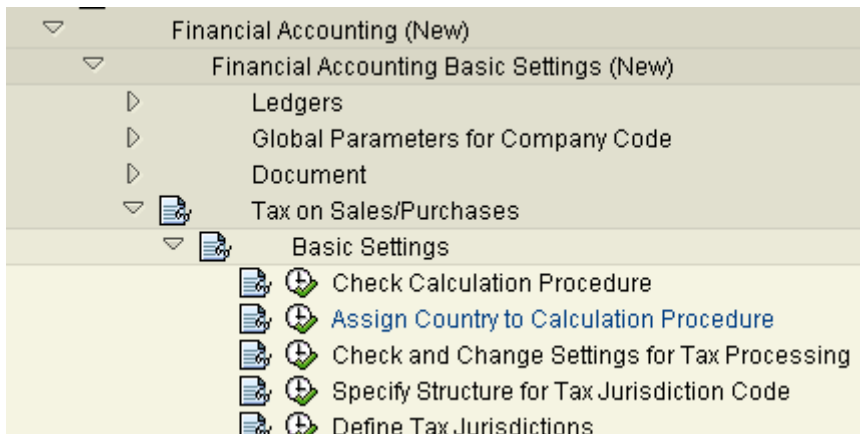


Tax calculation using Tax Jurisdiction code

Pre-requisite –

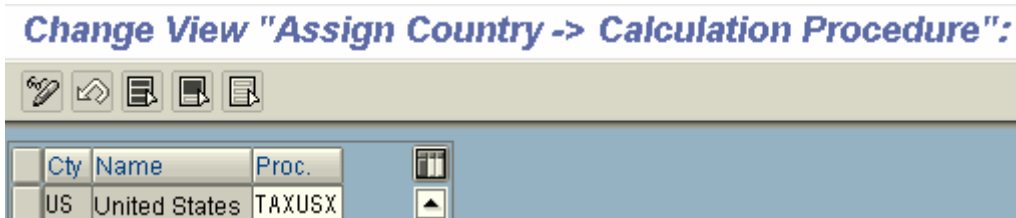
FI -

1. Tax calculation procedures for the country are maintained.

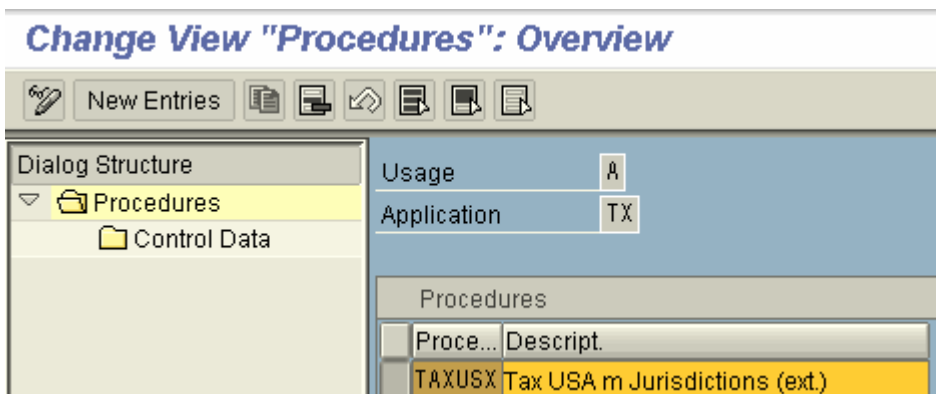


Click on “Assign country to calculation procedure”

On the next screen, select US



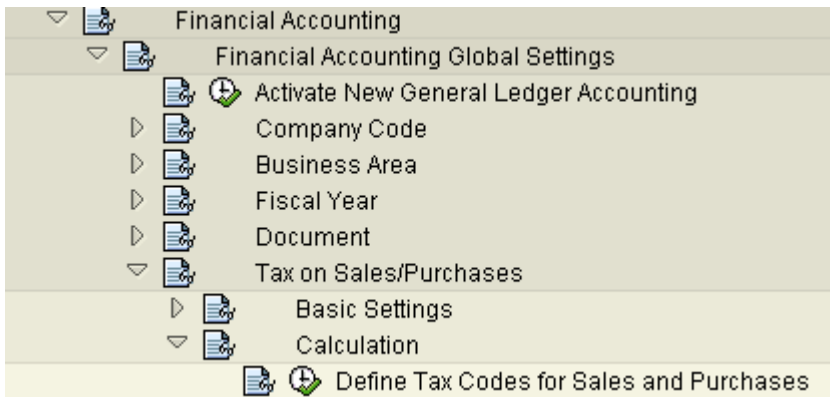
Click on “Check calculation procedure”



