Tax Schedule

Cavallo IT - 2024-12-02 - Settings

Overview

SalesPad Cloud's Tax Schedule module allows you to link different Tax Codes and Tax Agencies to a single Tax Schedule. Each Tax Code has a percentage and a Tax Agency associated with it. When a Tax Schedule is applied to a sales document, the summation of each Tax Code percentage multiplied against the extended price of each sales line derives the final tax amount and total for the sales document.

To get started, select **Tax Schedule** from the Settings menu.
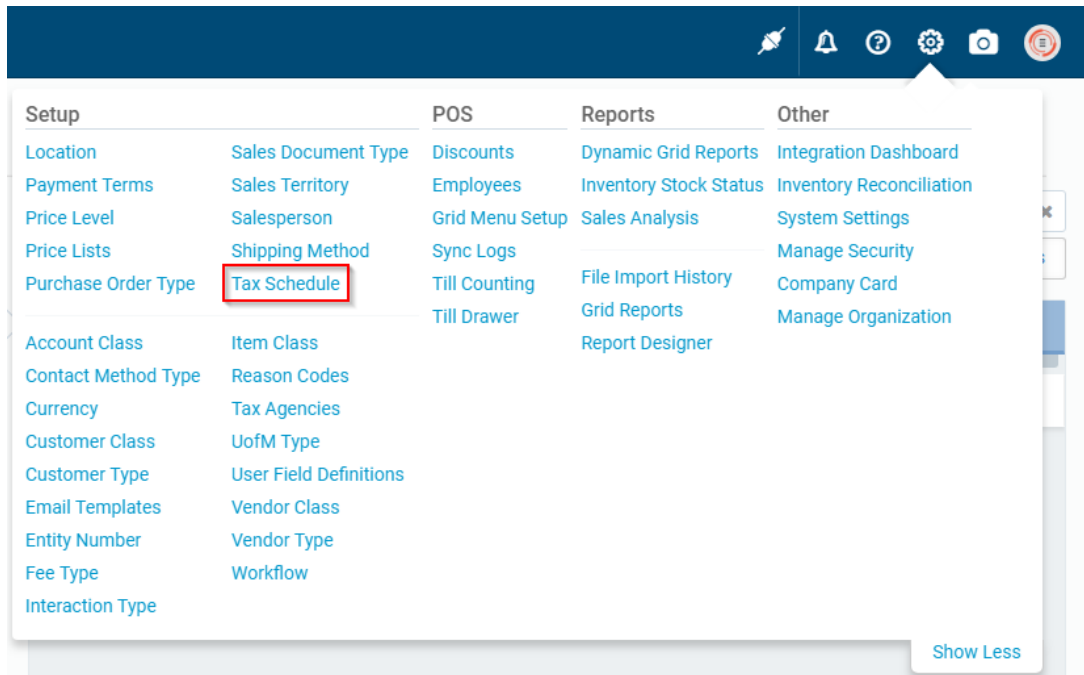
Navigation Menu

- Tax Schedule
  - Create a Tax Schedule
  - Edit a Tax Schedule
- Tax Code
  - Create a Tax Code
  - Edit a Tax Code
- Add or Remove Tax Codes to Tax Schedules
- Line Level Taxes
- See it in Action
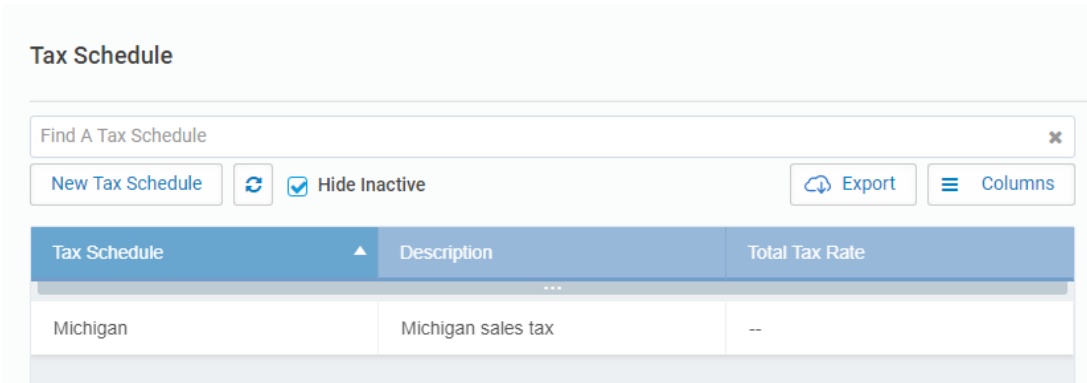
Tax Schedule

