PrismWeb for PrismCore

Sales Tax

Editing Sales Tax in PrismWeb

Sales Tax

Note: Sales Tax is the only parameter which is in both PrismCore and PrismWeb which needs to be set up in both.

Setting Up State-Based Sales Tax

1. In the PrismWeb Manager, go to **Setup** > **Sales Tax**.
2. If you are using state-based sales tax, make sure the sales tax mode is set to **State-based** in the right column (). To change the tax mode, select the mode you want to use and click the **Change Sales Tax Structure** button.

Change Tax Mode

○ Use Tiers

◉ State-based

Change Sales Tax Structure

3. To create sales tax for a state, click the **Make Sales Tax** link.
4. Select your state from the **State** menu.

New Sales Tax	Back to Sales Tax List
State	Nebraska
Description	Nebraska Sales Tax
Tax Rate	7
Apply to shipping	☑
Add Sales Tax for this state	

5. In the **Description** field, enter a description of the tax rate, e.g. "Nebraska State Sales Tax".
6. In the **Tax Rate** field, enter the state sales tax rate. For example, if your state tax rate is 7.5%, enter 7.5.
7. If you need to collect tax on shipping, check the **Apply to shipping** check box.
8. Click the **Add Sales Tax for this State** button.

Note: You can edit or delete a state sales tax code later, however it is not recommended that you delete a tax code if it has been used previously on a web order, as you may see an error message when viewing the order.

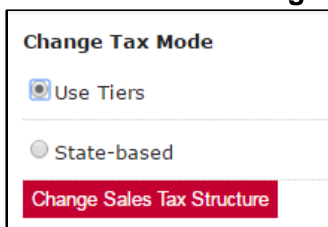# Setting up Simple Tiers Sales Tax

Simple Tiers tax mode lets you apply specific tax rates to zip codes and cities within states, and apply different rates to textbooks, merchandise, trade books, shipping charges, and textbook rentals. The following steps go over how to manually create sales tax codes using Simple Tiers.

Tax rate tiers are not cumulative. For example, if you enter 7.25% rate for zip code 68510, the customer will be charged 7.25% tax if that is their zip code. It will not charge them state tax + zip code tax.

Note: The *simplest and recommended way* to set up Simple Tiers tax codes is to work with NBC Support to import a file of tax rates for your state. This will help ensure that your sales tax rates are added correctly in the PrismWeb Manager, and match with the sales tax codes set up in PCAdmin.

Changing Sales Tax Modes

1. In the PrismWeb Manager, go to **Setup** > **Sales Tax**.
2. To change tax modes, select the **Use Tiers** radio button in the right column and click the **Change Sales Tax Structure** button.

Adding a Country Sales Tax Tier

1. In the PrismWeb Manager, go to **Setup** > **Sales Tax**.
2. Click the **New Tax Rate** link.
3. Under the **Apply to Categories** heading, check the boxes next to the categories of products you can apply to this tax tier (and all child tiers).

New Tax Tier	Back to Tax Rates

Apply to Categories

GM	☑
Text	☐
Trade	☐
Ship	☐
Text Rental	☐

Name	USA
Description	USA
Rate	0
Applies To	Country
Country	USA ▼

Next Level

State	⦿

Create Tier

Note: Depending on your tax laws, you will need to create tax tiers for all or some of the available categories. For example, if your tax laws charged different sales tax for GM and Textbooks, you would need to create separate tiers for each. Check the box next to the categories you wish to apply to *this tax tier*. You may create additional tiers for the other categories later.

4. In the **Name** field, enter a name for this tier, e.g., USA.
5. Enter a description for this tier in the **Description** field.
6. In the Rate field, enter a tax rate (if any) for the country. If you do not need to charge a country-level sales tax rate, enter 0 (zero).
7. From the **Country** menu, select your country.
8. Click the **Create Tier** button.

Note: The next (child) level of this tier must be at the state/province level, so you do not have an option to select anything different here.

Adding a State/Province Level to a Sales Tax Tier

1. Clic the **Edit** link next to the country level tier.

Simple Tiers Sales Tax   New Tax Rate

Viewing Root Level Tiers

> ⓘ Tier "USA" successfully created.

Name	Actions
USA (GM)	✏ Edit ⊖ Delete

2. Clic the **Create New Tier Under [country tier name]** link.

Simple Tiers Sales Tax | Home

Actions

Create a new Tier under USA

Delete USA

— **Apply to Categories** —

GM	☑
Text	☐
Trade	☐
Ship	☐
Text Rental	☐

Description   USA

Tax Rate   1   %

Change this tier

3. I   the **Name** field, enter a name for this tier, e.g., the name of your state or province.

New Tax Tier USA

Name	Nebraska
Description	Nebraska
Rate	7
Applies To	State
State	Nebraska ▼

Next Level

City	⦿
Zip	○
None	○

Create Tier

4. Enter a description for this tax tier in the **Description** field.
5. I   the **Rate** field, enter the tax rate for this state/province. For example, if your state tax rate is 7%, enter 7.
6. Fro   the **State** menu, select the state/province.
7. Depending on your tax laws, you may need to create a child tier at the **City** or **Zip Code** level. Select the appropriate radio button, or select **None**, if you do not need to create a child tier.
8. Clic   the **Create Tier** button.

Adding a City or Zip Code Level to a Sales Tax Tier

1. If you need to create a city or zip code level child tier under the state level, click the **Edit** link next to the name of your state tier.

Simple Tiers Sales Tax | Home

Apply to Categories

GM	☑
Text	☐
Trade	☐
Ship	☐
Text Rental	☐

Description: USA

Tax Rate: 1 %

Change this tier

Children of this Tier

Name	Actions
Nebraska	✏ Edit ⊖ Delete

2. Click the **Create a New Tier Under [state tier name]** link.

Simple Tiers Sales Tax   Parent Tier: USA | Home

Description: NE - GM

Tax Rate: 7 %

Change this tier

Actions

Create a new Tier under Nebraska

Delete Nebraska

3. Depending on if you selected city or zip for the next level tier, you will see several fields for the appropriate type.

New Tax Tier Nebraska   Back to Tax Rates

Name	Lincoln
Description	Lincoln
Rate	7
Applies To	City
City Name	Lincoln

Next Level

Zip	●
None	○

Create Tier

New Tax Tier Lincoln   Back to Tax Rates

Name	68510
Description	68510
Rate	7
Applies To	Zip
Zip Code	68510

Next Level

None	None ●

Create Tier

4. Enter the tax information in the following fields for the city or zip code level:
   - **Name:** Enter the name of the tier, e.g., the city name or zip code.
   - **Description:** Enter a description for the tier.
   - **Rate:** Enter the tax rate for this city/zip code. For example, if your zip code tax rate is 7.5%, enter 7.5.
   - **City Name** or **Zip Code:** Enter the name of the city or zip code.

