

# Chapter 1.07: Setting up Sales Tax

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## Introduction

This document will guide you through a complete tutorial on how to establish sales tax within Route Manager. The tax system available in the program is robust and includes options for managing any complex tax configuration. Carefully study this guide to ensure that you clearly understand each option.

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## Overview

This document has been separated into eight concise categories:

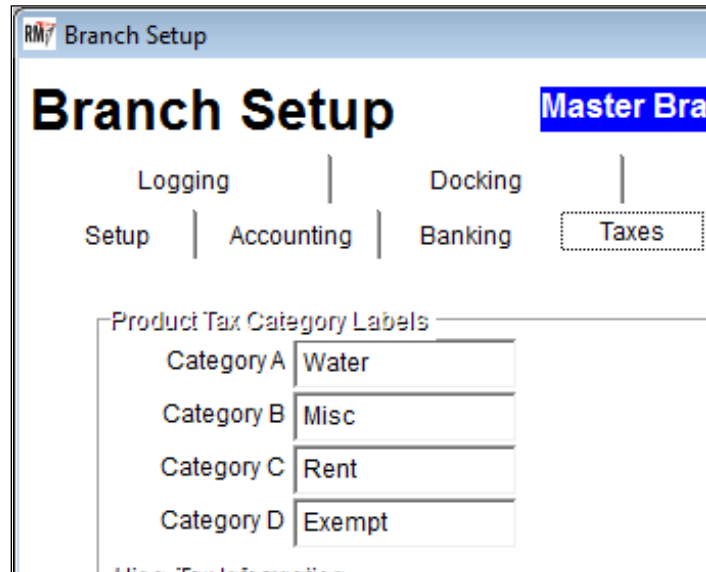
- ▶ Branch Setup Configuration
- ▶ Sales Tax Authorities
- ▶ Sales Tax Codes
- ▶ Product Configuration
- ▶ Customer Configuration
- ▶ Daily Processing
- ▶ Tax Reports
- ▶ Change Tax Utility

Carefully study each section in the order listed and you will be able to successfully establish a tax system that suits the needs of your company.

## Branch Setup Configuration

Tax labels need to be entered to assist you with taxable vs. non-taxable items. The descriptions entered will correspond with the types of items you sell and the taxes you charge.

This option can be found under *File > Branch Setup > Taxes*.



For example, the current company happens to sell water and not much else. They do not collect tax on their water but they do collect tax on cups and rentals.

The labels entered are:

- ▶ **Category A:** Water (All items in this category are non-taxable.)
- ▶ **Category B:** Misc (This is used for items such as taxable cups and supplies.)
- ▶ **Category C:** Rent (This category is going to be used for rentals only; it is taxable.)
- ▶ **Category D:** Exempt (You should always keep this one reserved for all of your non-taxable items that do not fit in any of the previous categories.)

One of these categories will be selected within each individual product that is added to the program. You can use just the first two categories if you like—such as *Taxable* and *Non-taxable*—as you do not have to use all four categories.

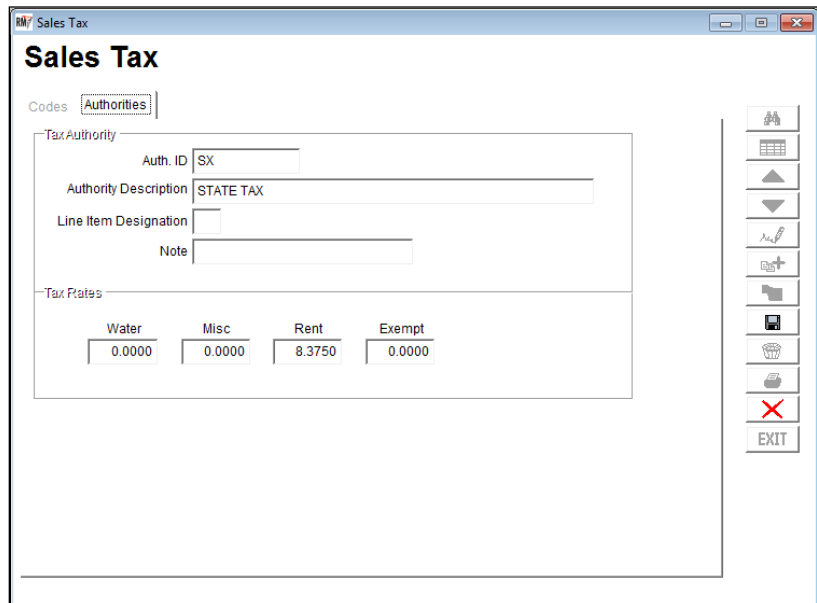
## Sales Tax Authorities

In most states, the sales tax rate is made up of several components, such as *State*, *County*, and *Local* tax. The following screen allows each individual tax rate per tax authority to be entered into the system.

