

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

Implementation Guide

Release 11*i*

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ORACLE®

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Contents

Send Us Your Comments	v
Preface.....	vii
1 License and Support for Taxware Sales/Use Tax System(TM)	
License.....	1-2
Supported Platforms.....	1-2
Using the Taxware Sales/Use Tax System	1-3
Support	1-5
Distribution of Taxware Sales/Use Tax System	1-6
Installation of Taxware Sales/Use Tax System	1-7
2 Implementing the Taxware Sales/Use Tax System	
Implementing the Taxware Sales/Use Tax System	2-2
Preparing Receivables.....	2-6
Installing the Taxware Sales/Use Tax Integration	2-12
Setup Checklist for the Taxware Sales Use Tax System Integration	2-14
Migrating to Oracle-shipped Taxware	2-22
3 Tutorial	
Tutorial.....	3-2
Create Customer Addresses	3-2
Create a Sales Order	3-3
Import Sales Orders Using AutoInvoice	3-5

Update Lines	3-12
Credit the Invoice	3-13
Adjust the Invoice	3-14
Copy (Recur) an Invoice	3-15
Apply Exemptions to Invoice Lines	3-20
Taxware Sales/Use Tax Report (Complete)	3-21

4 Business Processes

Accounting for State and Local Taxes	4-2
Working with Taxware STEP	4-3
Integration with Oracle Exemption Handling.....	4-4
Working with Taxware Jurisdiction Codes	4-5
Monthly Procedures	4-6
Sales Tax Reporting and Reconciliation Processes	4-9
Audit Process	4-10
Support Procedures	4-11

5 Technical Reference

Available Parameters	5-2
Tax View Functions	5-7
Storing Tax Information in Oracle Receivables.....	5-22
Predefined Descriptive Flexfields Used to Store Tax Information	5-22
User-Defined Descriptive Flexfields Used to Store Tax Information	5-23
Oracle Receivables Fields Used to Store Tax Information	5-24
Commonly Asked Questions	5-25

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**Integrating Oracle Receivables with Taxware Sales/Use Tax System Implementation Guide,
Release 11i**

Part No. A80835-02

Oracle Corporation welcomes your comments and suggestions on the quality and usefulness of this user guide. Your input is an important part of the information used for revision.

- Did you find any errors?
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Preface

Welcome to Release 11i of the *Integrating Oracle Receivables with Taxware Sales/Use Tax System* implementation guide.

This manual provides you with all the information you need to integrate Oracle Receivables and Oracle Order Management with Taxware. It is organized for easy access to the following information:

- License and Support for Taxware Sales/Use Tax System^(tm)
- Implementation procedures
- Day to day operations
- Reconciliation, support, and audit procedures
- Technical reference material
- Commonly asked questions

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

Audience for this Guide

This guide assumes you have a working knowledge of the following:

- The principles and customary practices of your business area.
- Oracle Receivables

If you have never used Oracle Receivables, we suggest you attend one or more of the Oracle training classes available through Oracle University.

- Taxware Sales/Use Tax System
- The Oracle Applications graphical user interface.

To learn more about the Oracle Applications graphical user interface, read the *Oracle Applications User Guide*.

See Other Information Sources for more information about Oracle Applications product information.

How To Use This Guide

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

- Chapter 1 describes the additional license requirements that you must complete before implementing or using Taxware Sales/Use Tax System. Additionally, this chapter documents which components of Taxware Sales/Use Tax System are distributed within the E*Business suite and the support available.
- Chapter 2 describes the installation and implementation steps required to integrate Taxware with Oracle Receivables and Oracle Order Management.
- Chapter 3 describes the normal operation of Oracle Receivables and Oracle Order Management when the Taxware products are implemented.
- Chapter 4 provides an overview of the various accounting and business processes required for the Taxware integration.
- Chapter 5 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, Oracle Receivables fields, and the PL/SQL functions. Additionally, this chapter includes some commonly asked questions about using Taxware with Oracle Receivables.

Documentation Accessibility

Our goal is to make Oracle products, services, and supporting documentation accessible, with good usability, to the disabled community. To that end, our documentation includes features that make information available to users of assistive technology. This documentation is available in HTML format, and contains markup to facilitate access by the disabled community. Standards will continue to evolve over time, and Oracle Corporation is actively engaged with other market-leading technology vendors to address technical obstacles so that our documentation can be accessible to all of our customers. For additional information, visit the Oracle Accessibility Program Web site at <http://www.oracle.com/accessibility/>.

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JAWS, a Windows screen reader, may not always correctly read the code examples in this document. The conventions for writing code require that closing braces should appear on an otherwise empty line; however, JAWS may not always read a line of text that consists solely of a bracket or brace.

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This documentation may contain links to Web sites of other companies or organizations that Oracle Corporation does not own or control. Oracle Corporation neither evaluates nor makes any representations regarding the accessibility of these Web sites.

Assumptions

This guide assumes that you will consult with qualified tax professionals when setting up your system. The examples in this guide are for illustrative purposes only; your specific implementation may be different. This guide 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, refer to the Other Information Sources section below.

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 Guide*.

Other Information Sources

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

If this user guide refers you to other Oracle Applications documentation, use only the Release 11*i* versions of those guides unless we specify otherwise.

Online Documentation

All Oracle Applications documentation is available online (HTML or PDF).

- **Online Help** - The new features section in the HTML help describes new features in 11*i*. This information is updated for each new release of Oracle Receivables. The new features section also includes information about any features that were not yet available when this guide was printed. For example, if your administrator has installed software from a mini-packs an upgrade, this document describes the new features. Online help patches are available on MetaLink.
- **11*i* Features Matrix** - This document lists new features available by patch and identifies any associated new documentation. The new features matrix document is available on MetaLink.
- **Readme File** - Refer to the readme file for patches that you have installed to learn about new documentation or documentation patches that you can download.

Related User Guides

Oracle Receivables shares business and setup information with other Oracle Applications products. Therefore, you may want to refer to other user guides when you set up and use Oracle Receivables.

You can read the guides online by choosing Library from the expandable menu on your HTML help window, by reading from the Oracle Applications Document Library CD included in your media pack, or by using a Web browser with a URL that your system administrator provides.

If you require printed guides, you can purchase them from the Oracle store at <http://oraclestore.oracle.com>.

User Guides Related to All Products

Oracle Applications User Guide

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

User Guides Related to This Product

Oracle Receivables Tax Manual

This manual provides everything you need to know about calculating tax within Oracle Receivables, Oracle Order Management, Oracle Sales, and Oracle iStore. It includes information about implementation procedures, setup forms and windows, the Oracle Receivables tax calculation process, tax reports and listings, and tax-specific open interfaces.

Oracle General Ledger User Guide

Use this manual when you plan and define your chart of accounts, accounting period types and accounting calendar, functional currency, and set of books. It also describes how to define journal entry sources and categories so that you can create journal entries for your general ledger. If you use multiple currencies, use this manual when you define additional rate types and enter daily rates. This manual also includes complete information on implementing budgetary control.

Oracle Order Management User Guide

This guide provides information about how to enter sales orders and returns, copy existing sales orders, schedule orders, release orders, create price lists and discounts for orders, run processes, and create reports.

Oracle Inventory User Guide

This manual explains how to define your items, units of measure classes, units of measure, and unit of measure conversions for use in measuring amounts for your units of production items, as well as other information about setting up and using Oracle Inventory.

Using Oracle HRMS - The Fundamentals

This manual explains how to enter your employees, so you can enter expense reports for them. It also explains how to set up organizations and site locations.

Oracle Financials Country-Specific User Guides

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 guide that is appropriate to your country; for example, see the *Oracle Financials for the Czech Republic User Guide* for more information about using this software in the Czech Republic.

Multiple Reporting Currencies in Oracle Applications

If you use Multiple Reporting Currencies feature to report and maintain accounting records in more than one currency, use 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 Receivables User Guide

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

Oracle Applications Flexfields Guide

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

Installation and System Administration

Oracle Applications Concepts

This guide provides an introduction to the concepts, features, technology stack, architecture, and terminology for Oracle Applications Release 11*i*. It provides a useful first book to read before an installation of Oracle Applications. This guide also introduces the concepts behind Applications-wide features such as Business Intelligence (BIS), languages and character sets, and Self-Service Web Applications.

Installing Oracle Applications

This guide provides instructions for managing the installation of Oracle Applications products. In Release 11*i*, much of the installation process is handled using Oracle Rapid Install, which minimizes the time it takes to install Oracle Applications and the Oracle 8*i* Server technology stack by automating many of the required steps. This guide contains instructions for using Oracle Rapid Install and lists the tasks you need to perform to finish your installation. You should use this guide in conjunction with individual product user guides and implementation guides.

Upgrading Oracle Applications

Refer to this guide if you are upgrading your Oracle Applications Release 10.7 or Release 11.0 products to Release 11*i*. This guide describes the upgrade process in general and lists database upgrade and product-specific upgrade tasks. You must be at either Release 10.7 (NCA, SmartClient, or character mode) or Release 11.0 to upgrade to Release 11*i*. You cannot upgrade to Release 11*i* directly from releases prior to 10.7.

Maintaining Oracle Applications

Use this guide to help you run the various AD utilities, such as AutoUpgrade for 11*i*, AutoPatch, AD Administration, AD Controller, Relink, and others. It contains how-to steps, screenshots, and other information that you need to run the AD utilities.

Oracle Applications Product Update Notes

Use this guide as a reference if you are responsible for upgrading an installation of Oracle Applications. It provides a history of the changes to individual Oracle Applications products between Release 11.0 and Release 11*i*. It includes new features and enhancements and changes made to database objects, profile options, and seed data for this interval.

Oracle Applications System Administrator's Guide

This guide 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 Alert User's Guide

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

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.

Oracle Workflow Guide

This guide explains how to define new workflow business processes as well as customize existing Oracle Applications–embedded workflow processes. You also use this guide to complete the setup steps necessary for any Oracle Applications product that includes workflow–enabled processes.