Create a Tax Schedule

To create a Tax Schedule, click the **New Tax Schedule** button in the upper left-hand corner of the Tax Schedule screen.
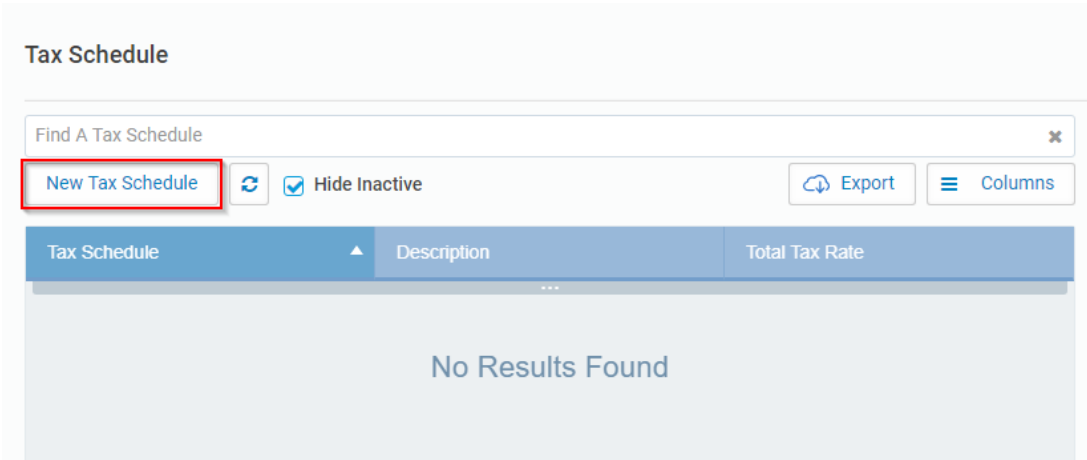
The Create Tax Schedule drawer will appear. Give your Tax Schedule a name and description, then click **Save** to close the drawer.

Your new Tax Schedule will now appear in the grid on the left-hand side of the screen.


To add or remove one or more Tax Codes to your Tax Schedule follow the instructions in the Add or Remove Tax Codes to Tax Schedules section of this document.

Back to Navigation Menu

Edit a Tax Schedule

To edit the name or description of an existing Tax Schedule, or to make the Tax Schedule inactive, click the **Edit** icon in the Tax Schedule's cell (this icon is not visible until you hover over the far right of the Tax Schedule cell.
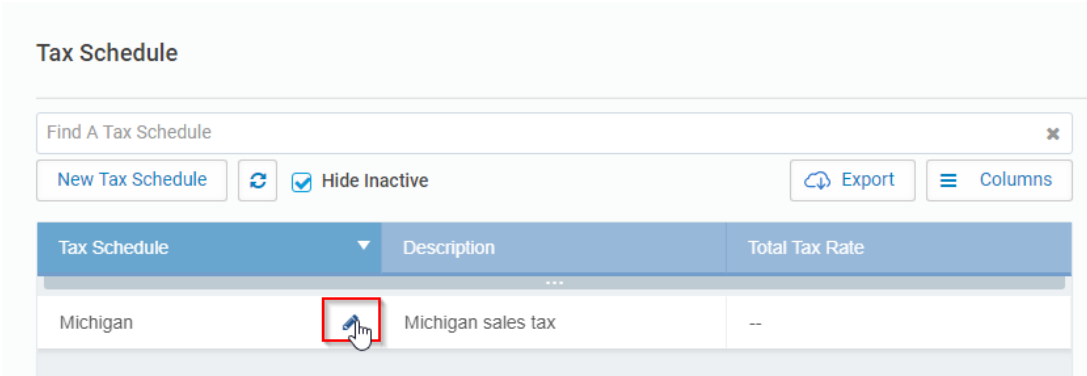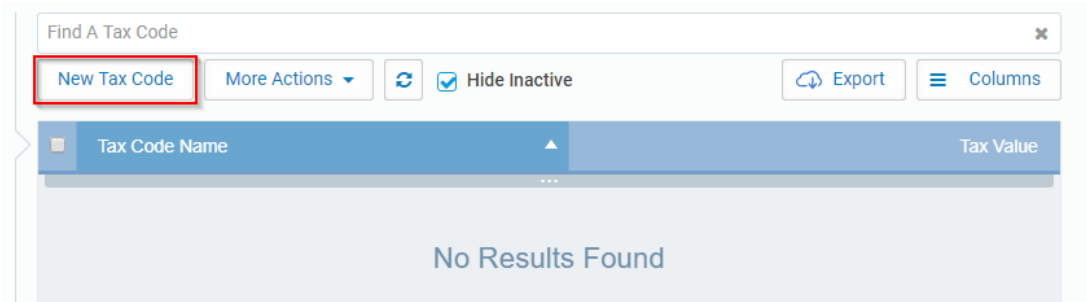

The Edit Tax Schedule drawer will appear. Make your changes here, then click **Save** to close the drawer.

