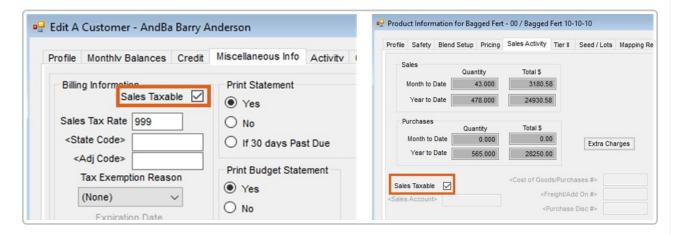# State Sales Tax

Sales tax is calculated per line item according to the tax rates/codes that apply to that line. Each line is calculated separately and then those line item sales tax totals are added together for the total sales tax amount that is displayed on the Invoice.

A default *Sales Tax Multiplier* can be established for each location at *Accounting / Setup / Locations* on the *Preferences* tab. At invoicing, the *Tax* column on any line item that is taxable can be manually selected and it will calculate at the default rate set on the *Preferences* tab.

Note: If sales tax needs are not addressed by Agvance's standard functions, please contact SSI Support for assistance configuring alternative processes.

How to Have the Sales Tax Automatically Calculated

Two things must be in place for sales tax to automatically calculate – the Customer and the Product must both be marked *Sales Taxable*. Therefore, if a Customer or Product is ever sales taxable, then mark them as such on the Customer/Product file. Line items may be deselected manually at the *Invoice* screen if necessary.

Agvance's standard sales tax options can be controlled per line item on the Invoice.

1. Check the *Sales Taxable* option at *File / Open / Products* on the *Sales Activity* tab.

2. If the Location Preference to *Use Tax rate from Customer and Ship To* is selected (found at *Setup / Location Preferences*), the sales taxable state and a special rate can be set on the Customer file by selecting the *Sales Taxable* option at *File / Open / Customers* on the *Miscellaneous Info* tab, or by selecting **Addresses** found at the bottom of the Customer file. If a special *Sales Tax Rate* is set at this screen, this rate overrides the location's default rate.

3. If tax codes exist in the data, the tax calculates based on those codes. To change the sales tax calculated, at the *Invoice* screen, select the *Tax* tab and type in a different amount in the *Sales Tax* column of the grid. If no State/Adjustment Codes exist, to change the tax rate and have the computer recalculate automatically, enter the tax rate in the *Rate* field in the lower left corner and then choose **Apply to all products**. To edit the tax on

the individual lines, the tax rate may be typed on each line of the *Tax* tab.

If a customer is tax exempt on a product that is typically taxable, the *Exemption* reason may be selected by line item on the *Tax* tab or on the *Invoice* tab by right-clicking the *Tax* option at the invoicing screen. This allows a selection from the *Tax Exempt Codes* that have been entered at *Setup / A/R / Sales Tax Exemptions.* A summary of the tax exempt sales prints on the Totals page of the Sales Register (*Reports / A/R / Sales / Sales Register*) and on the Sales Tax Summary report found at *Reports / A/R / Sales / Sales Tax Summary.*