Training and Support

Training

We offer 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. We also offer Net classes, where training is delivered over the Internet, and many multimedia-based courses on CD. 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.

Do Not Use Database Tools to Modify Oracle Applications Data

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 guides.

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 such as 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 might 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.

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Thank You

Thank you for using Oracle Receivables and this implementation guide.

Oracle values your comments and feedback. In this guide is a reader's comment form that you can use to explain what you like or dislike about Oracle Receivables or this user guide. 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
USA

Or send electronic mail to appsdoc_us@oracle.com.

License and Support for Taxware Sales/Use Tax System^(TM)

This chapter describes how the Oracle E*Business suite distributes the Taxware Sales/Use Tax System and communicates your responsibilities for additional licensing should you wish to use the Taxware Sales/Use Tax System.

The Taxware Sales/Use Tax System is distributed within Oracle Applications to support our goals of providing a simple and complete solution for the Oracle E*Business suite.

License

Note: Oracle Corporation distributes components of the Taxware Sales/Use Tax System but does not license its use.

If you wish to implement or use the Taxware Sales/Use Tax System with Oracle Applications, you must obtain a license from Taxware International, Inc. You must call the Taxware Sales Department to obtain a license.

Contact Information:

Taxware Sales Department

(978) 741-0101

<http://www.taxware.com>

Supported Platforms

Taxware supports these platforms:

- HP-UX 11.0
- Sun/Solaris 2.8
- AIX 4.3.2

Using the Taxware Sales/Use Tax System

Integration with the Taxware Sales/Use Tax System allows you to calculate, track, and report on complex taxes. You may want to consider using the Taxware Sales/Use Tax System if:

- Your company has nexus or a physical presence in multiple states.
- Your company has multiple warehouses or warehouses that are located in jurisdictions that include origin-based tax.

Taxware International Inc. provides leadership and expertise in state and local tax research.

The Taxware Sales/Use Tax System provides the ability to calculate complex state, county, local, and district taxes based on ship-to, ship-from, order origin, and order acceptance locations.

Sales/Use Tax System (Sales, Use, and Consumer's Use Tax)

The Sales/Use Tax System is the center of Taxware's product line. It automatically calculates accurate sales, use and consumer's use taxes and operates as an integral part of a user's financial system. Unique to the system is the only fully populated Product Taxability Matrix in the industry. Its Tax Master File covers all U.S. tax jurisdictions and Canadian provinces and is kept current with monthly updates. Taxware's other systems interface with the Sales/Use Tax System, creating a comprehensive yet customizable solution.

STEP System (Sales Tax Exemption Processing)

STEP can interface with the Sales/Use Tax System for error-free handling of tax exempt sales and purchase transactions, generating reports as needed. The STEP System processes, stores, tracks, and maintains exemption certificates. The system singles out certificates that are nearing expiration and flags them in advance of the expiration date. Also used for transactions, STEP automates consumer's use tax accrual by allowing users to approach decision making by product, cost center, project, or vendor, with multiple levels and combination of detail.

ReMIT System (Returns Module for Taxation)

ReMIT prepares finished, ready-to-submit sales tax returns for state and local tax jurisdictions. The system automatically presents the user with a completed Sales/Use tax return. ReMIT is menu driven, which greatly simplifies and shortens the tax compliance process.

You do not have to implement or use Taxware Sales/Use Tax System in order to run the Oracle E*Business Suite.

Support

All support for the Taxware Sales/Use Tax System is provided by Taxware International, Inc. Technical support for the Taxware Sales/Use Tax System is available at (978) 741-0101 ext. 299.

Support for the integration of Taxware Sales/Use Tax System within Oracle Receivables is provided by Oracle Corporation under its normal support agreements.

The integration has been certified by Oracle for US State and Local Tax compliance within Oracle Receivables, Oracle Order Management, Oracle Order Capture, Oracle iStore, and Customer Relationship products.

For additional information, see [Support Procedures](#) on page 4-11.

Distribution of Taxware Sales/Use Tax System

Starting with Release 11i7 (11.5.7), Oracle distributes the following components of the Taxware Sales/Use Tax System:

- Taxware Sales/Use Tax System (PLSQL)

Oracle does not distribute all components of the Taxware Sales/Use Tax System product and once a license has been executed, you will be provided with additional mandatory product components, including the following:

- Taxware Sales/Use Tax System documentation
- Taxware Sales/Use Tax System data and monthly updates
- Taxware Sales/Use Tax System STEP (Sales Tax Exemption Processing)
- Taxware Sales/Use Tax System ReMIT

If a new version of Taxware Sales/Use Tax System is released, you must apply the cumulative Oracle tax patch that includes the newer Taxware release. Contact your Oracle customer support representative or check the Oracle Metalink website for more information.

Installation of Taxware Sales/Use Tax System

During the installation of Oracle E*Business suite, Taxware Sales/Use Tax System PL/SQL package bodies and empty database tables will be automatically created within the Apps schema.

The automatic distribution of the Taxware Sales/Use Tax System is enabled within the E*Business suite Release 11i7 (11.5.7) forward. Additionally, the Taxware Sales/Use Tax System may be distributed with any Tax patch applied to the Release 11i environment.

If you have already implemented the Taxware Sales/Use Tax System with Oracle Receivables by obtaining software directly from Taxware, you can continue to use your current installation without making any changes.

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 Management.

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 also: Overview of Receivables Profile Options, *Oracle Receivables User Guide*

Scope

This implementation guide is for the integration of the tax vendor extension with the Release 11i version of Oracle Receivables. The tax vendor extensions have been implemented using Taxware's Sales/Use Tax System.

Attention: 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 with 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 Management 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, jurisdiction codes, tax rates, and jurisdiction code data from the Taxware TMD datafile into the Oracle table AR_TAX_INTERFACE. Once loaded, the jurisdiction code data will be automatically used by the Taxware views.

See also: Sales Tax Rate Interface, *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 (CRM Applications that use Oracle Order Capture to perform tax quotations)
- Sales Orders window (Oracle Order Management)
- Transactions window

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 Management

The Receivables Tax Extension is fully integrated with Oracle Order Management. 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 Order Capture

The Taxware Sales Use Tax System is fully integrated with Oracle Order Capture. 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.

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

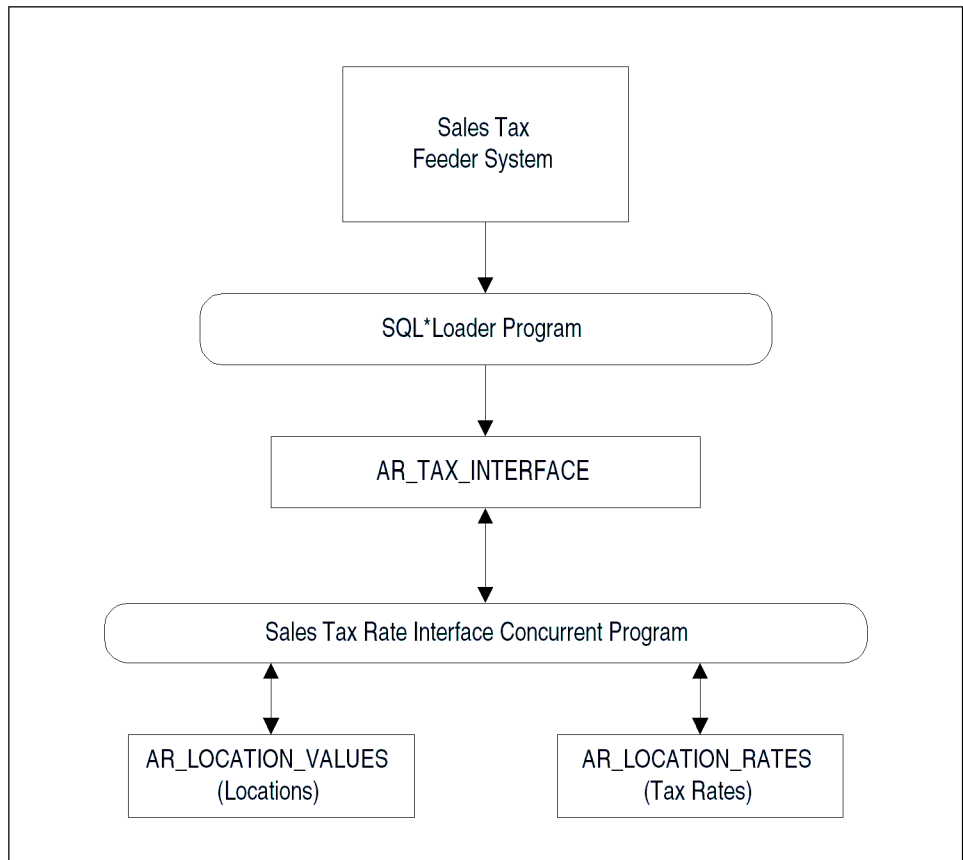
The tax extension is a PL/SQL procedure that is called by the Oracle Tax Engine every time a tax rate is calculated within Receivables or Oracle Order Management.

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 the SQL*Loader file.

The following illustration shows the Sales Tax Rate Interface:

Figure 2–1 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:

- TAX_LINES_INVOICE_IMPORT_V_A
Used by the Receivables AutoInvoice program.
- TAX_LINES_RMA_IMPORT_V_A
Used by the Receivables AutoInvoice program.
- TAX_LINES_RECURRENCE_IMPORT_V_A

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

• TAX_LINES_CREATE_V_A

Used by the Receivables Transactions Workbench.

• TAX_LINES_DELETE_V_A

Used by the Receivables Transactions Workbench.

• TAX_ADJUSTMENTS_V_A

Used by the Receivables Transactions Workbench.

