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

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

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Primary Authors: Tanji Koshio, Nigel Smith

Major Contributors: Toru Kawamura, Kenichi Mizuta, Stephen Damiani

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Preface

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

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

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

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

- Chapter 1 describes the installation and implementation steps required to integrate Taxware with Oracle Receivables and Oracle Order Entry.
- Chapter 2 describes the normal operation of Oracle Receivables and Oracle Order Entry when the Taxware products are implemented.
- Chapter 3 provides an overview of the various accounting and business processes required for the Taxware integration.
- Chapter 4 describes the internal communication parameters between Oracle and Taxware, the Oracle tax view functions that support this communication, and how to extend the integration using user descriptive flexfields and the PL/SQL functions. Additionally, this chapter includes some commonly asked questions about using Taxware with Oracle Receivables.

This guide is available online

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

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

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

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

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

Do Not Use Database Tools to Modify Oracle Applications Data

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

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

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

Consequently, we STRONGLY RECOMMEND that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to
modify Oracle Applications tables, unless we tell you to do so in our manuals.

Other Information Sources

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

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

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

Oracle Receivables Tax Manual

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

Oracle Applications User’s Guide

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

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

Related User’s Guides

Oracle Receivables shares business and setup information with other Oracle Applications products. Even if you have not installed them as separate products, your Oracle Receivables application includes some
forms and functionality from other Oracle Applications. Therefore, you may want to refer to other user’s guides when you set up and use Oracle Receivables.

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

**Oracle Receivables User’s Guide**

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

**Oracle Applications Flexfields Guide**

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

**Oracle Alert User’s Guide**

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

**Country–Specific Manuals**

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

**Oracle Applications Character Mode to GUI Menu Path Changes**

This is a quick reference guide for experienced Oracle Applications end users migrating from character mode to a graphical user interface
(GUI). This guide lists each character mode form and describes which GUI windows or functions replace it.

**Oracle Financials Open Interfaces Guide**

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

**Multiple Reporting Currencies in Oracle Applications**

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

**Multiple Organizations in Oracle Applications**

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

**Oracle Report eXchange Documentation**

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

**Oracle Applications Developer’s Guide**

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

**Oracle Applications User Interface Standards**

This manual contains the user interface (UI) standards followed by the Oracle Applications development staff. It describes the UI for the
Oracle Applications products and how to apply this UI to the design of an application built by using Oracle Forms 4.5.

**Installation and System Administration**

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

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

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

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

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

Training

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

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

Support

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

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Thank You

Thank you for using Oracle Receivables and this manual.

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

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

Or, send electronic mail to appsdoc@us.oracle.com.
Implementing the Taxware Sales/Use Tax System

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

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

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

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

Scope

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

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

Related Documents

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

**Sales Tax Rate Interface**

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

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

**Tax Database Views and Functions**

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

**Generic Tax Extension**

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

- Adjustments windows
- AutoInvoice
- Copy Transactions window
- Credit Transactions window
- Quote window (Oracle Sales and Marketing)
- Sales Orders window (Oracle Order Entry)
- Sales Order Acknowledgment Report
- Transactions window
- Web Customer Orders
The Tax Extension can be implemented to generate single or multiple tax lines for every invoice line. Receivables stores each tax line in the RA_CUSTOMER_TRX_LINES table.

**Integration With Oracle Order Entry**

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

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

**Integration With Oracle Sales and Marketing**

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

**Integration With Oracle Web Customers**

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

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

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

Load External Tax Information

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

Note: Receivables provides six possible Sales Tax Location Flexfield structures. The sample Taxware SQL*Loader file, aravp.ctl, only supports the structure State.County.City. If you select another structure, you will need to modify these SQL*Loader files.
Receivables provides database views to pass tax information to the Tax Engine. You can use these views to control which database columns are passed into the Tax Engine for every transaction line that you tax. The following views have been defined:

- **SO_TAX_LINES_SUMMARY_V**
  Used by the Order Entry Sales Orders window.

- **SO_TAX_LINES_CREDIT_CHECK_V**
  Used by the Order Entry Sales Orders window.

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

- **TAX_LINES_INVOICE_IMPORT_V**
  Used by the Receivables AutoInvoice program.

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

- **TAX_LINES_CREATE_V**
  Used by the Receivables Transactions Workbench.

- **TAX_LINES_DELETE_V**
  Used by the Receivables Transactions Workbench.

- **TAX_ADJUSTMENTS_V**
  Used by the Receivables Transactions Workbench.

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>
<thead>
<tr>
<th>View Column Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRX_NUMBER</td>
<td>Transaction Number</td>
</tr>
<tr>
<td>TRX_DATE</td>
<td>Transaction Date</td>
</tr>
<tr>
<td>SHIP_TO_CUSTOMER_NAME</td>
<td>Ship–to customer name</td>
</tr>
<tr>
<td>BILL_TO_CUSTOMER_NAME</td>
<td>Bill–to customer name</td>
</tr>
<tr>
<td>SHIP_FROM_ADDRESS_CODE</td>
<td>Jurisdiction code for Ship From Address</td>
</tr>
<tr>
<td>SHIP_TO_ADDRESS_CODE</td>
<td>Jurisdiction code for Ship–To Address</td>
</tr>
<tr>
<td>PART_NUMBER</td>
<td>Inventory Part Number</td>
</tr>
</tbody>
</table>

Table 1–1  Columns used by your tax vendor.

