ONESOURCE INDIRECT TAX INTEGRATION FOR ORACLE 12

ORDER TO CASH USER'S GUIDE

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ABOUT THIS GUIDE

USING THE ONESOURCE INDIRECT TAX INTEGRATION FOR ORACLE 12 ORDER TO CASH (O2C)

If you are using Oracle 12, you can use the ONESOURCE Indirect Tax Integration software to connect your Oracle Receivables and Oracle Order Management modules with ONESOURCE Indirect Tax Determination. This integration with Determination delivers the following key benefits:

- Fast and accurate tax results for sales, use, consumers use, and value-added tax (VAT) transactions.
- A complete audit database from which you can generate both standard and custom reports.
- Flexible configuration that allows you to work within your business requirements.

Once your organization installs the Integration, your Oracle 12 Receivables/Order Management implementation can leverage the full set of calculation, auditing, and reporting features of Determination.

This guide is intended for use by order management personnel, accounting professionals and tax professionals who use Determination to determine transaction tax for sales and invoice transactions from Oracle Receivables and Oracle Order Management.

HOW THIS GUIDE IS ORGANIZED

This guide contains the following chapters:

- ***CONFIGURING ONESOURCE INDIRECT TAX INTEGRATION PROFILE OPTIONS (page 3)***
- ***ORDER MANAGEMENT TAX CALCULATIONS (page 11)***
- ***RECEIVABLES TAX CALCULATIONS (page 35)***
- ***TAX RATE CODES AND GENERAL TAX ACCOUNTS (page 69)***

STYLE CONVENTIONS

This section describes the styles used in this document.

Bold text indicates commands, most User Interface elements (pages, windows, menu items, buttons, and so on), and values that can be selected from the User Interface.

Italic text indicates user input, file and directory names, user names, and web sites.

`Courier` text indicates command-line or text file input.

NOTE: Indicates suggestions or additional, detailed information.

Indicates important text that should be carefully reviewed before proceeding.

CONFIGURING ONESOURCE INDIRECT TAX INTEGRATION PROFILE OPTIONS

You can configure ONESOURCE Indirect Tax Integration profile options in Oracle so your transactions meet your business requirements. You can set them at various levels depending on how you want applications to respond to users.

Profile options can be grouped and administered based on the Hierarchy type to which they are attached. There are three types of hierarchy levels: Security, Organization, and Server.

- Profiles using the Security type use the hierarchy: **Site > Application > Responsibility**.
- Profiles using the Organization type use the hierarchy: **Site > Organization > User**.
- Profiles using the Server type use the hierarchy: **Site > Server > User**.

NOTE For a complete list with detailed information and recommended settings about configuring ONESOURCE Indirect Tax Integration profile options, see the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide*.

This chapter describes the following:

- ***CONFIGURING PROFILE OPTIONS AT THE SITE LEVEL (this page)***
- ***SETTING EBTAX: SABRIX TAX ACCOUNTING LEVEL (page 7)***
- ***SETTING EBTAX: SABRIX CALCULATE ORDER MANAGEMENT DOCUMENT TAX (page 10)***

CONFIGURING PROFILE OPTIONS AT THE SITE LEVEL

Profile options are configurable options that affect the way your application looks and behaves. The following profile options were created during the installation of the ONESOURCE Indirect Tax Integration and must be configured to enable Oracle to interact with ONESOURCE Indirect Tax Determination.

To set profile options:

1. Select the **System Administrator** responsibility.
2. Navigate to **Profile > System** and click **Open**.
3. Enter *%Sabrix%* in the **Profile** field and click **Find**.

4. The table below lists the profile options required by the Integration for the O2C flow. Record your own choices in the **Your Value** column:

Profile Options Required for the Order to Cash Flow		
Profile Option	**Set To**	**Your Value**
eBTax: Sabrix AR Audit On Complete	Set to one of the following for AR: • *Yes*: AR Transactions are sent to Audit only when the AR transaction has been completed and has status of 'Complete.' • *No*: AR Transactions are sent to Audit during the Determination tax call (usually when transaction is saved). • *NULL*: value defaults to No.	
eBTax: Sabrix Allow order to book with Severity 2 error	• *No*: The sales order will be prevented from booking until the severity 2 issue is resolved. • *Yes*: The sales order can be booked and fulfilled in spite of a severity 2 error. The error will need to be resolved before invoicing can occur, but it will not hold up the order processing cycle. **Note**: The sales order must be 'Booked' a second time in order for the order to be 'Booked' with a Severity 2 error such as *Unknown Sabrix Company*.	
eBTax: Sabrix Calculate OM Document Tax	When the tax event is set to booking, set to one of the following for OM performance: • *Yes*: OM Transactions sent to Determination for a tax call is 'Document at a Time' instead of line by line. • *No*: Each sales order line will make a tax call via eBTax to Determination. • *NULL*: value defaults to No. **Note**: For more information, see *SETTING EBTAX: SABRIX CALCULATE ORDER MANAGEMENT DOCUMENT TAX (page 10)*.	

<table>
<tr><th colspan="3">Profile Options Required for the Order to Cash Flow</th></tr>
<tr><th>Profile Option</th><th>Set To</th><th>Your Value</th></tr>
<tr><td>eBTax: Sabrix Company</td><td>A value that maps exactly to an External Company ID set in Determination for the desired company. This option can be set multiple times (by operating unit responsibility) depending on the complexity of your configuration. You must choose one of the options below:
• The External Company ID in Determination must be identical to the Oracle accounting flexfield balancing segment.
• BALANCE_SEGMENT or SEGMENT*_VALUE functionality ONLY applies to P2P. For more information, see “Multiple Company Segments for a Single AP Invoice” in the ONESOURCE Indirect Tax Integration for Oracle 12 Procure to Pay User’s Guide.
For the other ONESOURCE Indirect Tax Integration your company is using, this field needs to be set at the Application level. This would include Order Management, Receivables, Purchasing and Payables.</td><td></td></tr>
<tr><td>eBTax: Sabrix Customer Number Source</td><td>Set to one of the following:
• Party: Oracle Party Number to be used for the Customer Number field when setting up Determination Customer Exemption Certificates based on Oracle R12 functionality.
• Customer: Oracle Customer Account Number to be used for the Customer Number field when setting up Determination Customer Exemption Certificates for Oracle R11i backward compatibility.
• Null: Value defaults to Oracle Party Number.</td><td></td></tr>
<tr><td>eBTax: Sabrix Debug Level</td><td>Set to one of the following:
• ALL to write all debug messages.
• XML to write only XML messages.
Note: In order to generate the Sabrix XML Report or Sabrix Log Report, the profile option must be set to either ALL or XML prior to executing a transaction.
• OFF to not write messages.
• USER to write all debug messages.
• WARNING to write non-severe warning messages.
• TIMING to write procedure entry and exit messages for AP transactions only in the SABRIX_LOG table.</td><td></td></tr>
</table>

Profile Options Required for the Order to Cash Flow		
Profile Option	**Set To**	**Your Value**
eBTax: Sabrix O2C Calculation	• *AR ONLY:* Tax is not calculated for OM transactions. • *AR_OM:* Tax is calculated for both OM and AR transactions. • *OFF:* Tax is **not** calculated for either OM or AR transactions. • *Null*: Value defaults to *AR_OM.*	
eBTax: Sabrix System Print Structure	This profile option is used in conjunction with **eBTax: Sabrix Debug Level**. • To print data structures set the value to *ON*. • *OFF* and any other value prevents the structures from printing to Sabrix_log table. **Note**: For O2C and P2P transactions the input transaction view values can be used for debugging. Set to *OFF* in a production environment in conjunction with the profile option **eBTax: Sabrix Debug Level** set to *OFF.*	
eBTax: Sabrix Use Bill-To for Null Ship-To	Set to one of the following for AR: • *NO:* Generates an error if no Ship-To is given. • *YES*: Uses the Bill-To address as the Ship-To address. • *ALLOW:* Allows the transaction to go to Determination with no Ship-To. It will be filled in via precalc code or a Sabrix Solution TransEditor. • *NULL* value is treated as NO.	
eBTax: Sabrix TCE: Delimiter	Enter the delimiter to use when concatenating the tax code with other elements. The options are: • *. (period):* Use a period to delimit tax code extension segments • null (no delimiter): Do not use any delimiter to separate tax code extension segments. • _ (underscore): Use an underscore to delimit tax code extension segments.	
eBTax: Sabrix TCE: Exempt	Enter the character(s) to denote that the tax code is for an exempt transaction.	
eBTax: Sabrix TCE: Tax Direction	Enter one of the following: • *N* disables the Tax Direction extension for tax codes and tax accounting. • *Y* enables the Tax Direction extension for tax codes and tax accounting.	
eBTax: Sabrix TCE: Tax Rate	Enter one of the following: • *N* disables the Tax Rate extension for tax codes and tax accounting. • *Y* enables the Tax Rate extension for tax codes and tax accounting.	

SETTING EBTAX: SABRIX TAX ACCOUNTING LEVEL

ONESOURCE Indirect Tax Integration for Oracle 12 Order to Cash returns a tax code in all tax situations. You can set the accounting distribution detail level with Basic and Extended options.

- **BASIC** is the standard tax code setting for Determination tax results.
- **EXTENDED** uses a set of Integration-specific Oracle profile options to manage more granular levels of a tax codes to support your accounting needs.

BASIC TAX CODE PROCESSING

The Oracle tax rate codes are stored at each authority level in Determination. Each time tax is calculated for a document, the tax code determined by Determination is passed back to Oracle and verifies that the Oracle tax rate code exists.

During the implementation of the Integration, the tax rate codes are loaded into your Oracle instance. The format for each tax rate code in the O2C workflow is outlined in the Tax Rate Code column in the table below.

The resulting tax codes for both US and non-US transactions with the **eBTax**: **Sabrix Tax Accounting Level** profile option set to *BASIC* are as follows.

Basic Tax Rate Code Examples		
Type	**Tax Rate Code**	**Transaction Results Example**
U.S. based tax codes	*<ERP Tax Code>_O2C_<database sequence>*	*USWA_O2C_2009* *(Taxable state of Washington)*
Canada based tax codes	*<ERP Tax Code>_O2C_<Tax Direction>_database sequence*	*ONHST_O2C_O_1492* *(Taxable province of Ontario, Canada)*
International based tax codes	*<ERP Tax Code>_O2C_<Tax Direction>_database sequence*	*FRVAT_O2C_O_1582* *(Taxable country of France)*

EXTENDED TAX CODE PROCESSING

In order to use Extended Tax Code processing, the **eBTax: Sabrix Tax Accounting Level** must be set to *EXTENDED*. You can then use the following Tax Code Extension (TCE) profile options:

- **eBTax: Sabrix TCE: Delimiter**
- **eBTax: Sabrix TCE: Exempt**
- **eBTax: Sabrix TCE: Tax Direction**
- **eBTax: Sabrix TCE: Tax Rate**
- **eBTax: Sabrix TCE: Tax Type**

For more information on the ONESOURCE Indirect Tax Integration profile options, consult the *CONFIGURING PROFILE OPTIONS AT THE SITE LEVEL (page 3)* section.

A basic tax rate code is set and extensions are appended to the basic tax rate code derived from the settings of the profile options above.

After the basic tax rate code is set, the values of the **eBTax: Sabrix TCE** profile options determine what additional information will be appended to the basic tax rate code.

The value entered for the profile option **eBTax: Sabrix TCE: Delimiter** determines if and how the extensions are separated. The values are a period (.) or underscore (_) or you may leave null for no separation between the extensions (do not include the parentheses).

The following table describes the logic used to determine the extended portion of the tax code.

Extended Tax Rate Code Example Results			
Basic Tax Rate Code	**Delimiter**	**Enabled "eBTax: Sabrix TCE:" profile options**	**Example**
FRVAT_O2C_O_1582	period (.)	Basic tax rate code and **eBTax: Sabrix TCE: Tax Rate**	*FRVAT.SR_O2C_O_1582*
FRVAT_O2C_O_1582	period (.)	Basic tax rate code and **eBTax: Sabrix TCE: Exempt**	*FRVATEX_O2C_O_1695* (if an exempt transaction)
FRVAT_O2C_O_1582	period (.)	Basic tax rate code and **eBTax: Sabrix TCE: Tax Type**	*FRVAT.AC_O2C_O_1582*
FRVAT_O2C_O_1582	period (.)	Basic tax rate code, **eBTax: Sabrix TCE: Tax Type,** and **eBTax: Sabrix TCE: Tax Rate**	*FRVAT.AC.SR_O2C_O_1582*
FRVAT_O2C_O_1582	period (.)	Basic tax rate code, **eBTax: Sabrix TCE: Tax Type**, **eBTax: Sabrix TCE: Tax Rate**, and **eBTax: Sabrix TCE: Tax Direction**	*FRVAT.AC.SR.O_O2C_O_1582*

NOTE See *ONESOURCE Indirect Tax Determination Online Help* for more information about Tax Type, Tax Rate and Tax Direction.

CREATE EXTENDED TAX RATE CODES IN ORACLE E-BUSINESS TAX

- To use the extended tax codes functionality, configure the expected tax rate code values in the Oracle E-Business Tax Rate Code form.
- The extended tax rate codes must exactly match the values set up for Oracle E-Business Tax Rate Codes. For example, if you enabled all of the **eBTax: Sabrix TCE** profile options, you must create a tax rate code like *FRVAT.AC.SR.O_O2C_O_1582*.
- If the tax rate code does not exist in Oracle, the transaction will fail. However, after the desired tax rate code is configured in Oracle E-Business Tax, and the transaction is reprocessed, it will complete normally.

NOTE If a Default Flow is defined, the missing tax flow can automatically be created by the Integration during transaction processing. See the *ONESOURCE Indirect Tax Installation and Configuration Guide* for more information on defining tax flows and using defaults.

SETTING EBTAX: SABRIX CALCULATE ORDER MANAGEMENT DOCUMENT TAX

Standard Oracle Order Management issues a set of tax calls with Oracle eBTax for every line on the document (sales order) and only presents the tax factors for the current line. Because of this standard behavior in Oracle Order Management, the ONESOURCE Indirect Tax Integration executes a request to Determination for each line of a sales order. The repeated communication overhead can slow performance.

With the input and support of Oracle Development, Thomson Reuters modified this behavior to construct the entire document and make a single request to Determination for the entire sales order. This document-at-a-time solution improves performance on sales order processing.

THE DOCUMENT-AT-A-TIME SOLUTION

The modification included a new view to support document-level tax calculation. The new view fetches tax factors for all lines of a sales order. These factors, along with the data provided by Oracle eBTax, are used to construct the entire document.

A new profile option, **eBTax: Sabrix Calculate OM Document Tax** was created to turn new functionality on or off. The default value is *No*.

TRANSACTION BEHAVIOR

When the order management transaction type tax event is set to *Entering*, each line of the sales order is sent to Determination in separate batches. There is a separate XML indata/outdata for each order line. This is true regardless of the **eBTax: Sabrix Calculate OM Document Tax** profile option setting.

When the transaction type tax event is set to *Booking* and the **eBTax: Sabrix Calculate OM Document Tax** profile option is set to *Yes*, all lines of the sales order are sent to Determination in one batch (all lines are in one XML indata/outdata).

If the Order Management document-at-a-time profile option, **eBTax: Sabrix Calculate OM Document Tax**, is set to *No*, then the result will be the same as *Entering* above.

To view the indata and outdata, run the *Sabrix XML Report* from the **Tax Managers** responsibility. See the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide* for more information about running the *Sabrix XML Report*.

ORDER MANAGEMENT TAX CALCULATIONS

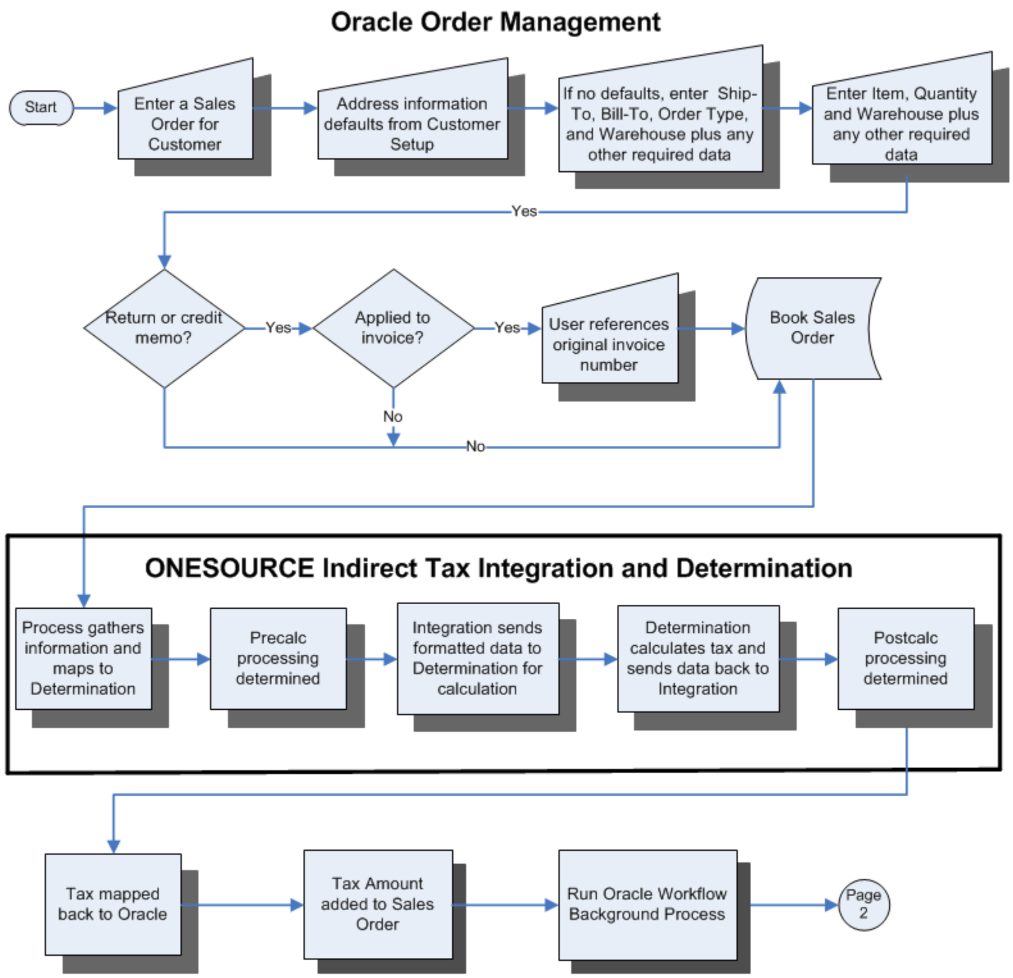
This chapter shows how the ONESOURCE Indirect Tax Determination-calculated tax is returned using the ONESOURCE Indirect Tax Integration. You will learn about:

- ***ORDER MANAGEMENT PROCESS (page 12)***
- ***ORDER MANAGEMENT FOR US TRANSACTIONS (page 14)***
- ***ORDER MANAGEMENT FOR NON-US TRANSACTIONS (page 18)***
- ***RETURN MATERIAL AUTHORIZATIONS (page 26)***
- ***CALCULATING TAX ON FREIGHT LINE CHARGES (page 27)***

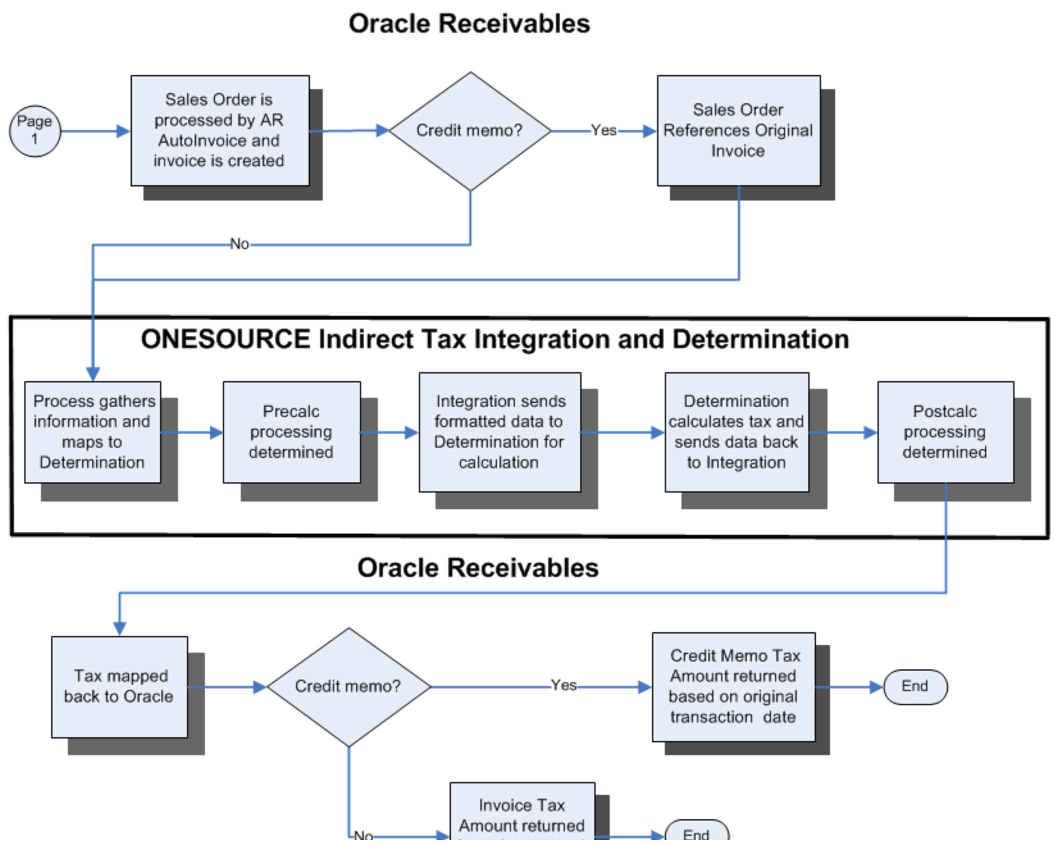
See ***RECEIVABLES PROCESS (page 36)*** for information about Oracle Receivables transactions.

ORDER MANAGEMENT PROCESS

The following flow charts show how data is sent to and processed by the ONESOURCE Indirect Tax Integration in the Order Management process.)



The following flow chart shows how data is received and processed by the ONESOURCE Indirect Tax Integration and Determination.



ORDER MANAGEMENT FOR US TRANSACTIONS

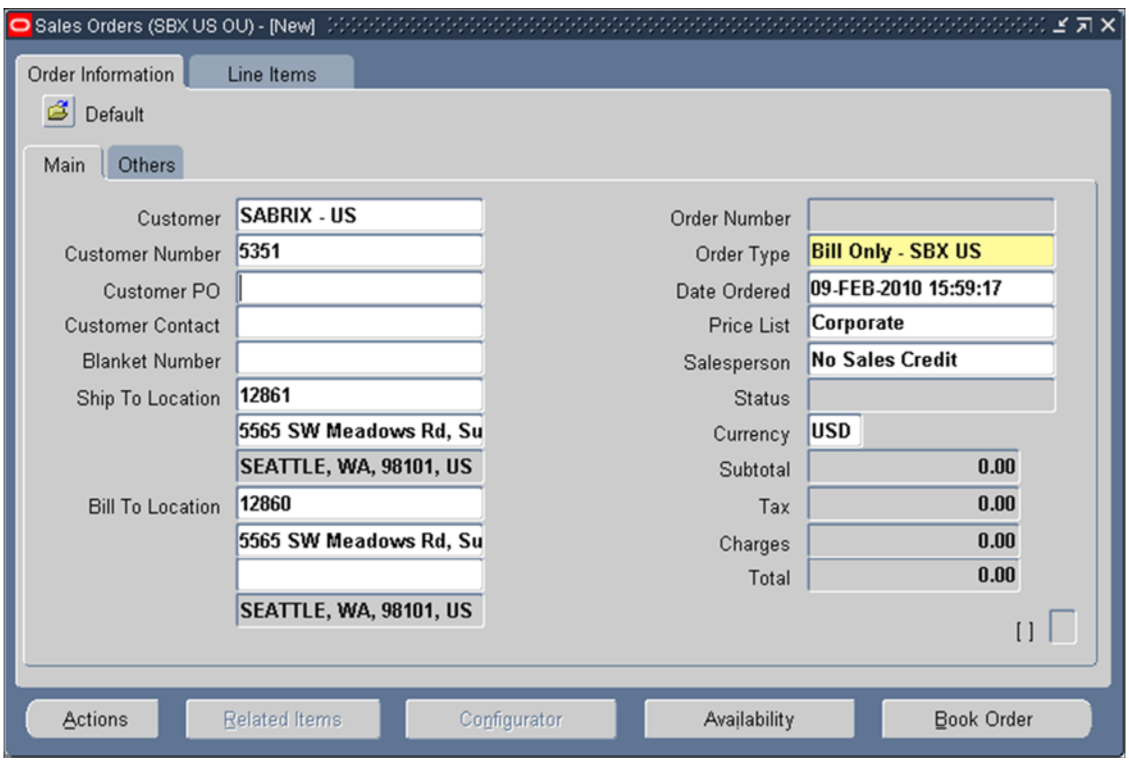
This scenario shows a single line Sales Order for a customer including the Ship To Location, Warehouse, Ordered Item and Quantity.

