

# ONESOURCE INDIRECT TAX INTEGRATION FOR ORACLE 12

## PROCURE TO PAY USER'S GUIDE

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# ABOUT THIS GUIDE

## USING THE ONESOURCE INDIRECT TAX INTEGRATION FOR ORACLE 12 PROCURE TO PAY (P2P)

If you are using Oracle 12, you can integrate your Oracle Payables and Oracle Purchasing modules with ONESOURCE Indirect Tax Determination using the Integration software. This integration with Determination delivers some 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 Payables/Purchasing implementation can leverage the full set of calculation, auditing, and reporting features of Determination.

This guide is intended for use by purchasing agents, accounting professionals, and tax professionals who use Determination to determine tax for transactions in Oracle Payables and Oracle Purchasing.

## HOW THIS GUIDE IS ORGANIZED

This guide contains the following chapters:

- **CONFIGURING ONESOURCE INDIRECT TAX INTEGRATION PROFILE OPTIONS** ([page 3](#)) describes how to configure Integration options, how ONESOURCE Indirect Tax Determination handles various scenarios, and the requirements for each transaction.
- **PURCHASING TAX CALCULATIONS** ([page 57](#)) describes the Oracle Purchasing process and shows specific scenarios, including multiple Ship To locations and viewing tax.
- **PAYABLES TAX CALCULATIONS** ([page 69](#)) describes the Oracle Payables process and the Sabrix Accrual Process, including process flows and examples. Other sections discuss additional transactions such as cancelling invoices, running debit memos, and reversals.
- **ENABLING ONESOURCE INDIRECT TAX DETERMINATION FEATURES** ([page 121](#)) describes Direct Pay Permits, Allocations, and Custom Authorities.
- **TAX RATE CODES AND GENERAL TAX ACCOUNT** ([page 129](#)) describes how to configure the default accounting.
- **REPORTING** ([page 147](#)) explains how to run the Sabrix AP Accrual Report, the Sabrix Log Manager, and the Sabrix Transaction Manager.

## 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 websites.

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



Indicates suggestions or additional, detailed information.



Indicates important text that should be carefully reviewed before proceeding.

# CONFIGURING ONESOURCE INDIRECT TAX INTEGRATION PROFILE OPTIONS

Oracle profile options are configurable options that affect the way your Oracle application looks and behaves. You can configure ONESOURCE Indirect Tax Integration profile options so that your transactions meet your business requirements. You can set options at various levels depending on how you want the applications to respond to users, including:

- Site level
- Application level
- Organization level
- Responsibility level
- Country level
- State level
- User level



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

For more information about Oracle profile options, see the Oracle documentation.

This chapter describes various scenarios and how the profile option settings for the Integration can be modified to produce different GL accounting results. You will learn about:

- **CONFIGURING PROFILE OPTIONS (page 4)**
- **CONFIGURING PROFILE OPTION AT THE STATE LEVEL (page 16)**
- **SETTING EBTAZ: SABRIX TAX ACCOUNTING LEVEL (page 19)**
- **DETERMINING GL ACCOUNTS FOR U.S. SALES AND USE TAX (page 22)**
- **WORKING WITH TAX TOLERANCES (page 43)**
- **SETTING EBTAZ: SABRIX AP WRITE DISTRIBUTIONS TO INVOICE? (page 49)**
- **ORACLE PROJECT ACCOUNTING (page 53)**
- **SETTING EBTAZ: SABRIX AP SKIP FULLY PAID U.S. INVOICES (page 55)**

## CONFIGURING PROFILE OPTIONS

The following profile options were created during the installation of the ONESOURCE Indirect Tax Integration and are configured in Oracle.

To set the Integration specific profile options in Oracle:

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 for the Integration for the P2P flow. Record your own choices in the **Your Value** column:

Profile Options Required by ONESOURCE Indirect Tax Integration for P2P Flow		
Profile Option	Set To	Your Value
<b>eBTax: AP Sabrix Audit Determination Tax Amount</b>	<p>Set to one of the following for AP:</p> <ul style="list-style-type: none"> <li>• <b>Yes:</b> Saves the Tax Control Amount in the <b>vendor_tax</b> and Determination calculated tax in the <b>tax_amount</b> audit fields.</li> <li>• <b>No:</b> Saves the Determination calculated tax in both <b>vendor_tax</b> and <b>tax_amount</b> audit fields.</li> <li>• <b>NULL</b> value behaves as a <b>Yes</b> value.</li> </ul> <p><b>Note:</b> This profile option only applies to non-U.S. transactions.</p>	
<b>eBTax: AP Sabrix Use Trx Date to Lookup Registrations</b>	<p>Set to one of the following for AP:</p> <ul style="list-style-type: none"> <li>• <b>Yes:</b> The supplier registration is looked up using the AP Transaction Date.</li> <li>• <b>No:</b> The supplier registration is looked up using the sysdate.</li> <li>• <b>NULL</b> value behaves as a <b>Yes</b> value.</li> </ul>	
<b>eBTax: Sabrix AP Approve Invoices</b>	<p>Set to one of the following for AP:</p> <ul style="list-style-type: none"> <li>• <b>Yes:</b> Allows an invoice that is short-paid to retain its approved status.</li> <li>• <b>No:</b> Sends the transaction back through the AP approval workflow (if enabled at your company).</li> <li>• <b>NULL</b> value behaves as a <b>Yes</b> value.</li> </ul>	

Profile Options Required by ONESOURCE Indirect Tax Integration for P2P Flow		
Profile Option	Set To	Your Value
eBTax: Sabrix AP Audit Online Tax Calc	<p>The installation defaults to <b>Yes</b>.</p> <p>Set to one of the following for AP:</p> <ul style="list-style-type: none"> <li>• <b>Yes</b>: AP Transactions are sent to Determination Audit.</li> <li>• <b>No</b>: AP Transactions are not sent to Determination Audit.</li> <li>• <b>NULL</b> value behaves as a <b>Yes</b> value.</li> </ul>	
eBTax: Sabrix AP Batch by Lines	<p>Set to one of the following for AP:</p> <ul style="list-style-type: none"> <li>• <b>Yes</b>: Use the number of <b>invoice lines</b> to determine the number of workers to submit when running the <b>Sabrix Tax Process</b> concurrent process.</li> <li>• <b>No</b>: Use the number of <b>invoices</b> to determine how many workers to submit when running the <b>Sabrix Tax Process</b> concurrent process.</li> </ul>	
eBTax: Sabrix AP Create Transactions	<p>Set to one of the following for AP:</p> <ul style="list-style-type: none"> <li>• <b>Yes</b>: Create data in the <b>sabrix_transactions_ap</b> table (data used for Sabrix Accrual Report).</li> <li>• <b>No</b>: Do not create data in the <b>sabrix_transaction_ap</b> table.</li> <li>• <b>NULL</b> value defaults to <b>No</b>.</li> </ul> <p><b>Note:</b> If this profile option is not set to <b>Yes</b>, there will be no data for the Sabrix Accrual Report in the <b>sabrix_transactions_ap</b> table.</p>	
eBTax: Sabrix AP Exclude VAT from Sabrix Tax Process	<p>To bypass tax calculation from the <i>ONESOURCE Integration</i> concurrent tax process (Sabrix Tax Process) for non-U.S. AP invoices processed prior to the <i>ONESOURCE Integration</i> 5.6.x.x online tax calculation.</p> <ul style="list-style-type: none"> <li>• <b>Yes</b>: Excludes non-U.S. AP invoices processed prior to 5.6.x.x from Sabrix Tax Process.</li> <li>• <b>No</b>: Does not exclude non-U.S. AP invoices processed prior to 5.6.x.x from Sabrix Tax Process.</li> <li>• <b>NULL</b> value defaults to <b>No</b>.</li> </ul>	

6 | **CONFIGURING ONESOURCE INDIRECT TAX INTEGRATION PROFILE OPTIONS**  
CONFIGURING PROFILE OPTIONS

Profile Options Required by ONESOURCE Indirect Tax Integration for P2P Flow		
Profile Option	Set To	Your Value
<b>eBTax: Sabrix AP Hold?</b>	<ul style="list-style-type: none"><li>Set to Yes to apply an AP Hold Reason.</li><li>Set to No to not apply a Hold on US invoices for manual processing of US Out of Tolerance Hold invoices.</li></ul>	
<b>eBTax: Sabrix AP Maximum Workers</b>	Allows you to set a maximum number of concurrent processes that are submitted from the <b>Sabrix Tax Process</b> for AP.  If the limit is reached, any transactions that are not picked up will be processed in the next run of the <b>Sabrix Tax Process</b> .  A null value defaults to a limit of 20.	

Profile Options Required by ONESOURCE Indirect Tax Integration for P2P Flow		
Profile Option	Set To	Your Value
eBTax: Sabrix AP Overcharge Shortpay Action	<p>To handle Vendor Tax Overcharges outside the tolerance levels specified by the two tolerance profile options below, you can set this option to:</p> <ul style="list-style-type: none"> <li><b>ACCRUE - Prorate By Item:</b> Enables accrue shortpay functionality for incorrect vendortax charges, prorated by item line amounts. The invoice amount will not change, but invoice lines and distribution line entries are created as Sabrix Tax Accrual and Sabrix Tax Expense for the vendor overcharged tax amount.</li> <li><b>ACCRUE - Prorate By Tax:</b> Enables accrue shortpay functionality for incorrect vendor tax charges, prorated by individual tax percentages. The invoice amount will not change, but invoice lines and distribution line entries are created as Sabrix Tax Accrual and Sabrix Tax Expense for the vendor overcharged tax amount.</li> <li><b>OFF:</b> The invoice amount will not change and <b>NO</b> invoice lines and distribution line entries are created as Sabrix Tax Accrual and Sabrix Tax Expense for the vendor overcharged tax amount. <b>Use this option to eliminate negative tax accruals.</b></li> <li><b>PARTIAL:</b> This will reduce the invoice total by the difference between the calculated and invoiced vendor tax amount, and Sabrix generated partial short pay entry lines are created for the vendor overcharged tax amount.</li> <li><b>TOTAL:</b> This will reverse the entire vendor tax amount, reduce the invoice amount by the vendor tax amount, and make entries to self-assess the tax amount.</li> <li><b>Null</b> value default is treated as <b>ACCRUE - Prorate By Item</b> setting.</li> </ul>	

Profile Options Required by ONESOURCE Indirect Tax Integration for P2P Flow		
Profile Option	Set To	Your Value
<b>eBTax: Sabrix AP Skip Fully Paid U.S. Invoices</b>	<p>Set to one of the following for AP:</p> <ul style="list-style-type: none"> <li>• Yes: Skip fully paid U.S. AP invoices from Sabrix tax calculation.</li> <li>• No: Do not skip fully paid U.S. AP invoices from Sabrix tax calculation.</li> <li>• <i>NULL</i> value defaults to <i>NO</i></li> </ul>	
<b>eBTax: Sabrix AP Tax Expense Account Source</b>	<p>This is a <b>required</b> setting.</p> <p>Set to one of the following for use by the Integration Sabrix Tax Process:</p> <ul style="list-style-type: none"> <li>• <i>Tax</i>: Use the GL account that is set up on the tax code for expense accounting.</li> <li>• <i>Item</i>: Use if the GL account should be taken from the line item.</li> </ul>	
<b>eBTax: Sabrix AP Tax Grouping Rule</b>	<p>Defines how Project Accounting will be used when the Integration groups tax distributions for AP.</p> <ul style="list-style-type: none"> <li>• <i>DEFAULT</i>: Groups by the tax distribution account.</li> <li>• <i>PROJECT</i>: Groups by 6 default project fields.</li> <li>• <i>CUSTOM</i>: Groups by up to 10 user-definable project fields.</li> </ul> <p>For more information, see “Programming User Exits” in the <i>ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide</i>.</p>	
<b>eBTax: Sabrix AP Tolerance Amount</b>	<p>A tolerance amount to determine at which point the Integration should accrue tax.</p> <p>If tax is within the amount entered here, no accruals will be returned to the AP invoice.</p> <p><b>Note:</b> A null or 0 value is acceptable if you do not wish to use tolerances.</p>	
<b>eBTax: Sabrix AP Tolerance Percent</b>	<p>A tolerance percentage to determine at which point the Integration should accrue tax. If tax is within the percentage entered here, no accruals will be returned to the AP invoice.</p> <p>Example: enter 10 if you wish to use 10% as your threshold.</p> <p><b>Note:</b> A null or 0 value is acceptable if you do not wish to use tolerances.</p>	

Profile Options Required by ONESOURCE Indirect Tax Integration for P2P Flow		
Profile Option	Set To	Your Value
eBTax: Sabrix AP Undercharge Shortpay Action	<p>To handle Vendor Tax Undercharges outside the tolerance levels specified by the two tolerance profile options above, you can set this option to:</p> <ul style="list-style-type: none"> <li><b>ACCRUE - Prorate By Item:</b> Enables accrue shortpay functionality for incorrect vendortax charges, prorated by item line amounts. The invoice amount will not change, but invoice lines and distribution line entries are created as Sabrix Tax Accrual and Sabrix Tax Expense for the vendor undercharged tax amount.</li> <li><b>ACCRUE - Prorate By Tax:</b> Enables accrue shortpay functionality for incorrect vendor tax charges, prorated by individual tax percentages. The invoice amount will not change, but lines and distribution line entries are created as Sabrix Tax Accrual and Sabrix Tax Expense for the vendor undercharged tax amount.</li> <li><b>OFF:</b> The invoice amount will not change and <b>NO</b> distribution line entries are created as Sabrix Tax Accrual and Sabrix Tax Expense for the vendor undercharged tax amount.</li> <li><b>PARTIAL:</b> This will increase the invoice total by the difference between the calculated and invoiced vendor tax amount, and Sabrix generated partial short pay entry lines are created for the vendor undercharged tax amount.</li> <li><b>TOTAL:</b> This will reverse the entire vendor tax amount, reduce the invoice amount by the vendor tax amount, and create entries to self-assess the tax amount.</li> <li><b>Null</b> value default is treated as <b>ACCRUE - Prorate By Item</b> setting.</li> </ul>	

Profile Options Required by ONESOURCE Indirect Tax Integration for P2P Flow		
Profile Option	Set To	Your Value
<b>eBTax: Sabrix AP Write Distributions to Invoice?</b>	<p>Set to Yes, No or <i>Exclude</i> to prevent Determination from creating AP Distribution Lines.</p> <ul style="list-style-type: none"> <li>• <b>YES:</b> Writes lines to the AP_DISTRIBUTION table.</li> <li>• <b>NO:</b> Does not write lines to the AP_DISTRIBUTION table.</li> <li>• <b>NULL</b> value behaves as a Yes value.</li> <li>• <b>EXCLUDE:</b> Omits tax types of IM, AC, and RC.</li> </ul> <p><b>Note:</b> EXCLUDE value is no longer applicable for non-U.S. transactions and will be deprecated in a future release.</p> <p><b>Note:</b> For more information on tax types, see <i>ONESOURCE Indirect Tax Determination Online Help</i>.</p>	
<b>eBTax: Sabrix Allow Sabrix Table Truncate</b>	<ul style="list-style-type: none"> <li>• <b>Yes:</b> The 'Sabrix Log Maintenance' concurrent program will process the 'PURGE' action, and purge the records in the SABRIX_LOG table according to the specified parameters.</li> <li>• <b>No:</b> The 'Sabrix Log Maintenance' concurrent program will not process the 'PURGE' action.</li> <li>• <b>NULL:</b> value defaults to No.</li> </ul>	
<b>eBTax: Sabrix Calculate Tax on Purchase Orders</b>	<p>Set to one of the following for AP:</p> <ul style="list-style-type: none"> <li>• <b>Yes:</b> Allows Purchase Orders to be taxed by Determination.</li> <li>• <b>No:</b> Does NOT allow Purchase Orders to be taxed by Determination.</li> <li>• <b>NULL</b> value defaults to Yes.</li> </ul>	

Profile Options Required by ONESOURCE Indirect Tax Integration for P2P Flow		
Profile Option	Set To	Your Value
eBTax: Sabrix Company	<p>A value that maps <b>exactly</b> 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:</p> <ul style="list-style-type: none"> <li>• The External Company ID in Determination must be identical to the Oracle accounting flexfield balancing segment.</li> <li>• To use the accrual roll-up by company, the value entered in this field would be either <code>BALANCE_SEGMENT</code> or <code>SEGMENT*_VALUE</code>. The company value in Oracle AP&gt;Setup&gt;Options&gt;Financial Options (T) Accounting Liability account field is used as the company value to send to Determination during the Payables tax call. For more information, see <i>Multiple Company Segments for a Single AP Invoice (page 27)</i> in the <i>ONESOURCE Indirect Tax Integration for Oracle 12 Procure to Pay User's Guide</i>.</li> </ul> <p>This field needs to be set at the Application level for the other ONESOURCE Indirect Tax Integrations your company is using. This would include Order Management, Receivables, Purchasing and Payables.</p>	
eBTax: Sabrix Compress Tax Lines	<p>To summarize tax results instead of displaying detailed tax and distribution lines for U.S. transactions.</p> <ul style="list-style-type: none"> <li>• Yes: Tax results for each item line are compressed/summed into a single tax and distribution line.</li> <li>• No: Tax results for each item line will have multiple tax lines and distributions if multiple tax blocks are returned by <i>ONESOURCE Determination</i>.</li> <li>• NULL: value defaults to No</li> </ul>	

Profile Options Required by ONESOURCE Indirect Tax Integration for P2P Flow		
Profile Option	Set To	Your Value
<b>eBTax: Sabrix Debug Level</b>	<p>Set to one of the following for SABRIX_LOG table:</p> <ul style="list-style-type: none"> <li>• <b>ALL</b>: Writes all debug messages.</li> <li>• <b>XML</b>: Writes only XML messages.</li> </ul> <p><b>Note:</b> 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.</p> <ul style="list-style-type: none"> <li>• <b>OFF</b>: Does not write messages.</li> <li>• <b>USER</b>: Writes all debug messages.</li> <li>• <b>WARNING</b>: Writes non-severe warning messages.</li> <li>• <b>TIMING</b>: Writes procedure entry and exit messages for AP transactions in the SABRIX_LOG table.</li> </ul>	
<b>eBTax: Sabrix Disable Tax Flow Creation</b>	<p>Set to one of the following for automatic creation of Tax to Rate flows:</p> <ul style="list-style-type: none"> <li>• <b>Yes</b>: Disables Automatic Tax Flow Creation from existing tax flow including Source tax flows associated to an ERP Tax Code. Transactions will error with no tax code found message.</li> <li>• <b>No</b>: Enables creating automatic tax flows.</li> <li>• <b>NULL</b>: value defaults to <i>No</i></li> </ul> <p><b>NOTE:</b> In order to suppress Source Flow creation the Profile Option eBTax: Sabrix Disable Tax Flow Creation must be set to 'Yes' prior to running the <i>sabrix_insert_config.sh</i> script.</p>	
<b>eBTax: Sabrix Enable Persistent Connection</b>	<p>Set to one of the following:</p> <ul style="list-style-type: none"> <li>• <b>Yes</b>: Enables persistent connection.</li> <li>• <b>No</b>: Does not enable persistent connection</li> <li>• <b>NULL</b>: value defaults to <i>No</i></li> </ul> <p><b>Note:</b> Set to <i>No</i> or leave null value when using <i>ONESOURCE Integration for Oracle</i> connected to <i>ONESOURCE Determination</i> in a Cloud environment.</p>	