### Tax Jurisdictions

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

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

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

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

Below is an example of multiple jurisdiction codes within a standard five digit zip code designation:
<table>
<thead>
<tr>
<th>location_segment_id</th>
<th>from_postal_code</th>
<th>to_postal_code</th>
<th>jurisdiction_code</th>
</tr>
</thead>
<tbody>
<tr>
<td>43 (San Francisco)</td>
<td>94110</td>
<td>94116</td>
<td>code 1</td>
</tr>
<tr>
<td>43 (San Francisco)</td>
<td>94117</td>
<td>94117</td>
<td>code 2</td>
</tr>
<tr>
<td>43 (San Francisco)</td>
<td>94118</td>
<td>94118–3999</td>
<td>code 3</td>
</tr>
<tr>
<td>43 (San Francisco)</td>
<td>94118–4000</td>
<td>94118–9999</td>
<td>code 4</td>
</tr>
</tbody>
</table>

Table 1–2  Jurisdiction codes

Installing the Taxware Sales/Use Tax Integration

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

- Install your tax vendor
- Taxware’s Sales/Use Tax System version 3.0 (PL/SQL)
- Sales/Use Tax System, STEP, and Implementation training from Taxware international
- Implement US Sales Tax. To do this, you need to perform all of the steps described in the Implementing US Sales Tax essay in the Oracle Receivables Tax Manual.
- Upload the Taxware TMDFL data file into Oracle Receivables Address Validation tables. You need to upload this file before loading any customer addresses. This two step process is described in Monthly Procedures: page 3–6.
- Validate customer addresses. All Ship–to and Bill–to Customer Addresses within the US must have been validated by Oracle Receivables by setting the Address validation field in the System Options window to ‘Error.’
- Login access to the APPS schema
- Permission to relink Oracle executables
- Test database
Setup Checklist for the Taxware Sales Use Tax System Integration

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

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

**Step 1 – Provide Grants to the APPS Schema**

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

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

**Step 2 – Remove the C Tax Vendor (optional)**

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

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

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)/taxaud.o
- $(AVP_TOP)/step90.o
- $(AR_TOP)/lib/aravp.o
- $(AVP_TOP)/libbtv3.a

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

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

### Step 3 – Re–create Synonyms

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

```
CONNECT <apps schema>/<apps password>
DROP SYNONYM ARP_TAX_TAXWARE_010;
```
DROP SYNONYM ARP_TAX_TAXWARE_GEN;
DROP SYNONYM ARP_TAX_TAXWARE_AUDIT_HEADER;
DROP SYNONYM ARP_TAX_TAXWARE_AUDIT_DETAIL;
DROP SYNONYM ARP_TAX_TAXWARE_AUDIT_JURIS;
DROP SYNONYM ARP_TAX_TAXWARE_AUDIT_TAX;

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

Step 4 – Set Up Profiles Options

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

<table>
<thead>
<tr>
<th>Profile Name</th>
<th>Default Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax: Use Tax Vendor</td>
<td>Yes</td>
<td>This indicates that the vendor tax engine should be used.</td>
</tr>
<tr>
<td>Tax Taxware: Use Nexpro</td>
<td>Yes</td>
<td>This indicates whether the Nexpro functionality should be used within Taxware</td>
</tr>
<tr>
<td>Tax Taxware: Tax Selection Parameter</td>
<td>Tax only</td>
<td>This indicates whether jurisdiction level jurisdiction codes should be used in the calculation of taxes. The value ‘Tax only’ will calculate tax based on the ship–to address only.</td>
</tr>
<tr>
<td>Tax Taxware: Tax Type</td>
<td>Sales</td>
<td>Type of tax. Enter a value of Sale, Service, or Use.</td>
</tr>
</tbody>
</table>
Table 1 – 3  Profile Options and Default Values

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

**Step 5 – Set Up Lookup Code AR TAXVDR: Location Qualifier**

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

Navigation Path: Navigate→ Setup→ System → QuickCodes → Receivables

Required Setup: Enable ALL and disable STATE, COUNTY, and CITY to get a consolidated, single tax line.
Step 6 – Set Up Lookup Code Tax Exemption Reason

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

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

Step 7 – Set Up Vendor–Specific Tax Codes

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

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

Step 8 – Set Up Vendor Tax Views

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

In the System Options window, set the Tax Vendor Views field to Taxware. This changes the database views for this organization so that they will use the data source derived from the Taxware views.
Step 9 – Verify Tax Vendor Implementation

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

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

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

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

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

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

- Update/Delete a line
  When you update or delete an invoice line, tax amounts will always reconcile to your vendor’s tax reports.
• Credit this invoice
  When you create credit memos, tax amounts will always reconcile to your vendor’s tax reports.

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

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

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

Step 10 – Implement Descriptive Flexfields (optional)

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

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

This section describes the Demonstration Script for a standard implementation.

