Integrating Oracle® Receivables with Taxware® Sales/Use Tax System

RELEASE 11

October 1998

ORACLE®

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Integrating Oracle® Receivables with Taxware® Sales/Use Tax System

The part number for this implementation guide is A66672–01.

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Contents

Preface

This implementation guide provides you with all the information you need to integrate Oracle Receivables and Oracle Order Entry/Shipping with Taxware Sales/Use System. It is organized for easy access to the following information:

- Implementation procedures
- Day to day operations
- Reconciliation, support, and audit procedures
- Technical reference material
- Commonly asked questions

This preface explains how this implementation guide is organized and introduces other sources of information that can help you.

About This Implementation Guide

This guide is the primary source of information about integrating Taxware Sales/Use System with Oracle Receivables and Oracle Order Entry. It contains overviews as well as task and reference information. This manual includes the following chapters:

- Chapter 1 describes the installation and implementation steps required to integrate Taxware with Oracle Receivables and Oracle Order Entry.

- Chapter 2 describes the normal operation of Oracle Receivables and Oracle Order Entry when the Taxware products are implemented.

- Chapter 3 provides an overview of the various accounting and business processes required for the Taxware integration.

- Chapter 4 describes the internal communication parameters between Oracle and Taxware, the Oracle tax view functions that support this communication, and how to extend the integration using user descriptive flexfields and the PL/SQL functions. Additionally, this chapter includes some commonly asked questions about using Taxware with Oracle Receivables.

This guide is available online

All Oracle Applications user's guides are available online in Adobe Acrobat format. This manual is available in hardcopy and as a separate document in Adobe Acrobat format.

The paper and online versions of this manual have identical content; use whichever format is most convenient.

You can order an Oracle Applications Documentation Library CD containing Adobe Acrobat versions of each manual in the Oracle Applications documentation set. Using this CD, you can search for information, read it onscreen, and print individual pages, sections, or entire books. When you print from Adobe Acrobat, the resulting printouts look just like pages from an Oracle Applications hardcopy manual.

Assumptions

This manual assumes that you will consult with qualified tax professionals when setting up your system. The examples in this manual are for illustrative purposes only; your specific implementation may be different. This manual also assumes you are familiar with Oracle Receivables. If you have never used Oracle Receivables, we suggest you attend one or more of the Oracle Receivables training classes available through Oracle Education. For more information about Oracle Receivables and Oracle training, see: Other Information Sources: page vii.

This guide also assumes that you are familiar with the Oracle Applications graphical user interface. To learn more about the Oracle Applications graphical user interface, read the *Oracle Applications User's Guide.*

Do Not Use Database Tools to Modify Oracle Applications Data

Oracle provides powerful tools you can use to create, store, change, retrieve and maintain information in an Oracle database. But if you use Oracle tools like SQL*Plus to modify Oracle Applications data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle Applications tables are interrelated, any change you make using an Oracle Applications form can update many tables at once. But when you modify Oracle Applications data using anything other than Oracle Applications forms, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle Applications.

When you use Oracle Applications forms to modify your data, Oracle Applications automatically checks that your changes are valid. Oracle Applications also keeps track of who changes information. But, if you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL*Plus and other database tools do not keep a record of changes.

*Consequently, we STRONGLY RECOMMEND that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to*

modify Oracle Applications tables, unless we tell you to do so in our manuals.

Other Information Sources

You can choose from many sources of information, including documentation, training, and support services, to increase your knowledge and understanding of Oracle Receivables.

Most Oracle Applications documentation is available in Adobe Acrobat format on the *Oracle Applications Documentation Library* CD. We supply this CD with every software shipment.

If this manual refers you to other Oracle Applications documentation, use only the Release 11 versions of those manuals unless we specify otherwise.

Oracle Receivables Tax Manual

This manual provides everything you need to know about calculating tax within Oracle Receivables, Oracle Order Entry/Shipping, Oracle Sales and Marketing, and Oracle Web Customers. It includes information about implementation procedures, setup forms and windows, the Oracle Receivables tax calculation process, tax reports and listings, and open interfaces.

Oracle Applications User's Guide

This guide explains how to navigate, enter data, query, run reports, and introduces other basic features of the graphical user interface (GUI) available with this release of Oracle Receivables (and any other Oracle Applications product). This guide also includes information on setting user profiles, as well as running and reviewing reports and concurrent requests.

You can also access this user's guide online by choosing "Getting Started with Oracle Applications" from any Oracle Applications help file.

Related User's Guides

Oracle Receivables shares business and setup information with other Oracle Applications products. Even if you have not installed them as separate products, your Oracle Receivables application includes some

forms and functionality from other Oracle Applications. Therefore, you may want to refer to other user's guides when you set up and use Oracle Receivables.

If you do not have the hardcopy versions of these manuals, you can read them by choosing Library from the Help menu, by reading from the Oracle Applications Document Library CD, or by using a web browser with a URL that your system administrator provides.

Oracle Receivables User's Guide

This manual explains how to create and maintain transactions, enter and apply receipts, and enter customer information in Oracle Receivables. It also describes several Oracle Receivables open interfaces, such as AutoLockbox which lets you create and apply receipts and how to use AutoInvoice to import and validate transactions from other systems into Oracle Receivables.

Oracle Applications Flexfields Guide

This manual provides flexfields planning, setup, and reference information for your implementation team, as well as for users responsible for the ongoing maintenance of Oracle Applications product data. This manual also provides information on creating custom reports on flexfields data.

Oracle Alert User's Guide

This manual explains how to define periodic and event alerts to monitor the status of your Oracle Applications data.

Country–Specific Manuals

Use these manuals to meet statutory requirements and common business practices in your country or region. They also describe additional features added to Oracle Receivables to meet those requirements. Look for a user's guide appropriate to your country; for example, see the *Oracle Financials for the Czech Republic User's Guide* for more information about using this software in the Czech Republic.

Oracle Applications Character Mode to GUI Menu Path Changes

This is a quick reference guide for experienced Oracle Applications end users migrating from character mode to a graphical user interface

(GUI). This guide lists each character mode form and describes which GUI windows or functions replace it.

Oracle Financials Open Interfaces Guide

This guide contains a brief summary of each Oracle Financial Applications open interface. For detailed information about the Oracle Receivables open interfaces, refer to the *Oracle Receivables User's Guide.*

Multiple Reporting Currencies in Oracle Applications

If you use the Multiple Reporting Currencies feature to report and maintain accounting records in more than one currency, refer to this manual before implementing Oracle Receivables. The manual details additional steps and setup considerations for implementing Oracle Receivables with this feature.

Multiple Organizations in Oracle Applications

If you use the Oracle Applications Multiple Organization Support feature to use multiple sets of books for one Oracle Receivables installation, use this guide to learn about setting up and using Oracle Receivables with this feature.

Oracle Report eXchange Documentation

Read this documentation to learn more about Report eXchange, which lets you customize the output of certain reports and download them to a spreadsheet program. This information is part of the Oracle Applications Desktop Integrator documentation.

Oracle Applications Developer's Guide

This guide contains the coding standards followed by the Oracle Applications development staff. It describes the Oracle Application Object Library components needed to implement the Oracle Applications user interface described in the *Oracle Applications User Interface Standards*. It also provides information to help you build your custom Developer/2000 forms so that they integrate with Oracle Applications.

Oracle Applications User Interface Standards

This manual contains the user interface (UI) standards followed by the Oracle Applications development staff. It describes the UI for the

Oracle Applications products and how to apply this UI to the design of an application built by using Oracle Forms 4.5.

Installation and System Administration

Oracle Applications Installation Manual

This manual and the accompanying release notes provide information you need to successfully install Oracle Financials, Oracle Public Sector Financials, Oracle Manufacturing, or Oracle Human Resources in your specific hardware and operating system software environment.

Oracle Applications Upgrade Manual

This manual explains how to prepare your Oracle Applications products for an upgrade. It also contains information on finishing the upgrade procedure for each product. Refer to this manual and the *Oracle Applications Installation Manual* when you plan to upgrade your products.

Oracle Applications System Administrator's Guide

This manual provides planning and reference information for the Oracle Applications System Administrator. It contains information on how to define security, customize menus and online help, and manage processing.

Oracle Receivables Applications Technical Reference Manual

The *Oracle Receivables Applications Technical Reference Manual* contains database diagrams and a detailed description of Oracle Receivables and related applications database tables, forms, reports, and programs. This information helps you convert data from your existing applications, integrate Oracle Receivables with non–Oracle applications, and write custom reports for Oracle Receivables.

You can order a technical reference manual for any product you have licensed. Technical reference manuals are available in paper format only.

Other Information

Training

Oracle Education offers a complete set of training courses to help you and your staff master Oracle Applications. We can help you develop a training plan that provides thorough training for both your project team and your end users. We will work with you to organize courses appropriate to your job or area of responsibility.

Training professionals can show you how to plan your training throughout the implementation process so that the right amount of information is delivered to key people when they need it the most. You can attend courses at any one of our many Educational Centers, or you can arrange for our trainers to teach at your facility. In addition, we can tailor standard courses or develop custom courses to meet your needs.

Support

From on–site support to central support, our team of experienced professionals provides the help and information you need to keep Oracle Receivables working for you. This team includes your Technical Representative, Account Manager, and Oracle's large staff of consultants and support specialists with expertise in your business area, managing an Oracle server, and your hardware and software environment.

About Oracle

Oracle Corporation develops and markets an integrated line of software products for database management, applications development, decision support, and office automation, as well as Oracle Applications, an integrated suite of more than 45 software modules for financial management, supply chain management, manufacturing, project systems, human resources, and sales and service management.

Oracle products are available for mainframes, minicomputers, personal computers, network computers, and personal digital assistants, allowing organizations to integrate different computers, different operating systems, different networks, and even different database management systems, into a single, unified computing and information resource.

Oracle is the world's leading supplier of software for information management, and the world's second largest software company. Oracle offers its database, tools, and applications products, along with related consulting, education, and support services, in over 140 countries around the world.

Thank You

Thank you for using Oracle Receivables and this manual.

We value your comments and feedback. At the end of this manual is a Reader's Comment Form you can use to explain what you like or dislike about Oracle Receivables or this document. Mail your comments to the following address or call us directly at (650) 506–7000.

Oracle Applications Documentation Manager
Oracle Corporation
500 Oracle Parkway
Redwood Shores, CA 94065
U.S.A.

Or, send electronic mail to **appsdoc@us.oracle.com**.

Implementing the Taxware Sales/Use Tax System

This chapter describes the installation and implementation steps required to integrate the Taxware Sales/Use Tax System with Oracle Receivables and Oracle Order Entry/Shipping.

Implementing the Taxware Sales/Use Tax System

Oracle Receivables provides a Tax Vendor Extension to integrate external tax calculation programs with Oracle Applications. This Extension lets you provide for complex tax calculation needs while retaining the full power of Receivables to create and store all other tax data.

The Tax Extension is called whenever a tax rate is calculated by the Receivables Tax Engine. When implemented, the Tax Extension will return a tax rate or amount from the vendor program. Receivables will use this information to create the appropriate tax line(s) and related accounting information.

> **Note:** If your Receivables installation uses multiple organizations (multi–org), the profile option Tax: Use Tax Vendor lets your system administrator control which users can call an installed third party application for tax calculations. The default value is Yes; this indicates that a user can call a third party application to calculate tax. See: Overview of Receivables Profile Options in the *Oracle Receivables User's Guide.*

Scope

This implementation guide is for the integration of the tax vendor extension with the Release 11.0.2 or higher version of Oracle Receivables. The tax vendor extensions have been implemented for Taxware's Sales/Use Tax System version 3.0.

> ☞ **Attention:** This integration can only be used with Oracles' GUI application products; it will not function with character mode Oracle Applications. Additionally, the Taxware integration is only supported for US state and local taxes. Do not implement this integration for Canada or any other country. For more information on international tax handling (including Canadian taxes), please refer to the *Oracle Receivables Tax Manual.*

Related Documents

This integration guide is a supplement to the *Oracle Receivables Tax Manual.* When implementing Taxware Sales Use Tax System within Oracle Receivables, you should first review and perform the steps described in the Implementing US Sales Tax essay in the *Oracle Receivables Tax Manual.* Only after all the steps in the Implementing US

Sales Tax essay have been completed should you then execute the additional steps required for Taxware integration.

Sales Tax Rate Interface

Both Oracle Order Entry and Oracle Receivables provide an interface to load tax rates, zip code ranges, and location names from data files supplied by external vendors. This information is used by the Receivables Customers windows to validate addresses and create compiled sales tax data whenever an address is updated or created.

