Sales Tax Scenarios 2019

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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) for the General aACE Software aACE 5 Knowledge Base.

Sales Tax Scenarios - (As-Of 2019)

There are many input fields for proper sales tax calculations in aACE. The below article will attempt to explain the relevant fields and data utilized for different Ordering and Shipping scenarios.

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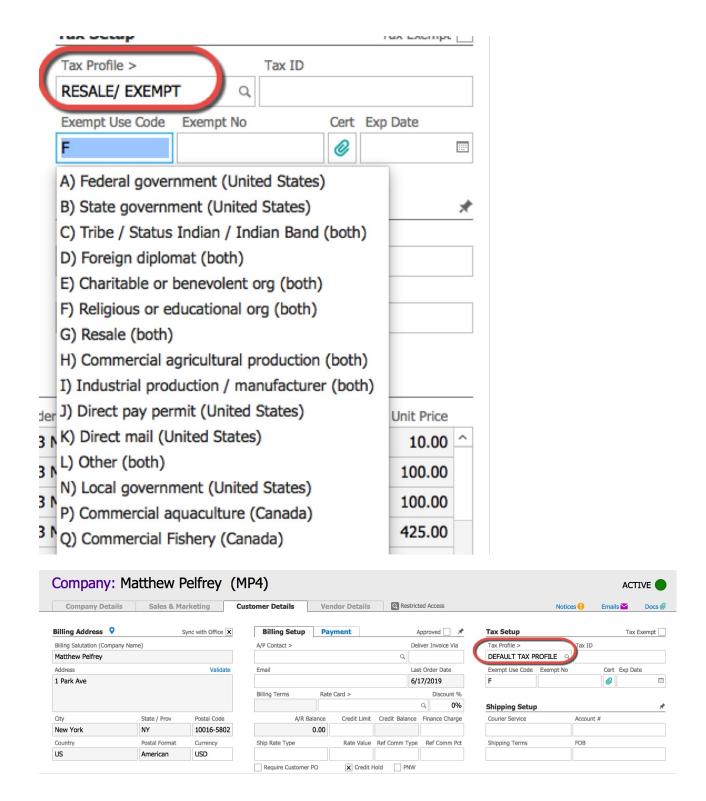
Common Scenarios

Scenario #1 - Company Tax Profile Override (Exempt and Resale)

If an Order is created for a Company whose **Tax Profile** field is set to "**RESALE/EXEMPT**", then no tax is charged to the Order.

The Accounting Department can change a Company's **Tax Profile**. In order to do so, they are required to have the Company's Sales Tax Exemption Certificate on file.

This may be stored in the Company's aACE record using the **Cert** upload button.



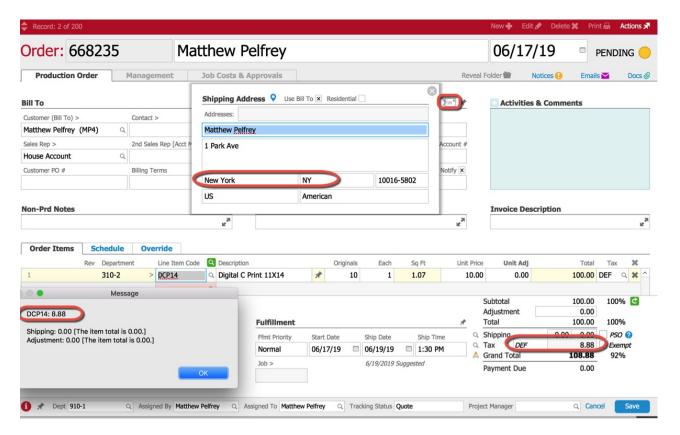
Scenario #2 - Delivery Type=Ship Together, but no Shipment created (the Default)

If no shipments are created for an Order, and the **Delivery Type** field is set to **Ship Together** (default), **Ship Separately**, or **Not Applicable**; then the address populating the **ShipTo** address fields (by default the client corporate address) will determine the tax rate applied to

the Order by default. (Meaning, if a NYC address populates the ShipTo, NYC tax will be applied.)

The assumption in this scenario, absent any other information, is that the Order was shipped and delivered to the client default address, even though no recording of the event took place.