Create Customer Addresses

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

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

Create a Sales Order

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

Tax Calculation on Sales Orders

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

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

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

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

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

### Figure 2 – 1 Sales Order Acknowledgement Report

<table>
<thead>
<tr>
<th>Line</th>
<th>Item Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Selling Price</th>
<th>Extended Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Relational Database Management</td>
<td>1</td>
<td>Each</td>
<td>10,000.00</td>
<td>10,000.00</td>
</tr>
<tr>
<td>2</td>
<td>SQL*NET</td>
<td>3</td>
<td>Each</td>
<td>47,500.00</td>
<td>142,500.00</td>
</tr>
</tbody>
</table>

**Tax Details:**

- **Tax Rate:** 6
- **Taxable Amount:** 152,500.00
- **Tax Amount:** 9,150.00
- **Tax Total:** 9,150.00
Invoice Lines from an Imported Order

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

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.
Vendor Tax Reports (After AutoInvoice)

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

<table>
<thead>
<tr>
<th>States:</th>
<th>No Divisions:</th>
<th>Reasons:</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 ALABAMA</td>
<td>02 ALASKA</td>
<td>03 US GOVTNMT</td>
</tr>
<tr>
<td>03 ARIZONA</td>
<td>04 ARKANSAS</td>
<td>06 INTERSTATE</td>
</tr>
<tr>
<td>05 CALIFORNIA</td>
<td>06 COLORADO</td>
<td>15 ENT. ZONE</td>
</tr>
<tr>
<td>07 CONNECTICUT</td>
<td>08 DELAWARE</td>
<td>21 SHIPS</td>
</tr>
<tr>
<td>09 DISTRICT OF COLUMBIA</td>
<td>10 FLORIDA</td>
<td>23 SCHOOLS</td>
</tr>
<tr>
<td>11 GEORGIA</td>
<td>12 HAWAII</td>
<td>25 EXEMPT ORG</td>
</tr>
<tr>
<td>13 IDAHO</td>
<td>14 ILLINOIS</td>
<td>27 PACK MATER</td>
</tr>
<tr>
<td>15 INDIANA</td>
<td>16 IOWA</td>
<td>29 COMM FISH</td>
</tr>
<tr>
<td>17 KANSAS</td>
<td>18 KENTUCKY</td>
<td>31 LEASING</td>
</tr>
<tr>
<td>19 LOUISIANA</td>
<td>20 MAINE</td>
<td>33 AIRCRAFT</td>
</tr>
<tr>
<td>21 MARYLAND</td>
<td>22 MASSACHUSETTS</td>
<td>35 AGRICULTUR</td>
</tr>
<tr>
<td>23 MICHIGAN</td>
<td>24 MINNESOTA</td>
<td>37 CONTRACTOR</td>
</tr>
<tr>
<td>25 MISSISSIPPI</td>
<td>26 MISSOURI</td>
<td>39 FUEL/ENERG</td>
</tr>
<tr>
<td>27 MONTANA</td>
<td>28 NEBRASKA</td>
<td>41 USE EXMP</td>
</tr>
<tr>
<td>29 NEVADA</td>
<td>30 NEW HAMPSHIRE</td>
<td>43 MANUFACTUR</td>
</tr>
<tr>
<td>31 NEW JERSEY</td>
<td>32 NEW MEXICO</td>
<td>45 RELIGIOUS</td>
</tr>
<tr>
<td>33 NEW YORK</td>
<td>34 NORTH CAROLINA</td>
<td>47 EX HOSPITAL</td>
</tr>
<tr>
<td>35 NORTH DAKOTA</td>
<td>36 OHIO</td>
<td>49 MED CR UN</td>
</tr>
<tr>
<td>37 OKLAHOMA</td>
<td>38 OREGON</td>
<td>51 REPLCPART</td>
</tr>
<tr>
<td>39 PENNSYLVANIA</td>
<td>40 RHODE ISLAND</td>
<td>53 RAW MATL</td>
</tr>
<tr>
<td>41 SOUTH CAROLINA</td>
<td>42 SOUTH DAKOTA</td>
<td>55 MED EQUIP</td>
</tr>
<tr>
<td>43 TENNESSEE</td>
<td>44 TEXAS</td>
<td>57 FORGN DIP</td>
</tr>
<tr>
<td>45 UTAH</td>
<td>46 VERMONT</td>
<td>59 MED</td>
</tr>
<tr>
<td>47 VIRGINIA</td>
<td>48 WASHINGTON</td>
<td>61 URBAN</td>
</tr>
<tr>
<td>49 WEST VIRGINIA</td>
<td>50 WISCONSIN</td>
<td>63 PUBLISHING</td>
</tr>
<tr>
<td>51 WYOMING</td>
<td>52 CANADA</td>
<td>65 OTHER</td>
</tr>
<tr>
<td>53 INTERNATIONAL</td>
<td>54 PUERTO RICO</td>
<td>AB FARM MACHIN</td>
</tr>
<tr>
<td>55 U.S. VIRGIN ISLANDS</td>
<td>56 PACIFIC ISLANDS</td>
<td>AD BLIND &amp; SBL</td>
</tr>
<tr>
<td>57 GUAM</td>
<td>58 AMERICAN SAMOA</td>
<td>AP CIVIL</td>
</tr>
<tr>
<td>59 RESERVED</td>
<td>60 AMERICAN FORCES AMERICAS</td>
<td>AH DIRECT PAY</td>
</tr>
<tr>
<td>61 AMERICAN FORCES EUROPE</td>
<td>62 AMERICAN FORCES PACIFIC</td>
<td>AJ EXEMPT ORG</td>
</tr>
<tr>
<td>99 UNITED STATES FEDERAL</td>
<td></td>
<td>AL ATHLETIC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AN CEMETERY</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AP CIVIC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AR EDUCATION</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AT EXORSU</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AV HISTORICAL</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AX LEGAL</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AZ ORPHAN</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BB SCIENTIFIC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BD TOURIST</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BF VETERAN</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BM GOVERNMENT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BL GOVT</td>
</tr>
</tbody>
</table>

