

Handling Tax Rate Changes

Last Modified on 12/21/2018 1:10 pm EST

Local, state, and federal tax rates may change and/or new ones may be implemented. To ensure that you're collecting proper tax amounts, you'll need to make these changes in aACE manually when a new tax rate takes effect.

It's best to first deactivate the current tax profile, then create a new one. You can address part of this effort before the new tax rate takes effect, then complete the update after it takes effect.

Before a New Tax Rate Takes Effect

1. Navigate to **Accounting > Tax Profiles**.
2. Choose the relevant profile.
3. Click **Edit**.
4. Change the **End Date** to the last day the current tax rate will be in effect.

General Info Default Use Tax EU AvaTax

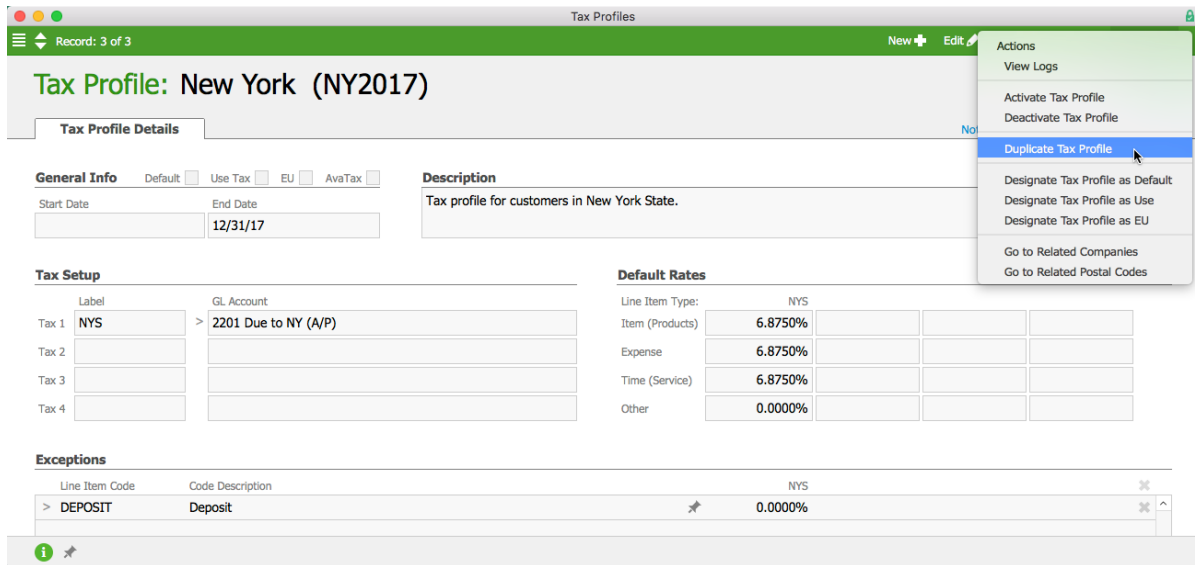
Start Date	End Date
<input type="text"/>	<input type="text" value="12/31/17"/>

For instance, if the new tax takes effect on January 1, 2018, you would change the End Date to December 31, 2017. This will trigger a notification on that date, letting you know the tax profile is expiring and will need to be updated. Note: Setting this date will *not* automatically update the tax profile – it will simply remind you that this process (see next section) needs to be done manually.

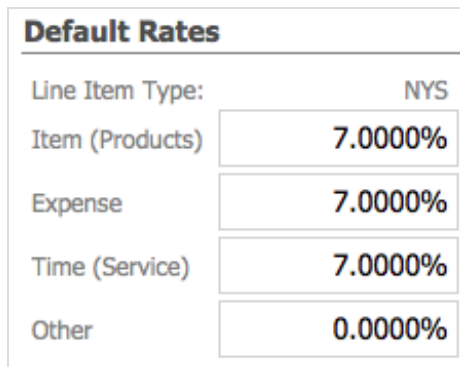
5. Change the profile's abbreviation to make it clear this profile is out of date (e.g. "x-NY" or "NY2017"). This will allow you to reuse the same code for the new tax profile.

Tax Profile: New York

6. In the Actions menu, select **Duplicate Tax Profile**.



- In the confirmation dialog box, click **Duplicate**. 7.
8. On the new tax profile, enter the basic settings:
 - o **Name** - Enter the name from the original profile.
 - o **Abbreviation** - Enter the abbreviation from the original profile.
 - o **Start Date** - Enter the day the tax rate goes into effect (e.g. January 1, 2018).
 9. Enter the new tax rates in the **Default Rates** section.



After a New Tax Rate Takes Effect

When you receive the notification you set up with the process above, complete these additional steps:

1. Navigate to **Accounting > Tax Profiles**.
2. Select the old tax profile.
3. Click **Edit**.
4. If you have *not* already done so, complete steps 5-9 above.
5. In the menu bar, click **Actions > Deactivate Tax Profile**.

The screenshot shows the 'Tax Profiles' application window. The title bar reads 'Tax Profiles'. The main header area displays 'Record: 3 of 4' and 'New + Edit'. The main content area is titled 'Tax Profile: New York (NY2017)'. Below this, there are several sections: 'Tax Profile Details', 'General Info', 'Description', 'Tax Setup', 'Default Rates', and 'Exceptions'. An 'Actions' menu is open on the right side, listing options such as 'View Logs', 'Activate Tax Profile', 'Deactivate Tax Profile', 'Duplicate Tax Profile', 'Designate Tax Profile as Default', 'Designate Tax Profile as Use', 'Designate Tax Profile as EU', 'Go to Related Companies', and 'Go to Related Postal Codes'. The 'Deactivate Tax Profile' option is highlighted in blue.

Line Item Code	Code Description	NYS
> DEPOSIT	Deposit	0.0000%

At the prompt, update the related company records, assigning them to the new tax profile.