

ADDING SALES TAX TO LINE ITEMS

During the Checkout process, you will be prompted with a red error message, requiring you to add sales tax information for each line item before you can submit your requisition.

The screenshot shows a checkout interface with a red error message at the top right that says "1 Error". Below the error message, there is a table with the following columns: Image, Item, Item Description, *Spend Category, Supplier, and Tax. The table contains one item: "Projection screen, 60" x 48", Da-Lite #DA1234" with a spend category of "4310 General Supplies" and a supplier of "TROXELL COMMUNICATIONS INC". The Tax column is empty, which is why the error message appears.

Under the **Tax** column you will see two fields, **Tax Applicability** and **Tax Code**. Tax Applicability is where you will indicate whether the item is "Taxable" or "Nontaxable" and "Tax Code" is where you will indicate the sales tax rate if you entered "Taxable" in the Tax Applicability field.

1. In the **Tax Applicability** field select ***Taxable or Nontaxable***

The screenshot shows the same checkout interface, but now the "Tax" column is expanded, showing a dropdown menu for "Tax Applicability". The dropdown menu has the following options: Nontaxable, Nontaxable Labor, Taxable, Taxable Labor, and Taxable Sales. The "Taxable" option is selected. The "Tax" column also shows a "Tax Recoverability" field, which is currently empty. The "Quantity" field is set to "1" and the "Unit of Measure" is set to "Each".

NOTE: Goods that are purchased are typically taxable and services including labor are typically nontaxable, although there are exceptions. Please keep in mind that the District is not exempt from sales tax and if the vendor does not bill us for sales tax or bills at a lesser rate than the current tax rate for us, we are required to pay the difference to the Franchise Tax Board of the State of California. Many suppliers assume that because we are an education institution that we are exempt from sales tax and that is not the case. In most cases, we should see sales tax added to goods requisitions (except for fees, registrations, blanket purchase orders, etc.) and we should see no sales tax added to service

requisitions (although there may be exceptions).

2. If you select **Taxable** you will then be required to enter the sales tax rate in the **Tax Code** field.
3. Select **8.25 Sales Tax (8.25%)** from the **Tax Codes** option in the dropdown menu for all lines that are labeled as Taxable.

Goods

1 item

Supplier	Tax	Tax Recoverability	*Quantity	*Unit of
<div>Supplier</div> <div><div>TROXELL COMMUNICATIONS INC</div></div> <div>Supplier Contract</div>	<div>Tax Applicability</div> <div><div>Taxable</div></div> <div>Tax Code</div> <div><div>search</div><div>← Tax Codes</div><div><div>8.25 Sales Tax (8.25%)</div><div>8.5 Sales Tax (8.5%)</div><div>Use Tax Manually Calculated (0%)</div></div></div>			

4. Repeat for all line items in the Requisition. Each line item in a requisition must be assigned as Taxable or Nontaxable with no exceptions.

Goods

1 item

Supplier	Tax	Tax Recoverability	*Quantity	*Unit of
<div>Supplier</div> <div><div>TROXELL COMMUNICATIONS INC</div></div> <div>Supplier Contract</div>	<div>Tax Applicability *</div> <div><div>Taxable</div></div> <div>Tax Code</div> <div><div>8.25 Sales Tax (8.25%)</div></div>	<div>8.25 Sales Tax: State Board of Equalization (8.25%)</div> <div><div>Nonrecoverable</div></div>	1	<div>Each</div>