Profile Options Required by ONESOURCE Indirect Tax Integration for P2P Flow		
Profile Option	Set To	Your Value
<b>eBTax: Sabrix Enable Tax Calculation ByPass</b>	<p>Set to one of the following to enable bypassing tax calculation:</p> <ul style="list-style-type: none"> <li>• Yes: Allows bypassing tax calculation for online tax calculations. No tax will be calculated on the transactions.</li> <li>• No: Does not allow bypassing tax calculation for online tax calculations. Tax will be calculated on the transactions.</li> <li>• NULL: value defaults to No</li> </ul> <p><b>Note 1:</b> Yes setting has to be used in conjunction with BypassCalc User Exit to not have tax calculated. For more information, see “<i>BYPASSING TAX CALCULATIONS</i>” in the <i>ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide</i>.</p> <p><b>Note 2:</b> Yes setting takes precedence over existing profiles (i.e. eBTax: Sabrix Calculate Tax on Purchase Orders and eBTax: Sabrix O2C Tax Calculation)</p>	
<b>eBTax: Sabrix Hosted Unique Identifier</b>	<ul style="list-style-type: none"> <li>• Any non-null value.</li> <li>• Used to pre-pend to the External_Company_ID in the Sabrix_Invoice table, making the External_Company_ID unique across all Determinationcompanies in a cloud environment.</li> <li>• The value will be reflected in the INDATA XML.</li> </ul> <p>There is no default.</p>	
<b>eBTax: Sabrix Set HTTP Header SOAP Action</b>	<ul style="list-style-type: none"> <li>• Yes: The SOAP Action is set in the HTTP header.</li> <li>• No: The SOAP Action is not set in the HTTP header.</li> <li>• Null: Defaults to No.</li> </ul>	

Profile Options Required by ONESOURCE Indirect Tax Integration for P2P Flow		
Profile Option	Set To	Your Value
<b>eBTax: Sabrix System Print Structure</b>	<p>This profile option is used in conjunction with <b>eBTax: Sabrix Debug Level</b>.</p> <ul style="list-style-type: none"> <li>• <b>ON</b>: Prints data structures.</li> <li>• <b>OFF</b> (and any other value): Prevents the structures from printing to the <code>sabrix_log</code> table.</li> </ul> <p><b>Note:</b> For O2C and P2P transactions the input transaction view values can be used for debugging. Set to <b>OFF</b> in a production environment in conjunction with the profile option <b>eBTax: Sabrix Debug Level</b> set to <b>OFF</b>.</p>	
<b>eBTax: Sabrix TCE: Delimiter</b>	<p>Enter the delimiter to use when concatenating the tax code with other elements. The options are:</p> <ul style="list-style-type: none"> <li>• <b>.</b> (<i>period</i>): Uses a period to delimit tax code extension segments</li> <li>• <b>null</b> (no delimiter): Does not use any delimiter to separate tax code extension segments.</li> <li>• <b>_</b> (<i>underscore</i>): Uses an underscore to delimit tax code extension segments.</li> </ul>	
<b>eBTax: Sabrix TCE: Exempt</b>	Enter the character(s) to denote that the tax code is for an exempt transaction.	
<b>eBTax: Sabrix TCE: Tax Direction</b>	Enter one of the following: <ul style="list-style-type: none"> <li>• <b>N</b>: Disables the Tax Direction extension for tax codes and tax accounting.</li> <li>• <b>Y</b>: Enables the Tax Direction extension for tax codes and tax accounting.</li> </ul>	
<b>eBTax: Sabrix TCE: Tax Rate</b>	Enter one of the following: <ul style="list-style-type: none"> <li>• <b>N</b>: Disables the Tax Rate extension for tax codes and tax accounting.</li> <li>• <b>Y</b>: Enables the Tax Rate extension for tax codes and tax accounting.</li> </ul>	

Profile Options Required by ONESOURCE Indirect Tax Integration for P2P Flow		
Profile Option	Set To	Your Value
<b>eBTax: Sabrix TCE: Tax Type</b>	Enter one of the following: <ul style="list-style-type: none"><li><i>N</i>: Disables the Tax Type extension for tax codes and tax accounting.</li><li><i>Y</i>: Enables the Tax Type extension for tax codes and tax accounting.</li></ul>	
<b>eBTax: Sabrix Tax Accounting Level</b>	Select one of the following: <ul style="list-style-type: none"><li><i>BASIC</i>: Enables Integration basic tax accounting preferences.</li><li><i>EXTENDED</i>: Enables Integration extended tax accounting preferences.</li></ul>	

## CONFIGURING PROFILE OPTION AT THE STATE LEVEL

This feature allows customers to define which state tax rates are to be used by the Integration when determining what tax to accrue, or to shortpay the vendor using the Integration partial or total method. Individual state specific profile option values will accrue tax based on company role as buyer or seller for either use tax rate and amounts, or sales tax rates and amounts, or the lower or higher tax rate results returned from Determination.

There are independent authorities within some states, such as IL, CO, NM, MO, AL and HI, which have different rates for use and sales tax. In these scenarios, there could be differences in the accrual or shortpay tax amounts a company would record and report to specific authorities. For many of the authorities, the use and sales tax rates are the same. In these scenarios there is no difference in the tax accrual or shortpay entries.

The state profile option value setting will only apply when there is a vendor charged tax (VCT) in the U.S. that is greater than \$.00.

Otherwise, for a U.S. AP transaction where the VCT total tax amount is zero on the AP transaction, like \$.00 entered on AP Tax Control Amount or \$.00 on Tax Details form, Integration will make the tax call with the company role as Buyer and populate the use tax rates and amounts. This is regardless of any state profile option setting values. So, the tax accrued will be based on the use tax rate and amounts, and not the state tax rate and amounts.

The following are the state specific values and descriptions:

Profile Option for SBX_STATES Value Set State Specific Values	
Value	Description
CU ALWAYS	Always use Consumers Use result
ST ALWAYS	Always use Sales Tax result
USE CU IF CU =< VCT < ST	Use Consumers Use Tax if Vendor Charged Tax is between Consumers Use Tax and Sales Tax
USE CU IF ST = CU	Use Consumers Use Tax if Sales Tax equals Consumers Use Tax
USE CU IF VCT < CU TAX	Use Consumers Use Tax if Vendor Charged Tax is less than Consumers Use Tax
USE CU IF VCT > ST AND CU	Use Consumers Use Tax if Vendor Charged Tax is greater than Sales Tax and Consumers Use Tax
USE ST IF VCT > ST AND CU	Use Sales Tax if Vendor Charged Tax is greater than Sales Tax and Consumers Use Tax



If none of the above conditions for SBX\_STATES value set are met or a specific state has a null value, the default (based on historical) behavior is to use the State Sales Tax Rates when there is VCT for an AP transaction.

## ENTERING VENDOR CHARGED TAX FOR STATE

Thomson Reuters recommends entering the vendor charged tax (VCT) in the Tax Control Amount field at the AP invoice header for U.S. transactions. The online tax calculation will then allocate or prorate the tax to the appropriate authorities. The AP **Sabrix Tax Process** is dependent upon the online tax calculation VCT allocated/prorated tax authority amounts in order to properly allocate the tax amounts based on shortpay undercharge and overcharge profile settings.

If you enter VCT by means of the Tax Details button, you must use tax flows that are related to particular states in order for the state-level options to be applied. Use of the DFLT flow will not result in state level options being applied since the state level VCT amount cannot be derived to compare to the company role for buyer and seller results. The best results will be attained by using the Tax Control Amount field on the invoice header to assure proper allocation/proration of tax amounts and comparisons for the state level options.



In order for this feature to prorate and allocate tax correctly based on individual tax authorities rates, enter Vendor Charged Tax (VCT) in the invoice header **Tax Control Amount** field.

- Do not use the Tax Details form to manually enter VCT.
- Do not manually enter VCT using the DFLT Tax Rate Code since there is no state associated to DFLT tax rate code.

## STATE SPECIFIC TRANSACTION RESULTS AND LOGGING DETAILS

### Sabrix Tax Process Concurrent Log for State Value Settings

The **Sabrix Tax Process** concurrent log will have a list of states and settings directly below the profile option setting listing any states which have a value. The states which do have a null setting value will not be displayed on the concurrent log.

### Batch Source Logging for State Results

The **SABRIX\_TRANSACTIONS\_AP** table stores details of the final transaction results returned to AP invoices.

Additional columns were added to the **SABRIX\_TRANSACTIONS\_AP** table to log the Batch Source ID along with other transaction results like Determination TAX\_RATE\_CODE, TAX\_TYPE and Company Role. This allows for a persistent link between each tax line and the source batch of the values used in the **Sabrix Tax Process**.

To populate the **SABRIX\_TRANSACTIONS\_AP** table with AP transaction data, enable the **eBTax: Sabrix AP Create Transactions** profile option by setting the value as **Yes**.

To view the transaction results for the Sabrix generated accruals, run the AP Accrual Report. See **SABRIX AP ACCRUAL REPORT (page 148)** for more information.

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**CONFIGURING PROFILE OPTION AT THE STATE LEVEL**

To view what resulted from the state level options being applied, run the following query against the **SABRIX\_TRANSACTIONS\_AP** table:

- select \* from sabrix\_transaction\_ap where invoice\_id = <invoice ID of transaction>

This will show the resulting batch ID, the source batch ID, the tax rate code, tax type, company role as either Buyer or Seller, etc. for each tax line.

The following table displays examples for the various State profile option settings for IL:

Invoice Amount	Description	Vendor Charged Tax (VCT)	Seller							Buyer			sabrix_transactions_ap table		
			Line Amount	Sales Tax Rate % & Amount	Buyer Consumers Use Tax Rate % & Amount	Difference VCT & Calc Tax	Sabrix Expense Amount	Sabrix Accrual Amount	Results Reasoning	Tax Rate Code	Tax Type	Co Role Buyer Seller			
Ship From: Chicago, IL Ship To: Springfield, IL															
103.00	IL - CU ALWAYS, Tax Ctrl Amt \$3.00, Exp Acct Source= item	3.00	100.00	9.25	6.25	3.25	3.25	(3.25)	Should use CU rate per DFF set to CU ALWAYS	CU	CU	Buyer			
110.25	IL - CU ALWAYS, Tax Ctrl Amt \$10.25, Exp Acct Source= item	10.25	100.00	9.25	6.25	(4.00)	(4.00)	4.00	Should use CU rate per DFF set to CU ALWAYS	CU	CU	Buyer			
100.00	IL - CU ALWAYS, Tax Ctrl Amt \$ 0.00, Exp Acct Source= item	0.00	100.00	9.25	6.25	6.25	6.25	(6.25)	Should use CU since VCT was zero. When zero VCT we only make one tax call as Buyer and CU rate is used.	CU	CU	Buyer			
110.25	IL - ST ALWAYS, Tax Ctrl Amt \$10.25, Exp Acct Source= item	10.25	100.00	9.25	6.25	(1.00)	(1.00)	1.00	Should use Sales Tax rate per DFF set to ST ALWAYS.	ST	SA	Seller			
108.00	IL - USE CU IF CU <= VCT < ST, Tax Ctrl Amt \$8.00, Exp Acct Source= item	8.00	100.00	9.25	6.25	(1.75)	(1.75)	1.75	Sales Tax rate/amount CU 6.25 <= VCT 8 < 9.25 ST met use	CU	CU	Buyer			
115.00	IL - USE CU IF CU == VCT < ST, Tax Ctrl Amt \$15.00, Exp Acct Source= item	15.00	100.00	9.25	6.25	(5.75)	(5.75)	5.75	Should use default of Sales Tax Rate, VCT is greater than Sales Tax rate/amount (VCT needs to be less than Sales Tax to qualify for condition)	ST	SA	Seller			
108.00	IL - USE CU IF ST = CU, Tax Ctrl Amt \$8.00, Exp Acct Source= item	8.00	100.00	9.25	6.25	1.25	1.25	(1.25)	Should use default of Sales Tax rate, since ST is NOT = CU	ST	SA	Seller			
103.00	IL - USE CU IF VCT < CU TAX, Tax Ctrl Amt \$3.00, Exp Acct Source= item	3.00	100.00	9.25	6.25	3.25	3.25	(3.25)	Should use CU rate since VCT is less than CU	CU	CU	Buyer			
108.00	IL - USE CU IF ST = CU, Tax Ctrl Amt \$8.00, Exp Acct Source= item	8.00	100.00	9.25	6.25	1.25	1.25	(1.25)	Should use default of Sales Tax rate, since ST is NOT = CU	ST	SA	Seller			
110.25	IL - USE CU IF VCT < CU TAX, Tax Ctrl Amt \$10.25, Exp Acct Source= item	10.25	100.00	9.25	6.25	(1.00)	(1.00)	1.00	Should use default of Sales Tax Rate, since VCT < CU (not less than to qualify for condition) USE CU IF VCT < ST	ST	SA	Seller			
106.25	IL - USE CU IF VCT > ST AND CU, System Calc Tax \$6.25, Exp Acct Source= item	6.25	100.00	9.25	6.25	3.00	3.00	(3.00)	Should use default of Sales Tax Rate, since VCT > CU (not more than to qualify for condition) USE CU IF VCT > ST AND CU is NOT met	ST	SA	Seller			
108.00	IL - USE CU IF VCT > ST AND CU, Tax Ctrl Amt \$8.00, Exp Acct Source= item	8.00	100.00	9.25	6.25	1.25	1.25	(1.25)	Should use default of Sales Tax rate, since ST is NOT = CU	ST	SA	Seller			
110.25	IL - USE CU IF VCT > ST AND CU, Tax Ctrl Amt \$10.25, Exp Acct Source= item	10.25	100.00	9.25	6.25	(4.00)	(4.00)	4.00	VCT 10.25 > ST 9.25 and CU 6.25	CU	CU	Buyer			
115.00	IL - USE CU IF VCT > ST AND CU, Tax Ctrl Amt \$15.00, Exp Acct Source= item	15.00	100.00	9.25	6.25	(8.75)	(8.75)	8.75	Should use CU rate since VCT > ST AND CU rates	CU	CU	Buyer			

## SETTING EBTAZ: SABRIX TAX ACCOUNTING LEVEL

The ONESOURCE Indirect Tax Integration for Oracle 12 Procure to Pay returns an ERP tax code. You can set the detail level of accounting distributions 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 code to support your accounting needs.



Basic and Extended tax code processing is applicable to the AP online tax calculation for U.S. Sales and Use Tax transactions, and non-U.S. transactions (e.g. VAT), or with the AP Sabrix Tax Process for U.S. Sales and Use Tax transactions.

### 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 P2P workflow is outlined in the Tax Rate Code column in the table below.



See the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide* for more information about Tax Rate Codes.

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 Code Examples		
Type	Tax Rate Code	Transaction Results Example
U.S. based tax codes	<ERP Tax Code>_P2P_<database sequence>	USWA_P2P_2009 (Taxable state of Washington)
Canada based tax codes	<ERP Tax Code>_P2P_Tax Direction_<database sequence>	ONHST_P2P_I_1492 (Taxable province of Ontario, Canada)
International based tax codes	<ERP Tax Code>_P2P_Tax Direction_<database sequence>	FRVAT_P2P_I_1582 (Taxable country of France for Input "I" tax direction) FRVAT_P2P_O_1583 (Taxable country of France for Output "O" tax direction)

## 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, see [CONFIGURING PROFILE OPTIONS \(page 4\)](#) 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 Code Example Results			
Basic Tax Code	Delimiter	Enabled “EBTax: Sabrix TCE:” Profile Options	Example
<i>FRVAT_P2P_I_1582</i> <database sequence>	period (.)	Basic tax rate code and <b>EBTax: Sabrix TCE: Tax Rate</b>	<i>FRVAT.SR_P2P_I_1582</i>
<i>FRVAT_P2P_I_1582</i>	period (.)	Basic tax rate code and <b>EBTax: Sabrix TCE: Exempt</b>	<i>FRVATEX_P2P_I_1583</i> (if an exempt transaction)
<i>FRVAT_P2P_I_1582</i>	period (.)	Basic tax rate code and <b>EBTax: Sabrix TCE: Tax Type</b>	<i>FRVAT.AC_P2P_I_1582</i>
<i>FRVAT_P2P_I_1582</i>	period (.)	Basic tax rate code <b>EBTax: Sabrix TCE: Tax Type</b> , and <b>EBTax: Sabrix TCE: Tax Rate</b>	<i>FRVAT.AC.SR_P2P_I_1582</i>
<i>FRVAT_P2P_I_1582</i>	period (.)	Basic tax rate code <b>EBTax: Sabrix TCE: Tax Type</b> , <b>EBTax: Sabrix TCE: Tax Rate</b> , and <b>EBTax: Sabrix TCE: Tax Direction</b>	<i>FRVAT.AC.SR.I_P2P_I_1582</i>



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. Steps to define Oracle Tax Rate Codes are outlined in ***CREATING ADDITIONAL TAX RATE CODES FOR PAYABLES (page 130)***. Alternatively, the Thomson Reuters One-Step Configuration can be used to setup the Tax to Rate flows in Oracle eBTax. See the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide* for more information
- 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.I\_P2P\_I\_12887*.
- 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.



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 Integration for Oracle 12 Installation and Configuration Guide* for more information on defining tax flows and using defaults.



An alternative to the extended tax code configuration in Oracle, the *ONESOURCE Indirect Tax Determination Tax Code Qualifiers* functionality can be used. See *Determination online help* for more information.

## DETERMINING GL ACCOUNTS FOR U.S. SALES AND USE TAX

You can use **eBTax: Sabrix** profile options to generate the desired accounting for the tax expense distributions written to your AP invoices by the Integration. The following sections describe:

- **GL Accounts for Vendor Charged Tax (page 22)**
- **Default GL Accounts for Integration-Generated Miscellaneous Line Type (page 22)**
- **Setting the eBTax: Sabrix AP Tax Expense Account Source Profile Option (page 23)**
- **Setting the eBTax: Sabrix Company Profile Option (page 26)**

### GL ACCOUNTS FOR VENDOR CHARGED TAX

The GL account for the Vendor Charged Tax line will default from the Tax Rate Code or any other GL account based on your company's defined precalc or postcalcs.



See the "Post Installation: Technical Topics" chapter in the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide* for information about Programming User Exits.

### DEFAULT GL ACCOUNTS FOR INTEGRATION-GENERATED MISCELLANEOUS LINE TYPE

The Integration, in conjunction with Oracle Accounts Payable and Oracle E-Business Tax modules, generates a Miscellaneous Line Type for Sabrix Tax Expense and Sabrix Tax Accrual invoice line and invoice line distribution entries. The Tax Line Type is used for manually entered Vendor Charged Taxes (VCT) and for on-line tax calculated amounts.

The following describes the default for GL Accounts for the Integration-generated Miscellaneous Line Type:

- The Sabrix Tax Accrual GL account defaults from the Tax Recoverable/Liability account value defined on the Tax Rate Code entered in the Oracle E-Business Tax Sabrix Regime to Rate Flow.
- The **AP Sabrix Tax Process** checks if the profile option **eBTax: Sabrix AP Tax Expense Account Source** is set to **Tax or Item**.
  - If it is set to **Item**, then the Sabrix Tax Expense GL account will be the same as the associated invoice item lines GL account.
  - If the profile option is set to **Tax**, the associated Tax Rate Code should have a value in the General Tax Accounts Tax Expense account in order for the Sabrix Tax Expense line to be processed without any errors.

The **eBTax: Sabrix Company** profile option may affect the GL accounts if set to **BALANCE\_SEGMENT** instead of using a constant value, like 01, for the Determination company. Using the **BALANCE\_SEGMENT** setting ensures the GL accounting entries balance for each company segment. See Setting the **eBTax: Sabrix Company** profile option (**page 4**) for additional details.

An exception to the use of the setting of the profile option **eBTax: Sabrix AP Tax Expense Account Source** is the Sabrix-generated short pay entry lines. These lines are created based on the short pay action described in the section **PROFILE OPTIONS FOR SHORTPAY AND/OR ACCRUE (page 29)**. The GL account for the short pay lines is the same as the manual tax line

(Vendor Charged Tax). If no manual tax line exists on the invoice, the GL account is derived based on the profile option value.

## SETTING THE **eBTax: Sabrix AP Tax Expense Account Source** PROFILE OPTION

You can set the **eBTax: Sabrix AP Tax Expense Account Source** profile option to use either *Item* or *Tax* as the value, as shown in the example screens below.

Tax Rate Code General Tax Accounts for Tax Expense account is not required for the AP on-line tax calculation. During the on-line tax calculation if the Tax Expense GL account is null on the Tax Rate Code, the Tax Expense GL account will be the same as the associated invoice item lines GL accounts.