[Back to Navigation Menu](#)

Tax Code

Create a Tax Code

To create a Tax Code, click the **New Tax Code** button in the upper left-hand corner of the Tax Code side of the Tax Schedule screen.

Note: Make sure you have the Tax Schedule you want to add this Tax Code to selected in the grid on the left-hand side of the screen, or no Tax Schedule selected. If you have a different Tax Schedule selected, you will then have to [remove](#) the Tax Code from this Tax Schedule.

The Create Tax Code drawer will open. Fill out the information fields in this drawer.

Create Tax Code

×

Tax Code Name

Michigan Sales Tax

Description

Standard MI sales tax

Tax Value (%)

0.06

Tax Agency

State of Michigan ▼

Tax Code Detail Type

Sales ▼

For a brief explanation of the different information fields in the Create Tax Code drawer, click here:

Create Tax Code

Tax Code Name - Allows you to give the Tax Code a name

Description - Allows you to give the Tax Code a description

Tax Value (%) - Assigns a percentage value to the Tax Code

Tax Agency - Assigns a [Tax Agency](#) to the Tax Code

Tax Code Detail Type - Designates whether this Tax Code is meant for sales or purchases

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When you've finished entering your information, click **Save**.

Your new Tax Code will now appear in the grid on the left-hand side of the screen.

Find A Tax Code	✕
New Tax Code More Actions ▼ ↻ ☑ Hide Inactive	☁ Export ☰ Columns

☐	**Tax Code Name** ▲	**Tax Value**
☐	Michigan Sales Tax	6%

[Back to Navigation Menu](#)

Edit a Tax Code

To edit the name or description of an existing Tax Code, or to make the Tax Code inactive, click the Edit icon in the Tax Schedule's cell (this icon is not visible until you hover over the
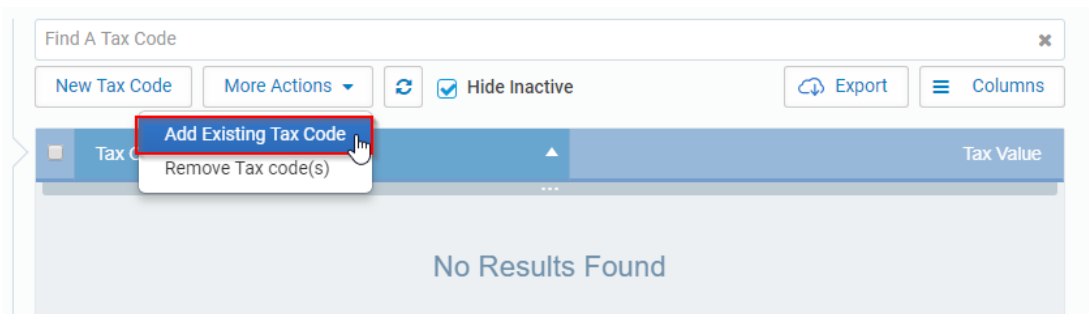
far right of the Tax Schedule cell.
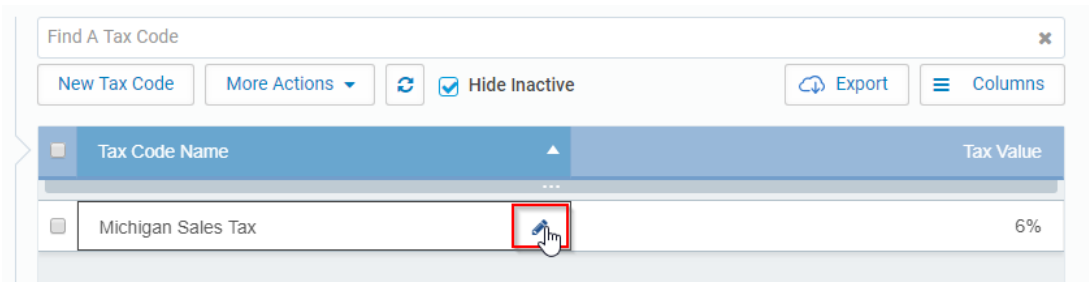
The Edit Tax Code drawer will appear. Make your changes here, then click **Save** to close the drawer.

Back to Navigation Menu

Add or Remove Tax Codes to Tax Schedules

To add Tax Codes to a Tax Schedule, select the Tax Schedule you want to add the Tax Codes to, then select the **Add Existing Tax Code** option from the More Actions dropdown.

