

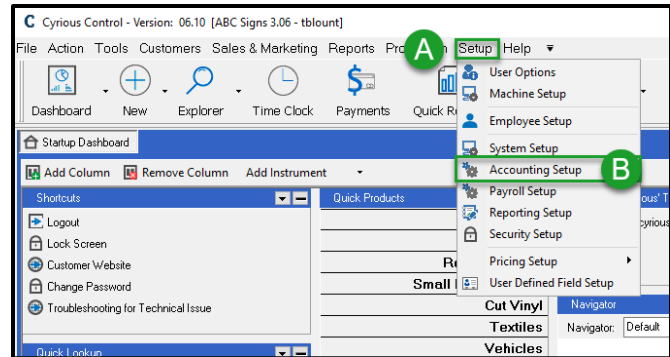
Set Up Taxability Codes

What's the purpose of this step?

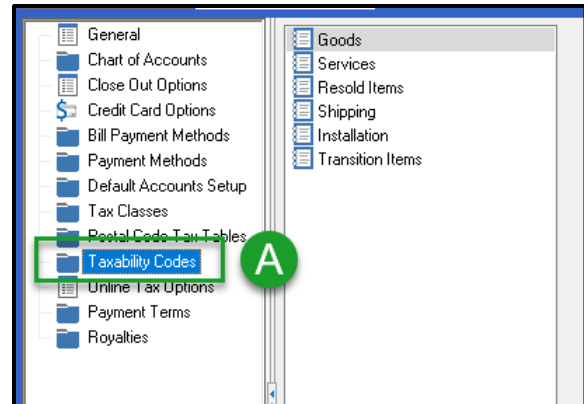
In this step, Control enables you to determine if your products are taxable or not. Depending on your location's State Revenue Department, certain items you produce or offer may or may not be taxable.

Let's get started.

1. Navigate to Accounting Setup:
 - a. Click **Setup**.
 - b. Click **Accounting Setup**.



2. Navigate to Tax Class Setup:
 - a. Click **Taxability Codes**.
 - b. Review the system default accounts as examples.



3. Editing Taxability Codes.

- You can choose to update Control's default taxability or create new ones.
- To edit an existing account, select the specific taxability code name, and click **Edit**. To create a new taxability code, select an existing one, and click **Clone**.
- Update the tax exemption information. Most businesses will use either: **Product is fully taxable** or **Product is not taxable**.

Note: If product taxability is more complex, review your scenarios with your accountant and team's consultant.

- Click **Save**.

Taxability Codes

System Taxability Code

Tax Code: Goods

Default Active

Review the information on this screen for accuracy for your tax jurisdiction.

Tax Exemptions:

- ☒ Product is fully taxable
- ☐ Product is not taxable
- ☐ Product is taxed on these:

Taxes are calculated for this taxability code based on the tax classes checked.

- ☒ My Country Tax Payable
- ☒ My State Tax Payable
- ☒ National Sales Tax

***Item Taxable Amounts:**

- ☒ Use Subtotal
- ☐ Use Formula

Item Subtotal Amount:

* The taxable amount formula calculates the taxable portion of the line item. Taxes are then calculated on this amount based on the tax class applied.

Show Products

Now you know how to set up your Taxability Codes.