The Integration **Sabrix Tax Process** checks if the profile option **eBTax: Sabrix AP Tax Expense Account Source** is set to *Tax* or *Item*. If it is set to *Item*, then the Sabrix Tax Expense GL account will be the same as the associated invoice item lines GL account. If it is set to *Tax*, the Tax Expense GL account is required on the associated Tax Rate Code for the **Sabrix Tax Process** to complete successfully.



If the Tax Rate Code General Tax Accounts for Tax Expense is null, and vendor charged tax (VCT) is entered on the Tax Details Summary as a Tax Only Line, then GL Tax Expense Account is required. The Tax Only Line means the tax is not associated to an item line, therefore GL Tax Expense accounts cannot be determined when GL Tax Expense account is null on the Tax Rate Code. This is based on standard Oracle functionality to derive the GL Tax Expense account from the item line if it is null on the Tax Rate Code. Integration is also using the same functionality to use the item line GL account if the Tax Rate Code has a null GL Tax Expense account.



When the profile option **eBTax: Sabrix AP Tax Expense Account Source** is set to *Tax*, the General Tax Accounts Tax Expense account is still required on the Tax Rate Codes for the Sabrix Tax Process. Otherwise the following error message will appear:  
"Error\*\*\*Cannot Determine GL assignment for Sabrix Tax Code: XXXX. Please resolve and resubmit. Error\*\*\* Expense account does not exist - CCID:"

### Examples: Setting Profile Option to “Item” or “Tax”

The two examples below for Tax Rate Code of *USWA\_P2P\_2813* have the Tax Recoverable/Liability value for the GL account as *01-000-2520-0000-000*.

- The Sabrix Tax Expense GL account defaults from the Tax Expense account value defined on the Tax Rate Code in Oracle E-Business Tax Sabrix Regime to Rate Flow.
- The Sabrix Tax Expense GL account is also dependent upon whether the **eBTax: Sabrix AP Tax Expense Account Source** profile option is set as *Item* or *Tax*.

#### Example: Setting Profile Option to “Item”

Setting the profile option to *Item* uses the General Ledger account combination from the invoice item distribution lines for the Sabrix Tax Expense Miscellaneous Line Type.

In the example below, the Tax Rate Code of *USWA\_P2P\_2813* has the GL Tax Expense account *01-410-7710-0000-000* for the value. But, the **eBTax: Sabrix AP Tax Expense Account Source**

profile option value is set to *Item*, so the GL account from the Item Line Type is used for the Sabrix Tax Expense GL account of *01-422-5110-0000-000*.

The following shows the **AP Invoice All Distributions** form using the same GL account for the Item Line Type and the Determination Tax Expense Miscellaneous Line Type.

Num	Type	Amount	GL Date	Account	Description
1	Item	1,000.00	28-FEB-2012	01-422-5110-0000-000	T...1 Tax Expense Account Source = Item
1	Miscellaneous	<20.00>	28-FEB-2012	01-000-2520-0000-000	T... Sabrix Tax Accrual
1	Miscellaneous	20.00	28-FEB-2012	01-422-5110-0000-000	T...1 Sabrix Tax Expense
1	Nonrecoverable	0.00	28-FEB-2012	01-410-7710-0000-000	T... Tax Expense Account Source = Item
1	Nonrecoverable	30.00	28-FEB-2012	01-410-7710-0000-000	T... Tax Expense Account Source = Item
1	Nonrecoverable	65.00	28-FEB-2012	01-410-7710-0000-000	T... Tax Expense Account Source = Item
1	Nonrecoverable	75.00	28-FEB-2012	01-440-7720-0000-000	T... Tax Expense Account Source = Item
2	Nonrecoverable	<65.00>	28-FEB-2012	01-410-7710-0000-000	T... Tax Expense Account Source = Item
2	Nonrecoverable	<30.00>	28-FEB-2012	01-410-7710-0000-000	T... Tax Expense Account Source = Item
2	Nonrecoverable	0.00	28-FEB-2012	01-410-7710-0000-000	T... Tax Expense Account Source = Item

Below the grid, the form shows the following details:

- Status: Validated
- Accounted: Unprocessed
- Distribution Class: Saved
- Associated Charges: 0.00
- Account Description: Operations-Sales Mid-Atlantic-Cost of Sales-No Sub Account-No Product

Buttons at the bottom include: Reverse, Tax Distributions, View PO, and View Receipt.

### Example: Setting Profile Option to “Tax”

Setting the profile option to *Tax* uses the General Ledger account combination from the Tax Recoverable/Liability accounts associated to the Tax Rate Code for the Sabrix Tax Accrual Miscellaneous Line Type.

In the example below, the Tax Rate Code of *USWA\_P2P\_2813* has GL account *01-410-7710- 0000-000* set for the Tax Expense value. The **eBTax: Sabrix AP Tax Expense Account Source** profile option value is set to *Tax*; so, the GL account from the Tax Rate Code of *USWA\_P2P\_2813* GL account of *01-410-7710-0000-000* is used for the Sabrix Tax Expense.

The following shows the AP Invoice All Distributions form using the GL account from the **USWA\_P2P\_2813** Tax Rate Code for the Sabrix Tax Expense Miscellaneous Line Type.



The screenshot shows the AP Distributions Data Entry screen. At the top, there are fields for Line Number (6) and Line Description (Tax Expense Account Source). The Invoice Total is 1,075.00 and the Distribution Total is 1,075.00. The main area is a grid titled 'AP Distributions Data Entry' with columns: Num, Type, Amount, GL Date, Account, Description, and Asset. The grid contains several rows of data, with the last row (Nonrecoverable) circled in red. The 'Description' column for this row shows the value 'Tax Expense Account Source = Tax'. The bottom of the screen shows status fields: Status (Validated), Accounted (Unprocessed), Distribution Class (Saved), and Associated Charges. The Account Description is 'Operations-International Sales-Sales Tax-No Sub Account-No Product'. Below these are buttons for Reverse, Tax Distributions, View PO, and View Receipt.

## NOTE

The Integration for Oracle R12 does not use Offset Tax Rate Codes for P2P. AP Tax Codes in Oracle R11i only had one GL account for each Tax Code. Oracle eBTax Tax Rate Codes in R12 have two GL accounts:

- Tax Expense (Not required for Integration on-line tax calculation, if null then Integration will use the item line GL account associated to the tax entry) and
- Tax Recoverable/Liability (Required by Integration for O2C and P2P when creating Tax Rate Codes).

To review VAT transactions, see the examples in **VALUE ADDED TAX (VAT) TRANSACTIONS (page 74)**

## SETTING THE EB TAX: SABRIX COMPANY PROFILE OPTION

For the **EB Tax: Sabrix Company** profile option, enter the exact value that maps to an External Company ID created in ONESOURCE Indirect Tax Determination for the desired company. The External Company ID in ONESOURCE Indirect Tax Determination must be identical to an Oracle accounting flexfield balancing segment value.

### Single Company Segment for AP Invoices

If you are processing transactions for a single company configured in Determination, simply enter the GL account company segment value with the External Company ID from your Determination configuration.

The example below shows the External ID *01* for a single Company Name entered into Determination. This maps to the GL Account Segment value for the Company segment value of *01*.



The screenshot shows the 'Edit Company' screen in the ONESOURCE™ INDIRECT TAX DETERMINATION application. The 'External ID' field, which contains the value '01', is highlighted with a red circle. Other fields visible include 'Company Name', 'Parent Company', 'Legal Entity Name', 'Active', 'Type', and 'Short Name'.

Company Name: Oracle 01 Balance_Segment 01	Active: <input checked="" type="checkbox"/>
Parent Company: Oracle Headquarters	Type: <input type="button" value="External"/>
Legal Entity Name: Oracle 01 Balance_Segment 01	Short Name: OR01
External ID: <b>01</b>	
Home Menu URL:	

You can set the **EB Tax: Sabrix Company** profile option for each operating unit responsibility depending on the complexity of your configuration for Order Management, Receivables, Purchasing and Payables.

See the examples in **Setting the EB Tax: Sabrix AP Tax Expense Account Source Profile Option (page 23)** for single company distribution lines.

## Multiple Company Segments for a Single AP Invoice

If you process transactions for multiple companies, you may derive the Company segment value from the Oracle GL Balancing Segment based on the GL account structure defined.

If a single AP invoice is entered with multiple invoice item lines and distribution lines with different company segment values, then the **eBTax: Sabrix Company** profile option value entered can be either **BALANCE\_SEGMENT** or **SEGMENT\*\_VALUE**. The Integration will then group all GL accounting results by the company segment values to ensure the GL accounting entries balance for each company segment. The company value in Oracle AP > Setup > Options > Financial Options (T) Accounting Liability account field is used as the company value to send to Determination during the Payables tax call.

For each Oracle GL accounting flexfield balancing segment value entered into the AP Invoice Distribution lines, make sure to also enter into Determination the multiple company names along with the appropriate External ID field for each company.



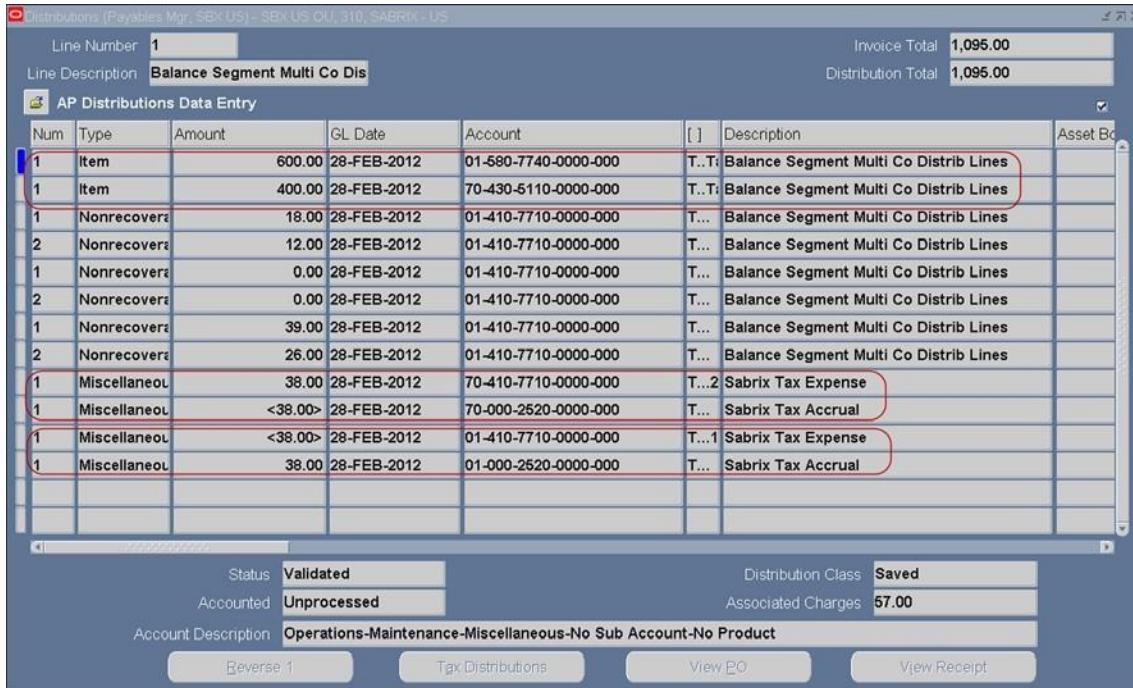
The valid general ledger account code combinations must exist in Oracle in order for the correct accounting to be returned.

The multiple company account segment values example below has the first item distribution line for Company 01 and the second item distribution line for Company 70. The Sabrix Miscellaneous Line Type distribution lines for the GL account values will be split between the company segment values of 01 and 70. This ensures that the accounting entries balance for each of the two company segment values.

In the example below, the profile option **eBTax: Sabrix AP Tax Expense Account Source** is set to *Tax*. This ensures both the tax expense and accrual entries balance for the two company segment values plus the natural account segment.

Otherwise if the profile option **eBTax: Sabrix AP Tax Expense Account Source** is set to *Item*, only the expense account entries are designated with the separate company segment. The accrual entry will be the General Tax Account for Tax Recoverable/Liability defined on the Tax Rate Code.

The following shows the **AP Invoice All Distributions** form.



The screenshot shows the 'AP Distributions Data Entry' screen. At the top, it displays 'Line Number 1' and 'Line Description Balance Segment Multi Co Dis'. The top right shows 'Invoice Total 1,095.00' and 'Distribution Total 1,095.00'. The main area is a grid with columns: Num, Type, Amount, GL Date, Account, Description, and Asset Bdc. The grid contains 15 rows of data. Some rows have red boxes around specific cells, such as the 'Description' column for several rows. The bottom of the screen shows status fields: Status (Validated), Distribution Class (Saved), Accounted (Unprocessed), Associated Charges (57.00), and an Account Description (Operations-Maintenance-Miscellaneous-No Sub Account-No Product). Below these are buttons for Reverse, Txn, View PO, and View Receipt.

For additional details, see “Configuring Profile Options” in the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide*.



The previous examples show U.S. Sales and Use Tax transaction scenarios and their results after the **Sabrix Tax Process** has completed.



The concurrent program **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to ONESOURCE Indirect Tax Integration for Oracle 12 Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.

## PROFILE OPTIONS FOR SHORTPAY AND/OR ACCRUE

The following two profile options control the behavior of how U.S. Sales and Use Tax variances between the vendor charged tax and the Determination-calculated tax amounts are processed. These settings are not applicable for non-U.S VAT transactions :

Control Processing Behavior of Sales and Use Tax Variances Between Vendor-charged Tax and Determination-calculated Tax Amounts		
Profile Options	Description	Allowable Values
eBTax: Sabrix AP Overcharge Shortpay Action	Handles vendor overcharged tax amounts.	<ul style="list-style-type: none"> <li><b>ACCRUE - Prorate By Item:</b> Enables accrue shortpay functionality for incorrect vendor tax charges, prorated by item line amounts. The invoice amount will not change, but line and distribution line entries are created as Sabrix Tax Accrual and Sabrix Tax Expense for the vendor overcharged or undercharged tax amounts.</li> </ul>
eBTax: Sabrix AP Undercharge Shortpay Action	Handles vendor undercharged tax amounts.	<ul style="list-style-type: none"> <li><b>ACCRUE - Prorate By Tax:</b> Enables accrue shortpay functionality for incorrect vendor tax charges, prorated by individual tax percentages. The invoice amount will not change, but line and distribution line entries are created as Sabrix Tax Accrual and Sabrix Tax Expense for the vendor overcharged or undercharged tax amounts.</li> <li><b>OFF:</b> Turns off the shortpay and accrue functionality. The invoice amount will not change, and no invoice line or distribution line entries are created as Sabrix Tax Accrual and Sabrix Tax Expense for either supplier overcharged or undercharged tax amounts. <i>For supplier overcharges, use this option to eliminate negative tax accruals.</i></li> <li><b>PARTIAL:</b> The invoice amount is reduced or increased by the difference between the Determination calculated tax and the invoice vendor tax amount. Plus Sabrix generated partial short pay entries lines are created for the vendor overcharged or undercharged tax amounts.</li> <li><b>TOTAL:</b> Reverses the entire vendor tax amount, reduces the invoice amount by the vendor tax amount and creates Sabrix Tax Accrual and Sabrix Tax Expense entries to self-assess the tax amount.</li> </ul> <p>NOTE: For PARTIAL and TOTAL shortpay profile options to function correctly, a non zero vendor charged tax amount (VCT) has to be entered for the AP invoice. Otherwise, when there is no vendor tax or zero vendor tax entered for the AP invoice, the Integration will default to using the <b>ACCRUE - Prorate By Item</b> functionality</p>



To avoid negative accruals, set the **Overcharge** action to *OFF*. This ensures that you do not accrue any vendor tax differences, nor will the invoice total be changed.

When the profile option for Overcharge is set to *OFF*, the information for the Vendor Overcharge amount will be displayed in the AP Invoice Distribution Line descriptive flexfield (DFF) for the Sabrix Tax Rate/Amount DFF attribute. No accrual entries are created.

The Sabrix Item Link attribute usually displays an associated item line link for the Sabrix Tax Expense Miscellaneous distribution lines. But in the case of a vendor overcharge and the **eBTax: Sabrix AP Overcharge Shortpay Action** profile option is set to *OFF*, the Sabrix Item Link attribute will display a (-1) for only the first item line.

You can create a custom report using the Sabrix Item Link attributes which have a (-1) to find vendors and invoices having overcharges. Example three below shows a Vendor Overcharge amount with the Sabrix Item Link DFF attribute with a (-1).



Oracle reverses the original on-line tax calculated amounts and re-calculates the on-line tax amounts after the **Sabrix Tax Process** has completed. Therefore the descriptive flexfield Sabrix Tax Status will be null and not have a "T" status on the re-calculated tax lines.

## EXAMPLES OF AP INVOICE DISTRIBUTION LINES

This section has nine examples of AP invoices to display the invoice lines and/or distribution lines showing the results of invoices using the various shortpay options for:

- Vendor charged no tax (treated as an undercharge)
- Vendor charged tax equals Determination calculated tax amount
- Vendor overcharged tax
- Vendor undercharged tax

There is also an example table after Example 8 to display the difference in tax accruals when using the **ACCRUE - Prorate By Item** and **ACCRUE - Prorate By Tax** profile option settings.

**Example 1.** In the following example, the vendor did not charge tax on the invoice, so \$0.00 is entered into the **Tax Control Amount** field.

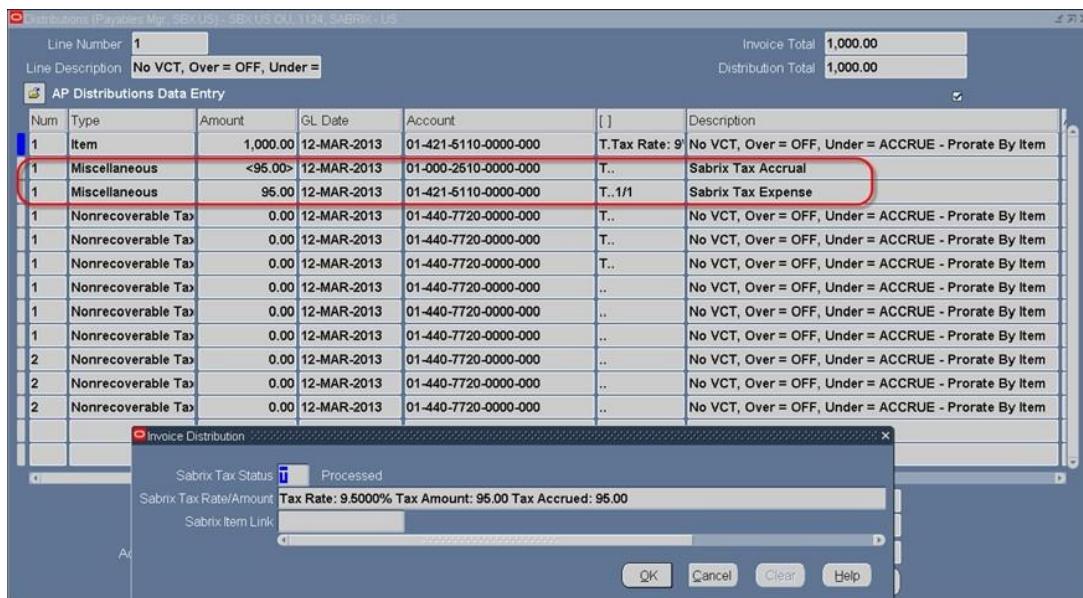
Tax amounts entered into the **Tax Control Amount** field take precedence over the on-line tax calculation amounts, so all of the Tax lines returned will also be \$0.00.

Profile Options are set to: **Overcharge=OFF** and **Undercharge=ACCRUE - Prorate By Item**.