2–8 Integrating Oracle Receivables with the Taxware Sales/Use Tax System
### Inserting New Lines

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

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

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

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

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

Adjust the Invoice

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

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

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

Creating Manual Invoices

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

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

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

Vendor Tax Reports (Complete)

The following vendor tax report shows the result of all the transactions entered in this section.
MISSISSIPPI  26 MISSOURI
27 MONTANA   28 NEBRASKA
29 NEVADA    30 NEW HAMPSHIRE
31 NEW JERSEY 32 NEW MEXICO
33 NEW YORK   34 NORTH CAROLINA
35 NORTH DAKOTA 36 OHIO
37 OKLAHOMA  38 OREGON
39 PENNSYLVANIA 40 RHODE ISLAND
41 SOUTH CAROLINA 42 SOUTH DAKOTA
43 TENNESSEE  44 TEXAS
45 UTAH      46 VERMONT
47 VIRGINIA  48 WASHINGTON
49 WEST VIRGINIA  50 WISCONSIN
51 WYOMING   52 CANADA
53 INTERNATIONAL  54 PUERTO RICO
55 U.S. VIRGIN ISLANDS  56 PACIFIC ISLANDS
57 GUAM      58 AMERICAN SAMOA
59 RESERVED  60 AMERICAN FORCES AMERICAS
61 AMERICAN FORCES EUROPE 62 AMERICAN FORCES PACIFIC
63 ARIZONA   64 ARKANSAS
65 ARKANSAS  66 CALIFORNIA
67 CALIFORNIA 68 COLORADO
69 COLORADO  70 CONNECTICUT
71 CONNECTICUT 72 DELAWARE
73 DELAWARE  74 FLORIDA
75 FLORIDA    76 GEORGIA
76 GEORGIA   77 GHANA
78 GAMBIA    79 GHANA
80 GAMBIA    81 GHANA
81 GHANA     82 GUAM
83 GUAM       84 HAWAII
85 HAWAII    86 HIBISCUS
87 HIBISCUS  88 IRELAND
88 IRELAND   89 ISRAEL
90 ISRAEL     91 JAMAICA
92 JAMAICA   93 JAMAICA
93 JAMAICA   94 JAMAICA
94 JAMAICA   95 JAMAICA
95 JAMAICA   96 JAMAICA
96 JAMAICA   97 JAMAICA
97 JAMAICA   98 JAMAICA
98 JAMAICA   99 JAMAICA

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All Dates

1 1107 10001182 08271998 142500.00 8550.00 8550.00 U 83
REAS CODE: TAX CERT #: TAXABLE STATE COUNTY CITY TRANSIT TAXES TYPE
1107 10001182 08271998 10000.00 600.00 600.00 U 83
REAS CODE: TAX CERT #: TAXABLE STATE COUNTY CITY TRANSIT TAXES TYPE

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All Dates

STATE: FLORIDA

C_U_S_T_O_M_E_R  __I_N_V_O_I_C_E__  GROSS  TAXES  TOTAL
Name or Number Number mmddyyyy EXEMPT TAXABLE STATE COUNTY CITY TRANSIT TAXES TYPE

1 1107 10001182 08271998 142500.00 8550.00 8550.00 U 83
REAS CODE: TAX CERT #: TAXABLE STATE COUNTY CITY TRANSIT TAXES TYPE
1107 10001182 08271998 10000.00 600.00 600.00 U 83
REAS CODE: TAX CERT #: TAXABLE STATE COUNTY CITY TRANSIT TAXES TYPE

2–16 Integrating Oracle Receivables with the Taxware Sales/Use Tax System
The boldfaced, larger numbers in this tax report correspond to the operations described below:

1. AutoInvoice: Inserting two invoice lines.
2. Inserting New Line: Inserting a new invoice line.
3. Updating Line: Backing out the original line and inserting a new invoice line.
5. Manual Credit Memo: Inserting three credit lines.
6. Recurring Invoice: Inserting three Invoice Lines
7. Manual Invoice: Inserting two Invoice Lines
8. Applying an Exemption: Backing out one line and inserting a new line.
Business Processes

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

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

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

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

Origin and Destination-Based Taxes

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

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

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

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

*Table 3 – 1  Taxware STEP and Oracle Values*

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

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

Define Tax Exemptions

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

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

Order and Invoice Level Overrides

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

Taxware Geocode

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

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

Using Geocodes within Oracle Applications

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

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

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

Database Storage Requirements

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

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

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

Address Validation Data – Taxware TMDFL Data File

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

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

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

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

Next, run the Oracle Receivables concurrent program Sales Tax Rate Interface using the following parameters:
<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review or Upload</td>
<td>Load Changed Data Only in Tax Interface Table</td>
</tr>
<tr>
<td>Print Format</td>
<td>Print Warnings in Detail</td>
</tr>
<tr>
<td>State</td>
<td>&lt;null&gt;</td>
</tr>
</tbody>
</table>

Sales Tax Reporting and Reconciliation Processes

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

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

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

Reconciliation Checklist

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

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

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

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

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

**Audit Process**

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

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

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

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

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

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

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

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

### Step 1 – Enable Log File

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

<table>
<thead>
<tr>
<th>Block: Parameters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item Name: AR_DEBUG_FLAG</td>
</tr>
<tr>
<td>Item Value: FS &lt;Pathname&gt;^1 &lt;Filename&gt;^2</td>
</tr>
</tbody>
</table>

