantial tax risk and opportunity for audits regardless of the shape and size of the organization. A tool like Topia Compass empowers organizations to proactively identify tax risk from traveling and distributed workforces and ensure that appropriate withholdings occur - protecting businesses and employees from audits and fines.

To see how Topia Compass can help eliminate tax risk from your business travel program visit [topia.com/request-a-demo](https://www.topia.com/request-a-demo).

## Connect with us

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