Add a unique *Authority* for each entity you are billed tax for (i.e., enter separate authorities to represent State, County, City, etc.). Percentage rates can be entered from 0.0000 to 99.9999 percent. For example, if the rate is 7.25%, enter 7.2500.

**NOTE:** Be sure to create a tax-exempt authority for customers that are not charged tax for any item.

This option is located under *Lists > Accounting Setup > Sales Tax Rates*, and click on the *Authorities* tab. A definition of each field can be found below.



### Fields:

**Authority ID:** Enter up to eight characters that will represent the *Tax Authority*.

**Authority Description:** Enter a description for the *Tax Authority*.

**Line Item Designation:** Printed next to authority total on handheld receipts.

**NOTE:** Refer to the *Receipt* tab within *Lists > Routes > Handheld Class* for configuration options.

**Note (Optional):** This field can be used to store additional information, if needed.

***Tax Rates:***

Enter the tax rate for the individual authority within each tax category displayed.

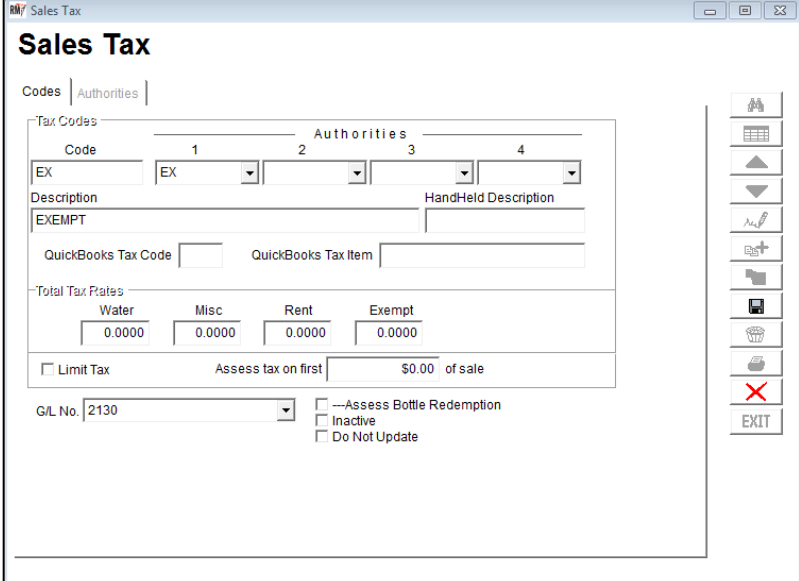
## Sales Tax Codes

*Sales Tax Codes* combine the individual *Authority* rates into a code that will be assigned to your customers.

After you have added all of your tax authorities to the program, click on the *Codes* tab and create a unique *Sales Tax Code* that will be assigned to your customers. For each tax code, select the tax authorities that apply to it from the *Authorities 1-4* dropdown lists. Repeat this process for every tax code that is required.

**NOTE:** Be sure to create a tax-exempt code for customers that are not charged tax for any item.

This option is located under *Lists > Accounting Setup > Sales Tax Rates*. A definition of each field can be found below.



**Sales Tax**

Codes | Authorities

Tax Codes

Code	1	2	Authorities	3	4
EX	EX				

Description

EXEMPT

QuickBooks Tax Code

QuickBooks Tax Item

Total Tax Rates

Water	Misc	Rent	Exempt
0.0000	0.0000	0.0000	0.0000

Limit Tax

Assess tax on first \$0.00 of sale

G/L No. 2130

--Assess Bottle Redemption  
 Inactive  
 Do Not Update

### Fields:

**Tax Code:** Enter an eight character code that will represent the *Sales Tax Code*.

**Authorities:** Select up to four tax authorities that will create the total rate charged for sales tax.

**NOTE:** As each *Authority* is selected, the total tax rate displayed will be updated to reflect the total taxable percentage. The example tax code above combines a *State (ST)*, *County (CO)*, and *City (CT)* tax authority to equal 15 percent on all *Misc.* and *Rent* items sold.