The screenshot shows the Oracle AP Workbench Data Entry interface. At the top, there is a table with columns: Operating Unit, Type, Trading Partner, Supplier Num, Supplier Site, Invoice Date, Invoice Num, Invoice Amount, Description, Tax Control Amount, and Mat. The 'Tax Control Amount' column for the first row (SBX US OU) is circled in red and contains '0.00 Pur'. Below this table, there are tabs for General, Lines, Holds, View Payments, Scheduled Payments, and View Prepayment Applications. The 'Lines' tab is selected. Under 'AP Data Entry', there is a table with columns: Num, Type, Amount, Description, Distribution Account, Ship to, Tax Regime, Tax, Tax Jurisdiction, Tax Status, and Tax Rate Name. The 'Amount' column for the first item line (Num 1) is circled in red and contains '1,000.00 No VCT, Over = OFF 01-421-5110-0000-000 M1- Seattle Mfg'. Below this table, there is a 'Tax Lines Summary' table with columns: Line, Regime, Tax, Tax, Number, Code, Jurisdiction, Tax Status, Rate Name, Rate, Tax Amount, Inclusive, and Carr. The 'Tax Amount' column for the first three tax lines (Line 1, 2, 3) is circled in red and contains '0.00', '0.00', and '0.00' respectively.

After running the **Sabrix Tax Process**, Sabrix Tax Accrual and Sabrix Tax Expense lines are created to self-assess the tax returned from Determination which the vendor did not charge on the transaction.

The descriptive flexfield **Sabrix Tax Rate/Amount** field on the Item Line Distribution is populated with *Tax Rate*, *Tax Amount* and *Tax Accrued* amount.

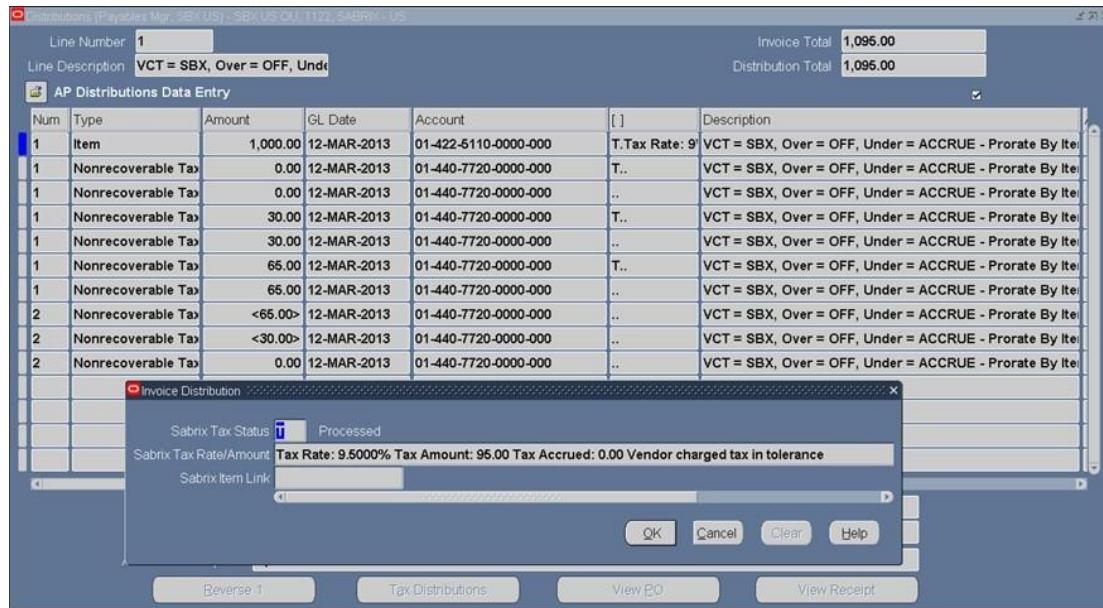


**Example 2.** The vendor charged tax of \$95 equals the Determination calculated tax amount of \$95; so no tax accrual is required.

An online tax calculation is invoked at events such as when validating the invoice, when using the **Calculate Tax** button or the **Tax Details** button on the AP workbench. The **Tax Control Amount** field on the Invoice header is null.

After running the **Sabrix Tax Process**, the descriptive flexfield **Sabrix Tax Rate/Amount** field on the Item Line Distribution is populated with *Tax Rate*, *Tax Amount*, *Tax Accrued* plus *Vendor charged tax in tolerance*. Since the tax calculated on the line is within tolerance and equals the tax calculated by the **Sabrix Tax Process**, no accrual entries are needed.

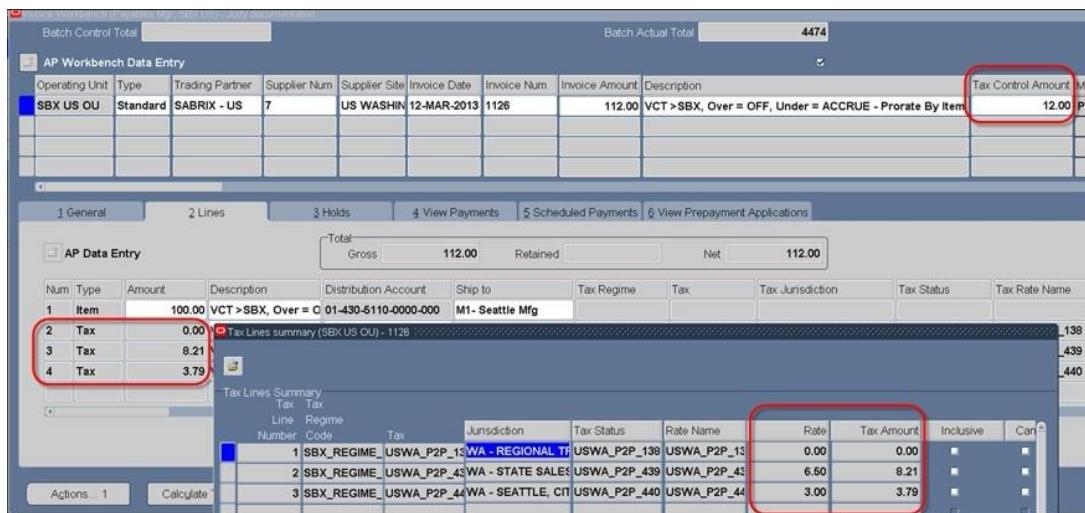
Profile Options are set to: **Overcharge=OFF** and **Undercharge=ACCRUE - Prorate By Item**.



**Example 3.** The invoice vendor tax amount is \$2.50 over the Determination \$9.50 calculated tax amount.

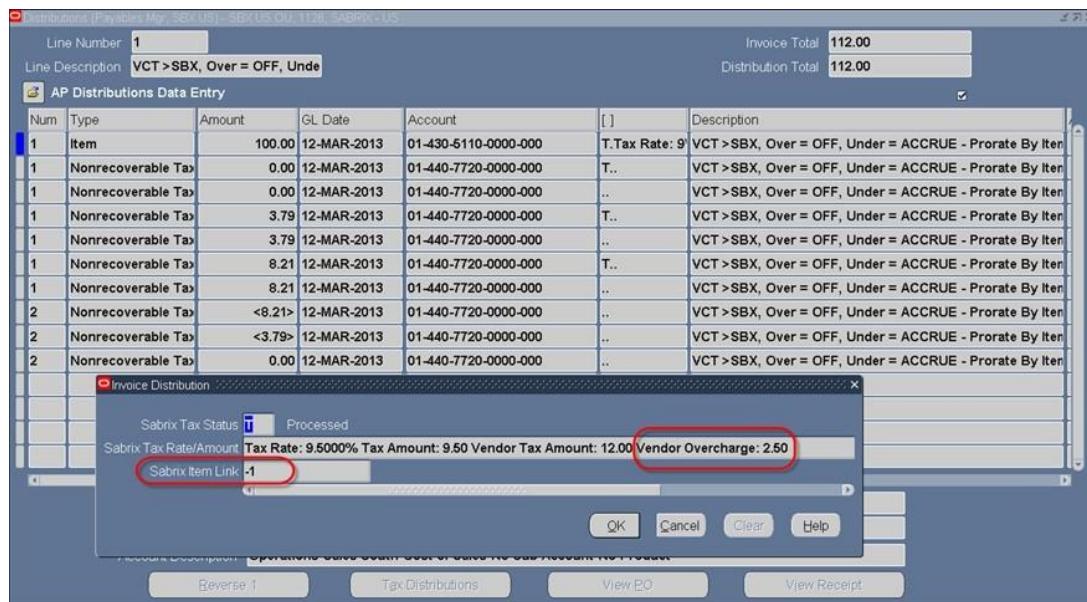
The vendor charged tax (VCT) of \$12.00 is entered into the Invoice header **Tax Control Amount** field.

Tax amounts entered into the **Tax Control Amount** field take precedence over the on-line tax calculation amounts. After clicking the **Tax Details** button (or the **Calculate Tax** button, and/or during Validation, etc.), the **Tax Control** Amount of \$12.00 will be prorated based upon the transaction line amount of \$100.00 along with the appropriate authority tax percentages returned from Determination.



After running the **Sabrix Tax Process**, the Vendor Overcharge tax amount of \$2.50 is NOT accrued due to the Overcharge profile option being set to *OFF*. The descriptive flexfield **Sabrix Tax Rate/Amount** field on the Item Line Distribution is populated with *Tax Rate*, *Tax Amount*, *Vendor Tax Amount* plus *Vendor Overcharged* tax amount of \$2.50. The descriptive flexfield **Sabrix Item Link** has a value of *-1*.

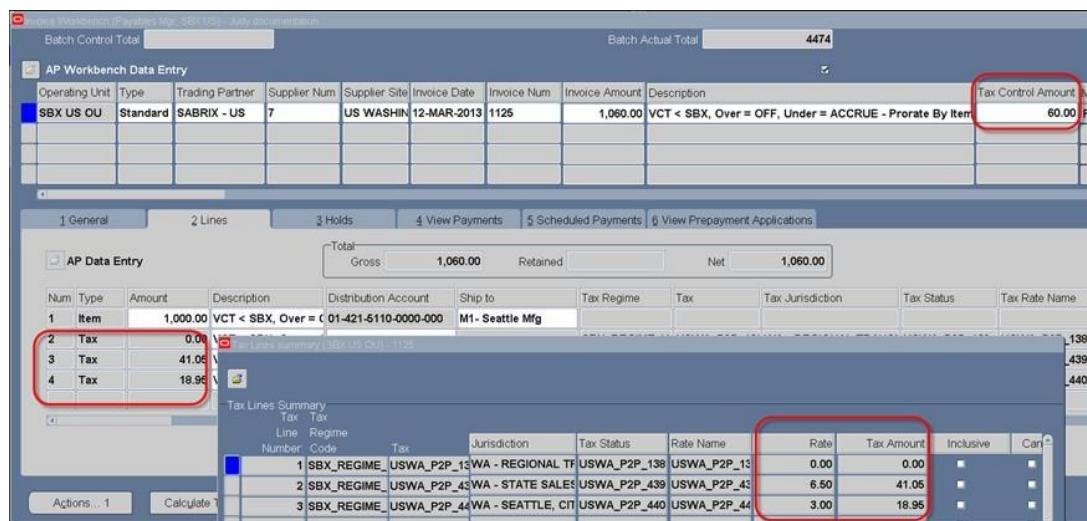
Profile Options are set to: **Overcharge=OFF** and **Undercharge=ACCRUE - Prorate By Item**.



**Example 4.** The invoice vendor tax is \$35 *under* the Determination calculated tax amount of \$95.

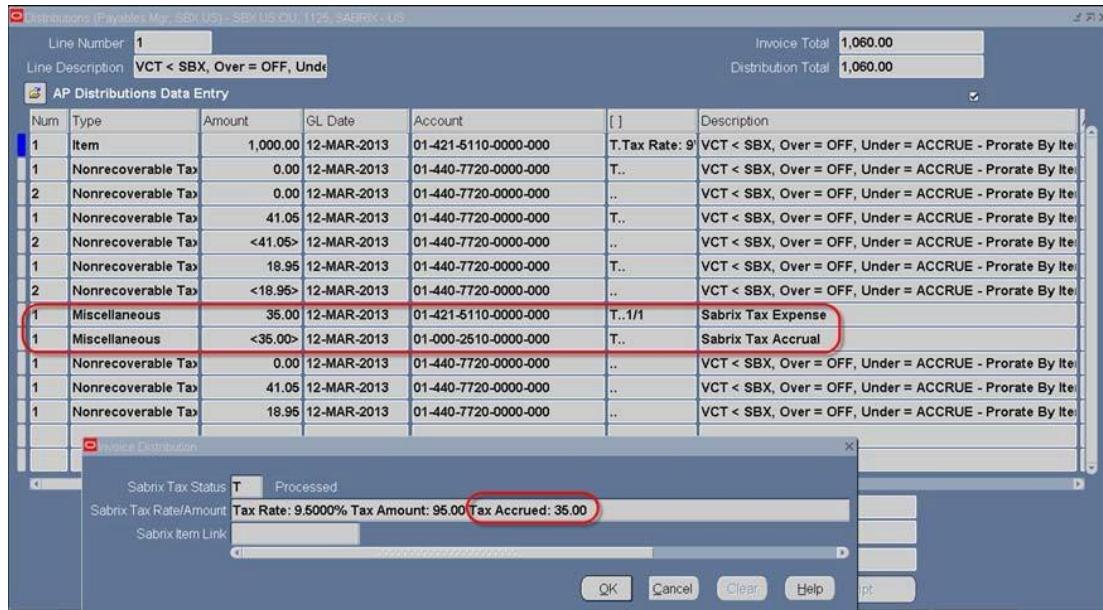
The vendor charged tax (VCT) of \$60.00 is entered into the Invoice header **Tax Control Amount** field.

Tax amounts entered into the **Tax Control Amount** field take precedence over the on-line tax calculation amounts. After clicking the **Tax Details** button (or the **Calculate Tax** button, and/or during Validation, etc.), the **Tax Control Amount** of \$60.00 will be prorated based upon the transaction line amount of \$1,000.00 along with the appropriate authority tax percentages returned from Determination.



After running the **Sabrix Tax Process**, the vendor charged tax difference from the Determination calculated tax amount of \$35.00 is accrued. The descriptive flexfield **Sabrix Tax Rate/Amount** field on the Item Line Distribution is populated with *Tax Rate*, *Tax Amount* and *Tax Accrued* of \$35.00.

Profile Options are set to: **Overcharge=OFF** and **Undercharge=ACCRUE - Prorate By Item**.



**Example 5.** The vendor charged tax is \$5.00, and the Determination calculated tax amount is \$9.50.

The vendor charged tax (VCT) of \$5.00 is entered into the Invoice header **Tax Control Amount** field.

Tax amounts entered into the **Tax Control Amount** field take precedence over the on-line tax calculation amounts. After clicking the **Tax Details** button (or the **Calculate Tax** button, and/or during Validation, etc.), the **Tax Control Amount** of \$5.00 will be prorated based upon the transaction line amount of \$100.00 along with the appropriate authority tax percentages returned from Determination.

After running the **Sabrix Tax Process**, the Invoice Total is decreased by the Integration for the \$5.00 vendor undercharged tax. The vendor is short paid by the amount of tax they charged and the **TOTAL** tax calculated by Determination is accrued. The descriptive flexfield **Sabrix Tax Rate/Amount** field on the Item Line Distribution is populated with *Tax Rate*, *Tax Amount* and *Tax Accrued* amount of \$9.50.

Profile Options are set to: **Overcharge=TOTAL** and **Undercharge=TOTAL**.

The screenshot shows the Oracle AP Distributions Data Entry window. At the top, there are fields for Line Number (1), Line Description (VCT < SBX, Over = TOTAL, Under = TOTAL), Invoice Total (100.00), and Distribution Total (100.00). The main table lists various tax entries:

Num	Type	Amount	GL Date	Account	Description
1	Item	100.00	14-MAR-2013	01-422-5110-0000-000	T.Tax Rate: 9 VCT < SBX, Over = TOTAL, Under = TOTAL
1	Miscellaneous	<9.50>	14-MAR-2013	01-000-2510-0000-000	T.. Sabrix Tax Accrual
1	Miscellaneous	<3.42>	14-MAR-2013	01-440-7720-0000-000	T..1/1 Sabrix generated total short pay entry
1	Miscellaneous	<1.58>	14-MAR-2013	01-440-7720-0000-000	T..1/1 Sabrix generated total short pay entry
1	Miscellaneous	9.50	14-MAR-2013	01-440-7720-0000-000	T..1/1 Sabrix Tax Expense
1	Nonrecoverable Tax	0.00	14-MAR-2013	01-440-7720-0000-000	T.. VCT < SBX, Over = TOTAL, Under = TOTAL
1	Nonrecoverable Tax	0.00	14-MAR-2013	01-440-7720-0000-000	.. VCT < SBX, Over = TOTAL, Under = TOTAL
1	Nonrecoverable Tax	1.58	14-MAR-2013	01-440-7720-0000-000	T.. VCT < SBX, Over = TOTAL, Under = TOTAL
1	Nonrecoverable Tax	1.58	14-MAR-2013	01-440-7720-0000-000	.. VCT < SBX, Over = TOTAL, Under = TOTAL
1	Nonrecoverable Tax	3.42	14-MAR-2013	01-440-7720-0000-000	T.. VCT < SBX, Over = TOTAL, Under = TOTAL
1	Nonrecoverable Tax	3.42	14-MAR-2013	01-440-7720-0000-000	.. VCT < SBX, Over = TOTAL, Under = TOTAL
2	Nonrecoverable Tax	<3.42>	14-MAR-2013	01-440-7720-0000-000	.. VCT < SBX, Over = TOTAL, Under = TOTAL
2	Nonrecoverable Tax	<1.58>	14-MAR-2013	01-440-7720-0000-000	.. VCT < SBX, Over = TOTAL, Under = TOTAL
2	Nonrecoverable Tax	0.00	14-MAR-2013	01-440-7720-0000-000	.. VCT < SBX, Over = TOTAL, Under = TOTAL

Below the table, a summary window titled "Invoice Distribution" shows the following details:

- Sabrix Tax Status: T Processed
- Sabrix Tax Rate/Amount: Tax Rate: 9.5000% Tax Amount: 9.50 Tax Accrued: 9.50 (highlighted with a red box)
- Sabrix Item Link

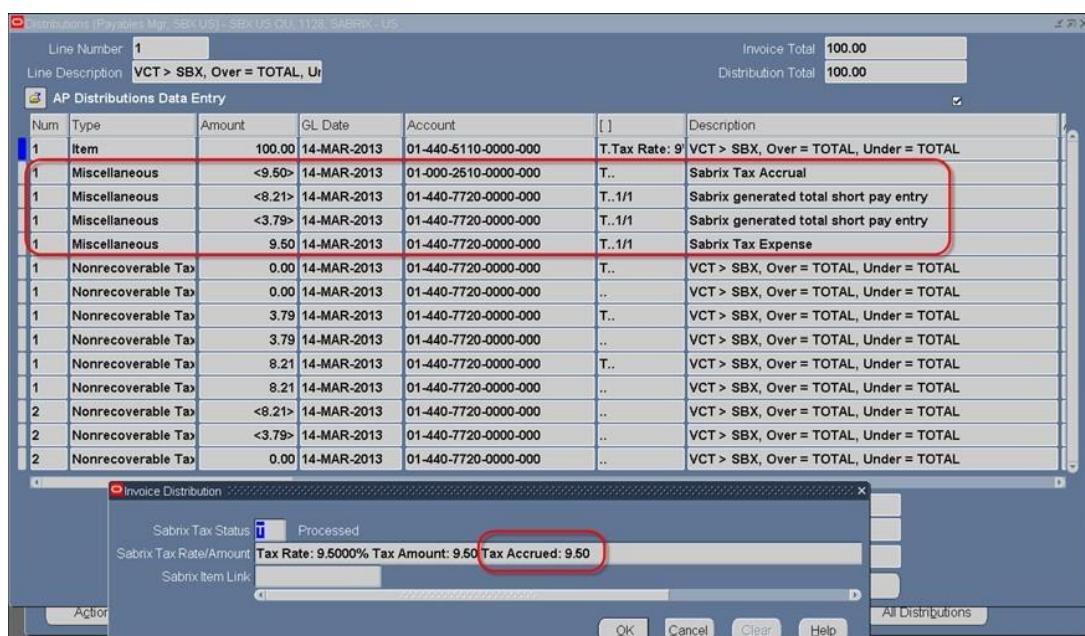
**Example 6.** The vendor charged tax is \$12.00, and the Determination calculated tax amount is \$9.50.