Note: If you are creating a city level tier, you can create another child tier at the zip code level, if needed. You cannot create a tier beyond the zip code level.

5. Click the **Create Tier** button.

Editing Sales Tax
in PrismCore

About Mail Order Taxes

Most states have mail and Web order laws in place that require the charging of sales tax only on orders being shipped to states where your company has a business presence. However, there are some states with different mail and Web order laws for when tax should and should not be charged (if the items being shipped are taxable). WinPRISM Support advises you to find out what your state tax laws are and create an appropriate tax structure in WinPRISM.

The WinPRISM tax structure functions in the same basic way using each of the WinPRISM "POS systems": POS sales at the cash registers, mail orders, and Web orders. Tax amounts are calculated using a combination of the following:

Tax tables, which are only used in some states and can be used on tax code records to calculate tax rates, instead of using a straight percentage.

Tax codes, which determine the percentage of tax to be charged for a particular type of tax, the rounding method for tax calculations, the state where the tax is applied, etc.

Tax code groups, where you group one or more tax codes together and define at which WinPRISM location(s) the group of tax codes is to be applied.

Item tax types, where you define the types of taxes that apply to different groups of items and DCCs (e.g., a 'taxable' type for most merchandise, a 'non-taxable' type for items where tax is not charged). For each item tax type, you also designate at which locations and in which POS systems (i.e., POS sales at the cash registers, mail orders, Web orders) the item tax type will be applied.

Your tax setup can be relatively simple or more complex, depending on your situation.

If you only need to divide your items into taxable vs. non-taxable and you only need to charge one tax rate for taxable items at all locations, you may only need to set up one tax code, one tax code group, and one item tax type each for taxable and non-taxable merchandise.

Factors that might result in a more complex tax setup include:

- Different percentages are charged at different locations.
- Different tax rates are charged for different types of taxable merchandise.
- Different taxes need to be used for sales rung through the registers vs. Web orders or mail orders. You have to charge for Web orders or mail orders using more than one tax rate per state, etc.

If you have WinPOS and already have your taxes set up for use at the cash registers and that same tax setup applies to Web orders and/or mail orders, you will not need to create new tax tables, codes, code groups, or item tax types. You will simply need to add the Web order and/or mail order POS systems to the appropriate item tax type records. However, if you need a different tax setup for Web orders and/or mail orders, or if you are using PRISM POS, you will need to create appropriate tax records before you can process Web orders or mail orders.

Before you set up your tax structure in WPAdmin, you should understand how the parts of the structure relate to each other. Below are illustrations of how these tax-related records work together in two scenarios: one simple, the other more complex.

NOTE: To help determine how your system needs to be set up to achieve the results you want, we recommend that you contact Support and go over your own tax situation with them before setting up taxes in WinPRISM.

Simple Scenario

In this scenario we'll say you have only one store location in a town in Nebraska. We'll call it Store A. It sells items through all three "POS systems": POS registers, Web orders, and mail orders. Most items are taxed at a straight 7% rate, but some are non-taxable. For taxable items sold via the Web or mail orders, you only have to charge for ones shipped to Nebraska addresses.

Tax Codes

Tax code records are where you set the percentage to be charged for a particular kind of tax (or indicate that it should use a tax table, instead of a percentage). In the tax code record you also choose the rounding method for tax calculations, the country and state where the tax is applied, and (optionally) the range of dates during which the tax is to be applied.

In our simple setup, you would only need to create two tax codes: taxable and non-taxable. Since all taxable items are taxed at a combined city/state tax rate and are taxable for only one state, you would assign the one for taxable items a 7% tax rate and say it applies for the state of Nebraska. You would assign a 0% tax rate to the one for non-taxable items, with the state again set to Nebraska.

Simple Scenario

Tax Code Groups

Tax code groups are where you define which tax codes should be applied to items at different locations.

In our simple single-location scenario where all non-taxable items are taxed at 0% and all other items are taxed at 7%, you would only need to create one tax code group for taxable items (tied to the **7% Taxable** tax code) and another for non-taxable items (tied to the **0% Non-taxable** tax code).

For the purpose of taxing mail orders and Web orders, you can set up tax jurisdictions on tax code group records. Jurisdictions are groups of zip codes where the tax codes in the group should be applied. *You only need to set up jurisdictions if you need to charge different tax rates for different jurisdictions within a state.*

Simple Scenario
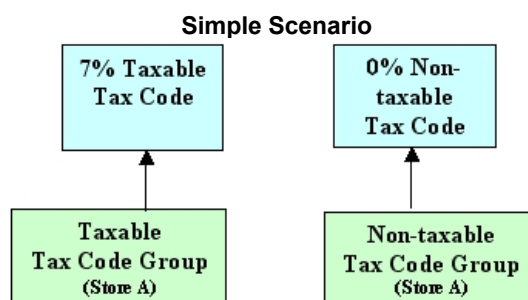
Item Tax Type

Each item and DCC in WinPRISM has an item tax type attached to it. That tax type determines whether the item or DCC sale is taxable under normal circumstances when sold through the registers or through Web orders or mail orders. It also determines at what rate the item will be taxed at each store location, based on the tax code groups you attach to the item tax type (since the tax code groups are tied to tax codes and their tax rates).