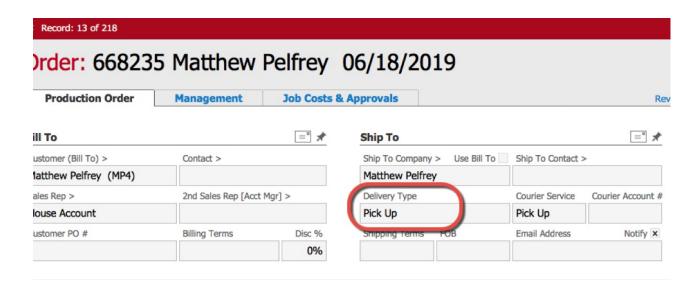
Note: The **Adjustment** field under the Subtotal is always taxed using the rate derived from the ShipTo address, regardless the scenario.



Scenario #3 - Client Will Pick Up

If the Order's **Delivery Type** field is set to **Pick Up**, the address of the *order-writer's* Office is used to determine the appropriate tax-rate.

The assumption in this scenario is that the delivery/pick-up location is the place of initial order-write up.

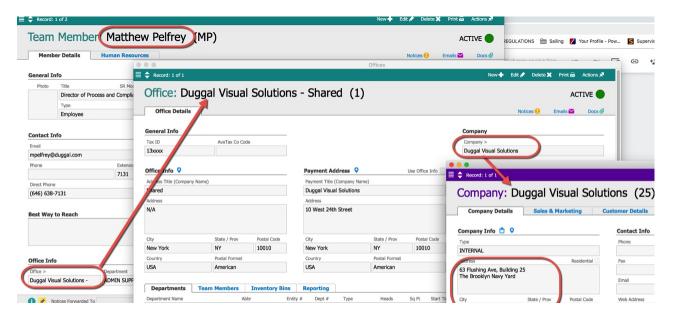


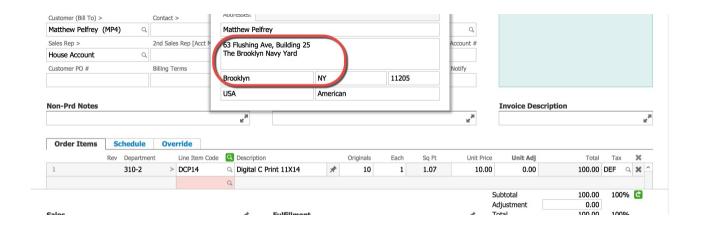
Every Order-Writer has a TeamMember record.

Each TeamMember record is assigned to an Office.

Each Office record is assigned an Internal Company record.

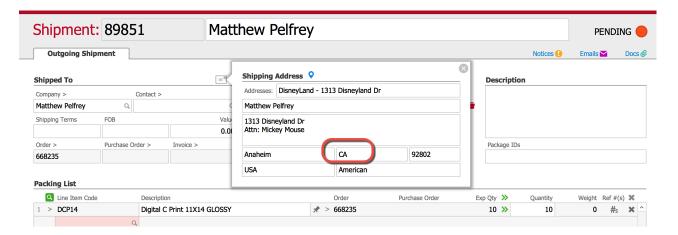
Every **Company** record has an address. This is the address used in determining tax for a Pick-Up **Order**.





Scenario #4 - Delivery Type=Ship Together, Shipment created, All Order Items Shipped

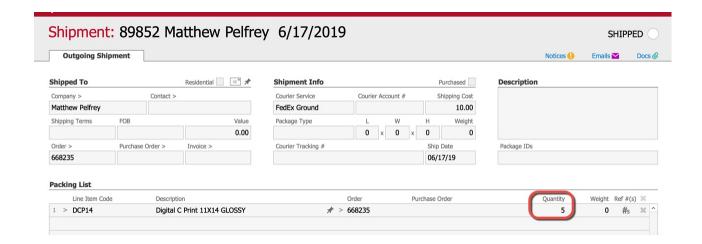
If a Shipment is created, all Order Items are applied to the Shipment's packing List, the Shipment's declared value field is left blank, and the shipment is marked "Shipped"; the entire Order will be taxed based on the Shipment's Shipped-To address.



