Tax Codes

Setup Guide

Document Details

Document #: 160_CR1100_240429

Overview

This document shows you how to apply product tax at the line item level with the use of Tax Codes. This configuration allows you to apply specific tax rates to individual products on a Vendor Order, rather than receive a singular lump sum tax.

Download the latest version of this document here:
https://links.crunchtime.com/EMSG-TaxCode

… or scan the QR code to the left.

Related User Group Permissions

Screen Name	Control Name	Description
Tax Code	Add	Add a Tax Code. (Tax Code Detail must also be enabled to save a new code)
Tax Code	Delete	Delete a tax code.
Tax Code	View	Access this screen in view-only mode.
Tax Code Detail	Add/Delete/Save	Add or delete Tax Code detail records, make and save changes to the list.
Company Product Details	Add/Delete/Save	Add information to the Company Product Detail screen, delete non–required information from the screen, make and save changes to the screen.
Bid Sheet – Vendor Bids	Add/Delete/Save	Add vendor bids for each vendor and market.

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SETUP GUIDE

Tax Code

Create Tax Code

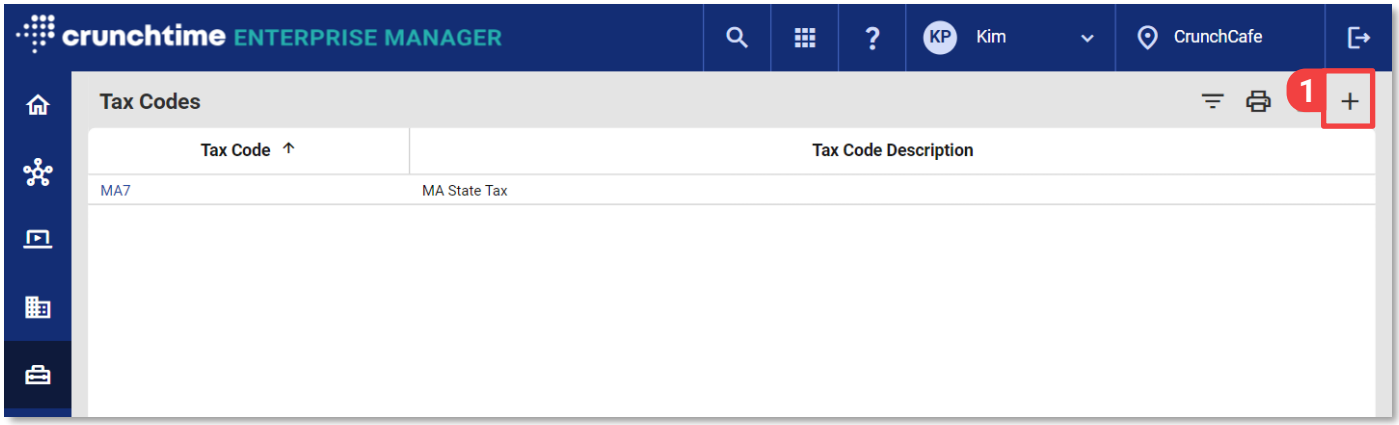
What is a Tax Code?

In Crunchtime, a “Tax Code” is a three-digit code used to calculate how much tax to add to a particular product. Each Tax Code has one or more tax rates that are applied to the invoice price to determine the appropriate tax amount for that product.

Tip: If your vendors typically include tax as a lump sum, and you do not wish to calculate additional tax for individual products, then you can skip this setup!

