

Sales Tax Setup

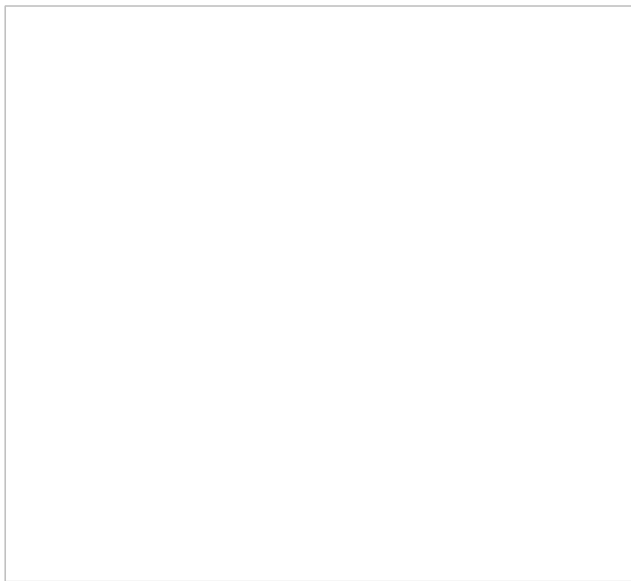
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Three setup methods will be described in this article.

1. [Entire State has the Same Tax Rate](#)
2. [Multiple Taxing Jurisdictions – set up one Sales Tax Record](#)
3. [Multiple Taxing Jurisdictions – set up multiple Sales Tax Records](#)

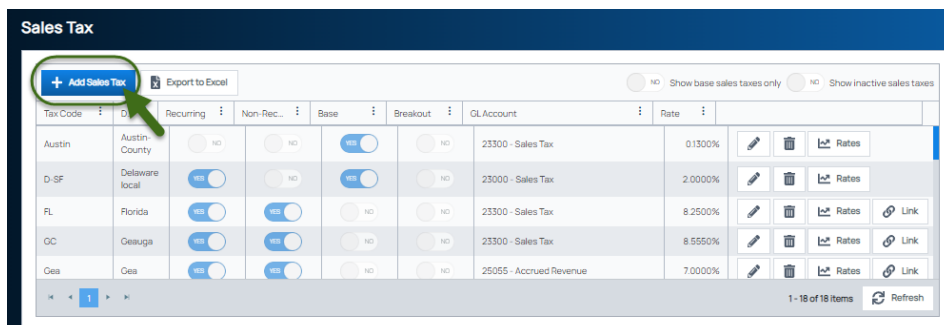
Entire State Same Tax Rate

1. From the main menu, arrive at the Sales Tax setup with this path: Setup > Accounting > Sales Tax.

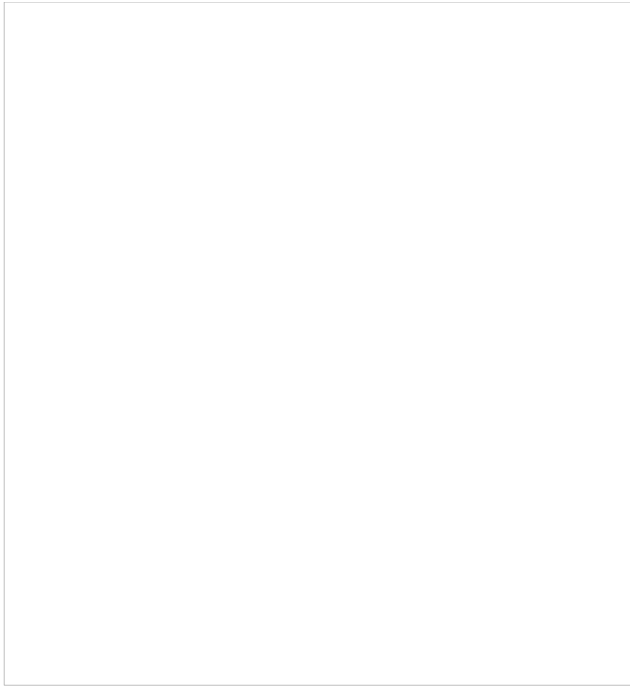


2. The Sales Tax list will be displayed. Setting up a new Sales Tax record is a two-step process. First, create the Sales Tax record, and then setup the tax rate.