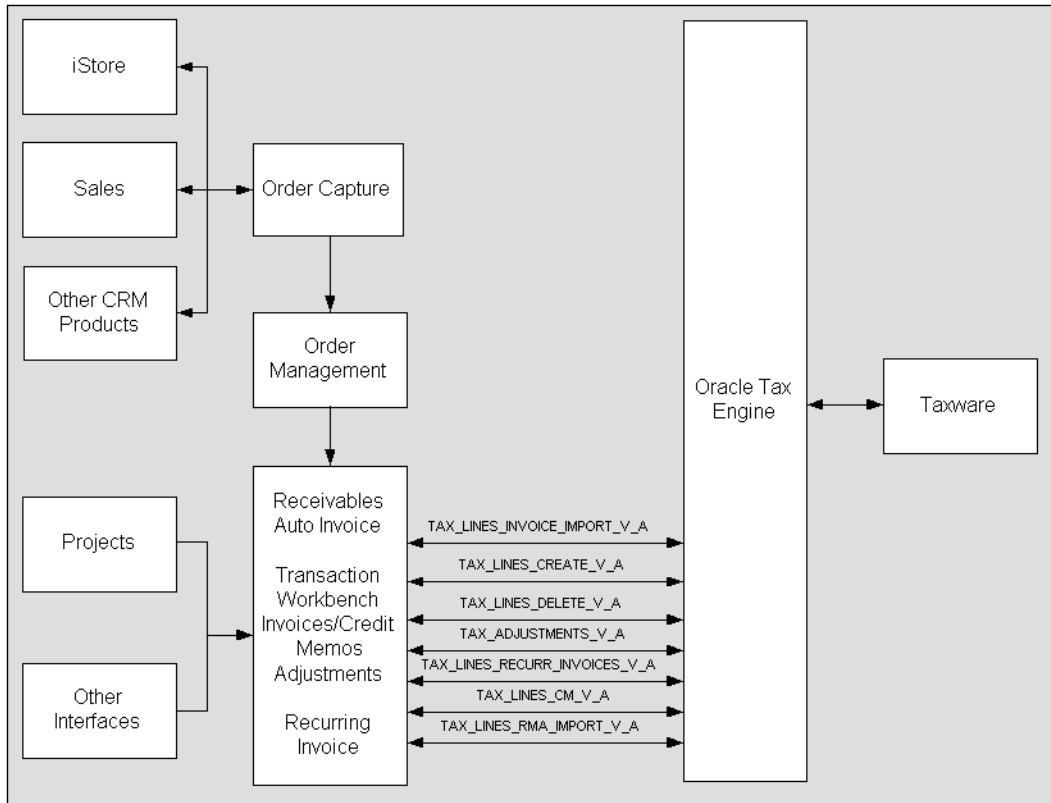
• TAX_LINES_CREATE_CM_V_A

Used by the Receivables Transactions Workbench.

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

The following illustration shows how to use the Tax Engine to calculate tax:

Figure 2–2 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.

Table 2-1 Columns used by your vendor.

View Column Name	Description
TRX_NUMBER	Transaction Number
TRX_DATE	Transaction Date
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

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 Management, 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 Management 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.

This table shows an example of multiple jurisdiction codes within a standard five digit zip code designation:

Table 2–2 Jurisdiction codes

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

For more information, see [Storing Tax Information in Oracle Receivables](#) on page 5-22.

Installing the Taxware Sales/Use Tax Integration

Starting with Release 11i7 (11.5.7), Oracle is shipping components of the Taxware Sales/Use Tax software. PL/SQL package bodies and empty database objects of the Taxware software are included. All permissions and grants on the Taxware tables will be assigned under the APPS schema of Oracle Applications.

By using the Oracle shipped Taxware software, your Taxware software version will always match with Oracle Applications.

If you have implemented Taxware before Oracle began shipping Taxware software, you do not need to do anything as long as you want to continue using your current implementation.

If you have implemented Oracle Receivables with the Taxware Sales/Use Tax System and want to upgrade to the Oracle-shipped Taxware, you must transfer data from your Taxware schema to the apps schema. Please refer to instructions at the end of this chapter for how to transfer your current Taxware data.

If you are in the process of implementing Oracle Financials prior to Release 11i7 (11.5.7) and have not yet installed Taxware software, you should either upgrade your implementation to Release 11i7 (11.5.7) or higher or apply the latest Release 11i cumulative tax patch.

Character Mode Upgrade

If you are upgrading from Oracle Applications Release 10 character mode applications, integrating with the Taxware Sales/Use Tax System using the solution from Design Migration Services, please contact Oracle Design Migration Services or your Oracle account manager for consulting assistance.

Prerequisites

- o Please contact the Taxware Sales Department for Oracle related Taxware products at (978) 741-0101, ext. 299 to obtain a software license and all other necessary product components.
- o Sales/Use Tax System, STEP, and Implementation training from Taxware international
- o 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*.
- o 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](#) on page 4-6.

- o 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.'
- o Obtain and install Taxware Sales/Use Tax System product components such as STEP (Sales Tax Exemption Processing) client side software.
- o Login access to the APPS schema
- o Permission to relink Oracle executables
- o Test database

Attention: Oracle Receivables allows a maximum of 20 characters when entering transaction numbers. However, the Taxware reports display only 10 characters, so some transaction numbers may be truncated. For this reason, we recommend that you limit transaction numbers to no more than 10 characters when creating transactions in Oracle Receivables.

Setup Checklist for the Taxware Sales Use Tax System Integration

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

1. Load Taxware Data
2. Provide Grants to the APPS Schema (optional)
3. Remove the C Tax Vendor (optional)
4. Re-create Synonyms (optional)
5. Set Profile Options
6. Set Up Lookup Code ARTAXVDR: Location Qualifier
7. Set Up Lookup Code Tax Exemption Reason
8. Set Up Vendor-Specific Tax Codes
9. Set Up System Options
10. Verify Tax Vendor Implementation
11. Set Up Jurisdiction Codes (optional)

Step 1 Load Taxware Data

Use the script provided by Taxware to load Taxware data. The script name is `sql_loader.sql`, and it is located under `<Taxware Home Directory>/install_scripts`. `<Taxware Home Directory>` is where you install Taxware software. This will install all necessary data, as well as locations and tax rates data.

Step 2 Provide Grants to the APPS Schema (optional)

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 3 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)/taxauidb.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 4 Re–create Synonyms (optional)

This step is required only for those who have installed and implemented Taxware Sales/Use Tax System shipped by Taxware, and want to upgrade your system to the Oracle-shipped Taxware Sales/Use Tax System.

```
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
ARP_TAX_TAXWARE_010_STUB;
CREATE SYNONYM ARP_TAX_TAXWARE_GEN FOR
ARP_TAX_TAXWARE_GEN_STUB;
```

Step 5 Set Up Profile Options

This table displays the profile options that are used by the tax vendor extensions:

Table 2–3 Profile Options and Default Values

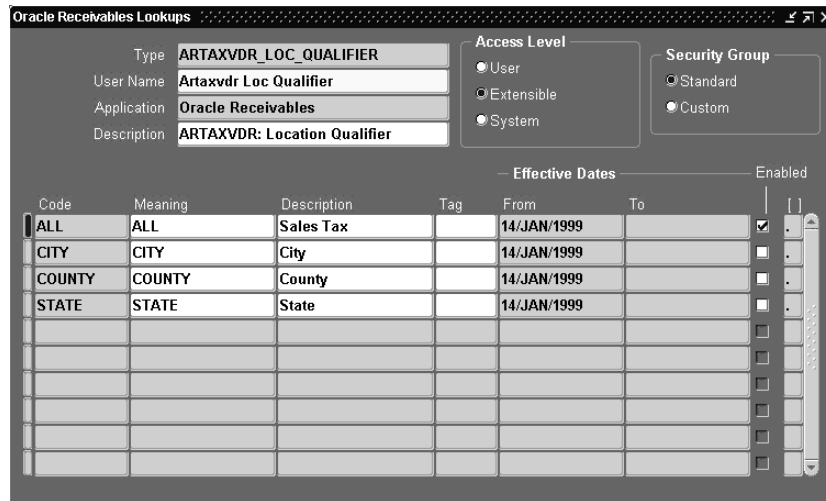
Profile Name	Default Value	Description
Tax: Use Tax Vendor	Null	Use this option to indicate whether the vendor tax engine should be used. (The default value indicates that the tax vendor is <i>not</i> used.) Set this option to Yes if you are using Taxware.
Tax Taxware: Use Nexpro	No	Use this option to indicate whether Taxware uses the Nexpro functionality.
Tax Taxware: Tax Selection Parameter	Jurisdiction and Tax	Use this option to indicate whether jurisdiction level jurisdiction codes are used to calculate taxes. The value 'Tax only' calculates tax based on the ship–to address only. The value 'Jurisdiction and Tax' calculates tax based on all jurisdiction information.
Tax Taxware: Tax Type	Sales	This option indicates the type of tax. Enter a value of Sales, Service, or Use.
Tax Taxware: Service Indicator	Non–service	Choose Service, Rental, or Non–service.
Tax: Use PL/SQL Vendor	Null	This indicates which tax vendor is used. Set this option to "Taxware."

Table 2–3 Profile Options and Default Values

Profile Name	Default Value	Description
Tax Calculate Tax on Credit Memos	No	Set this profile option to Yes to post credit memos to the Taxware audit file.

Step 6 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 Oracle Receivables Lookups window to define this lookup code.



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

Step 7 Set Up Lookup Code Tax Exemption Reason

When storing tax exemptions in Oracle Receivables, use the Oracle Receivables Lookups 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 of the Exemption Reason QuickCode Name are unique.

Step 8 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.

This integration will generate one tax line per invoice. The State, County, and City tax amounts and tax rates are held in the Global Descriptive Flexfield for the tax line. This enhancement enables Oracle to provide a more detailed level of tax reporting and reconciliation without requiring three tax lines per invoice line and multiple tax codes.

Oracle Receivables will use the Tax Account identified in the Tax Locations and Rates window to control the tax liability posting so that each state may have its own state tax liability account.

Step 9 Set Up System Options

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.

