

How to Change the Sales Tax Rate

Occasionally the state, county or city will require an increase in the sales tax rate. The effective date is normally the first of the month following their notice. If this is the case, the sales tax rate should be changed **AFTER** the final daily close has been run and the Period Sales Tax Report has been printed, but **BEFORE** a Period Close has been run and before customer orders are entered for the new month. Follow the steps below.

1. After the final daily close for the month has been run, check to be sure that a complete **Period Sales Tax** report has been printed (under the "old" tax rate). Most users automatically print the Period Sales Tax report when printing the Last Daily Close of a period, however, some users print it manually.
2. Change the sales tax code to the new rate by selecting **Closing Routines** from Main Menu and then selecting **Sales Tax Summary**.
3. Enter the **Tax Code** you wish to change. The **[F3]** function key may be used to display the **SALES TAX LOOKUP** screen that includes all of the Tax Codes set up in your system. When on the Sales Tax Lookup screen, use the arrow keys to highlight the tax ID to be changed and press ENTER. If there are more than 15 tax codes, use **Page Down** to display the next screen.
 - Enter "R" in the TYPE field. ("R" represents the sales tax "RATE" record.)
 - Enter the new sales tax rate in the **TAX PERCENT** field.
 - If you use Tax Breakdowns, be sure the percentages in the breakdowns equal the Tax Percent at the top of the screen. Then press **[F10]** to save.
 - Next, press **[F9]** to clear the screen. **Repeat for each TAX CODE that requires a change to the sales tax rate.**
 - When finished, press **[F12]** and Exit.

The screen below is a SAMPLE ONLY. Your entries will vary from what is shown.

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MM/DD/YYYY                SALES TAX SETUP SCREEN

TAX CODE: 10      TYPE: R (D,P,Y,R)      TAX PERCENT      8.3250%
DESCRIPTION: CITY, COUNTY & STATE      EXCLUDE FROM LOOKUP  N

TAX CENTS START      0      ROUND FACTOR      50
ITEM TAXABLE      C (Y,N,C)      DISCOUNT TAXABLE      N (Y,N,C)
LABOR TAXABLE      N (Y,N,C)      FREIGHT TAXABLE      N (Y,N,C)
OTHER CHARGES TAXABLE  N (Y,N,C)      EXCLUDE ALLOWANCE      N (Y,N)

                TAX BREAKDOWNS BASED ON  C (A,C,L)

                DESC  PERCENT  LIMIT                DESC  PERCENT  LIMIT
BREAKDOWN 1 ST      7.0000%      0.00  BREAKDOWN 2 CO      0.3250%      0.00
BREAKDOWN 3 CITY      1.0000%      0.00  BREAKDOWN 4          0.0000%
BREAKDOWN 5          0.0000%                BREAKDOWN 6          0.0000%

F3=LOOKUP
    
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