In our simple one-location setup your items are either simply taxable or non-taxable, so you need a taxable item tax type and a non-taxable item tax type, to assign to different types of items. You sell items through shipping mail orders and Web orders, as well as selling items at the POS registers. The taxing is the same no matter which of these POS systems you use to sell items. So you would need to assign each POS system used at your single location to each of the item tax types.
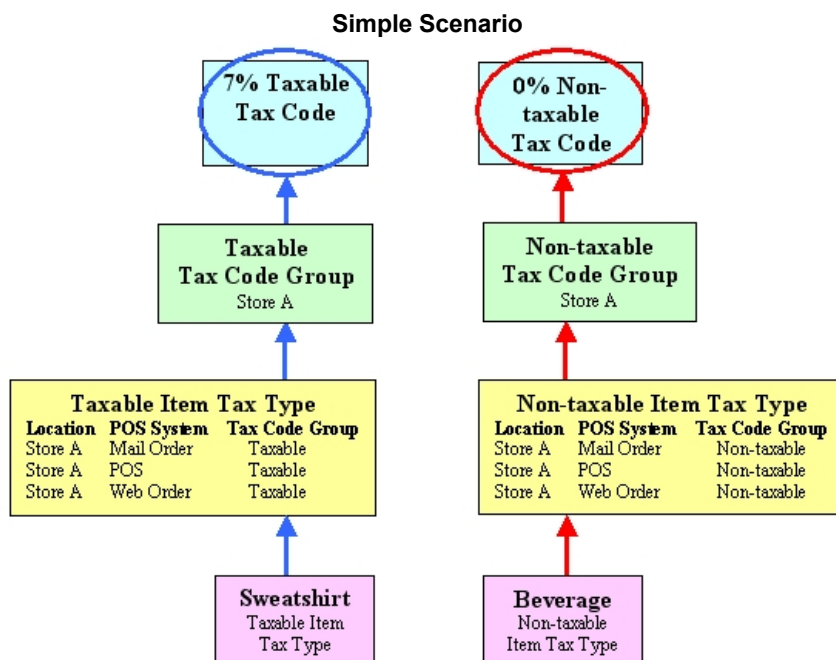
Simple Scenario
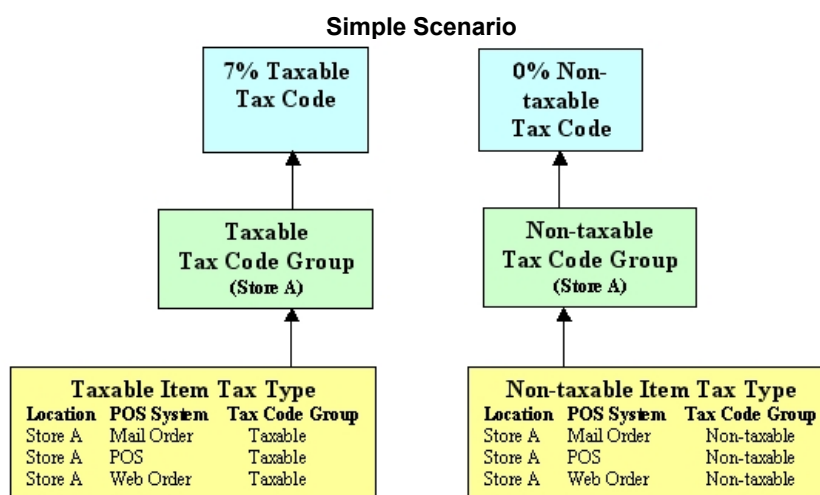
Let's say you sell a sweatshirt at the register. WinPOS first looks at the item tax type attached to the sweatshirt's item record. In our scenario, clothing is taxable, so it would have been set to the **Taxable** item tax type.

The system then starts at the bottom of the chart above and sees that the **Taxable** item tax type applies to POS sales at Store A. It moves up the chart and sees that the **Taxable** tax code group uses the **Taxable** tax code and that the tax rate on that tax code is 7%. It then applies 7% tax to the item.

When you sell a non-taxable item, WinPOS again finds which item tax type is attached to the item (in this case **Non-taxable**) then

moves up the chart to see that no tax should be charged. A similar process is used for sales done through shipping Web orders and mail orders.

Simple Scenario

Taxable Item Tax Type		
Location	**POS System**	**Tax Code Group**
Store A	Mail Order	Taxable
Store A	POS	Taxable
Store A	Web Order	Taxable

Non-taxable Item Tax Type		
Location	**POS System**	**Tax Code Group**
Store A	Mail Order	Non-taxable
Store A	POS	Non-taxable
Store A	Web Order	Non-taxable

Sweatshirt
Taxable Item
Tax Type

Beverage
Non-taxable
Item Tax Type

More complex scenario

Let's look at a little more complex scenario where more than one tax rate is charged on taxable items. You have two locations in different towns in Nebraska. Store A has POS registers and processes Web orders and mail orders. Store B only has POS registers. Tax needs to be charged for taxable items on Web orders and mail orders shipped to either Nebraska or Iowa.

Tax Codes

In this setup, you need to create four tax codes. Taxable items are taxed at a 7% Nebraska tax rate at Store A and at an 8% Nebraska tax rate at Store B. Since there are different tax rates for taxable items at the two locations, you will need two tax codes for taxable items sold through the registers: 7% NE Tax and 8% NE Tax. They are both tax codes used for sales in Nebraska, so you would set the state to Nebraska on each of them.

Since Store A processes Web orders and mail orders and those orders must be taxed at different rates depending on whether they are shipped to Nebraska or Iowa, you would need to add another tax code to use for Web orders and mail orders shipped to Iowa. If Iowa charges 5% tax, that code's rate would be 5% and the state would be Iowa. The tax code for non-taxable items would be given a 0% tax rate for Nebraska.

Complex Scenario

7% NE Tax Code   8% NE Tax Code   5% IA Tax Code   0% Non-taxable Tax Code
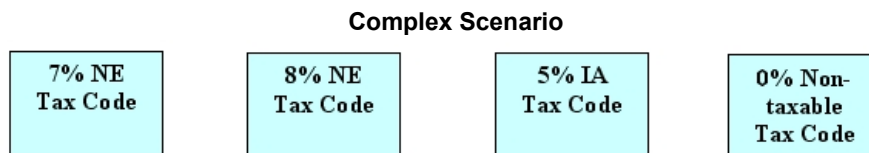
Tax Code Groups
Remember that in a multi-location WinPRISM system, the percentage of tax to be charged for a particular type of item may be the same in all locations or different in different locations. The tax code group is where you specify which tax codes apply at different store locations. There may be only one tax code attached to the tax code group (e.g., a combined city/state tax code) or multiple tax codes (e.g., a combined city/state tax code for items taxed by both city and state and a state tax code for items taxed only by the state).

In this multi-location scenario, tax for taxable items sold at Store A through the registers or shipped to Nebraska addresses must be calculated using the 7% NE tax code. You would create a 7% NE tax code group that is tied to the 7% NE tax code, assigning it to Store A. Tax for taxable items on Web orders or mail orders that are shipped to Iowa must be calculated using the 5% IA tax code. You would also create a 5% IA tax code group that is tied to the 5% IA tax code, again assigning it to Store A.

Tax for taxable items sold at Store B through the registers must be calculated using the 8% NE tax code. For that location you would create an 8% NE tax code group that is tied to the 8% NE tax code, assigning it to Store B.

For non-taxable items sold through any POS system at either store, you would need to create a 0% Non-taxable tax code group that is

tied to the **0% Non-taxable** code, assigning it to both Store A and Store B.