The vendor charged tax (VCT) of \$12.00 is entered into the Invoice header **Tax Control Amount** field.

Tax amounts entered into the **Tax Control Amount** field takes precedence over the on-line tax calculation amounts. After clicking the **Tax Details** button (or the **Calculate Tax** button, and/or during Validation, etc.), the **Tax Control Amount** of \$12.00 will be prorated based upon the transaction line amount of \$100.00 along with the appropriate authority tax percentages returned from Determination.

After running the **Sabrix Tax Process**, the Invoice Total is decreased by the Integration for the \$12.00 vendor overcharged tax. The vendor is short paid by the amount of tax they charged and the **TOTAL** tax calculated by Determination is accrued. The descriptive flexfield **Sabrix Tax Rate/Amount** field on the Item Line Distribution is populated with **Tax Rate**, **Tax Amount** and **Tax Accrued** amount of \$9.50.

Profile Options are set to: **Overcharge=TOTAL** and **Undercharge=TOTAL**.



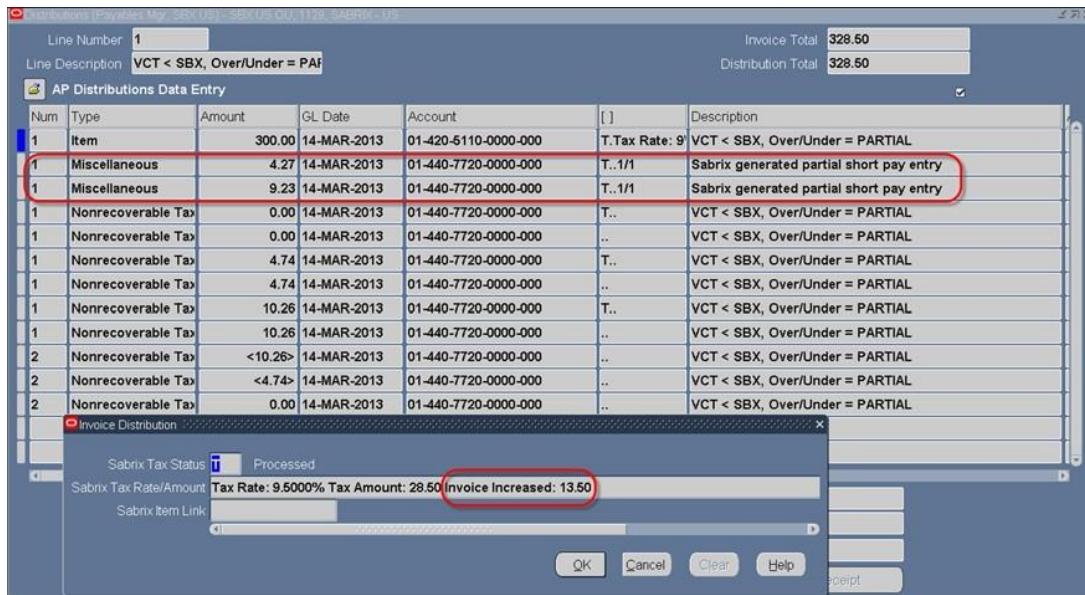
**Example 7.** The Vendor Charged Tax is \$15, and the Determination calculated tax amount is \$28.50 (VCT is \$13.50 *under* the Determination calculated amount).

The vendor charged tax (VCT) of \$15.00 is entered into the Invoice header **Tax Control Amount** field.

Tax amounts entered into the **Tax Control Amount** field takes precedence over the on-line tax calculation amounts. After clicking the **Tax Details** button (or the **Calculate Tax** button, and/or during Validation, etc.), the **Tax Control Amount** of \$15.00 will be prorated based upon the transaction line amount of \$300.00 along with the appropriate authority tax percentages returned from Determination.

After running the **Sabrix Tax Process**, the Invoice Total is increased by the Integration for \$13.50, so the Tax Amount paid to the vendor now equals the Determination calculated tax amount. The descriptive flexfield **Sabrix Tax Rate/Amount** field on the Item Line Distribution is populated with *Tax Rate*, *Tax Amount* and *Invoice Increased* amount of \$13.50.

Profile Options are set to: Overcharge=PARTIAL and Undercharge=PARTIAL.



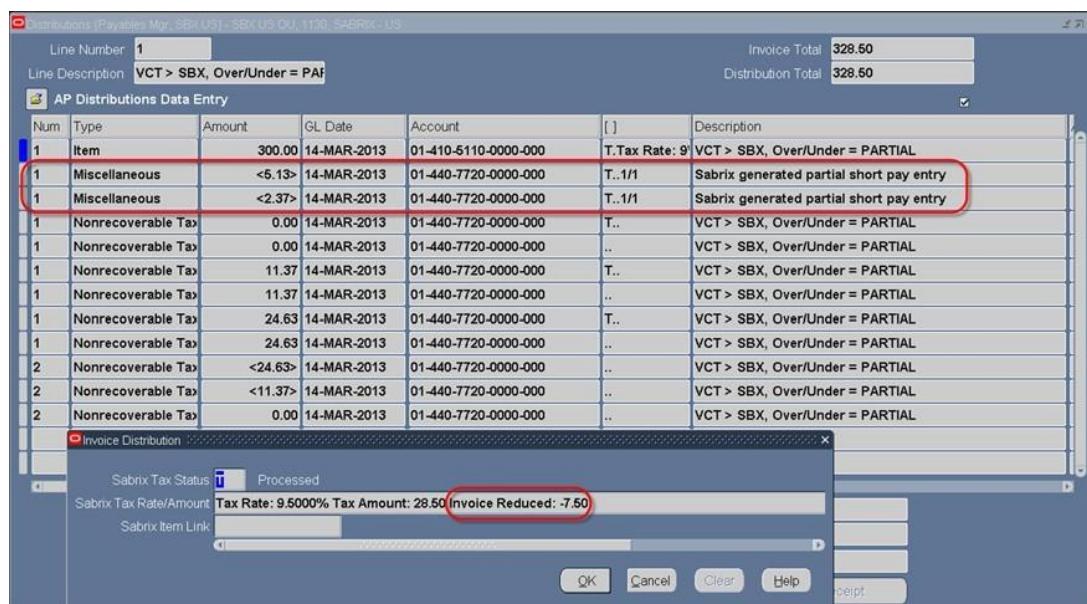
**Example 8.** The Vendor Charged Tax is \$36.00, and the Determination calculated tax amount is \$28.50 (VCT is \$7.50 over the Determination calculated amount).

The vendor charged tax (VCT) of \$36.00 is entered into the Invoice header **Tax Control Amount** field.

Tax amounts entered into the **Tax Control Amount** field takes precedence over the on-line tax calculation amounts. After clicking the **Tax Details** button (or the **Calculate Tax** button, and/or during Validation, etc.), the **Tax Control Amount** of \$36.00 will be prorated based upon the transaction line amount of \$300.00 along with the appropriate authority tax percentages returned from Determination.

After running the **Sabrix Tax Process**, the Invoice Total is reduced by the Integration for \$7.50, so the Tax Amount paid to the vendor now equals the Determination calculated tax amount. The descriptive flexfield **Sabrix Tax Rate/Amount** field on the Item Line Distribution is populated with *Tax Rate*, *Tax Amount* and *Invoice Reduced* amount of \$7.50.

Profile Options are set to: **Overcharge=PARTIAL** and **Undercharge= ACCRUE - Prorate By Item**.



**Example 9.** The following examples show the results and differences in the accrue methods when using the *ACCRUE - Prorate By Item* or *ACCRUE - Prorate By Tax* profile option settings for a vendor charged tax undercharge and a vendor charged tax overcharge. The examples also show how the **Tax Control Amount** is prorated for each item line.

			Item line % of Total Item Lines	ERP Tax Code	Tax Rate %	Tax Control Amount Prorated	Line Description	Determination Calculated Tax	ACCRUE - Prorate By Tax	ACCRUE - Prorate By Item Amounts	Difference between Accrue Methods
	Item Line	Amount									
<b>UNDERCHARGE</b>											
	1	1,000.00	50.00%	USWA	9.50%	26.39	Sabrix Tax Expense	95.00	68.61	65.00	(3.61)
	2	1,000.00	50.00%	USCA	8.50%	23.61	Sabrix Tax Expense	85.00	61.39	65.00	3.61
Item Lines Total		2,000.00	100.00%		18.00%	50.00	Sabrix Tax Accrual	180.00	130.00	130.00	0.00
Vendor Charged Tax (VCT)		50.00									
Invoice Total Amount		2,050.00									
<b>OVERCHARGE</b>											
	1	1,000.00	50.00%	USWA	9.50%	105.56	Sabrix Tax Expense	95.00	(10.56)	(10.00)	0.56
	2	1,000.00	50.00%	USCA	8.50%	94.44	Sabrix Tax Expense	85.00	(9.44)	(10.00)	(0.56)
Item Lines Total		2,000.00	100.00%		18.00%	200.00	Sabrix Tax Accrual	180.00	(20.00)	(20.00)	0.00
Vendor Charged Tax (VCT)		200.00									
Invoice Total Amount		2,200.00									

## WORKING WITH TAX TOLERANCES

Tax Tolerances allow you to specify acceptable minimum and maximum tolerance levels for variances between supplier charged tax amount and the Determination calculated tax amount. This section describes how to work with:

- The **eBTax: Sabrix AP Tolerance Amount** and **eBTax: Sabrix AP Tolerance Percent** profile options.
- The Sabrix Invoice Hold Reason of **US Out of Tolerance Hold**

### SPECIFYING THE EB~~TAX~~: SABR~~I~~X AP TOLERANCE AMOUNT AND EB~~TAX~~: SABR~~I~~X AP TOLERANCE PERCENT

The **eBTax: Sabrix AP Tolerance Amount** and **eBTax: Sabrix AP Tolerance Percent** profile options are offered to set a threshold for processing transactions. The tolerances determine if the Integration needs to perform an action by either an accrual or a shortpay, depending on your shortpay settings.



A null value in the **eBTax: Sabrix AP Tolerance Amount** or **eBTax: Sabrix AP Tolerance Percent** profile option is treated as a zero, making any deviation between VCT and the Determination result out of tolerance.

For U.S. transactions, the tolerance profile options apply when running the AP Sabrix Tax Process. For non-U.S. transactions, the tolerance profile options apply when selecting Calculate Tax or Validate AP Invoice actions.

The following scenarios cause a *Sabrix Out-of-Tolerance* hold to be placed on the invoice. When this happens, the Integration sets the Sabrix Tax Status descriptive flexfield (DFF) flag to O:

- The supplier did not charge tax, but Determination determined there is a tax to charge.
- Supplier overcharged tax and the tax is outside of the pre-defined tax tolerance.
- Supplier charged tax for a transaction that Sabrix determined as a zero-rated or exempt transaction.

To release holds, you can either make the necessary changes to the invoice and resubmit or cancel and request a new invoice from the supplier.

See **REPORTING (page 147)** to learn about running the Sabrix AP Accrual Report to quickly generate a list of those invoices that are on hold.

The following example shows results of three tolerance and percent settings in the **Difference Amount** and **Difference Percent** rows:

Tolerance Settings for the following table:			
Amount Tolerance	\$ 10		
Percent Tolerance	10%		
<b>Vendor Tax Overcharge</b>			
Item Total	10000	100	1000
Vendor Tax Total	1000	7	91
Sabrix Tax Total	950	0	89
Difference Amount	50	7	2
Difference Percent	5.3%	100.0%	2.2%
Tolerance Settings for the following Table:			
Amount Tolerance	\$ 10		
Percent Tolerance	null		
<b>Vendor Tax Overcharge</b>			
Item Total	10000	100	1000
Vendor Tax Total	1000	7	91
Sabrix Tax Total	950	0	89
Difference Amount	50	7	2
Difference Percent	5.3%	100.0%	2.2%
Tolerance Settings for the following table:			
Amount Tolerance	null		
Percent Tolerance	10%		
<b>Vendor Tax Overcharge</b>			
Item Total	10000	100	1000
Vendor Tax Total	1000	7	91
Sabrix Tax Total	950	0	89
Difference Amount	50	7	2
Difference Percent	5.3%	100.0%	2.2%

## OVERRIDE TOLERANCE SETTINGS FOR U.S. SALES AND USE TAX

There may be times when you want to accept the Vendor Charged Tax amount instead of using the Determination calculated tax amounts. In order to accept the Vendor Charged Tax amount, you can override the **eBTax: Sabrix Tolerance** profile options by choosing one of the two following methods.

- **Accepting the Out of Tolerance Supplier Tax**
- **Setting the US Out of Tolerance Hold**

### Accepting the Out of Tolerance Supplier Tax

The Sabrix Tax Status on the AP invoice distribution line descriptive flexfield (DFF) attribute values allow you to override the tolerance settings on an individual invoice. From the Sabrix Tax Status DFF list of values, select the status of **A** (Accept the Vendor Tax). When a distribution line of an invoice is marked with the status of **A** (Accept the Vendor Tax), the invoice is processed as if it is in tolerance.



To invoke this feature for U.S. Sales and Use Tax transactions, set the **US Out of Tolerance Hold** to review all invoices that have differences out of tolerance.

Invoices with the status of **A** (Accept the Vendor Tax) are processed again by Determination and treated as if the difference was within tolerance.

For transactions, Determination audits the Determination-calculated tax and places the vendor tax amount in the **vendor\_tax\_amount** audit field.



Profile option **eBTax: AP Sabrix Audit Determination Tax Amount** only applies to non-U.S. transactions.

Set the VCT distribution line to **A** (Accept the Vendor Tax) in order for the **A** (Accept the Vendor Tax) to have no accrual for a specific invoice. If a vendor does not charge tax, then create a zero VCT distribution line by using the Tax Details Summary form at the invoice header. Then go into Distributions forms and set the VCT distribution line DFF to **A** (Accept the Vendor Tax) if user wants to accept the zero tax amount and not have an accrual or expense line created by the Sabrix Tax Process.



The VCT either entered at the invoice header Tax Control Amount or the Tax Details button will always override any calculated tax amounts from the AP on-line tax call.

Then run the **Sabrix Tax Process**, which will not create any distribution lines as accrual or expense line when DFF status for VCT distribution line is set to **A** (Accept the Vendor Tax). If user wants an accrual and expense lines created by Sabrix Tax Process, then just set the zero VCT distribution line to 'R'.



Merely marking only the item distribution line as **A** (Accept the Vendor Tax) will still create Sabrix accruals.

Listed below are the scenarios of how to use the **A** (Accept the Vendor Tax) Accept functionality, and have no Sabrix accrual or expense lines created.

1. Enter VCT amount from the AP invoice using the Tax Details Summary form at the header and set Tax Only Line flag. Set the VCT distribution line DFF status to A (Accept the Vendor Tax). The item lines can still be left with the 'R' status. Then run **Sabrix Tax Process** and there are no accrual and expense lines & distribution lines created by the **Sabrix Tax Process**.
2. Enter VCT amount from the AP invoice using the Tax Details Summary form at the header and set Tax Only Line flag. Set both the Item and VCT distribution lines DFF status to A (Accept the Vendor Tax). Then run **Sabrix Tax Process** and there are no accrual or expense lines or distribution lines created by the **Sabrix Tax Process**.
3. If vendor did not charge tax and accruals should NOT be calculated on a particular invoice by Determination, then enter a zero VCT amount using the Tax Details Summary form at the header (Do not use the Control Total Amount at the header, accrual and expense lines are still created by **Sabrix Tax Process**) and set Tax Only Line flag. Set the VCT distribution line DFF status to A (Accept the Vendor Tax). The item lines can still be left with the 'R' status. Then run **Sabrix Tax Process** and there are NO accrual and expense lines & distribution lines created by the **Sabrix Tax Process**, since user accepted the VCT of zero.

### Setting the US Out of Tolerance Hold

You can configure the Integration so you can review every transaction in which the difference between the supplier charged tax and the Determination calculated tax is outside of the configured tolerance. You can then decide how to handle the difference.

The examples in this section assume the following configuration:

- You have configured the **Sabrix US Out of Tolerance Hold** as described in the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide*.
- You have set your Profile Options as follows:

Profile Option	Example Value	Comments
eBTax:Sabrix AP Hold?	Yes	None.
eBTax: Sabrix AP Tolerance Amount	10	If the difference between vendor charged tax and Determination calculated tax is plus or minus \$10.00 or less, no action will occur.
eBTax: Sabrix AP Tolerance Percent	5	If the difference between vendor charged tax and Determination calculated tax is 5% or less, no action will occur.
eBTax: Sabrix Overcharge Shortpay Action	Partial	If the vendor charged tax is greater than the Determination calculated tax, the invoice will be shortpaid the difference so that the vendor is paid the Determination calculated tax.
eBTax: Sabrix Undercharge Shortpay Action	Off	If the vendor charged tax is less than the Determination calculated tax, an accrual will occur to acknowledge the tax liability.

Three scenarios are described:

- The vendor charged tax is greater than Determination calculated tax and out of tolerance.
- The vendor charged tax is greater than Determination calculated tax and within tolerance.
- The vendor charged tax is less than Determination calculated tax and out of tolerance.

#### **Scenario 1. Vendor Charged Tax is Greater Than and Out of Tolerance with Determination Calculated Tax.**

In this case, an AP invoice is entered and processed by the **Sabrix Tax Process**, but the difference between the vendor charged tax and the Determination calculated tax is greater than your tolerance settings. The invoice will have a Sabrix Invoice Hold and the invoice distributions will receive a status of *O* (Out of Tolerance).

1. The invoice will appear on the Invoice on Hold Report, a standard Oracle E-Business Suite Report in Payables.
2. You can then review the invoice and make one of these decisions:
  - Decide that a shortpay is required. Remove the hold and set the **Tax Status Attribute** back to *R* (Ready). Your next **Sabrix Tax Process** run will identify that you have removed the hold and mark it as *T* (Processed). The partial shortpay will be performed.
  - Decide that a new invoice is required from the supplier. The invoice can remain on hold until the corrected invoice is received. Then, cancel or credit as per your standard business process.
  - Decide the invoice will be paid as billed and no accrual is required for the tax difference. Set the tax status flags on the Vendor Charged Tax (VCT) distribution lines to *A* and release the hold. The invoice will be processed as if it is within tolerance.

#### **Scenario 2. Vendor Charged Tax is Greater Than and In Tolerance with Determination Calculated Tax.**

In this case, an AP invoice is entered and processed by the **Sabrix Tax Process**, but the difference between the vendor charged tax and the Determination calculated tax is within your tolerance settings. Integration does not place a hold on the invoice but marks the distribution lines with the letter *T* (Processed) to show that the invoice was processed, and the difference is within tolerances.

**Scenario 3. Vendor Charged Tax is Less Than and Out of Tolerance with Determination Calculated Tax.**

An invoice is entered in AP and then processed by the **Sabrix Tax Process**. The difference between the vendor charged tax and Determination calculated tax is greater than your tolerance settings. The invoice will have a hold and the invoice distributions will receive a status of *O* (Out of Tolerance).

The invoice will appear on the Invoice on Hold Report, a standard Oracle E-Business Suite report in Oracle Payables.

Review the AP invoice and choose one of the following ways to handle the Out of Tolerance variances:

- Decide that an accrual for the difference is required. Remove the hold and set the Tax Status Attribute back to *R* for ready. Your next **Sabrix Tax Process** run shows that you have removed the hold and mark it as *T* (Processed) and performs the accrual.
- Decide that a new invoice is required from the vendor. The invoice can remain on hold until the corrected invoice is received. You can then cancel or credit per your normal business process.
- Decide the invoice will be paid as billed and no accrual is required for the tax difference. Set the Tax Status flags on the Vendor Charged Tax (VCT) distribution lines to *A* and release the hold. This will treat the invoice as if the difference is within tolerance.

## SETTING EBTAZ: SABRIX AP WRITE DISTRIBUTIONS TO INVOICE?

You can set the **eBTax: Sabrix AP Write Distributions to Invoice?** profile option to one of three choices to prevent the Integration from creating AP Miscellaneous lines and distributions for Determination calculated tax amounts.