The screenshot shows the 'System Options (Vision Operations)' window with the 'Tax' tab selected. The 'Tax Defaults and Rules' sub-tab is active. The following settings are visible:

- Tax Method: Sales Tax
- Location Flexfield Structure: State.County.City
- Postal Code Range: 00000 - 99999.9999
- Address Validation: Error (with a checkmark for Compound Taxes)
- Invoice Printing: Itemize And Sum
- Tax Registration Number: 155-78541
- Tax Vendor Views: Taxware
- Sales Tax Geo Override: CA9411400
- Inclusive Tax Used

The 'Rounding Options' section includes:

- Calculation Level: Line
- Rounding Rule: Nearest
- Reporting Currency: USD
- Precision: 2
- Min Accountable Unit: (empty field)
- Allow Override

Step 10 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.

The tax vendor extensions have been integrated with Oracle Order Management 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 Management 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 the 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 11 Set Up Jurisdiction Codes and other optional fields (optional)

You can implement descriptive flexfields and use standard fields available in Oracle Receivables windows to extend the basic functionality of this integration. Specifically, Warehouse Jurisdiction Code, Salesperson Jurisdiction Code, and Customer Addresses Jurisdiction Codes can be used to support tax calculations using both ship-from and ship-to addresses. The Predefined Exempt Rates descriptive flexfield allows you to enter an exemption percentage, and the User Defined Receivables Activity Information descriptive flexfield allows you to set up a flag, which indicates whether you want to post adjustment information to the Taxware audit table. For more information, see: [Storing Tax Information in Oracle Receivables](#) on page 5-22.

Migrating to Oracle-shipped Taxware

Oracle distributes and installs the Taxware Sales/Use Tax System PL/SQL package bodies and empty database tables within the Oracle Receivables APPS schema. If you have already installed Taxware Sales/Use Tax System into a different schema, then you can use the following procedure to migrate from your existing installation into the new Oracle Distributed APPS schema. You are not required to perform this step. If you do not migrate, you may continue to use your existing installation of Taxware Sales/Use Tax System, and no additional steps are required.

You should plan on migrating to Oracle-shipped Taxware Sales/Use Tax System before upgrading to the next major release of Oracle Applications.

To migrate an existing installation of Taxware Sales/Use Tax System into the Oracle Distributed installation, please work with your DBA to:

1. Verify the following prerequisites:
 - n You must have Taxware Sales/Use Tax System 3.2 installed in a schema with no other objects in that schema
 - n The AR schema must have sufficient free space to accommodate all the Taxware objects
 - n The rollback segment must have sufficient space to accommodate the largest Taxware table.
 - n The AR schema must have the Oracle Distribution of the Taxware tables.
 - n The AR schema must not have any records in any of the Taxware tables.
2. Back up your Taxware database.
3. Run `$AR_TOP/patch/115/sql/armigtxw.sql` using `Sql*Plus`.

This script will move all data from Taxware's schema to Oracle Receivables schema. This will not drop the old tables. The script will ask for seven parameters. Before running the script, you will need to know:

- n The User Name and Password of the schema where Taxware is originally installed
- n The User Name and Password of the Oracle Applications (APPS) schema
- n The User Name and Password of the Oracle Receivables schema
- n The Net8 or `SQL*Net` connect string needed to identify the Oracle Server database.

If the script fails to complete, or raises an error message, please contact Oracle Support.

This script will take every table in the Taxware schema and insert this data into the Applications schema. If any statement in this script fails, an Oracle Error message will be raised and the entire transaction will be rolled back.

Once completed, perform implementation step 3 mentioned in this chapter to recreate the synonym to the disabled Taxware software that you previously installed. Please review step 4, and check the profile option Tax: Use PL/SQL Vendor is set to 'Taxware.'

Note: When you use Taxware applications that require logging into the database, the data source is now "ar" and you must now use the apps schema user name and password for User ID and Password.

3

Tutorial

This chapter describes the normal operation of Oracle Receivables and Oracle Order Management 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.

The screenshot shows the 'Customers - Standard' form with the 'Customer Addresses' tab selected. The main form displays the following information:

- Customer Name: Oracle Apps
- Number: 1107
- Alternate Name: [Empty]
- Taxpayer ID: [Empty]
- Tax Registration Num: [Empty]
- Active:

The 'Customer Addresses - Oracle Apps, 1107' sub-form shows:

- Country: United States
- EDJ Location:
- Address: 100 Oracle Apps St.
- Postal Code: 64801
- City: [Empty]
- State: [Empty]
- Province: [Empty]
- County: [Empty]

A pop-up window titled 'City' is open, displaying a list of cities and their parent jurisdictions for the zip code 64801. The table below represents the data shown in the pop-up:

City	Parent	From Postal Code	To Postal Code
AIRPORT DRIVE	JASPER,MO	64801	64801-9999
CLIFF VILLAGE	NEWTON,MO	64801	64801-9999
DENNIS ACRES	NEWTON,MO	64801	64801-9999
DUQUESNE	JASPER,MO	64801	64801-9999
GATEWAY DRIVE	NEWTON,MO	64801	64801-9999
IRON GATES	JASPER,MO	64801	64801-9999

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.

For example, the zip code 64801 is defined in several jurisdictions in the state of Missouri. The poplist helps you select the correct jurisdiction code for your addresses.

Create a customer with an address in Cliff Village (Newton County), MO 64801. Assign Bill To and Ship To business purposes to this address.

Create a Sales Order

Sales orders can be created in Oracle Order Management 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.

Create a sales order for the customer that you created in the previous step. Enter the order header information in the Main Tab and Others Tab of the Sales Order Pad window.

The screenshot shows the Oracle Sales Order Pad window with the following data entered:

Order Information		Line Items	
Customer	Oracle Apps	Order Number	97989
Customer Number	1107	Order Type	Standard
Customer PO		Date Ordered	14/NOV/2000
Customer Contact		Price List	Corporate
Ship To	Ship-To 100 Oracle Apps St. CLIFF VILLAGE, 64801, US	Salesperson	Lewis, Mr. Barry
Bill To	Bill-To 100 Oracle Apps St. CLIFF VILLAGE, 64801, US	Status	Entered
		Currency	USD
		Subtotal	13,300.00
		Tax	678.30
		Charges	0.00
		Total	13,978.30

At the bottom of the window, there are four buttons: Actions, Configurator, Availability, and Book Order.

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.

Create two sales order lines, both of which use the tax code for the Location Based tax type. The first sales order line has a quantity of 1 and a list price of \$10,000.00. The second sales order line has a quantity of 3 and a list price of \$1,100.00. When you save the order, the first line will have estimated tax of \$510.00 and the second line will have estimated tax of \$168.30. After saving the order, book the order by clicking on the Book Order button.



Import Sales Orders Using AutoInvoice

Orders created in Oracle Order Management 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.

Run AutoInvoice for the order created in the previous steps. To find the invoice in the Receivables Transactions window, reference the order number.

Transactions (Vision Operations: USD) - Oracle Apps, 10002829

Number	10002829	Date	14/NOV/2000	<input checked="" type="checkbox"/> Complete
Reference		Currency	USD	Transaction .9798
Source	Order	Class	Invoice	
Type	Invoice	GL Date	14/NOV/2000	

Main More Remit To, Sales Paying Customer Notes Commitment Credit

	Ship To	Bill To
Name	Oracle Apps	Oracle Apps
Number	1107	1107
Location	Ship-To	Bill-To
Address	100 Oracle Apps St.	100 Oracle Apps St.
	CLIFF VILLAGE, MO 64801 United States	CLIFF VILLAGE, MO 64801 United States
Contact		
Terms	30 Net	Commitment
Due Date	14/DEC/2000	Salesperson Lewis, Mr. Barry

Tag Distributions Sales Credits Balances

Incomplete Freight Credit Installments Line Items

Invoice Lines from an Imported Order

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

To view the invoice lines for the imported invoice created in the previous steps, select the Line Items button from the Transactions window.

The screenshot shows the 'Lines' window in Oracle Apps. At the top, there are summary fields for Transaction, Lines, Tax, and Freight. Below these are tabs for Main, Sales Order, Tax Exemption, Rules, and More. The main area contains a table with columns: Num, Item, Description, UOM, Quantity, Unit Price, Amount, and Tax Code. At the bottom, there are buttons for Distributions, Sales Credits, Freight, and Tax.

Transaction	Lines	Tax	Freight
Total 13,978.30	13,300.00	678.30	0.00

Num	Item	Description	UOM	Quantity	Unit Price	Amount	Tax Code
1	82000	Consulting/Trainin	Each	3	1100	3,300.00	Location
2	80000	Sentinal Multimed	Each	1	10000	10,000.00	Location

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.

To view the accounting entries for the imported invoice created in the previous steps, select the Distributions button from the Transactions window or the Lines window.

Accounting (Vision Operations: USD) - Oracle Apps, 10002829

Accounts For All Lines

Transaction Line

Detail Line Number	Class	GL Account	GL Date	%	Amount []
	Receivable	01-000-1210-0000-000	14/NOV/2000	100.0000	13,978.30
	Rounding Di	01-000-1110-0000-120	14/NOV/2000	100.0000	0.00
1	Revenue	01-000-6410-0000-000	14/NOV/2000	100.0000	3,300.00
1 1	Tax	01-000-2520-0000-000	14/NOV/2000	100.0000	168.30
2	Revenue	01-000-6410-0000-000	14/NOV/2000	100.0000	10,000.00
2 1	Tax	01-000-2520-0000-000	14/NOV/2000	100.0000	510.00
Total					

GL Posted Date Comments

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

Tax Account

Description

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.

To view the balances for the imported invoice created in the previous steps, select the Balances button from the Transactions window.

	Line	Tax	Freight	Charges	Total
Original	13,300.00	678.30	0.00		13,978.30
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	13,300.00	678.30	0.00	0.00	13,978.30

Taxware Sales/Use Tax Report (After AutoInvoice)

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

Run the vendor tax report for the imported invoice created in the previous steps. The tax amounts for each line are the same as the tax amounts shown on the Transaction Lines window for the imported invoice.