Add a Tax Code

Enterprise Manager > General: Tax Code



1 From the Tax Code screen, select the *Plus* (Add) icon.

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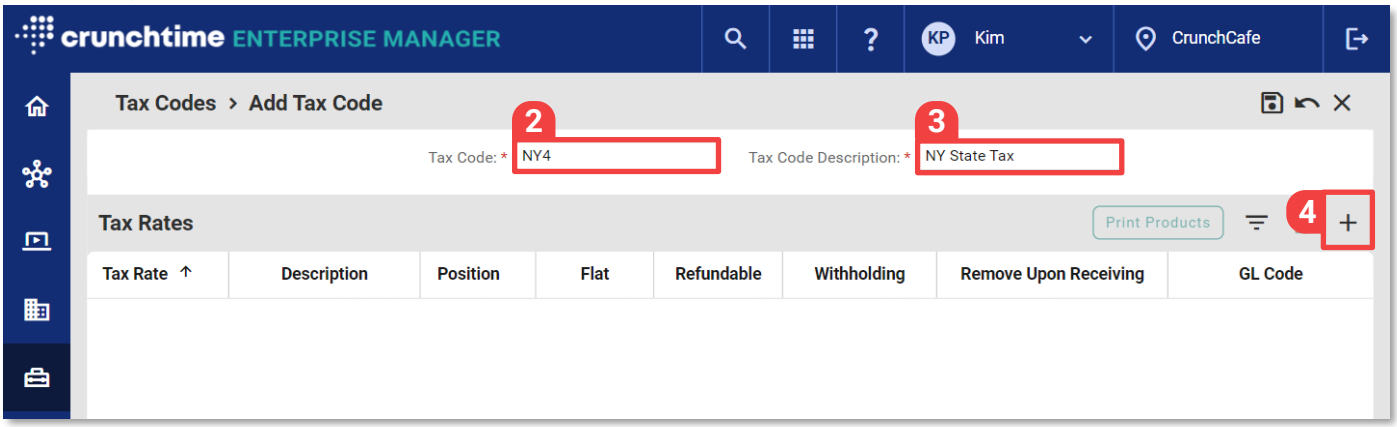
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Tax Code

Create Tax Code (Continued)

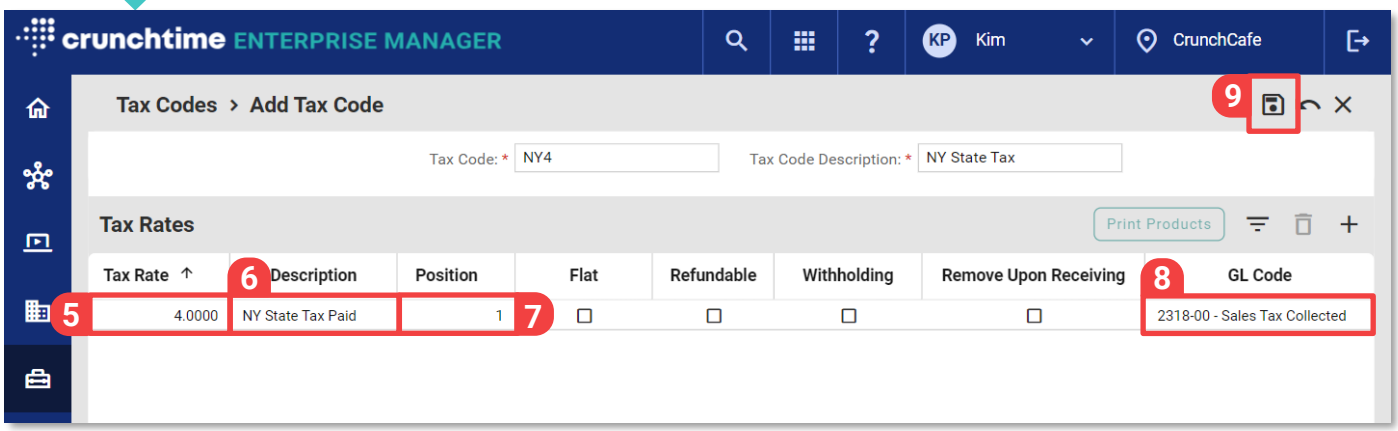
Add a Tax Code (Continued)

Enterprise Manager > General: Tax Code > Add



2. Enter a 3 character *Tax Code* (alphanumeric).
3. Add a *Tax Code Description*.
4. Select the *Plus* (Add) icon to add details.

