

# **CloudLab Customer Conference**

## **Administration Area**

### **Topic: Tax Rules & Zones**

*Chris Sanders*

# *Tax Rules and Zones*

## *(Topics: Rates, Classes, Rules, Zones)*

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## 1. Tax Classes

### 1.1 ... Product Tax Class

Sales->Tax->Product Tax Classes

Here you would set up the name of a product tax class.

After creating a class, you would be able to assign this class to specific products.

### 1.2 ... Customer Tax Class

Sales->Tax->Customer Tax Classes

Just like the Product Tax Class, we need to assign a name for our customer tax class. The purpose of customer tax classes is to set up different rates for different customers. For example, a tax free or charitable organization vs a standard retail customer.

After creating a new tax class for the customers, you can then assign the class to a specific customer. At this point, the customer will be taxed based on the rate set up in the following section.

## 2. Tax Rates

### 2.1 ... Managing Rates (Sales->Tax->Manage Tax Zones & Rates)

This is where you would set up the actual tax rate for different states/countries/regions. You even have the ability to set different zones based on zip codes.

### 2.2 ... Import / Export (Sales->Tax->Customer Tax Classes)

If you prefer, you have the ability to import csv files into the system. Depending on how detailed your tax rates are, it might be easier to create the rates in a csv files and import them all at once.

### 2.3 ... Extensions

Managing all the different tax rates may sound like a difficult task, but there are many extensions out there that can automate the updating and managing of your tax rates for you. Note that many of the ones that offer greater flexibility might have a fee associated with using their services.

## 3. Tax Rules

### 3.1 ... Configuring Rules (Sales->Tax->Manage Tax Rules)

This section is where everything you have created in the previous steps gets tied together. The first thing to do it to give this rule a name. You select the customer tax class followed by the product tax class. Note that you can select multiple items at once by holding the ctrl key and clicking on a class. Lastly, you would select the desired rate to use for this specific rule.

At this point, all rules, classes and rates are set up and ready to use. One final thing you might want to consider adjusting is the calculation & display settings for the taxes. This can be done by going to System->Configuration->Sales->Tax

Here you have a variety of options regarding to whether or not to charge tax based on the total, before shipping or after, if you want to tax on a per unit basis or not. If taxes should be displayed in the catalog etc..

### 3.2 ... Examples