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

| Item Value: FS /tmp Taxware001.txt |

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

- Access to the Help–>Tools–>Examine window
- A pathname, listed in the INIT.ORA file for the parameter UTL_FILE_DIR
Step 2 – Execute Tax Calculation

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

Step 3 – Exit Oracle Applications

Once the system has started recording the tax calculations, it will continue to record this information until you exit the application.
This chapter describes the internal communication parameters between Oracle and Taxware, the Oracle tax view functions that support this communication, and how to extend the integration using user descriptive flexfields and the PL/SQL functions. This chapter also includes some commonly asked questions about using the Taxware Sales/Use Tax System with Oracle Receivables.
Available Parameters

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

<table>
<thead>
<tr>
<th>Member Related View Column</th>
<th>Data Type</th>
<th>Parameter Type</th>
<th>Null Allowed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>BILL_TO_CUSTOMER_ID</td>
<td>number</td>
<td>input</td>
<td>no</td>
</tr>
<tr>
<td>SHIP_TO_CUSTOMER_ID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>TRX_HEADER_ID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>TRX_NUMBER</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>BILL_TO_CUSTOMER_NUMBER</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>SHIP_TO_CUSTOMER_NUMBER</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>BILL_TO_CUSTOMER_NAME</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>SHIP_TO_CUSTOMER_NAME</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>PREVIOUS_TRX_HEADER_ID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>PREVIOUS_TRX_NUMBER</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>TRX_DATE</td>
<td>date</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>GL_DATE</td>
<td>date</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>SHIP_TO_SITE_USE_ID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>BILL_TO_SITE_USE_ID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>SHIP_TO_POSTAL_CODE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>BILL_TO_POSTAL_CODE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>SHIP_TO_LOCATION_CCID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>BILL_TO_LOCATION_CCID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>INVOICING_RULE_ID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>FOB_CODE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>CURRENCY_CODE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>EXCHANGE_RATE</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>MINIMUM_ACCOUNTABLE_UNIT</td>
<td>number</td>
<td>input/output</td>
<td>yes</td>
</tr>
<tr>
<td>Member Related View Column</td>
<td>Data Type</td>
<td>Parameter Type</td>
<td>Null Allowed?</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-----------</td>
<td>----------------</td>
<td>---------------</td>
</tr>
<tr>
<td>PRECISION</td>
<td>number</td>
<td>input/output</td>
<td>yes</td>
</tr>
<tr>
<td>TAX_HEADER_LEVEL_FLAG</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>TAX_ROUNDING_RULE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>TRX_LINE_ID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>PREVIOUS_TRX_LINE_ID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>TRX_LINK_TO_CUST_TRX_LINE_ID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>MEMO_LINE_ID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>TAXED_QUANTITY</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>INVENTORY_ITEM_ID</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>EXTENDED_AMOUNT</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>TAX_CODE</td>
<td>varchar2</td>
<td>input/output</td>
<td>yes</td>
</tr>
<tr>
<td>VAT_TAX_ID</td>
<td>number</td>
<td>input/output</td>
<td>yes</td>
</tr>
<tr>
<td>VAT_TAX_ID</td>
<td>number</td>
<td>input/output</td>
<td>yes</td>
</tr>
<tr>
<td>TAX_EXCEPTION_ID</td>
<td>number</td>
<td>input/output</td>
<td>yes</td>
</tr>
<tr>
<td>TAX_RATE</td>
<td>number</td>
<td>input/output</td>
<td>yes</td>
</tr>
<tr>
<td>USSGL_TRANSACTION_CODE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>AUDIT_FLAG</td>
<td>varchar2</td>
<td>input</td>
<td>no</td>
</tr>
<tr>
<td>LOCATION_QUALIFIER</td>
<td>varchar2</td>
<td>input</td>
<td>no</td>
</tr>
<tr>
<td>SHIP_FROM_ADDRESS_CODE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>SHIP_TO_ADDRESS_CODE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>POO_ADDRESS_CODE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>POA_ADDRESS_CODE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>VENDOR_CONTROL_EXEMPTIONS</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>TAX_EXEMPT_FLAG</td>
<td>varchar2</td>
<td>input/output</td>
<td>yes</td>
</tr>
<tr>
<td>TAX_EXEMPT_NUMBER</td>
<td>varchar2</td>
<td>input/output</td>
<td>yes</td>
</tr>
<tr>
<td>TAX_EXEMPT_REASON</td>
<td>varchar2</td>
<td>input/output</td>
<td>yes</td>
</tr>
<tr>
<td>TAX_EXEMPT_PERCENT</td>
<td>number</td>
<td>input/output</td>
<td>yes</td>
</tr>
<tr>
<td>TRX_LINE_TYPE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>PART_NUMBER</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
</tbody>
</table>
4–4 Integrating Oracle Receivables with the Taxware Sales/Use Tax System

### Parameter Type

<table>
<thead>
<tr>
<th>Member Related View Column</th>
<th>Data Type</th>
<th>Parameter Type</th>
<th>Null Allowed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIVISION_CODE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>COMPANY_CODE</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>ATTRIBUTE1–5</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>NUMERIC_ATTRIBUTE1–5</td>
<td>number</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>TAXABLE_FLAG</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>Default return code</td>
<td>number</td>
<td>input</td>
<td>no</td>
</tr>
<tr>
<td>True if credit memo</td>
<td>boolean</td>
<td>input</td>
<td>no</td>
</tr>
<tr>
<td>TAXABLE_FLAG</td>
<td>varchar2</td>
<td>input</td>
<td>yes</td>
</tr>
<tr>
<td>Default return code</td>
<td>number</td>
<td>input/output</td>
<td>yes</td>
</tr>
<tr>
<td>TAX_Vendor_RETURN_CODE</td>
<td>varchar2</td>
<td>output</td>
<td>no</td>
</tr>
</tbody>
</table>