- **YES** writes lines to the AP\_DISTRIBUTION table to create invoice Miscellaneous lines and distributions for U.S. Sales and Use Tax Accruals.
- **NO** suppresses creating Miscellaneous lines and distributions for U.S. Sales and Use Tax Accruals on the AP transaction by not writing lines to the AP\_DISTRIBUTION table. The tax amount is audited in Determination as usual.



When profile option value is set to **NO**, the AP Invoice Distribution DFF attribute for Sabrix Tax Status will be updated with a "T" but the AP invoice distribution DFF attribute for Sabrix Tax Rate/Amount will be null and contain no tax rate or amounts.

- **EXCLUDE** behaves like *No* for VAT self-assessments only as these AP lines could be considered extraneous if they use the same accounting for Determination AC, RC and IM Tax Types. All other transactions are treated like *Yes*.



*EXCLUDE* value and the associated value set *SBX\_TAX\_TYPES\_TO\_EXCLUDE* is no longer applicable for non-U.S. transactions and will be deprecated in a future release.



See *ONESOURCE Indirect Tax Determination Online Help* for more information about Tax Types.

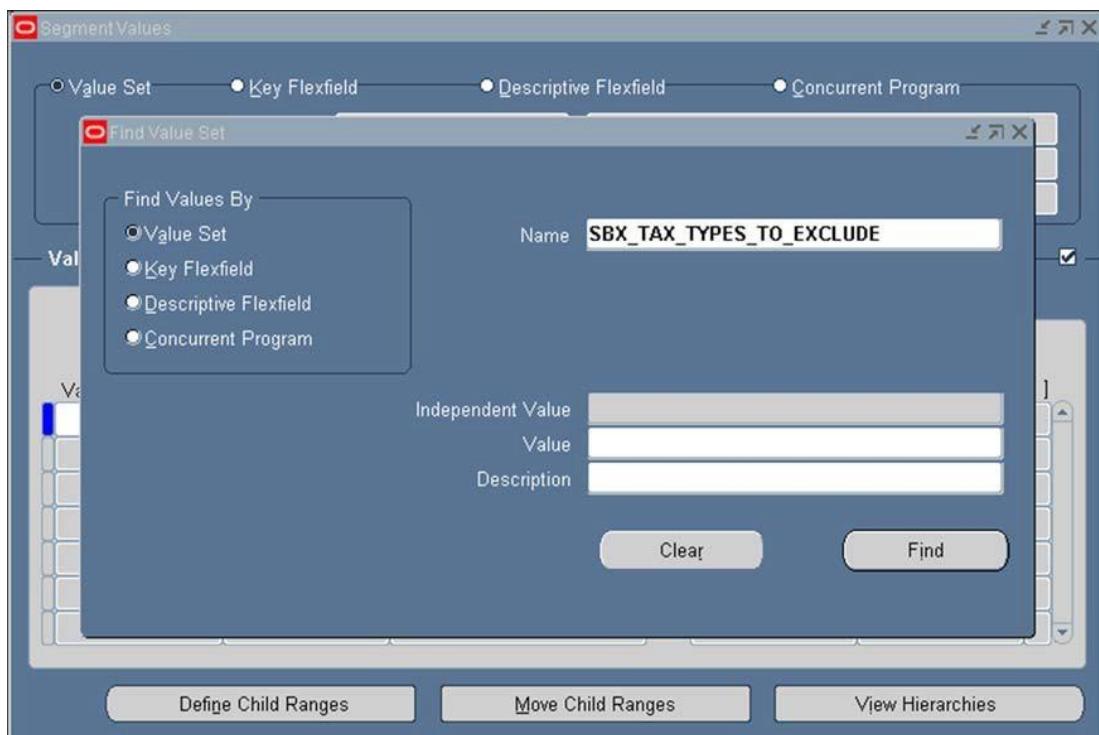
If you choose *EXCLUDE*, the Integration does not write distributions for Tax Types of *AC*, *RC*, and *IM*. These choices can be modified by using the following instructions.



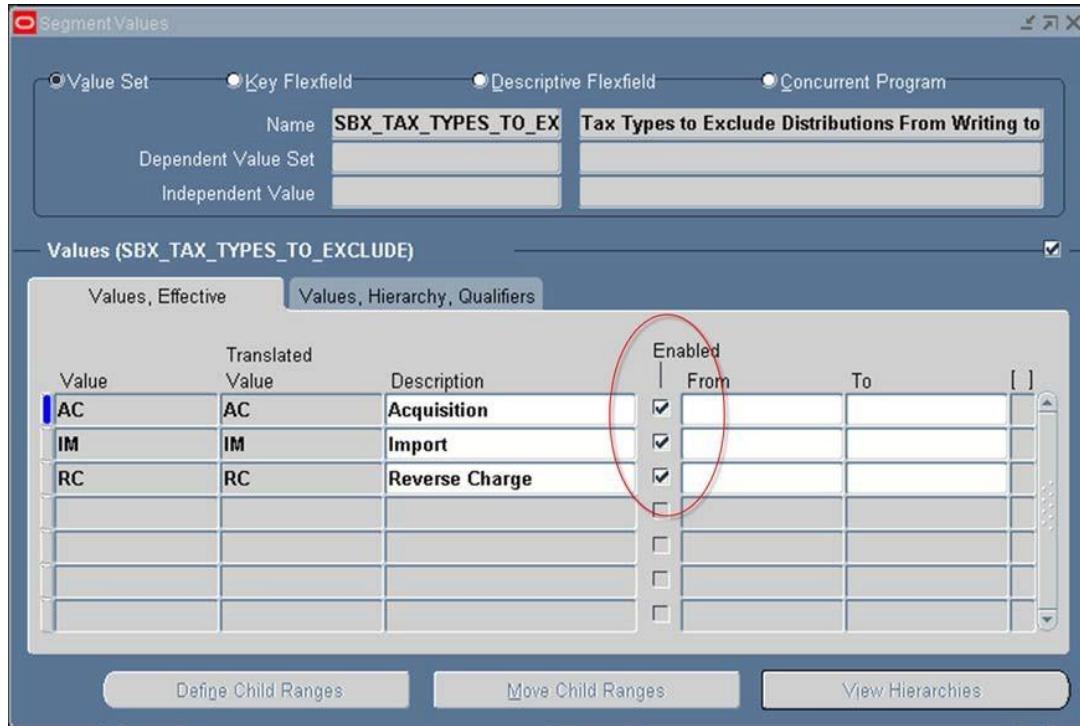
*EXCLUDE* value and the associated value set *SBX\_TAX\_TYPES\_TO\_EXCLUDE* are no longer applicable for non-U.S. transactions and will be deprecated in a future release.

To modify the information:

1. Navigate to **Setup > Flexfields > Validation > Values**.
2. Query *SBX\_TAX\_TYPES\_TO\_EXCLUDE*.

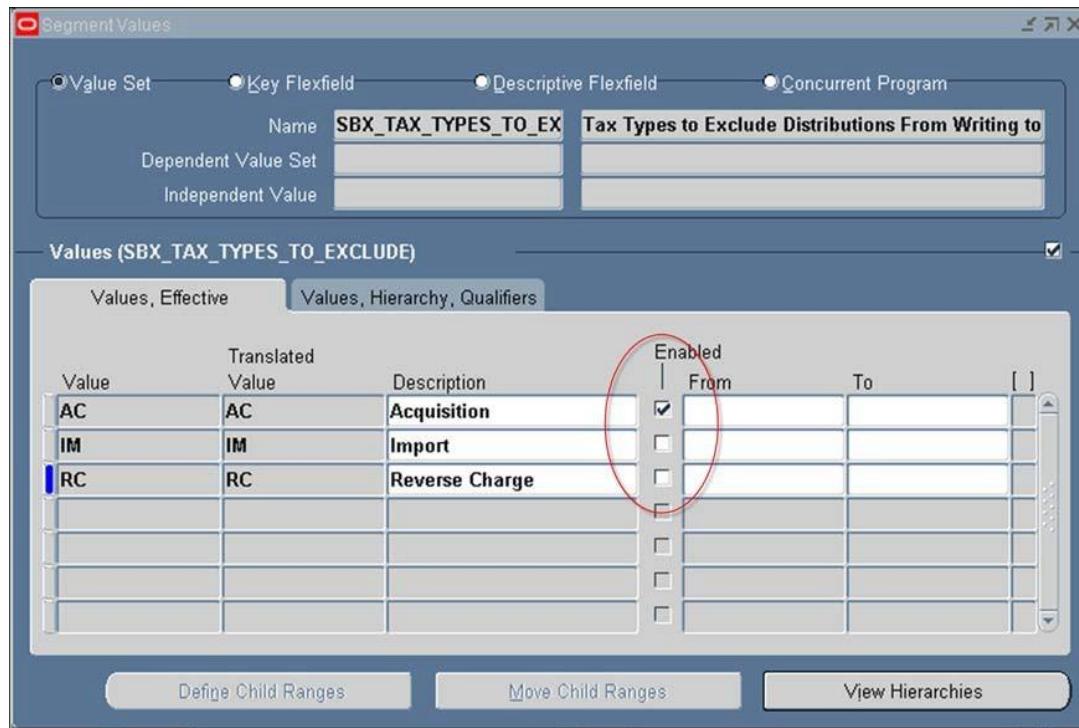


3. Note that the three **Enabled** tax types (AC, IM, and RC) will be excluded from calculations.+



52 | CONFIGURING ONESOURCE INDIRECT TAX INTEGRATION PROFILE OPTIONS  
SETTING EBTRX: SABRIX AP WRITE DISTRIBUTIONS TO INVOICE?

4. If desired, uncheck the **Enabled** check box for a tax type. If you uncheck the **Enabled** check box, the tax types (in the example, *IM* and *RC*) will be included in calculations. If you want to exclude an additional tax type, add another row in this value set.



## ORACLE PROJECT ACCOUNTING

Although the Integration does not integrate directly with Oracle's Project modules, it can send tax distributions to Oracle Projects from Payables. Oracle standard functionality associates AP distributions with projects. Integration-created expense distribution lines also are associated with projects.

You can enable this functionality by setting the profile option called **eBTax: Sabrix AP Tax Grouping Rule**. When you set the value to *PROJECT*, then the Integration provides project information that is entered on an AP invoice onto the appropriate Integration generated tax distribution lines.

If you do not want to capture Project Accounting information, then use either the default grouping by tax code information (*DEFAULT*), or by custom rules (*CUSTOM*).



See the section "Driving Project Accounting Using Custom Attributes" in the chapter "Post Installation: Technical Topics" of *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide*.



Sabrix-generated short pay entry lines are created based on the short pay action described in **PROFILE OPTIONS FOR SHORTPAY AND/OR ACCRUE (page 29)**. The general ledger account for the short pay lines is the same as the manual tax line. The project information for the short pay line is based on the associated tax line. If no manual tax line exists on the invoice, the general ledger accounts are derived based on the profile option **eBTax: Sabrix AP Tax Expense Account Source**. See **Setting the eBTax: Sabrix AP Tax Expense Account Source Profile Option (page 23)** for more information.

In order to roll up the various expenses by project information, enter the following project related fields (defined in Projects) on the AP Invoice Distribution line:

- Project Name
- Task Number
- Expenditure Type
- Expenditure Org
- Expenditure Item Date

The following sample invoice has multiple project tasks. When the **Sabrix Tax Process** is completed, each expense line was represented on each project line, while the accrual line for those same projects was rolled up under one line to the first item line.

Num	Type	Amount	GL Date	Account	Description	Project	Task	Expenditure Type	Expenditure Organization	Expenditure Item Date	
1	Item	18,000.00	15-MAR-2013	01-000-1580-0000-000	T.Tax Rate: 9%	Projects	Bldg Renovation	1.0	1001 - General Contractor	Vision Operations	15-MAR-2013
1	Item	22,500.00	15-MAR-2013	01-000-1580-0000-000	T.Tax Rate: 9%	Projects	Bldg Renovation	2.3	12500 - Window Treatment	Vision Operations	15-MAR-2013
1	Miscellaneous	<3,847.50	15-MAR-2013	01-000-2565-0000-000	T..	Sabrix Tax Accru					
1	Miscellaneous	1,710.00	15-MAR-2013	01-420-7710-0000-000	T..1/1	Sabrix Tax Exper	Bldg Renovation	1.0	1001 - General Contractor	Vision Operations	15-MAR-2013
1	Miscellaneous	2,137.50	15-MAR-2013	01-420-7710-0000-000	T..2/1	Sabrix Tax Exper	Bldg Renovation	2.3	12500 - Window Treatment	Vision Operations	15-MAR-2013

Invoice Distribution:

Sabrix Tax Status:  Processed

Sabrix Tax Rate/Amount: Tax Rate: 9.5000% Tax Amount: 1,710.00 Tax Accrued: 1,710.00

Sabrix Item Link:

OK Cancel Clear Help

Num	Type	Amount	GL Date	Account	Description	Project	Task	Expenditure Type	Expenditure Organization	Expenditure Item Date	
1	Item	18,000.00	15-MAR-2013	01-000-1580-0000-000	T.Tax Rate: 9%	Projects	Bldg Renovation	1.0	1001 - General Contractor	Vision Operations	15-MAR-2013
1	Item	22,500.00	15-MAR-2013	01-000-1580-0000-000	T.Tax Rate: 9%	Projects	Bldg Renovation	2.3	12500 - Window Treatment	Vision Operations	15-MAR-2013
1	Miscellaneous	<3,847.50	15-MAR-2013	01-000-2565-0000-000	T..	Sabrix Tax Accru					
1	Miscellaneous	1,710.00	15-MAR-2013	01-420-7710-0000-000	T..1/1	Sabrix Tax Exper	Bldg Renovation	1.0	1001 - General Contractor	Vision Operations	15-MAR-2013
1	Miscellaneous	2,137.50	15-MAR-2013	01-420-7710-0000-000	T..2/1	Sabrix Tax Exper	Bldg Renovation	2.3	12500 - Window Treatment	Vision Operations	15-MAR-2013

Invoice Distribution:

Sabrix Tax Status:  Processed

Sabrix Tax Rate/Amount: Tax Rate: 9.5000% Tax Amount: 2,137.50 Tax Accrued: 2,137.50

Sabrix Item Link:

OK Cancel Clear Help



The concurrent program **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to ONESOURCE Indirect Tax Integration for Oracle 12 Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.

## SETTING EBTAX: SABRIX AP SKIP FULLY PAID U.S. INVOICES

Business requirements determine whether a fully paid AP invoice should be processed by the **Sabrix Tax Process**. Setting the profile option **eBTax: Sabrix AP Skip Fully Paid U.S. Invoices** determines if AP invoices that are Paid in Full will be skipped. This would cause fully paid AP invoices to not be selected for processing by the AP **Sabrix Tax Process**.

When an invoice is Paid In Full and the profile option is set to Yes, the AP distribution line descriptive flexfield (DFF) attribute for **Sabrix Tax Rate/Amount** displays *Not processed due to invoice being fully paid*. The allowable settings for the profile option will be Yes, No, and a null setting value, which will default to the behavior of No.

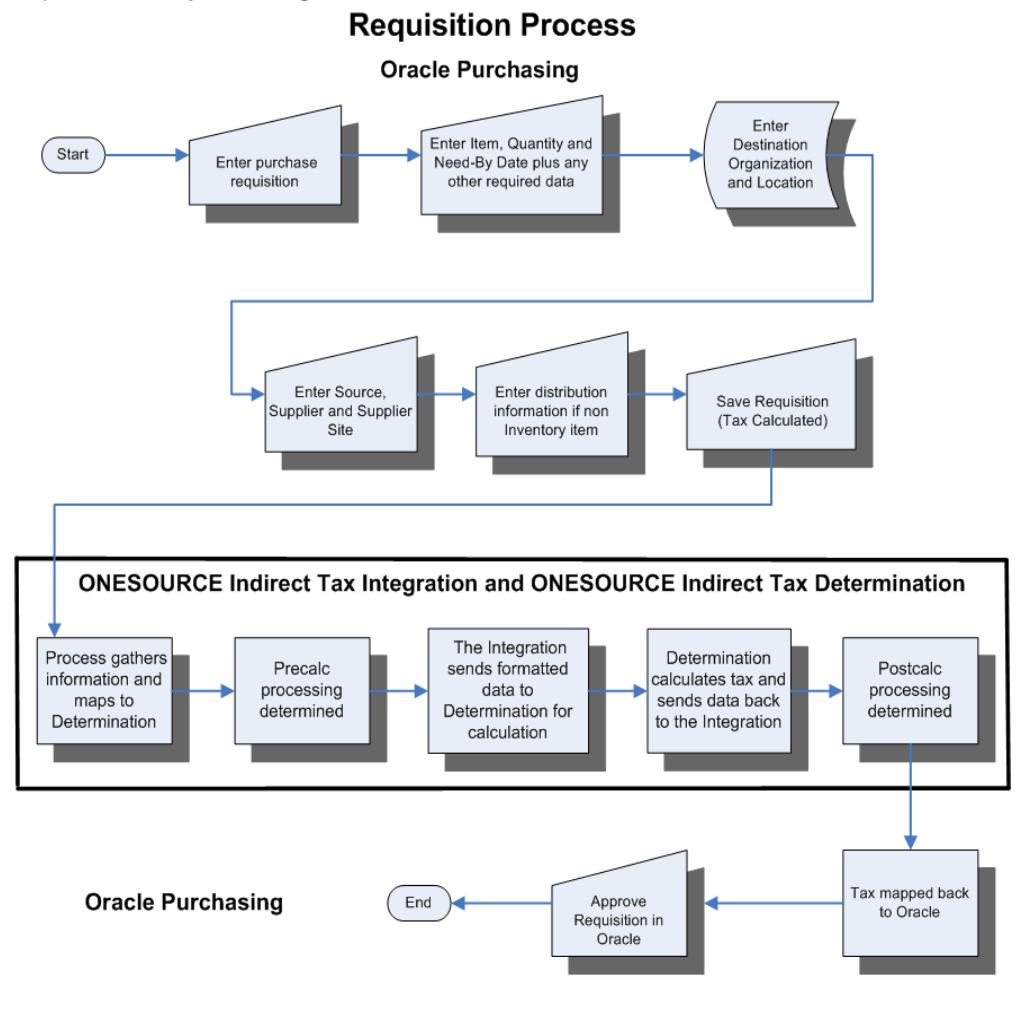
1. Set the profile option **eBTax: Sabrix AP Skip Fully Paid U.S. Invoices** to Yes.
2. Enter AP Invoice and validate with DFF status as *R*.
3. Pay the AP Invoice for the full Amount.
4. Run the **Sabrix Tax Process**. The fully paid invoice will be in the list of values in the request parameters.
5. The invoice will be skipped by the **Sabrix Tax Process** and the distribution line descriptive flexfield attribute **Sabrix Tax Rate/Amount** will be updated with the message *Not processed due to invoice being fully paid*.

