

Sales Tax Setup (2019)



This article is for Drake Accounting 2019. To view this article for Drake Accounting 2018, click [here](#).

Enter state-, county-, and city-specific sales tax information. Create a sales tax record for each state in which you do business. If you do business in various counties within a state, a unique sales tax record create a unique tax record for each county. This process also applies to unique city tax rates as well.

Example: You do business in the cities of Highlands and Franklin, both in Macon County, North Carolina. You should create two sales tax records, both showing North Carolina and the appropriate state sales Tax Rate and Macon County with the appropriate county Tax Rate. The City Names will show the two different cities and the city Tax Rate should enter, even if the rate is the same for both cities.

Tax Code	State Name
North Carolina Test	North Carolina

Save
Reset
Delete
Exit

Sales Tax Code

Sales Tax Exempt Tax Code Inactive Shipping Tax Exempt

State

Name

Tax Rate

County

Name

Tax Rate

Maximum Taxable

City

Name

Tax Rate

Maximum Taxable



When the sales tax information is entered, run the Sales Tax Summary report to calculate the amount of sales tax owed each entity in which you do business. Go to Receivables > Crystal Reports > Sales Tax Summary to run this report.

To enter sales tax records, complete the following:

1. Go to **Receivables > Sales Tax Setup** and click **New**.
2. Enter a **Sales Tax Code**. Sales tax codes are alphanumeric and can be up to 20 characters long. Once these codes save, they can be used in **Customer Setup** (to assign a default for each customer) and when entering/updating invoices.
3. Select the check boxes that are appropriate for the sales tax code entered.
 - **Sales Tax Exempt**
 - The selected entity does not charge sales tax.
 - The sales tax information leaves the record.
 - **Tax Code Inactive**
 - Select Tax Code Inactive to deactivate the code.
 - Inactive codes do not appear as a choice when entering or updating invoices.
 - **Shipping Tax Exempt**
 - The selected entity does not charge sales tax on shipping charges.
4. Enter information for the recording of sales tax. When entering multiple records for a state or county, repeat the appropriate higher-level details.
 - **Name**

- Enter a name for the sales tax.
 - **Tax Rate**
 - Enter the tax rate as a decimal.
 - Enter '0.06' for a tax rate of 6%.
 - **Maximum Taxable**
 - If there is a maximum amount that is subject to this county's or city's sales tax, enter that amount.
5. **Save** each record before entering the next.
6. To delete the record, click on it and press Delete. If the sales tax is in use, this process will not be allowed.



While the Name and Tax Rate for a State or County is not required for the City tax information, it is recommended that all preceding entities be given names, even if the rates (or maximums) remain zero.

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