Enterprise Manager > General: Tax Code > Add



5. Enter the *Tax Rate* percentage that will be applied to the invoice price for each product. For example, 4% would be entered as '4.00'.
6. Optionally, enter a *Description*. This is recommended if this Tax Code includes multiple rates.
7. Add a *Position* to determine the order tax rates will be applied. When multiple tax rates are entered, the calculated tax amounts will be summed on the invoice. If this is the only tax rate, enter '1' (We recommend one tax rate per Tax Code).
8. Pick the *GL Code* this tax should be allocated to.
9. Select the *Disk* (Save) icon.

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Tax Code

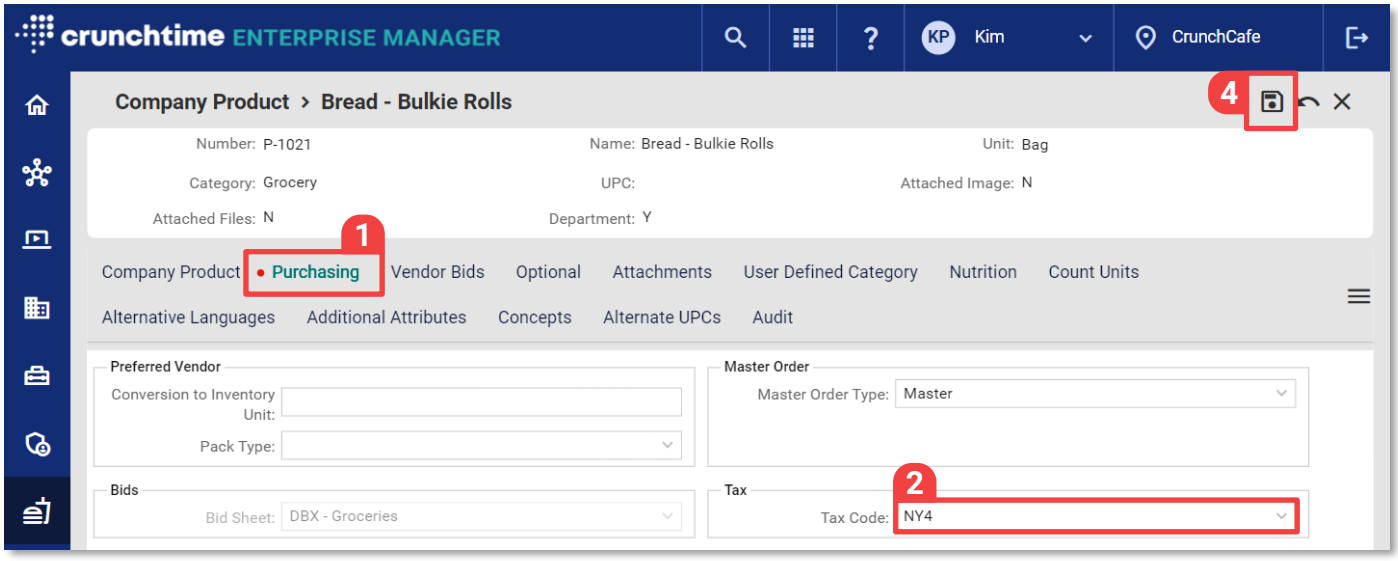
Apply Tax Rate

Apply to Company Product

Adding a Tax Code to a Company Product will make that tax rate the default for this product on all Vendor Bids. If you want to have different Tax Codes for different Vendors/Markets then you can skip to page 5.

Alert: Tax Codes added to a Company Product will only become the default when the product has not yet been added to a Bid Sheet. If this Company Product already exists on a Bid Sheet, you will need to manually add the Tax Code to the Vendor Bid.

Enterprise Manager > Products: Company Products



1. Choose a *Company Product*, and navigate to the *Purchasing* tab.
2. Select a *Tax Code* from the drop-down list.
3. (Cruise Only) Check the *Bonded* box to flag taxable products for the Net-Chef 'Customs Reports'.
4. Select the *Disk* (Save) icon.