Receivables provides a sample Taxware SQL*Loader control file called aravp.ctl. This file will load state, county, city, zip range, Geocodes, tax rates, and jurisdiction code data from the Taxware TMD datafile into the Oracle table AR_TAX_INTERFACE. Once loaded, the Geocode data will be automatically used by the Taxware views. For more information, see: Sales Tax Rate Interface in the *Oracle Receivables Tax Manual.*

Tax Database Views and Functions

Receivables provides database views to control which database columns are passed into the Tax Engine to calculate tax for your transaction lines. The database views call PL/SQL functions to provide a consistent and flexible access to vendor–specific data.

Generic Tax Extension

The Tax Extension is called whenever a tax rate is calculated by the Receivables Tax Engine. Tax rates are calculated in the following windows, concurrent programs, and reports:

- Adjustments windows
- AutoInvoice
- Copy Transactions window
- Credit Transactions window
- Quote window (Oracle Sales and Marketing)
- Sales Orders window (Oracle Order Entry)
- Sales Order Acknowledgment Report
- Transactions window
- Web Customer Orders

The Tax Extension can be implemented to generate single or multiple tax lines for every invoice line. Receivables stores each tax line in the RA_CUSTOMER_TRX_LINES table.

Integration With Oracle Order Entry

The Receivables Tax Extension is fully integrated with Oracle Order Entry. At the time of order entry, the tax amount for an order or line is calculated by calling the Receivables Tax Engine. Consequently, if you have installed a Tax Vendor, it will be called to calculate tax on the order in the same way as on the invoice.

> **Note:** Tax on an order is for information only and will be recalculated at the time of invoice creation. This is necessary because tax rates change over time and there could be a significant difference in the rates between the order date and the invoice date.

Integration With Oracle Sales and Marketing

The Taxware Sales Use Tax System is fully integrated with Oracle Sales and Marketing (OSM). When you enter a quote, the tax amount for the quotation is calculated by calling the Receivable Tax Engine. Consequently, if you have installed a Tax Vendor, it will be called to calculate tax on quotes in the same way as on invoices and sales orders.

Integration With Oracle Web Customers

The Taxware Sales Use Tax System is fully integrated with Oracle Web Customers. When you submit an order to Oracle Order Entry, the tax amount for the order is calculated by calling the Receivables Tax Engine. Consequently, if you have installed a Tax Vendor, it will be called to calculate tax on on–line sales orders the same way as on invoices, sales orders, and quotes.

> **Note:** Tax on an order, quote, or an on–line order is for information only and will be recalculated at the time of invoice creation. This is necessary because tax rates change over time and there could be a significant difference in the tax rates between the order date and the invoice date.

Preparing Receivables

The tax extension is a PL/SQL procedure that is called by the Oracle Tax Engine every time a tax rate is calculated within Receivables or Oracle Order Entry.

Load External Tax Information

Receivables provides a sample Taxware SQL*Loader control file, $AR_TOP/bin/aravp.ctl, to load new locations and tax rates from the TMD datafile supplied by Taxware. These programs let you load multiple tax rates for the same location, which may cover different date ranges and postal codes. The following diagram shows how your Tax Vendor's data is imported into the Receivables tax tables.

> **Note:** Receivables provides six possible Sales Tax Location Flexfield structures. The sample Taxware SQL*Loader file, aravp.ctl, only supports the structure State.County.City. If you select another structure, you will need to modify these SQL*Loader files.

Figure 1 – 1 Sales Tax Rate Interface
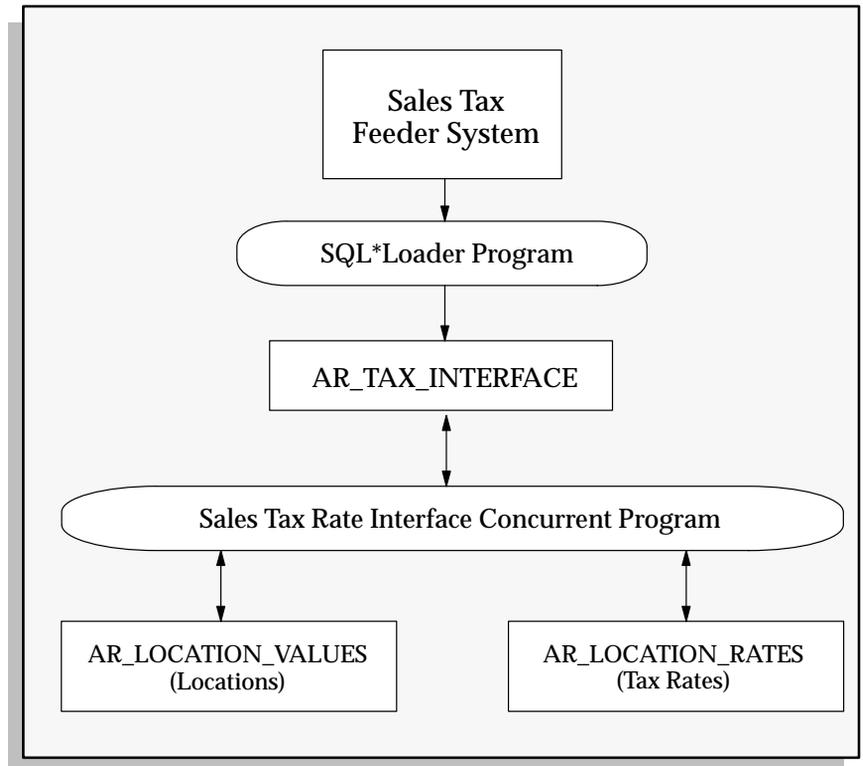
Receivables provides database views to pass tax information to the Tax Engine. You can use these views to control which database columns are passed into the Tax Engine for every transaction line that you tax. The following views have been defined:

- SO_TAX_LINES_SUMMARY_V
  Used by the Order Entry Sales Orders window.

- SO_TAX_LINES_CREDIT_CHECK_V
  Used by the Order Entry Sales Orders window.

- AS_TAX_LINES_SUMMARY_V
  Used by the Oracle Sales and Marketing Quote Workbench.

- TAX_LINES_INVOICE_IMPORT_V
  Used by the Receivables AutoInvoice program.

- TAX_LINES_RECURR_INVOICE_V
  Used by the Receivables Recurring Invoice program (Copy Transactions window).

- TAX_LINES_CREATE_V
  Used by the Receivables Transactions Workbench.

- TAX_LINES_DELETE_V
  Used by the Receivables Transactions Workbench.

- TAX_ADJUSTMENTS_V
  Used by the Receivables Transactions Workbench.

For more information, please refer to the *Oracle Receivables Applications Technical Reference Manual* and the *Oracle Order Entry/Shipping Applications Technical Reference Manual.*

Figure 1 – 2 Using the Tax Engine to Calculate Tax

Figure 1 – 2 Using the Tax Engine to Calculate Tax
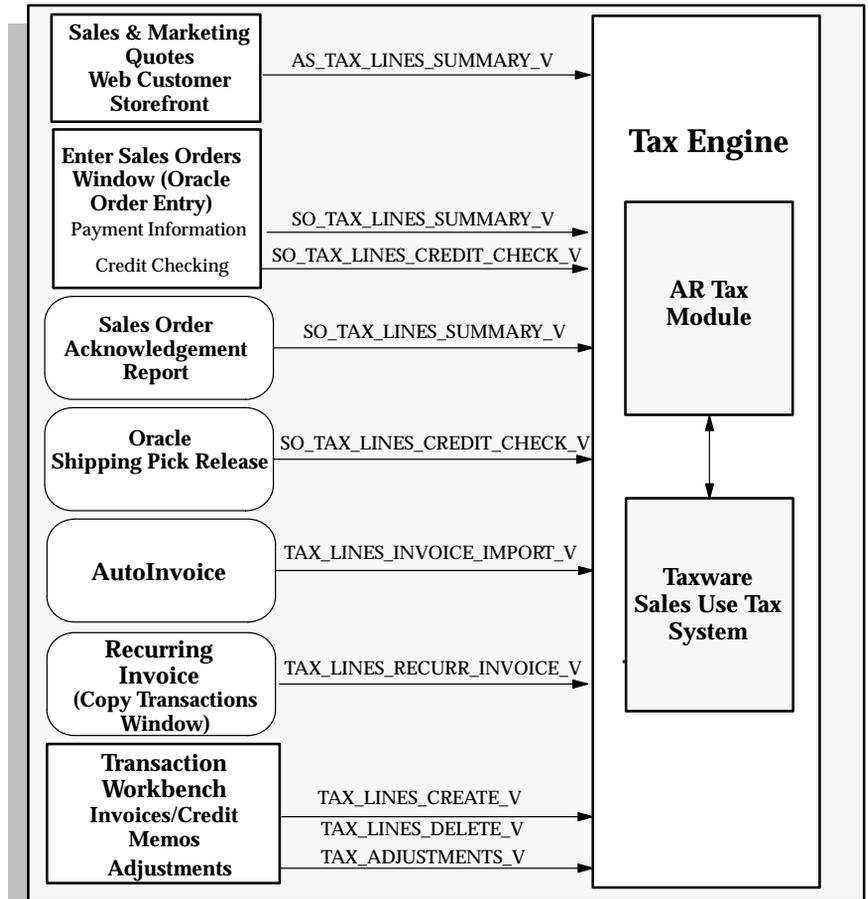
Receivables Tax Engine

The Tax Engine uses the information passed by the database views to calculate tax, regardless of whether an external Tax Vendor is installed. Both the Tax Extension and the AR Tax Module are components of the Tax Engine and are called every time the Tax Engine is requested to calculate tax.

If an external tax vendor is installed, the Tax Engine will use the tax rate or amount returned by the Tax Extension to override the rate or amount calculated by the AR Tax Module. The following table highlights key columns used by your tax vendor.

View Column Name	Description
TRX_NUMBER	Transaction Number
TRX_DATE	Transaction Date
SHIP_TO_CUSTOMER_NAME	Ship–to customer name
BILL_TO_CUSTOMER_NAME	Bill–to customer name
SHIP_FROM_ADDRESS_CODE	Jurisdiction code for Ship From Address
SHIP_TO_ADDRESS_CODE	Jurisdiction code for Ship–To Address
PART_NUMBER	Inventory Part Number

Table 1 – 1   Columns used by your tax vendor.

Tax Jurisdictions

Within the United States, a tax rate is calculated from Ship–To, Ship From, Point of Order Origin, and Point of Order Acceptance. To implement the Tax Extension using each of these addresses, you need to store the latter three values in descriptive flexfields at the appropriate level: Invoice Line or Header, or Order Line or Header.

If you use AutoInvoice to import orders from Oracle Order Entry, AutoInvoice will populate the item line Transaction Flexfield with packing slip information. This can be used to source the Ship From site use and address for each order. For more information, please refer to Integrating Oracle Order Entry with Oracle Receivables in the *Oracle Financials Open Interfaces Manual.*

The jurisdiction codes are loaded by the Sales Tax Rate Interface into attribute 1 of the table ar_location_rates. To load vendor jurisdiction codes into the other view columns, you will need to modify the views to join ar_location_rates with your appropriate customized table.

If you require postal code data to nine characters (zip+4) to segregate customer addresses by jurisdiction code, you will need to manually update the address data provided by your Tax Vendor. You can use the Location and Rates window to update the postal code data to comply with your jurisdiction code requirements.

Below is an example of multiple jurisdiction codes within a standard five digit zip code designation:

location_segment_id	from_postal_code	to_postal_code	jurisdiction_code
43 (San Francisco)	94110	94116	code 1
43 (San Francisco)	94117	94117	code 2
43 (San Francisco)	94118	94118–3999	code 3
43 (San Francisco)	94118–4000	94118–9999	code 4

Table 1 – 2   Jurisdiction codes

Installing the Taxware Sales/Use Tax Integration

The tax vendors will provide a mechanism to install their PL/SQL packages, tables, data, and any other required objects. These database objects should all be created in a separate vendor schema. Once the vendor has been installed, there are several manual steps you need to perform to enable the functionality.

❑   Install your tax vendor

❑   Taxware's Sales/Use Tax System version 3.0 (PL/SQL)

❑   Sales/Use Tax System, STEP, and Implementation training from Taxware international

❑   Implement US Sales Tax. To do this, you need to perform all of the steps described in the Implementing US Sales Tax essay in the *Oracle Receivables Tax Manual.*

❑   Upload the Taxware TMDFL data file into Oracle Receivables Address Validation tables. You need to upload this file before loading any customer addresses. This two step process is described in Monthly Procedures: page 3–6.