3. Click on the Add Sales Tax button at the upper left of the page.



4. The Add Sales Tax form opens. Complete the form and click Save when finished.



Each data entry field is described below. Data entry fields with an asterisk are required.

- ***Sales Tax Code:** Enter a code, maximum of 25 characters.
- ***Description:** Enter a brief description, maximum of 50 characters.
- **Tax Agency:** Select from the drop down menu.
- **Recurring:** If recurring type services are possibly taxable in this jurisdiction, set the toggle to Yes.

Note: Individual Items and Parts may be flagged as taxable or non-taxable.

- **Non-Recurring:** If non-recurring type services are possibly taxable in this jurisdiction, set the toggle to Yes.
- **Base:** Set to No. This is only used if you are linking several Sales Tax records together for a combined rate.
- **Breakout:** Set to No. This is only set to Yes if you are linking several Sales Tax records together for a combined rate, and you want to print the amount of tax for each Sales Tax record separately on the customer invoice.
- ***GL Account:** From the drop-down list, select the GL Account to be used as the sales tax liability account.

5. After clicking Save, you will return to the Sales Tax list. Locate the Sales Tax record just created, and then click the **Rates** button.



6. The Rates list opens for the select Sales Tax record. Click on the Add Sales Tax Rate button at the upper left.



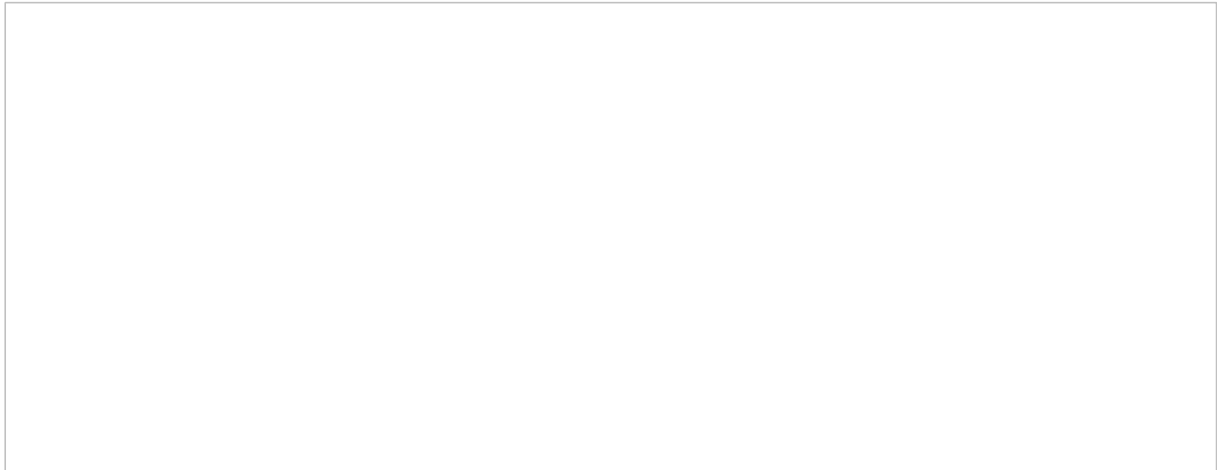
7. The **Sales Tax Rate Edit** form opens. In the Tax Rate field, enter the tax rate. In the Start Date field, enter the date this tax rate went into effect. Click the **Save** when finished.

□

8. After clicking save, you are returned to the Rates list. You should see the tax rate appear for your Sales Tax record.