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

## Tax View Functions

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

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

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

<table>
<thead>
<tr>
<th>Column Name</th>
<th>Function Name</th>
<th>Default Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATTRIBUTE1</td>
<td>CALCULATION_FLAG</td>
<td>Calculate tax at all jurisdiction levels</td>
</tr>
<tr>
<td>COMPANY_CODE</td>
<td>COMPANY_CODE</td>
<td>NULL</td>
</tr>
<tr>
<td>PRODUCT_CODE</td>
<td>PART_NUMBER</td>
<td>SEGMENT1 of MTL_SYSTEM_ITEMS</td>
</tr>
<tr>
<td>Column Name</td>
<td>Function Name</td>
<td>Default Value</td>
</tr>
<tr>
<td>------------------------</td>
<td>------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>POA_ADDRESS_CODE</td>
<td>POA_ADDRESS_CODE</td>
<td>Ship–to jurisdiction code</td>
</tr>
<tr>
<td>POO_ADDRESS_CODE</td>
<td>POO_ADDRESS_CODE</td>
<td>Ship–to jurisdiction code</td>
</tr>
<tr>
<td>NUMERIC_ATTRIBUTE4</td>
<td>SERVICE_INDICATOR</td>
<td>Profile: TAXVDR_SERVICEIND</td>
</tr>
<tr>
<td>SHIP_FROM_ADDRESS_CODE</td>
<td>SHIP_FROM_ADDRESS_CODE</td>
<td>Ship–to jurisdiction code</td>
</tr>
<tr>
<td>SHIP_TO_ADDRESS_CODE</td>
<td>SHIP_TO_ADDRESS_CODE</td>
<td>Ship–to jurisdiction code</td>
</tr>
<tr>
<td>NUMERIC_ATTRIBUTE2</td>
<td>TAX_SEL_PARM</td>
<td>Profile: TAXVDR_TAXSELPARAM</td>
</tr>
<tr>
<td>NUMERIC_ATTRIBUTE3</td>
<td>TAX_TYPE</td>
<td>Profile: TAXVDR_TAXTYPE</td>
</tr>
<tr>
<td>ATTRIBUTE2</td>
<td>USE_NEXPRO</td>
<td>Profile: TAXVDR_USENEXPRO</td>
</tr>
<tr>
<td>VENDOR_CONTROL_EXEMPTIONS</td>
<td>VENDOR_CONTROL_EXEMPTIONS</td>
<td>Job Number</td>
</tr>
</tbody>
</table>

Table 4 – 2  Tax View Functions

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

The functions will be defined as follows: if the returned value has a combined meaning (for example, if the first character means something and the rest of the string means something else), this will be described; if the value is derived from a descriptive flexfield defined on a table, this will also be defined; if the function is relevant only to a particular vendor, this will also be marked.
FUNCTION CALCULATION_FLAG (  
    p_view_name          IN VARCHAR2,  
    p_header_id          IN NUMBER,  
    p_line_id            IN NUMBER) RETURN  
    VARCHAR2;

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

RETURNS Jurisdiction level  
    calculation flag

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

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

FUNCTION COMPANY_CODE (  
    p_view_name          IN VARCHAR2,  
    p_header_id          IN NUMBER,  
    p_line_id            IN NUMBER) RETURN  
    VARCHAR2;

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

RETURNS Company code

This value is used to control the tax reporting level. The PL/SQL 
global variable ARP_STANDARD.SYSPARM.SET_OF_BOOKS_ID and 
ARP_STANDARD.SYSPARM.ORG_ID can be referenced from within
these functions for set of books and organization information.

**PROCEDURE GET_EXEMPTIONS**

```sql
PROCEDURE GET_EXEMPTIONS(
    p_exemption_id IN NUMBER,
    p_state_exempt_percent OUT NUMBER,
    p_state_exempt_reason OUT VARCHAR2,
    p_state_cert_no OUT VARCHAR2,
    p_county_exempt_percent OUT NUMBER,
    p_county_exempt_reason OUT VARCHAR2,
    p_county_cert_no OUT VARCHAR2,
    p_city_exempt_percent OUT NUMBER,
    p_city_exempt_reason OUT VARCHAR2,
    p_city_cert_no OUT VARCHAR2,
    p_sec_county_exempt_percent OUT NUMBER,
    p_sec_city_exempt_percent OUT NUMBER,
    p_use_step OUT VARCHAR2,
    p_step_proc_flag OUT VARCHAR2,
    p_crit_flag OUT VARCHAR2);

INPUT p_exemption_id ID of exemption
```
This function is called by the package ARP_TAX_TAXWARE (interface package) to determine the jurisdiction level exemption percentages.

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

If p_exemption_id is NULL, then no exemptions were found. p_<juris>_exempt_percent, p_<juris>_exempt_reason, and p_<juris>_exempt_cert_no are passed NULL. Since no exemptions were found, STEP90 will be used to determine whether an exemption exists for this transaction. Therefore, p_use_step will be set to ‘Y’, p_step_proc_flag will be set to ‘1’, and p_crit_flag will be set to ‘R’.