Figure 3-1 Taxware Sales/Use Tax Report, page 1

SQL030 R3.2.0-00-08-1		SALES AND USE REPORT		Page 1
Run 12/01/2000 at 19:48:00		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 VEHL	
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 REFLCPART	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 PHARMACHIN	AC PROCESSOR	
55 U.S. VIRGIN ISLANDS	56 PACIFIC ISLANDS	AD BLINDSABL	AE CAPIMPREAL	
57 GUAM	58 AMERICAN SAMOA	AF CASUAL	AG COMMFISH	
59 RESERVED	60 AMERICAN FORCES AMERICAS	AI 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 EXORGCNTR	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 GOVTS&LC	BM GOVTIS	

Figure 3-2 Taxware Sales/Use Tax Report, pages 2-4

_SQL030 R3.2.0-00-08-1		S A L E S A N D U S E R E P O R T							Page 2																																										
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1107	10002829	11142000		3300.00	139.42	28.88			168.30	S 83																																									
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* LOCAL TOTAL: CLIFF VILLAGE				13300.00	561.92	116.38			678.30																																										
** COUNTY TOTAL: NEWTON				13300.00	561.92	116.38			678.30																																										
STATE TOTAL: MISSOURI				13300.00	561.92	116.38			678.30																																										
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MISSOURI	13300.00			13300.00	561.92	116.38			678.30																																										
Report Total	13300.00			13300.00	561.92	116.38			678.30																																										

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.

Incomplete the imported invoice created in the previous steps by clicking on the Incomplete button. Add a third invoice line with a quantity of 1, a unit price of \$2,000.00 and a tax code for the Location Based tax type. When you save the invoice, the tax for the third line will be \$102.00 and the total tax for the invoice will be \$780.30.

Transaction		Lines		Tax		Freight	
Total	16,080.30	15,300.00		780.30		0.00	<input checked="" type="checkbox"/>
Num	Item	Description	UOM	Quantity	Unit Price	Amount	Tax Cod
1	#2000	Consulting/Trainin	Each	3	1100	3,300.00	Locatio
2	#80000	Sentinal Multimed	Each	1	10000	10,000.00	Locatio
3	#1000	One Year Mainten	Each	1	2000	2,000.00	Locatio

Update Lines

On the invoice from the previous steps, change the quantity of the third invoice line from 1 to 3. When you save the invoice, the tax for the third line will be \$306.00 and the total tax for the invoice will be \$984.30. Complete the invoice by clicking on the Complete button. 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.

The screenshot shows the 'Lines' window in Oracle App's. At the top, there are summary fields for Transaction, Lines, Tax, and Freight. Below these are tabs for Main, Sales Order, Tax Exemption, Rules, and More. The main area contains a table with columns: Num, Item, Description, UOM, Quantity, Unit Price, Amount, and Tax Cod. At the bottom, there are buttons for Distributions, Sales Credits, Freight, and Tax.

Transaction	Lines	Tax	Freight
Total 20,284.30	19,300.00	984.30	0.00

Num	Item	Description	UOM	Quantity	Unit Price	Amount	Tax Cod
1	#2000	Consulting/Traini	Each	3	1100	3,300.00	Locatio
2	#0000	Sentinal Multimed	Each	1	10000	10,000.00	Locatio
3	#1000	One Year Mainten:	Each	3	2000	6,000.00	Locatio

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.

Create a manual credit memo for the invoice created in the previous steps. Credit 10% or -\$1,930.00 of the line and 10% or -\$98.43 of the tax. Complete the credit memo by clicking on the Complete button.

Credit Transactions (Vision Operations: USD) - Oracle Apps, 10002831

Credited Transaction

Number: 10002829 Source: Order

Credit Memo

Batch: None Batch Name:
 Source: Order Date: 14/NOV/2000 Complete
 Number: 10002831 Reference: Trans: ORDE
 Reason: Type: Credit Memo
 GL Date: 14/NOV/2000 Rules Method:
 Currency: USD Split Term Method:

Transaction Amounts **More**

Credit Memo		Credited Transaction	
Line	%	Original	Balance Due
		Amount	
Line	10.0000	19,300.00	17,370.00
Tax	10.0000	984.30	885.87
Freight			0.00
Total	10.0000 %	20,284.30	18,255.87

Incomplete Credit Balance Credit Lines

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. If you have adjustments of type 'Tax' that you do not want to post to Taxware, see [Storing Tax Information in Oracle Receivables](#) on page 5-22.

Create an adjustment to the invoice created in the previous steps by adjusting -\$100.00 of the tax.

The screenshot shows the 'Adjustments (Vision Operations) - Oracle Apps, 10002829, 1' window. It is divided into two main sections: 'Installment' and 'Adjustments'.

Installment Summary:

	Line	Tax	Freight	Charges	Total
Original	19,300.00	984.30	0.00		20,284.30
Balance	17,370.00	785.87	0.00	0.00	18,155.87

Below the summary, there are input fields for 'Adjustments' (set to <100.00>) and 'Pending Adjustments'.

Adjustments List:

Number	Activity Name	Type	Amount	Includes Tax	GL Date	Adjustment Date
3871	Write off--	Tax	<100.00>	<input type="checkbox"/>	14/NOV/2000	14/NOV/2000
				<input type="checkbox"/>		
				<input type="checkbox"/>		
				<input type="checkbox"/>		
				<input type="checkbox"/>		

Copy (Recur) an Invoice

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

In the Copy Transactions window, create a single copy of the invoice created in the previous steps.

Copy Transactions (Vision Operations)

Model Transaction

Source: **Order** Trans Number: **10002829**
 Currency: **USD** Reference:
 Bill To: **Oracle Apps** Number: **1107**
 Terms: **30 Net** Type: **Invoice**
 Date: **14/NOV/2000** Transaction Amount: **20,284.30**
 Due Date: **14/DEC/2000** Transaction: GL Date: **14/NOV/2000**

Schedule

Rule: **Single Copy** Number Of Times: **1**
 Number Of Days: First Transaction Date: **15/NOV/2000**
 First GL Date: **15/NOV/2000** Request ID: **707181**

New Transactions

Transaction Number	Document Number	Trans Date	GL Date	Due Date	Amount
10002832		15/NOV/2000	15/NOV/2000	15/DEC/2000	20,284.30

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.

To view the invoice in the Receivables Transactions window, reference the invoice number shown in the Copy Transactions window.

The screenshot displays the Oracle Receivables Transactions window for invoice 10002832. The window title is "Transactions (Vision Operations: USD) - Oracle Apps, 10002832". The main form contains the following fields:

Number	10002832	Date	15/NOV/2000	<input checked="" type="checkbox"/> Complete	
Reference		Currency	USD	Transaction	.9798
Source	Order	Class	Invoice		
Type	Invoice	GL Date	15/NOV/2000		

Navigation tabs include: Main, More, Remit To, Sales, Paying Customer, Notes, Commitment, Credit.

Ship To

Name	Oracle Apps
Number	1107
Location	Ship-To
Address	100 Oracle Apps St.
	CLIFF VILLAGE, MO 64801 United States
Contact	

Bill To

Name	Oracle Apps
Number	1107
Location	Bill-To
Address	100 Oracle Apps St.
	CLIFF VILLAGE, MO 64801 United States
Contact	

Terms: 30 Net
Due Date: 15/DEC/2000
Commitment:
Salesperson: Lewis, Mr. Barry

Buttons at the bottom: Tag, Distributions, Sales Credits, Balances, Incomplete, Freight, Credit Installments, Line Items.

Note: Header-level information of the copied invoice is shown in the figure above. The line-level information is shown in the figure below.

Lines (Vision Operations: USD) - Oracle Apps, 10002832

Transaction		Lines	Tax	Freight
Total	20,284.30	19,300.00	984.30	0.00

Main Sales Order Tax Exemption Rules More

Num	Item	Description	UOM	Quantity	Unit Price	Amount	Tax Code
1	#2000	Consulting/Trainin	Each	3	1100	3,300.00	Location
2	#80000	Sentinal Multimed	Each	1	10000	10,000.00	Location
3	#1000	One Year Maintena	Each	3	2000	6,000.00	Location

Distributions Sales Credits Freight Tax

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.

Create a manual invoice for the customer you created in the previous steps. Enter the invoice information in the Main Tab located in the Transactions window.

Transactions (Vision Operations: USD) - Oracle Apps, DEMO-INV

Number: DEMO-INV Date: 14/NOV/2000 Complete:

Reference: Currency: USD Transaction:

Source: Manual Class: Invoice

Type: Invoice GL Date: 14/NOV/2000

Main More Remit To, Sales Paying Customer Notes Commitment Credit

Ship To Bill To

Name: Oracle Apps Oracle Apps

Number: 1107 1107

Location: Ship-To Bill-To

Address: 100 Oracle Apps St. 100 Oracle Apps St.

CLIFF VILLAGE, MO 64801 United States CLIFF VILLAGE, MO 64801 United States

Contact:

Terms: 2/10, Net 30 Commitment:

Due Date: 14/DEC/2000 Salesperson: Lewis, Mr. Barry

Tag Distributions Sales Credits Balances

Complete Freight Credit Installments Line Items

Invoice Lines on Manual Invoices

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.

Create two invoice lines, both of which use the tax code for the Location Based tax type. The first invoice line has a quantity of 1 and a unit price of \$10,000.00. The second invoice line has a quantity of 6 and a unit price of \$1,100.00. When you save the invoice, the first line will have estimated tax of \$510.00 and the second line will have estimated tax of \$336.60.