❑   Validate customer addresses. All Ship–to and Bill–to Customer Addresses within the US must have been validated by Oracle Receivables by setting the Address validation field in the System Options window to 'Error.'

❑   Login access to the APPS schema

❑   Permission to relink Oracle executables

❑   Test database

Setup Checklist for the Taxware Sales Use Tax System Integration

Complete the following steps in the order shown to implement the Vendor Tax Extension:

- Step 1   Provide Grants to the APPS Schema
- Step 2   Remove the C Tax Vendor (optional)
- Step 3   Re–create Synonyms
- Step 4   Set Profile Options
- Step 5   Set Up Lookup Code ARTAXVDR: Location Qualifier
- Step 6   Set Up Lookup Code Tax Exemption Reason
- Step 7   Set Up Vendor–Specific Tax Codes
- Step 8   Set Up Vendor Tax Views
- Step 9   Verify Tax Vendor Implementation
- Step 10   Implement Descriptive Flexfields (optional)

Step 1 – Provide Grants to the APPS Schema

Once the vendors have been installed, certain grants must be given to the APPS schema so that these vendor packages can be executed.

```
CONNECT <Taxware schema>/<Taxware password>
GRANT ALL ON TAXPKG_GEN TO <APPS Schema>
WITH GRANT OPTION;
GRANT ALL ON TAXPKG_10 TO <APPS Schema>
WITH GRANT OPTION;
GRANT DELETE ON TAXAUDIT_HEADER to <APPS Schema>;
GRANT DELETE ON TAXAUDIT_DETAIL to <APPS Schema>;
GRANT DELETE ON TAXAUDIT_TAX to <APPS Schema>;
GRANT DELETE ON TAXAUDIT_JURIS to <APPS Schema>;
```

Step 2 – Remove the C Tax Vendor (optional)

This step is required only if you are upgrading from the DMS integration. To use the PL/SQL version of the tax vendor extensions, the C tax vendor extension must be taken out of all Oracle executables. This integration will make obsolete the integration from DMS.

First, the $FND_TOP/usrxit/devenv files VNDARSL and VNDARPL should include the vendor–specific object files: these need to be removed.

The following objects have been defined for Taxware in VNDARPL and VNDARSL. Please remove any references to these objects.

- $(AVP_TOP)/tax010.o
- $(AVP_TOP)/tax010a.o
- $(AVP_TOP)/tax010b.o
- $(AVP_TOP)/tax010c.o
- $(AVP_TOP)/taxio.o
- $(AVP_TOP)/taxiodb.o
- $(AVP_TOP)/taxioseq.o
- $(AVP_TOP)/taxvalid.o
- $(AVP_TOP)/stepio.o
- $(AVP_TOP)/stepiodb.o
- $(AVP_TOP)/stepiosq.o
- $(AVP_TOP)/stepvald.o
- $(AVP_TOP)/taxwrdb.o
- $(AVP_TOP)/taxdbms.o
- $(AVP_TOP)/taxauddb.o
- $(AVP_TOP)/step90.o
- $(AR_TOP)/lib/aravp.o
- $(AVP_TOP)/libbtv3.a

Next, relink aiap, AutoInvoice, recurring invoices, OE Transaction Manager, and the reports executables by issuing the following commands:

```
adrelink force=y ranlib=y "fnd aiap"
adrelink force=y ranlib=y "fnd ar25run"
adrelink force=y ranlib=y "oe OEORPC"
adrelink force=y ranlib=y "ar RAXTRX"
adrelink force=y ranlib=y "ar ARXREC"
```

Step 3 – Re–create Synonyms

Once the packages have been installed, you need to recreate certain synonyms to point to the correct vendor packages.

```
CONNECT <apps schema>/<apps password>
DROP SYNONYM ARP_TAX_TAXWARE_010;
```

```
DROP SYNONYM ARP_TAX_TAXWARE_GEN;
DROP SYNONYM ARP_TAX_TAXWARE_AUDIT_HEADER;
DROP SYNONYM ARP_TAX_TAXWARE_AUDIT_DETAIL;
DROP SYNONYM ARP_TAX_TAXWARE_AUDIT_JURIS;
DROP SYNONYM ARP_TAX_TAXWARE_AUDIT_TAX;

CREATE SYNONYM ARP_TAX_TAXWARE_010 FOR
<Taxware Schema>.TAXPKG_10;
CREATE SYNONYM ARP_TAX_TAXWARE_GEN FOR
<Taxware Schema>.TAXPKG_GEN;
CREATE SYNONYM ARP_TAX_TAXWARE_AUDIT_HEADER FOR
<Taxware Schema>.TAXAUDIT_HEADER;
CREATE SYNONYM ARP_TAX_TAXWARE_AUDIT_DETAIL FOR
<Taxware Schema>.TAXAUDIT_DETAIL;
CREATE SYNONYM ARP_TAX_TAXWARE_AUDIT_JURIS FOR
<Taxware Schema>.TAXAUDIT_JURIS;
CREATE SYNONYM ARP_TAX_TAXWARE_AUDIT_TAX FOR
<Taxware Schema>.TAXAUDIT_TAX;
```

Step 4 – Set Up Profiles Options

The following profile options are used by the tax vendor extensions:

Profile Name	Default Value	Description
Tax: Use Tax Vendor	Yes	This indicates that the vendor tax engine should be used.
Tax Taxware: Use Nexpro	Yes	This indicates whether the Nexpro functionality should be used within Taxware
Tax Taxware: Tax Selection Parameter	Tax only	This indicates whether jurisdiction level jurisdiction codes should be used in the calculation of taxes. The value 'Tax only' will calculate tax based on the ship–to address only.
Tax Taxware: Tax Type	Sales	Type of tax. Enter a value of Sale, Service, or Use.

Profile Name	Default Value	Description
Tax Taxware: Service Indicator	Non–service	Choose Service, Rental, or Non–service.
Tax: Use PL/SQL Vendor	Null	This indicates which tax vendor should be used in a multi–org environment where multiple tax vendors are installed. You should select Taxware for this profile.

Table 1 – 3   Profile Options and Default Values

Step 5 – Set Up Lookup Code ARTAXVDR: Location Qualifier

The lookup code ARTAXVDR: Location Qualifier determines whether tax lines should be created separately for State, County, and City, or if the tax rates and amounts should be summed up into one tax line. Use the Receivables QuickCodes window to define this lookup code.

Navigation Path: Navigate–> Setup–> System –> QuickCodes –> Receivables

Required Setup: Enable ALL and disable STATE, COUNTY, and CITY to get a consolidated, single tax line.

Step 6 – Set Up Lookup Code Tax Exemption Reason

Use the Receivables QuickCodes window to set up the Tax Exemption Reason lookup code. These reason codes are used by the tax vendor to determine the exemption reason and are restricted in the number of characters that are used by the vendors.

☞ **Attention:** Taxware is restricted to 2 characters; therefore, define these exemption reasons such that the first 2 characters are unique.

Step 7 – Set Up Vendor–Specific Tax Codes

When using the tax vendor extensions, you need to define a location–based tax. Only location–based taxes will be calculated by the tax vendor extensions. Also, depending on your setup for the lookup code ARTAXVDR: Location Qualifier, you will need to define some extra tax codes (see below). When this lookup code is set up to return STATE, COUNTY, and CITY, the tax vendor extension will create tax lines with separate tax codes set for the state, county, and city tax.

Create three extra tax codes: STATE, COUNTY, and CITY. These tax codes should be of type 'Sales Tax.' The tax rates associated with these tax codes will not be used, but will be updated by the tax vendor extension.

Step 8 – Set Up Vendor Tax Views

The default tax views will not work properly with the tax vendor extensions. These views should be replaced with the vendor tax views provided. These views have been installed under a different name (see below).

In the System Options window, set the Tax Vendor Views field to Taxware. This changes the database views for this organization so that they will use the data source derived from the Taxware views.

```
System Options (Vision Operations)                                    _ □ ×
 Action  Edit  Query  Go  Folder  Special  Help

 ┌─ Tax                                        ▼ ┐
 │                                               │
 │              Tax Method  Sales Tax            │
 │  Location Flexfield Structure  State.County.City │
 │        Postal Code Range  00000      -  99999-9999 │
 │         Address Validation  Warning      □ Compound Taxes │
 │           Invoice Printing  Itemize And Summarize │
 │            Tax Cache Size  1000               │
 │   Tax Registration Number  98-1234567         │
 │          Tax Vendor Views  Taxware            │
 │                           ☑ Inclusive Tax Used │
 │ ┌─ Rounding Options ───────────────────────── │
 │ │       Calculation Level  Line            ▼  │
 │ │          Rounding Rule  Nearest          ▼  │
 │ │      Reporting Currency  USD                │
 │ │             Precision  2                    │
 │ │     Min Accountable Unit                    │
 │ │                        ☑ Allow Override     │
 │                                          [ □ ]│
 └───────────────────────────────────────────────┘
```

Step 9 – Verify Tax Vendor Implementation

Perform the following steps to verify that the tax vendor was
implemented successfully:

> **Note:** Between each step, confirm that the vendor's tax reports
> reconcile to Oracle Receivables.

- Create Customer Addresses
  Customer addresses are validated against existing locations.

- Create a sales order and run the Sales Order Acknowledgment
  Report.
  The tax vendor extensions have been integrated with Oracle
  Order Entry such that tax estimations can be calculated.

- Import a sales order using AutoInvoice.
  Tax will be calculated using the vendor tax extensions on
  invoices imported from Oracle Order Entry or other feeder
  systems.

- Create an invoice in the Receivables Transaction Workbench.
  Tax will be calculated using the vendor tax extensions on manual
  invoices created from within Oracle Receivables.

- Update/Delete a line
  When you update or delete an invoice line, tax amounts will
  always reconcile to your vendor's tax reports.

- Credit this invoice
  When you create credit memos, tax amounts will always reconcile to your vendor's tax reports.

- Copy (recur) this invoice
  Tax will be calculated using the vendor tax extensions on recurred invoices.

- Create an exempt order
  Oracle Receivable exemptions can be used in calculating tax with the vendor tax extensions.

- Adjust an invoice
  Tax adjustments will reconcile with your vendor's tax reports. Only approved adjustments of type 'Tax' are reflected in your vendor's tax reports. This lets you control which write–offs have recoverable sales tax from the state, county, and city.

Step 10 – Implement Descriptive Flexfields (optional)

The descriptive flexfields on Warehouse, Salespeople, and Customer Addresses can be used to extend the basic functionality of this integration. Specifically, ship–from and point of order acceptance GeoCodes can be used to support tax calculations using both ship–from and ship–to addresses. For more information on these optional flexfields, see: Descriptive Flexfields: page 4–17.

Tutorial

This chapter describes the normal operation of Oracle Receivables and Oracle Order Entry when the Taxware products are implemented. Use this tutorial to learn how your daily transactions are reflected in the Taxware Sales and Use report.

Tutorial

This section describes the Demonstration Script for a standard implementation.

Create Customer Addresses

When creating a new address for a customer, the state, county, city, and zip code are validated against existing locations. These locations are imported into Oracle Receivables using the Taxware Tax Management Database (TMDFL) and the Receivables Sales Tax Rate Interface. In this way, each customer site is guaranteed to have an address that is associated with a valid jurisdiction code.

When entering the address, the zip code can be used to automatically populate the state, county, and city. In cases where multiple jurisdiction codes are available for a particular zip code, a pop up list will appear as shown below.
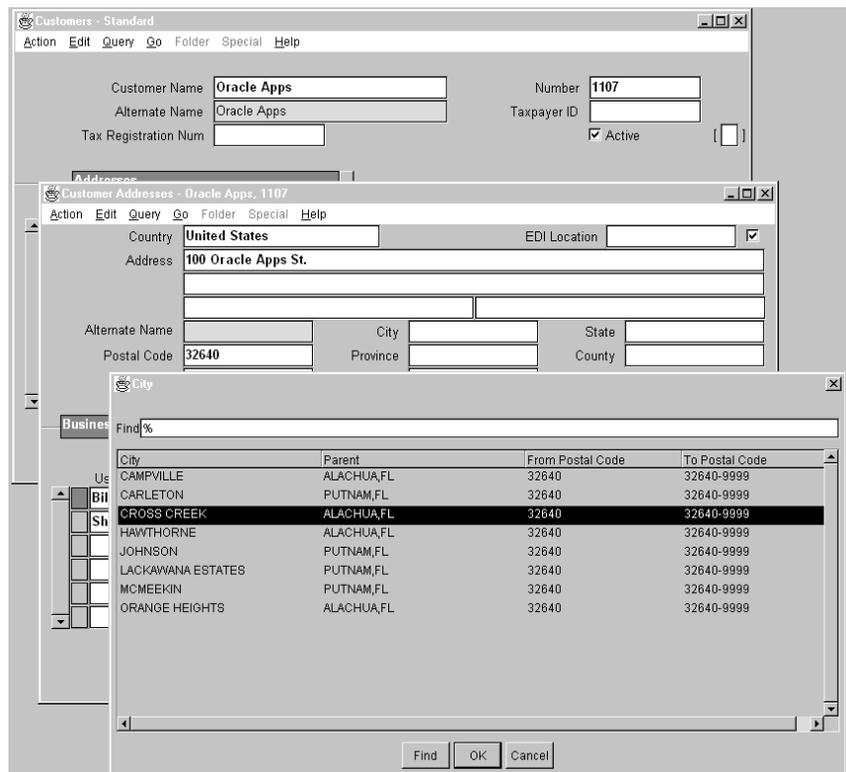
In this example, the zip code 32640 is defined in two counties and multiple cities.