Otherwise, the state, county, and city exemption percent will be determined from ATTRIBUTE13, ATTRIBUTE14, and ATTRIBUTE15 respectively from the Tax Exemption Information descriptive flexfield. If these values do not exist, then the default exemption percent from the actual Oracle exemption certificate will be used. The exemption reason and certificate number will be set to the value from the actual Oracle exemption for all jurisdiction levels.

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

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

Table 4 – 3 Values for function p_use_step

Valid values for p_step_proc_flag:

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

Table 4 – 4 Values for function p_step_proc_flag

Valid values for p_crit_flag:
<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
<td>Retail</td>
</tr>
<tr>
<td>D</td>
<td>E.D.I.</td>
</tr>
<tr>
<td>M</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>C</td>
<td>Construction</td>
</tr>
</tbody>
</table>

Table 4 – 5  Values for function p_crit_flag

```sql
FUNCTION PART_NUMBER(
    p_view_name IN VARCHAR2,
    p_header_id  IN NUMBER,
    p_line_id    IN NUMBER,
    p_item_id    IN NUMBER,
    p_memo_line_id IN NUMBER)
RETURN VARCHAR2;
```

**INPUT**
- `p_view_name` Name of view calling this function
- `p_header_id` 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

**RETURNS**  Item Category

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

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

**INPUT**

```
  p_view_name  Name of view calling this
  p_header_id   function
  p_line_id     ID of transaction header
  p_salesrep_id ID of the primary sales
                  representative
```

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

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

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

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

If this information is not available, then the default value of ‘XXXXXXXXXX’ will be returned. This will indicate to the interface package that the ship–from Geocode should be used. If no ship–from Geocode is found, then the ship–to Geocode will be used in place of the POA_ADDRESS_CODE.
FUNCTION POO_ADDRESS_CODE(
    p_view_name IN VARCHAR2,
    p_header_id IN NUMBER,
    p_line_id IN NUMBER) RETURN VARCHAR2;

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

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

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

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

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

If this information is not available, then the default value of ‘XXXXXXXXXX’ will be returned. This will indicate to the interface package that the ship–from Geocode should be used. If no ship–from Geocode is found, then the ship–to Geocode will be used in place of the POO_ADDRESS_CODE.
FUNCTION SERVICE_INDICATOR (  
    p_view_name  IN VARCHAR2,  
    p_header_id  IN NUMBER,  
    p_line_id    IN NUMBER) RETURN VARCHAR2;

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

RETURNS  Service Indicator

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

FUNCTION SHIP_FROM_ADDRESS_CODE (  
    p_view_name  IN VARCHAR2,  
    p_header_id  IN NUMBER,  
    p_line_id    IN NUMBER,  
    p_warehouse_id  IN NUMBER) RETURN VARCHAR2;

INPUT  p_view_name  Name of view calling this function  
       p_header_id  ID of transaction header  
       p_line_id    ID of transaction line  
       p_warehouse_id  ID of warehouse of the ship–from

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

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

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

The In/Out City Limits will be derived from ATTRIBUTE19 of the Additional Organization Unit Details descriptive flexfield. The Jurisdiction code will be derived from ATTRIBUTE 20 of the Additional Organization Unit Details descriptive flexfield.
If this information is not available, then the default value of 'XXXXXXXXXX' will be returned. This will indicate to the interface package that the ship–to address code should be used in place of the SHIP_FROM_ADDRESS_CODE.

FUNCTION SHIP_TO_ADDRESS_CODE (  
    p_view_name IN VARCHAR2,  
    p_header_id IN NUMBER,  
    p_line_id IN NUMBER,  
    p_ship_to_address_id IN NUMBER,  
    p_ship_to_location_id IN NUMBER,  
    p_trx_date IN DATE,  
    p_ship_to_state IN VARCHAR2,  
    p_postal_code IN VARCHAR2) RETURN VARCHAR2;

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

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

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

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

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

If the In/Out City Limits flag is not found at ATTRIBUTE 14 of the Address Information descriptive flexfield, this function will default to within city limits ('1').
If the Jurisdiction code is not found at ATTRIBUTE15 of the Address Information descriptive flexfield, this function will search for the Jurisdiction code in ATTRIBUTE1 of AR_LOCATION_RATES table. If a value is not found, then a NULL value is passed back for Taxware. This will then cause an error to occur within the tax engine.

**FUNCTION TAX_SEL_PARM**

```
FUNCTION TAX_SEL_PARM (p_view_name IN VARCHAR2,
p_header_id IN NUMBER,
p_line_id IN NUMBER) RETURN VARCHAR2
```

**INPUT**
- `p_view_name`: Name of view calling this function
- `p_header_id`: ID of transaction header
- `p_line_id`: ID of transaction line

**RETURNS**
- Tax selection parameter

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

**FUNCTION TAX_TYPE**

```
FUNCTION TAX_TYPE (p_view_name IN VARCHAR2,
p_header_id IN NUMBER,
p_line_id IN NUMBER) RETURN VARCHAR2
```

**INPUT**
- `p_view_name`: Name of view calling this function
- `p_header_id`: ID of transaction header
- `p_line_id`: ID of transaction line

**RETURNS**
- Tax Type

This function returns '1', '2' or '3.' A '1' indicates a Sales tax; '2' indicates a use tax; '3' indicates a Rental. This function returns the value of the profile option 'Tax Taxware: Tax Type.'
FUNCTION USE_NEXPRO (  
    p_view_name IN VARCHAR2,  
    p_header_id IN NUMBER,  
    p_line_id IN NUMBER) RETURN VARCHAR2

INPUT p_view_name Name of view calling this function  
P_header_id ID of transaction header  
P_line_id ID of transaction line

RETURNS Use Nexpro
Indicates whether the Nexpro functionality should be used by Taxware.  
‘Y’ indicates that Nexpro should be used; ‘N’ indicates that it should not.  
This function returns the value of the profile option ‘Tax Taxware: Use Nexpro.’