Scenario #5 - Delivery Type=Ship Together, Shipment created, Not All Order Items Shipped

If a Shipment is created, but only SOME Order Items are applied to the Shipment's Packing List (some quantity of the line items are not applied to a shipment), the Shipment's declared value field is left blank, and the shipment is marked "Shipped"; the Order Line Item values assigned to the Shipment plus the Shipment's related shipping charges will be taxed based on the Shipment's Shipped-To address.

The remaining value of the Order will be taxed based on the Order's Ship-To address (the default).



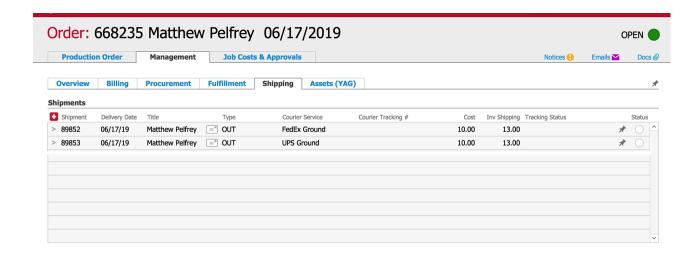
Scenario #6 - Delivery Type=Ship Together; Partial Shipped, Partial Picked up

If a Shipment is created, but only SOME Order Items are applied to the Shipment's Packing List (some quantity of the line items are not applied to a shipment), the Shipment's declared value field is left blank, and the shipment is marked "Shipped"; the Order Line Item values assigned to the Shipment plus the Shipment's related shipping charges will be taxed based on the Shipment's Shipped-To address.

The remaining value of the Order will be taxed based on the Order's Ship-To address (the default). If the Order's Delivery Type is changed to Pick Up, the Order's Ship-To address will be the Order-Writer's Office address, and tax will be calculated from the office address.

Scenario #7 - Delivery Type=Ship Together, Multiple Shipments created

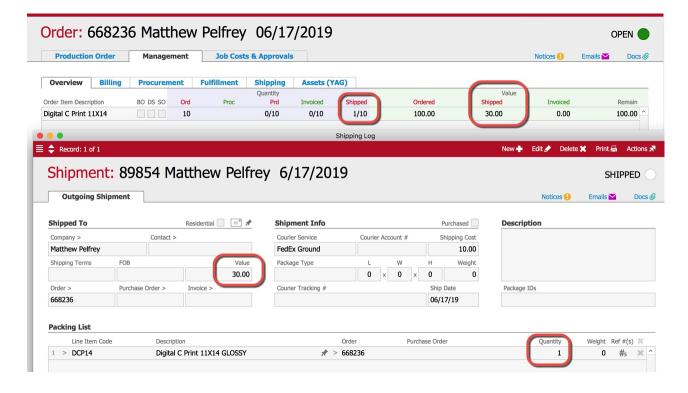
If multiple Shipments are created, all Order Items are applied to the Shipments' packing lists, the Shipments' declared value fields are left blank, and the shipment is marked "Shipped"; the values of each Shipment's Packing List plus the Shipment's related shipping charges will each be taxed based on the Shipment's Shipped-To address.



Scenario #8 - Delivery Type=Ship Together, Shipment created, Declared Value stated

If a Shipment is created, all Order Items are applied to the Shipment's packing List, **the Shipment's declared value field is populated**, and the shipment is marked "Shipped"; the amount populating the Value field will be taxed based on the Shipment's Shipped-To address. **The Value field overrides the value calculated by the Unit Price x Qty of the Order Line Items in the Shipment's Packing List.**

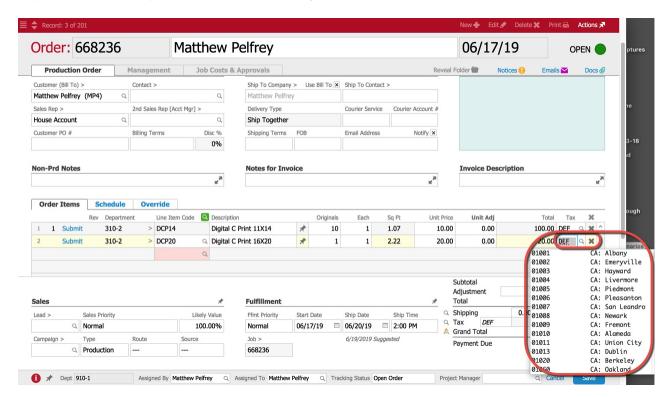
The remaining value of the Order, if there is any, will be taxed based on the Order's Ship-To address (the default).