**Description:** Enter a description for the *Sales Tax Code*.

**Handheld Description:** This option is currently in development.

**QuickBooks Tax Code:** Enter the corresponding QuickBooks Tax code if using in conjunction with QuickBooks Integration.

**QuickBooks Tax Item:** Enter the corresponding QuickBooks Tax item if using in conjunction with QuickBooks Integration.

**Total Tax Rates (Read Only):** Displays the combined rate of the selected authorities by product type.

**Limit Tax:** Enable this item to only charge tax up to a certain dollar amount of the sale.

**Asses Tax on First (\$) of Sale:** Enter the dollar amount of the sale that will be charged tax. Sales above this amount will calculate the tax up to this amount, and only charge that.

**G/L No:** Select the general ledger number that the sales tax code should be assigned to (i.e., a liability account, such as *Sales Tax Payable*).

**Assess Bottle Redemption:** Select this option to enable the 'Redemption Value' option (e.g., CRV in California).

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**NOTE:** *Redemption Value Codes* can be assigned to products under *Lists > Product Codes > Product Charge Codes*, on the *Pricing* tab. Additionally, each *Redemption Code* established will need to be assigned to *Product Class '5'* to become available.

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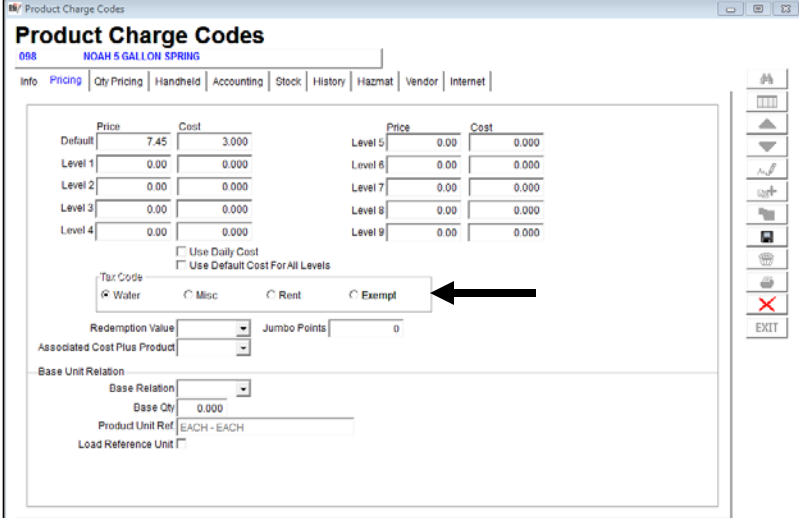
**Inactive:** Choose this option to disable the *Sales Tax Code*.

**Do Not Update:** This option is only used in conjunction with a custom external program and is not used within Route Manager.

## Product Configuration

For each product in the system, select the proper tax category to determine the applicable tax rate when the item is sold.

This option can be found under *Lists > Product Codes > Product Charge Codes*, on the *Pricing* tab.



**Product Charge Codes**  
098 NOAH 5 GALLON SPRING

Info Pricing Qty Pricing Handheld Accounting Stock History Hazmat Vendor Internet

Price	Cost	Price	Cost
Default 7.45	3.000	Level 5 0.00	0.000
Level 1 0.00	0.000	Level 6 0.00	0.000
Level 2 0.00	0.000	Level 7 0.00	0.000
Level 3 0.00	0.000	Level 8 0.00	0.000
Level 4 0.00	0.000	Level 9 0.00	0.000

Use Daily Cost  
 Use Default Cost For All Levels

Tax Code  
 Water  
  Misc  
  Rent  
  Exempt

Redemption Value [ ] Jumbo Points [ 0 ]

Associated Cost Plus Product [ ]

Base Unit Relation  
 Base Relation [ ]  
 Base Qty [ 0.000 ]  
 Product Unit Ref [ EACH - EACH ]  
 Load Reference Unit [ ]