Create a Sales Order

Sales orders can be created in Oracle Order Entry and the tax amount will be calculated automatically. The sales order includes the customer (which defines the ship–to address) and the salesperson can be assigned the point–of–order acceptance. Also, if the order is a shipped order, the warehouse from which the order is shipped will define the ship–from address.

Tax Calculation on Sales Orders

The tax calculated on a sales order is only an estimate, since many factors, including the ship–to address, can change between sales order and invoice creation. Also, since there is no accounting for the tax amounts at this time, the vendor will calculate the tax, but will not update its audit files.

Run the Sales Order Acknowledgment Report

Use the Sales Order Acknowledgment Report to view the order on a printed document. The tax is calculated by the vendor and is summarized by tax rate. As with the creation of the sales order, since there is no accounting for the tax amount here, the vendor does not update its audit files with this tax amount.

The following report shows the order entered in the previous steps. The two order lines are shown with the tax amount for both lines summarized. The total sales order amount is displayed at the end of the page.

**Figure 2 – 1 Sales Order
Acknowledgement Report**

```
  Order Number: 28165


                                                              Order Date: 27-AUG-98    Page:    1

   Bill To:  Oracle Apps                  Ship To: Oracle Apps           Purchase Order
             100 Oracle Apps St.                   100 Oracle Apps St.
              CROSS CREEK, FL 32640               CROSS CREEK, FL 32640   Sales Person Barry Lewis
             Attn:                                Attn:
                                                                         Payment Terms 30 Net       Buyer Pays Freight

                                                                         FOB: Destination    DHL Worldwid

                                                                             Currency: USD
                                                                         Tax reference:

  -----Number-----                        Tax code-----------Date------------
  Line Ship Option Item Description                Request    Promise Schedule   Qty Ord Unit  Selling Price    Extended  Price
    1             Relational Database Management  Locat 27-AUG-98 27-AUG-98 27-AUG-98    1 Each     10,000.00       10,000.00
    2             SQL*NET                         Locat 27-AUG-98 27-AUG-98 27-AUG-98    3 Each     47,500.00      142,500.00

                                                                         Tax Rate    Taxable Amount       Tax Amount
                                                                            6            152,500.00          9,150.00

                                                                                     Tax Total    9,150.00
```

Import Sales Orders Using AutoInvoice

Orders created in Oracle Order Entry or documents created in other
feeder systems can be imported into Oracle Receivables using
AutoInvoice. Tax will be calculated using the vendor tax extension.
AutoInvoice will generate the accounting and sales credits, creating a
fully validated invoice in Oracle Receivables.

The figure below shows the invoice imported from the order created in
the previous steps. The reference number shows the order number of
the original sales order.

Action Edit Query Go Folder Special Help

Number 10001182   Date 27-AUG-1998 ☑ Complete
Reference 28165   Currency USD   Transaction ORDE
Source ORDER ENTRY   Class Invoice
Type Invoice   GL Date 27-AUG-1998   [☐]

Main

Ship To
Name Oracle Apps
Number 1107
Location Ship-To
Address 100 Orcacle Apps St.

CROSS CREEK, FL 32640 United States
Contact

Bill To
Name Oracle Apps
Number 1107
Location Bill-To
Address 100 Orcacle Apps St.

CROSS CREEK, FL 32640 United States
Contact

Terms 30 Net   Commitment
Due Date 26-SEP-1998   Salesperson Barry Lewis

[Tax] [Accounting] [Sales Credits] [Balances]

[Incomplete] [Freight] [Credit Installments] [Line Items]

Invoice Lines from an Imported Order

The order lines are imported by AutoInvoice and the following invoice lines are created. The top section of the window shows the totals for the transaction, lines, tax, and freight.

Transactions (Vision Operations: USD)

Action Edit Query Go Folder Special Help

	Transaction	Lines	Tax	Freight	
Total	161,650.00	152,500.00	9,150.00	0.00	☑

Main

Num	Item	Description	UOM	Quantity	Unit Price	Amount	Tax Code
1	SQL*NET	SQL*NET	Each	3	47500	142,500.00	Location
2	Oracle7	Relational Databas	Each	1	10000	10,000.00	Location

[Accounting] [Sales Credits] [Freight] [Tax]

Accounting for the Imported Order

The accounting entries are created for the imported order, including the accounting for the tax lines calculated by the tax vendor extension.

Accounting (Vision Operations: USD)

Action Edit Query Go Folder Special Help

Accounts For All Lines ▼

Transaction Line	Detail Line Number	Class	GL Account	GL Date	%	Amount [ ]
		Receivable	01-000-1210-0000-000	27-AUG-1998	100.0000	161,650.00
1		Revenue	01-430-4110-0000-000	27-AUG-1998	100.0000	142,500.00
1	1	Tax	01-000-2520-0000-000	27-AUG-1998	100.0000	8,550.00
2		Revenue	01-430-4110-0000-000	27-AUG-1998	100.0000	10,000.00
2	1	Tax	01-000-2520-0000-000	27-AUG-1998	100.0000	600.00

GL Posted Date _____   Comments _____

Description Operations-Balance Sheet-Accounts Receivable-No Sub Account-No Product

Line Amount _____   Accounting Rule _____

Balances

The Balances window shows the balance due for the Line, Tax, Freight, and Bank Charges. The balance can be modified by applying payments, credit memos, adjustments, or early payment discounts. The tax balance will reconcile with your vendor's tax reports.

Balances (Vision Operations: USD)

Action Edit Query Go Folder Special Help

⦿ Entered Currency   ○ Functional Currency   Currency USD

	Line	Tax	Freight	Charges	Total
Original	152,500.00	9,150.00	0.00		161,650.00
Receipts	0.00	0.00	0.00	0.00	0.00
Credits	0.00	0.00	0.00		0.00
Adjustments	0.00	0.00	0.00	0.00	0.00
Discount	0.00	0.00	0.00		0.00
Balance	152,500.00	9,150.00	0.00	0.00	161,650.00

Vendor Tax Reports (After AutoInvoice)

The following vendor tax report shows the outcome of importing the order with AutoInvoice.

```
TAX030 R3.0-9705-1                    S A L E S   A N D   U S E   R E P O R T                          Page  1
Run 08/27/1998 at 15:39:00                      Extra Detail Report

All Dates


No Division Breaks        Print Exact Amounts        Blank lines around totals    All States
All Companies

States:                                     No Divisions.                   Reasons:

--------------------------------------- --------------------------------------- ---------------------------------
01 ALABAMA               02 ALASKA                                               03 US GOVTNMT  04 STATE GOVN
03 ARIZONA               04 ARKANSAS                                             06 INTERSTATE  11 APO/FPO
05 CALIFORNIA            06 COLORADO                                             15 ENT. ZONE   20 DIRECT PAY
07 CONNECTICUT           08 DELAWARE                                             21 SHIPS       22 CAP IMPROV
09 DISTRICT OF COLUMBIA  10 FLORIDA                                              23 SCHOOLS     24 COMM CAR
11 GEORGIA               12 HAWAII                                               25 EXEMPT ORG  26 INDIANS
13 IDAHO                 14 ILLINOIS                                             27 PACK MATER  28 BLANKET
15 INDIANA               16 IOWA                                                 29 COMM FISH   30 POLLU CTRL
17 KANSAS                18 KENTUCKY                                             31 LEASING     32 R & D
19 LOUISIANA             20 MAINE                                                33 AIRCRAFT    34 RESALE
21 MARYLAND              22 MASSACHUSETTS                                        35 AGRICULTUR  36 MULTI-JURI
23 MICHIGAN              24 MINNESOTA                                            37 CONTRACTOR  38 MOTOR VEHI
25 MISSISSIPPI           26 MISSOURI                                            39 FUEL/ENERG  40 SALES EXMP
27 MONTANA               28 NEBRASKA                                            41 USE EXMP    42 NON PROFIT
29 NEVADA                30 NEW HAMPSHIRE                                       43 MANUFACTUR  44 LOCAL GOVT
31 NEW JERSEY            32 NEW MEXICO                                          45 RELIGIOUS   46 CHARITABLE
33 NEW YORK              34 NORTH CAROLINA                                      47 EX HOSPITL  48 TITLE VEHL
35 NORTH DAKOTA          36 OHIO                                                49 FED CR UN   50 POLITICAL
37 OKLAHOMA              38 OREGON                                              51 REPLCPART   52 TIRE RETAL
39 PENNSYLVANIA          40 RHODE ISLAND                                        53 RAW MATL    54 CR UN
41 SOUTH CAROLINA        42 SOUTH DAKOTA                                        55 MED EQUIP   56 OIL EXPLOR
43 TENNESSEE             44 TEXAS                                               57 FORGN DIP   58 SCHOOL NP
45 UTAH                  46 VERMONT                                             59 MED         60 DRUG
47 VIRGINIA              48 WASHINGTON                                          61 URBAN       62 LIF SAV
49 WEST VIRGINIA         50 WISCONSIN                                           63 PUBLISHING  64 FARM MACH
51 WYOMING               52 CANADA                                              65 OTHER       AA AGRICULTUR
53 INTERNATIONAL         54 PUERTO RICO                                         AB FARMMACHIN  AC PROCESSOR
55 U.S. VIRGIN ISLANDS   56 PACIFIC ISLANDS                                     AD BLINDDSABL  AE CAPIMPREAL
57 GUAM                  58 AMERICAN SAMOA                                      AF CASUAL      AG COMMFISH
59 RESERVED              60 AMERICAN FORCES AMERICAS                            AH DIRECTPAY   AI DROPSHIP
61 AMERICAN FORCES EUROPE 62 AMERICAN FORCES PACIFIC                            AJ EXEMPTORGS  AK ART&LIT
99 UNITED STATES FEDERAL                                                        AL ATHLETIC    AM BUSINESS
                                                                               AN CEMETERY    AO CHARITABLE
                                                                               AP CIVIC       AQ CONSERV
                                                                               AR EDUCATION   AS ELDERLY
                                                                               AT EXORGCONTR  AU FRATERNAL
                                                                               AV HISTORICAL  AW HUMANE
                                                                               AX LEGAL       AY MEDICAL
                                                                               AZ ORPHAN      BA RELIGIOUS
                                                                               BB SCIENTIFIC  BC TESTING
                                                                               BD TOURIST     BE VETERAN
                                                                               BF VLTRFIRE    BG YOUTHORG
                                                                               BH GOVERNMENT  BI CREDUNFED
                                                                               BJ CREDUNSTAT  BK DIPLOMAT
                                                                               BL GOVTST&LC   BM GOVTUS


TAX030 R3.0-9705-1                    S A L E S   A N D   U S E   R E P O R T                          Page  2
Run 08/27/1998 at 15:39:00                      Extra Detail Report

All Dates

All Dates
                                                                               BP REDCROSS    BQ INDUSTRY
                                                                               BR ENTPRIZONE  BS EXTRACTION
                                                                               BT LOGGING     BU OILEXPLOR
                                                                               BV INGCMPPART  BW MANUFACTUR
```

```
                                                              BX POLLUTCTRL   BY R&D
                                                              BZ MEDIA        CA NATAMERICN
                                                              CB OTHER        CC OTHERTAX
                                                              CD SUOTHSTATE   CE OTHSTTAXPD
                                                              CF OUTOFJURIS   CG OOJAIR
                                                              CH OOJRR        CI OOJROAD
                                                              CJ OOJWAT       CK RESALE
                                                              CL CONTRCRTLR   CM LEASING
                                                              CN RXDRUG       CO TELECOMMUN
                                                              CP TRANSPORT    CQ CCAIR
                                                              CR CCRR         CS CCROAD
                                                              CT CCWAT        CU GENAIR
                                                              CV GENRR        CW GENROAD
                                                              CX GENWAT       CY ISCAIR
                                                              CZ ISCRR        DA ISCROAD
                                                              DB ISCWAT       DC PUBLIC
                                                              DD UNDETERMIN
```

```
All Dates

STATE: FLORIDA

C_U_S_T_O_M_E_R ___I_N_V_O_I_C_E___    ------ G R O S S ------        -------------- T A X E S --------------     T O T A L   CC
Name or Number  Number    mmddyyyy     EXEMPT      TAXABLE        STATE      COUNTY       CITY     TRANSIT       T A X E S TYPE

1107         10001182   08271998                   142500.00   8550.00                                            8550.00  U 83
   REAS CODE:            TAX CERT #:                            MISC:               JURIS: T PROD CODE: SQL*N

1107         10001182   08271998                    10000.00    600.00                                             600.00  U 83
   REAS CODE:            TAX CERT #:                            MISC:               JURIS: T PROD CODE: ORACL

 * LOCAL TOTAL:   CROSS CREEK                       152500.00   9150.00                                            9150.00

** COUNTY TOTAL:  Unknown                           152500.00   9150.00                                            9150.00

STATE TOTAL: FLORIDA                                152500.00   9150.00                                            9150.00
```

```
All Dates

S U M M A R Y   B Y   S T A T E
                                                                -------------------- T A X E S ---------------------
STATE              GROSS        CREDIT       EXEMPT      TAXABLE       STATE      COUNTY      CITY     TRANSIT       TOTAL

FLORIDA         152500.00                               152500.00    9150.00                                       9150.00
-------------- ------------- ------------- ------------- ------------- ----------- ----------- ----------- ----------- ------------
Report Total    152500.00
```