Tip: We recommend using the 080 Company Product import file to easily add Tax Codes to multiple products at once.

Note: Select *Print Products* from the Tax Code setup screen to retrieve a list of all Products linked to that tax code.

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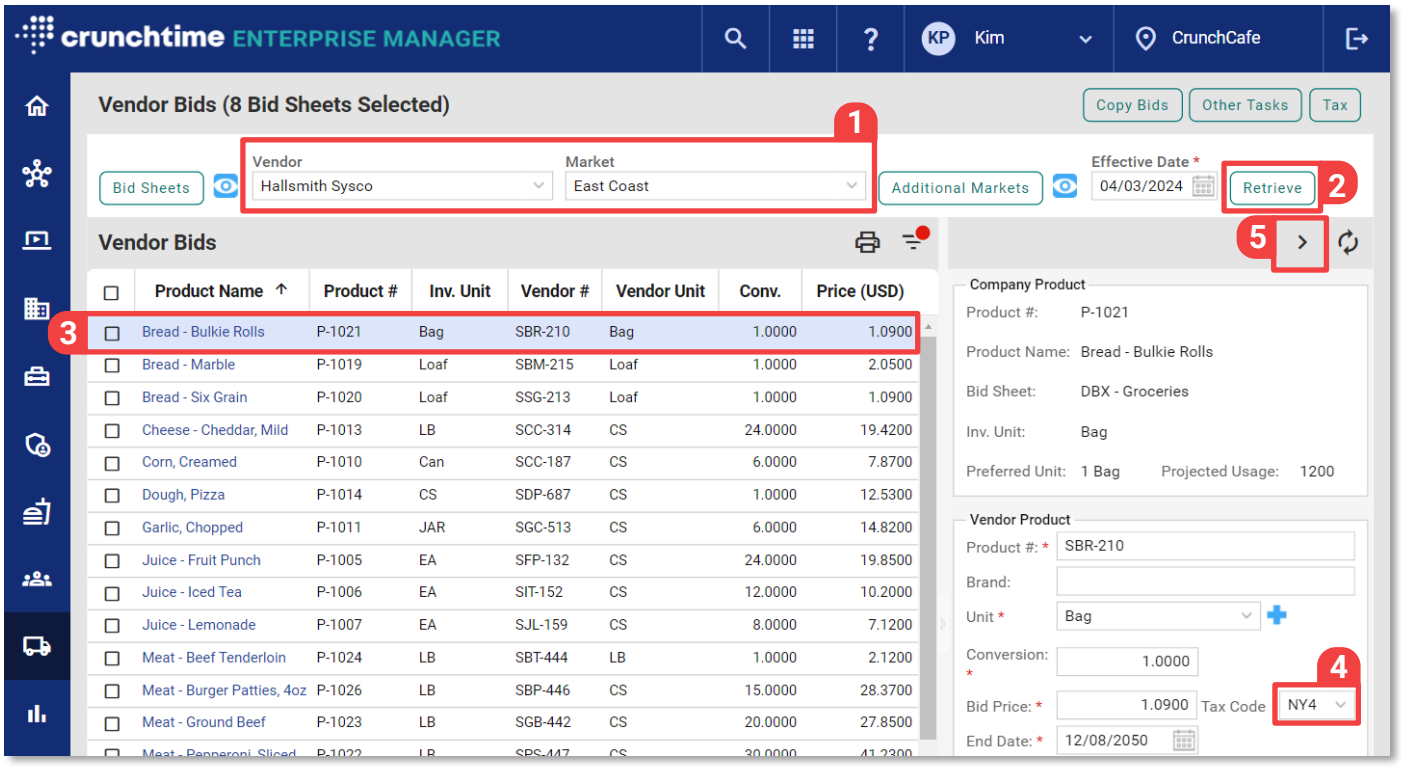
Tax Code

Apply Tax Rate (Continued)

Assign to Vendor Bid

Adding a Tax Code to a Vendor Bid will apply the corresponding tax rate to this product when it is purchased from this specific Vendor and Market combination.