1. Navigate to your **Sales Order** entry form.
2. Enter the Sales Order Information on the **Main** tab:
   - Customer name
   - Ship To Location
   - Bill To Location
   - Order type

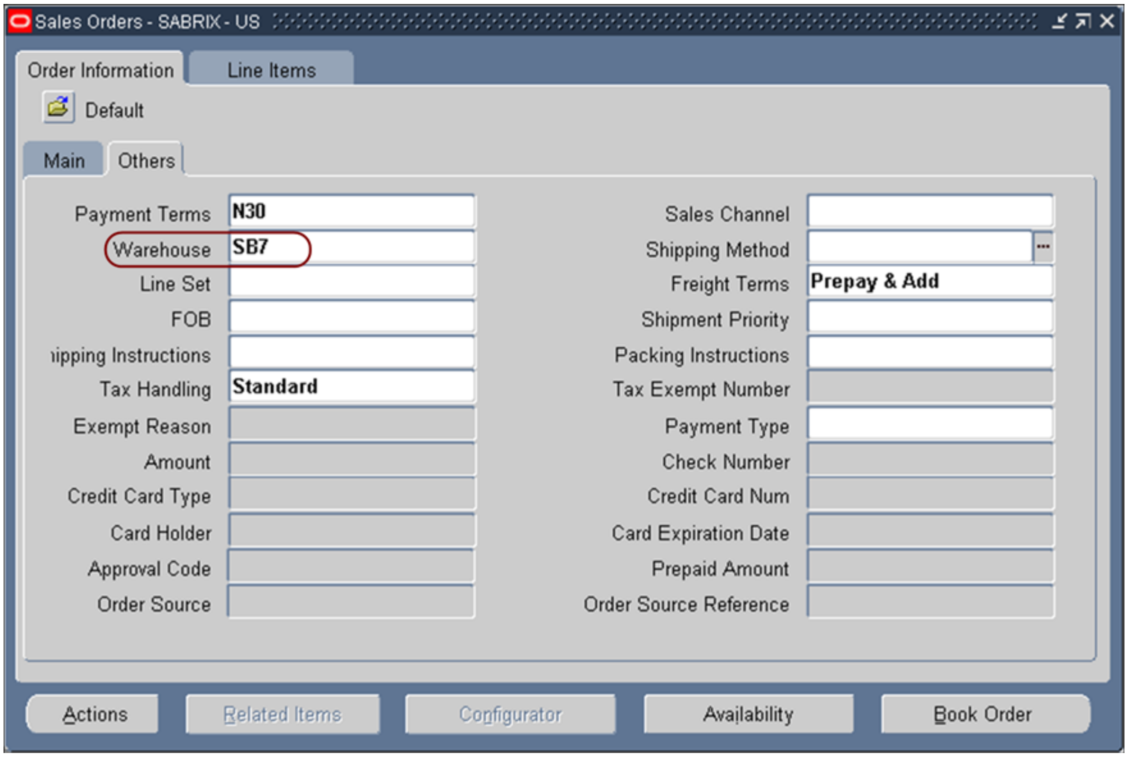
NOTE

Depending on your setup and standard business operating procedures for Oracle Order Management, other fields may default or be required. Be sure the TCA hierarchy is defined and the Geography Name Referencing program has successfully completed. See the Oracle Trading Community Architecture Administration Guide for more information.

The following image shows the order information details.

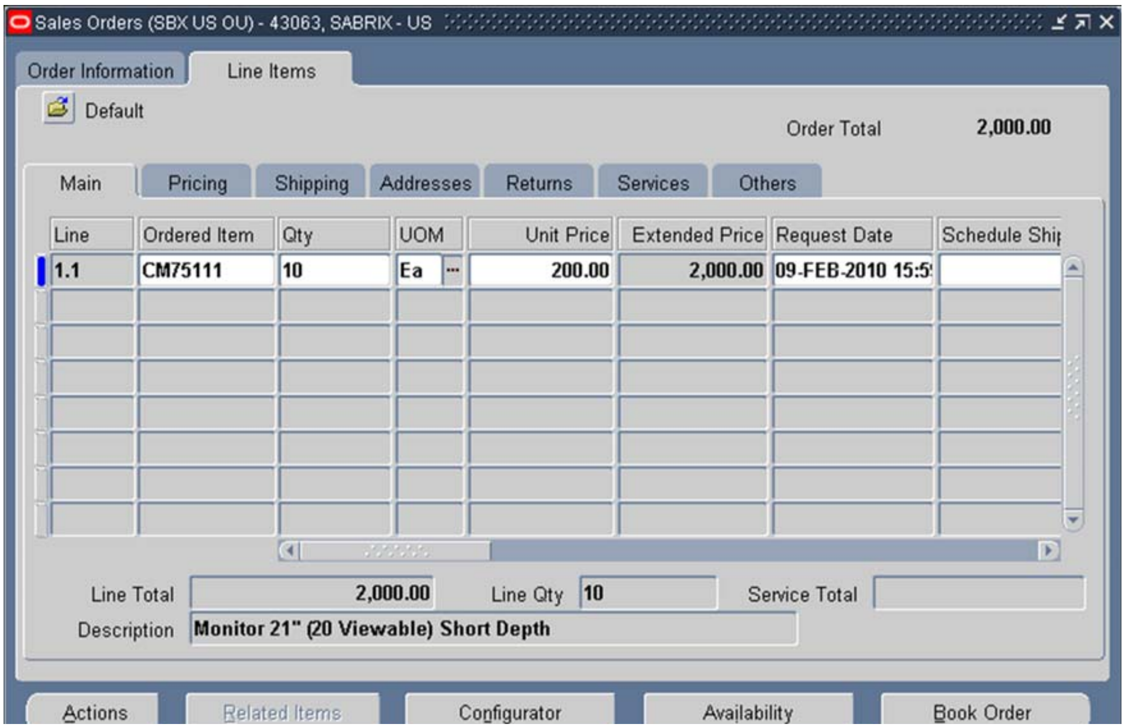


3. Open the **Sales Order Information** on the **Others** tab.
4. Enter the **Warehouse** and any other required information based on your standard business operating procedures as the following image shows.



5. Click the **Line Items** tab.

6. Enter the **Ordered Item**, **Quantity**, **Warehouse** (if not defaulted from Sales Order Information **Others** tab) and any other information required by your standard business operating procedures. The following image shows the line items.



7. Save the Sales Order.
8. Click **Book Order**.

Once the Sales Order is Booked, the ONESOURCE Indirect Tax Integration and Determination are launched and tax is determined and returned to Oracle.

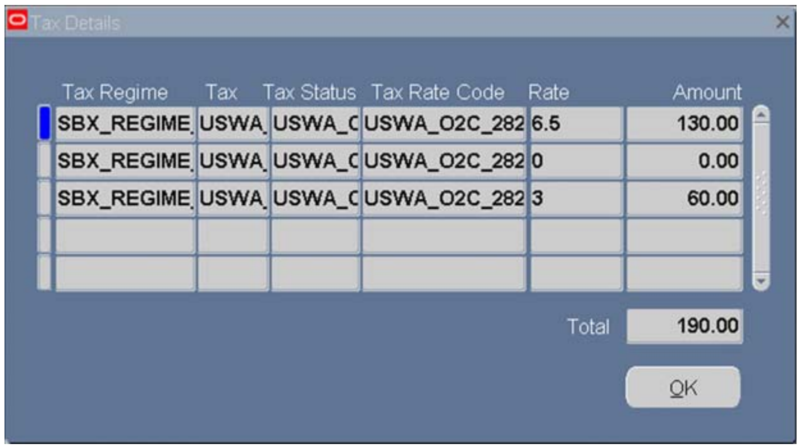
NOTE

Order Management Transaction Types control when the Determination tax calculation is called. It is recommended to set the **Tax Event** to *Booking* **(OM > Setup > Transaction Types > Define**) for the ONESOURCE Indirect Tax Integration for Oracle 12 .

To view the tax for each Sales Order line:

1. Position your cursor on the line.
2. Click the **Actions** button.
3. Select **View Tax Details** and click **OK**.

The following **Tax Details** pop-up appears.



NOTE For multiple Ship To locations on a single sales order, enter the appropriate Ship To address at the line level to indicate where the order line is shipping.

NOTE The Sabrix date field, MOVEMENT_DATE, is used as the tax calculation date. Integration populates this date field with the Oracle **Ship Date**. If the transaction does not have a ship date, then the **Sales Order** field **Tax Date** is used.

ORDER MANAGEMENT FOR NON-US TRANSACTIONS

This section covers transactions taking place within Canada and the European Union, as well as exports to and imports from each:

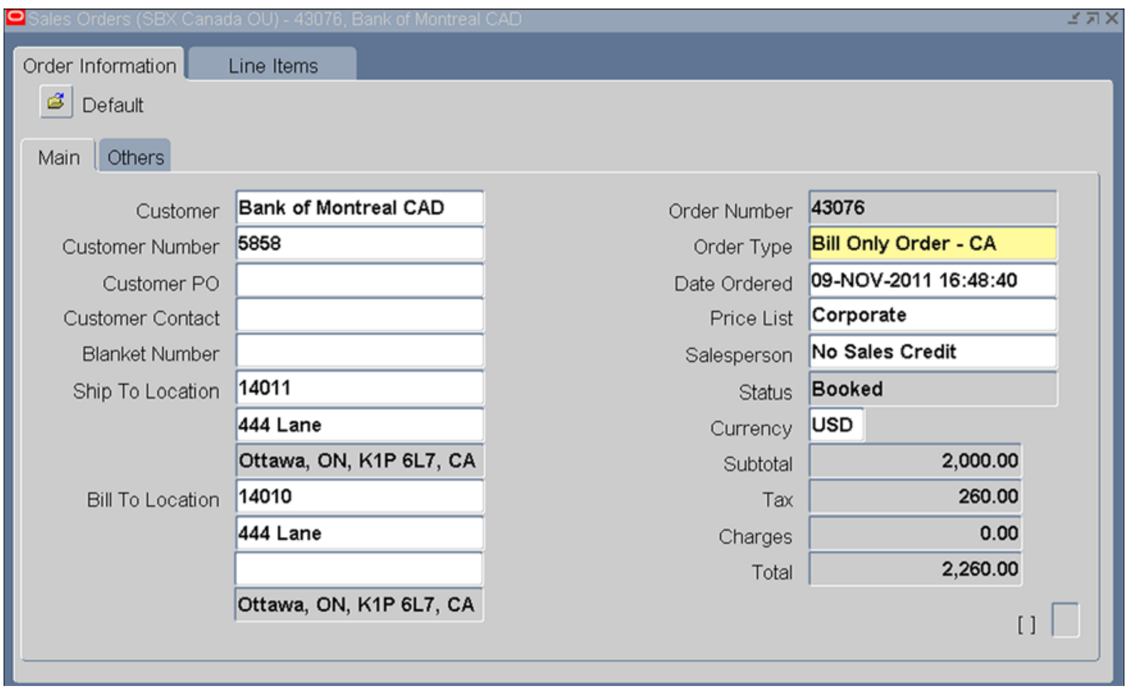
- ***ORDERS WITHIN CANADA (page 18)***
- ***CANADIAN IMPORTS AND EXPORTS (page 20)***
- ***ORDERS WITHIN AND BETWEEN EU MEMBERS (page 22)***
- ***EUROPEAN IMPORTS AND EXPORTS (page 25)***

ORDERS WITHIN CANADA

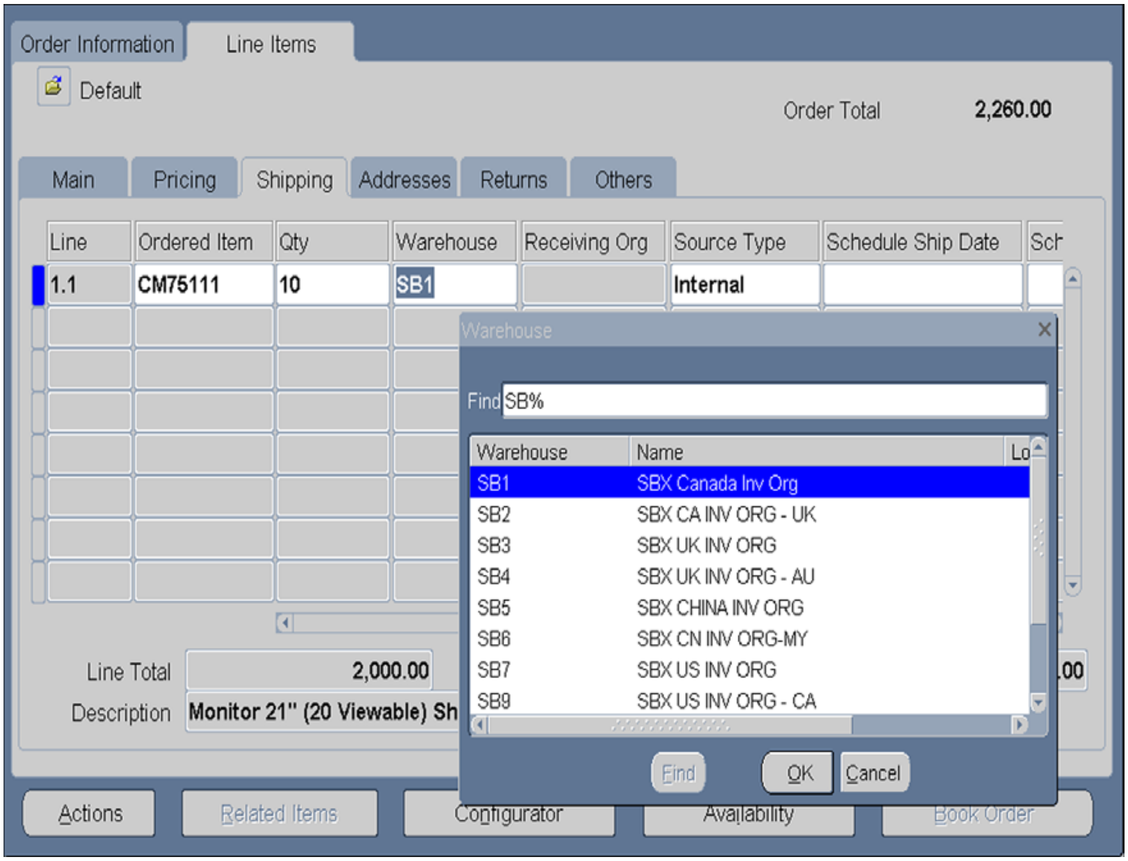
This scenario consists of a transaction occurring within Canada, for a single province.

1. Create a Sales Order with a **Ship To Location** in Canada.

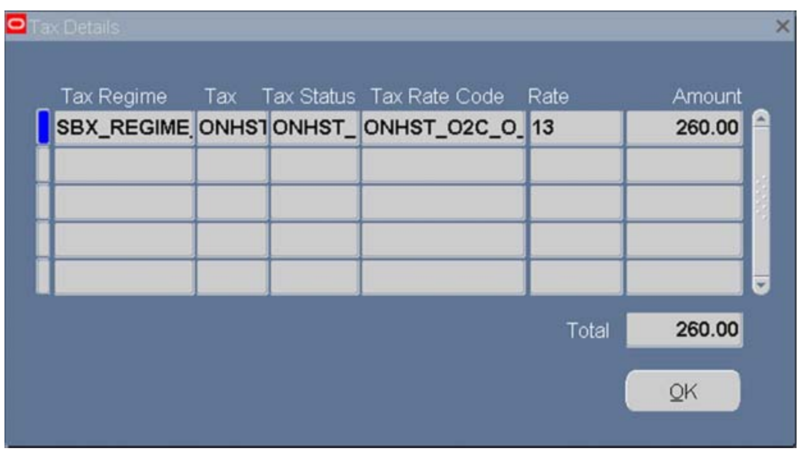
The following image shows the details of this transaction.



2. Enter the inventory item, quantity, and the warehouse for the same Canadian Province as the customer Ship To address as shown in the following image.



3. The following **Tax Details** pop-up shows the tax returned for this transaction.

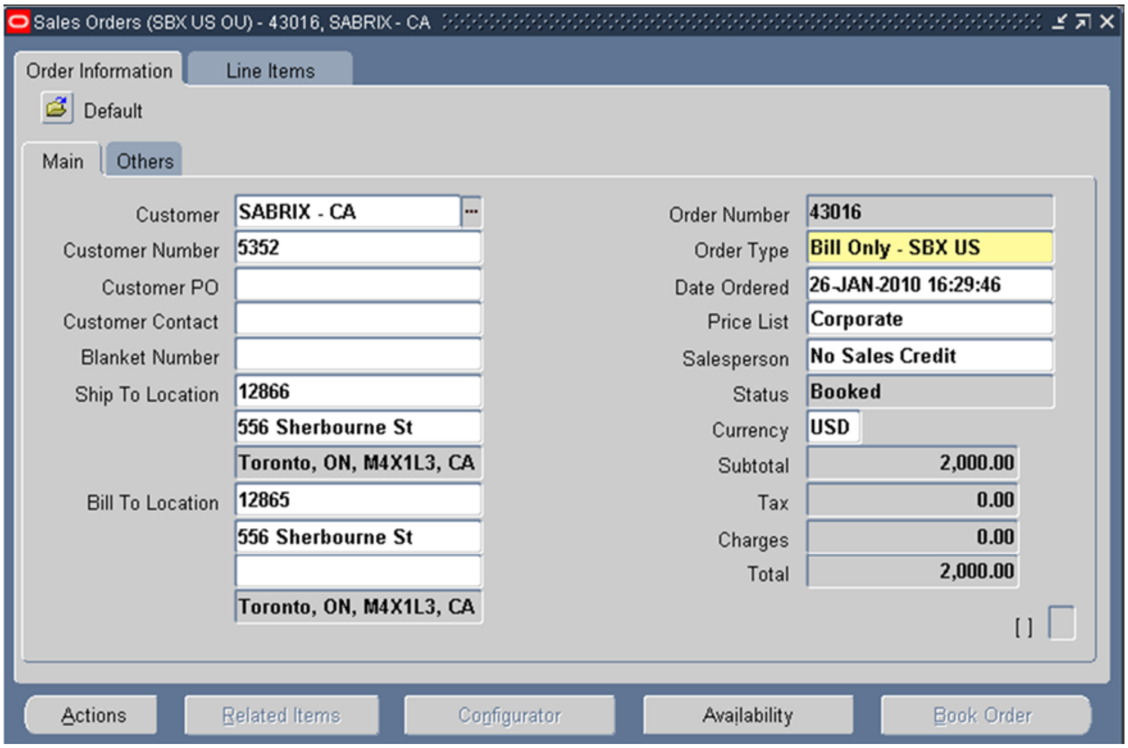


CANADIAN IMPORTS AND EXPORTS

Determination also supports tax calculations for transactions involving imports to and exports from Canada. The process is similar to domestic Canadian transactions and is shown in the following scenario.

1. Create a Sales Order shipping goods to Canada from the United States.

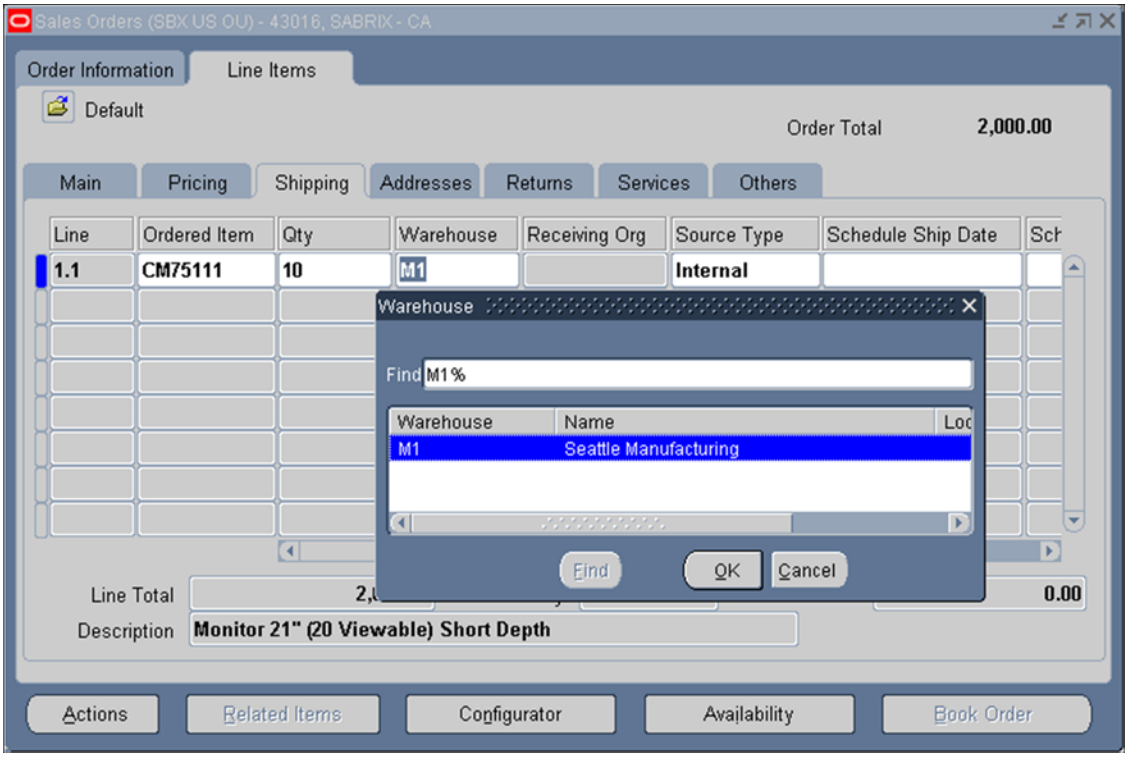
   The following image shows the details of the Order Information.



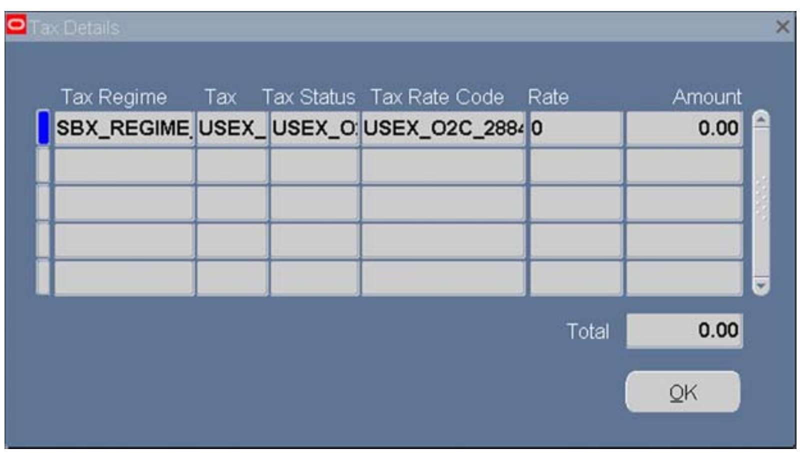
NOTE

Be sure the Determination ERP Tax Code of *USEX* has been defined as an Oracle Tax Rate Code of *USEX_O2C_XXXXXX*. Steps to define Oracle Tax Rate Codes are outlined in *CREATING ADDITIONAL TAX RATE CODES FOR RECEIVABLES (page 69)*.

2. Enter the inventory item, quantity, and a United States warehouse into the **Line Items** form on the **Shipping** tab which the following image shows.



3. The following **Tax Details** pop-up shows a tax result of 0% tax for imports from the U.S. The FOB for this transaction was set to *Destination.*



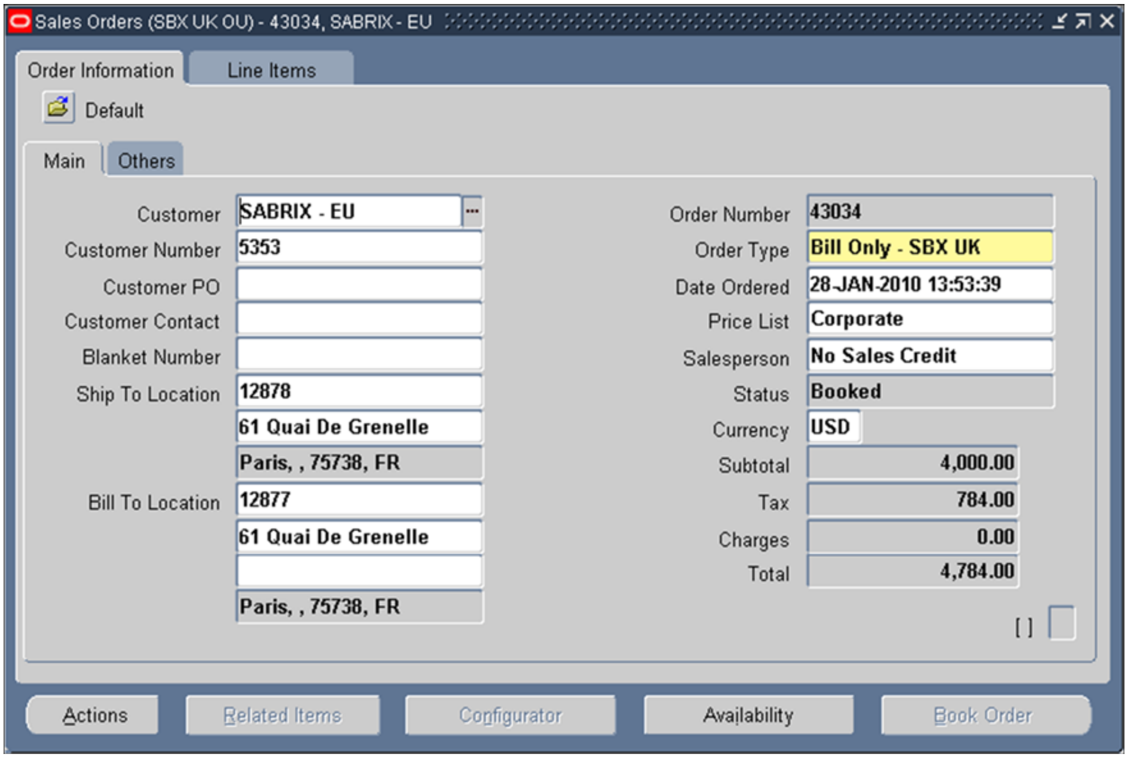
NOTE

The FOB for the previous example was set to *Destination*. The tax results may differ based on the FOB terms.

