

How Do You Set Up Sales Tax Codes?

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This master stores the sales tax codes used to calculate sales tax and to file your sales tax reports. If your organization has purchased the subscription service for ZipSales Database **for all 50 states**, ignore the U.S. Suggested Tax Codes section and continue with the General Tab section.

U.S. Suggested Tax Codes

Beginning with ProfitMaker Version 8.2X.XX, ASI Computer Systems, Inc (ASICS) will provide a standardized list of all sales tax jurisdictions for the United States. The standardized list is stored in a separate database with a new user interface to select record(s) by state, county and/or city and add them to the active list of tax codes (records that can be viewed/edited through tax code maintenance). The suggested codes will not contain rate % or effective dates as required by our proprietary agreement with CCH (developer of ZipSales Database).

During the "Add" process the rate and effective date will need to be manually updated. Customers who currently subscribe to the ZipSales Database Special will not normally have to perform these steps. The only exception is if you have selected less than the full 50-state subscription. You still have the capability of selecting the jurisdiction codes for the states that you did not subscribe to. Generally that indicates that you are not required to collect sales tax, but if you wish you can setup each sales tax exempt state with a rate of 0% and use the standard jurisdiction codes. Otherwise, the states for which you have purchased the subscription will already have all possible tax codes defined and will not appear in the suggested U.S. tax code list. For additional information regarding the ZipSales Database Special please contact Bobbif@asicomp.com.

Add

Selecting to "Add" a new tax code will display the following window. A manual tax code can be entered or a suggested tax code may be selected from the standardized list of jurisdictions in the U.S. Begin by entering the state abbreviation that you wish to setup tax codes for. Additionally you can

limit by county and/or city. The check boxes are used to control the jurisdiction level that you wish to display. Once the search by information is entered select "Search". The table will display all tax codes that do not exist in your active tax code tables.

The default information section is used to update the table record once you select the tax code. This information can be manually overwritten on a record by record basis by editing the record in the list. Lets take Iowa (IA) for example. In IA all of the counties have a 1% tax rate. By entering a search by IA and only checking the county checkbox, the list would display all 99 counties. By entering the default information and selecting all, all 99 counties would be created with the default information. If there were a couple of exceptions, just edit each individual record. Once the modifications are complete, select "Create tax codes" to add the records to your active tax codes.

Upon completion of the processing, the tax code master display window will appear with the last tax code added.

General Tab

- **Tax Code** (10 - Alpha Characters) Enter up to a 10 character tax code.
- **Name** (30 characters) Assign a descriptive name for that tax code. "IA-Black Hawk-Cedar Falls" would include the State-County-City or "IA-Black Hawk" would include just the State-County, for example.
- **G/L Account #** (6-digit sales tax payable account number) This is only for tax codes with a Tax % other than 0. The standard G/L account #228 (standard account number) is already set up and should be used. However, if you charge sales tax in a state other than your own, you should add another sales tax payable general ledger account.

The rate information group allows setup of the current rate and the ability to assign rate % changes and their effective date. The (*) symbol is used to identify the rate percentage rule that is currently in effect is based on your logged in system date.

- **Rate (1)** (Up to XX.XXXX) Enter as a whole number. For example: 4% is entered as 4.0000.
- **Effective Date (1)** Enter effective date that this rate takes effect.
- **Rate (2)** (Up to XX.XXXX) Enter as a whole number. For example: 4% is entered as 4.0000.
- **Effective Date (2)** Enter effective date that this rate takes effect.
- **History** Allows viewing of modifications to the tax code record.
- **Charge Sales Tax On Freight** Check if tax on freight is applicable to this tax code.
- **Source** For ZipSales Database subscribers. Used to identify if the tax code was created manually or if it was created by ZipSales Database import

routine.

The location information group is used to identify the specific jurisdictions. It is required if using the "Sales Tax Jurisdiction - Accrual" report. The report will group activity based on the descriptions entered in this group. i.e. All activity associated with the state of Iowa will be grouped by county and/or cities within that county and local taxes associated with the county and/or city. For ZipSales Database Subscribers this information will be updated automatically during the import routine.

- **Country** Required, select the correct code from the lookup.
- **State/Prov** Enter the state or province abbreviation.
- **County** Enter the county name.
- **City** Enter the city name.
- **Local** Enter the local tax description for the County or City.

Canadian Info Tab

- **GST Tax Code** (Applicable to Canadian users only) - Check if this is a GST tax.
- **Include GST Tax Amount In Calculation In Prov Tax** (Applicable to Canadian users only) - Check if GST amount should be added in when figuring provincial tax.