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.
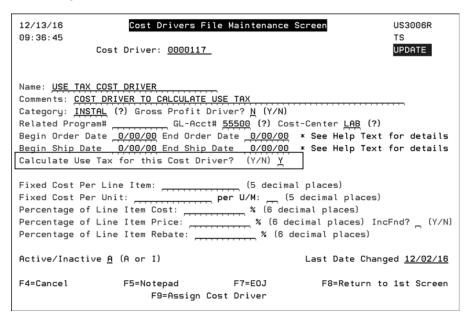
Associated Files:

— 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 File Maintenance Screen        US3006R
09:36:45                                                        TS
              Cost Driver: 0000117                              UPDATE


Name: USE TAX COST DRIVER
Comments: COST DRIVER TO CALCULATE USE TAX
Category: INSTAL (?) Gross Profit Driver? N (Y/N)
Related Program#            GL-Acct# 55500 (?) Cost-Center LAB (?)
Begin Order Date  0/00/00 End Order Date  0/00/00  * 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 Driver?  (Y/N) Y

Fixed Cost Per Line Item: _____ (5 decimal places)
Fixed Cost Per Unit: _____ per U/M: __ (5 decimal places)
Percentage of Line Item Cost: _____ % (6 decimal places)
Percentage of Line Item Price: _____ % (6 decimal places) IncFnd? _ (Y/N)
Percentage of Line Item Rebate: _____ % (6 decimal places)

Active/Inactive A (A or I)                    Last Date Changed 12/02/16

F4=Cancel        F5=Notepad        F7=EOJ        F8=Return to 1st Screen
                      F9=Assign Cost 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.

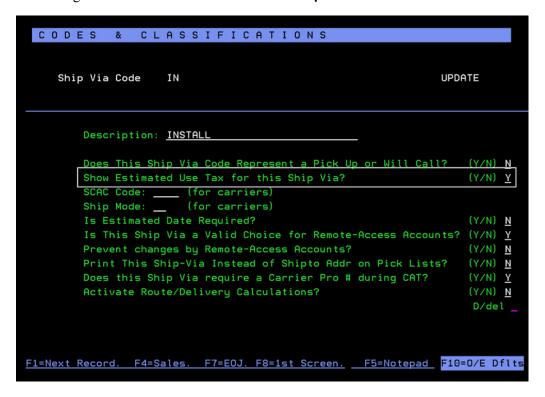— No tax codes found, no use tax is charged.

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**".

```
  C O D E S   &   C L A S S I F I C A T I O N S


      Ship Via Code    IN                                    UPDATE



          Description: INSTALL_____

          Does This Ship Via Code Represent a Pick Up or Will Call?   (Y/N) N
          Show Estimated Use Tax for this Ship Via?                    (Y/N) Y
          SCAC Code: ____  (for carriers)
          Ship Mode: __   (for carriers)
          Is Estimated Date Required?                                  (Y/N) N
          Is This Ship Via a Valid Choice for Remote-Access Accounts?  (Y/N) Y
          Prevent changes by Remote-Access Accounts?                   (Y/N) N
          Print This Ship-Via Instead of Shipto Addr on Pick Lists?    (Y/N) N
          Does this Ship Via require a Carrier Pro # during CAT?       (Y/N) Y
          Activate Route/Delivery Calculations?                        (Y/N) N
                                                                       D/del _



  F1=Next Record.  F4=Sales.  F7=EOJ. F8=1st Screen.   F5=Notepad  F10=O/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.

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.

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**.

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Invoice#: 414737   **Invoice Date:** 12/19/16

▶ Available Options

| Bill To Account#: 275114 | Ship To: | PO#: | USE TAX | Ship Date: | 12/23/16 |
| SANTA MONICA ANTIQUES MARKET | SANTA MONICA ANTIQUES MARKET | Job Name: | | Ship Via: | OUR TRUCK |

	Line	Item#	Serial#	Quantity Ordered	Quantity Shipped	Quantity Back Ordered	Unit Price
▶	10	ABCTESTARM ARMSTRONG				00 SY	$24.430
▶	20	WALASHL44 ASHLEY 4X4				00 PC	$14.750
	9951	STEWARDSHI				0.00	$0.000
	9952	ROLL GOODS				0.00	$0.000
	9966	Delivery Charg				0.00	$0.000
	9967	Fuel Surcharg				0.00	$0.000

Cost Drivers

Line:	10	Qty Shipped:	7.22 SY
Item:	ABCTESTARMSTRONG	Price:	$24.430	Extended: $176.38
	ARMSTRONG ROLLS	Cost:	$13.450	Extended: $94.00
	CHAPEL HILL TILES	Allowance:	-$0.43	Extended: -$3.104

Cost Driver	Unit Cost	Extended Cost	GP
117 USE TAX COST DRIVER	1.020	7.36400	Y
Total That Affects Cost and GP	1.020	7.364	46.70%
Total Of Other Cost Drivers	0.000	0.000	
Total Of All Cost Drivers	1.020	7.364	46.70%

[Flag Unusual Sales]

Total Fund Dollars:	$0.00	**Total Price:** $	356.96	**Use Tax:** $13.76
		Handling Charge: $	0.00	
		8.25% SALES TAX:	28.55	
		Tax: $	0.00	
		Freight: $	0.00	**Total Amount Due:** $ 385.51

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