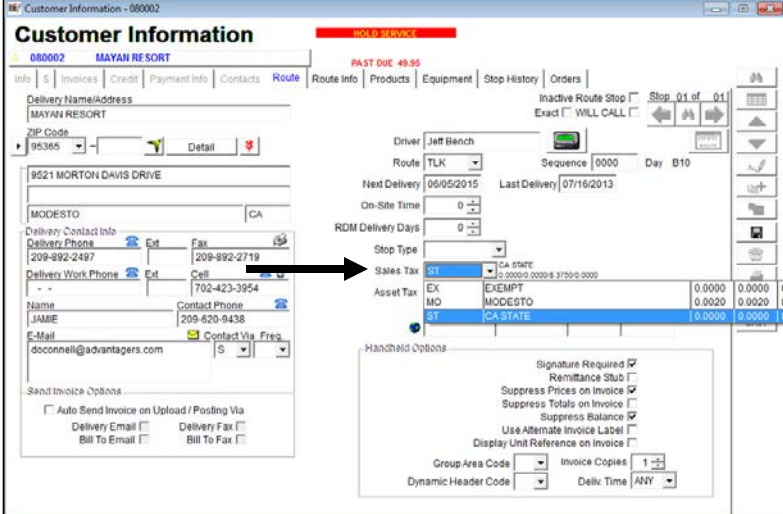
The *Water* category has been selected for this item, which makes it a non-taxable item based on the *Sales Tax Codes* created earlier in this document.

Repeat this step for each item added to Route Manager.

## Customer Configuration

Each customer will need to be assigned the proper *Sales Tax Code* within Route Manager.

Navigate to *Lists > Customer Information*, and select the *Route* tab. Assign each stop to the appropriate tax code by selecting it from the *Sales Tax* dropdown list.



The screenshot shows the 'Customer Information' window for customer 080002, 'MAYAN RESORT'. The 'Route' tab is selected, displaying delivery details for 'MAYAN RESORT' at '9521 MORTON DAVIS DRIVE, MODESTO, CA'. The 'Sales Tax' dropdown menu is open, showing options: 'CA STATE' (0.0000), 'EXEMPT' (0.0000), 'MODESTO' (0.0020), and 'CA STATE' (0.0000). An arrow points to the 'Sales Tax' dropdown menu.

Repeat this step for each account and stop within Route Manager.

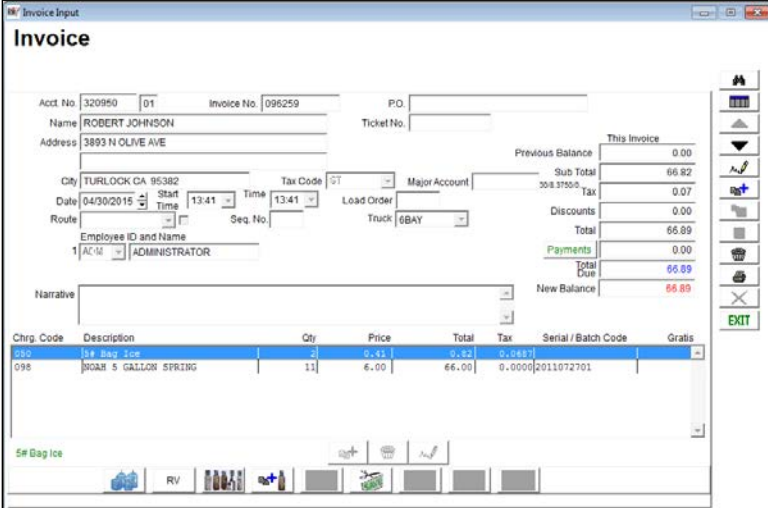
**NOTE:** The *Sales Tax* field is located on the *Route* tab since each account can have multiple stops in Route Manager. Ensure that each stop is assigned to the proper tax code.



## Daily Processing

Once you have established the sales tax codes in the system properly, the correct tax rates will appear automatically on your transactions.

The *Invoices and Adjustments* screen is used for daily transactions. Most of your invoice data input will be done via the handheld computer. However, additional items may need to be entered on the desktop (i.e., sales in the office, hand written tags, adjustments).



**Invoice**

Acct No: 320950 | DT | Invoice No: 098259 | P.O. | Ticket No.

Name: ROBERT JOHNSON

Address: 3893 N OLIVE AVE

City: TURLOCK CA 95382 | Tax Code: DT | Major Account: | Sub Total: 66.82

Date: 04/30/2015 | Start Time: 13:41 | Time: 13:41 | Load Order: | Discounts: 0.00

