Sales Tax Exemptions

If taxable Products are being sold but some Customers are tax exempt, the various tax exemption reasons are defined at *Setup / A/R / Sales Tax Exemptions*. These reasons are then used when invoicing to explain why sales tax is not being charged.

Setup

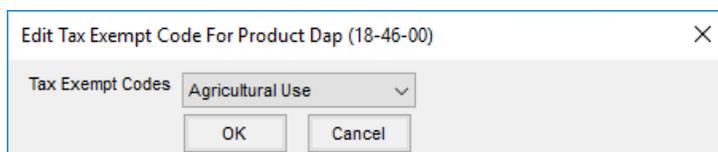1. Select **Add**. On the *Tax Exempt Code* window, enter a *Tax Exempt ID*.
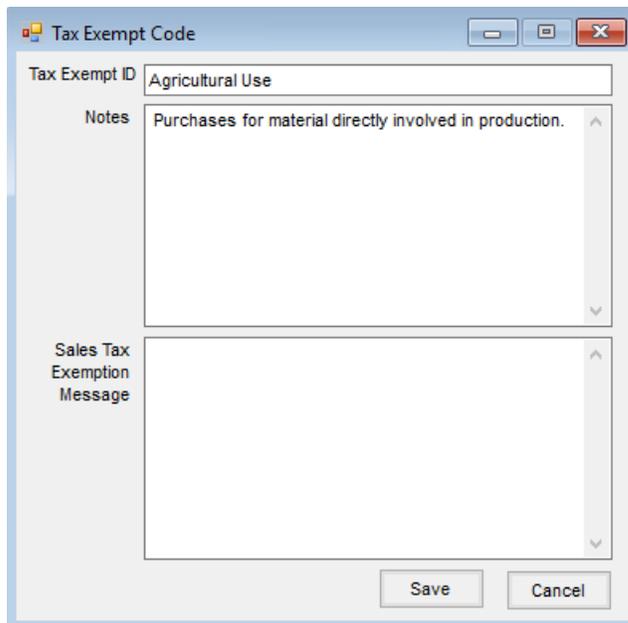
2. Any *Notes* that are added are for internal use only. Information can be added about the exemption such as why it was set up or what is required to use this exemption.
3. The *Sales Tax Exemption Message* prints on Invoices if the *Print Sales Tax Exemption Message* option is selected on the Invoice Printout tab at *Setup / Location Preferences*.
4. Select **Save**.

Using a Sales Tax Exemption

There are two ways to select a Sales Tax Exemption.

1. In the *Product* grid on the Invoice, right-click the *Tax* checkbox and a screen appears with the previously defined exemption reasons listed. Choose the reason that applies.

	<Product Name>	Quantity	Inv U	Level	Status	<Unit $>	Bill U	Total	Split	<%>	Your Share	Tax	Dept ID	Prod ID	Tax Exempt Reason
1 ▶	Dap (18-46-00)	2000.000	Lbs	List		411.37	Tons	411.37	1	100.0000	411.37	☐	DFrt00	Dap	Agricultural Use
2	Dry Filler	500.000	Lbs	List		27.00	Tons	6.75	1	100.0000	6.75	☐	DFrt00	Filler	
3	Potash (0-0-60)	1500.000	Lbs	List		375.00	Tons	281.25	1	100.0000	281.25	☐	DFrt00	Potash	

2. Select the Sales Tax Exemption reason on the Invoice's *Tax* tab, then choose the applicable reason in the *Exemption* column.

    Note: If the *Tax* checkbox is selected on the *Tax* tab, it must be unchecked to be able to choose the *Exemption* from the drop-down.

Invoice	Analysis	**Tax**	Additional Info	Source Tickets	Booking Recap	MFT Details

	Product Name	Your Share	Tax	Sales Tax	Prepaid Tax	Prepay Status	Tax Rate	<State Code>	<Adj Code>	Exemption	Alternate ID
1 ▶	Dap (18-46-00)	411.37	☐	0.00	0.00		7.5000	IL	Safety	Agricultural Use ⌄	
2	Dry Filler	6.75	☐	0.00	0.00		7.5000	IL	Safety	Agricultural Use	
3	Potash (0-0-60)	281.25	☐	0.00	0.00		7.5000	IL	Safety	Finance Charges	
										Government	
										Not for Profit	

Save the Invoice and tax will not be applied for the items with the *Tax* column unchecked.

These exemption reasons are summarized on the Sales Register and Sales Tax Summary reports for sales tax reporting.