

How to Setup Sales Tax

These are the needed setup for appropriate tax computation.

- 1. Add a [Tax Class](#).
A Tax Class group tax codes together under a common classification. These Tax Classes are also assigned to the item categories to identify what taxes the item will be taxed by in the tax group.
Here is a sample Tax Class setup.

Tax Classes

Save Undo Close

+ Insert

✕ Remove

Layout

Filter Records (F3)

<input type="checkbox"/>	Tax Class
<input type="checkbox"/>	State Sales Tax (SST)
<input type="checkbox"/>	PERC
<input type="checkbox"/>	Federal Excise Tax (FET)
<input type="checkbox"/>	State Excise Tax (SET)
<input type="checkbox"/>	Exempt
<input type="checkbox"/>	Federal LUST Fee (Dyed Diesel Only)
<input type="checkbox"/>	Federal Oil Spill Fee
<input type="checkbox"/>	Inspection Fee
<input type="checkbox"/>	

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Ready

- 2. Add a [Tax Code](#).
Tax Codes serves as the building block for the tax system.
Here is a sample Tax Code setup.

Tax Code - IN State Sales Tax ^ X

New Save Search Delete Undo Duplicate Close

Details Audit Log (1)

Tax Code: IN State Sales Tax Tax Class: State Sales Tax (SST) v

Description: Indiana State Sales Tax

Tax Agency: Indiana Department of Revenue

Address: 100 N Senate Ave

Zip/Postal: 46204 v City: Indianapolis

State/Province: IN Country: United States v

County:

Match Tax Address: ☐

Sales Tax Account: 21401-0001-000 v

Purchase Tax Account: 13500-0000-000 v

Taxable by Other Taxes: v

Checkoff Tax: ☐

Motor Fuel Tax Category: v

Store Tax No.:

X Remove Layout Filter Records (F3)

<input type="checkbox"/> Effective Date	Calculation Method	Rate
<input type="checkbox"/> 1/2/2015	Percentage	7.000000
<input type="checkbox"/> 11/2/2015	Percentage	8.000000
<input type="checkbox"/>		0.000000

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3. Add a [Tax Group](#).

Tax Group is comprised of a set of tax codes. A tax group is made up of all possible tax codes that could be taxed at a location. A tax group can

be assigned to each customer location or vendor location and should include all possible taxes that could be taxed at that location. Here is a sample Tax Group setup.

The screenshot shows the 'Tax Group - IN Sales Tax' window. The 'Details' tab is active, showing the 'Tax Group' as 'IN Sales Tax' and the 'Description' as 'Indiana State Sales Tax'. Below this, there is a table with columns 'Tax Code' and 'Description'. The table contains three rows: 'IN SST' with description 'Indiana State Sales Tax', 'PERC' with description 'Taxable by other tax', and an empty row. To the right of the table is a 'Category Exemptions' section with a 'Remove' button and a 'Category' dropdown. The bottom status bar shows 'Ready' and 'Page 1 of 1'.

- Assign a Tax Group for each Company Location. This will be used as default tax group for either purchases or sales. This will be used depending on the Freight Terms indicator setup for the customer or vendor location. More information below.
Common Info > Company Location > Setup

The screenshot shows the 'Company Location - Setup' window. The 'Setup' tab is active, showing various configuration options. The 'Tax Group' field is highlighted in yellow. The 'Tax Group' field is a dropdown menu. The bottom status bar shows 'Ready' and 'Page 1 of 1'.

- Assign appropriate tax classes to the Item Categories. Item Categories are assigned Tax Classes to identify what classes of taxes the item will be taxed. Note that you can assign multiple tax classes to a category.

Category - LPG

New Save Search Delete Undo Close

Detail Locations GL Accounts Vendor Category Xref Manufacturing

Category Code: LPG Standard Qty: 0.00

Description: Propane Standard UOM: Gallon

Inventory Type: Inventory

Line of Business:

Costing Method: AVG

Inventory Valuation:

GL Division Number:

Sales Analysis by Ton: ☐

+ Insert X Remove Layout Filter Records (F3)

☐ Tax Class

☐ State Sales Tax (SST)

☐ PERC

☐ Inspection Fee

☐ Federal Excise Tax (FET)

☐ State Excise Tax (SET)

☐

X Remove Layout Filter Records (F3)

Unit	Unit Qty	Stock Unit	Allow Purchase	Allow Sale	Default
Gallon	1.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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6. Assign the appropriate item Categories to the Item.
The Item will then be taxed the tax classes set on the item category.

Item - LPG

New Save Search Delete Undo Duplicate Close

Details Setup Pricing Stock Commodity Comments (0) Attachments (0) Audit Log (6)

Item No: LPG Manufacturer: Brand:

Item Type: Inventory Status: Active Model No:

Short Name: Commodity: Propane Category: LPG

Description: Propane Lot Tracking: No Inv. Valuation: Item Level

Unit of Measure

+ Insert X Remove Load UOM Layout Filter Records (F3)

Unit	Unit Qty	Short UPC	UPC Code	Stock Unit	Allow Purchase	Allow Sale	Length	Width	Height
Gallon	1.000000			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0.00	0.00	
	0.000000			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0.00	0.00	

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7. Assign the appropriate Tax Group to the Entity Location (customer or vendor location).
Assign the correct tax group to each location based on location address.
To open the Entity Location, open the Customer record | navigate to Locations tab.

Entity - ABC Reseller

New Save Search Refresh Delete Undo Additional Close

Entity General Customer Split Farm Locations Contacts Comments (0) History Attachments (0) Messages Custom Audit Log (20)

+ Insert Open X Remove Layout Filter Records (F3)

Location Name	Address	City	State/Province	Zip/Postal Code	Country	Phone	Fax	Pricing Level	Latitude	Longitude
ABC Reseller	Somewhere St.	Indianapolis	IN	46204	United States				0.00	0.00

Entity Location - ABC Reseller

New Save Delete Undo Close

Details

Location Name: ABC Reseller

Address: Somewhere St.

Zip/Postal: 46204 City: Indianapolis

State/Province: IN Country: United States

Phone: Fax:

Ship Via: UPS Terms 5% 5, Net 30

Tax Group: IN Sales Tax Warehouse:

Latitude: 0.000000 Longitude: 0.000000

Pricing Level:

Freight Terms:

County:

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NOTE: Freight Terms field determines which tax group to use for the customer location or vendor location.

Customer Location

- Freight terms = Origin Type = Charging company location tax group.
- Freight terms = Destination type = Charging customer location tax group. If blank customer location, no taxes will be charged.

Vendor Location

- Freight Terms = Origin type = Charging Zeeland the vendor locations tax group.
- Freight terms = Destination type = Charging Zeeland company location tax group.