Complex Scenario
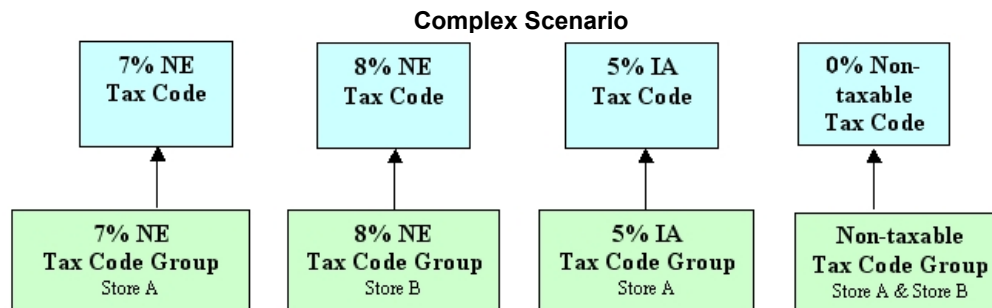
Item Tax Type

The item tax type assigned to each item begins the determination of how taxes will be applied to an item, depending on the tax code group that is assigned to the location/POS system through which the item is sold.

In this more complex example, items are still simply either taxable or non-taxable. So you only need to create one item tax type for taxable items and one for non-taxable items. The trick to ensuring that the right tax is calculated for an item under different circumstances is getting the item tax types tied to the correct tax code groups for each combination of location/POS system through which the items may be sold.

You would start by creating a **Taxable Items** item tax type, set up like this:

> In Store A, taxable items sold through the registers are all taxed with the **7% NE** tax code, which is attached to the **7% NE** tax code group. So you would add a line for the POS registers for Store A, attached to the **7% NE** tax code group.
> In Store B, taxable items sold through the registers are all taxed with the **8% NE** tax code, which is attached to the **8% NE** tax code group. So you would add a line for the POS registers for Store B, attached to the **8% NE** tax code group.
> In Store A, taxable items sold through shipping either Web orders or mail orders are taxed with the **7% NE** tax code if they are shipped to Nebraska or with the **5% IA** tax code if they are shipped to Iowa. Items shipped to other states are not taxed. So you would add a line for mail orders for Store A, attached to the **7% NE** tax code group and a second line for mail orders for Store A, attached to the **5% IA** tax code group. You would also add two lines for Web orders for Store A and Store B, attached to the same tax code groups.

> You would also create a **Non-taxable** item tax type. You would add lines for POS, mail orders, and Web orders for Store A, all attached to the **Non-taxable** tax code group. You would also add a line for POS for Store B, attached to the same tax code group.

Complex Scenario
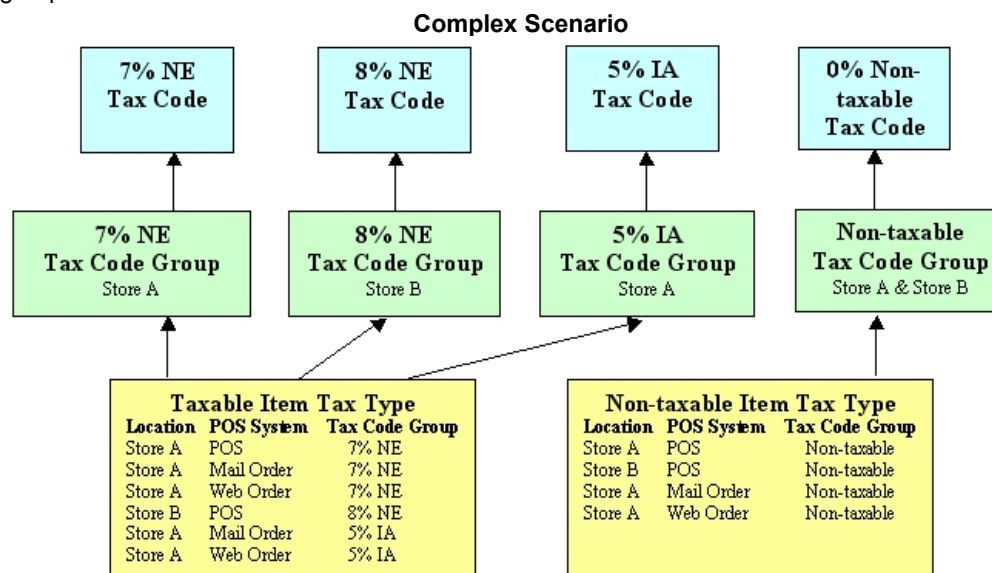
Let's look at what would happen in three different situations with this particular tax setup:

A. When you sell a taxable item at the register at Store A, WinPOS sees that the item is assigned to the Taxable item tax type, which at Store A is attached for POS sales to the **7% NE** tax code group. It sees that the **7% NE** tax code group uses the **7% NE** tax code and that the tax rate on that tax code is 7%. It then applies 7% tax to the item.

B. When you sell a taxable item at the register at Store B, WinPOS sees the item is assigned to the Taxable item tax type, which at Store B is attached for POS sales to the **8% NE** tax code group. It sees that the **8% NE** tax code group uses the **8% NE** tax code and that the tax rate on that tax code is 8%. It then applies 8% tax to the item.

C. When you sell a taxable item at Store A by shipping a mail order or Web order, WinPRISM again sees that the item is assigned to the **Taxable** item tax type, which for mail orders and Web orders at Store A is attached to both the **7% NE** and **5% IA** tax code groups. Those groups in turn are attached to the **7% NE** tax code and **5% IA** tax code.

It then looks at the zip code in the order's shipping address and checks the tax code groups that have been set up at Store A for mail orders and Web orders to see if either one has the zip code in its jurisdictions list. If that zip code is attached to the **7% NE** or the **5% IA** tax code group, it uses the tax code group with the zip code in its jurisdictions list to determine the amount of tax to be charged on the order.

In this scenario you did not need to set up jurisdictions for your tax code groups, since you tax at 7% for any town in Nebraska and 5% for any town in Iowa. In that case WinPRISM checks whether either the **7% NE** or **5% IA** tax code group contains a tax code that is set up for the state in the order's shipping address. If so, it uses that tax code to calculate the tax rate (e.g., a Web order shipped to Iowa is taxed at 5%). If the state on the shipping address is neither Nebraska nor Iowa, tax will not be charged on taxable items on the mail order or Web order.

Let's look at how the tax is applied in scenario C when Store A ships a Web order for a taxable sweatshirt to an address in Iowa.