Inserting New Lines

Invoices imported using AutoInvoice can be maintained using the
Transaction Workbench. Modifying attributes such as the transaction
date or customer will force the invoice lines to recalculate the tax using
the tax vendor extension. Additionally, invoice lines can be deleted,
updated, or inserted.

The figure below shows a third invoice line added to the imported
invoice.

Update Lines

In the figure below, the quantity of the third invoice line is changed from 1 to 3. The original tax amount for this invoice line will be deducted from the vendor's audit files and the new tax amount will be inserted.

Any modifications to the tax amounts will always be maintained across the vendor's audit files.

Credit the Invoice

Manual credit memos can be applied to an invoice in Oracle Receivables. The tax amounts for this credit memo will always reconcile to your vendor's tax reports.

Adjust the Invoice

As with manual credit memos, manual adjustments can be applied to your invoice and the tax amounts will reconcile to your vendor's tax reports. Only approved adjustments of type 'Tax' will be applied to the vendor's tax reports. This gives you greater control over which adjustments should reduce the sales tax liability.

Copy (Recur) an Invoice

When you copy (recur) transactions, tax will be calculated using the tax vendor extension on all copied invoices.

Viewing the Copied Invoice

The copied invoice will have the exact same invoice lines as the original invoice. The tax amounts will automatically be recalculated by the tax vendor extension which may give different results if the tax rates have changed over time.

Creating Manual Invoices

You can also create invoices manually in Oracle Receivables using the Transactions window. The tax amounts will be calculated by the tax vendor extension and will reconcile to your vendor's tax reports.

Invoice Lines on Manual Invoices

The figure below shows the invoice lines for this manually created invoice. As with invoices imported through AutoInvoice, tax amounts will always be recalculated when you update, delete, or insert invoice lines and the tax amounts will reconcile with your vendor's tax reports.

Apply Exemptions to Invoice Lines

Taxware's Sales Tax Exemption Processing (STEP) will always be used to determine if an invoice line should be exempt. Optionally, an Order Entry or Receivables clerk may want to mark a particular invoice line 'exempt.' You can also apply tax exemptions defined in Oracle Receivables to an invoice line and the tax vendor extension will override the STEP and exempt the invoice line.

Vendor Tax Reports (Complete)

The following vendor tax report shows the result of all the transactions entered in this section.

```
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Run 08/27/1998 at 16:35:39                        Extra Detail Report

All Dates

No Division Breaks          Print Exact Amounts          Blank lines around totals     All States
All Companies

States:                                        No Divisions.                      Reasons:
-------------------------------------------------  ------------------------------------------  -------------------------------
01 ALABAMA               02 ALASKA                                                  03 US GOVTNMT   04 STATE GOVN
03 ARIZONA               04 ARKANSAS                                                06 INTERSTATE   11 APO/FPO
05 CALIFORNIA            06 COLORADO                                                15 ENT. ZONE    20 DIRECT PAY
07 CONNECTICUT           08 DELAWARE                                                21 SHIPS        22 CAP IMPROV
09 DISTRICT OF COLUMBIA  10 FLORIDA                                                 23 SCHOOLS      24 COMM CAR
11 GEORGIA               12 HAWAII                                                  25 EXEMPT ORG   26 INDIANS
13 IDAHO                 14 ILLINOIS                                                27 PACK MATER   28 BLANKET
15 INDIANA               16 IOWA                                                    29 COMM FISH    30 POLLU CTRL
17 KANSAS                18 KENTUCKY                                                31 LEASING      32 R & D
19 LOUISIANA            20 MAINE                                                    33 AIRCRAFT     34 RESALE
21 MARYLAND             22 MASSACHUSETTS                                            35 AGRICULTUR   36 MULTI-JURI
23 MICHIGAN             24 MINNESOTA                                                37 CONTRACTOR   38 MOTOR VEHI
```

25 MISSISSIPPI	26 MISSOURI	39 FUEL/ENERG	40 SALES EXMP
27 MONTANA	28 NEBRASKA	41 USE EXMP	42 NON PROFIT
29 NEVADA	30 NEW HAMPSHIRE	43 MANUFACTUR	44 LOCAL GOVT
31 NEW JERSEY	32 NEW MEXICO	45 RELIGIOUS	46 CHARITABLE
33 NEW YORK	34 NORTH CAROLINA	47 EX HOSPITL	48 TITLE VEHL
35 NORTH DAKOTA	36 OHIO	49 FED CR UN	50 POLITICAL
37 OKLAHOMA	38 OREGON	51 REPLCPART	52 TIRE RETAL
39 PENNSYLVANIA	40 RHODE ISLAND	53 RAW MATL	54 CR UN
41 SOUTH CAROLINA	42 SOUTH DAKOTA	55 MED EQUIP	56 OIL EXPLOR
43 TENNESSEE	44 TEXAS	57 FORGN DIP	58 SCHOOL NP
45 UTAH	46 VERMONT	59 MED	60 DRUG
47 VIRGINIA	48 WASHINGTON	61 URBAN	62 LIF SAV
49 WEST VIRGINIA	50 WISCONSIN	63 PUBLISHING	64 FARM MACH
51 WYOMING	52 CANADA	65 OTHER	AA AGRICULTUR
53 INTERNATIONAL	54 PUERTO RICO	AB FARMMACHIN	AC PROCESSOR
55 U.S. VIRGIN ISLANDS	56 PACIFIC ISLANDS	AD BLINDDSABL	AE CAPIMPREAL
57 GUAM	58 AMERICAN SAMOA	AF CASUAL	AG COMMFISH
59 RESERVED	60 AMERICAN FORCES AMERICAS	AH DIRECTPAY	AI DROPSHIP
61 AMERICAN FORCES EUROPE	62 AMERICAN FORCES PACIFIC	AJ EXEMPTORGS	AK ART&LIT
99 UNITED STATES FEDERAL		AL ATHLETIC	AM BUSINESS
		AN CEMETERY	AO CHARITABLE
		AP CIVIC	AQ CONSERV
		AR EDUCATION	AS ELDERLY
		AT EXORGCONTR	AU FRATERNAL
		AV HISTORICAL	AW HUMANE
		AX LEGAL	AY MEDICAL
		AZ ORPHAN	BA RELIGIOUS
		BB SCIENTIFIC	BC TESTING
		BD TOURIST	BE VETERAN
		BF VLTRFIRE	BG YOUTHORG
		BH GOVERNMENT	BI CREDUNFED
		BJ CREDUNSTAT	BK DIPLOMAT
		BL GOVTST&LC	BM GOVTUS

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Run 08/27/1998 at 16:35:39   Extra Detail Report

All Dates

All Dates

BP REDCROSS	BQ INDUSTRY
BR ENTPRIZONE	BS EXTRACTION
BT LOGGING	BU OILEXPLOR
BV INGCMPPART	BW MANUFACTUR
BX POLLUTCTRL	BY R&D
BZ MEDIA	CA NATAMERICN
CB OTHER	CC OTHERTAX
CD SUOTHSTATE	CE OTHSTTAXPD
CF OUTOFJURIS	CG OOJAIR
CH OOJRR	CI OOJROAD
CJ OOJWAT	CK RESALE
CL CONTRCRTLR	CM LEASING
CN RXDRUG	CO TELECOMMUN
CP TRANSPORT	CQ CCAIR
CR CCRR	CS CCROAD
CT CCWAT	CU GENAIR
CV GENRR	CW GENROAD
CX GENWAT	CY ISCAIR
CZ ISCRR	DA ISCROAD
DB ISCWAT	DC PUBLIC
DD UNDETERMIN	

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All Dates

STATE: FLORIDA

C_U_S_T_O_M_E_R	__I_N_V_O_I_C_E__		------ G R O S S ------		-------------- T A X E S --------------				T O T A L	CC
Name or Number	Number	mmddyyyy	EXEMPT	TAXABLE	STATE	COUNTY	CITY	TRANSIT	T A X E S	TYPE

──

1

1107	10001182	08271998		142500.00	8550.00				8550.00	U 83
REAS CODE:	TAX CERT #:			MISC:		JURIS: T PROD CODE: SQL*N				
1107	10001182	08271998		10000.00	600.00				600.00	U 83
REAS CODE:	TAX CERT #:			MISC:		JURIS: T PROD CODE: ORACL				

```
------------------------------------------------------------------------------------------
2
1107        10001182   08271998              2000.00    120.00                          120.00  U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE: DOC-O
------------------------------------------------------------------------------------------
3
1107        10001182   08271998              2000.00-   120.00-                         120.00- U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE: DOC-O
1107        10001182   08271998              6000.00    360.00                          360.00  U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE: DOC-O
------------------------------------------------------------------------------------------
4
1107        10001182   08271998             16666.67   1000.00                         1000.00  U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE:
------------------------------------------------------------------------------------------
5
1107        10001202   08271998             14250.00-   855.00-                         855.00- U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE: SQL*N
1107        10001202   08271998              1000.00-    60.00-                          60.00- U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE: ORACL
1107        10001202   08271998               600.00-    36.00-                          36.00- U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE: DOC-O
------------------------------------------------------------------------------------------
6
1107        10001203   08281998            142500.00   8550.00                         8550.00  U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE: SQL*N
1107        10001203   08281998             10000.00    600.00                          600.00  U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE: ORACL
1107        10001203   08281998              6000.00    360.00                          360.00  U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE: DOC-O
------------------------------------------------------------------------------------------
7
1107        DEMO-INV   08271998             10000.00    600.00                          600.00  U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE: ORACL
1107        DEMO-INV   08271998              6600.00    396.00                          396.00  U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE: SQL*N
------------------------------------------------------------------------------------------
8
1107        DEMO-INV   08271998              6600.00-   396.00-                         396.00- U 83
  REAS CODE:            TAX CERT #:                   MISC:          JURIS: T PROD CODE: SQL*N
1107        DEMO-INV   08271998*  6600.00                                                       U 83
  REAS CODE: ED         TAX CERT #:                   MISC:          JURIS: T PROD CODE: SQL*N
------------------------------------------------------------------------------------------
 * LOCAL TOTAL:   CROSS CREEK     *  6600.00   327816.67  19669.00                    19669.00

** COUNTY TOTAL:  Unknown         *  6600.00   327816.67  19669.00                    19669.00

STATE TOTAL: FLORIDA              *  6600.00   327816.67  19669.00                    19669.00

TAX030 R3.0-9705-1                    S A L E S   A N D   U S E   R E P O R T                Page   4
Run 08/27/1998 at 16:35:39                    Extra Detail Report

All Dates

S U M M A R Y   B Y   S T A T E

                                                     -------------------- T A X E S ----------------------
STATE            GROSS      CREDIT      EXEMPT     TAXABLE     STATE     COUNTY      CITY    TRANSIT      TOTAL

FLORIDA       358866.67    24450.00     6600.00   327816.67   19669.00                                 19669.00
-------------- ------------- ------------- ------------- ------------- ----------- ----------- ----------- ------------
Report Total  358866.67    24450.00     6600.00   327816.67   19669.00                                 19669.00
* AutoInvoice: 1                                Inserting  2 invoice lines.
* Inserting New Line: 2                         Inserting a new invoice line.
* Updating Line: 3                              Backing out the original line, and inserting a new invoice line.
* Manual Adjustment: 4                          Inserting a adjustment line.
* Manual Credit Memo: 5                         Inserting 3 credit lines.
* Recurring Invoice: 6                          Inserting 3 invoice lines
```

```
* Manual Invoice: 7                         Inserting 2 Invoice lines
* Applying Exemption: 8                      Backing out 1 line, and inserting a new line.
```

The boldfaced, larger numbers in this tax report correspond to the operations described below:

1   AutoInvoice: Inserting two invoice lines.

2   Inserting New Line: Inserting a new invoice line.

3   Updating Line: Backing out the original line and inserting a new invoice line.

4   Manual Adjustment: Inserting an adjustment.

5   Manual Credit Memo: Inserting three credit lines.

6   Recurring Invoice: Inserting three Invoice Lines

7   Manual Invoice: Inserting two Invoice Lines

8   Applying an Exemption: Backing out one line and inserting a new line.

Business Processes

This chapter provides an overview of the various accounting and business processes required for the Taxware integration. The following sections are included:

- Accounting for State and Local Taxes
- Working with Taxware Sales Tax Exemption Processing (STEP)
- Using Taxware Geocodes
- Monthly Procedures
- Reconciliation and Audit Procedures
- Support Procedures

Accounting for State and Local Taxes

Oracle Receivables will use the Tax Accounts defined in the Tax Locations and Rates window for each tax amount that you record on the customer invoice. Using Oracle Receivables, you can set up different liability accounts for each ship–to state of the invoice. Using different ship–to states lets you reconcile total tax amounts for each state to the Oracle and Taxware reports. This reconciliation can be used during audit to ensure that any given state has the total tax recorded correctly.