Lines (Vision Operations: USD) - Oracle Apps, DEMO-INV

Transaction		Lines	Tax	Freight
Total	17,446.60	16,600.00	846.60	0.00

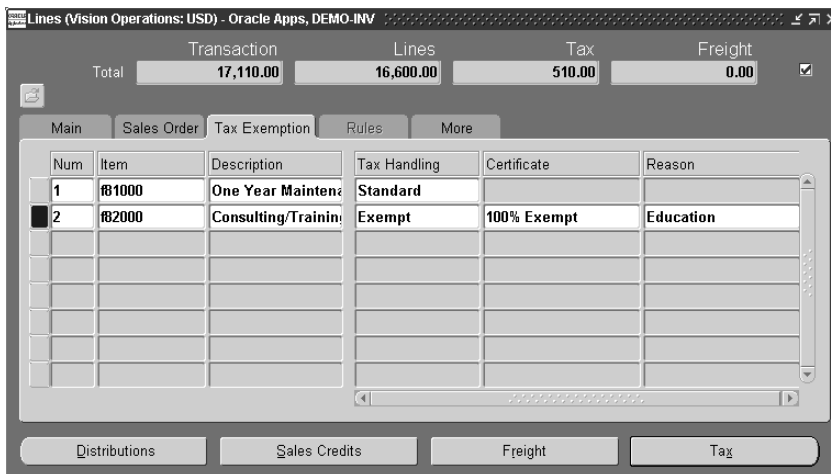
Main Sales Order Tax Exemption Rules More

Num	Item	Description	UOM	Quantity	Unit Price	Amount	Tax Cod
1	#1000	One Year Mainten:	Each	1	10000	10,000.00	Locatio
2	#2000	Consulting/Trainin:	Each	6	1100	6,600.00	Locatio

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 Management 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.

In the Tax Exemption Tab of the Lines window, change the Tax Handling for the second invoice line to "Exempt", enter an exempt certificate number, and enter an exempt reason. When you save the invoice, the first line will have estimated tax of \$510.00 and the second line will have estimated tax of \$336.60.



Taxware Sales/Use Tax Report (Complete)

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

Run the vendor tax report for all of the transactions created in the previous steps.

Figure 3–3 Taxware Sales and Use Report, page 1

SQL030 R3.2.0-00-08-1		S A L E S A N D U S E R E P O R T		Page 1
Run 12/01/2000 at 19:48:00		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/FFO	
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	
24 MICHIGAN	24 MINNESOTA	37 CONTRACTOR	38 MOTOR VEH	
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 VEH	
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 FARMACHIN	AC PROCESSOR	
55 U.S. VIRGIN ISLANDS	56 PACIFIC ISLANDS	AD BLDNGS&BL	AE CAP/IMPRESL	
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 ARTLLIT	
99 UNITED STATES FEDERAL		AM ATHLETIC	AN BUSINESS	
		AO CEMETERY	AO CHARITABLE	
		AP CIVIC	AQ CONSERV	
		AR EDUCATION	AS ELDERLY	
		AT EXORGCNTR	AU FRATERNAL	
		AV HISTORICAL	AW HUMANE	
		AX LEGAL	AY MEDICAL	
		AZ CRELIAN	BA RELIGIOUS	
		BB SCIENTIFIC	BC TESTING	
		BD TOURIST	BE VETERAN	
		BF VLTFRFR	BG YOUTHORG	
		BH GOVERNMENT	BI CREDUNFED	
		BJ CREDUNSTAT	BK DIPLOMAT	
		BL GOVTS&LLC	BM GOVTUS	

Figure 3-4 Taxware Sales and Use Report, page 2

_SQL030 R3.2.0-00-08-1		SALES AND USE REPORT				Page 2
Run 12/01/2000 at 19:48:00		Extra Detail Report				
All Dates						
All Dates						
				BP REDCROSS	BQ INDUSTRY	
				BR ENFRIZONE	BS EXTRACTION	
				BT LOGGING	BU OILXPLOR	
				BV INGCMPART	BW MANUFACTUR	
				BX POLLUTCTRL	BY R&D	
				BZ MEDIA	CA NATAMERICN	
				CB OTHER	CC OTHERTAX	
				CD SUOTHSTATE	CE OTHSTIAXPD	
				CF OUTOFJURIS	CG OOVAIR	
				CH OOJER	CI OOVROAD	
				CJ OOWAT	CK RESALE	
				CL CONTRCRTLR	CM LEASING	
				CN RXDRUG	CO TELECOMMUN	
				CP TRANSPORT	CQ CCAIR	
				CR CRR	CS CCRoad	
				CT CCWAT	CU GENAIR	
				CY GENRR	CW GENROAD	
				CZ GENWAT	CY ISCAIR	
				DA ISCR	DA ISCRoad	
				DB ISCWAT	DC PUBLIC	
				DD UNDETERMIN		

Figure 3-5 Taxware Sales and Use Report, page 3

_SQL030 R3.2.0-00-08-1		SALES AND USE REPORT				Page 3				
Run 12/01/2000 at 19:48:00		Extra Detail Report								
All Dates										
STATE: MISSOURI										
C_U_S_T_O_M_E_R	I_N_V_O_I_C_E	----- GROSS -----		----- TAXES -----			TOTAL	CC		
Name or Number	Number	mmddyyyy	EXEMPT	TAXABLE	STATE	COUNTY	CITY	TRANSIT	T A X E S	TYPE
(1) 1107	10002829	11142000		3300.00	139.42	28.88			168.30	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8200		
(2) 1107	10002829	11142000		10000.00	422.50	87.50			510.00	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8000		
(3) 1107	10002829	11142000		2000.00	84.50	17.50			102.00	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8100		
(4) 1107	10002829	11142000		2000.00-	84.50-	17.50-			102.00-	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8100		
(5) 1107	10002829	11142000		6000.00	253.50	52.50			306.00	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8100		
(6) 1107	10002831	11142000		330.00-	13.94-	2.89-			16.83-	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8200		
(7) 1107	10002831	11142000		1000.00-	42.25-	8.75-			51.00-	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8000		
(8) 1107	10002831	11142000		600.00-	25.35-	5.25-			30.60-	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8100		
(9) 1107	3871	11142000		335.29-	14.17-	2.93-			17.10-	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:			
(10) 1107	3871	11142000		1015.88-	42.92-	8.89-			51.81-	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:			
(11) 1107	3871	11142000		609.61-	25.76-	5.33-			31.09-	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:			
(12) 1107	10002832	11152000		3300.00	139.42	28.88			168.30	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8200		
(13) 1107	10002832	11152000		10000.00	422.50	87.50			510.00	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8000		
(14) 1107	10002832	11152000		6000.00	253.50	52.50			306.00	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8100		
(15) 1107	DEMO-INV	11142000		10000.00	422.50	87.50			510.00	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8100		
(16) 1107	DEMO-INV	11142000		6600.00	278.85	57.75			336.60	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8200		
(17) 1107	DEMO-INV	11142000		6600.00-	278.85-	57.75-			336.60-	S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8200		
(18) 1107	DEMO-INV	11142000	6600.00							S 83
	REAS CODE:	TAX CERT #:			MISC:	JURIS:	PROD CODE:	F8200		
* LOCAL TOTAL:	CLIFF VILLAGE		6600.00	44709.22	1888.95	391.22			2280.17	
** COUNTY TOTAL:	NEWTON		6600.00	44709.22	1888.95	391.22			2280.17	
STATE TOTAL:	MISSOURI		6600.00	44709.22	1888.95	391.22			2280.17	

Figure 3–6 Taxware Sales and Use Report, page 4

SQL030 R3.2.0-00-08-1		SALES AND USE REPORT							Page 4
Run 12/01/2000 at 19:48:00		Extra Detail Report							
All Dates									
SUMMARY BY STATE									
STATE	GROSS	CREDIT	EXEMPT	TAXABLE	STATE	COUNTY	TAXES CITY	TRANSIT	TOTAL
MISSOURI	63800.00	12490.78	6600.00	44709.22	1888.95	391.22			2280.17
Report Total	63800.00	12490.78	6600.00	44709.22	1888.95	391.22			2280.17

The bold numbers in parenthesis correspond to the operations shown in this chapter and the information below. (The numbers do not appear in the actual report; they are provided for your reference only.)

1. AutoInvoice and Importing Invoices: Inserts lines 1 and 2
2. Inserting New Lines: Inserts line 3
3. Updating Lines: Backs out of original tax amount with Line 4; Inserts line 5
4. Manual Credit Memos: Inserts lines 6, 7, and 8
5. Manual Adjustments: Inserts lines 9, 10, and 11
6. Copy (Recur) an Invoice: Inserts lines 12, 13, and 14
7. Creating Manual Invoices: Inserts lines 15 and 16
8. Updating a line with an exemption backs out the original tax amount with line 17: inserted line 18 has a 100% exemption applied to it

Note: Oracle Receivables and Taxware view the interaction between exemptions and taxable amounts in slightly different ways. Oracle Receivables deducts the tax rate to give the correct tax amount, whereas Taxware deducts the taxable amount to derive the correct tax amount. Therefore, the total taxable amount may differ between Oracle Receivables and the vendor's tax reports.

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 (based on your tax AutoAccounting setup), 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, secondary county, and secondary city 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 illustrated in this table:

Table 4-1 Taxware STEP and Oracle Values

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

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.

You must enter product rate exceptions into Taxware STEP. Product rate exceptions stored in Oracle are not used when integrating with the Taxware Sales/Use Tax System.

For more information on using and changing the standard Oracle values, see [Tax View Functions](#) on page 5-7.

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 Management and Oracle Receivables to provide transaction-level control of Exemptions. These three fields allow the Order Management 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 Jurisdiction Codes

Taxware Jurisdiction Codes

Jurisdiction codes are used by Taxware to identify a taxing jurisdiction. The two digit jurisdiction code 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 jurisdiction code is "CA9411400."

A jurisdiction code 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 Jurisdiction Codes within Oracle Applications

The Oracle Receivables Customer Workbench and Oracle Sales 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 jurisdiction codes before the customer can be invoiced.

The association of an address to a jurisdiction code is an automatic process, but can be manually overridden. For more information, see [Storing Tax Information in Oracle Receivables](#) on page 5-22.