Enterprise Manager > Purchasing: Vendor Bids



1. Choose a *Vendor* and *Market*.
2. Select *Retrieve*.
3. Select a product row to see additional bid information.
4. Pick the appropriate *Tax Code* for this product from the drop-down menu.

Tip: The Tax Code may be prepopulated if a Tax Code was applied to this Company Product before the product was linked to a Bid Sheet.

5. Save your changes by selecting the *Close* (>) icon.

Note: Tax Codes cannot be applied to past bids. For this reason, the Tax Code field will be disabled when the Effective Date is prior to the current date.

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Tax Code

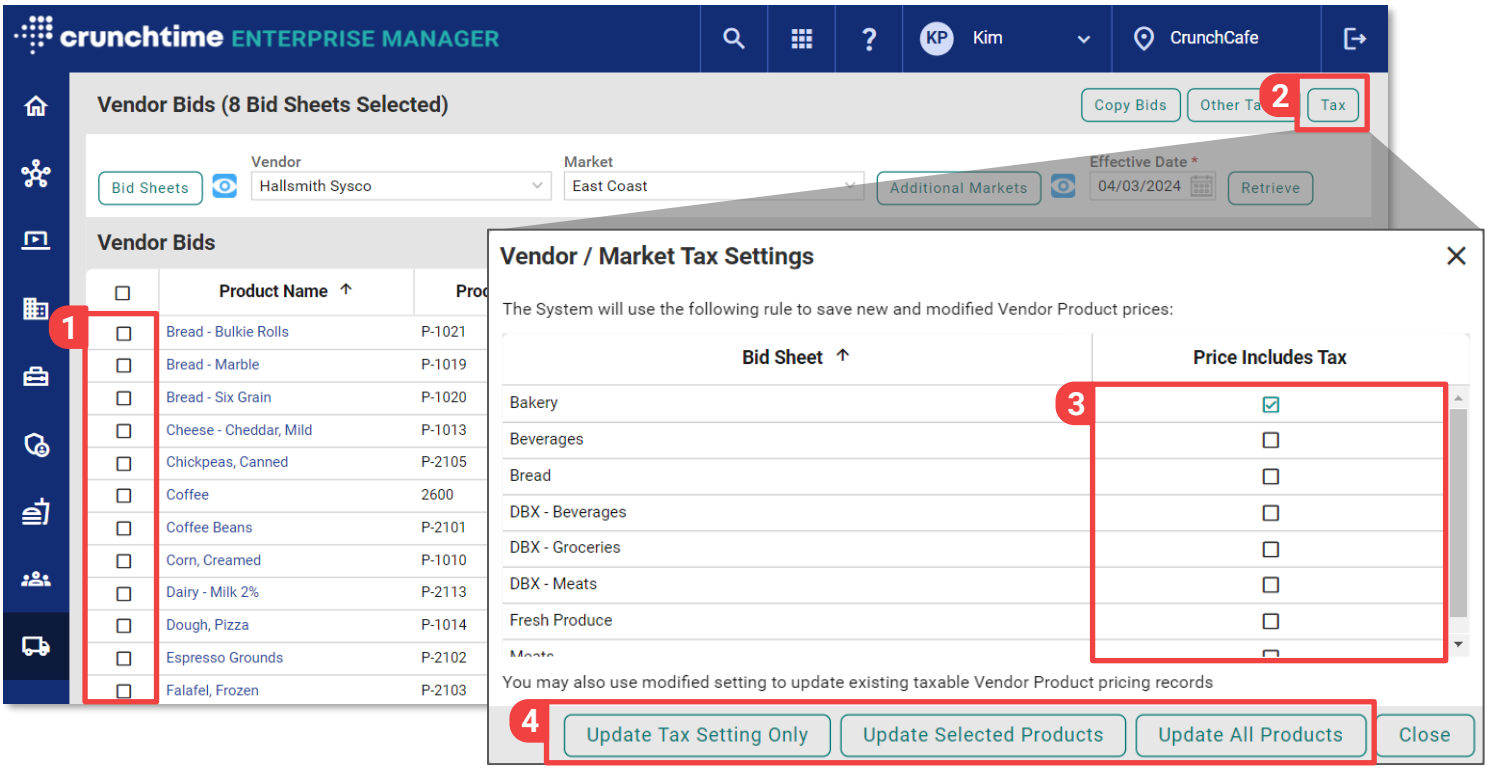
Apply Tax Rate (Continued)

