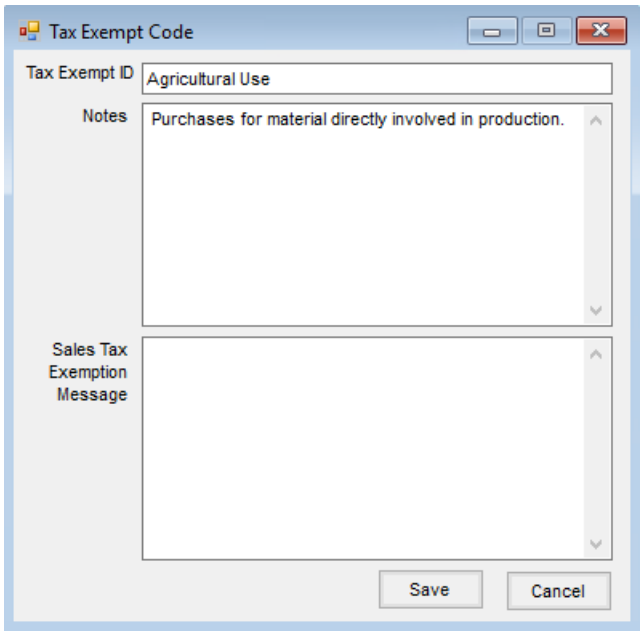
Sales Tax Exemptions

Last Modified on 07/28/2023 4:15 pm CDT

If taxable products are being sold but some customers are tax exempt, the various tax exemption reasons are defined at *Setup / A/R / Sales Tax Exemptions*. These reasons are then used at the *Invoicing* screen to explain why sales tax is not being charged.

Setup

1. Select **Add**. On the *Tax Exempt Code* window, add a *Tax Exempt ID*.

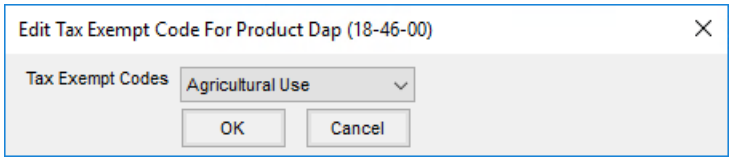


2. Any *Notes* that are added are for internal use only. Information can be added about the exemption such as why it was set up or what is required to use this exemption.
3. The *Sales Tax Exemption Message* prints on Invoices if the *Print Sales Tax Exemption Message* option is selected at *Setup / Location Preferences / Invoice Printout*.
4. Select **Save**.

Using a Sales Tax Exemption

There are two ways to select a Sales Tax Exemption.

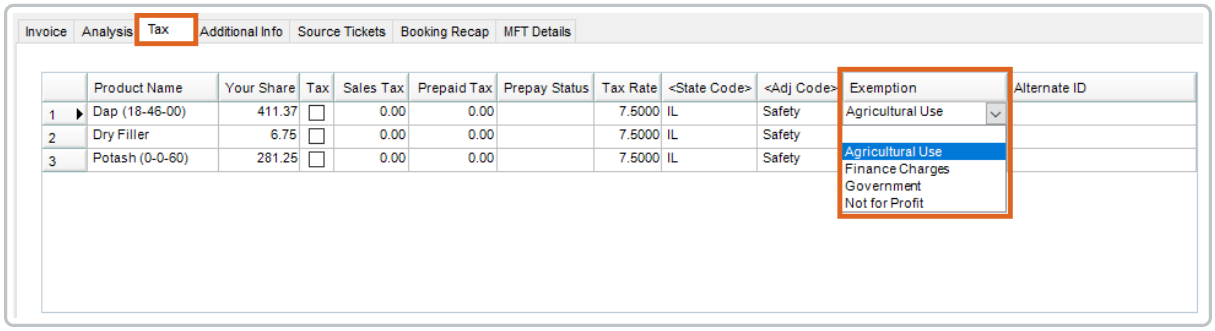
1. In the *Product* grid on the Invoice, right-click the *Tax* checkbox and a screen appears with the previously defined exemption reasons listed. Choose the reason that applies.



	<Product Name>	Quantity	Inv U	Level	Status	<Unit $>	Bill U	Total	Split	<%>	Your Share	Tax	Dept ID	Prod ID	Tax Exempt Reason
1	Dap (18-46-00)	2000.000	Lbs	List		411.37	Tons	411.37	1	100.0000	411.37	☐	DFrt00	Dap	Agricultural Use
2	Dry Filler	500.000	Lbs	List		27.00	Tons	6.75	1	100.0000	6.75	☐	DFrt00	Filler	
3	Potash (0-0-60)	1500.000	Lbs	List		375.00	Tons	281.25	1	100.0000	281.25	☐	DFrt00	Potash	

2. Select the Sales Tax Exemption reason on the Invoice's *Tax* tab, and choose the applicable reason in the *Exemption* column.

   Note: If the *Tax* checkbox is selected on the *Tax* tab, it must be unchecked to be able to choose the *Exemption* from the drop-down. Alternatively, right-click the *Tax* checkbox on the *Invoice* tab to select the exemption reason.



Save the Invoice, and tax will not be applied for the items with the *Tax* column unchecked.

These exemption reasons are summarized on the Sales Register and Sales Tax Summary reports for sales tax reporting.