We recommend that you create liability accounts for each state. After you create and assign each account to each state using the Tax Locations and Rates window, those accounts will be used automatically during invoice entry.

Origin and Destination–Based Taxes

Transactions that are subject to Origin and Destination–based tax will have the entire portion of tax recorded in the account noted on the Ship–to State. This does not impact reconciliation because Origin–based taxes are typically levied on District or other local taxes for intra–state transactions (transactions where the ship–from and ship–to states are the same).

Working with Taxware STEP

Taxware's STEP (Sales Tax Exemption Processing) allows you to control the taxability of transactions. By using Taxware STEP with Oracle Receivables, you can control taxability at state, county, city and district levels based on Item, Bill–to Customer or Ship–to Jurisdiction. Once set up, the STEP program will automatically apply these rules to all sales orders and invoices.

The STEP program will use the Company, Customer, Address & Part Number, and Category fields for controlling Taxability. The integration provides this information to STEP as follows:

STEP Field	Oracle Value
Company	Constant 01
Customer	Bill–to customer number of the invoice or order
Address	Ship to Address (State, County, City) with optional GeoCode overrides as needed
Product Code	Segment1 of the Item Flexfield
Product Category	(not used)

Table 3 – 1   Taxware STEP and Oracle Values

When implementing Oracle Receivables, you can choose to record all of your taxability rules and customer/product exemptions using Taxware, Oracle, or a combination of both. If an Oracle exemption is found and applied to the tax calculation, the Taxware programs will still be called and the Taxware Tax Register will include the exempt tax line for complete audit and reconciliation.

For more information on using and changing the standard values of the STEP fields, see: Tax View Functions: page 4–4.

Integration with Oracle Exemption Handling

Define Tax Exemptions

Exemption Certificates created within Oracle Receivables using the Tax Exemptions window can be used to control Taxware Sales Use Tax System and STEP. If you enable Customer Exemptions in the Oracle Receivables System Options window, then any Primary Exemption Certificate that is applicable to a given Bill–to Customer and Ship–to State will be automatically used on Taxware tax calculations.

Using Oracle you can migrate from Oracle Tax Exemptions to STEP, allowing a flexible transition from legacy tax controls to the Taxware STEP program.

Order and Invoice Level Overrides

You can use the transaction level Tax Handling fields of Oracle Order Entry and Oracle Receivables to provide transaction–level control of Exemptions. These three fields allow the Order Entry or Invoice Entry clerks to override the STEP module, allowing a given transaction to be identified as exempt, documented with a reason and certificate number field. The Oracle Receivables profile option: Tax: Allow Override of Customer Exemptions is used to secure access to this feature.

Working with Taxware Geocodes

Taxware Geocode

Geocodes are used by Taxware to identify a taxing jurisdiction. The two digit Geocode supplements, but does not replace, the State plus five digit zip code. This code is an internal code that is understood by the Taxware Sales Use Tax System Integration. An example Geocode is "CA9411400."

A Geocode is typically needed when the state and zip code of an address do not uniquely identify the exact taxing jurisdiction. For example, the same city and zip can be found in multiple counties.

Using Geocodes within Oracle Applications

The Oracle Receivables Customer Workbench and Oracle Sales & Marketing Contacts workbench will automatically populate the county field of an address given the other field values.

Alternatively, all three fields (state, county, city) are automatically populated on the entry of a single zip code. If multiple candidates exist, then only those applicable location values are shown in the list of values. As a result, you rarely need to research an address and manually identify the county or Geocodes before the customer can be invoiced.

The association of an address to a Geocode is an automatic process, but can be manually overridden. For more information, see: Descriptive Flexfields: page 4–17.

Monthly Procedures

Database Storage Requirements

The Oracle Receivables tables AR_LOCATION_VALUES and AR_LOCATION_RATES should be sized to allow a full upload of the Taxware TMDFL data file; a full upload requires approximately 100MB of free space. An additional 100MB of free space is required in the Taxware schema to allow the Taxware tables to be initialized.

Each audited tax calculation requires an approximate 1500 bytes of database storage within the Taxware Schema. Normally, each Oracle Receivables transaction line will need one audited tax calculation; however, manual changes to the invoice lines will require an additional 3000 bytes for each change.

For more information, please refer to the *Taxware Sales Use Tax System Installation Manual* and Preparing to Load Sales Tax Rates in the *Oracle Receivables Tax Manual*.

Address Validation Data – Taxware TMDFL Data File

Each month Taxware will send an updated version of the TMDFL data file. You need to upload the TMDFL file into both Taxware Sales/Use Tax System and Oracle Receivables. This will ensure that Oracle Receivables has the latest information for address validation and Geocode assignments.

As part of your standard monthly procedures, you can use the SQL*Loader script $AR_TOP/bin/aravp.ctl to load the TMDFL data file into the Oracle Receivables Tax Interface tables. Then, run the Sales Tax Rate Interface program to transfer this data into Oracle Receivables. Repeat both of these steps each month as the Taxware data file is updated. These procedures will ensure that you have up to date address validation data available.

Use the following Unix script to execute the SQL*Loader program:

```
sqlload apps/apps control=$AR_TOP/bin/aravp.ctl
data="tmdfl.dat" discard="avp.dis" rows=4096
```

Next, run the Oracle Receivables concurrent program Sales Tax Rate Interface using the following parameters:

Parameter	Value
Review or Upload	Load Changed Data Only in Tax Interface Table
Print Format	Print Warnings in Detail
State	<null>

Sales Tax Reporting and Reconciliation Processes

Before completing your tax returns using the Taxware Sales Use Tax System reports, you should reconcile the total tax amounts held in Oracle Receivables, Oracle General Ledger, and the Taxware Sales Use Tax Reports.

Oracle Receivables will post all tax amounts to the Taxware Tax Audit tables so that Taxware Reports can be used to assist the state and local tax filing process. Using Oracle, the Taxware Tax Ledger is posted online as the transactions are entered. This allows Oracle and Taxware to provide tax reports without a lengthy period end close procedure and a long running posting program. This online posting of tax, using Taxware, is a key benefit of the Oracle/Taxware product integration.

Since Oracle performs this posting of tax amounts automatically and for all transactions that you enter, you should ensure that the steps in the Reconciliation Checklist below have been completed before you close your period and report your state and local taxes.

Reconciliation Checklist

❑ All transactions must be completed and posted to the General Ledger. Ensure that no incomplete, manually entered transactions exist for your reporting period. Incomplete invoices and credit memos will still be recorded in the Taxware reports and as a result you may over or understate your state and local tax liabilities.

All incomplete transactions must be either completed or deleted from Oracle Receivables before the period is closed.

Suggestion: Run the Oracle Receivables Incomplete Invoice report to see all incomplete invoices, debit memos, and credit memos that exist for your reporting period.

❑ Reconcile Oracle Receivables total tax amounts by state to Oracle General Ledger. The Total Tax amounts by State reported by the

Oracle Receivables US Sales Tax Report should reconcile to each state tax liability account held in Oracle General Ledger. If this reconciliation step fails, refer to Reconciling US Sales Tax in the *Oracle Receivables Tax Manual.*

❑ Reconcile Oracle total tax amounts by state to the Taxware Sales Tax Reports. After you run the Taxware reports, you should be able to reconcile the tax amounts by state to both Oracle Receivables and Oracle General Ledger. If this reconciliation step fails, you should verify that you have no incomplete transactions within Oracle Receivables.

Audit Process

Each taxable transaction line within Oracle Receivables will be recorded in the Taxware Sales Use Tax System Reports as a single Taxware report line.

If a Receivables transaction line is updated, the integration will post two audit records to the Taxware Sales Use Tax System Register to record the update. The first will reverse out the original value for tax, the second record will then post the updated values. This is illustrated in Updating Lines: page 2–10.

During your audit, a given line in the Taxware register report may need to be grouped with the other lines within the same report before it can be reconciled to Oracle Receivables.

This process allows for a rapid period close, as long running posting programs do not have to be completed before the AR period is closed.

Support Procedures

If you have a support request concerning tax calculations, Oracle Receivables will document all the input and output parameters to the tax calculation. You can then use this information to document your support request.

Taxware error messages are prefixed with 'APP–11526:Taxware.' These messages can appear when you create invoices or sales orders. If you receive these error messages and are unsure why the error occurred, follow these procedures to document the parameters to the Taxware tax calculation and then refer back to the Taxware Sales Use Tax System documentation and support procedures. Oracle error messages are prefixed with 'APP–####.'

If you are using Oracle Receivables AutoInvoice or the Copy Transaction program, run either program with the Message Level field in the System Options window set to 3. You can then use the complete log file to help document your support request.

If you are using the Oracle Receivables Transaction Workbench or Oracle Order Entry Sales Orders Workbench, please follow the steps below to document your support question:

Step 1 – Enable Log File

Open the Oracle Receivables Transactions Workbench, then choose Tools –> Examine from the Help menu.

```
Block: Parameters
Item Name: AR_DEBUG_FLAG
Item Value: FS <Pathname>1 <Filename>2
```

The <Pathname> must be a pathname that is already specified in the UTL_FILE_DIR parameter of this instances INIT.ORA file. For example:

```
Item Value: FS /tmp Taxware001.txt
```

☞ **Attention:** To execute this procedure you will need your DBA to provide the following:

- Access to the Help–>Tools–>Examine window

- A pathname, listed in the INIT.ORA file for the parameter UTL_FILE_DIR

Step 2 – Execute Tax Calculation

Using either the Oracle Receivables Transactions Workbench or the Oracle Order Entry Sales Orders Workbench, enter a transaction line. The system will calculate the tax amount and record all the calculation parameters in the named text file.

Step 3 – Exit Oracle Applications

Once the system has started recording the tax calculations, it will continue to record this information until you exit the application.

4

Technical Reference

This chapter describes the internal communication parameters between Oracle and Taxware, the Oracle tax view functions that support this communication, and how to extend the integration using user descriptive flexfields and the PL/SQL functions. This chapter also includes some commonly asked questions about using the Taxware Sales/Use Tax System with Oracle Receivables.

Available Parameters

The structure ARP_TAX.tax_info_rec is the communications area for the integration with Taxware Sales Use Tax System. This structure passes information that is selected from the database views. The tax extension then calculates the tax and passes back all of the necessary output parameters through the same structure.