Route: | Seq. No: | Truck: 6BAY | Total: 66.89

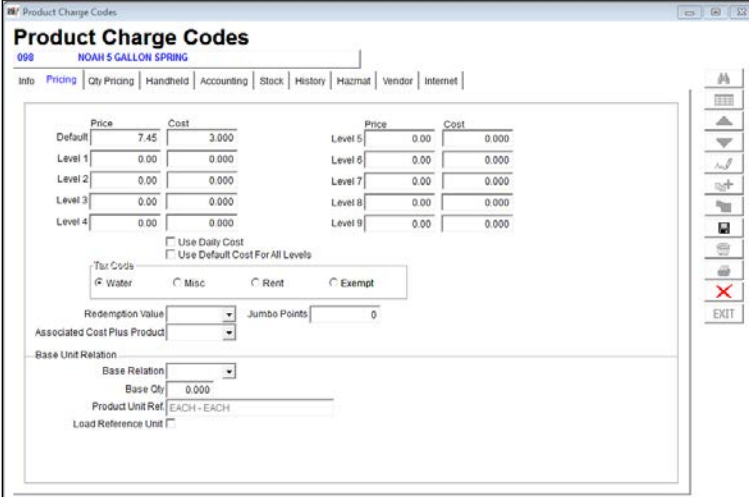
Employee ID and Name: 1 | AC: | ADMINISTRATOR

Narrative:

Chrg. Code	Description	Qty	Price	Total	Tax	Serial / Batch Code	Gratis
055	5# Bag Ice	2	0.45	0.90	0.00		
098	NOAH 5 GALLON SPRING	11	6.00	66.00	0.0000	2011072701	

Summary: Previous Balance 0.00, This Invoice 0.00, Sub Total 66.82, Tax 0.07, Discounts 0.00, Total 66.89, Payments 0.00, Total Due 66.89, New Balance 66.89

**Tax:** Displays the total tax amount on the invoice.



**Product Charge Codes**

098 NOAH 5 GALLON SPRING

Info Pricing Qty Pricing Handheld Accounting Stock History Hazmat Vendor Internet

Level	Price	Cost	Level	Price	Cost
Default	7.45	3.000	Level 5	0.00	0.000
Level 1	0.00	0.000	Level 6	0.00	0.000
Level 2	0.00	0.000	Level 7	0.00	0.000
Level 3	0.00	0.000	Level 8	0.00	0.000
Level 4	0.00	0.000	Level 9	0.00	0.000

Use Daily Cost  
 Use Default Cost For All Levels

Tax Code:  Water  Misc  Rent  Exempt

Redemption Value: | Jumbo Points: 0

Associated Cost Plus Product: |

Base Unit Relation: | Base Relation: | Base Qty: 0.000

Product Unit Ref: EACH - EACH











Load Reference Unit:

MR Sales Tax

### Sales Tax

Codes | Authorities

Tax Codes		Authorities			
Code	1	2	3	4	
EX	EX				
Description		HandHeld Description			
EXEMPT					
QuickBooks Tax Code		QuickBooks Tax Item			
Total Tax Rates					
Water	Misc	Rent	Exempt		
0.0000	0.0000	0.0000	0.0000		
<input type="checkbox"/> Limit Tax Assess tax on first \$0.00 of sale					
GL No. 2130		<input type="checkbox"/> --Assess Bottle Redemption <input type="checkbox"/> Inactive <input type="checkbox"/> Do Not Update			

## Tax Reports

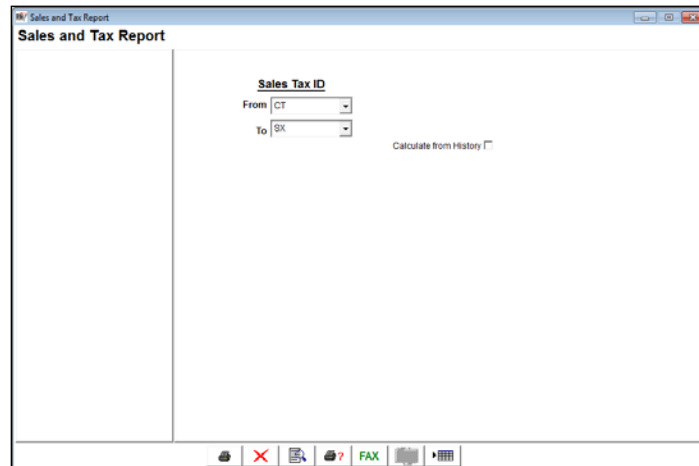
Navigate to *Reports > Accounting Reports > Tax* to access the sub-menu that contains detailed sales and asset tax reports

<a href="#">Sales and Tax Report</a> <a href="#">Sales Tax Collected Report</a>
<a href="#">Asset Tax Report</a>

### Sales and Tax Report

This report provides sales and tax information separated by month, quarter, and year-to-date.

