

Use Tax Update (Spec 5193)

Date Released: Nov 2016

Modules: Navigator Order Management, Navigator Invoicing, Classification Code File - Ship Vias (FIL 19), Cost Drivers File Maintenance (CDR 1).

Description: Allows businesses that have to pay Use Tax (primarily installers) to see how Use Tax is going to affect their GP\$/margin for the order. This also allows Use Taxes to be used in commission calculations.

Reason for Change: Provides a way within order entry and invoicing to ensure that any manual pricing override does not push an order's margin to unacceptable levels. Furthermore, order lines for items, usually labor items, that use ship vias not configured to calculate use tax are omitted.

Restrictions:

- This is a NAV only enhancement.
- Running reports prior to invoicing to show Use Tax. The calculated and displayed Use Tax and affected GP\$/GP% values are display only.
- Invoice inquiry prior to NJ will not show use tax.
- Misc (F6) Lines are excluded from use tax calculation. Cost drivers do not look at F6 lines and thus these lines will not be included in any use tax calculation.

Associated Files:

- Sales Tax Report for Non-Taxed Items Use Tax (RSA 12) This feature allows you to run tax accrual reports for some states and items where the tax is calculated on the cost of the item. For example, use this report when samples are sent to customers at no charge or samples are used in your showroom (and billed to an intercompany account at no charge) and there is a tax liability. This is also referred to as "Use Tax". This program looks for items that (a) were sold at "no charge", (b) have special tax codes in the Item File, and (c) other items that were not charged tax.
- "X By Y" Reports With Cost Drivers The X by Y Reports portion of the Cost Drivers menu includes report options that you can run with all or selected Cost Driver categories.

Set-up

Cost Drivers (CDR 1)

Cost drivers are used to calculate the Use Tax for Invoicing.

The setting Calculate Use Tax for this Cost Driver has been added.

12/13/16	Cost Drivers Fi	le Maintenance	Screen US3006R
09:36:45	Deiver: 0000117		IS
COSI	Driver: <u>0000117</u>		OPDATE
Name: USE TAX COST	DRIVER	_	
Comments: COST DRI	VER TO CALCULATE	USE TAX	
Category: <u>INSTAL</u> (?) Gross Profit D	river? <u>N</u> (Y/N)	
Related Program# _	GL-Acct	# <u>55500</u> (?) Cos	t-Center LAB (?)
Begin Order Date _	0/00/00 End Order	Date <u>0/00/00</u>	 See Help Text for details
Begin Ship Date	0/00/00 End Ship	Date 0/00/00	* See Help Text for details
Calculate Use Tax	for this Cost Dri	ver? (Y/N) <u>Y</u>	
	•.	(= · · ·	
Fixed Cost Per Lin	e Item:	(5 decima	l places)
Fixed Cost Per Uni	. T	per U/M: lb	decimal places)
Percentage of Line	Item Cost:		(V/N)
Percentage of Line	Item Price:	······ * (6 d	
Fercentage of Line		~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	lecimat praces)
Active/Inactive A	(A or I)		Last Date Changed 12/02/16
_			
F4=Cancel	F5=Notepad	F7=E0J	F8=Return to 1st Screen
	F9=Assign C	ost Driver	

Note: Setting Default is **N**.

If activated, the values in the bottom section of the page are not needed. The system uses the following hierarchy to determine what the % rate for the cost driver will be:

- Look at the Tax by Zip Code table for the shipto zip code.
- Look at the Billto file for state/other tax codes.
- Look at the county file for the Billto.
- No tax codes found, no use tax is charged.
- *Note:* Cost Drivers are assigned via the F9 Assign Cost Driver function. A series screens present several parameters for relating Cost Drivers to invoices based on "include/omit" parameters.

Ship Vias

Ship vias are used to calculate Use Tax in Order Management.



The setting Show Estimated Use Tax for this Ship Via is defaulted to "N".