Include Tax in Bid Price

Once a Tax Code has been added to a product, you may want to include that additional cost in the corresponding bid price. These additional tax settings will allow you to choose which products include Tax on the Vendor Bids screen.

Note: This will only change how the Bid Price is displayed on the Vendor Bids screen in Enterprise Manager, but it will not change the actual Bid value.

Enterprise Manager > Purchasing: Vendor Bids



1. To update the tax settings for specific products, check the box for each product for which the tax setting should be applied. (If applying tax settings to an entire Bid Sheet, skip this step).
2. Select *Tax*.
3. Check *Price Includes Tax* for each Bid Sheet you would like to update.
4. Choose one of the following:
   - *Update Tax Setting Only* – Updates tax setting ONLY for vendor bids entered or imported going forward. It will NOT update the setting for any existing vendor bids.
   - *Update Selected Products* – Updates the tax setting for all products selected in Step 1.
   - *Update All Products* – Updates the tax setting for all available products on the Bid Sheet.

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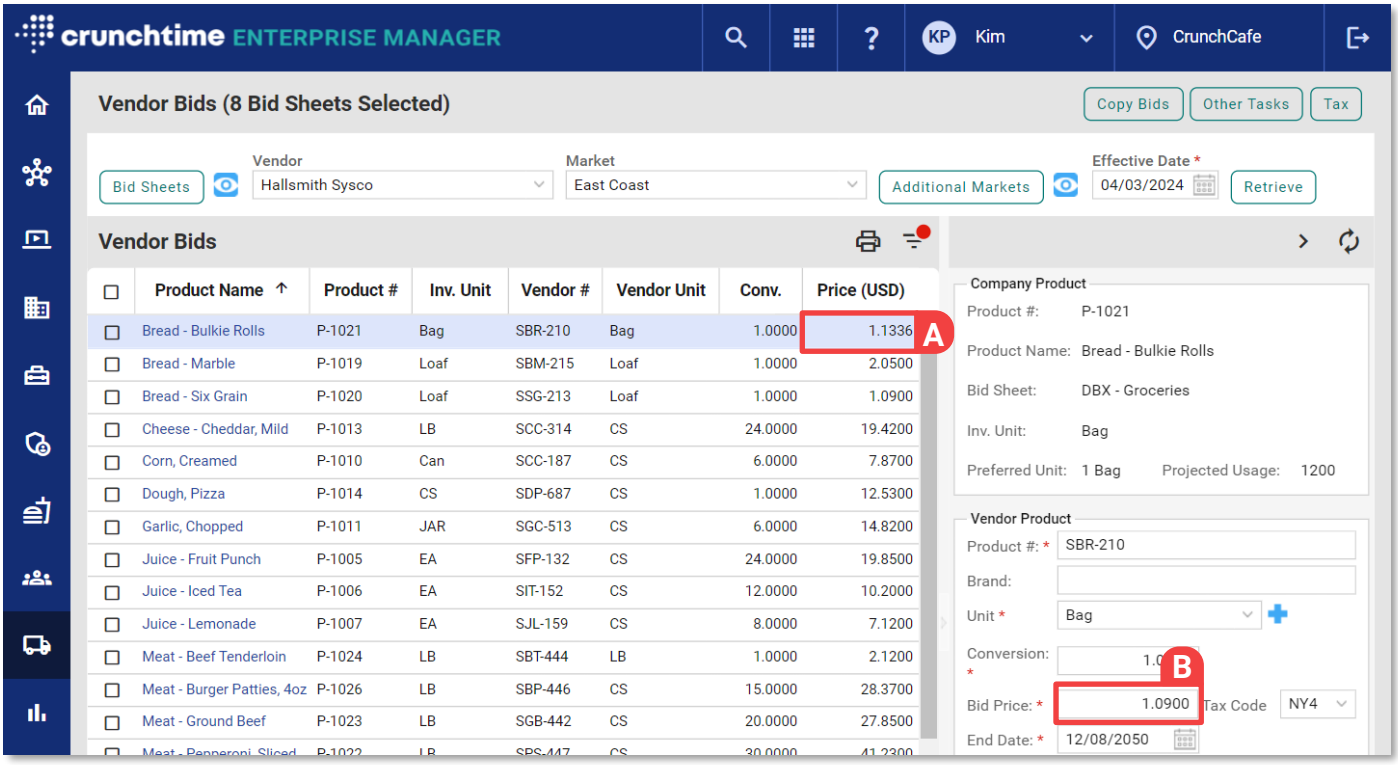
Tax Code