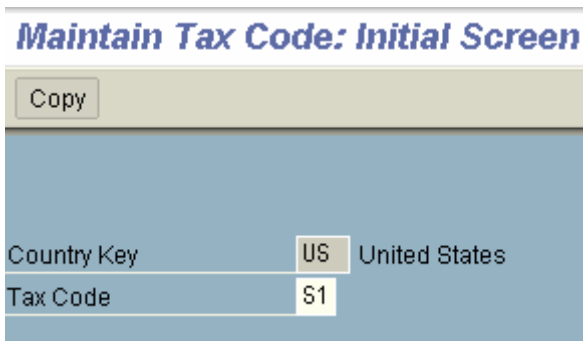
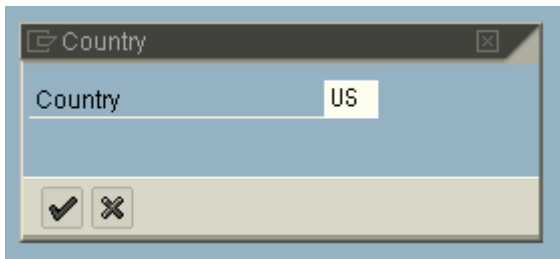
Procedure maintenance is part of FI. This will be then the tax procedure for US and tax rate calculation will be based on tax jurisdiction code (using external tax system like Vertex)

Interface settings with external tax system like Vertex is done in FI customizing.

2. Tax rates for output tax code S1 are maintained



Click on "define tax codes for sales and purchases"



Rates are maintained by FI for tax condition types XR1 to XR6

SD-

1. Maintain Master data for ship-to party with Jurisdiction code

Display Customer: General Data

General Data | Company Code Data | Sales Area Data | Additional Comp

Customer: 300705 | Web Design Studio | PALO ALTO

Address | Control data | Marketing | Export data

Preview

Name

Title

Name: Web Design Studio

Search terms

Search term 1/2: DATA GENERATION

Street address

Street/House number: S California Ave 414

District: SANTA CLARA

Postal Code/City: 94306 PALO ALTO

Country: US United States Region: CA California

Jurisdict. Code: 0508525201

2. Tax record for UTXJ with correct tax code

Let us see record maintained using material and tax classification.

Condition type Tax Jurisdict.Code

Departure Country / Destination Country
 Country/State/Customer Classif.1/Material Classification 1
 Domestic Taxes

Display Tax Jurisdict.Co (UTXJ): Selection

Country	<input type="text" value="US"/>	<input type="text" value="United States"/>
TaxClass1-Cust.	<input type="text"/>	to <input type="text"/>
Tax class. material	<input type="text"/>	to <input type="text"/>
Valid On	<input type="text" value="22.12.2006"/>	

Click

Display Tax Jurisdiction Code (UTXJ) : Overview

Country United States
 Valid On

Domestic Taxes

TaxCl1...	TaxCl.Mat	Name	Amount	Unit	Valid From	Valid to	Tax..
1	1	Liabie for Tax Taxable	100,000	%	22.01.2002	31.12.9999	S1

Tax Code (3) 5 Entries Found

Proc.	Tx	Description
TAXUSX	I0	A/P Tax Exempt
TAXUSX	I1	A/P Sales Tax
TAXUSX	S0	
TAXUSX	S1	
TAXUSX	U0	A/P Tax Exempt

Let us see how tax rates are determined in sales orde

Display Standard Order 8537: Item Data

Sales Document Item Item category Standard Item
 Material Flatscreen MS 1585

Sales A | Sales B | Shipping | Billing Document | Conditions | Account assignment | Schedule lines | Partners