Ship Via Code IN UPDAT	TE
Description: <u>INSTALL</u>	
Does This Ship Via Code Represent a Pick Up or Will Call?	<u>(Y/N) N</u>
Show Estimated Use Tax for this Ship Via?	(Y∕N) <u>Y</u>
SCAC Code: (for carriers)	
Ship Mode: (for carriers)	
Is Estimated Date Required?	(YZN) <u>N</u>
Is This Ship Via a Valid Choice for Remote-Access Accounts?	(Y∕N) <u>Y</u>
Prevent changes by Remote-Access Accounts?	(Y∠N) <u>N</u>
Print This Ship-Via Instead of Shipto Addr on Pick Lists?	(YZN) <u>N</u>
Does this Ship Via require a Carrier Pro # during CAT?	(Y/N) <u>Y</u>
Activate Route/Delivery Calculations?	(Y∠N) <u>N</u>
	D/del _
F1=Next Record. F4=Sales. F7=E0J. F8=1st Screen. F5=Notepad F10=0	0/E Dflts

If the setting is set to "**Y**", and the user is able to see costs, the Estimated Use Tax appears on Navigator and Green Screen Orders.

Use Tax in Navigator Order Management

If the ShipVia used is flagged to show estimated use tax and a cost driver is assigned that also calculates use tax, the use tax is calculated by multiplying the **Extended Cost** by the tax rate established in the Tax by Zip Code table for the account.

	Orde	r Manager														
C	Custon	ner Order	Reference#:	20437	72											
	Account	t#: 201000				5	ship To:									
	HARBOR	FLOOR				F	ARBOR FLOOR									
	2010 AT	LANTIC AVENUE				2010 ATLANTIC AVENUE										
	PO BOX	123				F	O BOX 123									
	RALEIGH	I, NC 27513 US				F	ALEIGH, NC 27	513 US								
Add	l Line: I	tem#:		✓ Qu	antity:	UM	l: 🔍 🗸	Add		-						
-	Line		ltem#		Quantity	Unit Price	Extended Price	Unit Cost	Extended Cost	GP%	GP\$					
	10	REXECBR12	BVCE 12212		50.00 SF	SC 750	\$227.50	\$5.000	\$250.00	25.02%	697.50					
	10	YELLOW 703101	V4		5.00 CT	30.730	\$337.30	\$5.000	\$250.00	23.5376	\$07.50					
	20	SAI10900	ENCE		20.00 SF	\$4 200	\$85.80	\$3 300	566.00	23.08%	\$19.80					
	20	1/2"X34.45SFXRL	HICKORY		2.00 CT	94.200	303.00	30.000	300.00	23.00%	\$15.00					
			•								•					
Mes	sages				Item Total:	\$	42	3.30 Es	Est. Use Tax: \$33.96							
*ORDERS ONLY APPROVED BY JACK RICK CAN ORDER TOO!					Terms Discoun	t: \$.00 To	tal Weight: 280	0.00 LB						
					Freight:	Ş		.00								
					Order Total	\$		+5.50 Pa	ance Due:	\$	468.80					
					order Total	\$	40	0.00	ance ode.	*	100.00					
÷	Return to S	Search					Complete Orde	er	Cancel Order							

Note: Nav OM shows estimated use tax based on a calculation on what is the expected values during invoicing. Not all of these values can be estimated (changes in average cost for instance). Values seen in OM are estimated and display only, they aren't used for reporting purposes.

Use Tax in Navigator Invoicing

Invoicing shows the actual use tax based on the cost driver calculations done during night jobs.



I	voici	ng							GBRANNEN	Reports	ODS	About	Help
voic	e#: 41	14737 Invoice Date: 12	2/19/16								▶ Availab	ole Options	
ill To ANTA	Account MONIC	#: 275114 A ANTIQUES MARKET	Ship To: SANTA MONICA ANT	IQUES	MARKET		PO#: Job Name:	USE TAX		Ship Date: Ship Via:	12/23/16 OUR TRUC	ск	
3						0							0
	Line	Item#		ion		Ite	em Description	2	Price List	Price Method	Price Program	Price	te
₽	10	ABCTESTARMSTRONG ARMSTRONG ROLLS		1	CHAPEL HI	LL TILES			LP	R			
Þ	20	WALASHL44 ASHLEY 4X4)6					LP	R			
	9951	STEWARDSHIP FEE *											
	9952	ROLL GOODS SERVICE FEE											
	9966	Delivery Charge: *											
	0067	Fuel Curchanna/Calif											
			lotals	•				_				\$0.)0)
Flag	g Unus	ual Sales											
otal	Fund I	Dollars: \$0.00	То	tal Pri	ce: \$			356.96	Use Tax: \$1	3.76			
			На	ndling	Charge: \$			0.00					
			8.2	5% SA	LES TAX:			28.55					
			Та	x:	\$			0.00					
			Fre	ight:	\$			0.00	Total Amou	nt Due: \$		38	5.5
-	oturn	to Search				Drint	Braulour	Distributo	1				