Apply Tax Rate (Continued)

Include Tax in Bid Price (Continued)

Once the *Price Includes Tax* setting is enabled, the main Vendor Bid window will display the bid price including tax, while the bid entry pane will display the untaxed bid price.

Enterprise Manager > Purchasing: Vendor Bids



A The *Price* reflects the bid price with the tax code applied.

B *Bid Price* reflects the untaxed cost from the vendor.

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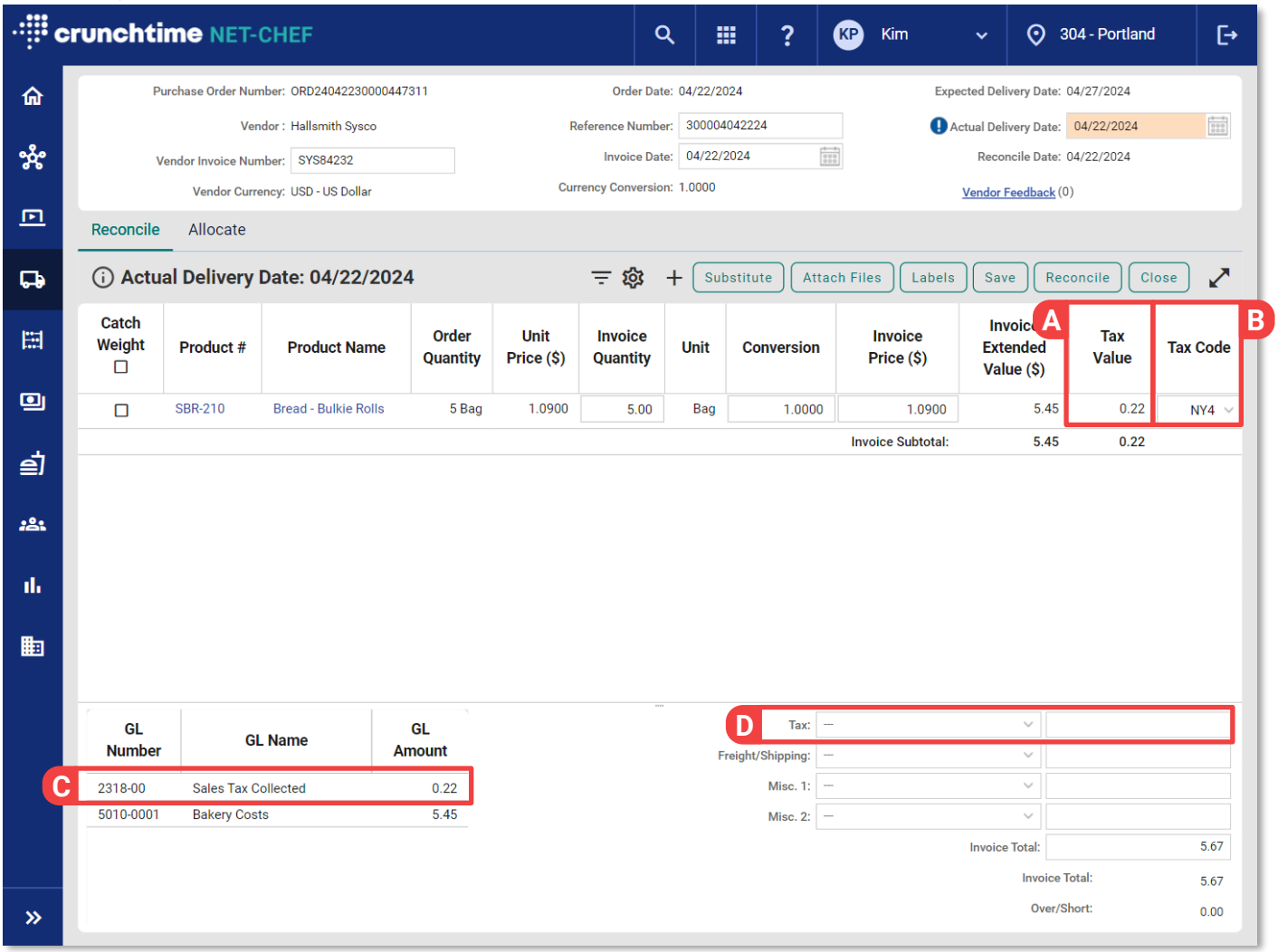
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FAQ's