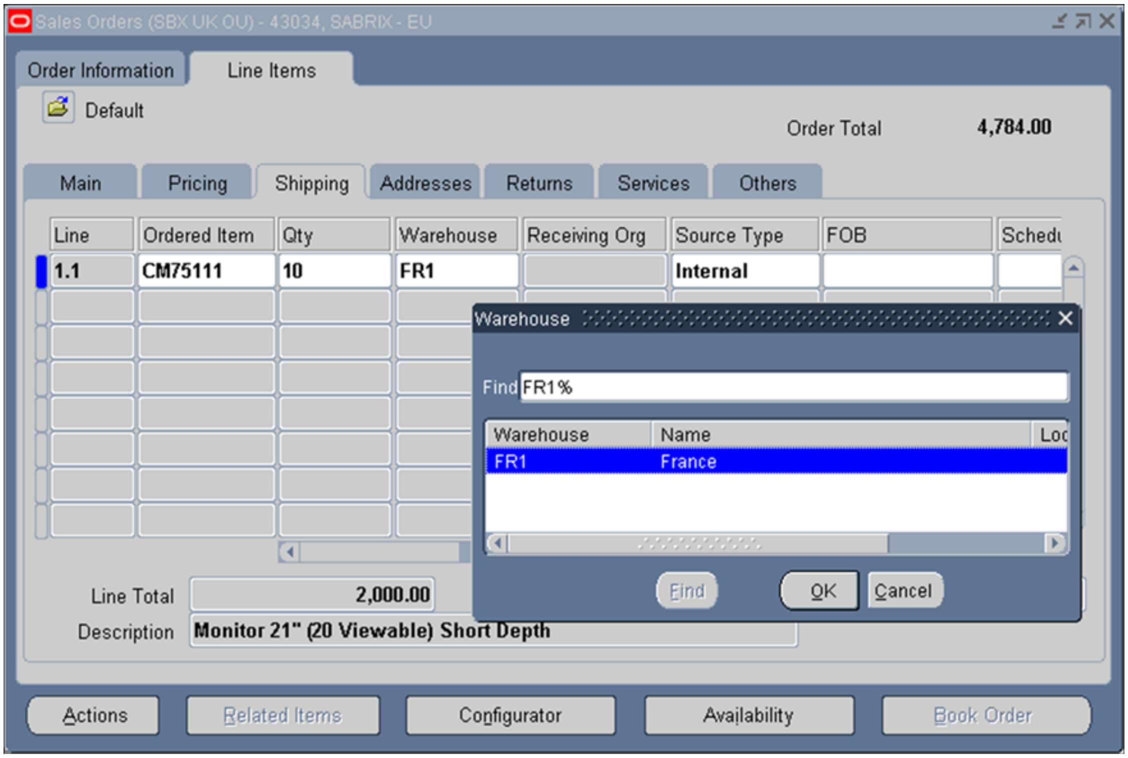
ORDERS WITHIN AND BETWEEN EU MEMBERS

The following scenarios demonstrate taxability for domestic transactions within an EU member country and for Intra-EU transactions.

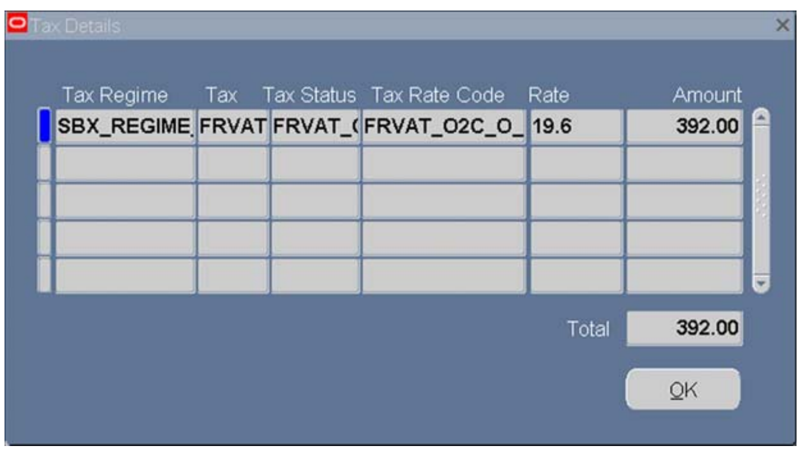
1. Create a Sales Order shipping to a European location as shown in the following image.



2. Enter the inventory item, quantity, and **Warehouse** (for the same EU member country as the customer ship to address) into the **Line Items** form as shown in the following image.



3. The the following image shows tax results for Line 1 shows a French VAT rate of 19.6%.

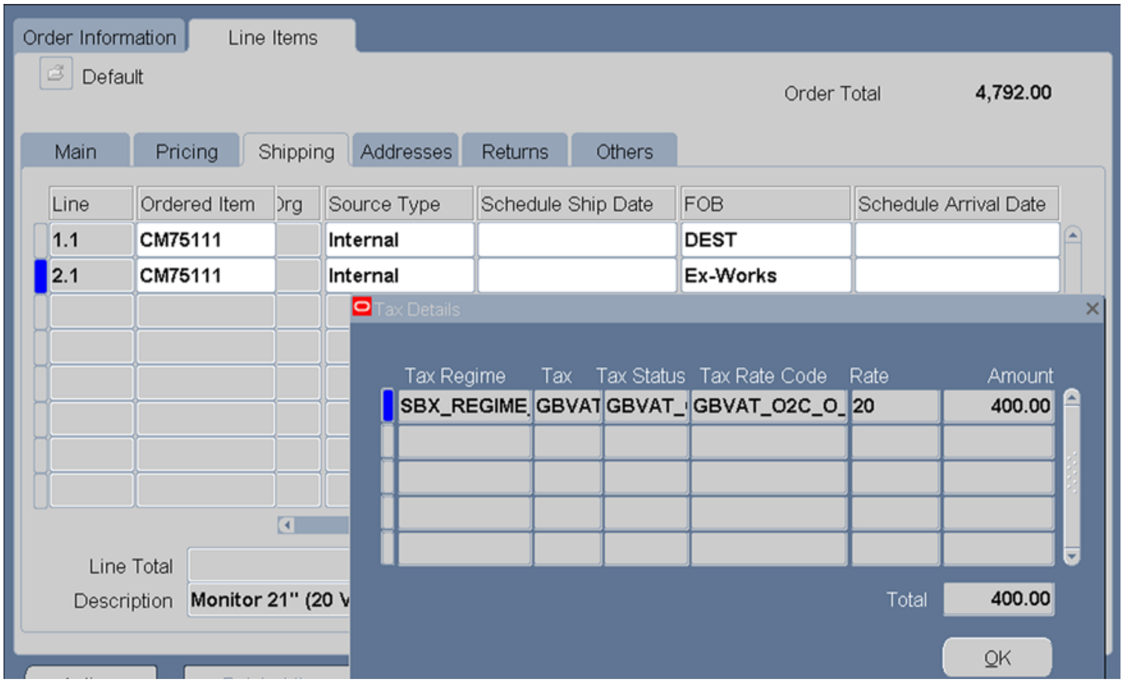


4. For an intra-EU country transaction enter the line information (inventory item, quantity, and warehouse**)** into the **Line Items** form. Enter the warehouse with a country in the EU. In the following example, the **Ship To** is in France, the **Warehouse** is in the UK. The **FOB Terms** are *Ex-Works*.

NOTE

The FOB for the previous example was set to *Ex-Works*. The tax results may differ based on the FOB terms.

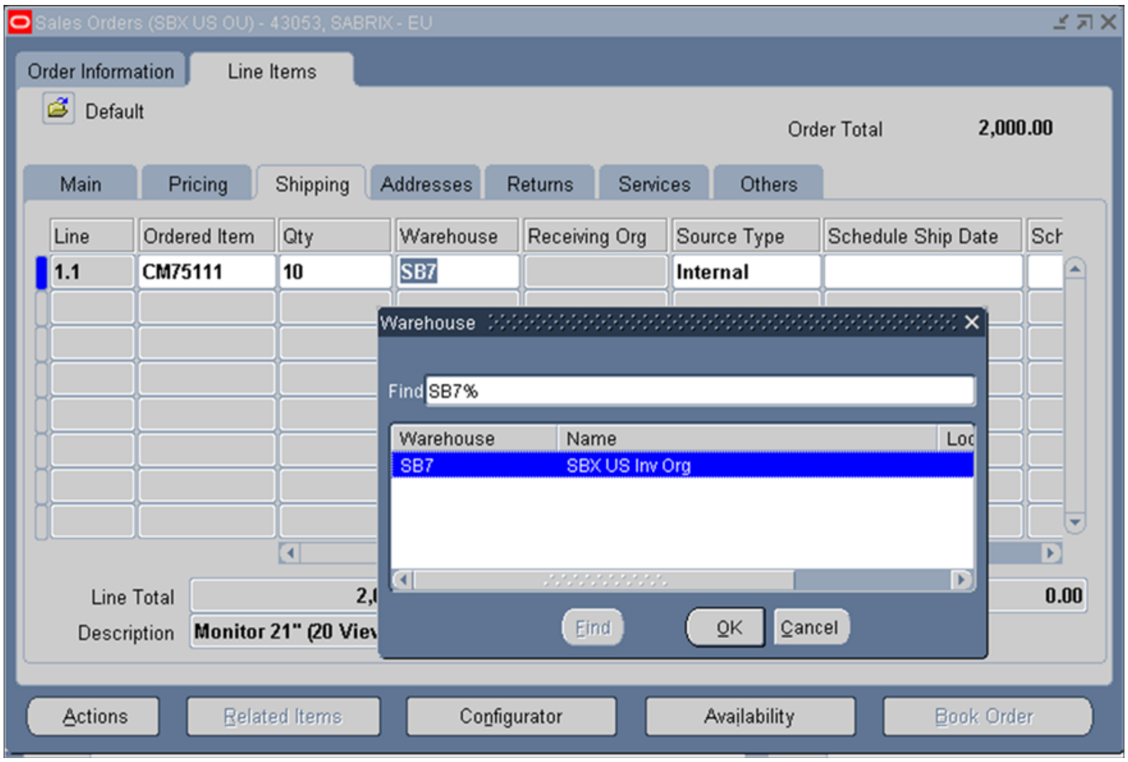
5. The following image shows tax results for transaction Line 2 for an intra-community dispatch and a GBVAT of 20%.



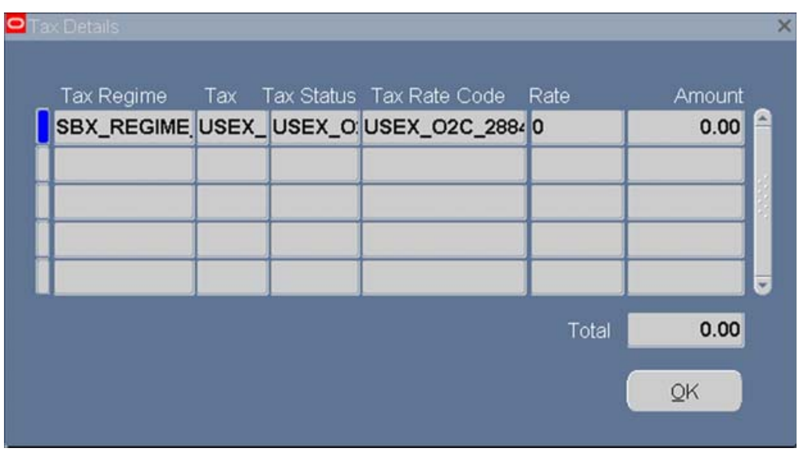
EUROPEAN IMPORTS AND EXPORTS

Determination also supports tax calculations for transactions involving imports to and exports from the European Union. The process is similar to domestic EU and Intra-EU transactions and is shown in the following scenario.

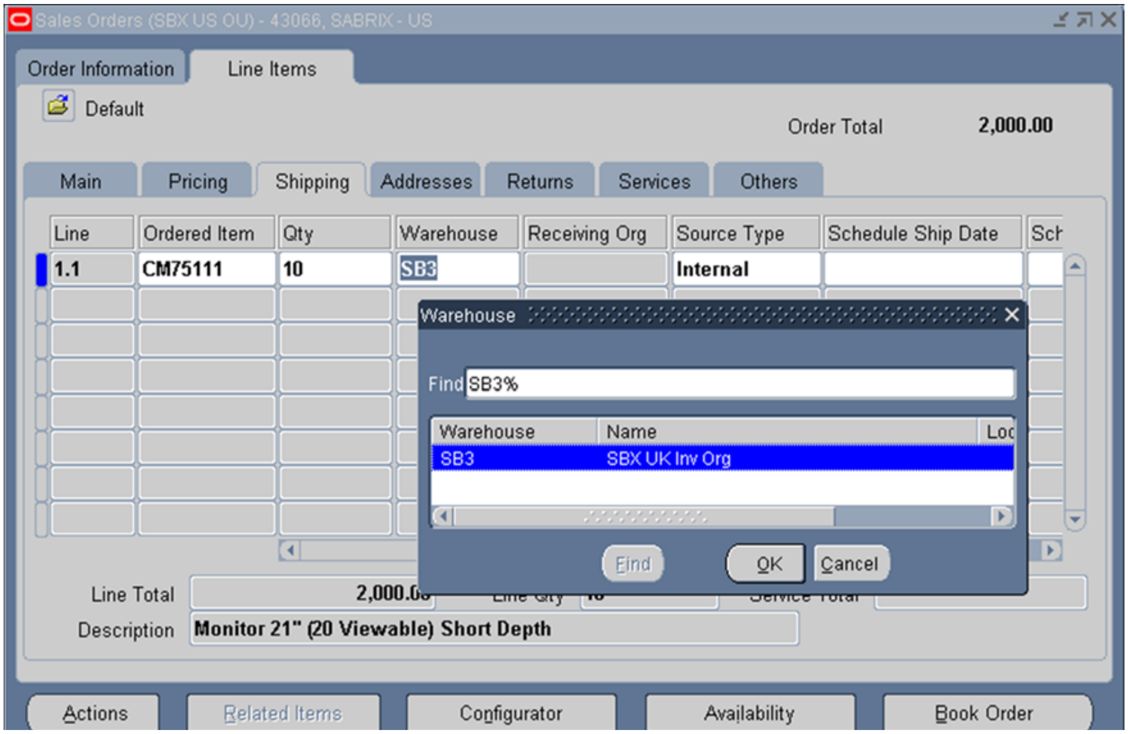
1. Create a Sales Order shipping to an EU country (London in this example) from the United States as shown in the following image.



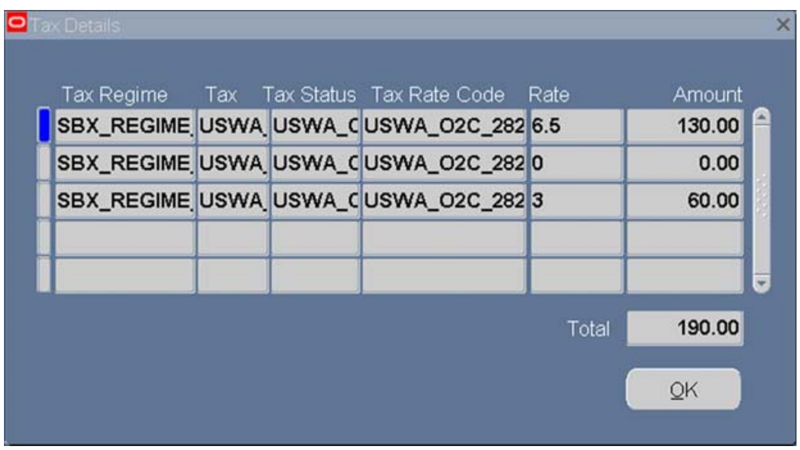
2. The following image shows tax results and a USEX Rate of *0%*.



3. Create a Sales Order shipping to the US from a European warehouse.
The following image is an example.



4. The following image shows tax results will return the US taxing authorities.



RETURN MATERIAL AUTHORIZATIONS

When product returns or accounting errors require you to create RMAs on Sales Orders, the Determination calculates tax on the RMA based on the original date of the invoice.

For example, a sales order and related invoice is created with a tax date of 12-Jan-2011. On 12-May-2011, an RMA is created referencing the sales order. The tax date on the RMA is the referenced sales order tax date of 12-Jan-11.

CALCULATING TAX ON FREIGHT LINE CHARGES

The Oracle Applications can be configured to tax freight line charges. If your company uses Oracle Order Management Pricing Modifiers to add freight line charges, you must set the following configurations for the tax to be calculated properly:

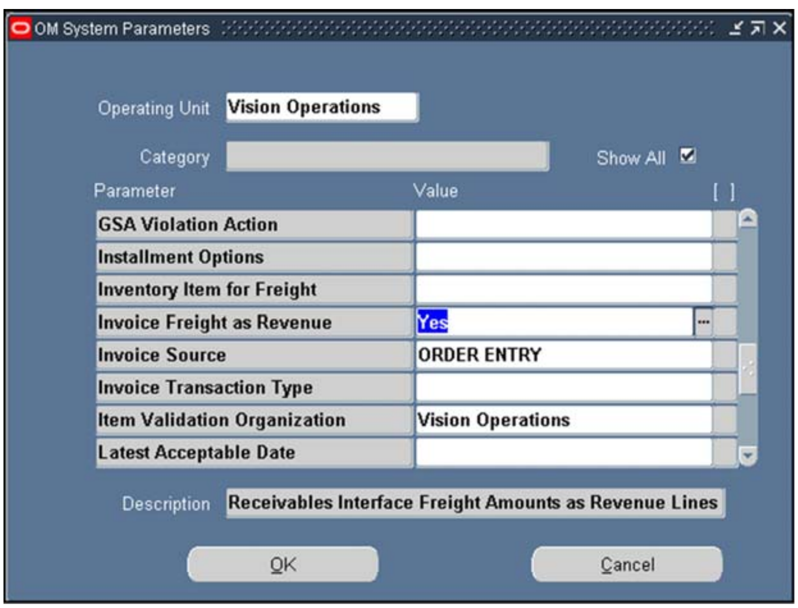
- Set *Invoice Freight as Revenue* system parameter to *Yes*
- Set profile option **eBTax: Invoice Freight as Revenue** to *Yes*
- Set the **Tax Event** to *Booking* on the **Order Transaction Type**
- Configure a Line Level Freight and Special Charges Pricing Modifier

The following sections step you through the process of configuring your system.

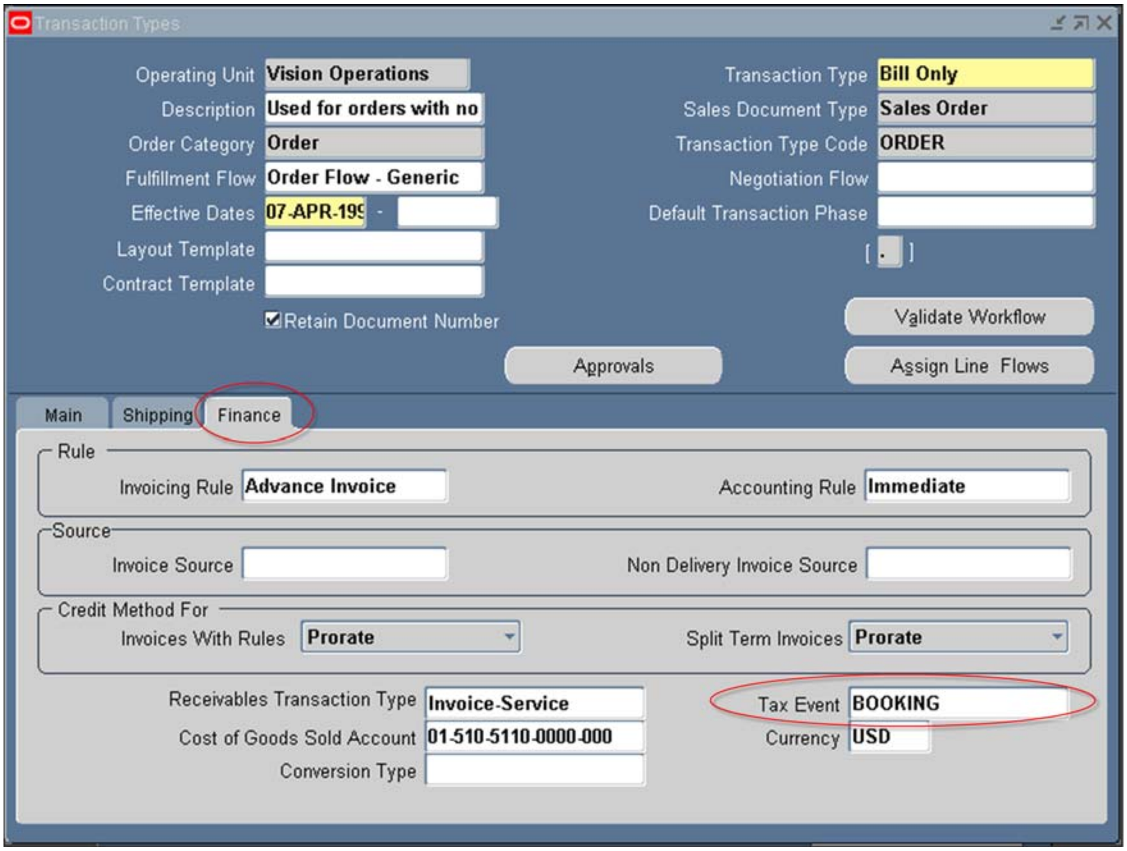
FREIGHT LINE CHARGE CONFIGURATION

1. Set the Oracle Order Management System Parameter (**Setup > System Parameters > Values**) **Invoice Freight as Revenue** to *Yes*, as shown in the following image.

   This will treat the freight lines as item lines. Oracle natively sends only item lines during the tax call in Autoinvoice. Setting this profile ensures that the freight lines are considered for taxation.



2. Set the profile option **eBTax: Invoice Freight as Revenue** to *Yes*.
3. Ensure each of your **Order Transaction Types** has the **Tax Event** set to *Booking*, as illustrated in the following screen shot. This will allow the tax call from the **Order** form to include the freight charges.



4. Configure a Line Level Freight and Special Charges Pricing Modifier.

   Verify that your line level pricing modifier for freight is configured using the lookup code of *FREIGHT_CHARGES_TYPE*. You can have as many separate types of freight charges as are required, such as Handling Costs, Insurance, Export Fees, Duty Fees and Transportation Charges. Each is sent in a separate line. The value from *charge_type_code* is stored in Line Level User_Element_Attribute48 in the Determination XML.

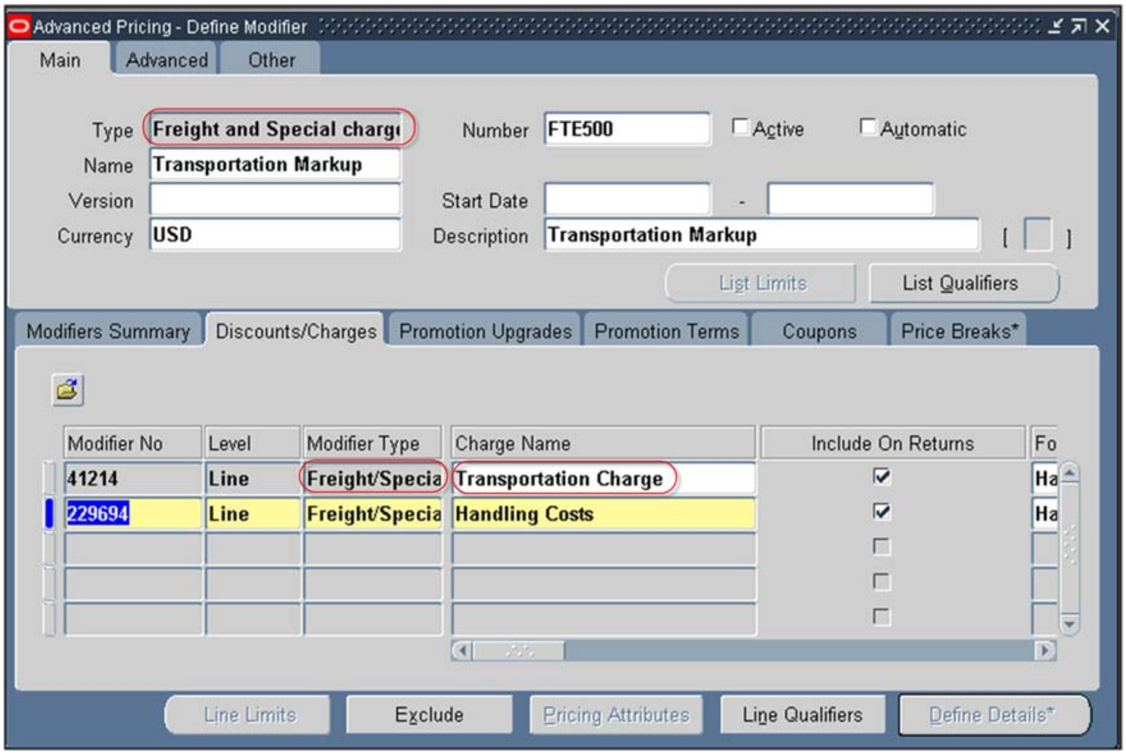
   These entries can be passed to Determination and mapped to the appropriate product code or commodity code using a TransEditor.

   If the Pricing Modifier for freight uses the lookup code of *FREIGHT_CHARGES_TYPE,* it is isolated as a separate line with the description of *Freight* when sent to Determination for tax calculation. Other pricing modifiers, such as discounts or surcharges, are included in the unit selling price of your item line.

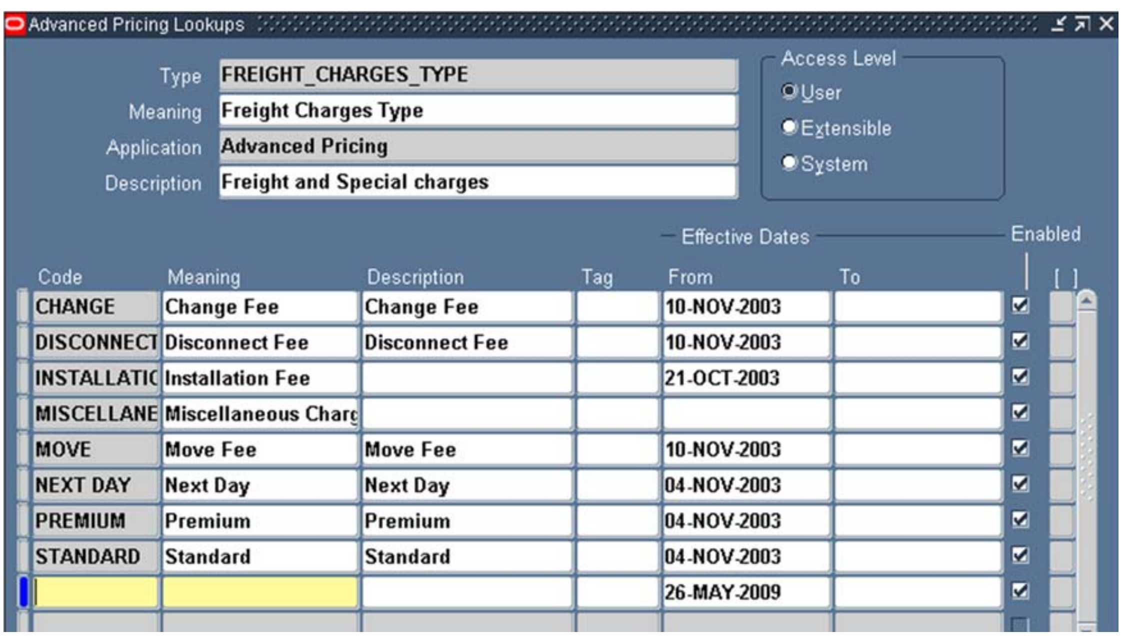
NOTE

Tax is not calculated by the Integration for pricing modifiers defined for header level freight charges.