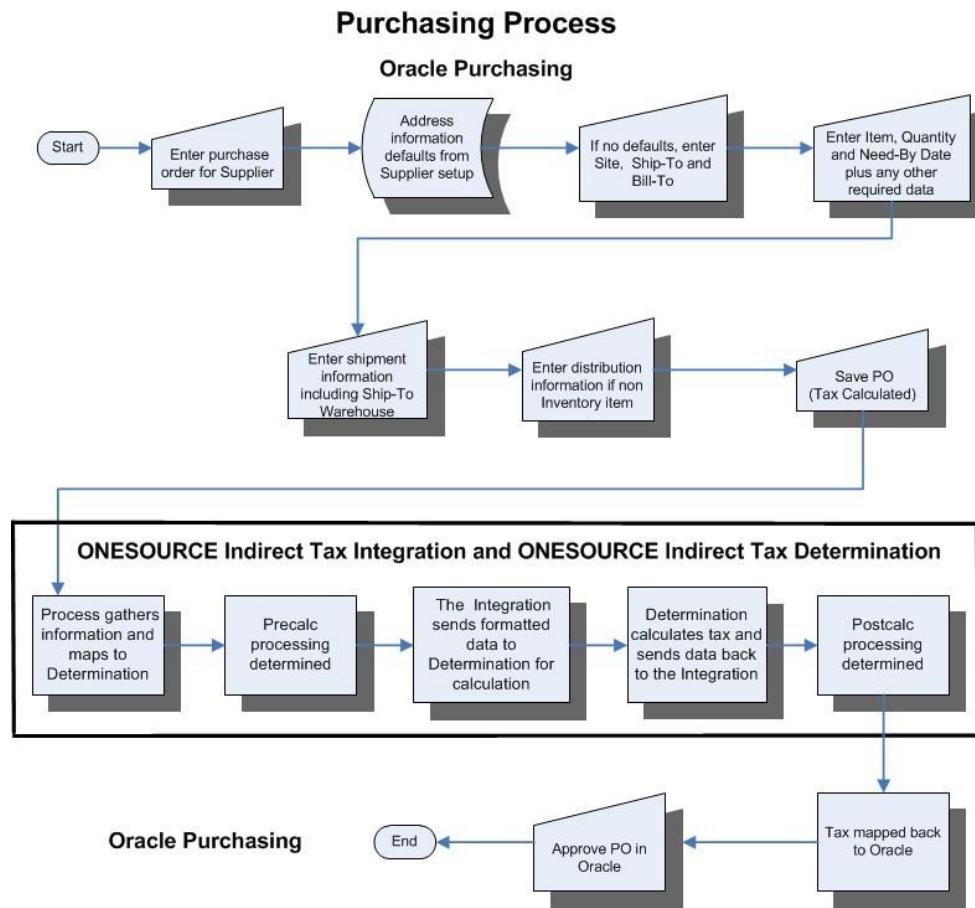
# PURCHASING TAX CALCULATIONS

This chapter reviews common Purchasing tasks and shows several scenarios in which the ONESOURCE Indirect Tax Determination-calculated tax is returned through the Integration:

- **PURCHASE REQUISITION TRANSACTIONS (page 59)**
- **SINGLE-LINE PURCHASE ORDER TRANSACTIONS (page 61)**
- **MULTIPLE SHIP-TO LOCATIONS ON A PURCHASE ORDER (page 66)**

The following flow charts show the requisition and purchasing processes and how the data is sent to and processed by the Integration:





## PURCHASE REQUISITION TRANSACTIONS

A requisition created in Oracle Purchasing invokes a call to the Integration and ONESOURCE Indirect Tax Determination via Oracle E-Business Tax upon saving the requisition. Tax is then returned to the requisition from Determination and the Integration. In this scenario, the user enters the requisition information, including **Item Number** (or category/description), **Quantity**, **Organization**, **Location** (ship to), and **Supplier Site** (ship from) fields:

1. Navigate to your requisition entry responsibility and enter the requisition header information. Depending on your set up of Oracle Purchasing, other fields may default or be required.
2. Enter line information, including **Item**, **Quantity**, and **Need-By** date.
3. Enter Destination and Source information including **Organization**, **Location** (ship to), **Supplier** and **Supplier Site** (ship from). The **Location** (ship to) and the **Supplier Site** (ship from) information is required for the Integration and Determination to calculate and return tax.
4. Save the Requisition. The Integration and Determination are invoked and tax is returned to the Requisition.

Requisitions - [New]

Operating Unit	SBX US OU	Type	Purchase Req	Preparer	Stock, Ms. Pat
Number		Status	Incomplete	Total	USD 194.00
Description		[ ]			

Lines	Source Details	Details	Currency																																																																			
<table border="1"> <tr> <td>Num</td> <td>Type</td> <td>Item</td> <td>Rev</td> <td>Category</td> <td>Description</td> <td>UOM</td> <td>[ ]</td> </tr> <tr> <td>1</td> <td>Goods</td> <td>CM75111</td> <td></td> <td>PRODUCTN.MO</td> <td>Monitor 21" (20 Viewable)</td> <td>Each</td> <td>1</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	Num	Type	Item	Rev	Category	Description	UOM	[ ]	1	Goods	CM75111		PRODUCTN.MO	Monitor 21" (20 Viewable)	Each	1																																	<table border="1"> <tr> <td>Destination Type</td> <td>Inventory</td> </tr> <tr> <td>Requester</td> <td>Stock, Ms. Pat</td> </tr> <tr> <td>Organization</td> <td>SBX US INV ORG</td> </tr> <tr> <td>Location</td> <td>SBX US HQ</td> </tr> <tr> <td>Subinventory</td> <td></td> </tr> </table>	Destination Type	Inventory	Requester	Stock, Ms. Pat	Organization	SBX US INV ORG	Location	SBX US HQ	Subinventory		<table border="1"> <tr> <td>Source</td> <td>Supplier</td> </tr> <tr> <td>Supplier</td> <td>SABRIX - US</td> </tr> <tr> <td>Site</td> <td>US CALIFORNIA</td> </tr> <tr> <td>Contact</td> <td></td> </tr> <tr> <td>Phone</td> <td></td> </tr> </table>	Source	Supplier	Supplier	SABRIX - US	Site	US CALIFORNIA	Contact		Phone	
Num	Type	Item	Rev	Category	Description	UOM	[ ]																																																															
1	Goods	CM75111		PRODUCTN.MO	Monitor 21" (20 Viewable)	Each	1																																																															
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Supplier	SABRIX - US																																																																					
Site	US CALIFORNIA																																																																					
Contact																																																																						
Phone																																																																						

Catalog...      Distributions      Approve...

5. To view tax details for the Requisition navigate to the menu bar **Tools > Manage Tax**. The example below is specific for U.S Sales and Use Tax which is a Nonrecoverable Tax.

**Tax: Requisition 910**

Operating Unit	<b>SBX US OU</b>	Nonrecoverable Tax	<b>18.43</b>
Description		Recoverable Tax	<b>0.00</b>
Currency	<b>USD</b>	Total Tax	<b>18.43</b>
Amount	<b>194.00</b>	Approval Amount	<b>212.43</b>

**Search**

Line	<input type="text"/>
Description	<input type="text"/>
<input type="button" value="Go"/> <input type="button" value="Clear"/>	

**Lines** **Distributions**

Line Description	Amount	Nonrecoverable Tax	Recoverable Tax	Total Tax
1 Monitor 21" (20 Viewable) Short Depth	194.00	18.43	0.00	18.43



For non-U.S. transactions, such as VAT, the applicable tax amounts will be populated in the appropriate Nonrecoverable Tax or Recoverable Tax fields.

6. Continue to process the requisition according to your business processes, through approval and purchase order creation.



Tax will not be calculated on a purchase requisition sourced from Inventory (vs. Supplier sourced).

## SINGLE-LINE PURCHASE ORDER TRANSACTIONS

Some POs require only one item line. When the single-line PO is matched to an invoice in Payables, the appropriate **Ship-To** location from the PO Distribution Line will be used and the appropriate tax for that jurisdiction will be returned.

In this scenario, the user enters a PO for a vendor including **Ship-To**, **Ship-From**, **Item Number**, and **Quantity**:

1. Navigate to your **Purchase Orders** entry responsibility and enter the PO header information, including the **Supplier**, **Supplier Site**, and the **Ship To**. Depending on your set up of Oracle Purchasing, other fields may default or be required.
2. Enter one line with an **Item**, **Quantity**, and **Need-By** date.

Num	Type	Item	Rev	Job	Category	Description	UOM	Quantity	Price
1	Goods	CM75111			PRODUCTN.MOF	Monitor 21" (20 Viewable) Short Depth	Each	5	200
<input type="button" value="Catalog..."/> <input type="button" value="Currency..."/> <input type="button" value="Terms"/> <input type="button" value="Shipments"/> <input type="button" value="Approve..."/>									

3. Navigate to the **Shipments** form and enter the **Ship-To** warehouse where the item will be shipped:

Purchase orders - [New]

Operating Unit	SBX US OU	Created	08-NOV-2010 09:47:30
PO, Rev	0	Type	Standard Purchase Order
Supplier	SABRIX - US	Site	US WASHINGTON
Ship-To	SBX US HQ	Bill-To	SBX US HQ
Buyer	Stock, Ms. Pat	Status	Incomplete
Description			
		P-Card	
		Contact	
		Currency	USD
		Total	1,000.00

Shipments - [New]

Shipments							
Num	Type	Item	Org	Ship-To	UOM	Quantity	Promised Date
1	Goods	CM75111	SB7	SBX US HQ	Each	5	08-NOV-2010 00:00
<input type="button" value="New"/> <input type="button" value="Edit"/> <input type="button" value="Delete"/> <input type="button" value="Print"/> <input type="button" value="Close"/>							

Line Num 1 Item CM75111 Monitor 21" (20 Viewable) Short Depth

Receiving Controls Distributions

Catalog... Currency... Terms Shipments Approve...

4. Navigate to the **Distributions** window and enter GL Account Distribution information if the item is a non-inventory item; otherwise, the GL Account Distribution information defaults from the inventory item.

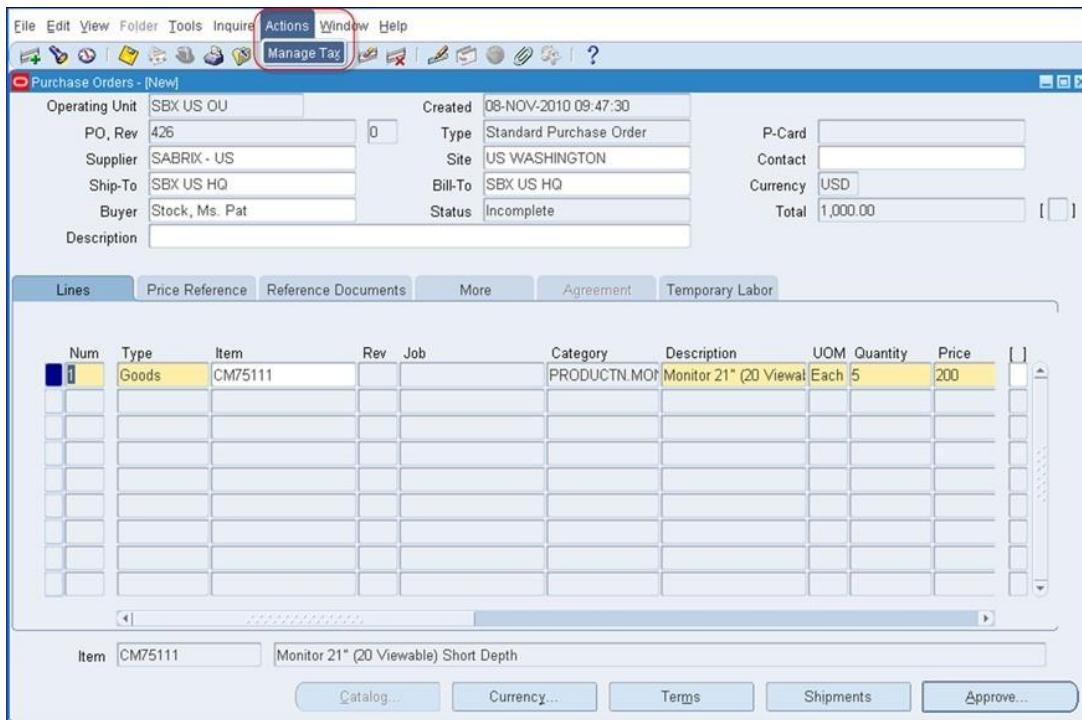
The screenshot shows the 'Distributions - [New]' window. At the top, there are tabs: 'Destination' (selected), 'More', and 'Project'. Below the tabs is a grid table with columns: Num, Deliver-To, Subinventory, Quantity, and PO Charge Account. The first row has 'Num' as 1, 'Quantity' as 5, and 'PO Charge Account' as 01-000-2225-0000-000. Below the grid are sections for 'PO Account Descriptions' and 'Destination Account Descriptions', each with four dropdowns: Charge, Accrual, Budget, and Variance. At the bottom is a section for 'Lines And Shipment Details' with fields for Line Num (1), Shipment Num (1), Org (SB7), Ship-To (SBX US HQ), Item (CM75111), and Description (Monitor 21" (20 Viewable) Short Depth).

 The **Deliver-To** address is not a factor in tax calculation.

5. Save the Purchase Order. The Integration and Determination are invoked and tax is returned to the PO.

## SINGLE-LINE PURCHASE ORDER TRANSACTIONS

6. To view tax details for the Purchase Order, navigate to the menu bar **Actions > Manage Tax**.



7. Once you are in the Manage Tax form, click on **Show** under **Details** as shown below. The example below is specific for U.S Sales and Use Tax which is a Nonrecoverable Tax.

Operating Unit SBX US OU  
Supplier SABRIX - US  
Supplier Site US WASHINGTON  
Buyer Stock, Ms. Pat  
Order Description

Currency USD  
Amount 1,000.00  
Nonrecoverable Tax 95.00  
Recoverable Tax 0.00  
Total Tax 95.00  
Approval Amount 1,095.00

Additional Tax Information

Search

Line   
Line Description   
Schedule   
Location

Go Clear

Schedules Distributions

Details	Line Description	Schedule	Location	Amount	Nonrecoverable Tax	Recoverable Tax	Total Tax
<input checked="" type="checkbox"/> Show	1 Monitor 21" (20 Viewable) Short Depth	1	SBX US HQ	1,000.00	95.00	0.00	95.00

Additional Tax Information

 For non-U.S. transactions, such as VAT, the applicable tax amounts will be populated in the appropriate Nonrecoverable Tax or Recoverable Tax fields.

8. The Tax Detail Lines are now displayed.

Details Line	Line Description	Schedule	Location	Amount	Nonrecoverable Tax	Recoverable Tax	Total Tax
<input checked="" type="checkbox"/> Hide	1 Monitor 21" (20 Viewable) Short Depth	1	SBX US HQ	1,000.00	95.00	0.00	95.00

Tax Lines

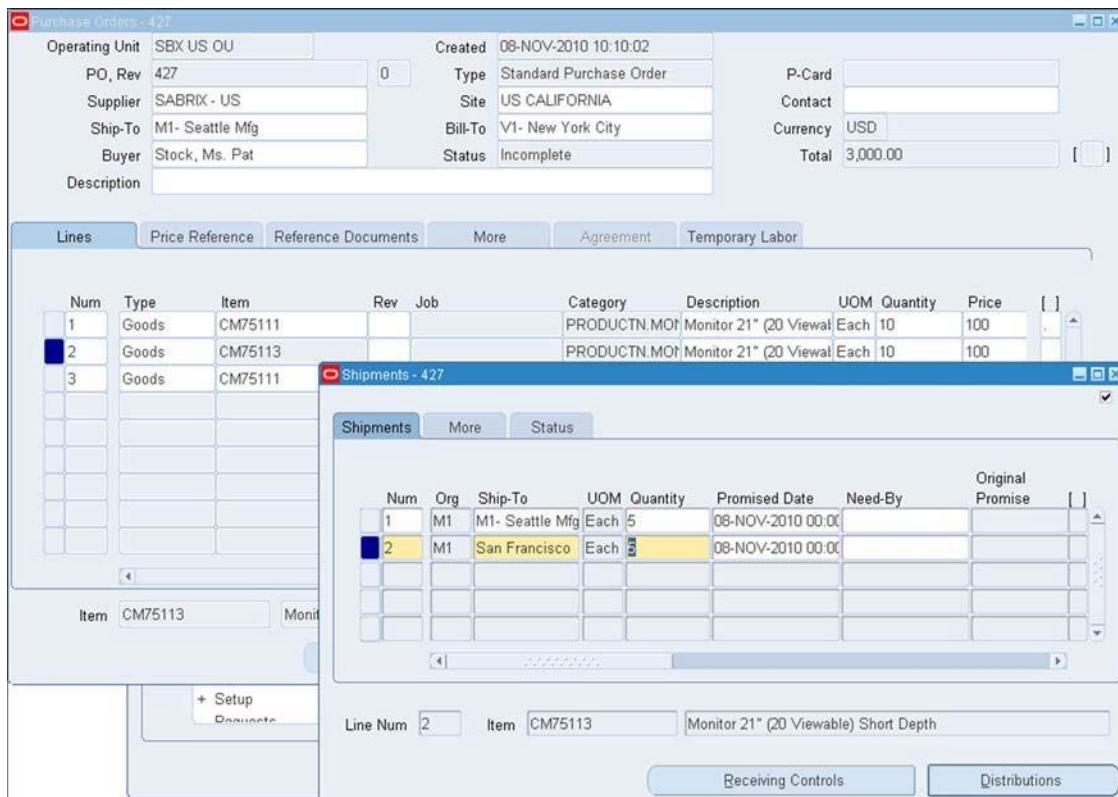
Tax Line Number	Tax Regime	Code Tax	Tax Status	Code Tax	Jurisdiction Code	Tax Rate Code	Percentage	Rate	Tax Amount	Tax Line Status
1	SBX_REGIME_US	USWA_P2P_2833	USWA_P2P_2833	WA - STATE SALES/USE TAX		USWA_P2P_2833	6.5		65	Active
2	SBX_REGIME_US	USWA_P2P_2834	USWA_P2P_2834	WA - REGIONAL TRANSIT AUTHORITY	USWA_P2P_2834	0	0		0	Active
3	SBX_REGIME_US	USWA_P2P_2835	USWA_P2P_2835	WA - SEATTLE, CITY SALES/USE T	USWA_P2P_2835	3	30		30	Active

## MULTIPLE SHIP-TO LOCATIONS ON A PURCHASE ORDER

Many purchase orders require that the merchandise be delivered to multiple locations for your company. The Integration provides functionality to meet this requirement. When a PO is matched to an invoice in Payables, the appropriate **Ship-To** location from the PO Distribution Line will be used and the appropriate tax for that jurisdiction will be returned.

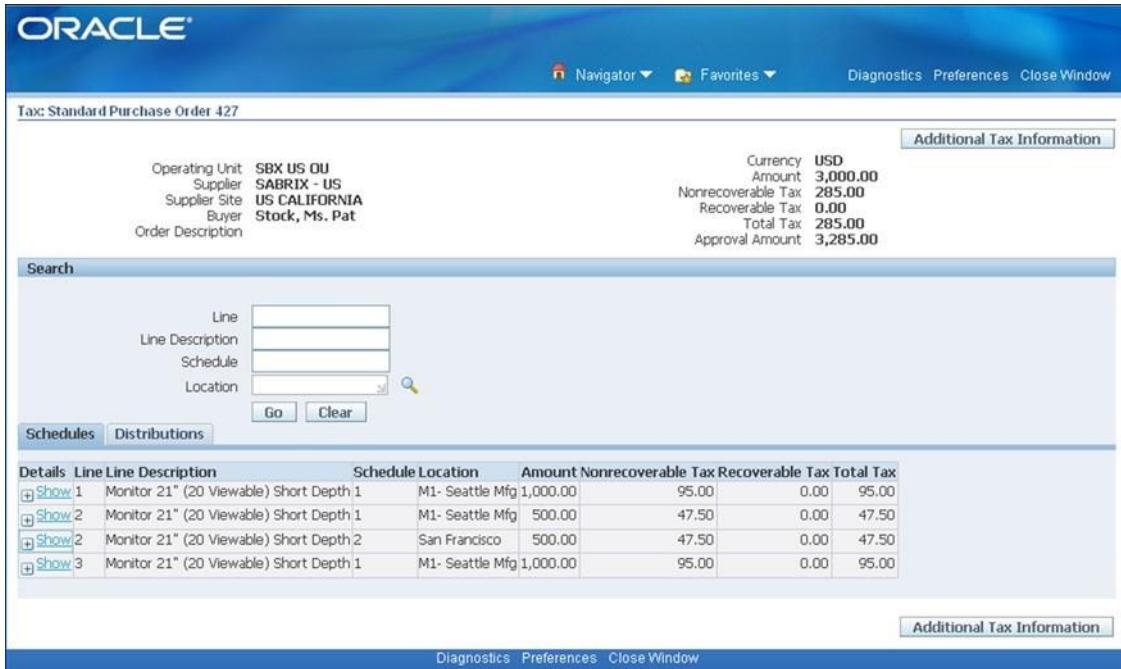
The following example shows that a quantity of a product is being shipped to WA, and another quantity is being shipped to CA.