Complex Scenario C
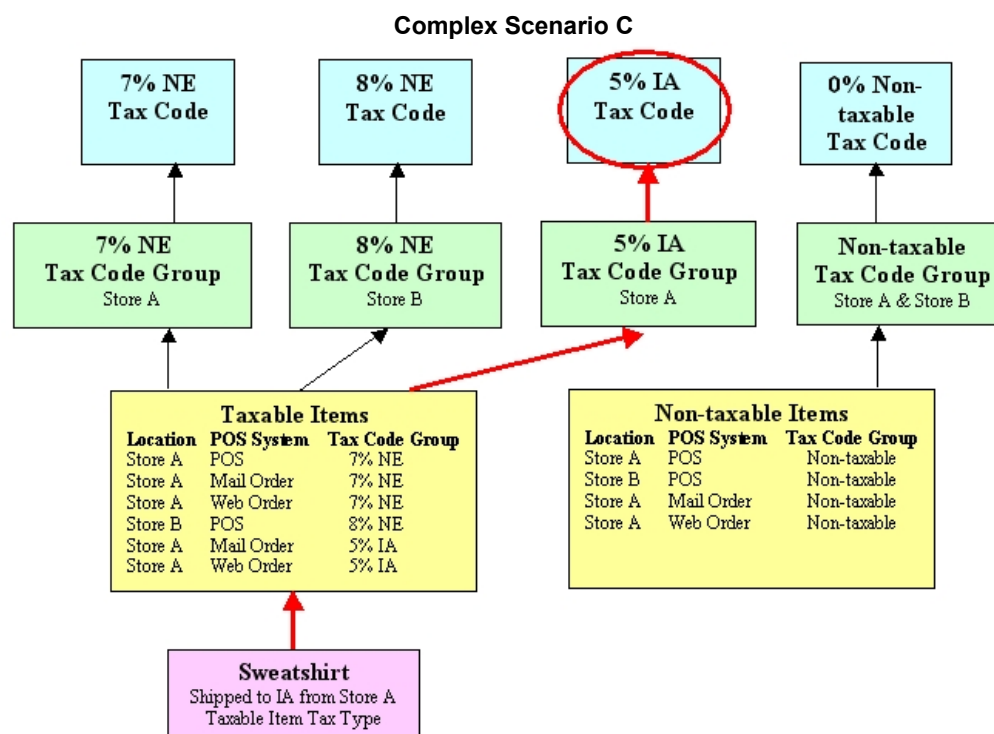
Setting up the tax records

Now that you have an idea of how the different kinds of tax records work together, you can create your tax codes, tax code groups, item tax types, and tax tables (if needed). *You need to add the records in the order outlined below, since each step (starting with tax codes) uses records set up in the previous step.*

NOTE: The step of creating one or more tax tables is not typically done in most stores. Since it is an exception to standard tax setup, the details of how to create tax tables are listed in this on-line help after the sections on the standard parts of WinPRISM tax setup.

1. *Set up any desired tax tables (only if needed).* Tax rates for most stores are based on a straight percentage of tax. For example, if the state tax is 7%, and the total of taxable items on a POS transaction or mail/Web order is $1.50, the tax is calculated as $1.50 X 7% = $0.105. The tax amount is then rounded up or down to a full cent amount (e.g., $0.10 or $0.11). Some states (or municipalities) dictate the levels at which the next penny of tax will be assessed, rather than taxing based on a straight percentage. These states use tax tables, which list the amount of tax that is charged for a range of dollar amounts of taxable sales, rather than straight percentages. A tax table you receive from the state or a bank might start out looking like this:

Amount of Sale	Amount of Tax
$ .00 - .09	$ .00
$ .10 - .16	$ .01
$ .17 - .23	$ .02

If your tax amounts are all calculated using percentages, rather than a tax table, you will skip step 1 and start with step 2.

2. *Set up tax codes.* To enable WinPRISM to charge tax correctly, you must set up tax code records in the Tax Codes module for all states where you need to charge tax on mail order or Web order shipments (e.g., if you need to charge 7% tax for taxable items shipped to either Nebraska or Maryland, you would need to create separate tax codes for each of those states, each with a tax rate of 7%).
3. *Set up tax code groups.* Once you have created the tax codes, determine how those taxes will be applied and create tax code groups in the Tax Code Group module to combine the tax codes appropriately.
4. *Set up item tax types.* Finally, determine how those groups apply to different kinds of items and their DCCs. You will use that information to create item tax type records in the Item Tax Types module.

About Tax Tables

(Tax Tables - Ctrl+J 12341)

Tax tables can be used in conjunction with tax code groups to calculate the amount of tax to charge on different types of items. You would only need to do this if a state for which you are collecting tax dictates the levels at which the next penny of tax will be assessed, rather than basing taxes on a straight percentage.

Tax tables in WinPRISM are based on printed sales tax schedules, which are generally available from your local bank or Department of Revenue. A tax schedule shows the amount of tax that must be collected for a range sale amounts (e.g., in schedule below, 4 cents of tax is to be charged for 55 cents of taxable merchandise).

Here is an example of a state sales tax schedule and how you would set up a tax table in WinPRISM. For the standard Florida 6% tax schedule, the first entries (up through $1.00 of sales) look like this:

Amount of Sale	Amount of Tax
$ .00 - .09	$ .00
$ .10 - .16	$ .01
$ .17 - .23	$ .02
$. 34 - .50	$ .03
$. 51 - .66	$ .04
$ .67 - .83	**$ .05**
$ .84 - 1.09	$ .06

When you create a tax table record for this tax schedule in WinPRISM, rather than just reproducing the schedule in WinPRISM, you enter the amount of the increase (or "increase value") for every new penny of tax assessed in the schedule. Before you can add these increase values, you must figure out what they are.

To do this, look at the tax schedule. The increase value for the first row is the difference between the first and second values shown under the Amount of Sale column in that row. In this case, it would be $ .09 minus .00 = .09.

The increase values for the remaining rows are determined by subtracting the second dollar amount from the Amount of Sale column on the previous row from the second dollar amount in the column of the row for which you are calculating the value. In the example above, the increase value for the second row would be $.07 because .16 minus .09 = .07. The increase value for the third row would be $ .17 because .33 minus .16 = .17.

Keep calculating values until you hit the "break point", which is the point at which the pattern starts repeating in the table. It will vary depending on the tax rate percentage and how that particular tax table was created. Normally, the first few increase values are not included in the repeated pattern. Again, to find the break point in a tax table, you will need to calculate increase values until you find the point where the pattern starts repeating.

The break point needs to be at a whole dollar amount, and whole percentages tend to break around $1.00. In this example it falls in the $ .84-1.09 range. Thus, you will use $1.00 to calculate what to put in the tax table in WinPRISM, rather than using the amount at the upper end of this range (i.e., $1.09).