How will tax appear when reconciling a vendor order?

Enterprise Manager > Purchasing: Vendor Bids



A The *Tax Value* represent the line item tax and is calculated by multiplying the product's *Invoice Extended Value* by the *Tax Code*'s corresponding tax rates(s).

B This is the *Tax Code* linked to the vendor bid. This can be updated if necessary.

C The line tax values will be summarized by GL account at the bottom of the screen. There may be multiple GL accounts if multiple Tax Codes are referenced or if the Tax Code contains more than one GL account.

D This is where "lump sum" tax is added. This tax will be applied on top of any line item tax. This value will also be reflected in the GL accounts on the bottom left of the screen.

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Tax Code

FAQ's (Continued)

Can a different product level tax be sent on an 009 e-invoice?

No, the Tax Code assigned to the Vendor Bid will override any tax value the Vendor sends on an invoice.

Which GL is the Tax Value linked to?

The Tax Value is linked to the GL account selected when the Tax Code is created, not the GL account linked the taxed Product.



Tip: This guide walks you through linking a GL account to tax rate within a Tax Code on page 3.

Does the Tax Code update a Product's Unit Price?

Crunchtime does **not** update the Unit Price of a product based on the applied tax rate. This allows for more accurate reporting on product cost across Vendors and Markets.

What if we need the Unit Price to include tax?

In this case, the Vendor will need to include tax as part of the per unit price in bids and invoices.

Can I use Tax Codes with the "Import E-Invoice Product Tax Values as Lump Sum" setting?

The "*Import E-Invoice Product Tax Values as Lump Sum*" preference and Vendor Bid Tax Codes are mutually exclusive. They cannot be used together because the Reconcile screen will always calculate Tax of the Product line item if the Vendor Bids are set up with Tax Codes. If both features are used at once, the line item tax will be automatically calculated as well as included as a lump sum, causing the tax value to be duplicated.

Should Product Tax be included in both the Header and Detail records of an invoice?

The e-invoice should include the Product Tax values in the Detail records OR the Header value, not both. By design, the assumption is that any "header" tax in the file is on top of "detail" tax values and adds them together.

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