**NOTE:** Do not use this report solely for sales figures. Use the *Sales Detail Report* for this information.



#### Fields:

**Sales Tax ID:** The range of sales tax codes to include in the report.

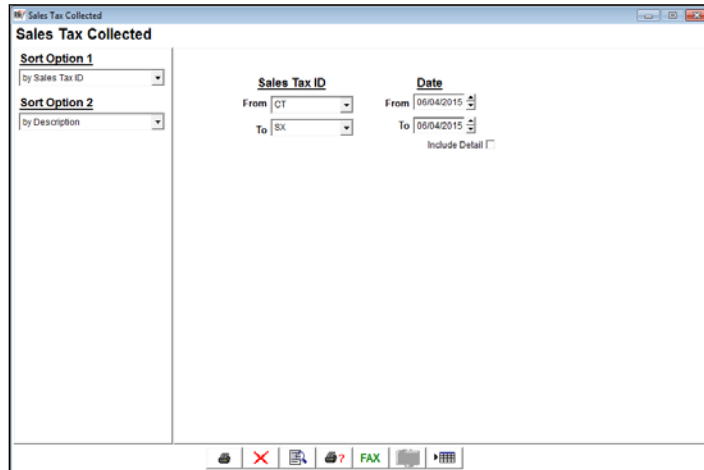
**Date:** Specify the date range to be used on the report. These two fields only show if Calculate from History is checked.

**Calculate from History:** Choose this option to calculate taxes with a date range.

## Sales Tax Collected

This report includes the total amount in taxes that has been collected from your customers.

**NOTE:** This report is based on payments collected. For all taxes billed to your customers, use the *Sales and Tax Report*.



### Fields:

#### Sort Option 1 & 2:

- ▶ Sales Tax ID
- ▶ Description

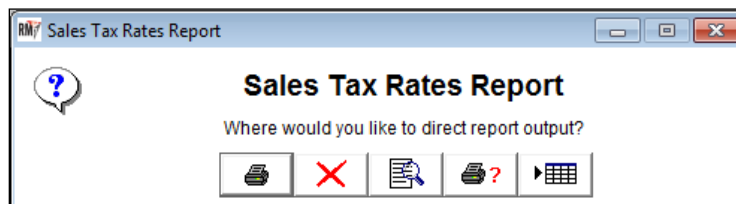
**Sales Tax ID:** The range of Sales Tax ID numbers to include in the report.

**Date:** The date range to include in the report.

**Include Detail:** Choosing this option will include detailed invoice information on the report.

## Sales Tax Rates List

The *Sales Tax Rates List* report will print a list of all the sales tax rates that you have entered into the program.



## Change Customer Sales Tax Codes

This option under *Tools > Global Changes* allows you to make global changes to sales tax codes. You can replace one existing code for another.

**Change Customer Sales Tax Codes**

**Sales Tax Codes**

<p>Old Sales Tax Code <i>( Ctrl-Click All Sales Tax Codes You</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EX</td><td>Exempt</td></tr> <tr><td>NV</td><td>NV SALES TAX</td></tr> <tr><td>ST</td><td>TAXABLE</td></tr> </table>	EX	Exempt	NV	NV SALES TAX	ST	TAXABLE	<p>New Sales Tax Code</p> <div style="border: 1px solid gray; width: 100%; height: 20px; margin-bottom: 5px;"></div>
EX	Exempt						
NV	NV SALES TAX						
ST	TAXABLE						

**Criteria**

Acct. No.	Customer Type	ZIP Code
From <input style="width: 80%;" type="text"/>	From <input style="width: 80%;" type="text"/>	From <input style="width: 80%;" type="text"/>
To <input style="width: 80%;" type="text" value="001399"/>	To <input style="width: 80%;" type="text" value="WH"/>	To <input style="width: 80%;" type="text" value="99999"/>

**Fields:**

**Old Sales Tax Code:** Choose an old sales tax code that will be replaced with a new one.

**New Sales Tax Code:** Choose a new sales tax code that will replace the old one.

**Criteria:** Select the criteria in which to change the Sales Tax Codes. Select ranges of account numbers, customer types, and ZIP Codes.

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**Advantage Route Systems, Inc.**

3201 Liberty Square Parkway

Turlock, CA 95380 USA

Phone: 1.209.632.1122

Web Site: [www.AdvantageRS.com](http://www.AdvantageRS.com)

Email: [info@AdvantageRS.com](mailto:info@AdvantageRS.com)

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