For the $ .84-1.09 range in the Florida tax table, if you calculate the increase value from $ .83 to $1.09 it is actually $. 26. However, you cross the $1.00 mark in that range, so you would actually only calculate the cents it takes to get from $ .83 to $1.00, which is $ .17 (e.g., $ 1.00 minus .83 = .17).

So, the values for the tax schedule above would be:

Amount of Sale	Amount of Tax	Increase Value
$ .00 - .09	$ .00	$ .09 minus .00 = **.09**
$ .10 - .16	$ .01	$ .16 minus .09 = **.07**
$ .17 - .33	$ .02	$ .33 minus .16 = **.17**
$. 34 - .50	$ .03	$ .50 minus .33 = **.17**
$. 51 - .66	$ .04	$ .66 minus .50 = **.16**
$ .67 - .83	$ .05	$ .83 minus .66 = **.17**
$ .84 – 1.09	$ .06	$1.00 minus .83 = **.17**
$ 1.10 – 1.16	$ .07	$1.16 minus 1.09 = **.07**
$ 1.17 – 1.33	$ .08	$1.33 minus 1.16 = **.17**
$ 1.34 – 1.50	$ .09	$1.50 minus 1.33 = **.17**
$ 1.51 – 1.66	$ .10	$1.66 minus 1.50 = **.16**
$ 1.66 – 1.83	$ .11	$1.83 minus 1.66 = **.17**
$ 1.84 – 2.09	$ .12	$2.00 minus 1.83 = **.17**

Increase value pattern

Use whole dollar amount

In the WinPRISM Tax Tables module, the tax table takes the form of rows and columns, but they do not resemble the ones in the printed tax schedule. Instead, a newly created tax table looks like this:

Columns = Groupings of tax amounts

Rows = # of cents of tax

Cell for increase for $.15 tax

The rows (labeled 0 through 9) represent the number of cents of tax to be charged. So row 0 is 0 cents of tax charged, row 1 is 1 cent, row 2 is 2 cents, etc.

The columns are groupings of the tax amounts. In the first column, labeled .00 -.09, row 0 is for 0 cents of tax to be charged, row 1 is for 1 cent of tax, row 2 is for 2 cents of tax, etc.   In the second column, labeled .10 -.19, row 0 represents 10 cents, row 1 represents 11 cents, etc. In the second column, labeled .20 -.29, row 0 represents 20 cents, row 1 represents 21 cents, etc. So to find the cell where you put the increase value for $ .22 of tax, you would go to the cell at the intersection of row 2 and the column labeled .20 -.29.

To fill in the table, instead of entering all of the dollar and tax amounts from the printed schedule, you only enter the increase values for each new penny of tax that needs to be charged, as calculated above (e.g., in the first column, row 0 is $ .09 increase, row 1 is $ .07 increase, etc.). Enter the amounts only up through the break point, after which the pattern repeats.

In our Florida tax example, we determined that the break point was in the sale amount range of $ .84 - 1.09. The increase value for that range would be entered in the seventh row of the detail grid in the tax table (the one showing 6 cents of tax), so that row is the last one in which you would enter increase values. WinPRISM calculates the rest of the tax values without you needing to enter them.

The entry in the Tax Tables module for the Florida tax schedule listed above would look like this:

To make the tax table apply to items in WinPRISM:

1. Set up the tax table, based on the tax schedule.
2. Set up the tax code, making sure that you select Florida for the state and 'Tax Brackets [Florida]' for the tax type. For more information on tax brackets, see About Tax Codes.
3. Set up the appropriate tax code group(s). For more details on tax code groups, see About Tax Code Groups.
4. Finally, set up the item tax type with the appropriate tax code group attached. For more details on item tax types, see About Item Tax Types.

Add Tax Table

(Tax Tables - Ctrl+J 12341)

To add a tax table record:

1. Access the Tax Tables module.

2. Click the Insert Record button.   An 'Add Tax Table' dialog appears.

3. Enter the description of the tax table (e.g., FLORIDA 6%) and click [OK]

4. A new tax table record displays.

5.   Enter the increase values for each level of tax into the tax table, calculated as described in About Tax Tables. Only enter them up through the break point.

About Tax Codes

(Tax Codes - Ctrl+J 12342)

A separate tax code must be created for each type and rate of tax charged. For a basic setup, you need to create tax codes for taxable items, non-taxable items, and manual tax (if you wish to be able to track tax amounts collected when you manually override system-calculated tax amounts).

If your system has more than one location and each location charges different tax rates, then you must create separate tax codes for taxable items for each location. If they all charge at the same rate, you can use the same tax code for multiple locations. You will assign locations later on in the process of setting up taxes (for details, see About Tax Code Groups).

You will also need to have separate tax codes for each state for which you must collect taxes. For example, if your store is in Nebraska and you charge a combined city/state tax for some items, but only charge city tax for other items, you need to have a separate tax code set up for each of those taxes for Nebraska: one for Nebraska city/state tax, one for the city tax. If you must also collect taxes on items sold through mail or Web orders and shipped to Iowa, then you would need to have a separate tax code set up for Iowa. Don't worry if these tax codes do not apply to all your items. In the next step, you will see how to group the tax codes together in a tax code group that will allow you to be as specific as you need to be.

Tax codes can also have a start and end date assigned to them. *Please be aware that if you set starting and ending dates for tax codes, then you will have to be ready to set them again when the end date has past. If you do not reset the end date, and the end date has passed, the system will not charge tax on the items that the tax code corresponds with.* Leaving them at the defaults of 1/1/1970 ensures that they will not expire or start before you need them to. If you do not anticipate the tax codes changing or if you do not have special situations that would require starting and ending dates, then we recommend that you leave the start/end dates set to the default.

Finally, most stores calculate sales tax rates based on a straight tax percentage, but some must use tax tables to calculate tax rates. If you must use a tax table for a particular tax code, you must create that tax table in the Tax Tables module before you can attach it to a tax code. For details on how to create tax tables in WinPRISM, see 'About Tax Tables' and 'Add Tax Table'.

Add Tax Codes

(Tax Codes - Ctrl+J 1224)

To enable WinPRISM and/or WebPRISM to charge tax correctly, you must set up tax code records for all states where you need to charge tax on mail order or Web order shipments (e.g., if you need to charge 7% tax for taxable items shipped to either Nebraska or Maryland, you would need to create separate tax codes for each of those states, each with at tax rate of 7%). You will need to set up a separate tax code for each type of tax you will be using (e.g., city, state, county, GST, PST).

To add a tax code:

1. Access the Tax Codes module.
2. Click the Insert Record button [icon], or double-click the ellipsis on the left side of the detail grid, or right click and choose 'Add Tax Code'.
3. An 'Add Tax Code' dialog opens.