9. Click the **Back** button at the upper right to return to the **Sales Tax** listing.



Multiple Taxing Jurisdictions — One Sales Tax Record

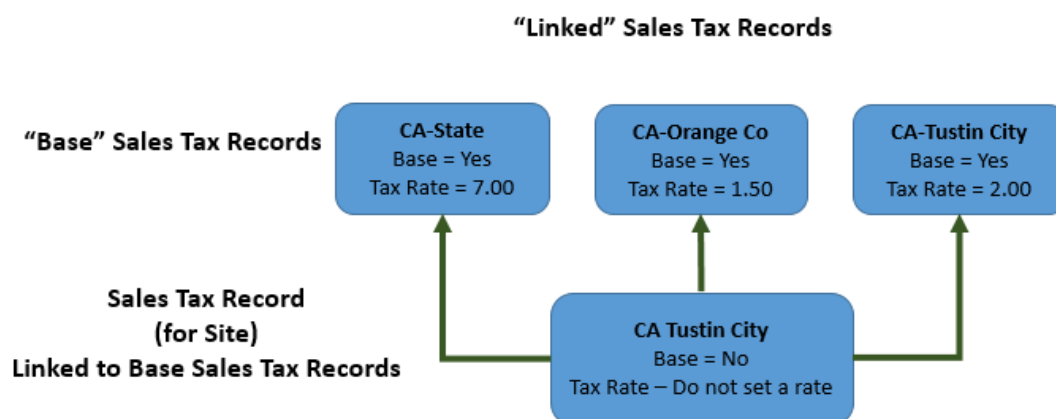
The process for setting up a single Sales Tax record where multiple taxing jurisdictions are involved, is the same process as described under the topic “Entire State Same Tax Rate”.

When entering the Tax Rate, you would need to know the combined rate for all jurisdictions.

If any of the rates for any of the jurisdictions change, enter a new Tax Rate for the combined amount.

Where multiple taxing jurisdictions are involved, this method takes more time to set up; however is easier to maintain when rates change in the future. If your company does business in multiple cities within the same state, if the state tax rate changes, you only need to make the change in one Sales Tax record.

Below is a visualization of how multiple taxing jurisdictions are set up.



Set up the “Base” Sales Tax Records

For each taxing jurisdiction, create one Sales Tax Record. In our example, we will create three Sales Tax records: one for the state, one for the county, and one for the city.

1. From the main menu, arrive at the Sales Tax setup with this path: Setup > Accounting > Sales Tax.
2. The Sales Tax list will be displayed. Setting up a new Sales Tax record is a two-step process. First, create the

Sales Tax record, and then set up the tax rate.

3. Click on the Add Sales Tax button at the upper left of the page.

Tax Code	Description	Recurring	Non-Recurring	Base	Breakout	GL Account	Rate	Actions
Austin	Austin-County	<input type="radio"/> NO	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23300 - Sales Tax	0.1300%	[Edit] [Delete] [Rates]
D-SF	Delaware local	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23000 - Sales Tax	2.0000%	[Edit] [Delete] [Rates]
FL	Florida	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> NO	23300 - Sales Tax	8.2500%	[Edit] [Delete] [Rates] [Link]
OC	Oceauga	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> NO	23300 - Sales Tax	8.5550%	[Edit] [Delete] [Rates] [Link]
Cea	Cea	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> NO	25055 - Accrued Revenue	7.0000%	[Edit] [Delete] [Rates] [Link]

4. The Add Sales Tax form opens. Each data entry field is described below.

Data entry fields preceded by an asterisk are required.

- ***Sales Tax Code:** Enter a code, maximum of 25 characters.
- ***Description:** Enter a description, maximum of 50 characters.
- **Recurring:** If recurring type services are possibly taxable in this jurisdiction, set the toggle to Yes.










Note: Individual Items and Parts may be flagged as taxable or non-taxable.

- **Non-Recurring:** If non-recurring type services are possibly taxable in this jurisdiction, set the toggle to Yes.
- **Base:** Set to No. This is only used if you are linking several Sales Tax records together for a combined rate.
- **Breakout:** Set to No. This is only set to Yes if you are linking several Sales Tax records together for a combined rate, and you want to print the amount of tax for each Sales Tax record separately on the customer invoice.
- ***GL Account:** From the drop-down list, select the GL Account to be used as the sales tax liability account.