The Attach Tax Code drawer will appear. Select the Tax Code from the Tax Code dropdown, then indicate whether this Tax Code is intended for sales or for purchases by selecting the appropriate Tax Code Detail Type.
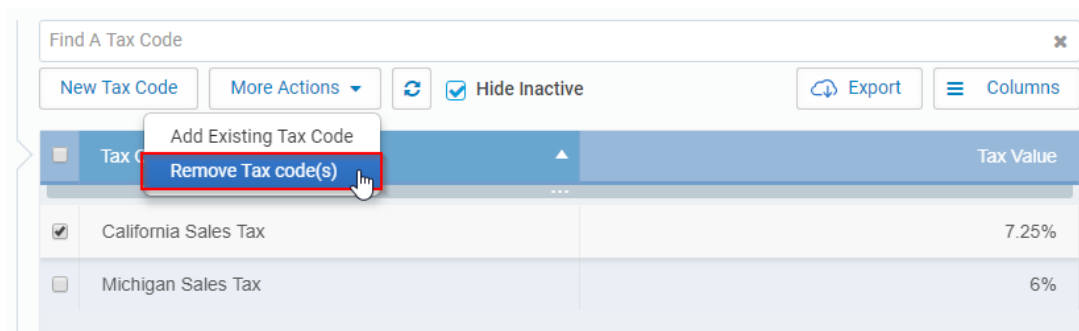

Click **Save** to close the drawer.

To remove Tax Codes from a Tax Schedule, select the Tax Schedule you want to remove the Tax Codes from, then check the box for any Tax Code you want removed. Next, select the **Remove Tax code(s)** option from the More Actions dropdown.

The selected Tax Codes will be removed from the selected Tax Schedule.

Line Level Taxes

When the *Line Level Tax Enabled* checkbox is checked in your System Settings, your Item Master and sales/purchasing transaction line Tax Codes are available to edit. Please note that this setting is disabled by default for new companies.

Line-level taxes work by calculating taxes based off of overlapping tax rates within the header-level and line-item level Tax Codes on the sales document. If there is an overlap, then the appropriate line items are taxed. Here is an example:

Let's say you are working with three Tax Codes: Michigan, Food Item, and Merchandise. The Michigan Tax Code has a single 6% tax rate called "Michigan Product", the Food Item Tax Code has a single 2% tax rate called "Food Product", and the Merchandise Tax Code has two tax rates: "Michigan Product" at 6% and "Food Product" at 2%. You also have a single taxable inventory item, called Widget, that has its Tax Code set to Merchandise. And, finally, your *Contact Used For Tax* setting is set to Shipping.

A customer whose Shipping Contact has a Michigan Tax Code is added to a sales document, and therefore the sales document's Tax Code is now set to Michigan. The Widget is then added as a line item on the sales document, so that line's Tax Code is now set to Merchandise. The sales document overall now has two Tax Codes to evaluate when calculating final tax: Michigan and Merchandise.

When the sales document calculates its tax, it will look for overlapping tax rates between the sales document and the sales lines. In our case, the "Michigan Product" tax rate exists in both the sales document and sales line Tax Codes, so the sales line item's tax amount is calculated at 6% (the Michigan Product rate).

If the Food Product Tax Code had been set at the sales document level (e.g. a customer with a Food Product Tax Code on their Shipping Contact), the overlap would have occurred on the "Food Product" tax rate, and the sales document would've calculated the line item tax at 2%. If an item without an overlapping tax rate was added to the sales document (an item whose Tax Code was something other than Merchandise), then no tax would be applied to that sales line.

The Is Shipping Taxable checkbox next to the Shipping Amount field on sales documents

can also affect final taxes on a sales document. If a customer's Shipping Contact has their own Is Shipping Taxable checkbox checked, the Is Shipping Taxable checkbox on the sales document will automatically be checked when that customer is added to the sales document. When the sales document's Shipping Taxable box is checked, the Tax Code associated with the Shipping Item Master (specified in the QuickBooks Online Import settings) is evaluated for overlap against the sales document's Tax Code in order to determine the final taxable percent.

[Back to Navigation Menu](#)

See it in Action

Tax Schedules are used on various sales documents, such as invoices.

Tax Codes are assigned to contacts in the Create or Edit [Customer](#) drawers, and to inventory items in the Create or Edit [Item](#) drawers.

Create Customer ✖

Billing Address	Shipping Address ☑ Use Billing

Contact Code

[   ]

Contact Person

[   ]

Title

[   ]

First Name

[   ]

Last Name

[   ]

Salesperson

[No Salesperson   ▼]

Sales Territory

[No Sales Territory   ▼]

Shipping Method

[No Shipping Method   ▼]

Location

[No Location   ▼]

Tax Code

[No Tax Code   ▼]

Phone Number

[   ]

Email

[   ]

Back to Navigation Menu