

# Sales Tax Set Up

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This guide is intended for Duggal Visual Solutions general users specifically. Information herein may contain customizations and particulars specific to the Duggal aACE system. Click this [link](https://aace5.knowledgeowl.com/help) (<https://aace5.knowledgeowl.com/help>) for the General aACE Software aACE 5 Knowledge Base.

## Settings to Capture Sales Tax Appropriately in aACE

### Steps for AvaTax Integration

aACE+ Avalara AvaTax integration addresses your sales tax challenges with a cloud-based service that calculates sales and use tax, manages exemption certificates, files returns, and remits payments across North America and beyond.

For more in depth information on AvaTax integration with aACE, go to

<http://aace5.knowledgeowl.com/help/setting-up-avatax> (<http://www.google.com/url?q=http%3A%2F%2Faace5.knowledgeowl.com%2Fhelp%2Fsetting-up-avatax&sa=D&sntz=1&usg=AOvVaw2Tq12SAFMx9U4mXpNvzbtV>) . For

your aACE+ AvaTax integration, proceed with the following steps:

1. Create your AvaTax account - done
2. Configure aACE accounting preferences - done
3. Configure aACE office settings
  1. AvaTax Co Code set to 'DEFAULT' for all offices (This coincides with our sandbox account. We will need to set this to 'DVS' for the live system.
4. Configure aACE tax profiles - (see below for Duggal-specific details)
5. Configure aACE line item code settings
  1. All Line Item Codes have Shipping Enabled
  2. Presently Line Item Codes ILMA and LB223 need to have Enable Avatax checked. All others are enabled.
  3. The Optional Code is blank for all Line Item Codes except six installation-related codes populated with SI020000:

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### Line Item Codes *Unsorted*

Type	Code	Description	Rec Type	Dept	Task Group
> INSTL- 02 DUGGAL	DSI	Installation	ASMBL	490-1	Installation
> VI- 01 VENDOR	VI	OS -Vendor Installation	ASMBL	490-1	Installation
> INSTL- 02 DUGGAL	site	Site Survey	ASMBL	490-1	Installation
> VI- 01 VENDOR	Vsite	OS -Vendor Site Survey	ASMBL	490-1	Installation
> INSTL- 02 DUGGAL	MVI	Manhattan Vendor	ASMBL	490-1	Installation
> INSTALL	INSTALLVAL	Install Value	ITM		

**List Totals**

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#### Preferences

- Show in entry list.** Causes the code to appear in order, estimate, quote, and invoice value lists.
- Enforce rate card billing.** Prevents users from changing the price at entry.
- Enable AvaTax.** Sends order and invoice items to AvaTax. Optional code:
- Send financial oversight a notification if sold with a margin less than:**
- Split**  **of revenue with department:**
- Split revenue account:**

Note: The purpose of this process is to help ensure you are *not* charged for unneeded tax data requests. Avalara charges for each request that is submitted. If a certain office, line item code, or tax profile should not be taxed, there is no need to request tax data for it. The time you invest in configuring your AvaTax integration can reduce your expenses.

## Configure Tax Profiles

### Proposal

1. Create new Tax Profile: **AVA**. This Profile will be Avatax Enabled and set as the Default.
2. Keep active Tax Profile **OUT**. This profile will be associated to all Postal Codes contained within the states Duggal does NOT have nexus in. When one of these postal codes is used, no calculations are submitted to Avalara.
3. Keep active Tax profile **RES00**. used for Resale/ Exempt Companies. When used, no calculations are submitted to Avalara.
4. All other 6974 Tax Profiles are deactivated unless there is a reason to keep any.

The **Tax Profiles** that are to use Avatax to calculate rates should have the **AvaTax** checkbox checked.

The screenshot shows the 'Tax Profile: AvaTax (AVA)' configuration page. In the 'General Info' section, the 'AvaTax' checkbox is checked and circled in red. The 'Default Rates' table shows the 'Item (Products)' rate is also circled in red.

Line Item Type:	Rate	Rate	Rate	Rate
Item (Products)				
Expense				
Time (Service)				
Other				

Other **Profiles** may be kept in use and NOT use AvaTax to determine sales tax rates. If AvaTax is not checked, the **Profile's** default rate logic is used. If applied in an Order, the default profile rate will be applied.

The screenshot shows the 'Tax Profile: CA: Albany (01001)' configuration page. In the 'General Info' section, the 'AvaTax' checkbox is unchecked and circled in red. The 'Default Rates' table shows the 'Item (Products)' rate is circled in red.