Qty PC Net USD
 Tax

CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.	Num...	OUn	CCon...	Un	Co
PR00	Price	602,60	USD		1 PC	33.143,00	USD	1	PC	1	PC	
Z200	Campaign Price CRM	0,00	USD		1 PC	0,00	USD	1	PC	1	PC	
	Gross	602,60	USD		1 PC	33.143,00	USD	1	PC	1	PC	
Z201	CampaignDiscount CRM	0,000	%			0,00	USD	0		0		
RC00	Quantity Discount	0,00	USD		1 PC	0,00	USD	1	PC	1	PC	
	Discount Amount	0,00	USD		1 PC	0,00	USD	1	PC	1	PC	
	Rebate Basis	602,60	USD		1 PC	33.143,00	USD	1	PC	1	PC	
	Net Value for Item	602,60	USD		1 PC	33.143,00	USD	1	PC	1	PC	
	Net value 2	602,60	USD		1 PC	33.143,00	USD	1	PC	1	PC	
UTXJ	Tax Jurisdiction Code	100,000	%			33.143,00	USD	0		0		
XR1	Tax Jur Code Level 1	5,750	%			1.905,72	USD	0		0		
XR2	Tax Jur Code Level 2	1,250	%			414,29	USD	0		0		
XR3	Tax Jur Code Level 3	0,000	%			0,00	USD	0		0		
XR4	Tax Jur Code Level 4	1,000	%			331,43	USD	0		0		
XR5	Tax Jur Code Level 5	0,000	%			0,00	USD	0		0		

UTXJ is used to determine tax code S1

Jurisdiction codes are taken from plant definition in configuration and ship-to party master data

This data is passed to external tax system.
 Tax system calculates and returns tax rate % for XR1 to XR6

Tax without Jurisdiction codes

Display Standard Order 4972: Item Data

Sales Document Item: 40 Item category: TAN Standard Item
 Material: M-04 Sunny Extrem

Sales A Sales B Shipping Billing Document Conditions Account assignment Sched

Qty: 4 PC Net: 7.512,00 DEM Tax: 1.126,80

	CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.	Num...
	PR00	Price	1.878,00	DEM	1	PC	7.512,00	DEM	1 F
		Gross Value	1.878,00	DEM	1	PC	7.512,00	DEM	1 F
		Discount Amount	0,00	DEM	1	PC	0,00	DEM	1 F
		Rebate Basis	1.878,00	DEM	1	PC	7.512,00	DEM	1 F
		Net Value for Item	1.878,00	DEM	1	PC	7.512,00	DEM	1 F
			1.878,00	DEM	1	PC	7.512,00	DEM	1 F
		Net Value 2	1.878,00	DEM	1	PC	7.512,00	DEM	1 F
		Net Value 3	1.878,00	DEM	1	PC	7.512,00	DEM	1 F
	MWST	Output Tax	15,000	%			1.126,80	DEM	0
		Total	2.159,70	DEM	1	PC	8.638,80	DEM	1 F
	SKT0	Cash Discount	3,000	%			259,16	DEM	0
	VPRS	Cost	1.420,00	DEM	1	PC	5.680,00	DEM	1 F
		Profit Margin	458,00	DEM	1	PC	1.832,00	DEM	1 F

For this, MWST output record is maintained.

Display Condition Records

Condition type Output Tax

Key Combination

Departure Country / Destination Country
 Domestic Taxes
 Export Taxes

Display Output Tax (MWST): Selection

Country	DE
TaxClass1-Cust.	1
Tax class. material	1
Valid On	22.12.2006

Display Output Tax (MWST) : Overview

Domestic Taxes

TaxCl1Cust	TaxCl.Mat	Name	Amount	Unit	Valid From	Valid to	Tax...
1	1	Liab. for Tax Full Tax	16,000	%	18.01.2002	31.12.9999	AN

Tax Code (5) 51 Entries Found 51 Entries Found

Restrictions

Proc. Tx	Description
TAXD AN	16% domestic output tax

This rate is picked as maintained for tax code AN in tax procedure
TAXD of Germany in FI