The sum of cost drivers flagged for calculating Use Tax is displayed.

To see the cost drivers, click the option arrow to the left of an item and click on **Cost Drivers**.

🅼 Invoicing						GBRANNEN	Reports	ODS	About H	lelp
Invoice#: 414737 Invoice Date: 1	2/19/16							▶ Available	e Options	
Bill To Account#: 275114 SANTA MONICA ANTIQUES MARKET	Ship To: SANTA MONICA ANTIQU	JES MARKI	ΈT	PO#: Job Name:	USE TAX		Ship Date: Ship Via:	12/23/16 OUR TRUCK		
69			9							0
Line Item#	io	on	It	em Description	2	Price List	Price Method	Price Program	Price Allowance	M F
Row Options RONG ROLLS	1	СНА	APEL HILL TILES			LP	R			-
Cost Driver 20 ASHLEY 494)6	5				LP	R			
9951 STEWARDSHIP FEE *										
9952 ROLL GOODS SERVICE FEE										
9966 Delivery Charge: *										
0067 Fuel Curcharon/Calif	Totals								\$0.0	0
	10(013.	(\$0.0	•
Flag Unusual Sales										
Total Fund Dollars: \$0.00	Total	Price:	\$		356.96	Use Tax: \$1	3.76			
	Handli	ing Charg	ge: \$		0.00					
	8.25%	6 SALES 1	TAX:		28.55					
	Tax:		\$		0.00					
	Freigh	nt:	\$		0.00	Total Amour	nt Due: \$		38	5.51
			Prin	t Preview	Distribute					

	Invoici	ng							GBRANNEN	Reports	ODS	5 About	Help
Inv	voice#: 4	14737 In	voice Date: 12	2/19/16							▶ Av	ailable Options	
Bil	I To Account	t#: 275114 A ANTIQUES MA	RKET	Ship To: SANTA MONICA ANTIO	JES MARKET		PO#: USE TAX			Ship Date Ship Via	: 12/23	12/23/16	
0													0
	Line		Item#		Serial#		Quantity	Qu	antity	ntity Quantity			
	▶ 10	ABCTESTARI ARMSTRONG	Cost Driv	ers		Shinga					DO SY	\$2	4.430
	▶ 20	WALASHL44 ASHLEY 4X4	Line: Item:	10 ABCTESTARMSTRONG		Qty Shi	ipped: 7.22 Price: \$24.4	SY I30 Extend	ied: \$176.38		00 PC	\$1	4.750
	9951	STEWARDSHI	ARMSTRONG ROLLS				Cost: \$13.4	ISO Extend	led: \$94.00		0.00	\$	0.000
	9952	ROLL GOODS		Cost Driver	Unit C	ost	Extended Cost			0.00		\$	0.000
	9966	Delivery Charg	117 USE TAX O	COST DRIVER		1.020	1.020 7.36400			Y	0.00	\$	0.000
	9967	Fuel Surcharos	Total That Affe	cts Cost and GP		1.020		7.36	ŧ	46.70%	0.00	\$	0.000
	Flag Unus	ual Sales	Total Of All Cos	st Drivers		1.020		7.364	1	46.70%			<u> </u>
Тс	tal Fund	Dollars:	\$0.00	Total Hand	Price: \$			356.96 0.00	Use Tax:	\$13.76			
				8.259 Tax: Freigl	6 SALES TAX: \$ nt: \$			28.55 0.00 0.00	Total Amo	unt Due: \$:	385.51
	Return	to Search				Print Pre	eview	Distribute					