Member Related View Column	Data Type	Parameter Type	Null Allowed?
BILL_TO_CUSTOMER_ID	number	input	no
SHIP_TO_CUSTOMER_ID	number	input	yes
TRX_HEADER_ID	number	input	yes
TRX_NUMBER	number	input	yes
BILL_TO_CUSTOMER_NUMBER	number	input	yes
SHIP_TO_CUSTOMER_NUMBER	number	input	yes
BILL_TO_CUSTOMER_NAME	varchar2	input	yes
SHIP_TO_CUSTOMER_NAME	varchar2	input	yes
PREVIOUS_TRX_HEADER_ID	number	input	yes
PREVIOUS_TRX_NUMBER	number	input	yes
TRX_DATE	date	input	yes
GL_DATE	date	input	yes
SHIP_TO_SITE_USE_ID	number	input	yes
BILL_TO_SITE_USE_ID	number	input	yes
SHIP_TO_POSTAL_CODE	varchar2	input	yes
BILL_TO_POSTAL_CODE	varchar2	input	yes
SHIP_TO_LOCATION_CCID	number	input	yes
BILL_TO_LOCATION_CCID	number	input	yes
INVOICING_RULE_ID	number	input	yes
FOB_CODE	varchar2	input	yes
CURRENCY_CODE	varchar2	input	yes
EXCHANGE_RATE	number	input	yes
MINIMUM_ACCOUNTABLE_UNIT	number	input/output	yes

Member Related View Column	Data Type	Parameter Type	Null Allowed?
PRECISION	number	input/output	yes
TAX_HEADER_LEVEL_FLAG	varchar2	input	yes
TAX_ROUNDING_RULE	varchar2	input	yes
TRX_LINE_ID	number	input	yes
PREVIOUS_TRX_LINE_ID	number	input	yes
TRX_LINK_TO_CUST_TRX_LINE_ID	number	input	yes
MEMO_LINE_ID	number	input	yes
TAXED_QUANTITY	number	input	yes
INVENTORY_ITEM_ID	number	input	yes
EXTENDED_AMOUNT	number	input	yes
TAX_CODE	varchar2	input/output	yes
VAT_TAX_ID	number	input/output	yes
VAT_TAX_ID	number	input/output	yes
TAX_EXCEPTION_ID	number	input/output	yes
TAX_RATE	number	input/output	yes
USSGL_TRANSACTION_CODE	varchar2	input	yes
AUDIT_FLAG	varchar2	input	no
LOCATION_QUALIFIER	varchar2	input	no
SHIP_FROM_ADDRESS_CODE	varchar2	input	yes
SHIP_TO_ADDRESS_CODE	varchar2	input	yes
POO_ADDRESS_CODE	varchar2	input	yes
POA_ADDRESS_CODE	varchar2	input	yes
VENDOR_CONTROL_EXEMPTIONS	varchar2	input	yes
TAX_EXEMPT_FLAG	varchar2	input/output	yes
TAX_EXEMPT_NUMBER	varchar2	input/output	yes
TAX_EXEMPT_REASON	varchar2	input/output	yes
TAX_EXEMPT_PERCENT	number	input/output	yes
TRX_LINE_TYPE	varchar2	input	yes
PART_NUMBER	varchar2	input	yes

Member Related View Column	Data Type	Parameter Type	Null Allowed?
DIVISION_CODE	varchar2	input	yes
COMPANY_CODE	varchar2	input	yes
ATTRIBUTE1–5	varchar2	input	yes
NUMERIC_ATTRIBUTE1–5	number	input	yes
TAXABLE_FLAG	varchar2	input	yes
Default return code	number	input	no
True if credit memo	boolean	input	no
TAX_LINE_NUMBER	number	input	yes
TAX_AMOUNT	number	input/output	yes
TAX_VENDOR_RETURN_CODE	varchar2	output	no

Table 4 – 1   Input members of the data structure arp_tax.tax_info_rec

Tax View Functions

The views that will be used by the tax vendors will return some extra information that were passed a NULL value in the Oracle views. These values will be passed to the views through PL/SQL functions from the package ARP_TAX_VIEW_TAXWARE.

Additionally, the package will define the procedure GET_EXEMPTIONS, which will return information about exemptions. This procedure is not called by the views, but rather by the interface packages themselves.

The following functions will be defined for Taxware (ARP_TAX_VIEW_TAXWARE package).

Column Name	Function Name	Default Value
ATTRIBUTE1	CALCULATION_FLAG	Calculate tax at all jurisdiction levels
COMPANY_CODE	COMPANY_CODE	NULL
PRODUCT_CODE	PART_NUMBER	SEGMENT1 of MTL_SYSTEM_ITEMS

Column Name	Function Name	Default Value
POA_ADDRESS_ CODE	POA_ADDRESS_ CODE	Ship–to jurisdiction code
POO_ADDRESS_ CODE	POO_ADDRESS_ CODE	Ship–to jurisdiction code
NUMERIC_ ATTRIBUTE4	SERVICE_ INDICATOR	Profile: TAXVDR_SERVICEIND
SHIP_FROM_ ADDRESS_CODE	SHIP_FROM_ ADDRESS_CODE	Ship–to jurisdiction code
SHIP_TO_ADDRESS_ CODE	SHIP_TO_ADDRESS_ CODE	Ship–to jurisdiction code
NUMERIC_ ATTRIBUTE2	TAX_SEL_PARM	Profile: TAXVDR_ TAXSELPARAM
NUMERIC_ ATTRIBUTE3	TAX_TYPE	Profile: TAXVDR_TAXTYPE
ATTRIBUTE2	USE_NEXPRO	Profile: TAXVDR_USENEXPRO
VENDOR_ CONTROL_ EXEMPTIONS	VENDOR_ CONTROL_ EXEMPTIONS	Job Number

Table 4 – 2   Tax View Functions

The PL/SQL functions are included in the Oracle Receivables file $AR_TOP/patch/110/sql/ARTXVWAB.pls.

The functions will be defined as follows: if the returned value has a combined meaning (for example, if the first character means something and the rest of the string means something else), this will be described; if the value is derived from a descriptive flexfield defined on a table, this will also be defined; if the function is relevant only to a particular vendor, this will also be marked.

```
FUNCTION CALCULATION_FLAG (
```

	p_view_name	IN VARCHAR2,
	p_header_id	IN NUMBER,
	p_line_id	IN NUMBER) RETURN VARCHAR2;
INPUT	p_view_name	Name of view calling this function
	p_header_id	
	p_line_id	ID of transaction header
		ID of transaction line
	RETURNS	Jurisdiction level calculation flag

This function returns a 5 character string. Each character returns a value to determine whether tax should be calculated at a particular level. Each character represents a particular jurisdiction level. A '1' indicates that tax should not be calculated for this level; a '0' indicates that tax should be calculated.

Character 1 is for the state tax, 2 is for the county tax, 3 is for the city tax, 4 is for the secondary county tax, and 5 is for the secondary city tax.

```
FUNCTION COMPANY_CODE (
```

	p_view_name	IN VARCHAR2,
	p_header_id	IN NUMBER,
	p_line_id	IN NUMBER) RETURN VARCHAR2;
INPUT	p_view_name	Name of view calling this function
	p_header_id	
	p_line_id	ID of transaction header
		ID of transaction line
RETURNS	Company code	

This value is used to control the tax reporting level. The PL/SQL global variable ARP_STANDARD.SYSPARM.SET_OF_BOOKS_ID and ARP_STANDARD.SYSPARM.ORG_ID can be referenced from within

these functions for set of books and organization information.

```
PROCEDURE GET_EXEMPTIONS (

          p_exemption_id        IN NUMBER
          p_state_exempt_
          percent               OUT NUMBER,
          p_state_exempt_
          reason                OUT VARCHAR2;
          p_state_cert_no       OUT VARCHAR2,
          p_county_
          exempt_percent        OUT NUMBER,
          p_county_
          exempt_reason         OUT VARCHAR2,
          p_county_cert_no      OUT VARCHAR2,
          p_city_exempt_
          percent               OUT NUMBER,
          p_city_exempt_
          reason                OUT VARCHAR2,
          p_city_cert_no        OUT VARCHAR2,
          p_sec_county_
          exempt_percent        OUT NUMBER,
          p_sec_city_
          exempt_percent        OUT NUMBER,
          p_use_step            OUT VARCHAR2,
          p_step_proc_flag      OUT VARCHAR2,
          p_crit_flag           OUT VARCHAR2);

  INPUT   p_exemption_id        ID of exemption
```

```
OUTPUT   p_<juris>_
         exempt_percent          Exemption percent for
                                 jurisdiction
         p_<juris>_
         exempt_reason
                                 Exemption reason for
         p_<juris>_              jurisdiction
         exempt_cert_no
                                 Exemption certificate
         p_use_step              number for jurisdiction
         p_step_proc_flag        Use STEP90 flag
         p_crit_flag             STEP processing flag
                                 Criterion flag
```

This function is called by the package ARP_TAX_TAXWARE (interface package) to determine the jurisdiction level exemption percentages.

If a Receivables exemption is not found, the function returns 'Y' for p_use_step, '1' for p_step_proc_flag, and 'R' for p_crit_flag. Therefore, if no exemptions are found in Oracle Receivables, STEP90 will be used and an invoice may still be exempt, depending on the setup of Taxware.

If p_exemption_id is NULL, then no exemptions were found. p_<juris>_exempt_percent, p_<juris>_exempt_reason, and p_<juris>_exempt_cert_no are passed NULL. Since no exemptions were found, STEP90 will be used to determine whether an exemption exists for this transaction. Therefore, p_use_step will be set to 'Y', p_step_proc_flag will be set to '1', and p_crit_flag will be set to 'R'. Otherwise, the state, county, and city exemption percent will be determined from ATTRIBUTE13, ATTRIBUTE14, and ATTRIBUTE15 respectively from the Tax Exemption Information descriptive flexfield. If these values do not exist, then the default exemption percent from the actual Oracle exemption certificate will be used. The exemption reason and certificate number will be set to the value from the actual. Oracle exemption for all jurisdiction levels.

Secondary county exemption percent will be the same as the county exemption percent and the secondary city exemption percent will be the same as the city exemption percent.

Valid values for p_use_step:

Value	Description
Y	Call step90, use default record. If you enter Y and STEP does not find the exact reason code, STEP defaults to the first record for that customer.
L	Call step90, do not use default record, STEP only returns a record if an exact reason code match is found. (If a job number is passed and found, it overrides reason code.)
P	Call step90, search by product code. Step90 searches for certificates in the customer's state to see if the product code is covered by a certificate.
D	Call step90, search by reason code and accept default customer. This search looks for an exact match of reason code and the other fields passed. If an exact match is not found, step90 searches for the customer name "DEFAULT" with the reason code.
N	Do not call step90.

Table 4 – 3   Values for function p_use_step

Valid values for p_step_proc_flag:

Value	Description
1	Access ALL certificate levels individually (state, county, and city levels). If a job number is passed and found at the state level, the job number indicators are used to determine taxability. This flag is used only if there is no state certificate record or if the Default to State flag is blank.
space	Access state level ONLY. If the certificate applies at the state level, it will also apply at the county and city levels. If the certificate does not apply at the state level, it will not apply at the county and city levels either. This field tells tax010 whether to use step90. This field must be set for each call to step90. This field is not passed to STEP.

Table 4 – 4   Values for function p_step_proc_flag

Valid values for p_crit_flag:

Value	Description
R	Retail
D	E.D.I.
M	Manufacturing
C	Construction

Table 4 – 5   Values for function p_crit_flag

FUNCTION PART_NUMBER (

	p_view_name	IN VARCHAR2,
	p_header_id	IN NUMBER,
	p_line_id	IN NUMBER,
	p_item_id	IN NUMBER,
	p_memo_line_id	IN NUMBER) RETURN VARCHAR2;
INPUT	p_view_name	Name of view calling this function
	p_header_id	
	p_line_id	ID of transaction header
	p_item_id	ID of transaction line
	p_memo_line_id	ID of inventory item
		ID of memo line
RETURNS	Item Category	

This function returns the part number used by the vendors to determine exemptions for this line. This function will return SEGMENT1 from the MTL_SYSTEM_ITEMS table (System Items key flexfield). If a memo line is passed instead of an inventory item, then a NULL value is passed.

```
FUNCTION POA_ADDRESS_CODE (
```

	p_view_name	IN VARCHAR2,
	p_header_id	IN NUMBER,
	p_line_id	IN NUMBER,
	p_salesrep_id	IN NUMBER) RETURN VARCHAR2;
INPUT	p_view_name	Name of view calling this function
	p_header_id	ID of transaction header
	p_line_id	ID of transaction line
	p_salesrep_id	ID of the primary sales representative

RETURNS   The Point–of–Order–Acceptance Jurisdiction code and In/Out City Limits flag

The first character of this function will return the In/Out City Limits flag. If this value is 1, then the Point–of–Order–Acceptance is within city limits; if this value is 0, then it is outside city limits.

The rest of the string will be the value of the jurisdiction code for the Point–of–Order–Acceptance.