Line Item Type:	State	Rate	Rate	Rate
Item (Products)		9.7500%		
Expense		9.7500%		
Time (Service)		9.7500%		
Other		0.0000%		

**RESALE/EXEMPT PROFILE (ZERO RATE)**

([https://www.google.com/url?q=https%3A%2F%2Fsites.google.com%2Fduggal.com%2Fduggal-wiki%2Forderwriting%2Fsales-tax%3Fauthuser%3D0%23h.p\\_6wBY2A7Z7yF-&sa=D&sentz=1&usg=AOvVaw1F-9tyCZ11MduRIRZkic7](https://www.google.com/url?q=https%3A%2F%2Fsites.google.com%2Fduggal.com%2Fduggal-wiki%2Forderwriting%2Fsales-tax%3Fauthuser%3D0%23h.p_6wBY2A7Z7yF-&sa=D&sentz=1&usg=AOvVaw1F-9tyCZ11MduRIRZkic7))

If a Company has a Tax profile assigned to it, the profile will override any default logic upon creating the Order. Setting a Company record's Tax Profile should be limited to Resale and Exempt clients. The documentation to set these profiles is managed in the Accounting Department.

## OUT OF STATE PROFILE (ZERO RATE)

If a zip code not in New York or California is referenced in an Order, the related Sales Tax is calculated using the system default Tax Profile: OUT - "OUTOFSTATE". The rate set in this Profile is zero, so no tax is added to the order.

## EXCEPTIONS

Exceptions in Tax Profiles are Line Item Codes that are taxed differently than the "default rate" of that Profile. **Avatax plus the Avatax code assigned to the Line Item Code should replace this for Avatax enabled Profiles.** Fixed Rate Profiles still require this table to be entered and kept up-to-date.

### Tax Profile: DEFAULT TAX PROFILE (NYC) (DEF) ACTIVE ●

**Tax Profile Details** Notices ! Emails ✉ Docs 📄

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**General Info**  Default  Use Tax  EU  AvaTax

**Description**

**Tax Setup**

Label	GL Account
Tax 1 <b>State</b>	> 126800000001 Sales Tax Payable-NY
Tax 2	
Tax 3	
Tax 4	

**Default Rates**

Line Item Type:	State		
Item (Products)	8.8750%		
Expense	8.8750%		
Time (Service)	8.8750%		
Other	0.0000%		

**Exceptions**

Line Item Code	Code Description		State	
ADJ	Adjustments A/R dept. only	✳	8.8750%	✕
> ADJADJ	Adjustments	✳	8.8750%	✕
> ADJNT	Adjustments A/R dept. only NON TAXABLE	✳	0.0000%	✕
> discount	<b>DO NOT USE.</b> Discount A/R dept. only!!!!!!!!!!!!	✳	0.0000%	✕
> FCT	Finance Charge	✳	0.0000%	✕
> TAXADJ	TAX ADJ.	✳	0.0000%	✕
> trade	Trade A/R dept. use only	✳	0.0000%	✕
WIRE	Wire Transfer Fee	✳	0.0000%	✕
> XCOLLECT	Collection A/R dept. use only	✳	0.0000%	✕

## Legacy Tax Profiles

### DEFAULT TAX PROFILES

There are three Default Tax Profiles: one for each state (CA and NY) in which Duggal has a presence, and one out-of-state. (Oregon does not have sales tax, so it is treated as out-of-state.)

Which of these three default Tax Profiles is used depends on the zip codes entered in the related delivery addresses. [See Calculating Sales Tax to better understand which addresses](#)

[influence tax calculations](https://www.google.com/url?q=https%3A%2F%2Fsites.google.com%2Fduggal.com%2Fduggal-wiki%2Forderwriting%2Fsales-tax%3Fauthuser%3D0&sa=D&sz=1&usg=AOvVaw1uLrJmco5TgMFBxVqYWc-) (https://www.google.com/url?q=https%3A%2F%2Fsites.google.com%2Fduggal.com%2Fduggal-wiki%2Forderwriting%2Fsales-tax%3Fauthuser%3D0&sa=D&sz=1&usg=AOvVaw1uLrJmco5TgMFBxVqYWc-).

Zip Codes for New York and California are entered into the aACE database. Each Zip code is associated to a Tax Profile, either DEFNY (New York Default) or DEFCA (California Default).

aACE uses this relationship to determine if Avatax is called for a Sales Tax Rate, or a Profile's set Rate is used instead.

The DEFNY and DEFCA Tax Profiles have the Avatax checkbox checked. This means when an Order references these Profiles, Avatax is called to determine the appropriate Sales Tax Rate (based on the location of delivery and line item code categorization).

All other Tax Profiles do NOT have the Avatax checkbox checked, so their default rates are used instead of calling Avatax.