- When finished, click the Save button at the bottom of the form.
- After clicking save, the Sales Tax list appears. Locate the Sales Tax record just created, and then click the Rates button.

Sales Tax

[+ Add Sales Tax](#) [Export to Excel](#) ☐ NO Show base sales taxes only ☐ NO Show inactive sales taxes

Tax Code	D...	Recurring	Non-Rec...	Base	Breakout	GL Account	Rate	
CA-State	California State Sales Tax	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	23600 - Sales Tax - California		
Gea	Gea	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> NO	25055 - Accrued Revenue	7.0000%	 
HOU	Houston	<input type="checkbox"/> NO	<input type="checkbox"/> NO	<input type="checkbox"/> NO	<input type="checkbox"/> NO	23300 - Sales Tax	3.1300%	 
MI	Michigan	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> NO	23700 - Sales Tax - Michigan	6.0000%	 
None	No Tax	<input type="checkbox"/> NO	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	23300 - Sales Tax		
CH	CH Base	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	23300 - Sales Tax	2.0000%	

1 - 19 of 19 items [Refresh](#)

- The Rates list opens for the selected Sales Tax record. Click the Add Sales Tax Rate button at the upper left.

Rates: CA-State - California State Sales Tax [Back](#)

[+ Add Sales Tax Rate](#) [Export to Excel](#) ☒ YES Show inactive sales tax rates

Sales ...	Tax Rate Formula	Tax Rate Formula Value	Rate	Start Date	End Date
No records available.					

0 - 0 of 0 items [Refresh](#)

- The Sales Tax Rate Edit form will be displayed. In the Tax Rate field, enter the tax rate. In the Start Date field, enter the date this tax rate went into effect. Click the Save button when finished.

Sales Tax Rate Edit [X](#)

Sales Tax Rate Formula:

Tax Rate Formula Value:

Tax Rate:

Start Date:

End Date:

[Cancel](#) [Save](#)

- You are returned to the Rates list. You should see the tax rate appear for your Sales Tax record. Click the Back button at the upper right to return to the Sales Tax listing.

Rates: CA-State - California State Sales Tax ← Back

[+ Add Sales Tax Rate](#) [Export to Excel](#) ☒ Show inactive sales tax rates

Sales ...	Sales Tax Rate Formula	Tax Rate Formula Value	Rate	Start Date	End Date	
CA-State	Flat Rate		7.0000%	1/1/22	12/31/99	Reactivate

1 - 1 of 1 items [Refresh](#)

10. You are returned to the Sales Tax list. You should see the tax rate appear for your Sales Tax record.

Sales Tax

[+ Add Sales Tax](#) [Export to Excel](#) ☐ Show base sales taxes only ☐ Show inactive sales taxes

Tax Code	D...	Recurring	Non-Rec...	Base	Breakout	GL Account	Rate	
CA-State	California State Sales Tax	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23600 - Sales Tax - California	7.0000%	Rates
Gea	Gea	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> NO	25055 - Accrued Revenue	7.0000%	Rates Link
HOU	Houston	<input type="radio"/> NO	<input type="radio"/> NO	<input type="radio"/> NO	<input type="radio"/> NO	23300 - Sales Tax	3.1300%	Rates Link
MI	Michigan	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> NO	23700 - Sales Tax - Michigan	6.0000%	Rates Link
None	No Tax	<input type="radio"/> NO	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23300 - Sales Tax		Rates
OH	OH Base	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	23300 - Sales Tax	2.0000%	Rates

1 - 19 of 19 items [Refresh](#)

11. Follow the same process to create a Sales Tax record for the other taxing jurisdictions. In our example, we have Sales Tax records for CA-State, CA-Orange Co, and CA-Tustin City. If set up correctly, you should not see the Link button on these records.

