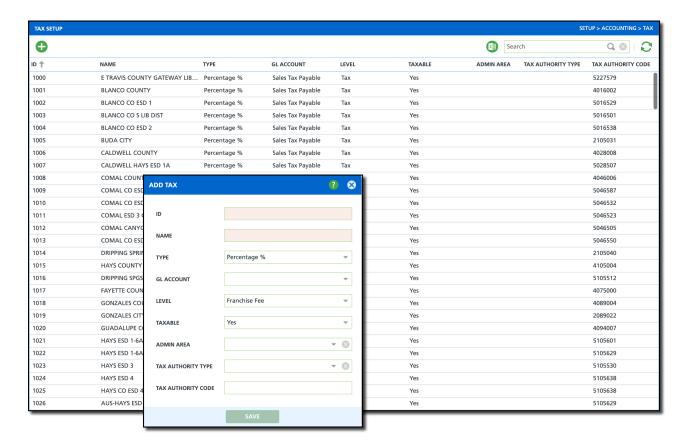# Tax Setup

Last Modified on 02/05/2025 2:09 pm PST

Pathway: *Setup > Accounting > Tax*

Tax Setup identifies the taxes (City, State, Franchise, etc) that are applicable to accounts. Taxes added here are not individually assigned to accounts/sites and must be added to a Tax Region for application.

Permission

The following permission is required to view and edit in the Tax Setup screen:

Permission ID	Permission Name
22	Setup \ Accounting

Tax Setup Field Descriptions

Fields	Descriptions
ID	The ID of the Tax.
Name	The Name of the Tax.
Type	Identifies how the tax rate is calculated during billing. Taxes can be a percentage, flat rate or per unit rate.
GL Account	Displays a list of available GL accounts. If a tax should be tracked under a specific GL account, select it here. Further information related to GL Accounts: GL Account Setup and GL Segmentation Setup

Level	Select the level the tax is identified with. • Franchise Fee • Tax • Tax (on Tax)
Taxable	Controls if the tax will be applied.
Admin Area	Select the state administration that this tax applies too.
Tax Authority Type	Indicates the geographic or administrative regions the tax is specific to.
Tax Authority Code	Code that is used by the Tax Region for tax verification purposes.

Add Tax

Create a New Tax

Follow the simple process outlined here to create a new tax. Once created, the tax must be added to a tax region to be applied.
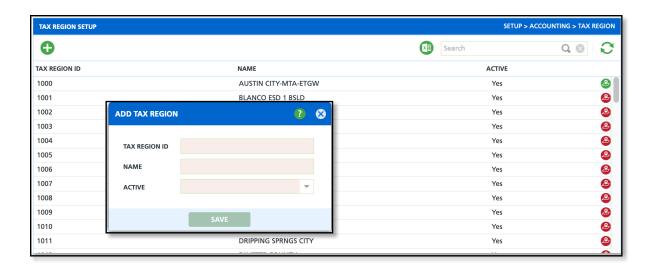
1. Click the **green +** icon to open the Add Tax popup editor.
2. Complete the following required fields:
   - Enter an **ID** for the tax.
   - Enter a **Name** for the tax.
3. Complete additional fields based on your company's tax setup requirements.
4. Click **Save** when finished.

Add Tax to a Tax Region

Pathway: *Setup > Accounting > Tax Region*

This required next step is critical for taxes to be included when an account/site is billed. Detailed information including setup can be reviewed here: Tax Region Setup

The Tax Region Setup screen defines geographic areas where specific tax sets apply. When a tax region is assigned to an account or site, the associated taxes are automatically applied during billing. This screen also offers an optional setup for default tax regions, allowing you to define areas using an interactive perimeter mapping tool.

Related Articles

Tax Region Setup