If a California or New York zip code is referenced in an Order, the related Sales Tax is calculated using Avatax and the Tax amount is credited to the General Ledger Account referenced in that Tax Profile. California and New York have separate General Ledger Tax Accounts.

Record: 1856 of 1925

### Tax Profile: DEFAULT (NY) (DEFNY)

**Tax Profile Details**

**General Info** Default  Use Tax  EU  **AvaTax**  Description

Start Date:  End Date:

**Tax Setup**

Label	GL Account
Tax 1 STATE	> 12680000001 Sales Tax Payable-NY
Tax 2	
Tax 3	
Tax 4	

**Default Rates**

Line Item Type:	STATE
Item (Products)	0.0000%
Expense	0.0000%
Time (Service)	0.0000%
Other	0.0000%

Record: 1855 of 1925

### Tax Profile: DEFAULT (CA) (DEFCA)

**Tax Profile Details**

**General Info** Default  Use Tax  EU  **AvaTax**  Description

Start Date:  End Date:

**Tax Setup**

Label	GL Account
Tax 1 STATE	> 12685000001 Sales Tax Payable-CA
Tax 2	
Tax 3	
Tax 4	

**Default Rates**

Line Item Type:	STATE
Item (Products)	0.0000%
Expense	0.0000%
Time (Service)	0.0000%
Other	0.0000%

Record: 1854 of 1925							New	Edit	Delete	Print	Actions
Tax Profiles <i>Sorted by Abbr</i>											
Tax Profile Name	Abbr	Start Date	End Date	Default	Use	EU	Status				
> Central Valley NY	CV						ACTIVE				
> DELAWARE COUNTY	DE						ACTIVE				
> DEFAULT TAX PROFILE (NYC)	DEF	01/01/10	12/31/10				ACTIVE				
> DEFAULT (CA)	DEFCA						ACTIVE				
> DEFAULT (NY)	DEFNY						ACTIVE				
> OUTFSTATE	DEFOUT				✓		ACTIVE				
> DMS Tax Profile	DMS						ACTIVE				
> DUTCHESS COUNTY	DU						ACTIVE				
> CA: Big Bear Lake	36081						ACTIVE				
> CA: Hesperia	36082						ACTIVE				
> CA: Twentynine Palms	36083						ACTIVE				
> CA: Highland	36084						ACTIVE				
> CA: Chino Hills	36085						ACTIVE				
> CA: SAN BERNARDINO COUNTY	36998						ACTIVE				
> CA: Alta Loma (Rancho Cucamonga)	36998AL						ACTIVE				
> CA: Amboy	36998AM						ACTIVE				
> CA: Angelus Oaks	36998AN						ACTIVE				

## FURTHER LEGACY FIXED RATE PROFILES

Prior to Avatax being activated, the fixed rate Tax Profiles: DEF, NY Counties, and CA zip codes/counties were used. If a Profile was assigned to an Order or Order Line Item, tax would be calculated based on the fixed rate in the Profile. This will still work and if one of these Profiles is used, it will override any default or avatax logic.

With Avatax, these are no longer required and should be avoided except in special circumstances.

Record: 1854 of 1925

### Tax Profile: DEFAULT TAX PROFILE (NYC) (DEF)

**Tax Profile Details**

**General Info**  Default  Use Tax  EU  AvaTax  **Description**

Start Date: 01/01/10 End Date: 12/31/10

**Tax Setup**

Label	GL Account	Line Item Type:	State
Tax 1 State	> 126800000001 Sales Tax Payable-NY	Item (Products)	8.8750%
Tax 2		Expense	8.8750%
Tax 3		Time (Service)	8.8750%
Tax 4		Other	0.0000%

**Exceptions**

### Tax Profile: CA: Shingle Springs (9998SH)

**Tax Profile Details**

**General Info**  Default  Use Tax  EU  AvaTax  **Description**

Start Date: End Date: El Dorado County

**Tax Setup**

Label	GL Account	Line Item Type:	State
Tax 1 State	> 126850000001 Sales Tax Payable-CA	Item (Products)	7.2500%
Tax 2		Expense	7.2500%
Tax 3		Time (Service)	7.2500%
Tax 4		Other	0.0000%

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### Tax Profile: Central Valley NY (CV)

**Tax Profile Details**

**General Info**    Default     Use Tax     EU     AvaTax

Start Date:     End Date:

**Description**

**Tax Setup**

Label	GL Account
Tax 1: STATE	> 126800000001 Sales Tax Payable-NY
Tax 2:	
Tax 3:	
Tax 4:	

**Default Rates**

Line Item Type:	STATE
Item (Products)	8.1300%
Expense	8.1300%
Time (Service)	8.1300%
Other	0.0000%