Example image of a Pricing Modifier Configuration and Freight Charge Lookup Definition

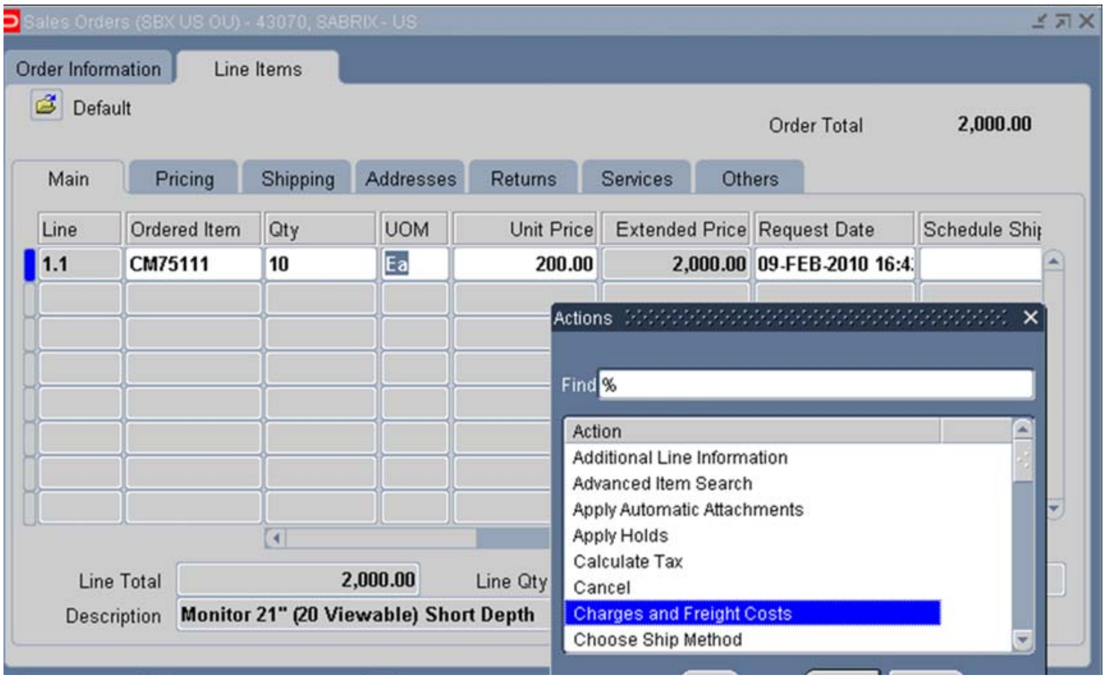


The following image shows the resulting details of the freight charges.



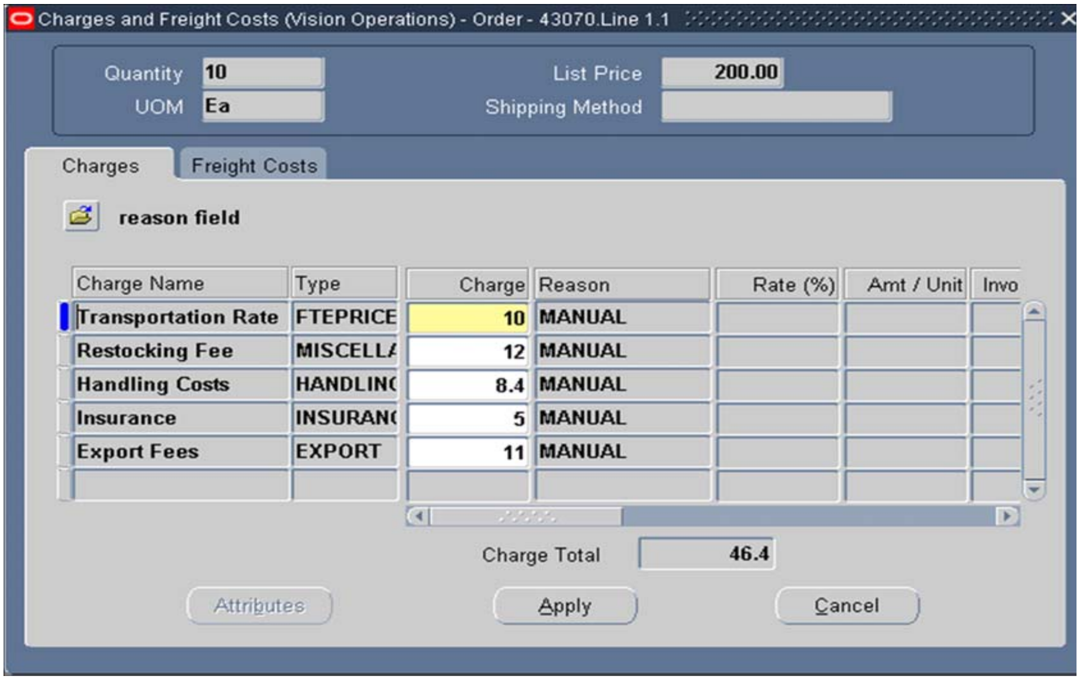
Example of Order Process Using Freight and Special Charges Pricing Modifier

1. Enter your order header and order line, and then click Actions.
2. Choose *Charges and Freight Costs* as shown in the following image.

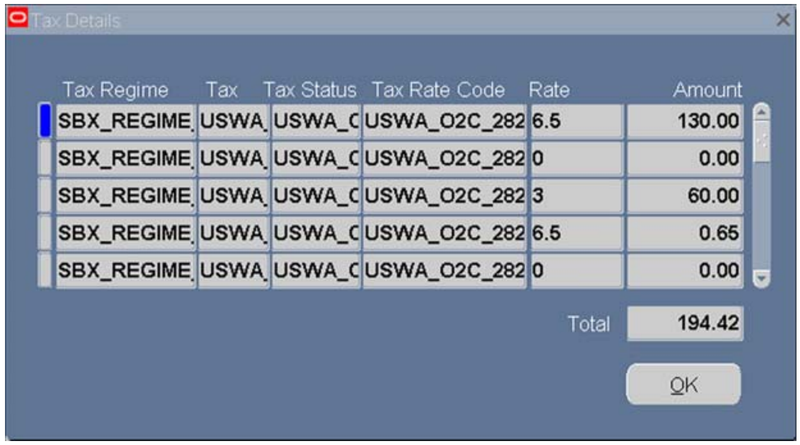


3. Enter your freight charge lines and commit.

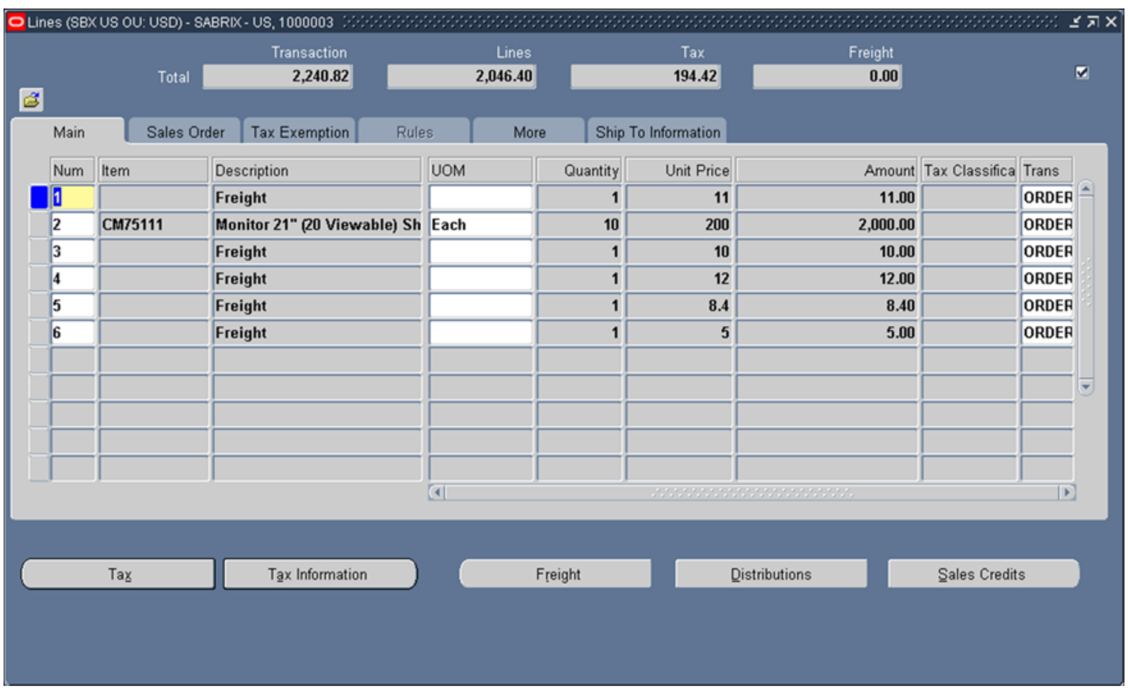
The following image shows the freight charge detail.



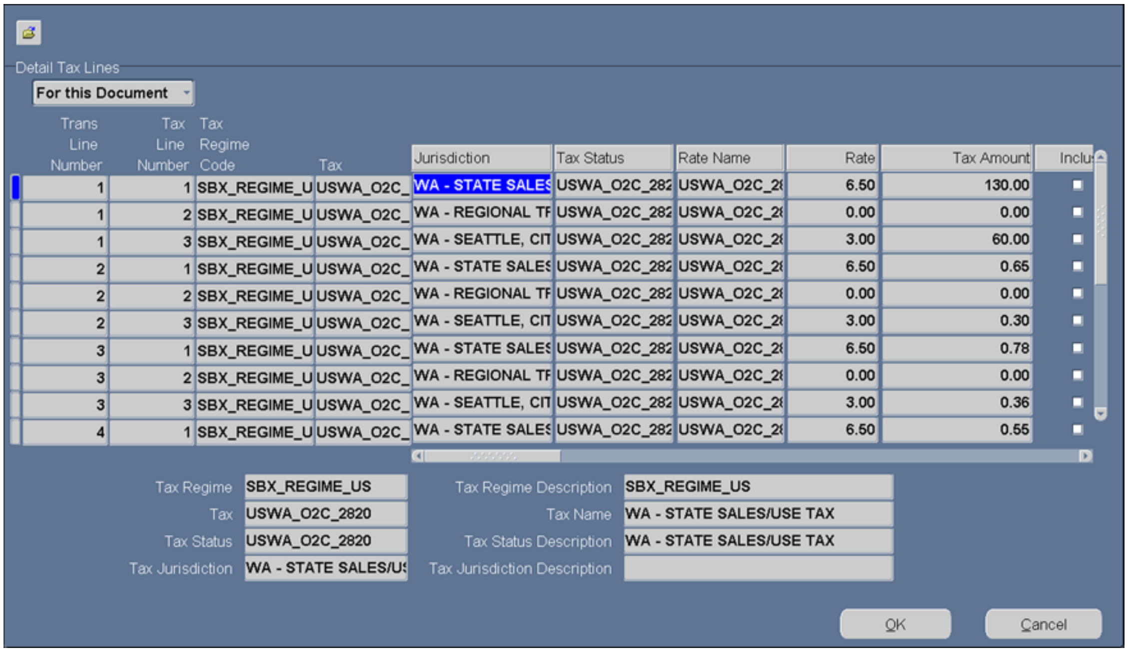
4. View the tax details on the sales order line as shown in the following image. Note that the order line and freight tax authority appear separately



5. The following screens show the invoice lines and tax results after processing through AutoInvoice.



6. Once processed through AR AutoInvoice for the Item Line and the Freight Charges line tax results are shown in the following image.



After an order is fulfilled and Oracle workflow processing steps are completed, the Sales Order data is transferred to the AR AutoInvoice tables. If you change configuration while the AR Autoinvoice process is running, such as disabling a tax code, the ONESOURCE Indirect Tax Integration may produce unexpected results.

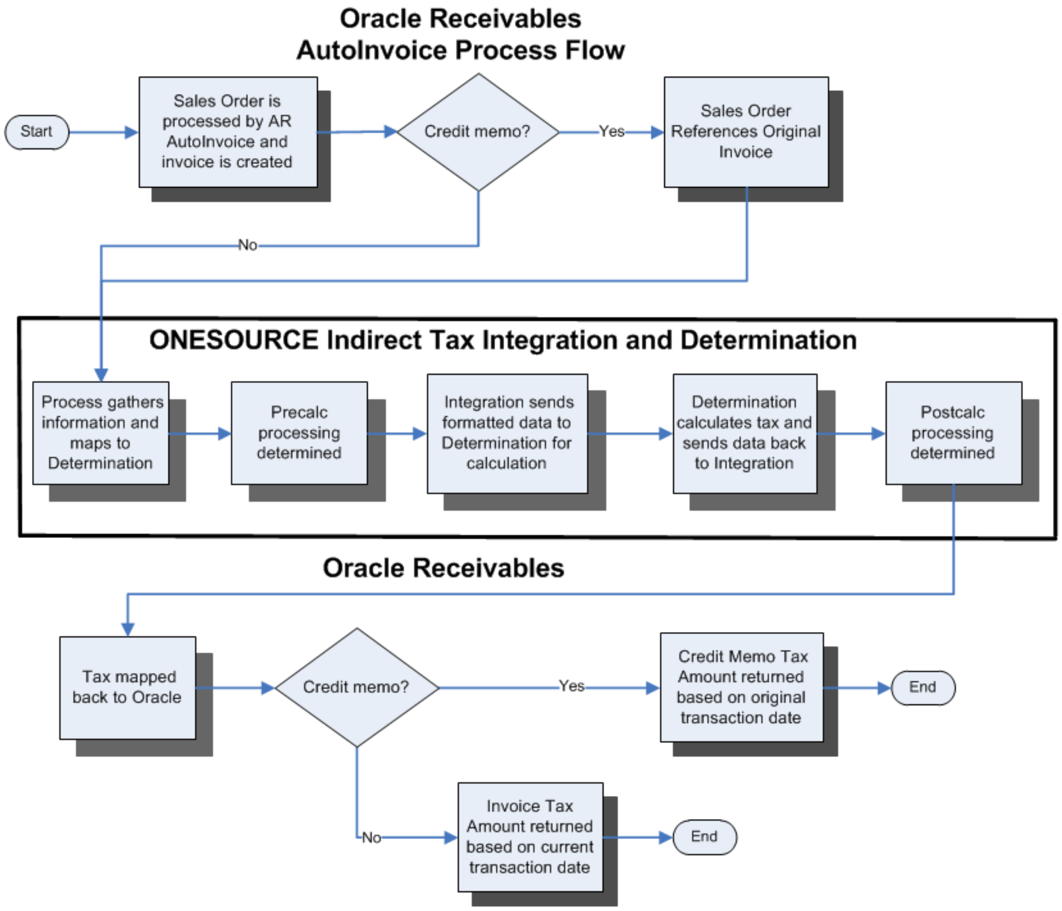
RECEIVABLES TAX CALCULATIONS

This chapter provides an overview of Oracle Receivables and describes some common tasks:

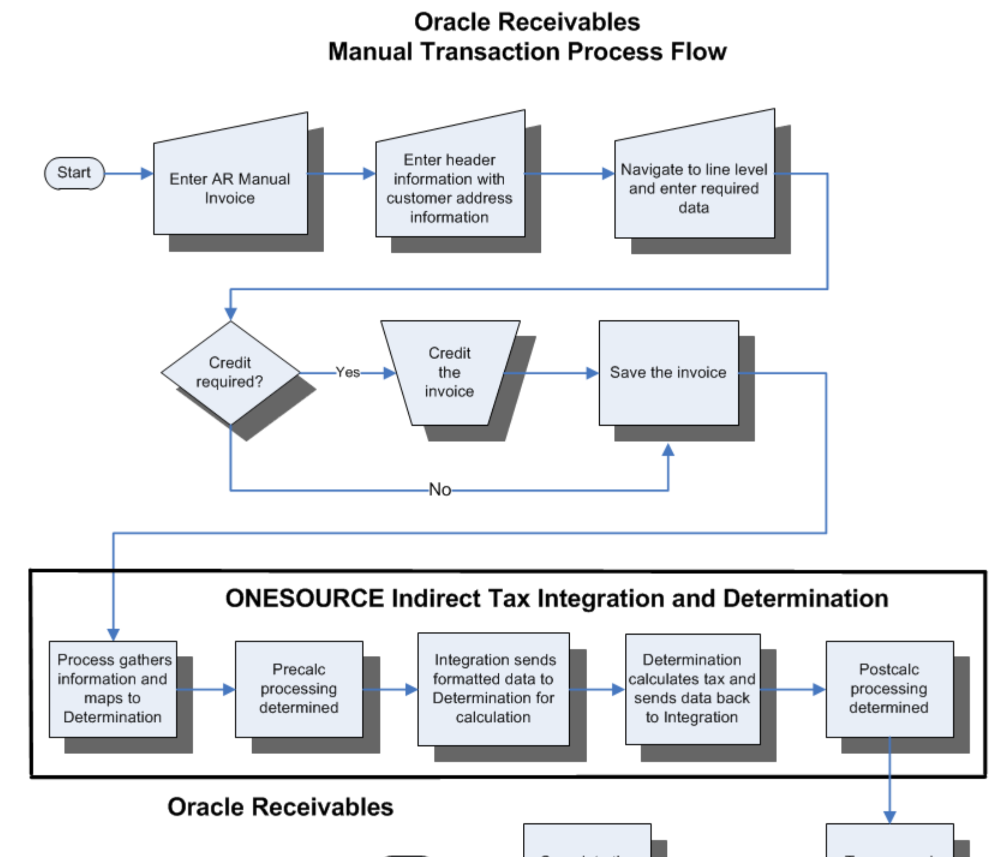
- ***RECEIVABLES PROCESS (page 36)***
- ***INVOICES FOR US TRANSACTIONS (page 38)***
- ***INVOICES FOR NON-US TRANSACTIONS (page 42)***
- ***SPECIAL TRANSACTIONS (page 48)***
- ***VAT REGISTRATION NUMBERS (page 54)***
- ***REPORTING (page 57)***
- ***DETERMINATION FEATURES (page 66)***

RECEIVABLES PROCESS

The following process flow charts outline the Receivables process and how the data is sent to and processed by the ONESOURCE Indirect Tax Integration.



The following image shows the process flow chart of the manual transaction flow process and how the data is sent to and processed by the ONESOURCE Indirect Tax Integration.

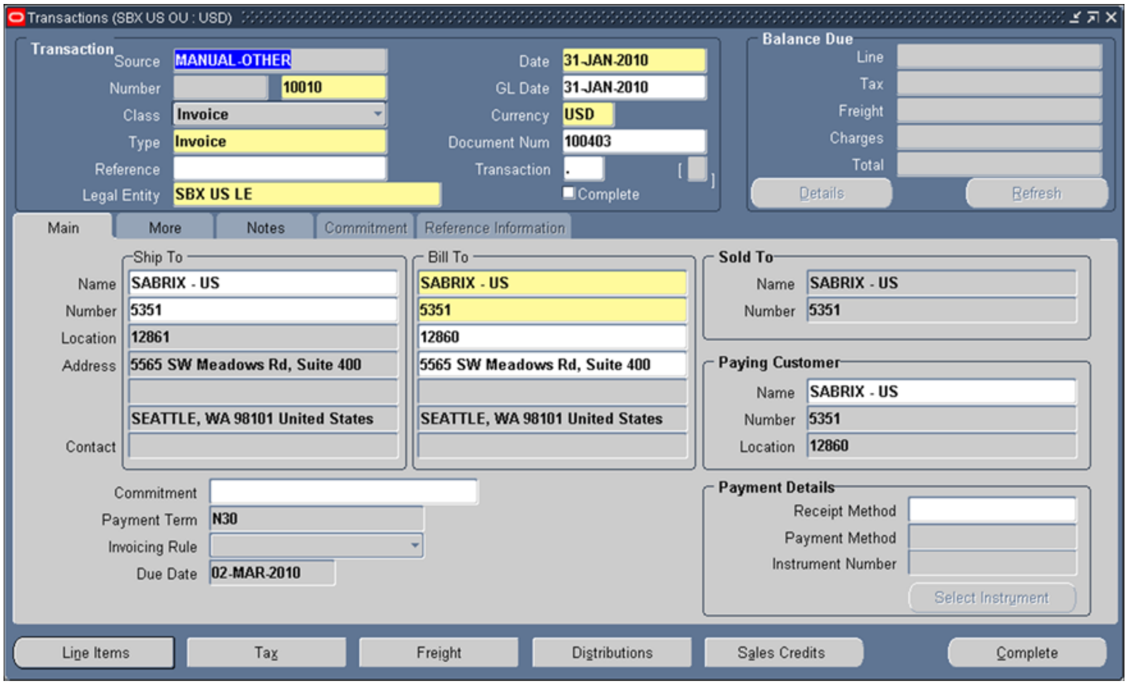


INVOICES FOR US TRANSACTIONS

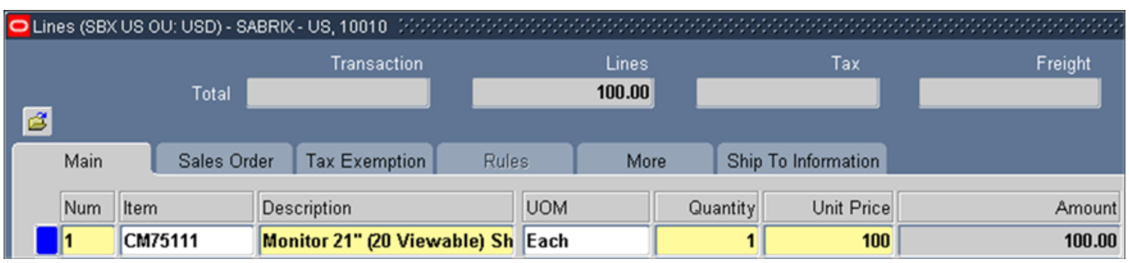
For the purposes of this chapter, all transactions will be manually created in Oracle Receivables.

Be sure the TCA hierarchy is defined and the Geography Name Referencing program has successfully completed. See the Oracle Trading Community Architecture Administration Guide for more information.

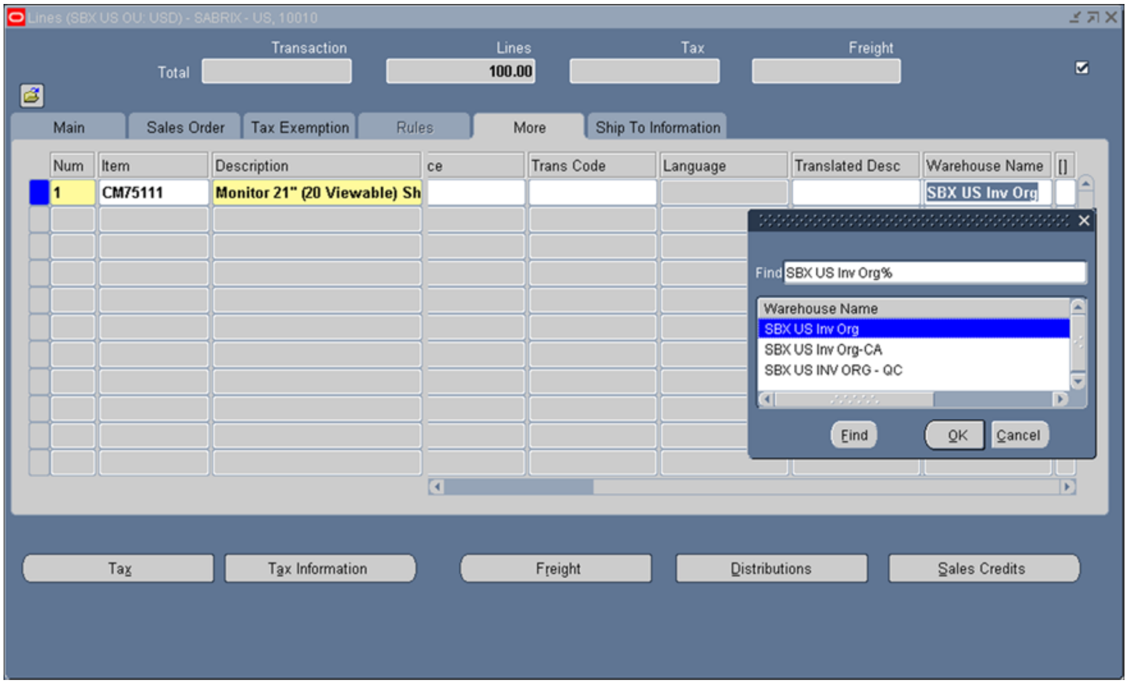
1. In the **Transaction** window, enter the invoice header information based on your standard business operating procedures as shown in the following image.