The In/Out City Limits will be derived from ATTRIBUTE14 of the Sales Representative Information descriptive flexfield. The jurisdiction will be derived from ATTRIBUTE 15 of the Sales Representative Information descriptive flexfield.

If this information is not available, then the default value of 'XXXXXXXXX' will be returned. This will indicate to the interface package that the ship–from Geocode should be used. If no ship–from Geocode is found, then the ship–to Geocode will be used in place of the POA_ADDRESS_CODE.

```
FUNCTION POO_ADDRESS_CODE (
```

	p_view_name	IN VARCHAR2,
	p_header_id	IN NUMBER,
	p_line_id	IN NUMBER) RETURN VARCHAR2;
INPUT	p_view_name	Name of view calling this function
	p_header_id	ID of transaction header
	p_line_id	ID of transaction line

RETURNS   The Point–of–Order–Origin Jurisdiction code and In/Out City Limits flag.

The first character of this function will return the In/Out City Limits flag. If this value is 1, then the Point–of–Order–Origin is within city limits; if this value is 0, then it is outside city limits.

The rest of the string will be the value of the Jurisdiction code for the Point–of–Order–Origin.

The In/Out City Limits will be derived from ATTRIBUTE14 of the System Parameter Information descriptive flexfield. The Jurisdiction code will be derived from ATTRIBUTE 15 of the System Parameter Information descriptive flexfield.

If this information is not available, then the default value of 'XXXXXXXXX' will be returned. This will indicate to the interface package that the ship–from Geocode should be used. If no ship–from Geocode is found, then the ship–to Geocode will be used in place of the POO_ADDRESS_CODE.

```
FUNCTION SERVICE_INDICATOR (
```

	p_view_name	IN VARCHAR2,
	p_header_id	IN NUMBER,
	p_line_id	IN NUMBER) RETURN VARCHAR2;
INPUT	p_view_name	Name of view calling this function
	p_header_id	
	p_line_id	ID of transaction header
		ID of transaction line

RETURNS   Service Indicator

This function returns 1, 2, or 3: 1 indicates a service; 2 indicates a rental; 3 indicates a non–service. Returns the value of the profile option 'Tax Taxware: Service Indicator.'

```
FUNCTION SHIP_FROM_ADDRESS_CODE (
```

	p_view_name	IN VARCHAR2,
	p_header_id	IN NUMBER,
	p_line_id	IN NUMBER,
	p_warehouse_id	IN NUMBER) RETURN VARCHAR2;
INPUT	p_view_name	Name of view calling this function
	p_header_id	
	p_line_id	ID of transaction header
	p_warehouse_id	ID of transaction line
		ID of warehouse of the ship–from

RETURNS   The Ship–from Jurisdiction code and In/Out City Limits flag

The first character of this function will return the In/Out City Limits flag. If this value is 1, then the Ship–from is within City limits; if this value is 0, then it is outside city limits.

The rest of the string will be the value of the Jurisdiction code for the ship–from.

The In/Out City Limits will be derived from ATTRIBUTE19 of the Additional Organization Unit Details descriptive flexfield. The Jurisdiction code will be derived from ATTRIBUTE 20 of the Additional Organization Unit Details descriptive flexfield.

If this information is not available, then the default value of
'XXXXXXXXXX' will be returned. This will indicate to the interface
package that the ship–to address code should be used in place of the
SHIP_FROM_ADDRESS_CODE.

FUNCTION SHIP_TO_ADDRESS_CODE (

	p_view_name	IN VARCHAR2,
	p_header_id	IN NUMBER,
	p_line_id	IN NUMBER
	p_ship_to_address_id	IN NUMBER,
	p_ship_to_location_id	IN NUMBER,
	p_trx_date	IN DATE,
	p_ship_to_state	IN VARCHAR2,
	p_postal_code	IN VARCHAR2) RETURN VARCHAR2;
INPUT	p_view_name	Name of view calling this function
	p_header_id	ID of transaction header
	p_line_id	ID of transaction line
	p_ship_to_address_id	ID of Ship–to address
	p_ship_to_location_id	ID of Ship–to location
	p_trx_date	Transaction Date
	p_ship_to_state	State of the ship–to
	p_postal_code	Zip code for the ship–to

RETURNS   The Ship–to Jurisdiction code and In/Out City Limits flag

The first character of this function will return the In/Out City Limits
flag. If this value is 1, then the Ship–to is within city limits; if this value
is 0, then it is outside city limits.

The rest of the string will be the value of the Jurisdiction code for the
ship–to.

The In/Out City Limits will be derived from ATTRIBUTE14 of the
Address Information descriptive flexfield. The Jurisdiction code will
be derived from ATTRIBUTE15 of the Address Information descriptive
flexfield.

If the In/Out City Limits flag is not found at ATTRIBUTE 14 of the
Address Information descriptive flexfield, this function will default to
within city limits ('1').

If the Jurisdiction code is not found at ATTRIBUTE15 of the Address Information descriptive flexfield, this function will search for the Jurisdiction code in ATTRIBUTE1 of AR_LOCATION_RATES table.

If a value is not found, then a NULL value is passed back for Taxware. This will then cause an error to occur within the tax engine.

FUNCTION TAX_SEL_PARM (

	p_view_name	IN VARCHAR2,
	p_header_id	IN NUMBER,
	p_line_id	IN NUMBER) RETURN VARCHAR2
INPUT	p_view_name	Name of view calling this function
	p_header_id	ID of transaction header
	p_line_id	ID of transaction line
RETURNS	Tax selection parameter	

This function returns the values '2' or '3.' A '2' indicates that only the ship–to address should be used; '3' indicates that all jurisdiction information be included in the tax calculation. This function returns the value of the profile option 'Tax Taxware: Tax Selection.'

FUNCTION TAX_TYPE (

	p_view_name	IN VARCHAR2,
	p_header_id	IN NUMBER,
	p_line_id	IN NUMBER) RETURN VARCHAR2
INPUT	p_view_name	Name of view calling this function
	p_header_id	ID of transaction header
	p_line_id	ID of transaction line
RETURNS	Tax Type	

This function returns '1, '2' or '3.' A '1' indicates a Sales tax; '2' indicates a use tax; '3' indicates a Rental. This function returns the value of the profile option 'Tax Taxware: Tax Type.'

FUNCTION USE_NEXPRO (

	p_view_name	IN VARCHAR2,
	p_header_id	IN NUMBER,
	p_line_id	IN NUMBER) RETURN VARCHAR2
INPUT	p_view_name	Name of view calling this function
	p_header_id	ID of transaction header
	p_line_id	ID of transaction line

RETURNS   Use Nexpro

Indicates whether the Nexpro functionality should be used by Taxware.

'Y' indicates that Nexpro should be used; 'N' indicates that it should not. This function returns the value of the profile option 'Tax Taxware: Use Nexpro.'

FUNCTION VENDOR_CONTROL_EXEMPTIONS (

	p_view_name	IN VARCHAR2,
	p_header_id	IN NUMBER,
	p_line_id	IN NUMBER,
	p_trx_type_id	IN NUMBER) RETURN VARCHAR2;
INPUT	p_view_name	Name of view calling this function
	p_header_id	ID of transaction header
	p_line_id	ID of transaction line
	p_trx_type_id	ID of the transaction type

RETURNS   Job Number

This function returns the job number which will be used to determine exemptions for this line. This function will return ATTRIBUTE15 of the Transaction Type Information descriptive flexfield.

Descriptive Flexfields

Many of the functions listed above derive their value from descriptive flexfields. The following table organizes these descriptive flexfields. Included are the value sets (which dictate the format of the value) that are expected in these columns. If these columns are not used, then a default value will be assigned.

> **Note:** All of the fields are optional. If you do not use these fields, only the ship–to Geocode will be used. If you are using these fields, ensure that you register each field as required.

Table Name	Descriptive Flexfield Name	Column	Description	Value Set Name
HR_ ORGANIZATION_ UNITS	Additional Organization Unit Details	ATTRIBUTE20	Ship–from Jurisdiction Code	AR_TAXVDR_ TAXWARE_GEO
		ATTRIBUTE19	Ship–from In/Out City Limits	AR_TAXVDR_ YES_NO
RA_SALESREPS	Sales Representative Information	ATTRIBUTE15	POA Jurisdiction Code	AR_TAXVDR_ TAXWARE_GEO
		ATTRIBUTE14	POA In/Out City Limits	AR_TAXVDR_ YES_NO
RA_ADDRESSES	Address Information	ATTRIBUTE15	Ship–to Jurisdiction Code	AR_TAXVDR_ TAXWARE_GEO
		ATTRIBUTE14	Ship–to In/Out City Limits	AR_TAXVDR_ YES_NO
RA_CUST_TRX_ TYPES	Transaction Type Information	ATTRIBUTE15	Job Number	AR_TAXVDR_ CHAR10
RA_TAX_ EXEMPTIONS	Tax Exemption Information	ATTRIBUTE12	District Exempt Percent	AR_TAXVDR_ PERCENT
		ATTRIBUTE13	State Exempt Percent	AR_TAXVDR_ PERCENT
		ATTRIBUTE14	County Exempt Percent	AR_TAXVDR_ PERCENT
		ATTRIBUTE15	City Exempt Percent	AR_TAXVDR_ PERCENT

Table 4 – 6 Descriptive Flexfields and their Values

⚠️ **Warning:** Use of these columns is considered a customization. Functions supplied by Oracle may change in future releases to support these fields in core tables. Additionally, if these columns are in use by your customizations, you will need to either redefine the view functions so that they look in other attribute columns, or your customizations must be changed so that they reside in other locations.

Commonly Asked Questions

What benefits are there to the Taxware Sales Use Tax System integration?

- Oracle Receivables provides a simple solution to US Sales Tax Compliance that does not consider Origin–Based Taxes, Quantity Thresholds, or Muni/District Taxes.

- The integration with Taxware STEP allows you to calculate, account for, and report on these complex taxes. You may be required to consider these tax issues if you have multiple warehouses or if you have warehouses that are located in jurisdictions that include origin–based tax.

- Using your choice of tax vendors, you can dramatically reduce the costs associated with US Sales Tax compliance.

Who do I call to obtain Taxware products and services?

Taxware Sales Department
(978)–741–0101
http:\\www.taxware.com

When is the Tax Extension called to calculate a rate?

The Tax Extension is called whenever Oracle Receivables or Oracle Order Entry calculates a sales tax or VAT rate. The following concurrent programs and windows do this:

- Oracle Order Entry Sales Orders Workbench

- Oracle Order Entry Sales Acknowledgment Report

- Receivables AutoInvoice program

- Receivables Transaction Workbench

- Receivables Copy Transactions window

- Sales and Marketing Quotes window

- Web Customers Orders

What Sales Tax Location flexfield structure should I select when implementing the Tax Extension within the US?

Oracle Applications provides the following default location structure for sites within the US:

- State.County.City

The State.County.City structure provides the greatest accuracy in locating a tax jurisdiction and tax rate given a customer address.

Additionally, the SQL*Loader control files, aravp.ctl and artaxware.ctl, support the State.County.City location flexfield structure.

How do we distinguish between tax rates calculated by Oracle and tax rates calculated by an installed Tax Vendor?

Receivables will mark tax lines for an invoice that have been calculated by an installed Tax Vendor.

Can an Oracle Order Entry window call a Tax Vendor?

Yes, Oracle Order Entry and Receivables share the same tax engine. This one engine will call a Tax Vendor if the vendor installed.

How do I implement tax on freight?

Receivables will calculate tax on freight lines if you can enter freight as a revenue line item. Additionally, you can automatically present freight lines as revenue lines during the Ship Confirm process within Oracle Order Entry. If the Oracle Order Entry user profile Tax: Invoice Freight as Revenue is set to Yes, the Oracle Order Entry/Receivables Interface program will generate a standard invoice line for the freight amount, optionally using the inventory item defined by the user profile Tax: Inventory Item for Freight. Please refer to the *Oracle Receivables Tax Manual* for more information.

Does the Customer Interface program allow me to import US customer addresses without a County field when I have address validation set to 'Error' and a Sales Tax Location flexfield of 'State.County.City'?

No. When preparing to convert legacy data that only tracks state, city, and zip code, you will need to manually assign the correct county to each customer address before you import that customer into Oracle Receivables.

Reader's Comment Form

Integrating Oracle® Receivables with Taxware® Sales/Use Tax System
A66672–01

Oracle Corporation welcomes your comments and suggestions on the quality and usefulness of this publication. Your input is an important part of the information we use for revision.

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- Do you need more information? If so, where?
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If you find any errors or have any other suggestions for improvement, please indicate the topic, chapter, and page number below:

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