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 75MB 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 jurisdiction code 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 parameters in this table:

Table 4–2 Sales Tax Rate Interface 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 on-line 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 on-line 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 described in [Update Lines](#) on page 3-12.

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.

Attention: The Taxware Sales/Use Tax System reports and Oracle Receivables use different terms when referring to the tax calculation date and the accounting date for transactions.

The table below summarizes these terminology differences:

Table 4–3 Terminology Differences

Value	Oracle Receivables	Taxware
Accounting Date	GL Date	Fiscal Date
Tax Calculation Date	Transaction Date	Invoice Date

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, please follow the steps below to document your support question:

Step 1 Set Profile Option Tax: Debug File Directory

Set the profile option Tax: Debug File Directory to a server side directory where a file that contains log messages will be created. You can set this profile option only at the Site level.

Note: This directory must be set as the value of one of the Oracle initialization parameters, "UTL_FILE_DIR". To see the current value of UTL_FILE_DIR, issue the following SQL statement in the apps schema:

```
select value from v$parameter where name = 'utl_file_dir';
```

If this parameter does not contain a value, modify the initialization parameter file init<db_name>.ora to add the parameter and a value for it (where <db_name> is the name of your database).

Step 2 Set Profile Option Tax: Debug Flag

Set the profile option Tax: Debug Flag to Yes to create a file with debugging information. This log file can be created by any module that uses the Tax Engine (for example, Oracle Receivables or Order Management). You can set this profile option only at the User level.

A log file called <USERNAME>.log will be created in the directory specified by the profile option Tax: Debug File Directory (where <USERNAME> is your login username).

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 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.

For more information about PL/SQL stored procedures and customizing Oracle Applications, contact your system administrator.

Warning: The parameters in `ARP_TAX.TAX_INFO_REC` are subject to change in subsequent releases of Oracle Applications. If you customize Oracle Applications to integrate your own PL/SQL tax calculations, you should review and test your custom code after each upgrade.

This table shows the members of the database structure `ARP_TAX.TAX_INFO_REC`:

Table 5–1 *Members of the database structure ARP_TAX.TAX_INFO_REC*

Member	Data Type	Parameter Type	Null Allowed	Related View Column
amount_includes_tax_flag	varchar2	input	no	AMOUNT_INCLUDES_TAX_FLAG
audit_flag	varchar2	input	no	AUDIT_FLAG
bill_to_customer_name	varchar2	input	yes	BILL_TO_CUSTOMER_NAME
bill_to_customer_number	number	input	yes	BILL_TO_CUSTOMER_NUMBER
bill_to_cust_id	number	input	no	BILL_TO_CUSTOMER_ID
bill_to_location_id	number	input	yes	BILL_TO_LOCATION_CCID
bill_to_postal_code	varchar	input	yes	BILL_TO_POSTAL_CODE
bill_to_site_use_id	number	input	yes	BILL_TO_SITE_USE_ID
calculate_tax	varchar2	input	yes	TAXABLE_FLAG
company_code	varchar2	input	yes	COMPANY_CODE

Table 5–1 Members of the database structure ARP_TAX.TAX_INFO_REC

Member	Data Type	Parameter Type	Null Allowed	Related View Column
credit_memo_flag	boolean	input	no	(True if credit memo)
customer_trx_charge_line_id	number	input	yes	CUSTOMER_TRX_CHARGE_LINE_ID
customer_trx_id	number	input	yes	TRX_HEADER_ID
customer_trx_line_id	number	input	yes	TRX_LINE_ID
default_ussgl_transaction_code	varchar2	input	yes	USSGL_TRANSACTION_CODE
division_code	varchar2	input	yes	DIVISION_CODE
extended_amount	number	input	yes	EXTENDED_AMOUNT
fob_point	varchar2	input	yes	FOB_CODE
gl_date	date	input	yes	GL_DATE
inventory_item_id	number	input	yes	INVENTORY_ITEM_ID
invoicing_rule_id	number	input	yes	INVOICING_RULE_ID
item_exception_rate_id	number	input/output	yes	TAX_EXCEPTION_ID
link_to_cust_trx_line_id	number	input	yes	TRX_LINK_TO_CUST_TRX_LINE_ID
memo_line_id	number	input	yes	MEMO_LINE_ID
minimum_accountable_unit	number	input/output	yes	MINIMUM_ACCOUNTABLE_UNIT
part_no	varchar2	input	yes	PART_NUMBER
payment_terms_discount_percent	varchar2	input	yes	PAYMENT_TERMS_DISCOUNT_PERCENT
payment_term_id	number	input	yes	PAYMENT_TERM_ID
poa_code	varchar2	input	yes	POA_ADDRESS_CODE
poa_id	number	input	yes	POA_ID
poo_code	varchar2	input	yes	POO_ADDRESS_CODE
poo_id	number	input	yes	POO_ID

Table 5–1 Members of the database structure ARP_TAX.TAX_INFO_REC

Member	Data Type	Parameter Type	Null Allowed	Related View Column
precision	number	input/output	yes	PRECISION
previous_customer_trx_id	number	input	yes	PREVIOUS_TRX_HEADER_ID
previous_customer_trx_line_id	number	input	yes	PREVIOUS_TRX_LINE_ID
previous_trx_number	number	input	yes	PREVIOUS_TRX_NUMBER
qualifier	varchar2	input	no	LOCATION_QUALIFIER
ship_from_code	varchar2	input	yes	SHIP_FROM_ADDRESS_CODE
ship_from_warehouse_id	number	input	yes	SHIP_FROM_WAREHOUSE_ID
ship_to_code	varchar2	input	yes	SHIP_TO_ADDRESS_CODE
ship_to_customer_name	varchar2	input	yes	SHIP_TO_CUSTOMER_NAME
ship_to_customer_number	number	input	yes	SHIP_TO_CUSTOMER_NUMBER
ship_to_cust_id	number	input	yes	SHIP_TO_CUSTOMER_ID
ship_to_location_id	number	input	yes	SHIP_TO_LOCATION_CCID
ship_to_postal_code	varchar2	input	yes	SHIP_TO_POSTAL_CODE
ship_to_site_use_id	number	input	yes	SHIP_TO_SITE_USE_ID
status	number	output	yes	(Default return code)
taxable_amount	number	output	no	TAXABLE_AMOUNT
taxable_basis	varchar2	input	yes	TAXABLE_BASIS
taxed_quantity	number	input	yes	TAXED_QUANTITY
tax_amount	number	input/output	yes	TAX_AMOUNT
tax_calculation_plsql_block	varchar2	input	yes	TAX_CALCULATION_PLSQL_BLOCK

Table 5–1 Members of the database structure ARP_TAX.TAX_INFO_REC

Member	Data Type	Parameter Type	Null Allowed	Related View Column
tax_code	varchar2	input/output	yes	TAX_CODE
tax_control	varchar2	input/output	yes	TAX_EXEMPT_FLAG
tax_exemption_id	number	input/output	yes	VAT_TAX_ID
tax_header_level_flag	varchar2	input	yes	TAX_HEADER_LEVEL_FLAG
tax_line_number	number	input	yes	TAX_LINE_NUMBER
tax_rate	number	input/output	yes	TAX_RATE
tax_rounding_rule	varchar2	input	yes	TAX_ROUNDING_RULE
tax_vendor_return_code	varchar2	output	no	(Return code from tax vendor)
trx_currency_code	varchar2	input	yes	CURRENCY_CODE
trx_date	date	input	yes	TRX_DATE
trx_exchange_rate	number	input	yes	EXCHANGE_RATE
trx_line_type	varchar2	input	yes	TRX_LINE_TYPE
trx_number	number	input	yes	TRX_NUMBER
trx_type_id	number	input	yes	TRX_TYPE_ID
userf1-10	varchar2	input	yes	ATTRIBUTE1-10
usern1-10	number	input	yes	NUMERIC_ATTRIBUTE1-10
vat_tax_id	number	input/output	yes	VAT_TAX_ID
vdrctrl_exempt	varchar2	input	yes	VENDOR_CONTROL_EXEMPTIONS
xmpt_cert_no	varchar2	input/output	yes	TAX_EXEMPT_NUMBER
xmpt_percent	number	input/output	yes	TAX_EXEMPT_PERCENT
xmpt_reason	varchar2	input/output	yes	TAX_EXEMPT_REASON

Note: The taxable_amount output parameter is required and must be set by the PL/SQL program before returning control to the tax module. Additionally, the program must also set either the tax_amount or the tax_rate parameter. For more information, refer to the example below.

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).

Warning: Any modifications to the tax view functions are considered customizations and must be reapplied after applying any tax-only or Oracle Receivables patches.

This table shows the tax view functions:

Table 5–2 Tax View Functions

Function Name	Column Name	Default Value
CALCULATION_FLAG	ATTRIBUTE1	00000 (Calculate tax at all jurisdiction levels)
COMPANY_CODE	COMPANY_CODE	01
DIVISION_CODE	DIVISION_CODE	01
PRODUCT_CODE	PART_NUMBER	SEGMENT1 of MTL_SYSTEM_ITEMS
POA_ADDRESS_CODE	POA_ADDRESS_CODE	1) Organization jurisdiction code 2) Ship-From jurisdiction code 3) Ship-To jurisdiction code
POO_ADDRESS_CODE	POO_ADDRESS_CODE	1) Salesperson jurisdiction code 2) Ship-From jurisdiction code 3) Ship-To jurisdiction code
NUMERIC_ATTRIBUTE4	SERVICE_INDICATOR	Profile: TAXVDR_SERVICEIND

Table 5–2 Tax View Functions

Function Name	Column Name	Default Value
SHIP_FROM_ADDRESS_CODE	SHIP_FROM_ADDRESS_CODE	1) Warehouse jurisdiction code 2) Ship-to jurisdiction code
SHIP_TO_ADDRESS_CODE	SHIP_TO_ADDRESS_CODE	1) Ship-to jurisdiction code 2) ATTRIBUTE1 of AR_LOCATION_RATES
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

The PL/SQL functions are included in the Oracle Receivables file \$AR_TOP/admin/sql/ARTXVWAB.pls on your installation CD and \$AR_TOP/patch/115/sql/ARTXVWAB.pls in any maintenance patchsets that you apply.