2. On the **Lines** screen, enter the **Item**, **Quantity** and **Unit Price** as shown in the following image.



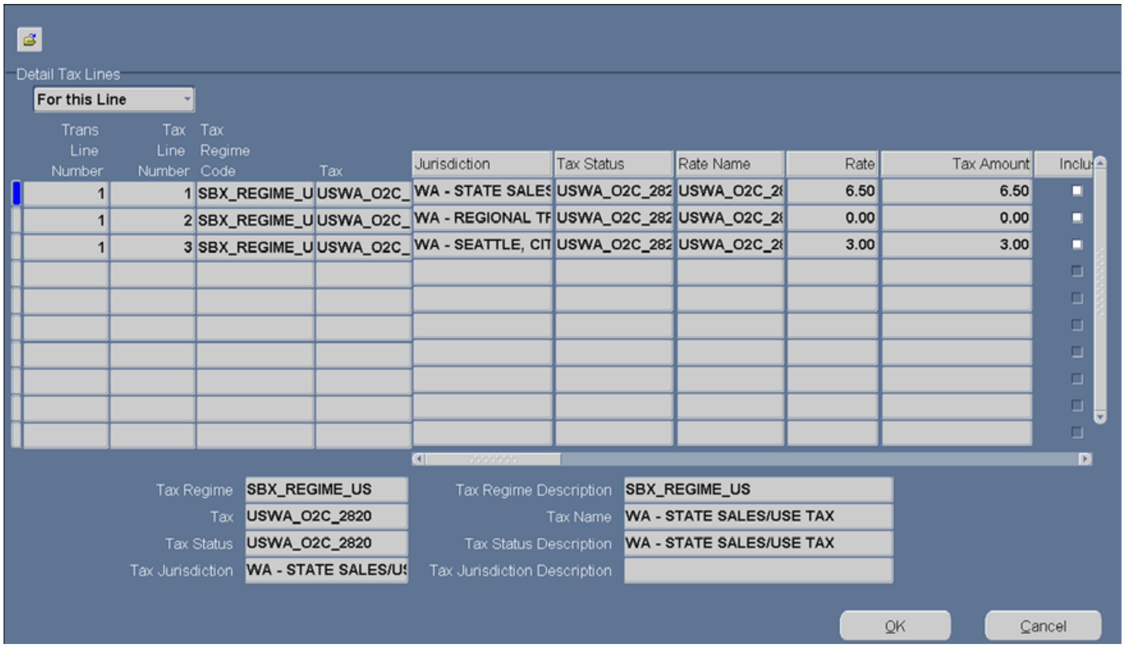
3. Click the **More** tab and select a Warehouse Name as shown in the following image.



4. Click **Save**.

NOTE For a manual invoice, select the Ship From location by choosing the appropriate Warehouse name, or provide Ship From information in a precalc or TransEditor, in order for Determination to accurately calculate tax.

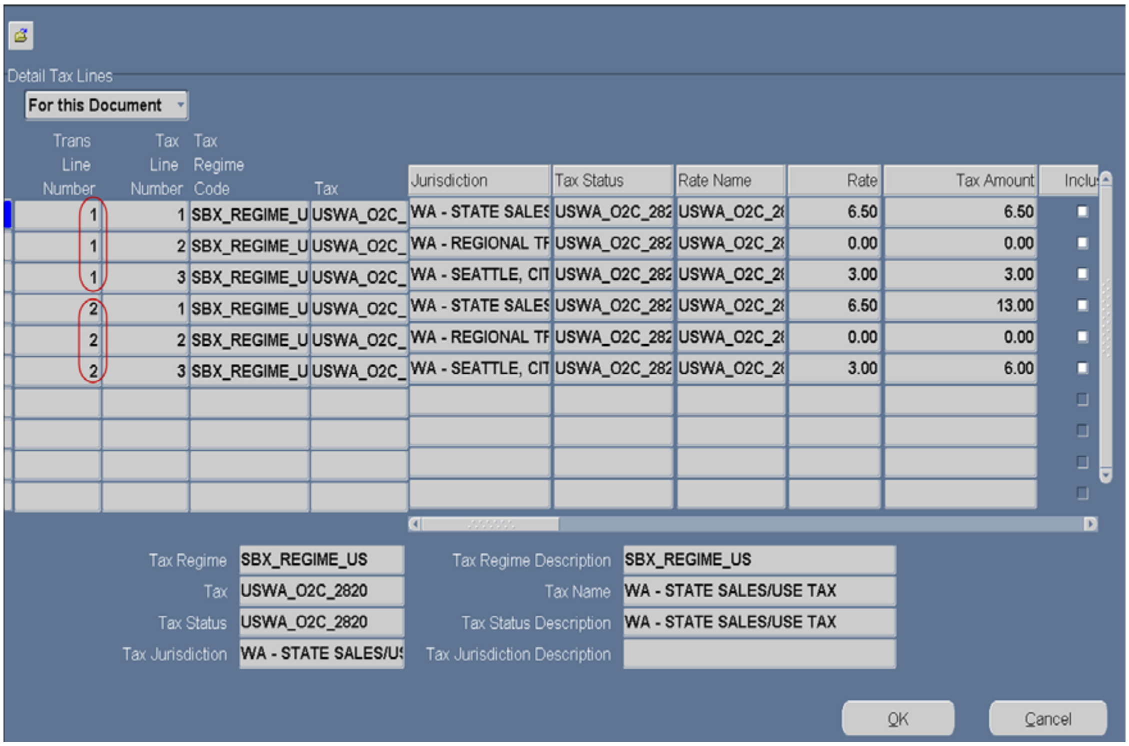
5. The tax results in the following image in the AR Invoice **Detail Tax Lines** form, will return the US taxing authorities.



MULTI-LINE INVOICES

1. Create an invoice (or append to an existing uncompleted invoice) with multiple line items.
2. The **Tax** button on the **Lines** form displays the tax details for the selected line. The total tax for the invoice is displayed in the invoice header. The invoice tax details can be accessed from the Tax button on the invoice header.

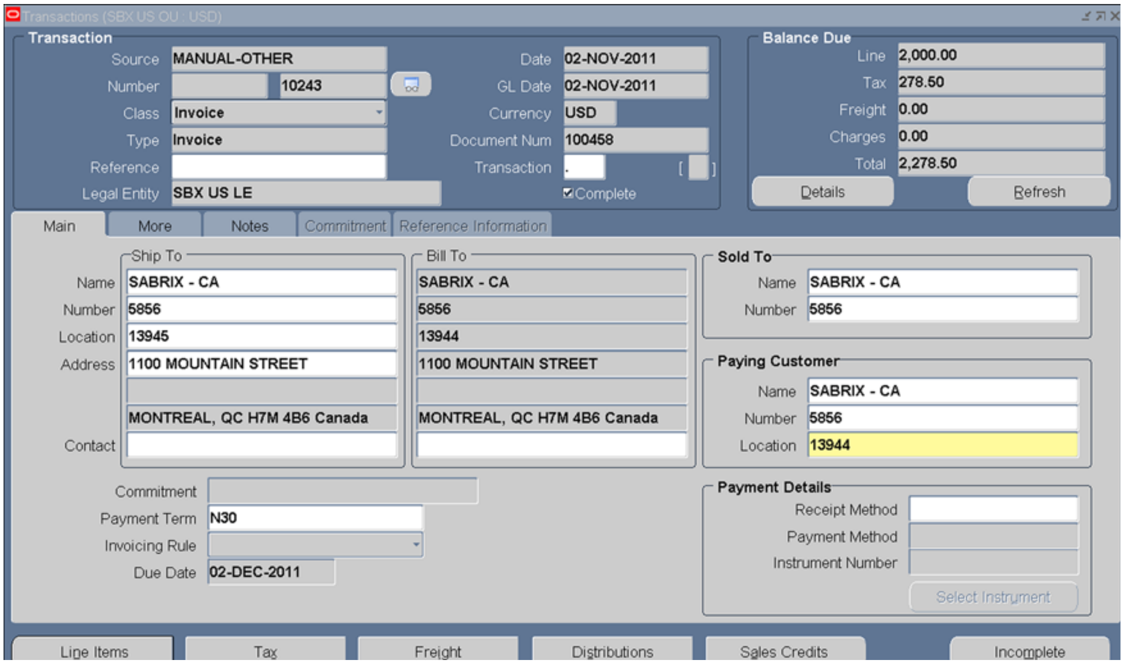
   In this example, shown in the following image, two invoice lines were created on the invoice. The invoice tax details displays the tax lines for both invoice lines.



INVOICES FOR NON-US TRANSACTIONS

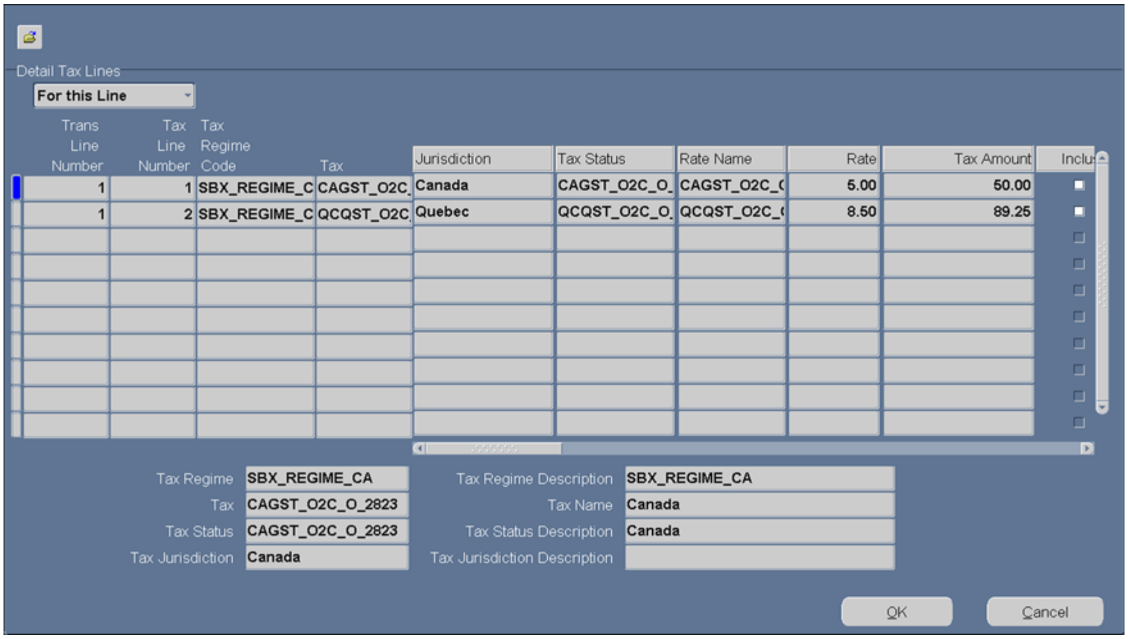
CANADIAN INVOICES

1. Create an invoice shipping to a Canadian Province (Quebec in this scenario). The following image is an example.



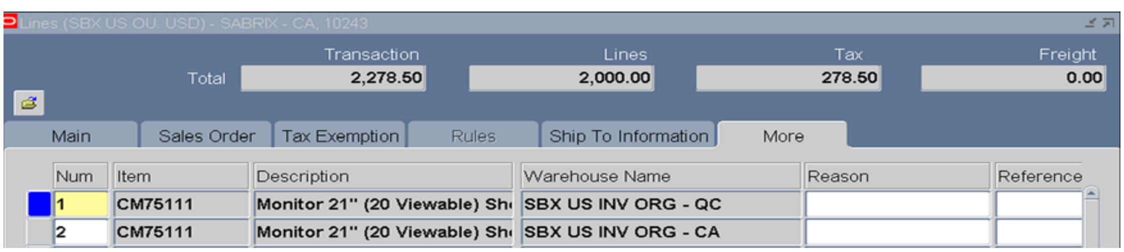
2. Enter the **Item**, **Quantity**, **Unit Price**, and enter **Warehouse Name** for the same Canadian Province as the customer **Ship To** address (Quebec in this scenario).

3. The tax results shown in the following image, will display the tax for this Invoice line shipping to and from Quebec.

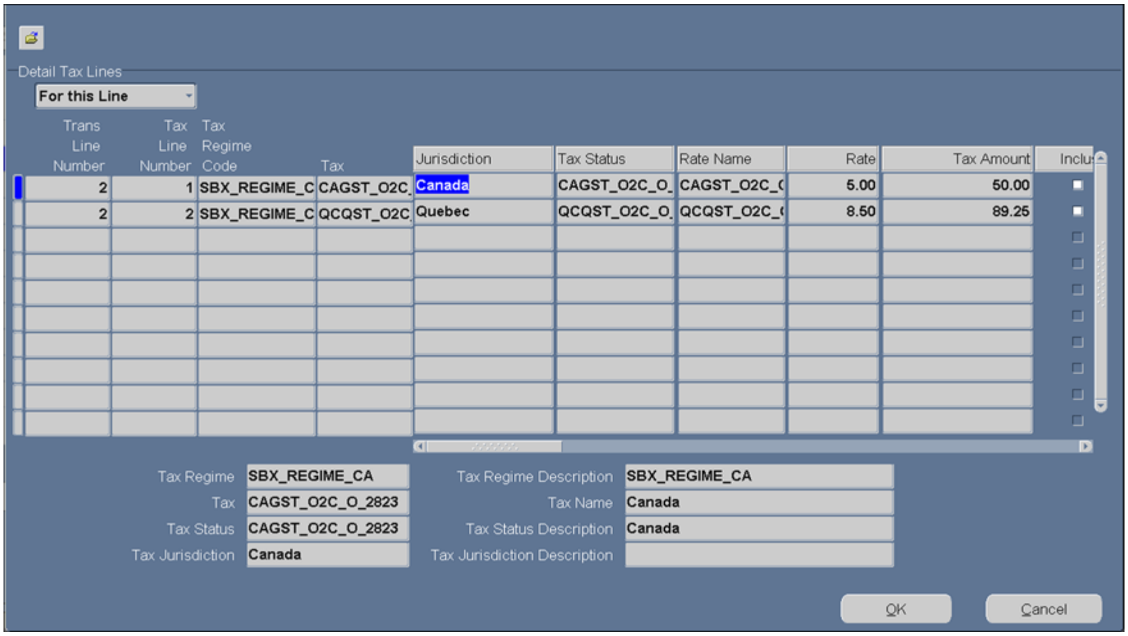


4. Enter a second invoice item line. Enter the shipped from location (**Warehouse**) from another province within Canada (Ontario in this scenario).

The following image is an example of the second line.



5. The tax results shown in the following image, will display the tax for this Invoice line, ship to Quebec and ship from Ontario.

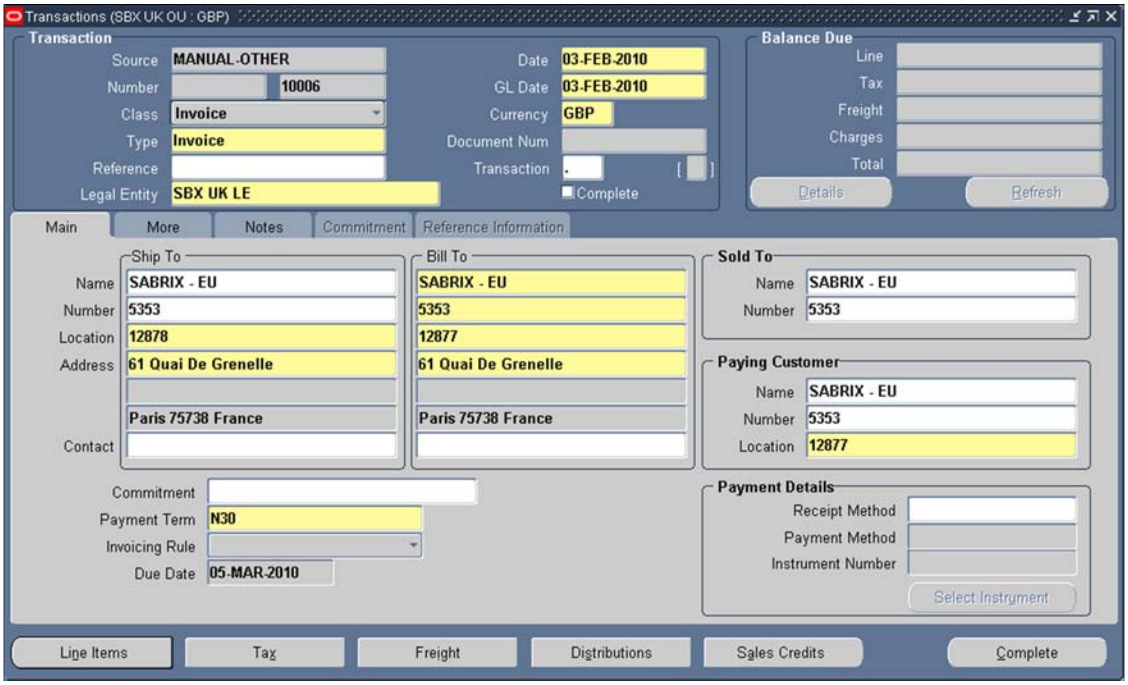


NOTE The FOB for the previous example was set to *Destination*. The tax results may vary based on the FOB terms.

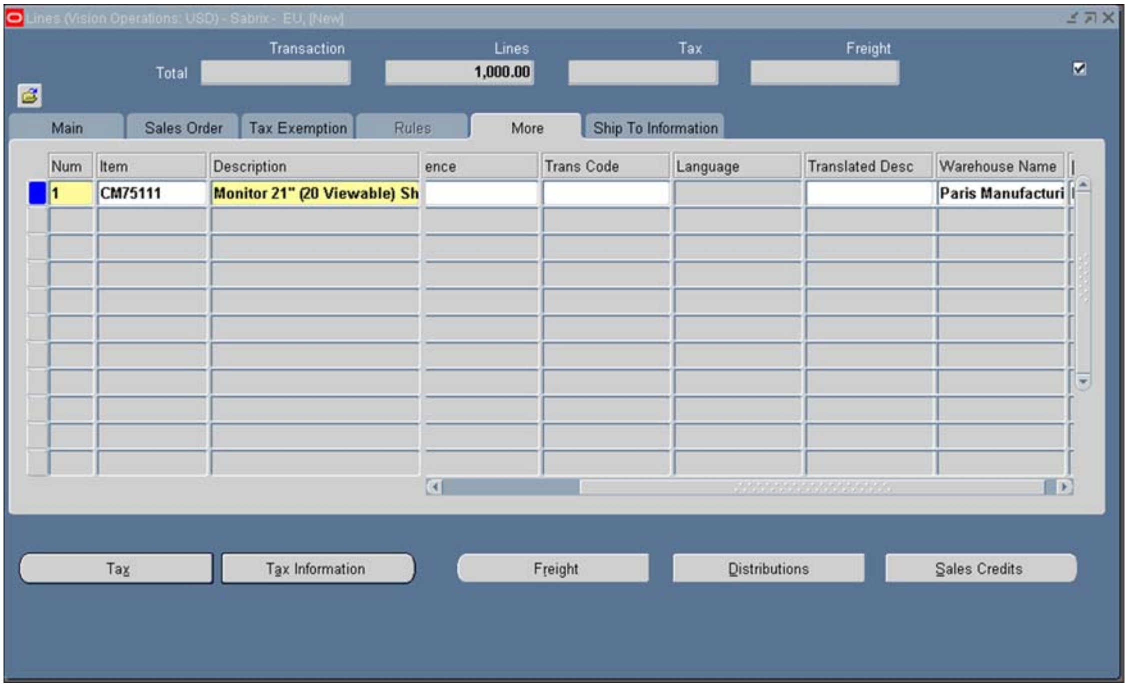
TRANSACTIONS WITHIN AND BETWEEN EU MEMBERS

The following scenarios demonstrate taxability for domestic transactions within an EU member state and for Intra-EU transactions.

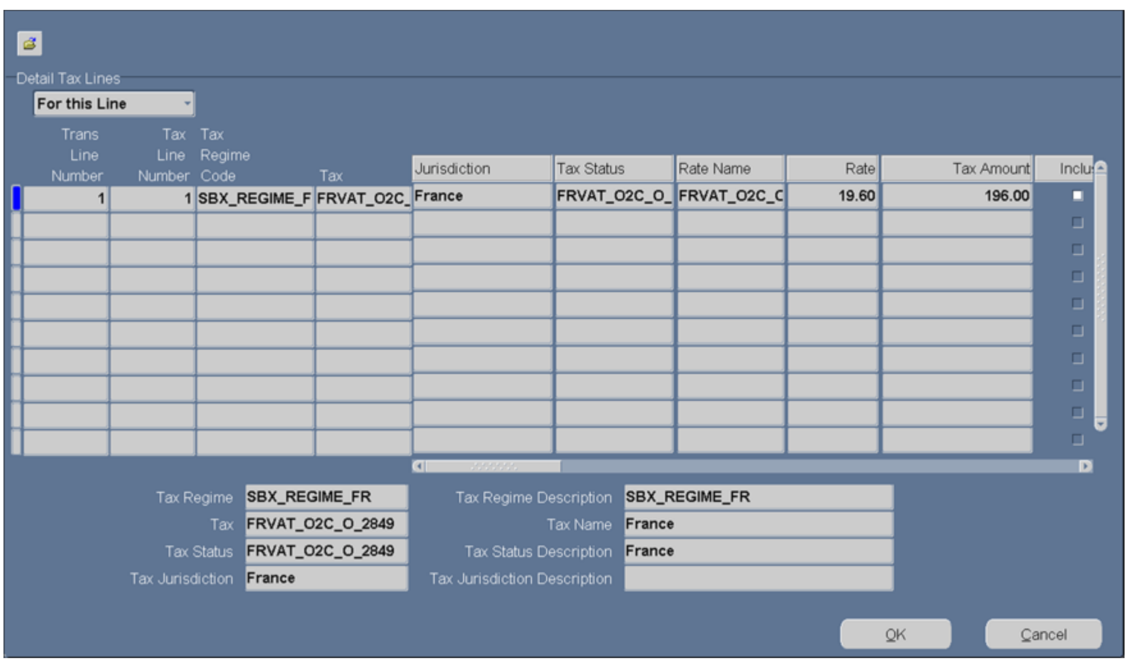
1. Create an invoice shipping to a European country (France in this example in the following image).



2. Enter the **Item**, **Quantity**, **Unit Price**, and enter **Warehouse Name** using the same EU country as the customer Ship To address (France in this example; shown in the following image).

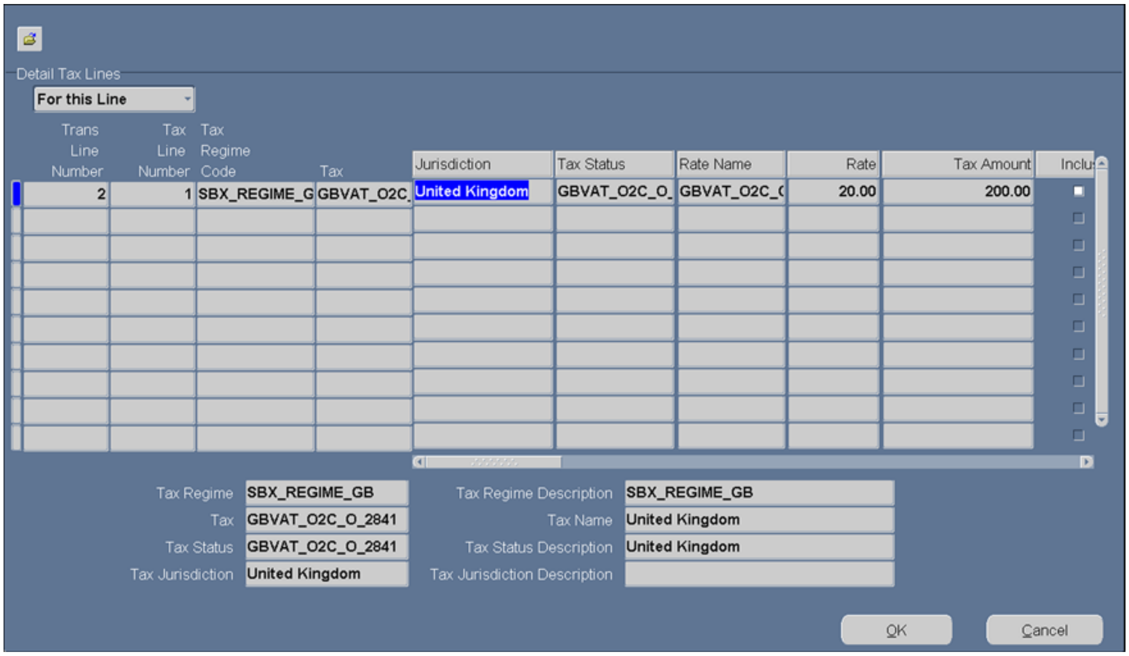


3. The following image shows the tax results for this transaction of French VAT of 19.6%.



4. Enter a second invoice item line. Enter the shipped from location (**Warehouse**) where the EU country differs from the customer Ship To EU country. In the following example, the Ship To is in France and the Ship From (**Warehouse**) is in the UK.

5. The tax results in the following image show for this transaction GBVAT of 20%.



SPECIAL TRANSACTIONS

The following sections discuss special cases of transaction processing.

DELETING INVOICES

When invoices are deleted from Oracle after tax has been applied, the Integration deletes subsequent audit information for that invoice within ONESOURCE Indirect Tax. This ensures that the invoice nformation in both systems is synchronized. The ability to delete invoices is an Oracle system setup. As a general rule, invoices are not deleted but a credit memo matched to an existing invoice should be created as in ***CREDIT MEMOS (page 48)***.

ADJUSTMENTS

Adjustments created in Accounts Receivable can be taxed by Determination. The Tax Rate Code Source on the Receivables Activity type selected for the Adjustment determines the transaction taxability. The Tax Rate Code Source can be defined as follows:

- **Activity**: The Tax Rate Code defined on the Activity will be used for the adjustment.
- **Invoice**: The Tax Rate Code on the adjusting invoice will be used.
- **None**: The Adjustment will not be taxed.

