Sales Tax Scenarios

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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 (updated for 2025)

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

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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.
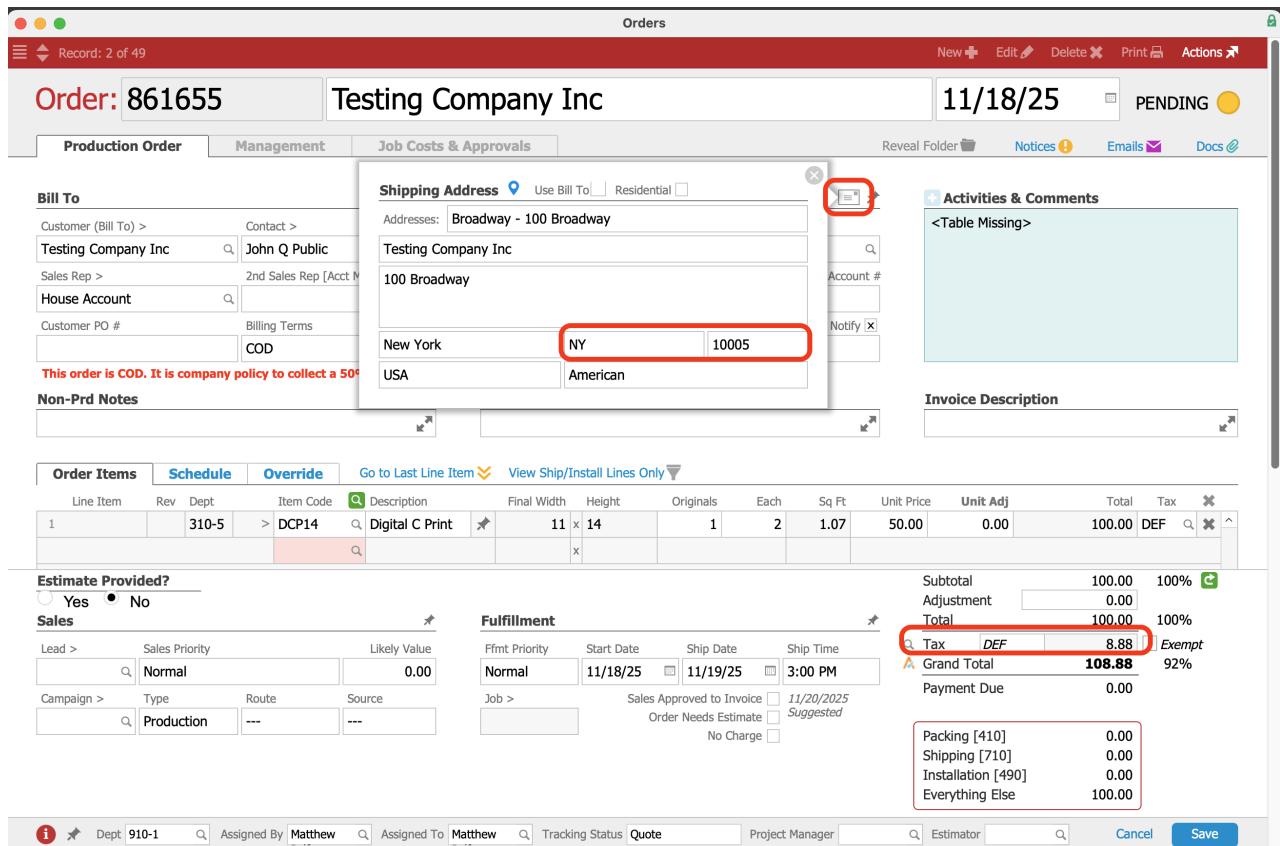
Scenario #3 - Client Will Pick Up

