

4.32 Using Alaska Sales Tax Limits

Introduction

Residents in the state of Alaska have an opportunity to save of state sales tax if they purchase more than \$500 worth of goods on a single invoice. (Some counties are now \$1000) This document describes the procedure to set up the sales tax so this will work properly. In addition, it will help you with reports that can be used for reporting purposes.

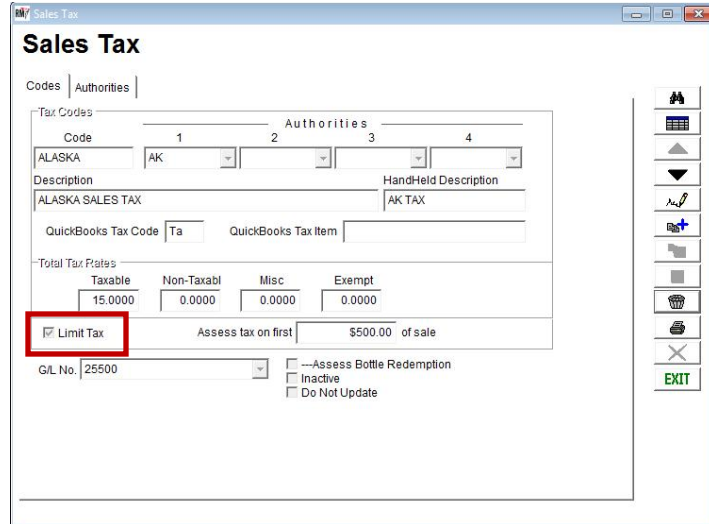
Overview

Generally, this is simple to set up and get going. You will first need to make sure you have a list of counties and their appropriate Sales Tax Limits.

Setup

Setup is fairly simple. You will need to go into *Lists > Accounting Setup > Sales Tax Rates* and adjust each different Sales Tax Code for the limit that corresponds with that Sales Tax (if there is one).

1. Go to *Lists > Accounting Setup > Sales Tax Rates*.
2. On the *Codes* tab, locate the "Limit Tax" checkbox.



3. For each Sales Tax Code that requires a Limit Tax to be used, Modify the Sales Tax Code and check the Limit Tax box.
4. Enter the Dollar Amount value to “Assess Tax on first \$_.__ of Sale”



5. Save and repeat for any other Sales Tax Codes.

NOTE: This is NOT retroactive. This will only affect NEW invoices and invoices that are modified and re-saved AFTER the changes are made. We suggest posting ALL invoices prior to making this adjustment, and make the adjustment before any invoices or handheld cards for the new period are made.

Invoices

Example invoice of an account at a 15% tax rate, with a \$500 limit tax. As we can see in the upper right area, the Sub Total of the invoice is \$625.00, yet the tax is only \$75.00. As the Limit Tax was set to \$500.00. Thus, tax was only charged on the first \$500 of this example invoice.

RV Invoice Input

Invoice

Acct No: 531150 01 Invoice No: 097010 P.O. _____
 Name: Bailey's Ice Ticket No. _____
 Address: 1234 CERES ST
 City: CERES CA 95307 Tax Code: ALABAMA Major Account: DG
 Date: 06/16/2015 Start Time: 08:45 Time: 08:45 Load Order: _____
 Route: _____ Seq No: _____ Truck: 6BAY
 Employee ID and Name: 1 ACMA ADMINISTRATOR

Previous Balance	122.42
This Invoice	
Sub Total	783.75
Tax	75.00
Discounts	0.00
Total	858.75
Payments	0.00
Total Due	858.75
New Balance	991.17

Narrative: _____

Chrg Code	Description	Qty	Price	Total	Tax	Serial / Batch Code	PO #	Gratis
098	NOAM 5 GALLON SPRING	20	6.25	125.00	10.7500	2011072703		
802	42K CUPS	18	3.88	69.24	8.8878			
510	CUP DISPENSER	10	9.95	99.50	14.9250			
1001	Gallon Propane	50	10.00	500.00	32.4375			

Reporting

The Sales and Tax report will also break down the Exempt sales that were made to customers in these counties as well. You will need to choose "Calculate from History" and then "Show Invoice Breakdown".

Note the new Exempt Sales row. Which shows us there was a \$965.00 invoice, which generated \$28.95 in tax, and \$285.00 in Exempt Sales.

Sales Tax Authority	A		B		C		D	
	Taxable		NonTaxable		Exempt			
	Rate	3.0000%	Rate	0.0000%	Rate	0.0000%	Rate	0.0000%
PALMER PALMER CITY TAX								
Acct# - Name	Inv# - Date							
001571 - State Farm Erik Christensen	0694704 - 06/20/2013							
[CONC] 1 @ 35								
001571 - State Farm Erik Christensen	0694704 - 06/20/2013							
[CLEAN] 5000 @ 9.250								
Authority PALMER Totals								
	Sales	1000.00	Tax	30.00	Exempt Sales	285.00		

Summary

Sales Tax can vary from one state to another. If you are in Alaska, you will need to set up your tax so you can exempt portions of tax that apply to purchases over \$500 on a single sale for the counties that this will apply to. Limit Tax amount may vary by county and/or state.

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