CREDIT MEMOS

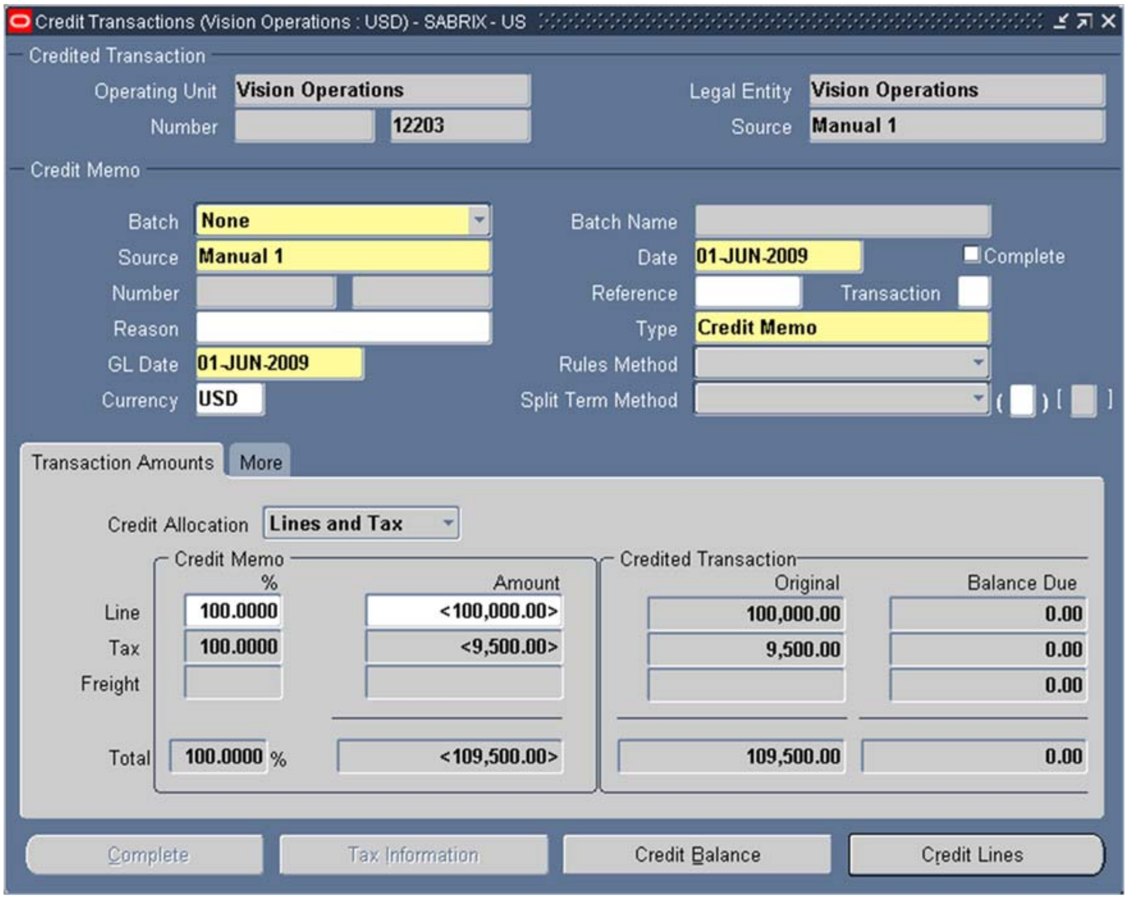
Credit Memos created in Accounts Receivable can be taxed by Determination. Credit memos created against invoices are processed by Determination using the original invoice date. This ensures that any intervening tax rate/rule changes to the taxing authority are not applied to the credit memo. On Account credit memos are processed by Determination using the credit memo date.

NOTE: If only the tax portion of an invoice is credited, Determination processes it with a “reverse calc” from the tax amount. A gross amount, derived from the tax amount is stored in Audit. To assist you with reconciliation, Determination marks these transactions with *Tax Credit Only* in the audit database.

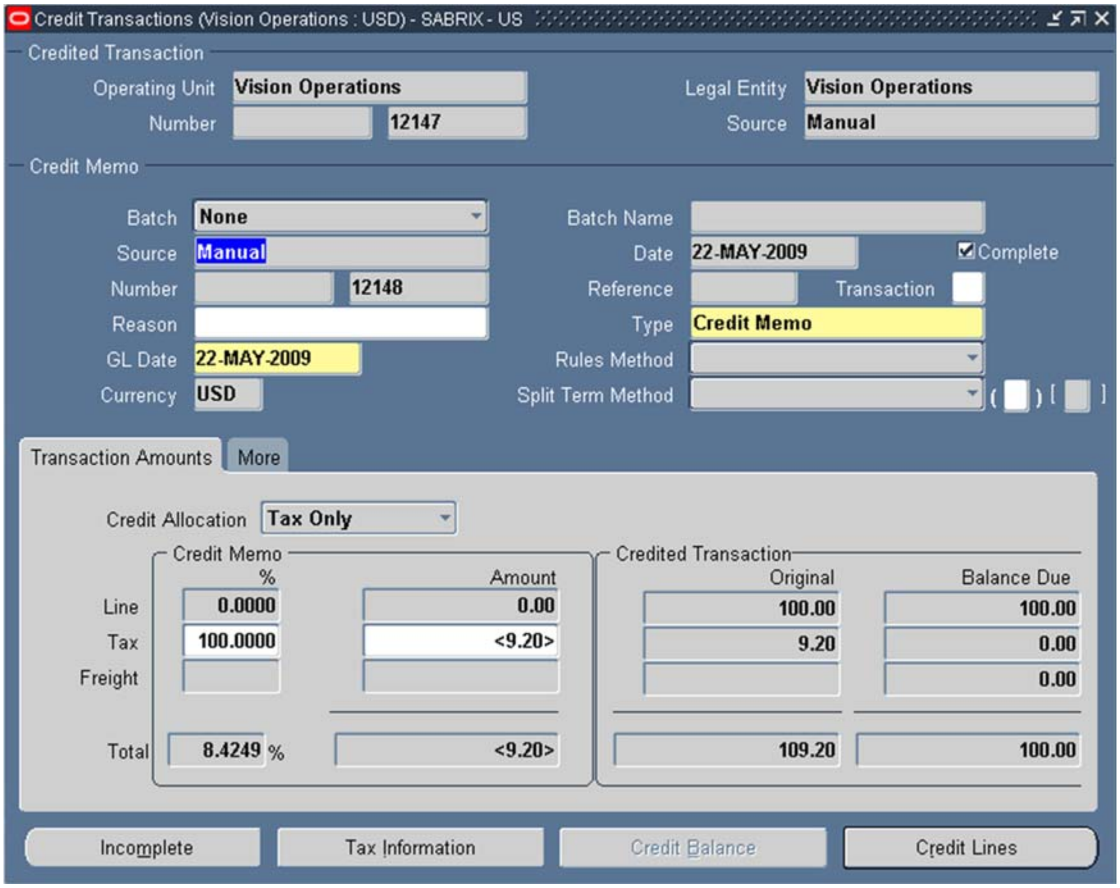
To create a credit memo matched to an existing invoice:

1. Find or Query an existing invoice.
2. From the **Actions** menu, select **Credit**.
3. Enter the amount to credit.

In this example, the entire invoice is credited by choosing the **Credit Allocation** of *Lines and Tax* then entering 100% in each % column and saving.



In this example, the tax amount is credited by choosing the **Credit Allocation** of *Tax Only* then entering the desired percentage to credit (100% of the tax in this example) and saving.



TAX-ONLY INVOICES

Tax-Only invoices and credit memos created using standard Oracle functionality integrates with Determination.

Many locations require a Ship From location for proper taxation. This is typically handled by the Warehouse on the invoice line. However, Memo lines are not associated with a Warehouse, instead, the internal address for the operating unit is used as the Ship From location. Alternatively, supply a value using either a precalc user exit or a TransEditor, depending on how you derive this information. The Ship From location is required for tax processing of transactions that take place outside of the United States.

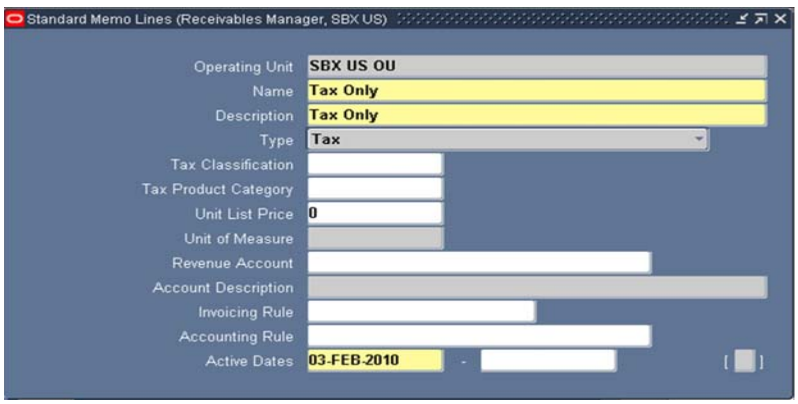
NOTE

If you receive multiple lines of tax back from Determination, they are consolidated onto the TAX_ONLY ERP tax code. To assist in reconciliation, these transactions are marked with *Tax Only Invoice/Credit* in the audit database.

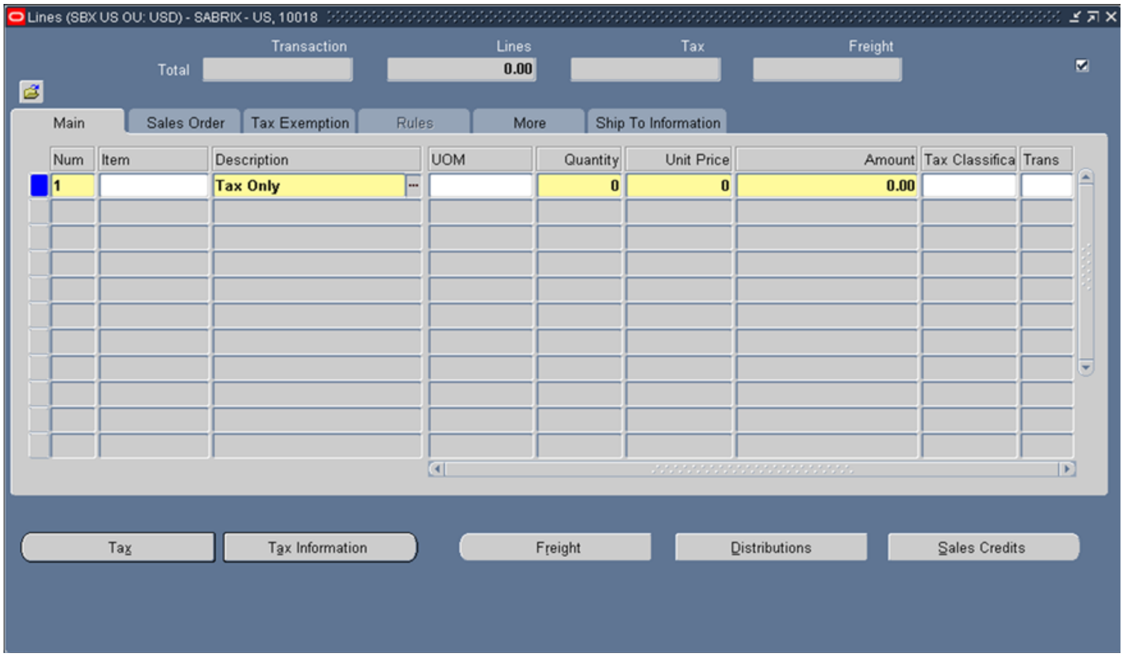
To configure Oracle to enable Tax-Only invoices:

1. Create the *TAX_ONLY* Tax to Rate flow as outlined in ***TAX RATE CODES AND GENERAL TAX ACCOUNTS (page 69)***.
2. Ensure that the following profile options are set to *YES* as outlined in the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide*:
   - **eBTax: Allow Ad Hoc Tax Changes**
   - **eBTax: Allow Override of Tax Classification Code**
3. Define a **Tax Only** Standard Memo Line in Oracle Receivables.
   - Click **Setup > Transactions > Memo Lines.**
   - Set the **Type** to *Tax* and the **Unit List Price** to *0 (zero).*

The following image shows the details of the form.

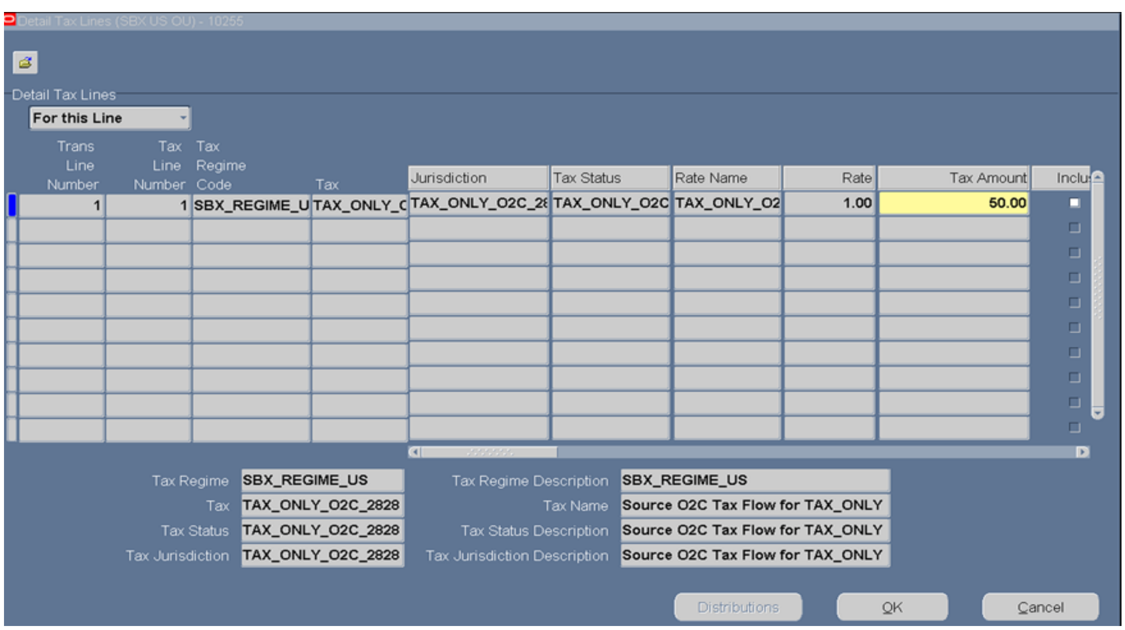


4. Create an invoice with the **Memo Line** that you just created in the description of the line item. To do that, select the **Tax Only** memo line from the description list of values. Click **Tax** as shown in the following image.

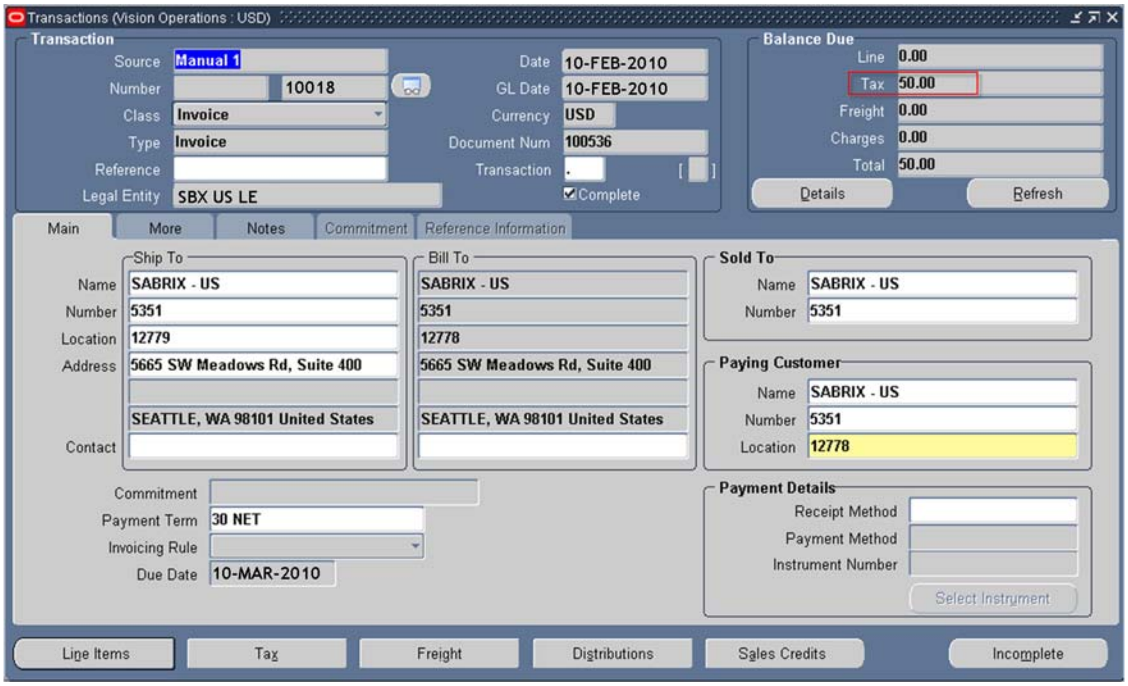


5. Populate the Regime to Rate Flow information using the *TAX_ONLY_O2C_XXXXXX* tax rate code (for the US Regime) and related Tax, Jurisdiction, and Tax Status. Enter the tax amount in the **Amount** field, and populate the **Place of Supply** and click **OK** to save.

The following image shows the details.



6. The tax-only charge is reflected in the invoice header as shown in the following image.



VAT REGISTRATION NUMBERS

The VAT registration numbers stored in Oracle at the party level and the party site level (for the site used on the transaction) are passed to Determination. Determination uses this information to determine if an invoice is eligible for taxation within a particular jurisdiction. If a registration does not exist and Determination determines that one is required, an error message will appear on your screen indicating that one needs to be created.

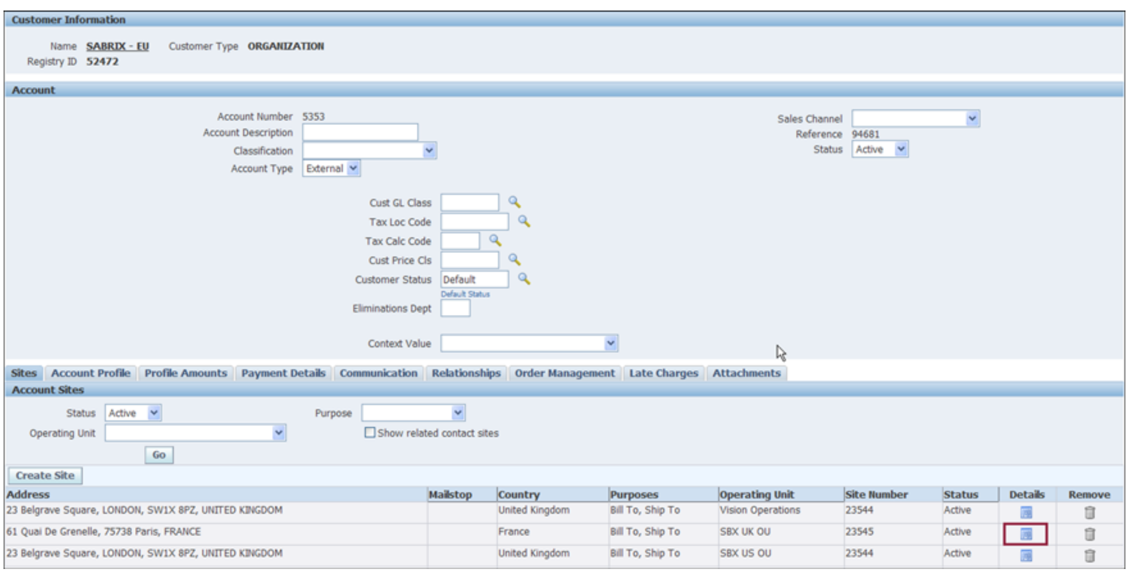
The following section outlines how to create a registration number in Oracle. See *ONESOURCE Indirect Tax Determination Online Help* for more information about creating registrations in Determination.

NOTE

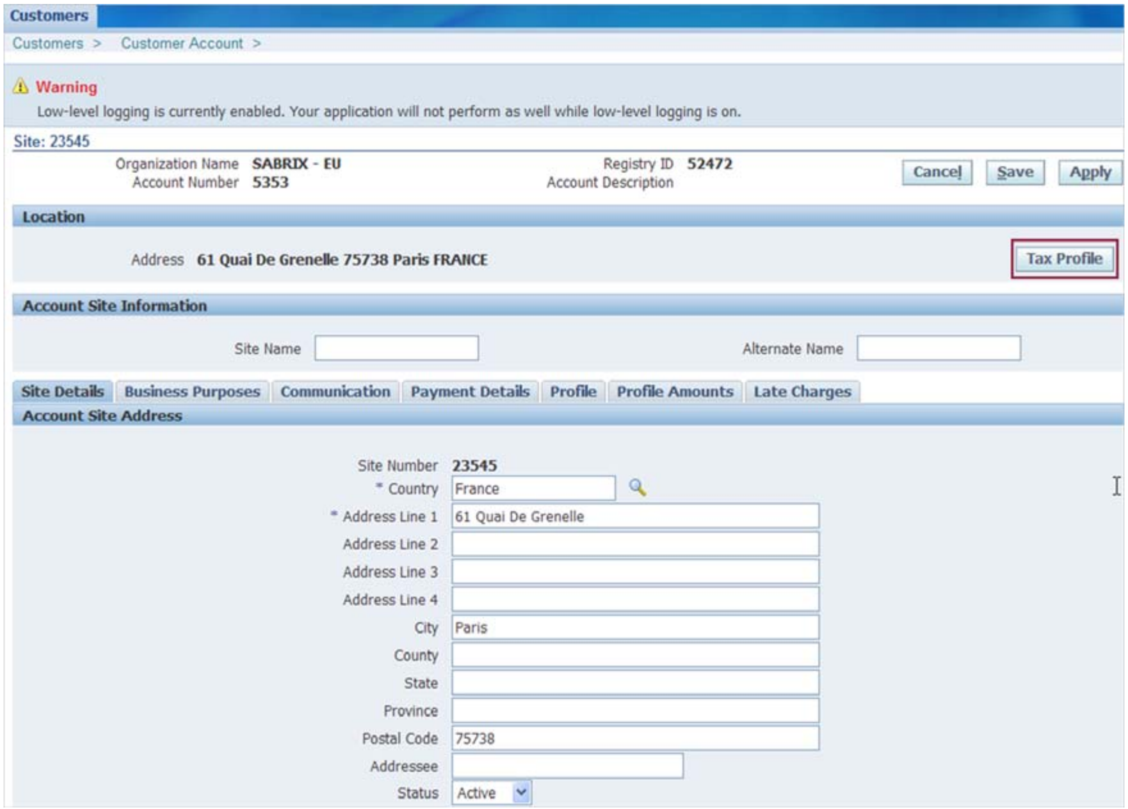
When entering VAT Registration numbers in Oracle R12, Oracle performs hard-coded validation on registration numbers for 31 countries. The validation formula is different for each country. Review the Oracle code to determine the specific formula. The current list of countries includes: Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, United Kingdom, Russia, Hungary, Argentina, Chile, Colombia, Taiwan, Brazil, Malta, Cyprus, Latvia, Lithuania, Slovenia. See My Oracle Support note #875894.1 for more information

To enter a VAT Registration on your Customer Site, you can navigate to the **Tax Information** form from **Oracle Receivables**, **Oracle Order Management**, or **Oracle Tax Managers** Responsibilities. Complete the following steps to access from **Oracle Receivables**:

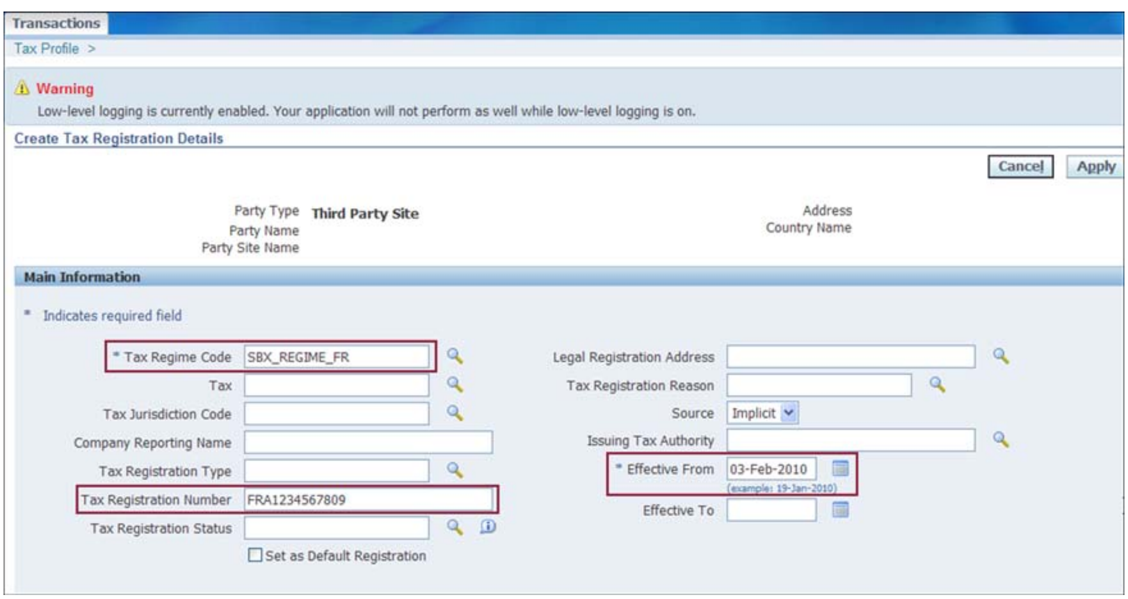
1. Navigate to **Receivables > Customers > Customers**.
2. Enter the search criteria and choose **Go**.
3. Select the customer and choose the customer account address that pertains to the VAT Registration. Click **Details**. The following image shows the details of the screen.



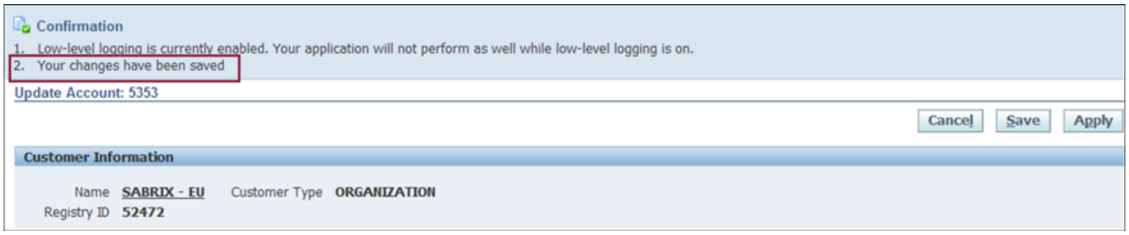
4. Click **Tax Profile** and then choose **Create** under the **Tax Registrations** heading.



