

# ASICOMP.COM

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## How Do You Pay Sales Tax?

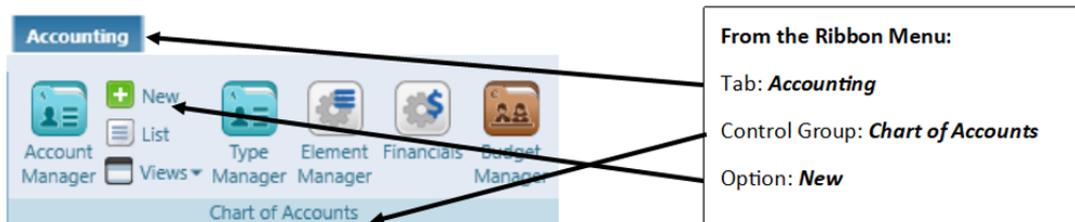
Tammy Mason - 2022-07-19 - in Vendors

### How Do You Pay Sales Tax?

**Explanation:** The Sales Tax resource is used to collect information regarding the various sales taxes each company is responsible for collecting, reporting and reimbursing to the appropriate Sales Tax Vendors. You will need a Vendor and General Ledger for **each** sales tax liability before setting up the Sales Tax Resource.

Once this is complete, when you enter an order or invoice and use this sales tax resource, the program will automatically update your liability, so when you get to check writing, it is a simple process. Steps 1 through 3 are a one-time setup process. Step 4 is the Checkwriting procedure.

#### 1. Set up General Ledger:



If you are using ASI Computer System's numbering system for general ledgers, the Sales Tax Payable Ledger is 228. We would suggest you set up the sales tax ledger account as a sub-account of this ledger.

**New Account\*** x

New Copy Save Delete Cancel Close

Number  Description  Status

System Type

Custom Type

Subaccount Of

## 2. Set up Vendor:

**Vendor**

Vendor Manager New List Views Notes Order Products

**From the Ribbon Menu:**  
 Tab: *Vendor*  
 Control Group: *Vendor*  
 Option: *New*

**New Vendor\*** x

New Copy Save Delete Cancel Close

Code  Name  Status   Employee  Decorator

Setup code, name, and address appropriate to your tax liability.

## 3. Set up Sales Tax Resource:

**Tools**

Service Provider Tax Payment Method Zip Code Table Terms Freight Table

**From the Ribbon Menu:**  
 Tab: *Tools*  
 Control Group: *Financial*  
 Option: *Tax*

Financial

New Copy Save Delete Cancel Close

Code 19 Description Iowa Sales Tax

General Ledger 228 Sales Tax Payable Edit Vendor TaxVend Department of Iowa Revenue and T Edit

Country UNITED STATES State/Province IA  Freight or Shipping and Handling is taxable

County Black Hawk

City Cedar Falls

Locality

Rate	Effective Date	Until
6.0000%	12/1/2007	1/15/2017
7.0000%	1/15/2017	

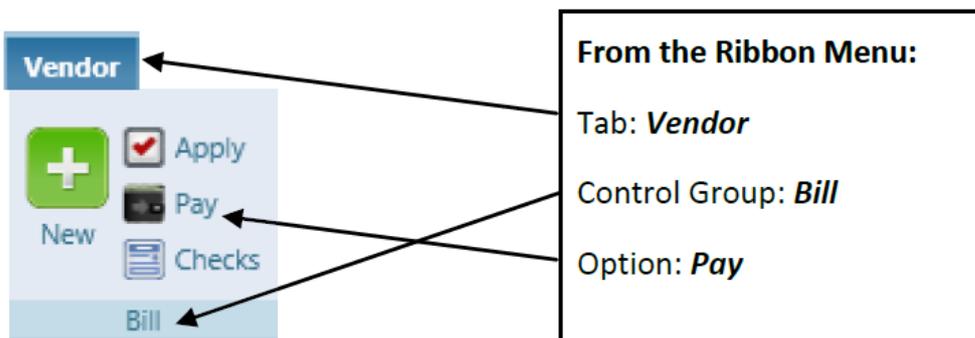
+ Add rate

Use the general ledger and Vendor set up in steps 1 & 2 for your Sales Tax Resource.

Each Sales Tax resource should be included in applicable Customer Resources. It will then automatically populate in New Orders/Invoice. You can also enter this resource during New Order/Invoice.

An Exempt code should also be setup for each state you charge sales in, and an out of state exempt code.

#### 4. Write the Sales Tax Payable Check.



Order/Invoice processing has taken care of the “New” and “Apply” portion of this bill.

You can go directly to the **Vendor-Bill-Pay** Option. Select the invoices you want to pay. Proceed to **Vendor-Bill-Checks**, to print the physical check.

Process Cancel Close

Vendor TaxVend Department of Iowa Revenue and Taxation

Method Direct Pay

Account 100 Cash in Bank  Edit

Pay by Sales Tax Filing Date

Start Date 4/1/2020

End Date 4/30/2020

Update

Waterloo Specialties Co.  
5250 Nordic Drive  
Cedar Falls, IA 50613

Reference

Date 6/16/2020

Pay to the Order of Department of Iowa Revenue and Taxation

**\$1,402.01**

**One thousand four hundred two and 01/100** Dollars

Memo

Bank Account Ending Balance	\$198,145.76	Total Amount	\$8,856.99	0.00	\$1,402.01	\$7,454.98
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In **Vendor-Bill-Pay**: Find and highlight the tax vendor. Check the box to “Pay by Sales Tax Filing Date” and enter the same date that you selected for the Sales Tax Filing list. Click update and the check amount will show on the check. Select the discount line if there is one.

**Note 1:** If you converted from another system, your Sales Tax Vendor may have defaulted to a generic name (Tax Vendor). You will then need to set up a “Pay To” Contact in this Vendor Resource before going into the Bill-Pay option.

**Note 2:** If you converted in the middle of the month, go back to your previous system, and get your sales tax figures. Then do **Vendor-Bill-New** and **Vendor-Bill-Apply** (to appropriate sales tax general ledger account) for that amount.

**Note 3:** If you pay your sales tax on-line, then enter this as a handwritten check to clear the amounts and reduce your cash account.