Sales Tax

[+ Add Sales Tax](#) [Export to Excel](#) ☐ Show base sales taxes only ☐ Show inactive sales taxes

Tax Code	D...	Recurring	Non-Rec...	Base	Breakout	GL Account	Rate	
CA-Orange CO	CA-Orange County	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23600 - Sales Tax - California	1.5000%	Rates
CA-State	California State Sales Tax	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23600 - Sales Tax - California	7.0000%	Rates
CA-Tustin City	CA-Tustin City	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23600 - Sales Tax - California	2.0000%	Rates
HOU	Houston	<input type="radio"/> NO	<input type="radio"/> NO	<input type="radio"/> NO	<input type="radio"/> NO	23300 - Sales Tax	3.1300%	Rates Link
MI	Michigan	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> NO	23700 - Sales Tax - Michigan	6.0000%	Rates Link

1 - 19 of 19 items [Refresh](#)

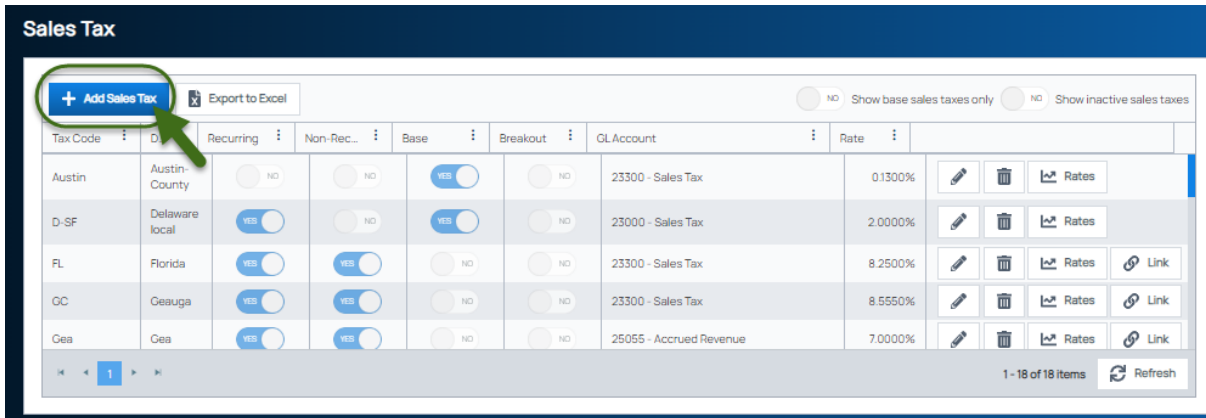
Set up the Sales Tax Record to be Linked to the “Base” Sales Tax Records

For each area that has multiple taxing jurisdictions, create one Sales Tax record and then link to all the pertinent Sales Tax records. The name for the Sales Tax record would be the lowest level taxing jurisdiction, typically the city.

When we set up our “Base” Sales Tax records, we set up the following: CA-State, CA-Orange Co, and CA-Tustin City.

We need to create a new Sales Tax record that will be used to assign to our site records for the city of Tustin in California. We cannot use the same Sales Tax code again, so we will set up this new record as CA.

1. From the main menu, arrive at the Sales Tax setup with this path: Setup > Accounting > Sales Tax.
2. The Sales Tax list is displayed. Click the Add Sales Tax button at the upper left of the page.



Tax Code	Description	Recurring	Non-Rec...	Base	Breakout	GL Account	Rate	Actions
Austin	Austin County	<input type="radio"/> NO	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23300 - Sales Tax	0.1300%	[Edit] [Delete] [Rates]
D-SF	Delaware local	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23000 - Sales Tax	2.0000%	[Edit] [Delete] [Rates]
FL	Florida	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> NO	23300 - Sales Tax	8.2500%	[Edit] [Delete] [Rates] [Link]
OC	Ceauga	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> NO	23300 - Sales Tax	8.5550%	[Edit] [Delete] [Rates] [Link]
Cea	Cea	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> NO	25055 - Accrued Revenue	7.0000%	[Edit] [Delete] [Rates] [Link]

3. The Sales Tax Edit form opens. Each data entry field is described below. Click Save when complete.



Data entry fields preceded by an asterisk are required.

- ***Sales Tax Code:** Enter a code, maximum of 25 characters.
- ***Description:** Enter a description, maximum of 50 characters.
- **Recurring:** If recurring type services are possibly taxable in this jurisdiction, set the toggle to Yes.