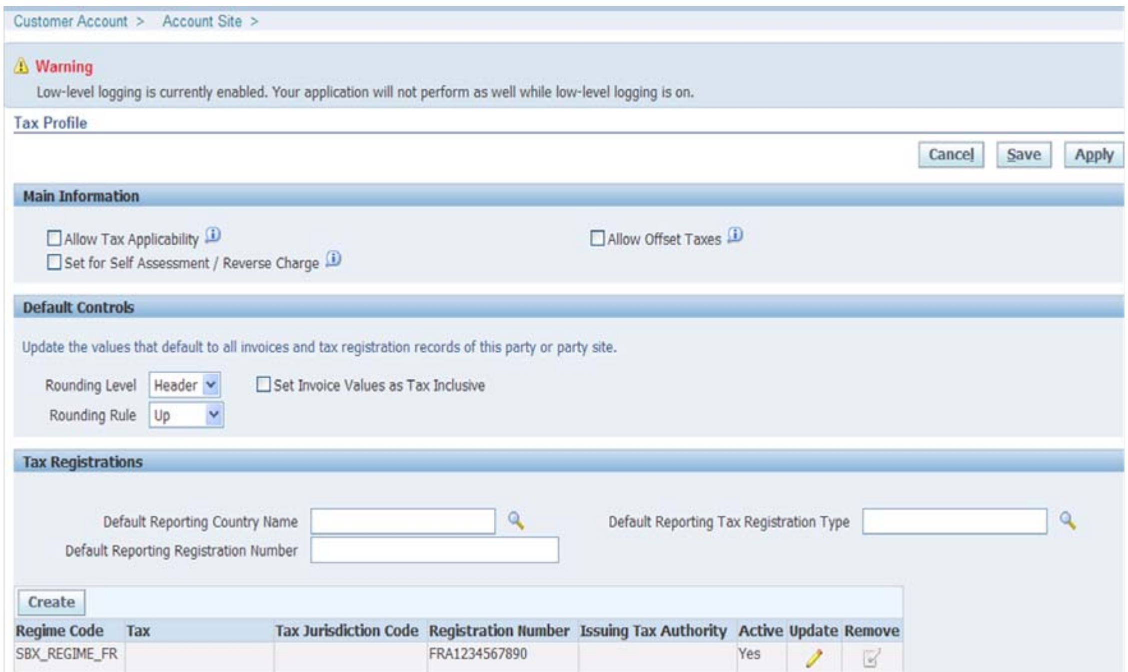
5. Fill in the **Tax Regime Code**, **Tax Registration Number**, and **Effective From** date.



6. Click **Apply** on the **Create Tax Registration Details** form. When the **Site** form displays, click **Apply**. The **Update Account** form will be displayed and a confirmation message will indicate your changes have been saved.



7. After completing the registration, the **Tax Profile** of the customer site will display the updated **Tax Registration** section.



REPORTING

The ONESOURCE Indirect Tax Integration for Oracle 12 Order to Cash offers reports to enable quick viewing of log data, transaction data, and other information. This section explains the following reports:

- ***SABRIX TRANSACTION REGISTER***
- ***SABRIX LOG MANAGER (page 59)***
- ***SABRIX TRANSACTION MANAGER (page 63)***

There are additional reports users may find helpful. See the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide* for more information on the following reports:

- **Sabrix XML Report -** displays XML Indata and XML Outdata from the SABRIX_LOG table.
- **Sabrix New Tax Flows Report** - provides visibility to all the Tax Flows created by the Integration.
- **GL Tax Account Discrepancies For Sabrix Tax Rate Codes** - lists Tax Rate Codes for the an ERP Code where the general ledger accounts differ.

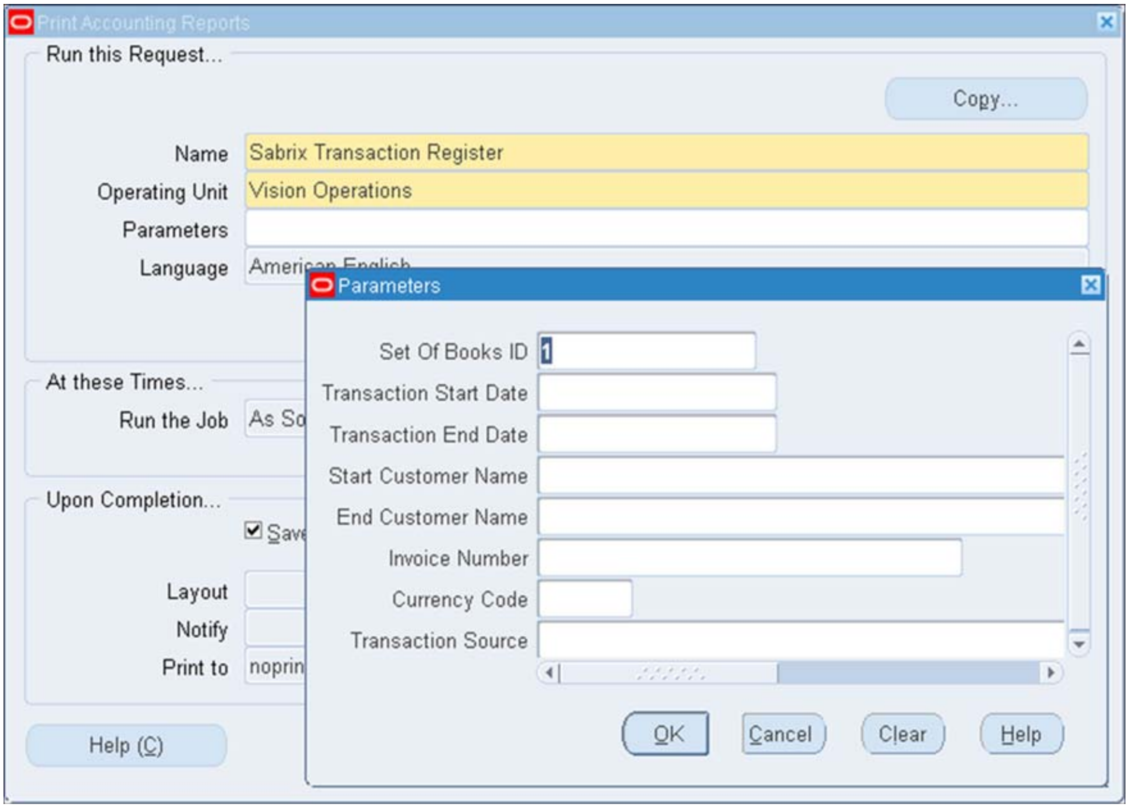
SABRIX TRANSACTION REGISTER

The **Sabrix Transaction Register** lists Receivables invoices created during the dates that you specify in the report parameters. It also provides a cross reference of the Oracle Invoice Number and the invoice number that matches your GL Reconciliation report. The report includes a required parameter for operating unit. The report can be run for one operating unit at a time.

To run the **Sabrix Transaction Register**:

1. In Oracle Receivables, navigate to **Reports > Accounting.**
2. Select **Sabrix Transaction Register** and enter the Operating Unit.

3. Enter information on the **Parameters** page shown in the following image and click **OK**.



4. Click **Submit**.

5. Navigate to the **Concurrent Manager** to view the report.

SABRIX LOG MANAGER

The Integration is fully integrated with Oracle's error handling capabilities. The **Sabrix Log Manager** process can be used to clean and purge the SABRIX_LOG table. This process is not operating unit-specific since it is used for Sabrix tables, which are not operating unit-specific.

A significant amount of detail for every transaction is included in the SABRIX_LOG table, including:

- Input value from Oracle
- Output value from the Determination
- Process dialog and interim values
- Transaction source
- Profile option values
- XML Input and Output to and from Determination

The log messages for all transaction data (not just AR transactions) are written to an Oracle database table, SABRIX_LOG table, located in the Sabrix schema. The Integration can maintain the logs resulting from Integration processes. The Integration writes logs to tables in the Sabrix schema.

When processing Receivables, Order Management, and Purchasing transactions, log data is controlled by the profile option **eBTax: Sabrix Debug Level** settings of *ALL, OFF, USER, XML,* and *WARNING, i*n conjunction with the **eBTax: Sabrix System Print Structure** setting. See the ***Configuring Profile Options at the Site Level (page 4)***, for more information.

See the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide, "*Configuring Profile Options" section, for more information.

For details on logging when processing Oracle Payables transactions, see the section "Configuring Sabrix Tax Process Logging and XML Settings Configuration Options" in the *ONESOURCE Indirect Tax Integration for Oracle 12 Procure to Pay User's Guide*.

Maintenance of these logs are managed by the **Sabrix Log Manager** concurrent program. Maintenance actions depend upon the setting of the program parameters listed below:

- Write logs to view data for a particular invoice or date range.
- Delete or Clean logs older than a specified date.
- Delete or Clean logs for a specified date range.
- Purge all records from the log table.

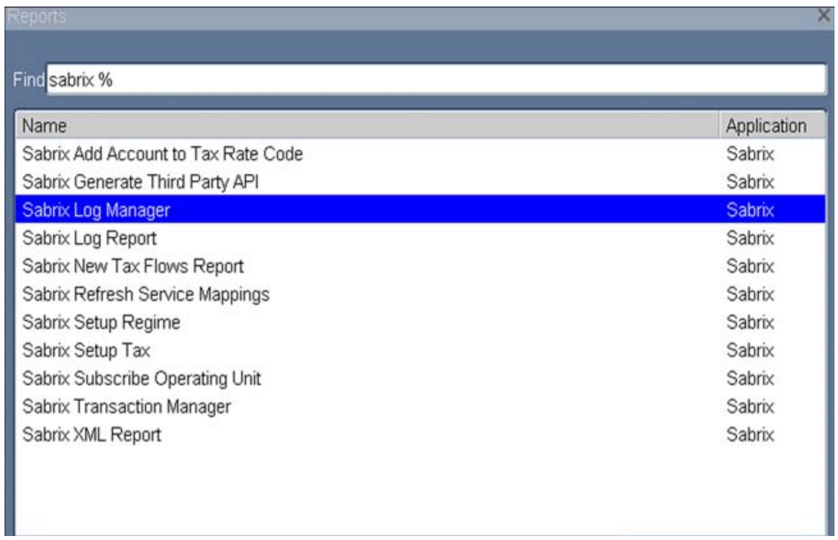
The selected action outlined above will be performed on ALL data in the SABRIX_LOG table, including Receivables, Order Management, Payables, and Purchasing transactions.

If an error occurs during transaction processing, you are notified. Full rollback capabilities ensure that Determination and Oracle Applications remain in agreement. Even with these safeguards in place, with the level of control granted to administrators and superusers, it is possible to manually circumvent these controls and introduce inconsistencies. For this purpose, the Integration includes reconciliation reports for matching Oracle distributions to audit transactions.

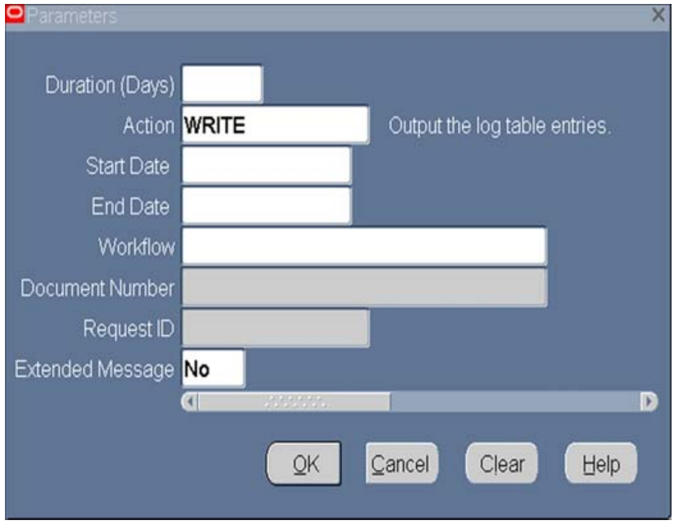
See the **Sabrix Log Report** concurrent process, which enables you to review the data in the SABRIX_LOG table without requiring a DBA or Developer to gather the data. See the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide* for more information.

To run the **Sabrix Log Manager**:

1. In the Tax Manager responsibility, navigate to **Requests > Other > Requests > Run.**
2. Select **Sabrix Log Manager** shown in the following image..



3. Enter information on the **Parameters** page, including the **Operating Unit** .



Parameter	Sample Value	Comment
Duration (Days)	*7*	The length of time in days to delete an entry in the table; Mutually exclusive with **Start Date**.
Action	*WRITE*	**Note**: Action will be performed on ALL data in the Sabrix Log Table, this includes AR, OM, AP, and PO transactions. • *WRITE*: Data for the parameters selected will be written to the output file. • *CLEAN*: Data for the parameters selected will be deleted from the log table. • *WRITE-n-CLEAN*: Data for the parameters selected will be written to the output file and deleted from the log table. • *PURGE*: The entire log table gets emptied. The default is *WRITE*.
Start Date	*12-MAY-2006*	A start date for a date range for the **Action**. The default is today's date minus 14 days. Mutually exclusive with **Duration**.
End Date	*12-MAY-2006*	An end date for a date range for the **Action**. The default is today's date minus 7 days.
Workflow	*O2C or P2P*	The workflow, *Order to Cash* or *Procure to Pay*, associated with the Document number (customer_trx_id)
Document Number	*Null, customer_trx_ID* *All Invoices*	The parameter will validate on invoice or purchase order number in this field. If either exists, the Log Manager will perform the action stated in the **Action** parameter for this document in the Sabrix Log Table. **Note:** the document number is the customer_trx_id.

Parameter	Sample Value	Comment
Request ID	*Null, specific request ID, or ALL REQS*	The parameter will validate on request ID in this field. The Log Manager will perform the action stated in the **Action** parameter for this request in the Sabrix Log Table.
Extended Message	*Yes*	Set to *Yes* to view the extended XML messages.

The following is a list of the different results that can be returned when using different combinations of the parameters:

- If the **Start Date** and **End Date** are the same, any transaction will be performed for that day only. For example, if you want to see a log file for an invoice that was processed on 01-DEC-11, you would set the parameters to be the following:

```
START DATE = 01-DEC-11
END DATE = 01-DEC-11
DOCUMENT NUMBER = <customer_trx_id>
```

- If there is a range of dates in the parameters, all log information within the date ranges will be written to the output file. For example, if you want to see the log file for all invoices that were processed between 01-DEC-11 and 15-DEC-11 you would set the parameters to be the following:

```
START DATE = 01-DEC-11
END DATE = 15-DEC-11
```

  This particular scenario would most likely return a large amount of data.

If the **Start Date** is greater than the **End Date**, no data will be returned.

The **Sabrix Log Manager** could be scheduled to run periodically in order to keep the Sabrix Log table from getting too large. To do this, contact your IT department or someone who is responsible for scheduling concurrent jobs.

SABRIX TRANSACTION MANAGER

The Integration provides a method for IT personnel to maintain the transaction tables resulting from Integration processes. The Integration writes transactions to tables located in the Sabrix schema. This process is not operating unit-specific since it is used for Sabrix tables which are not operating unit-specific. These tables are managed by the **Sabrix Transaction Manager** concurrent program. This program can, depending upon the setting of parameters listed in the table below:

- Delete transactions older than a specified date.
- Delete transactions for a specified date range.
- Purge all records from the transaction table.

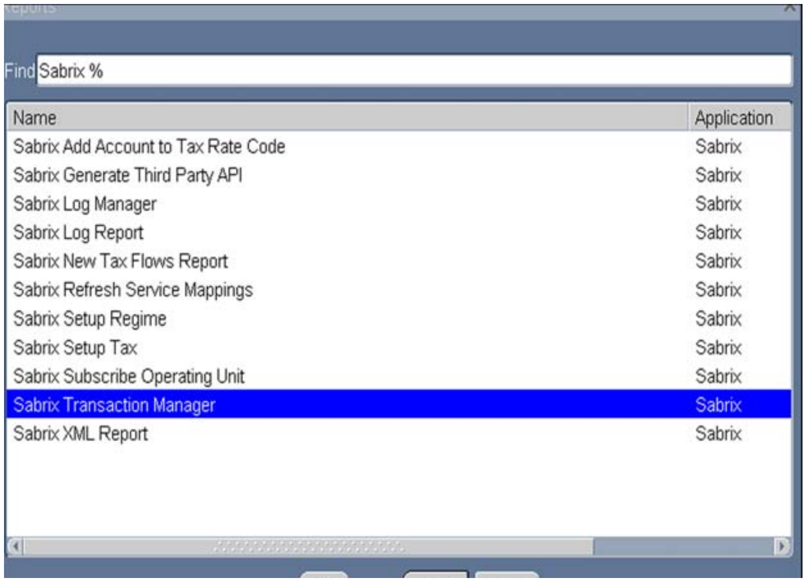
NOTE: The selected action outlined above will be performed on ALL data in the Sabrix tables, this includes, Receivables, Order Management, Payables, and Purchasing transactions.

The Sabrix schema tables managed by the **Sabrix Transaction Manager** include:

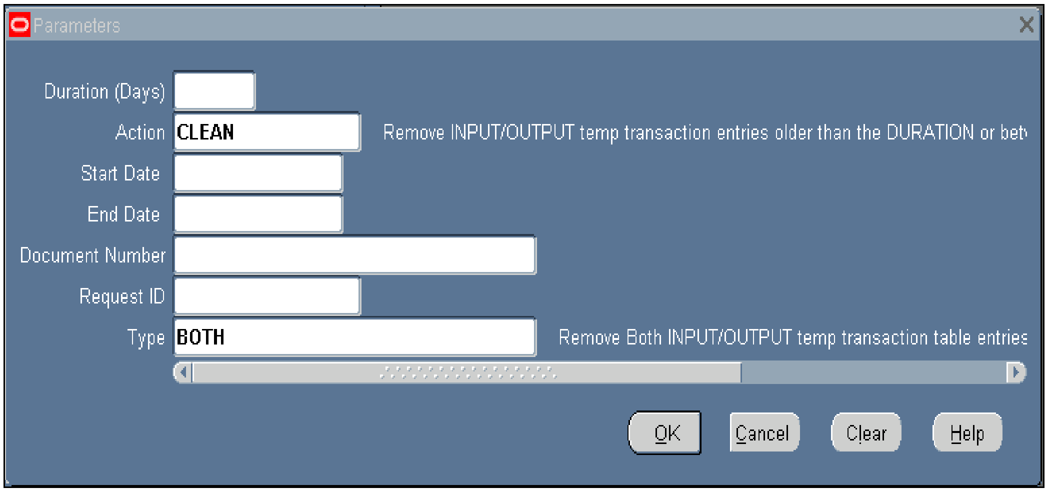
- sabrix_invoice
- sabrix_invoice_out
- sabrix_invoice_tax
- sabrix_license
- sabrix_license_out
- sabrix_line
- sabrix_line_tax
- sabrix_line_out
- sabrix_message
- sabrix_registration

To run the **Sabrix Transaction Manager**:

1. In Oracle Tax Manager, navigate to **Requests > Other > Requests > Run.**
2. Select the **Sabrix Transaction Manager** shown in the following image.



3. Enter information on the **Parameters** page, including **Operating Unit**.



Parameter	Sample Value	Comment
Duration (Days)	*7*	The length of time in days to delete an entry in the table; Mutually exclusive with Start Date.
Action	*PURGE*	**Note**: Action will be performed on ALL data in the Sabrix Log Table, this includes AR, OM, AP, and PO transactions. • *PURGE*: Remove all records from the transaction tables via TRUNCATE. • *CLEAN*: Remove all records older than **Duration** days old or all records which fall between the dates specified by **Start Date** and **End Date**. The default is *CLEAN*.
Start Date	*12-MAY-2006*	A start date for a date range for which transaction table contents will be deleted. The default is today's date minus 14 days. Mutually exclusive with **Duration**.
End Date	*12-MAY-2006*	An end date for a date range for which transaction table contents will be deleted The default is today's date minus 7 days.
Document Number	*Inv123*	The parameter will validate the transaction in this field. If either exists, the transaction manager will perform the action stated in the **Action** parameter for that document.
Request ID	*4126279*	The transaction manager will perform the action stated in the **Action** parameter for the specific request id.
Type	List of Values	• *INPUT*: Selected to delete/purge the records from the tmp_sabrix_invoice_input table. • *OUTPUT*: Selected to delete/purge the records from the tmp_sabrix_invoice_output table. • *BOTH*: Selected to delete/purge the records from both the input and output tables. This is the default value for the parameter.

DETERMINATION FEATURES

There are some special features in ONESOURCE Indirect Tax Determination 5.x that can be used with the Integration. These Determination features, can be enabled with additional configuration. A description of these features and how you can use them are described below. For more information, please see *ONESOURCE Indirect Tax Determination Online Help*.

USING BONDED WAREHOUSE OR LOCATION TAX CATEGORY

If you have a bonded warehouse or a location that has a unique tax status due to the type of location, this information needs to be provided to Determination. A sales or receivables transaction may carry this information for either the Ship To address for a customer or for a Ship From address (Inventory Organization).

You must create a precalc to populate SF_is_Bonded, or SF_Location_Tax_Category (for a Ship From address) or ST_is_Bonded or ST_Location_Tax_Category (for a Ship To address). Depending on how this information is stored or passed, you may be able to use a TransEditor or a rule qualifier instead of a precalc.

DELIVERY OR INCOTERMS

Incoterms, short for International Commercial Terms, are used to specify an exact point of title transfer. Thirteen codes are currently implemented by the International Chamber of Commerce as part of ICC 2000 and are included in Determination tax data.

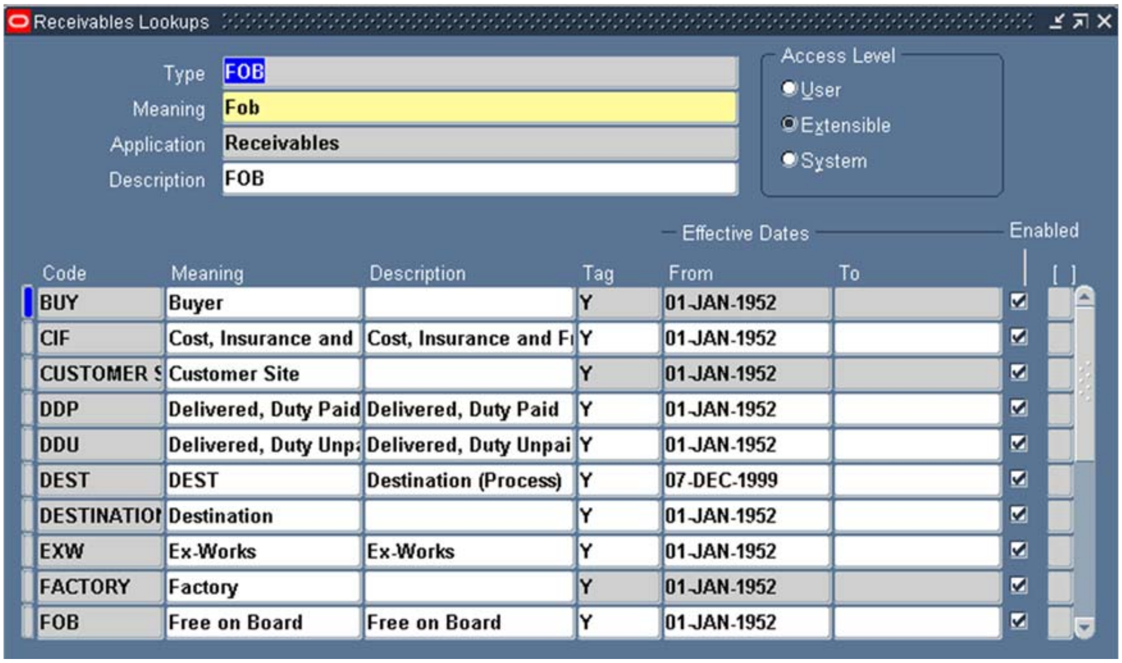
You can have Incoterms (Delivery Terms) mapped to a Point Of Title Transfer. Point of Title Transfer affects which authorities and which type of tax are included in tax calculations.

To map your Incoterms in E-Business Suite to the terms in Determination:

1. In Oracle, Using the **Receivables Manager** responsibility, Navigate to **Set Up > System > Quickcodes > Receivables**.

   The Delivery terms are your FOB in Oracle. You will find a complete list of your delivery terms in the **Receivables Lookups** form.
2. Query **Type** of **FOB**.

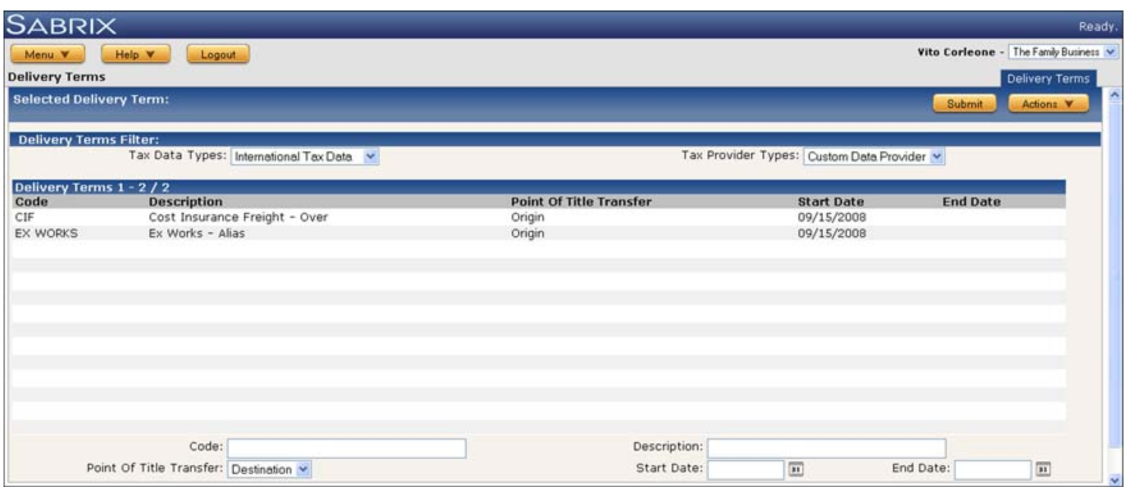
3. Enter your quickcodes in the list of **FOB** and Save your changes. The following image is an example.



4. In Determination, click **Menu > System > Tax Data Config > Delivery Terms**.

5. Enter your quickcodes exactly as they are named in Oracle and then choose the appropriate **Point of Title Transfer**, **Description**, **Start Date**, and **End Date.**

6. Click **Submit**. The following image shows the screen details.



DEPENDENT PRODUCTS

Using Determination, you can associate invoice lines that have the same tax treatment. The XML tag of <RELATED_LINE_NUMBER> can be populated from a precalc by filling in the column *related_line_number* in the *Sabrix_line* table.

AUTHORITY CURRENCY

Many non-US authorities require tax reports submitted in the currency designated by that authority. However, individual transactions can occur in multiple currencies. If exchange rates are maintained in Determination, Tax Exchange Rate Date and Authority Currency Amount are supplied with the tax results from Sabrix and stored in the SABRIX_LINE_TAX table.

TAX POINT DATE

Many countries have specific laws regarding the date that should be considered the Tax Point Date. For example, The UK requires the invoice date to be used for the tax point date, unless it occurs 14 days or more after the date of the shipment. In that case, the ship date should be used. The ONESOURCE Indirect Tax Integration sends the ship date as well as the invoice date. Determination will then evaluate which date to use for the tax calculation.