4. Enter the following information:

Description: The name of the tax code you are entering (i.e. Nebraska State Tax, Lincoln City Tax, etc.). Tax Rate: The percentage rate of tax to be charged when using this tax code.
Rounding Method: Select the method you wish to use for rounding the tax amount.

> **Normal: Rounds to the nearest whole penny.**
> **Up: Rounds up to the nearest penny. Down:**
> **Rounds down to the nearest penny.**

Tax table: If you need to use a tax table to calculate tax rates for this tax code, rather than a straight percentage, use the Ellipsis button   to select the tax table.
State: If it is a state tax, enter the state the tax code applies to. If you must collect state tax for more than one state, you will need to have a tax code set up for each state.
Country: Select the country for which this tax code applies.
Begin Date: Select the date when this tax code goes into effect.
End Date: Select the date this tax code will become ineffective.
NOTE: Begin and end dates can be used when tax rates will be changing. You can set the end date on the old tax code rate and enter a new tax code with the new rate and set the begin date to be the effective date. When you create a new tax code you will want to leave
the end date at the default of 1/1/1970 so that it will not become ineffective until you set an end date.
For instance, if you have one of those special situations where you do not charge taxes on textbooks for one week out of the year, you can use the begin and end dates for this. However, you will have to remember to reset the begin and end dates every year. If you have
set the end date on a particular tax code and that date has passed without you entering a new tax code or changing the date on the old
tax code, those items with that tax code in their grouping will no longer be taxed.
Consequently, if you do not have special circumstances that would require you to set begin and end dates, we recommend that you leave them set to the default of 1/1/1970.
Tax type: This flag determines whether the tax amount should be calculated using tax brackets. Florida is the only state that

uses tax brackets, so a Florida tax code is the only one for which you would set a tax type of 'Tax Brackets [Florida]'. **All others will be set to 'None'.**
NOTE: Tax brackets are used in Florida to help calculate the tax amount due on transactions that are a fractional part of $1. In Florida,
all taxable transactions are taxable at the rate of 6 percent. Six percent is charged upon each $1 of price and the appropriate bracket charge is used to calculate tax on any fractional part of $1.

Tax Shipping: If you will be taxing shipping charges on mail orders and this tax code should apply to shipping, check this checkbox. Otherwise, leave it unchecked.
POS Tax Code: If the tax code is only being used for WinPOS or for mail orders and/or Web orders, it must simply be a unique number. If it is being used with PRISM POS, the POS tax code must match the code in your POS parameters.

5. Click OK .

NOTE: You can edit the tax codes by right clicking and selecting 'Edit Tax Code', by double-clicking on the tax code, or just by changing the information in the grid. Please be aware that you have to scroll to the right to see all the information contained in the grid.
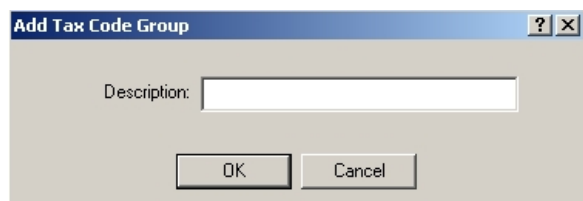
About Tax Code Groups

(Tax Code Groups - Ctrl+J 12342)

A tax code group must be created for each taxable scenario. For example, if some items in your system are taxed with a combined city/state tax and others are charged only a city tax, you will need to set up two tax code groups: one for city/ state tax and another for city tax only. If you have more than one location and they charge different tax rates (e.g., for city or city/state), then you need to create separate tax code groups.
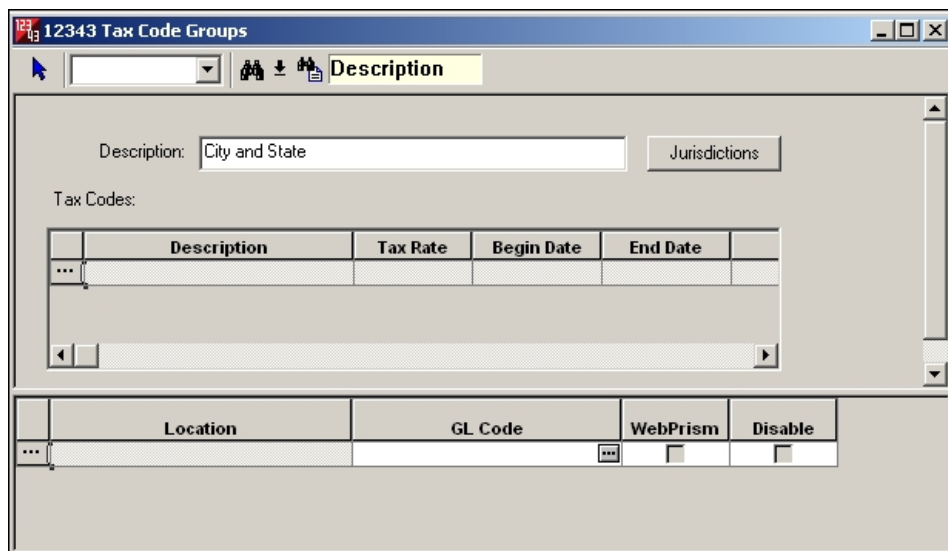**To create a tax code group:**

1. Open the Tax Code Groups module.

2. Click the Insert Record button 🔲 or press F4.

3. An 'Add Tax Code Group' dialog opens:

4. Enter the description of the tax code group you wish to add (e.g., 7% NE Tax, Lincoln NE Tax).

5. Click OK . The new tax code group record displays.

6. Set up jurisdictions, if they apply to this tax code group. If you do not need to set up jurisdictions, move to step 9.

NOTE: Jurisdictions are the postal codes (zip codes) where this tax code group should be applied. For example, if you are entering a grouping for 7% Lincoln, NE tax group, and you need to charge city and state tax for all purchases in Lincoln (but not in other parts of Nebraska), then you will enter all the postal codes that apply to Lincoln, Nebraska. This tax will then apply to Web orders or mail orders with a shipping address zip code that is in the jurisdiction's postal code grid.

7. Click on the Jurisdictions button.
8. In the 'Enter Tax Jurisdiction Postal Codes' dialog, type the cities and postal (zip) codes into the grid, then click the Close button [Close]

Enter Tax Jurisdiction Postal Codes

Tax Code Group: TAXED ITEMS

	City	Postal Code
▶	Lincoln	68501
	Lincoln	68502
	Lincoln	68503
	Lincoln	68504
...		

[Import]   [Close]

NOTE: You can also use the Import button to import a listing of cities and postal codes from a file you create. If you wish to use this option, contact Support for file formatting information.