FUNCTION VENDOR_CONTROL_EXEMPTIONS (  
    p_view_name IN VARCHAR2,  
    p_header_id IN NUMBER,  
    p_line_id IN NUMBER,  
    p_trx_type_id IN NUMBER) RETURN VARCHAR2;

INPUT p_view_name Name of view calling this function  
P_header_id ID of transaction header  
P_line_id ID of transaction line  
P_trx_type_id ID of the transaction type

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

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

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

<table>
<thead>
<tr>
<th>Table Name</th>
<th>Descriptive Flexfield Name</th>
<th>Column</th>
<th>Description</th>
<th>Value Set Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR_ORGANIZATION_UNITS</td>
<td>Additional Organization Unit Details</td>
<td>ATTRIBUTE20</td>
<td>Ship–from Jurisdiction Code</td>
<td>AR_TAXVDR_TAXWARE_GEO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ATTRIBUTE19</td>
<td>Ship–from In/Out City Limits</td>
<td>AR_TAXVDR_YES_NO</td>
</tr>
<tr>
<td>RA_SALESREPS</td>
<td>Sales Representative Information</td>
<td>ATTRIBUTE15</td>
<td>POA Jurisdiction Code</td>
<td>AR_TAXVDR_TAXWARE_GEO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ATTRIBUTE14</td>
<td>POA In/Out City Limits</td>
<td>AR_TAXVDR_YES_NO</td>
</tr>
<tr>
<td>RA_ADDRESSES</td>
<td>Address Information</td>
<td>ATTRIBUTE15</td>
<td>Ship–to Jurisdiction Code</td>
<td>AR_TAXVDR_TAXWARE_GEO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ATTRIBUTE14</td>
<td>Ship–to In/Out City Limits</td>
<td>AR_TAXVDR_YES_NO</td>
</tr>
<tr>
<td>RA_CUST_TRX_TYPES</td>
<td>Transaction Type Information</td>
<td>ATTRIBUTE15</td>
<td>Job Number</td>
<td>AR_TAXVDR_CHAR10</td>
</tr>
<tr>
<td>RA_TAX_EXEMPTIONS</td>
<td>Tax Exemption Information</td>
<td>ATTRIBUTE12</td>
<td>District Exempt Percent</td>
<td>AR_TAXVDR_PERCENT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ATTRIBUTE13</td>
<td>State Exempt Percent</td>
<td>AR_TAXVDR_PERCENT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ATTRIBUTE14</td>
<td>County Exempt Percent</td>
<td>AR_TAXVDR_PERCENT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ATTRIBUTE15</td>
<td>City Exempt Percent</td>
<td>AR_TAXVDR_PERCENT</td>
</tr>
</tbody>
</table>

*Table 4–6  Descriptive Flexfields and their Values*
Warning: Use of these columns is considered a customization. Functions supplied by Oracle may change in future releases to support these fields in core tables. Additionally, if these columns are in use by your customizations, you will need to either redefine the view functions so that they look in other attribute columns, or your customizations must be changed so that they reside in other locations.
Commonly Asked Questions

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

- Oracle Receivables provides a simple solution to US Sales Tax Compliance that does not consider Origin-Based Taxes, Quantity Thresholds, or Muni/District Taxes.
- The integration with Taxware STEP allows you to calculate, account for, and report on these complex taxes. You may be required to consider these tax issues if you have multiple warehouses or if you have warehouses that are located in jurisdictions that include origin-based tax.
- Using your choice of tax vendors, you can dramatically reduce the costs associated with US Sales Tax compliance.

Who do I call to obtain Taxware products and services?

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

When is the Tax Extension called to calculate a rate?

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

- Oracle Order Entry Sales Orders Workbench
- Oracle Order Entry Sales Acknowledgment Report
- Receivables AutoInvoice program
- Receivables Transaction Workbench
- Receivables Copy Transactions window
- Sales and Marketing Quotes window
- Web Customers Orders

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

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

- State.County.City

The State.County.City structure provides the greatest accuracy in locating a tax jurisdiction and tax rate given a customer address.
Additionally, the SQL*Loader control files, aravp.ctl and artaxware.ctl, support the State.County.City location flexfield structure.

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

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

**Can an Oracle Order Entry window call a Tax Vendor?**

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

**How do I implement tax on freight?**

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

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

No. When preparing to convert legacy data that only tracks state, city, and zip code, you will need to manually assign the correct county to each customer address before you import that customer into Oracle Receivables.
Oracle Corporation welcomes your comments and suggestions on the quality and usefulness of this publication. Your input is an important part of the information we use for revision.

- Did you find any errors?
- Is the information clearly presented?
- Do you need more information? If so, where?
- Are the examples correct? Do you need more examples?
- What features did you like most about this manual? What did you like least about it?

If you find any errors or have any other suggestions for improvement, please indicate the topic, chapter, and page number below:

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Redwood Shores, CA  94065  USA
Phone: (650) 506–7000     Fax: (650) 506–7200

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

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Thank you for helping us improve our documentation.