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 value is derived from a field in a base table, this will also be defined.

FUNCTION CALCULATION_FLAG (

```

        p_view_name           IN VARCHAR2,
        p_header_id          IN NUMBER,
        p_line_id            IN NUMBER) RETURN
        VARCHAR2;

```

The table below describes the above function.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

This function returns a 5 character string which represents a jurisdiction level calculation flag. 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;

```

The table below describes the above function, which returns the company code.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

This value controls the tax reporting level. Returns 01 for Taxware. Taxware also uses this value to determine exemptions entered into STEP.

The PL/SQL global variables 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.

FUNCTION DIVISION_CODE (

```

p_view_name          IN VARCHAR2,
p_header_id          IN NUMBER,
p_line_id            IN NUMBER) RETURN
VARCHAR2;
```

The table below describes the above function, which returns the division code.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

This value is used to control the tax reporting level and identifies exemptions defined in Taxware STEP. Returns '01' for Taxware.

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);

The table below describes the above function's input.

Input	Description
p_exemption_id	ID of exemption

The table below describes the above function's output.

Output	Description
p_<juris>_exempt_percent	Exemption percent for jurisdiction
p_<juris>_exempt_reason	Exemption reason for jurisdiction
p_<juris>_exempt_cert_no	Exemption certificate number for jurisdiction
p_use_step	Use STEP90 flag
p_step_proc_flag	STEP processing flag
p_crit_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, city, secondary county and secondary city exemption percent will be determined from EXEMPT_PERCENT1, EXEMPT_PERCENT2, EXEMPT_PERCENT3, EXEMPT_PERCENT4 and EXEMPT_PERCENT5 respectively from the Vendor Exempt Rates 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 will be set to the value of the first two characters from the actual Oracle exemption for all jurisdiction levels.

This table shows the valid values for p_use_step:

Table 5-3 Values for function 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.

Table 5–3 Values for function p_use_step

Value	Description
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.

This table shows the valid values for p_step_proc_flag:

Table 5–4 Values for function 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.

This table shows the valid values for p_crit_flag:

Table 5-5 Values for function p_crit_flag

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

FUNCTION_PRODUCT_CODE (

```

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;
```

The table below describes the above function, which returns the item category.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line
p_item_id	ID of inventory item
p_memo_line_id	ID of memo line

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) RETURN
        VARCHAR2;
```

The table below describes the above function, which returns the Point-of-Order-Acceptance Jurisdiction code and In/Out City Limits flag.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

The first character of this function will return the In/Out City Limits flag. For Taxware, the value of the first character is 1.

The rest of the string will be the value of the Jurisdiction code for the Point-of-Order-Acceptance.

The Jurisdiction code is derived from SALES_TAX_GEOCODE of the AR_SYSTEM_PARAMETERS_ALL table.

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-from jurisdiction code should be used. If no ship-from jurisdiction code is found, then the ship-to jurisdiction code 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,
        p_salesrep_id        IN NUMBER) RETURN
        VARCHAR2;
```

The table below describes the above function, which returns the Point-of-Order-Origin Jurisdiction code and In/Out City Limits flag.

Input	Description
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

The first character of this function will return the In/Out City Limits flag. For Taxware, the value of the first character is 1.

The rest of the string will be the value of the jurisdiction code for the Point-of-Order-Origin.

The Jurisdiction code is derived from SALES_TAX_GEOCODE of the RA_SALESREPS view.

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-from jurisdiction code should be used. If no ship-from jurisdiction code is found, then the ship-to jurisdiction code 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
NUMBER;
```

The table below describes the above function, which returns the Service Indicator.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

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;
```

The table below describes the above function, which returns the Ship-from Jurisdiction code and In/Out City Limits flag.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line
p_warehouse_id	ID of warehouse of the ship-from

The first character of this function will return the In/Out City Limits flag. For Taxware, the value of the first character is 1.

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

The Jurisdiction code is derived from LOC_INFORMATION13 of the Location Address 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;
```

The table below describes the above function, which returns the Ship-to Jurisdiction code and In/Out City Limits flag.

Input	Description
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

Input	Description
p_postal_code	Zip code for the ship-to

The first character of this function will return the In/Out City Limits flag. For Taxware, the value of the first character is 1.

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

The Jurisdiction code is derived from the SALES_TAX_GEOCODE column of the HZ_LOCATIONS table.

If the Jurisdiction code is not found in the SALES_TAX_GEOCODE column of the HZ_LOCATIONS table, 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
NUMBER

```

The table below describes the above function, which returns the tax selection parameter.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

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
        NUMBER

```

The table below describes the above function, which returns the tax type.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

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

```

The table below describes the above function, which returns Use Nexpro.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

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;
```

The table below describes the above function, which returns the job number.

Input	Description
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

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.

Storing Tax Information in Oracle Receivables

Many of the functions in the previous section and functionality of the interface package derive their values from descriptive flexfields or fields in Oracle Receivables windows. The following tables list all of the Descriptive Flexfields and Oracle Receivables fields you can use to store tax information. Using any of the following Oracle Receivables fields or Descriptive Flexfields to store tax information is optional. If these columns are not used, a default value is assigned.

Predefined Descriptive Flexfields Used to Store Tax Information

The table below shows the predefined Descriptive Flexfields you can use to enter an exemption percentage and ship-from information.

Table 5–6 Predefined Oracle Descriptive Flexfields

Table Name	Column	Window	Field Name(s)	Description
RA_TAX_EXEMPTIONS (Vendor Exempt Rates descriptive flexfield)	EXEMPT_PERCENT1	Tax Exemptions	State Exempt Percent	State Exempt Percent
	EXEMPT_PERCENT2	Tax Exemptions	County Exempt Percent	County Exempt Percent
	EXEMPT_PERCENT3	Tax Exemptions	City Exempt Percent	City Exempt Percent
	EXEMPT_PERCENT4	Tax Exemptions	Secondary County Exempt Percent	Secondary County Exempt Percent
	EXEMPT_PERCENT5	Tax Exemptions	Secondary City Exempt Percent	Secondary City Exempt Percent
	EXEMPT_PERCENT6	Tax Exemptions	Secondary State Exempt Percent	Reserved for future use
HR_LOCATIONS_V (Location Address descriptive flexfield)	LOC_INFORMATION13	Location Address	Sales Tax Override	Ship-From jurisdiction code
	LOC_INFORMATION14	Location Address	Inside City Limits	Reserved for future use.

User-Defined Descriptive Flexfields Used to Store Tax Information

If you want to use any of the following Descriptive Flexfields to store tax information, you must register each flexfield as required. Refer to the *Oracle Applications Flexfields Guide* for more information.

This table shows the user-defined Oracle Descriptive Flexfields:

Table 5–7 User-Defined Oracle Descriptive Flexfields

Table Name	Field Name	Column	Description	Value Set Name
AR_ RECEIVABLES_ TRX	Receivables Activity Information	ATTRIBUTE15	Post Adjustment to Taxware flag	AR_TAXVDR_ YES_NO
RA_CUST_TRX_ TYPES_ALL	Transaction Type Information	ATTRIBUTE1	Job Number	AR_TAXVDR_ CHAR10

Warning: Use of user-defined Descriptive Flexfields 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 will need to be changed so that they reside in other locations.

Oracle Receivables Fields Used to Store Tax Information

The table below lists each field in Oracle Receivables that you can use to enter point of order acceptance (POA), point of order origin (POO), and ship-to information.

Table 5–8 Mapping Oracle Columns with Taxware Tax Information

Table Name	Column	Window	Field Name(s)	Description
JTF_RS_ SALESREPS	SALES_TAX_ GEOCODE	Sales Force	Geo Override	Point of Order Origin jurisdiction code
	SALES_TAX_ INSIDE_CITY_ LIMITS	Sales Force	Inside City Limits	Reserved for future use.
HZ_LOCATIONS	SALES_TAX_ GEOCODE	Customer Addresses	Geo Override	Ship-to GeoCode
	SALES_TAX_ INSIDE_CITY_ LIMITS	Customer Addresses	Inside City Limits	Reserved for future use.
AR_SYSTEM_ PARAMTERS_ ALL	SALES_TAX_ GEOCODE	System Options	Geo Override	Point of Order Acceptance jurisdiction code

Note: If you used Descriptive Flexfields in Oracle Receivables Release 10.7SC/NCA or Release 11 to store tax information, the values are automatically populated into predefined Descriptive Flexfields and Receivables fields during the upgrade process. For more information, refer to *Upgrading Oracle Applications* for Release 11i.

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 Management calculates a sales tax rate. The following concurrent programs and windows do this:

- Adjustments windows
- AutoInvoice
- Copy Transactions window
- Credit Transactions window
- Quote window (CRM Applications that use Oracle Order Capture to perform tax quotations)
- Sales Orders window (Oracle Order Management)
- Transactions window

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.

Do we still need to upload the Tax Vendor monthly tax locations and rates file in to Oracle Receivables?

Yes. You need to upload the locations and rates file into both Oracle Receivables and the Tax Vendor. Oracle Receivables uses this information for address validation and Jurisdiction Code assignments.

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 Management window call a Tax Vendor?

Yes, Oracle Order Management and Receivables share the same tax engine. This one engine will call a Tax Vendor if the vendor is 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 Management. If the Oracle Order Management user profile Tax: Invoice Freight as Revenue is set to Yes, the Oracle Order Management/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.

How do we enter item tax rate exceptions tax when using a Tax Vendor?

Item tax rate exceptions must be entered into the Tax Vendor software. Oracle Receivables and Oracle Order management do not pass item tax rate exception information to the Tax Vendor.