Note: Individual Items and Parts can be flagged as taxable or non-taxable.

- **Non-Recurring:** If non-recurring type services are possibly taxable in this jurisdiction, set the toggle to Yes.
- **Base:** Set to No. This is only used if you are linking several Sales Tax records together for a combined rate.
- **Breakout:** Set to No. This is only set to Yes if you are linking several Sales Tax records together for a combined rate, and you want to print the amount of tax for each Sales Tax record separately on the customer invoice.
- ***GL Account:** From the drop-down list, select the GL Account to be used as the sales tax liability account.

4. You are returned to the Sales Tax list. Locate the Sales Tax record just created, and then click the Link button.

Sales Tax

[+ Add Sales Tax](#) [Export to Excel](#) ☐ NO Show base sales taxes only ☐ NO Show inactive sales taxes

Tax Code	D...	Recurring	Non-Rec...	Base	Breakout	GL Account	Rate	
Austin	Austin-County	<input type="radio"/> NO	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23300 - Sales Tax	0.1300%	
CA Tustin	CA Tustin City	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> NO	23600 - Sales Tax - California		
CA-Orange CO	CA-Orange County	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23600 - Sales Tax - California	1.5000%	
CA-State	California State Sales Tax	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23600 - Sales Tax - California	7.0000%	
CA-Tustin City	CA-Tustin City	<input type="radio"/> NO	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	23600 - Sales Tax - California	2.0000%	
GC	Geauga	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> NO	23300 - Sales Tax	8.5550%	
Gea	Gea	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> YES	<input type="radio"/> NO	<input type="radio"/> NO	25055 - Accrued Revenue	7.0000%	

1 - 19 of 19 items [Refresh](#)

- The Link Base Sales Tax form opens. Click in the white box, which provides a list of Sales Tax records. Click on the first Sales Tax record to link.
- Click in the white box again, and select the next Sales Tax record to link. Repeat the process until all Sales Tax records needed are linked, and then click the Save button at the bottom of the form.

Link Base Sales Tax

- Austin-County
- CA-Orange County
- California State Sales Tax**
- CA-Tustin City
- Conv
- Cuyahoga
- Delaware local

Link Base Sales Tax

California State Sales Tax

Cancel Save

Link Base Sales Tax

California State Sales Tax

- Austin-County
- CA-Orange County**
- California State Sales Tax
- CA-Tustin City
- Conv
- Cuyahoga
- Delaware local

Link Base Sales Tax

California State Sales Tax CA-Orange County

Cancel Save

Link Base Sales Tax

California State Sales Tax CA-Orange County

- Austin-County
- CA-Orange County
- California State Sales Tax
- CA-Tustin City**
- Conv
- Cuyahoga
- Delaware local

Link Base Sales Tax

California State Sales Tax CA-Orange County CA-Tustin City

Cancel Save

- On the Sales Tax list, locate the Sales Tax record on which you performed the link, and in the Rate column, you should see the combined tax rate of all the Sales Tax records that were linked.

Sales Tax

+ Add Sales Tax

Export to Excel

NO

 Show base sales taxes only

NO

 Show inactive sales taxes

Tax Code	D...	Recurring	Non-Rec...	Base	Breakout	GL Account	Rate	
Austin	Austin-County	<input type="checkbox"/> NO	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	23300 - Sales Tax	0.1300%	Rates
CA Tustin	CA Tustin City	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> NO	23600 - Sales Tax - California	10.5000%	Rates Link
CA-Orange CO	CA-Orange County	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	23600 - Sales Tax - California	1.5000%	Rates
CA-State	California State Sales Tax	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	23600 - Sales Tax - California	7.0000%	Rates
CA-Tustin City	CA-Tustin City	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	23600 - Sales Tax - California	2.0000%	Rates
GC	Geauga	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> NO	23300 - Sales Tax	8.5550%	Rates Link
Gea	Gea	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> NO	25055 - Accrued Revenue	7.0000%	Rates Link

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1 - 19 of 19 items

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