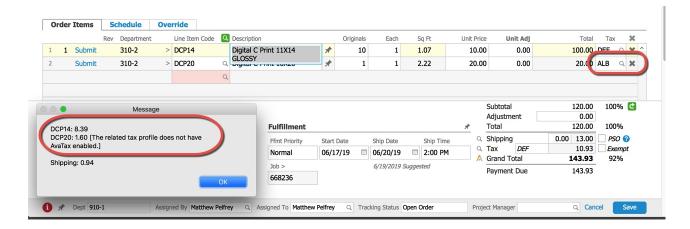
Scenario #9- Changing the Tax Profile of an Order or Order Line

If the tax profile is changed at the Line Item, or for the Order, as a whole, to a Profile that specifies a PARTICULAR rate, the Tax Profile's rate will overwrite any address-related tax calculations. [See Explanation of Tax Profiles] (https://www.google.com/url?

q=https%3A%2F%2Fsites.google.com%2Fduggal.com%2Fduggal-wiki%2Faace%2Fsales-tax-setup%3Fauthuser%3D0%23h.p. 3omZAdzmdcvC&sa=D&sntz=1&usg=AOvVaw2CseG--SuoFku46GM5xoxJ)



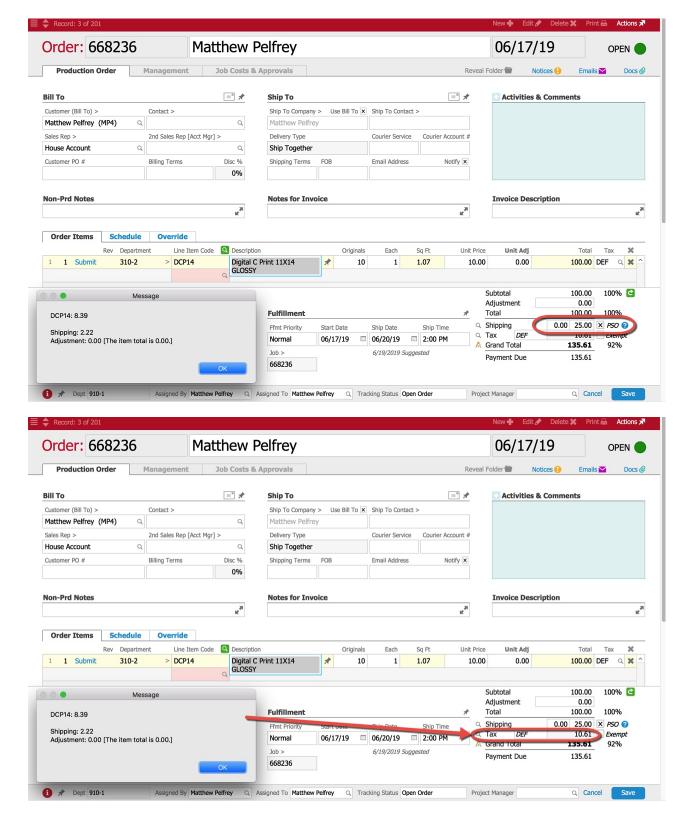
Avatax will skip calculations related to these Fixed Rate Profiles.



Scenario #10 - Delivery Type=Ship Together, Shipment created, PSO (Prevent Shipping Override) activated

If the **Shipment** subtotal field, under the Order subtotal, is overwritten (this is done by unchecking the PSO checkbox), rather than (by default) summed from the Order's related

Shipments; the shipping amount entered is taxed using the tax rate derived from the Order's ShipTo address. Even if Shipments exist with Pricing, once the Shipment Subtotal is manually populated, all shipment related calculations of shipping charges are overwritten. Order Line Item values are taxed as before. Only the Shipping charges are effected by deactivating the PSO checkbox.



Scenario 11# - Pick up Client Supplied Materials (only shipping charge, no other charges)

Advanced Scenarios

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