

# Flagging Companies as Tax Exempt

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Some of your customers may be tax exempt. The proper way to ensure a customer's orders are marked as tax exempt is to mark this flag at the Company record:

1. Navigate from **Main Menu > CRM & Sales > Companies**.
2. Use the Quick Search bar to locate the desired company.
3. At the detail view, mark the **Tax Exempt** flag in the Tax Setup section.

The screenshot displays the 'Company: Shea Township School District (50002)' record in the aACE software. The interface is divided into several sections: 'Billing Address', 'Billing Setup', 'Payment', 'Tax Setup', and 'Shipping Setup'. The 'Tax Setup' section is highlighted with a red circle, showing the 'Tax Exempt' checkbox. The 'Tax Exempt' checkbox is currently unchecked. The 'Tax Setup' section also includes fields for 'Tax Profile', 'Tax ID', 'Exempt Use Code', 'Exempt No', 'Cert', and 'Exp Date'. The 'Shipping Setup' section includes fields for 'Courier Service', 'Account #', 'Shipping Terms', and 'FOB'. The 'Billing Setup' section includes fields for 'A/P Contact', 'Deliver Invoice Via', 'Email', 'Last Order Date', 'Billing Terms', 'Rate Card', and 'Discount %'. The 'Payment' section includes fields for 'A/R Balance', 'Credit Limit', 'Credit Balance', 'Finance Charge', 'Ship Rate Type', 'Rate Value', 'Ref Comm Type', and 'Ref Comm %'. The 'Sales History' section is visible at the bottom, showing a table with columns for 'Line Item Code', 'Vendor', 'Last Order', 'Date', and 'Unit Price'. The 'Save' button is located at the bottom right of the form.

4. Click **Save**.

Marking this flag will initially set taxes to zero for every order this customer makes, regardless of other details. If a particular order for the customer does *not* qualify for this exemption (or if an order for a regular customer needs tax exemption), team members can manually clear or mark the Exempt flag in the totals section of the order record.

Because of [aACE's tax calculation methods](https://aace5.knowledgeowl.com/help/understanding-tax-rate-calculations/) (https://aace5.knowledgeowl.com/help/understanding-tax-rate-calculations/), flagging the company record is usually more effective than creating an 'exempt' tax profile.