TAX RATE CODES AND GENERAL TAX ACCOUNTS

The *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide* outlines the process for creating Tax Rate Codes for use by your integration. The process describes how to create tax flows for the initial implementation, as well as how to create additional information after the initial implementation. For example, you may add a custom authority in ONESOURCE Indirect Tax Determination and want it to have a unique tax rate code and associated accounting.

The sections below describe the processes to:

- ***CREATING ADDITIONAL TAX RATE CODES FOR RECEIVABLES (page 69)***
- ***SABRIX ADD ACCOUNT TO TAX RATE CODE (page 70)***
- ***MANUALLY ADDING GENERAL LEDGER TAX ACCOUNTS FOR RECEIVABLES (page 71)***
- ***UPDATING GENERAL LEDGER TAX ACCOUNTS FOR RECEIVABLES (page 74)***

CREATING ADDITIONAL TAX RATE CODES FOR RECEIVABLES

To add a new individual tax flow to an existing Regime, run the concurrent process, *Sabrix Setup Tax*. This process will create the Tax Rate Code and associated Tax, Status, and Jurisdiction for the entered regime. The general ledger tax accounts are not created by the concurrent process and must be added as an additional step.

NOTE

Be sure the Oracle **Tax Managers** responsibility you are using has the multi-org access to the operating units to which you will be defining the Tax Rate Code and associating the general ledger accounts.

To run the Sabrix Setup Tax concurrent process:

1. Select the **Tax Managers** responsibility.
2. Navigate to the **Requests > Other > Requests > Run** and select a single request.
3. In the name field, select the concurrent process *Sabrix Setup Tax***.**
4. Enter the following parameters:.

Prompt	Description
Country	Country of the Tax Regime
Rate Code	Sabrix ERP Tax Code
Install O2C	Create an O2C Tax Flow? *Yes* or *No*

Prompt	Description
Install P2P	Create a P2P Tax Flow? *Yes* or *No*
Start Date	Tax Effective Start Date (DD-MMM-YYYY); must be on or after the Regime start date

5. Click **Submit**.
6. Review the concurrent request log file to confirm successful completion.

For more information, see the following:

- To add general ledger accounts for a new Tax Rate Code using the concurrent process, see ***SABRIX ADD ACCOUNT TO TAX RATE CODE (page 70)***
- To manually enter general ledger accounts for a new Tax Rate Code, see ***MANUALLY ADDING GENERAL LEDGER TAX ACCOUNTS FOR RECEIVABLES (page 71)***.
- To manually change the general ledger accounts for an existing Tax Rate Code, see ***UPDATING GENERAL LEDGER TAX ACCOUNTS FOR RECEIVABLES (page 74)***

SABRIX ADD ACCOUNT TO TAX RATE CODE

The general ledger accounts can be manually entered via the **Tax Accounts** form in the **Tax Manager** responsibility. Alternatively, the ***Sabrix Add Account to Tax Rate Code*** program can be run to assign all the **Tax Rate Codes** for the specified ERP Tax Code to a specific operating unit's general ledger tax accounts. This process can also be run to change/update the existing general ledger tax accounts for all the **Tax Rate Codes** (i.e. authorities) for the specified ERP Tax Code.

NOTE You must execute the concurrent process once for each combination of regime, operating unit and tax rate code.

To run the Sabrix Add Account to Tax Rate Code concurrent process:

1. Select the **Tax Managers** responsibility.
2. Navigate to **Requests > Other > Requests > Run** and select a single request.
3. In the name field, select the concurrent process **Sabrix Add Account to Tax Rate Code**.

4. Enter the following parameters:

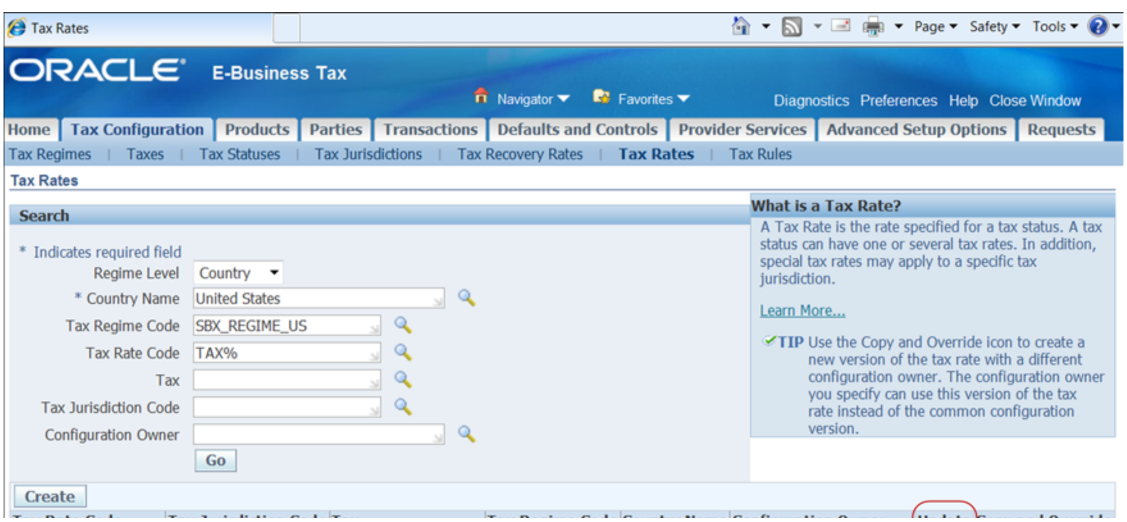
Prompt	Description
Tax Regime	Choose from value set
Operating Unit	Choose from value set
Tax Rate Code	Choose from value set
Recoverable/Liability Acct	Enter a valid General Ledger account combination for the Operating Unit Required for O2C and P2P Tax Rate Codes
Tax Expense Acct	Enter a valid General Ledger account combination for the Operating Unit Not Required for O2C Tax Rate Codes

5. Click **Submit**.
6. Review the concurrent request log file to confirm successful completion.

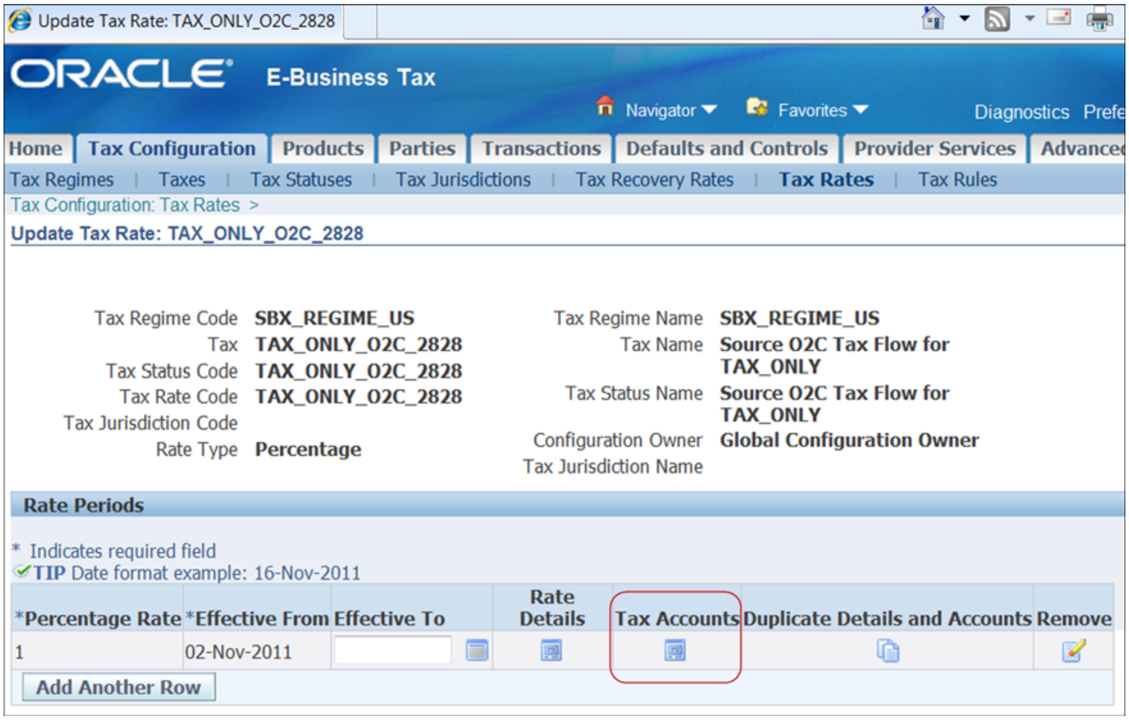
MANUALLY ADDING GENERAL LEDGER TAX ACCOUNTS FOR RECEIVABLES

To enter the general ledger accounts for the new **Tax Rate Code**

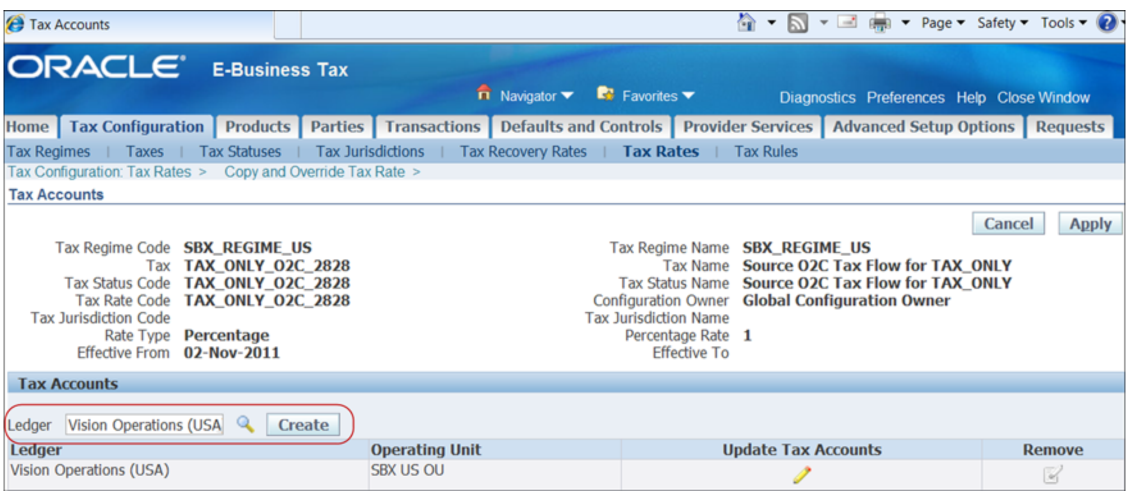
1. Navigate to **Tax Configuration > Tax Rates**.
2. Search for your newly created **Tax Rate Code** and click the **Update** icon as shown in the following image.



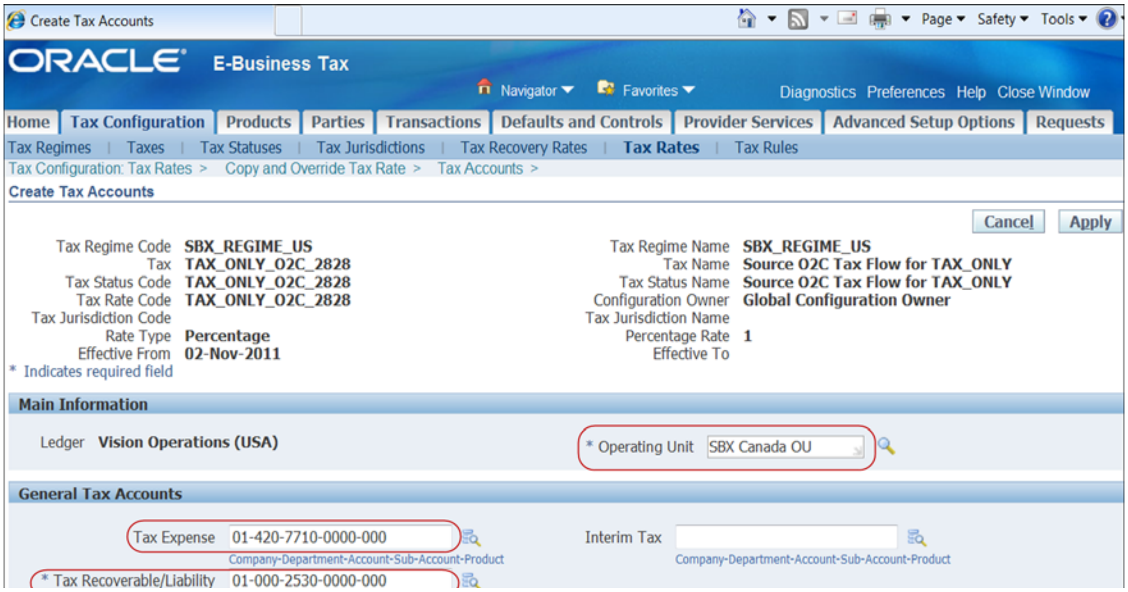
3. Click the **Tax Accounts** icon.



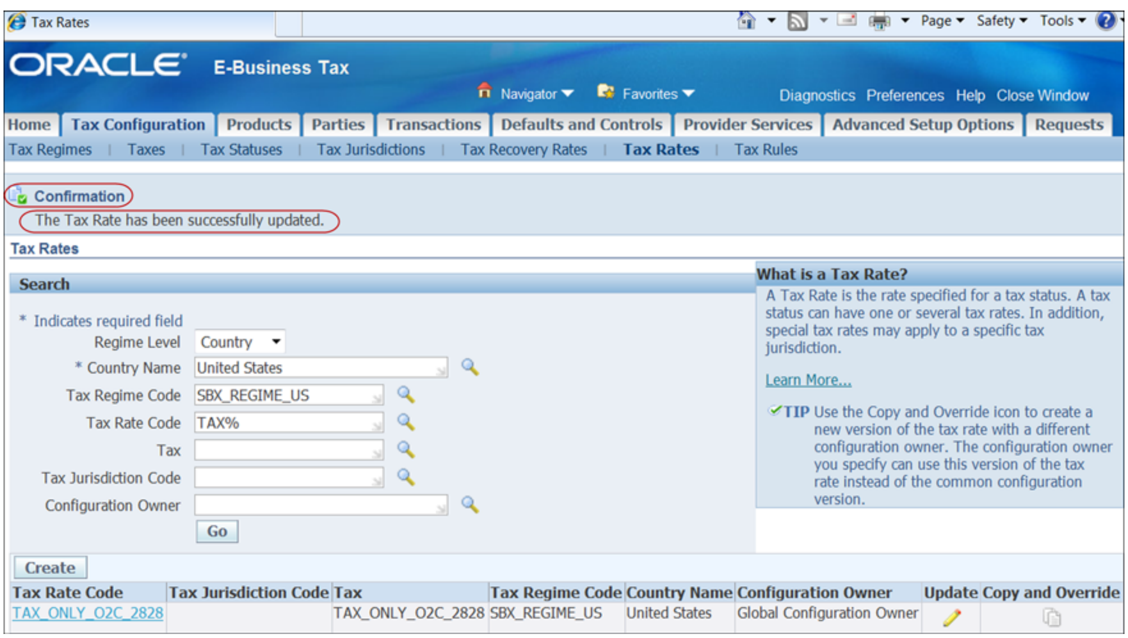
4. Enter your accounting **Ledger** and click **Create**.



5. Next, enter the **Operating Unit** and the **Tax Recoverable/Liability** account shown in the following image. The **Tax Expense** account is not required for O2C, but is required for P2P. Click **Apply** on the **Create Tax Accounts** form.



6. The **Tax Accounts** form will be displayed: click **Apply**. The **Update Tax Rate** form will be displayed: click **Apply**. The **Tax Rates** form will be displayed with the confirmation message indicating your changes have been saved.



NOTE The general ledger account entry steps need to be repeated for each operating unit in which the **Tax Rate Code** will be used.

NOTE Thomson Reuters recommends that you use the same general ledger accounts within the ERP Tax Code group. An ERP Tax Code group relates to all the Tax Flows associated with the same ERP Tax Code. For example, all the city and county authorities within a state will have the same ERP Tax Code, such as Washington has USWA.

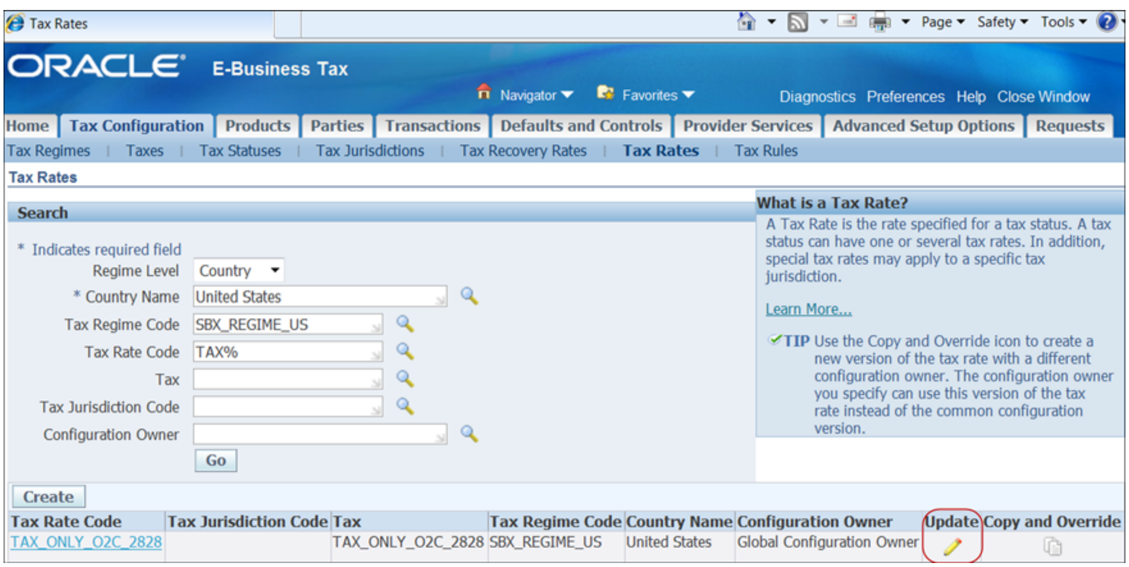
UPDATING GENERAL LEDGER TAX ACCOUNTS FOR RECEIVABLES

You can update the general ledger accounts defined on a Tax Rate Code. To automatically update all the Tax Rate Codes for a specific ERP Tax Code, the ***Sabrix Add Account to Tax Rate Code*** program can be run to change/update all the **Tax Rate Codes** (i.e. authorities) for the specified ERP Tax Code to a specific operating unit's general ledger tax accounts.

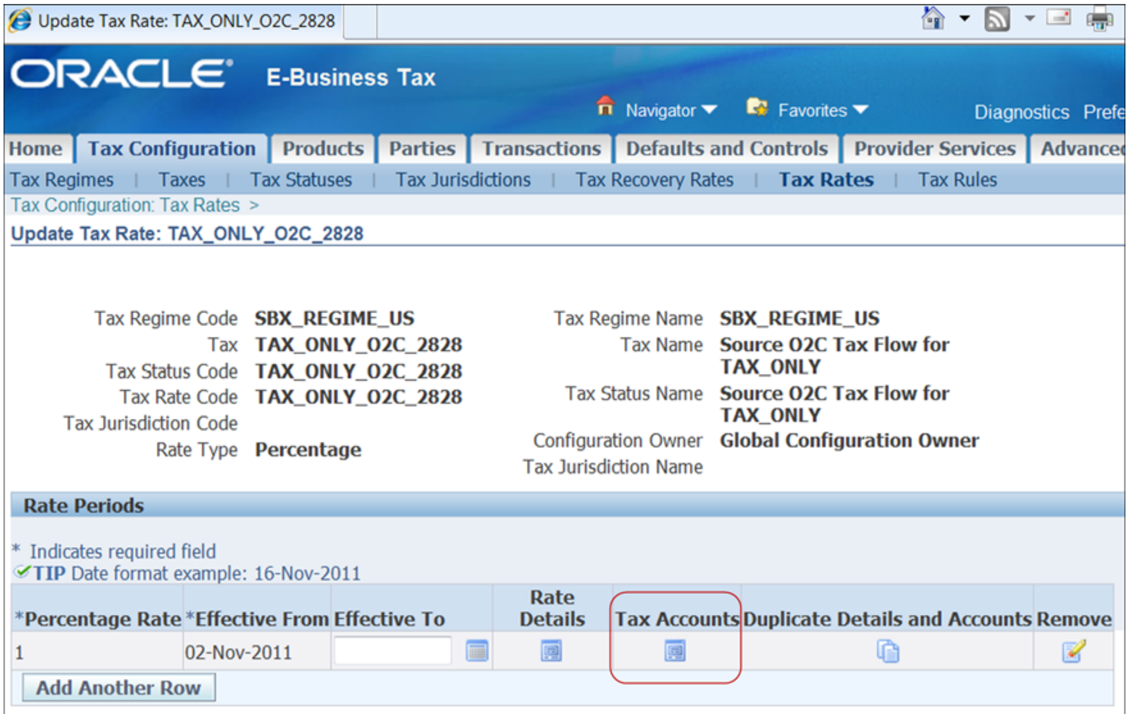
NOTE Thomson Reuters recommends that you use the same general ledger accounts within the ERP Tax Code group. An ERP Tax Code group relates to all the Tax Flows associated with the same ERP Tax Code. For example, all the city and county authorities within a state will have the same ERP Tax Code, such as Washington has USWA.

To update the general ledger accounts manually:

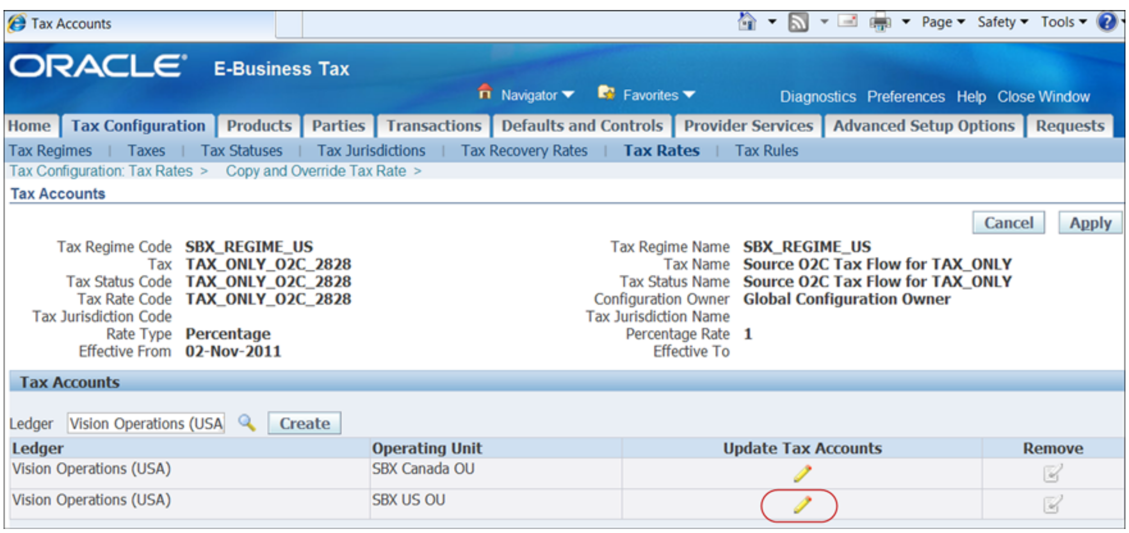
1. Select the **Tax Managers** responsibility.
2. Navigate to **Tax Configuration > Tax Rates** form.
3. Enter the search criteria for the **Tax Rate Code** to be updated and click **Go**.
4. Click the **Update** icon associated with the Tax Rate Code to be updated.



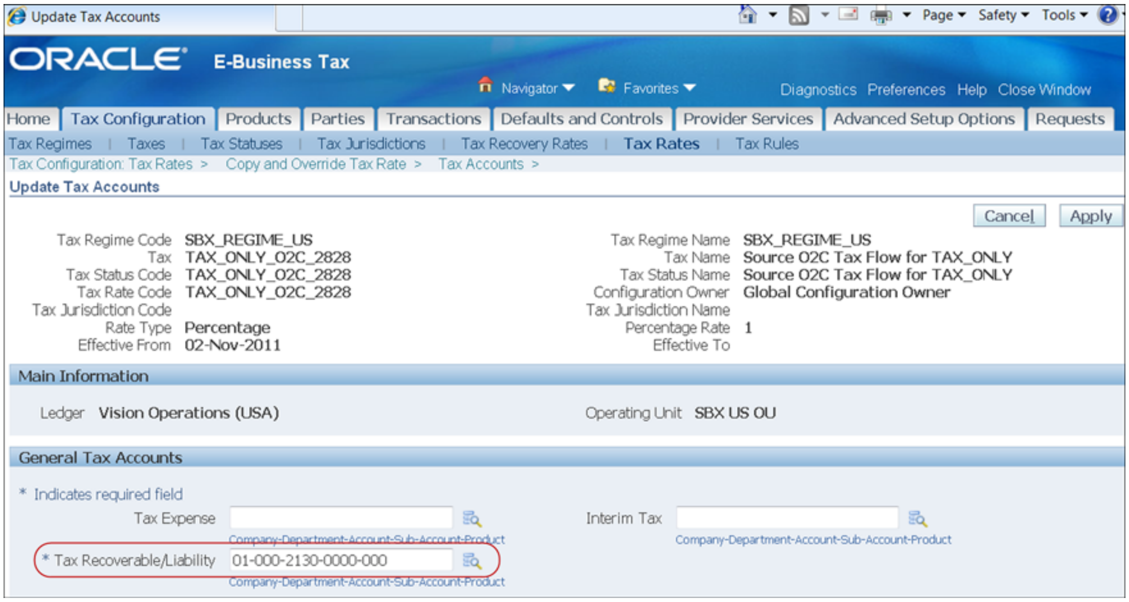
5. Click the **Tax Accounts** icon.



6. Click the **Update Tax Accounts** icon.



7. Update the **Tax Recoverability/Liability** account value. Then click **Apply** on the **Update Tax Accounts** form.



8. The **Tax Accounts** form will be displayed; click **Apply**. The **Update Tax Rate** form will be displayed; click **Apply**. The **Tax Rates** form will be displayed with the confirmation message indicating your changes have been saved.