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.
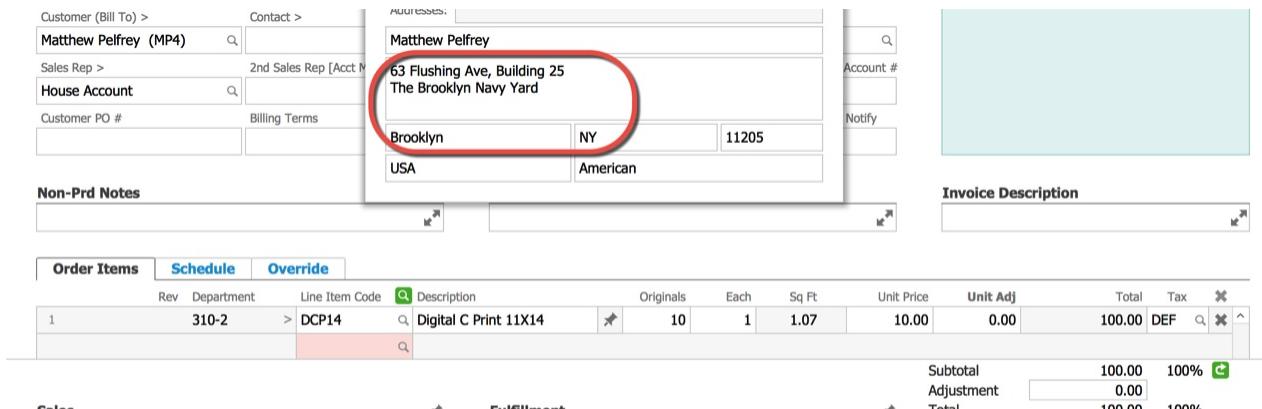
Every **Order-Writer** has a **TeamMember** record.

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**.
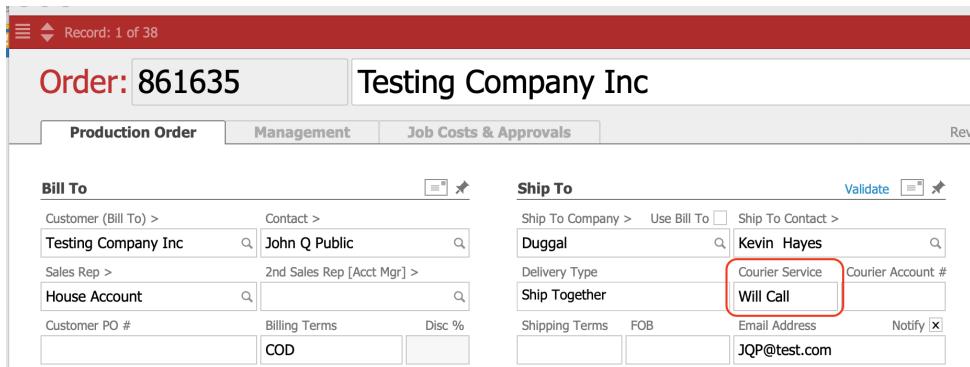
Will Call Alternative

Alternatively, if a customer needs to pick up at a location that is different from the Order-Writer's Office, simply enter the Duggal office address into the ShipTo address and select **Will Call** from the Courier Service drop-down list.

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 calculated from the Order Items placed in the Packing List, 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 calculated from the Order Items placed in the Packing List , 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 not altered, 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).

Once a Shipment is marked "Shipped", the Order's Delivery Type cannot be changed to Pick Up.

If a customer needs to pick up the balance of the Order simply enter the Duggal office address into another Shipment and select Will Call as the Courier Service. The value of the picked-up Shipment will be taxed based on the Shipping Address/Duggal 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 field is left unaltered, and the shipments are marked "Shipped"; the values of each Shipment's Packing List plus the Shipment's related shipping charges will each be taxed based on the individual Shipments' Shipped-To addresses.

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 altered**, 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).

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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://aace5.knowledgeowl.com/help/tax-profiles) [See Additional Information Regarding Duggal Specific Legacy Profiles] (https://aace5.knowledgeowl.com/help/-duggal-aace-5-knowledge-base-sales-tax-set-up).

Avatax will skip calculations related to these Fixed Rate Profiles.

Scenario #10 - Pick up Client Supplied Materials (only shipping charge, no other charges)

If an Order is written using only a shipping code (like TR1), for example for a pick-up not related to a deliverable item; a Shipment can be created from that Order and a NOTE packing list item can be added. The Shipment's Invoice Value will be taxed based on the Shipping address. Any excess charged to the customer over the Shipment's Invoice Value will be taxed based on the Shipment's Shipped-To address.