9. Next, you need to add the tax codes that apply to this grouping in the Tax Codes grid. Double-click the ellipsis on the left side of the Tax Codes grid in the upper frame of the record or right-click and select "Insert Items".
10. In the 'Add Tax Codes for Tax Code Group' dialog, highlight the tax code to add to this tax group.

Add Tax Codes for Tax Code Group

Tax Code Group: new

Select Tax Codes:

	Description	Tax Rate	Begin Date	End Date	Tax Table
▶	NON TAXABLE		01/01/70	01/01/70	No Table
	CITY & STATE	7.0000	01/01/70	01/01/70	No Table
	MAIL ORDER STATE TAX CODE	6.0000	01/01/70	01/01/70	No Table

[Add Tax Codes]   [Close]

11. Click the 'Add Tax Codes' button.
12. Repeat for all tax codes that should be included in this tax code group.
13. Once you have added all the appropriate tax codes, click the Close button [Close]
14. The final step for setting up the tax code groups is to define the locations that will use the tax code group.
15. To add locations to the tax code group, double-click on the ellipsis on the left side of the Locations grid, in the bottom frame, or right click and select 'Add Item'.

16. Select the location to be added from the 'Select Single Store Location' dialog.

17. .Click [OK]

18. Enter the GL code that applies to that location.

19. Click the 'WebPRISM' checkbox if this tax code grouping is also used in WebPRISM.

NOTE: Although there is a 'WebPRISM' flag in this module, tax code groups and other tax information set in WPAdmin are not actually sent to WebPRISM. Thus, in addition to creating tax codes in WPAdmin, you must also create the appropriate tax information in the WebPRISM Manager.

20. If the tax code group will be used in multiple locations, repeat steps 15-19 to add information for additional locations.

NOTE: If at some point in the future the tax code group will no longer be used at a location, you can check the 'Disable' checkbox to disable the tax code group in that location.

About Item Tax Types

(Tax Code Groups - Ctrl+J 12344)

Each item and DCC in WinPRISM has an item tax type attached to it. That tax type determines whether the item or DCC sale is taxable under normal circumstances when sold through the registers or through Web orders or mail orders. It also determines at what rate it will be taxed at each store location, based on the tax code groups you attach to the item tax type (since the tax code groups are tied to tax codes and their tax rates).

In many stores, items are simply either taxable or non-taxable. In such a case, you only need to create one item tax type for taxable items and one for non-taxable items.

In other cases, there may be some taxable items that need to be charged one tax rate (e.g., a combined city/state tax rate) and others that need to be taxed differently (e.g., only taxed at the city rate). In that situation, you would need two taxable item tax types (one for items charged city/state tax and another for ones charged only city tax) and one non-taxable item tax type.

The tax rate to be charged on an individual item in a given circumstance is determined by the tax code groups you attach to the item's item tax type for each combination of location/POS system through which the items may be sold.
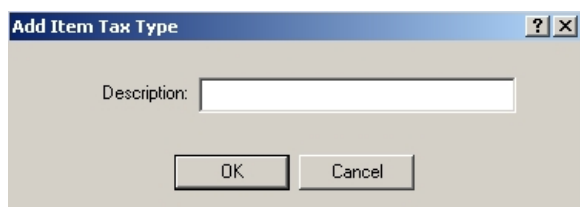
If you have a single location and only charge tax for taxable items sold through the WinPOS cash registers, you would create an item tax type record and assign it to your location and the POS system set up for your cash register sales. You would specify the name of the tax code group that applies for that location/POS system combination.

If you also need to tax items shipped through mail orders and Web orders, you would add a line to that item tax type record for your location with the POS system 'Mail Order' and assign to it the appropriate tax code group for mail orders. You would add a third line for the location with the POS system 'Web Order' and assign to it the appropriate tax code group for Web orders.

For a more detailed explanation of how to set up item tax types for different scenarios, see About Mail Order Taxes.

To create an item tax type:

1. Open the Item Tax Type module.

2. Click the Insert Record button 🗗 or press F4.
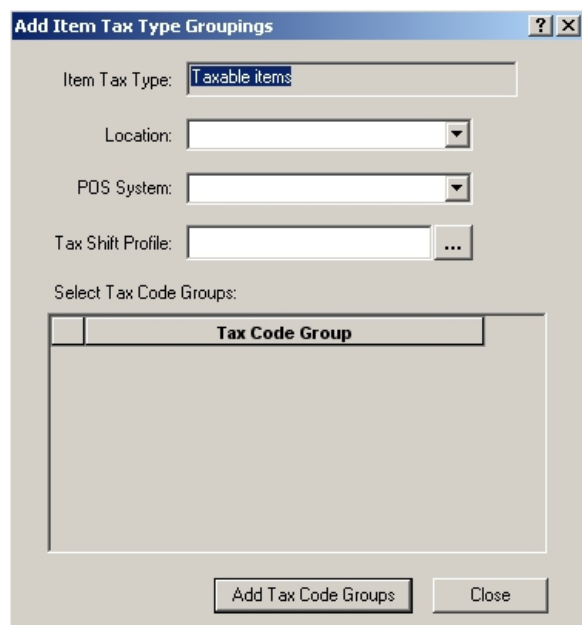
3. An 'Add Item Tax Type' dialog opens:

4. Enter a description for the item tax type and click OK .

5. Now you will need to add the tax code group for each combination of location/POS system to the item tax type detail grid.

NOTE: The tax codes and tax code groups must be defined before they can be added to the item tax type detail grid.

6. To add the locations, POS systems, and tax code groups to the item tax type detail grid, double-click on the ellipsis on the left side of the grid, or right click and choose 'Add Item' from the mouse menu.

7. An 'Add Item Tax Groupings' dialog appears.

8. Select the location for which you are adding the groupings.

9. Once you have selected the location, the available POS systems, and tax code groups for that location display.
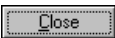
10. Select the POS system (e.g., POS, Mail Order, Web Order).
11. Leave the Tax Shift Profile field blank, unless you are directed by Support to create tax shift profiles for this item tax type.
12. In the Tax Code Group grid, highlight the tax group(s) you wish to add and click the 'Add Tax Code Groups' button.
13. Repeat as necessary for each desired combination of location, POS system, and tax code group.

14. Once you have added all the tax groups for each location click the Close button [Close] .

15. Assign the item tax types to the appropriate departments, classes, and/or categories in the Department/Class/Category module. If items already exist in a DCC whose item tax type you change and you want to change the item tax type on the items in the DCC to match the new setting, click the 'Set Inventory' button.

About