1. In the **Shipments** window, split the line into two different **Ship-To** locations.



2. Enter any GL Account **Distribution** information required for each shipment line for non-inventory items, otherwise the GL Account Distribution will be defaulted from the inventory item.

3. Save the PO.
4. View the tax by navigating to **Actions > Manage Tax**. The example below is specific for U.S. Sales and Use Tax which is a Nonrecoverable Tax.



The screenshot shows the Oracle Purchasing Tax Calculations interface. At the top, there is a header with the Oracle logo, a navigation bar with 'Navigator', 'Favorites', 'Diagnostics', 'Preferences', and 'Close Window', and a sub-header 'Tax: Standard Purchase Order 427'. Below the sub-header, there is a table of tax details:

Operating Unit	SBX US OU	Currency	USD
Supplier	SABRIX - US	Amount	3,000.00
Supplier Site	US CALIFORNIA	Nonrecoverable Tax	285.00
Buyer	Stock, Ms. Pat	Recoverable Tax	0.00
Order Description		Total Tax	285.00
		Approval Amount	3,285.00

Below this is a 'Search' section with fields for 'Line', 'Line Description', 'Schedule', and 'Location', along with 'Go' and 'Clear' buttons. There are tabs for 'Schedules' and 'Distributions', with 'Schedules' currently selected. A table of line items and their taxes is displayed:

Details	Line	Line Description	Schedule	Location	Amount	Nonrecoverable Tax	Recoverable Tax	Total Tax
<input type="checkbox"/> Show 1	1	Monitor 21" (20 Viewable) Short Depth 1		M1- Seattle Mfg	1,000.00	95.00	0.00	95.00
<input type="checkbox"/> Show 2	2	Monitor 21" (20 Viewable) Short Depth 1		M1- Seattle Mfg	500.00	47.50	0.00	47.50
<input type="checkbox"/> Show 2	2	Monitor 21" (20 Viewable) Short Depth 2		San Francisco	500.00	47.50	0.00	47.50
<input type="checkbox"/> Show 3	3	Monitor 21" (20 Viewable) Short Depth 1		M1- Seattle Mfg	1,000.00	95.00	0.00	95.00

At the bottom of the interface, there are buttons for 'Diagnostics', 'Preferences', and 'Close Window', and another 'Additional Tax Information' button.



For non-U.S. transactions, such as VAT, the applicable tax amounts will be populated in the appropriate Nonrecoverable Tax or Recoverable Tax fields.

## VIEW TAX ON RECEIVING TRANSACTIONS

Accounting information for inventory receipts against a purchase order can be viewed using the View Receipt Accounting form in Receiving.

Navigate to the Receiving Transaction Summary. Select the receiving transaction for which you want to view accounting lines. Using the Tools menu, click Tools>View Accounting. The journal entries for the selected transaction will be displayed. The debit and credit amounts include tax amounts plus the price of the item, thus tax is included in the price of the item.

See the Oracle Purchasing User's Guide for more information.

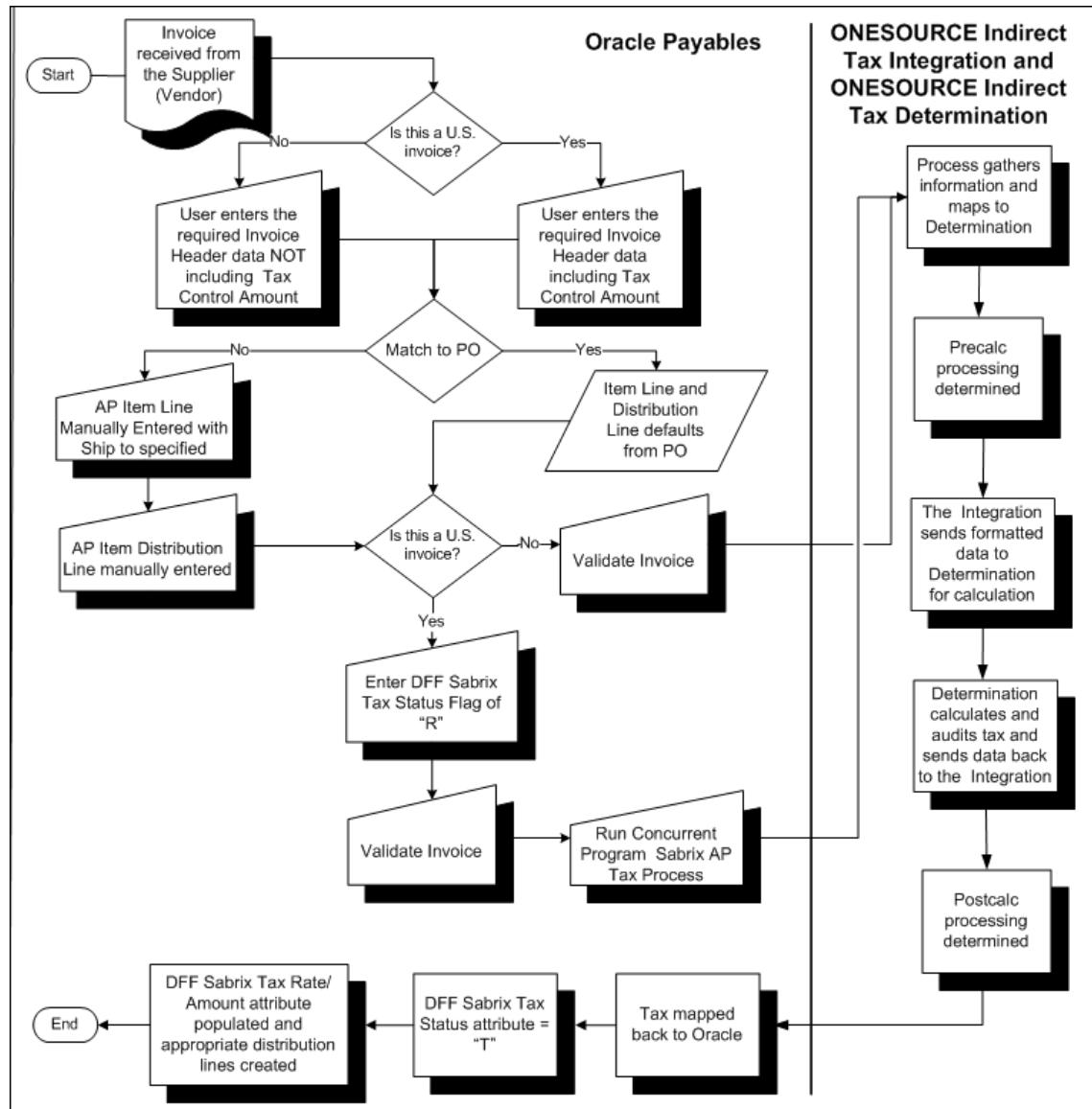
# PAYABLES TAX CALCULATIONS

This chapter shows how the ONESOURCE Indirect Tax Integration for Oracle 12 interacts with Oracle Payables:

- **PROCESSING ORACLE PAYABLES USING THE ONESOURCE INDIRECT TAX INTEGRATION (page 70)**
- **PAYABLES ONLINE TAX CALCULATION AND SABRIX TAX PROCESS (page 72)**
- **VALUE ADDED TAX (VAT) TRANSACTIONS (page 74)**
- **SUPPLIER VAT REGISTRATION NUMBERS (page 91)**
- **PO MATCHING (page 97)**
- **MANUAL INVOICING (page 104)**
- **TRUSTED VENDOR TAX HANDLING FOR U.S. SALES AND USE TAX (page 105)**
- **SABRIX TAX PROCESS FOR AP U.S. SALES AND USE TAX (page 107)**
- **CANCELLING INVOICES (page 114)**
- **DEBIT MEMOS (page 116)**
- **REVERSING (page 117)**
- **WORKING WITH FIXED ASSETS (page 118)**

## PROCESSING ORACLE PAYABLES USING THE ONESOURCE INDIRECT TAX INTEGRATION

The following chart illustrates the basic payables process, and shows how the data is sent to Determination and processed by the Integration:



Be sure to Save the tax distribution line, or click on **Calculate Tax** button or **Tax Details** button instead of just going directly to the Oracle Validate Invoice functionality as shown above in the process flow.



If transactions are processed for non-U.S. transactions, see the messaging under **NON-U.S. TRANSACTIONS (page 73)** section.



The concurrent program **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to ONESOURCE Indirect Tax Integration for Oracle 12 Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.

## PAYABLES ONLINE TAX CALCULATION AND SABRIX TAX PROCESS

### ONLINE TAX CALCULATION

The eBTax call from Payables (AP) makes a full online tax calculation. The online tax calculation is invoked at events such as when saving the AP distribution line, validating the transaction, using the Calculate Tax button or the Tax Details button on the AP workbench. ONESOURCE Indirect Tax Determination will calculate tax and return the results to the AP transaction, creating Tax lines. The online tax calculation will return Tax to Rate Flow information for the ERP Tax Code, using the authority Tax to Rate flow for that ERP Tax Code.



For more information on Authority Tax Flows and Source Tax Flows, see the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide*.

The AP online tax calculation is applicable to any non-U.S. transaction taxes like VAT, as well as for U.S. Sales and Use Tax transactions.

- For non-U.S. transactions like VAT, the online tax calculation provides these types of transactions to be properly taxed. The AP transactions will display real time tax recoverable and nonrecoverable tax details. The online tax calculation eliminates the need for a concurrent process to handle recoverability and utilizes the ONESOURCE Indirect Tax Determination real time audit capabilities. For more information, see **VALUE ADDED TAX (VAT) TRANSACTIONS (page 74)**.
- For U.S. Sales and Use Tax transactions, the online tax calculation provides tax calculations, but does not utilize the ONESOURCE Indirect Tax Determination real time audit capabilities. Plus, additional processing is required to record differences between vendor charged tax (VCT) and ONESOURCE Indirect Tax Determination calculated tax amounts from the online tax calculation. For further information, see **PROFILE OPTIONS FOR SHORTPAY AND/OR ACCRUE (page 29)**.



The **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to ONESOURCE Indirect Tax Integration for Oracle 12 Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.

## SABRIX TAX PROCESS CONCURRENT PROGRAM

### U.S. SALES AND USE TAX TRANSACTIONS

For U.S. Sales and Use Tax processing, there is functionality provided by ONESOURCE Indirect Tax Integration to properly record differences between vendor charged tax (VCT) and ONESOURCE Indirect Tax Determination calculated tax amounts.

- In order to use the ONESOURCE Indirect Tax Integration U.S. Sales and Use Tax shortpay and/or accrual functionality, additional processing is required to record differences between vendor charged tax (VCT) and ONESOURCE Indirect Tax Determination calculated tax amounts from the online tax calculation.



For further information, see **PROFILE OPTIONS FOR SHORTPAY AND/OR ACCRUE (page 29)**.

- The concurrent program, **Sabrix Tax Process** is required for U.S. Sales and Use Tax transactions to properly update the transaction details in the ONESOURCE Indirect Tax Determination audit tables.

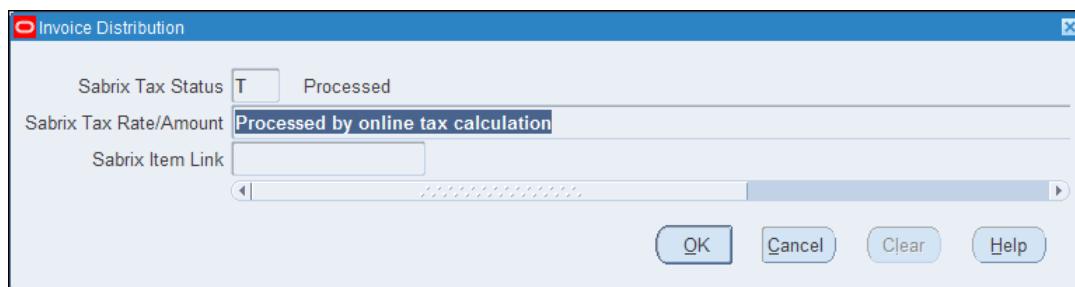
The **Sabrix Tax Process** will summarize the calculated amounts by ERP Tax Code and use the 'Source' Tax to Rate Flow for the ERP Tax Code. The resulting entries will have a line type of Miscellaneous and use the 'Source' tax flow information in the Tax Classification field. This 'Source' tax flow is used to derive the tax expense account (if the profile option 'eBTax: Sabrix AP Tax Expense Account Source' is set to 'TAX'). Otherwise if the tax expense account is null on the 'Source' tax flow and profile option is not set to 'Tax', then the item line GL account will be used as the Tax Expense GL account.



For details on how to run the concurrent program, see **SABRIX TAX PROCESS CONCURRENT PROGRAM (page 73)**.

### NON-U.S. TRANSACTIONS

Non-U.S. transactions like VAT have already been processed by the online tax calculation. But if the concurrent program, **Sabrix Tax Process** is run for non-U.S. transaction, there will be no additional processing of the non-U.S. transactions. The Invoice Distribution will be marked with a completed "T" status and be populated with "Processed by online tax calculation" in the Sabrix Tax Rate/Amount DFF attribute as shown below.



## VALUE ADDED TAX (VAT) TRANSACTIONS

To enable compliance with VAT laws, the Integration for Oracle 12 Procure to Pay provides a way to classify tax charges as fully, partially, or non-recoverable for self assessed or vendor charged tax (VCT) invoices when you calculate tax on the invoice or validate the invoice. The following scenarios demonstrate the results of processing invoices for both vendor charged tax invoices and self-assessed invoices.

### KEY CONFIGURATIONS FOR VAT TRANSACTIONS

- The Profile Option “**eBTax: Sabrix AP Audit Online Tax Calc**” needs to be set to **Yes**. Setting this profile to yes will allow the ONESOURCE Determination audit tables to store the transaction information required for analysis, reporting and filing. See the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide* for more information regarding this profile option.
- ONESOURCE Indirect Tax Determination Company Option: **Post VAT Non-recoverable Amount** can be set in 2 different ways. The recommended set up should be **No**. See *INPUT VAT RECOVERABILITY (page 125)* section of the *ENABLING ONESOURCE INDIRECT TAX DETERMINATION FEATURES (page 121)* chapter for more details. This has examples of how the transaction appears when this company option is set to **Yes** and **No**.



The *EXAMPLE VAT TRANSACTIONS (page 75)* have the recommended set up as **No**.

- Tax to Rate Flows must have Recoverable Rates associated to them and the output tax rate codes should have expense account filled in with the Output VAT GL account. For details, please see *RECOVERY TAX RATE CODES FOR TAX TO RATE FLOWS (page 129)* and *SABRIX ADD ACCOUNT TO TAX RATE CODE (page 132)*.



The concurrent program **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to ONESOURCE Indirect Tax Integration for Oracle 12 Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.



If the Tax Rate Code General Tax Accounts for Tax Expense is null, and the vendor charged tax is entered on the Tax Detail Summary as a Tax Only line, then GL Tax Expense Account is required. The Tax Only Line means the tax is not associated to an item line, therefore GL Tax Expense accounts cannot be determined when GL Tax Expense account is null on the Tax Rate Code. This is based on standard Oracle functionality to derive the GL Expense account from an item line if it is null on the Tax Rate Code. Integration is also using the same functionality to use the item line GL account if the Tax Rate Code has a null GL Tax Expense account.

## EXAMPLE VAT TRANSACTIONS

The following scenarios describe the results of VAT transactions when the vendor charges the correct tax on an invoice.

### Fully Recoverable Value Added Tax

The *Integration for Oracle 12 Procure to Pay* automatically provides the Recoverable Tax results on your AP invoice Tax Line when you save the tax distribution line, click the Calculate Tax button, or click the Tax Details button before using the standard Oracle process to validate the AP transaction.

Enter your invoice header information per your standard business process, but **do not** enter anything in the Tax Control Amount.

Example: Enter invoice header with 1200 for invoice total and enter your invoice line and distribution for 1000 and then Calculate Tax and Validate the invoice.

The online tax call will check Determination for the tax result and generate tax lines and distributions on the invoice.

The tax amount calculated by Determination can be seen when you review the invoice lines and distributions as follows. Notice that the full tax amount is on the Recoverable Tax Distribution.

Invoice Workbench (Payables Mgr, SBX UK)

Batch Control Total		Batch Actual Total									
ber	Trading Partner	Supplier Num	Supplier Site	Invoice Date	Invoice Num	Invoice	Invoice Amount	Tax Control Amount	Tax Amount	Withheld Amount	P
	Queens Tea	20	SBX LONDON	10-AUG-2011	KBFULLRECOV	USD	1,200.00		200.00		

1 General    2 Lines    3 Holds    4 View Payments    5 Scheduled Payments    6 View Prepayment Applications

AP Recoverability Data Entry				Total	Gross	1,200.00	Retained	Net	
Num	Type	Amount	Description	Distribution Account	Ship to	Tax Rate Name	Nonrecoverable Tax	Recoverable Tax	GL Date
1	Item	1,000.00	Fully Recoverable Exa	03-710-7830-000-000	SBX London HQ				10-AU
2	Tax	200.00	Fully Recoverable Exa			GBVAT_P2P_I_21	0.00	200.00	10-AU

Single line for total tax amount

You can see at a glance what portion of the tax is recoverable

Discard Line    Distributions    Allocations

Calculate Tax    Tax Details    All Distributions

Distributions (Payables Mgr, SBX UK) - SBX UK OU, KBFullRecov, Queens Tea

Line Number	1	Invoice Total	1,200.00					
Line Description		Distribution Total	1,200.00					
 AP Recoverability Data Entry								
Num	Type	Amount	Account	Description	Recoverable	Recovery Rate	Recovery Type Code	Recovery Rate Name
1	Item	1,000.00	03-710-7830-000-000	Fully Recoverable Example Invoice	<input type="checkbox"/>			
1	Recoverable Tax	200.00	03-000-1320-000-000	Fully Recoverable Example Invoice	<input checked="" type="checkbox"/>	100	STANDARD	GBVAT_P2P_I_21_RE
2	Nonrecoverable Tax	0.00	03-710-7830-000-000	Fully Recoverable Example Invoice	<input type="checkbox"/>	0		
<div style="border: 1px solid green; padding: 5px; display: inline-block;">           Tax distributions         </div> <div style="border: 1px solid green; padding: 5px; display: inline-block;">           NonRecoverable Distribution is set to follow the item line         </div> <div style="border: 1px solid green; padding: 5px; display: inline-block;">           Recoverable Distribution uses the Input VAT GL Account         </div>								
<input data-bbox="419 570 460 582" type="button" value="Save"/> <input data-bbox="460 570 492 582" type="button" value="Cancel"/>				<input data-bbox="789 570 833 582" type="button" value="Print"/> <input data-bbox="833 570 878 582" type="button" value="Email"/>				
Status: <input data-bbox="514 587 680 599" type="text" value="Validated"/>				Distribution Class: <input data-bbox="1011 587 1176 599" type="text" value="Saved"/>				
Accounted: <input data-bbox="470 612 680 625" type="text" value="Processed"/>				Associated Charges: <input data-bbox="1011 612 1176 625" type="text" value="200"/>				
Account Description: <input data-bbox="419 637 1176 650" type="text" value="United Kingdom-Manufacturing-Currency Gains-No Product-Default"/>								
<input data-bbox="657 654 789 667" type="button" value="Tax Distributions"/>				<input data-bbox="878 654 967 667" type="button" value="View PO"/>		<input data-bbox="1077 654 1176 667" type="button" value="View Receipt"/>		

## Nonrecoverable Value Added Tax

The *Integration for Oracle 12 Procure to Pay* automatically provides the Nonrecoverable Tax results on your AP invoice Tax Line when you save the tax distribution line, click the Calculate Tax button, or click the Tax Details button before using the standard Oracle process to validate the AP transaction.

Enter your invoice header information per your standard business process, but do not enter anything in the Tax Control Amount.

Example: Enter invoice header with 1200 for invoice total and enter your invoice line and distribution for 1000 and then validate the invoice.

The online tax call will check Determination for the tax result and generate tax lines and distributions on the invoice.

The tax amount calculated by Determination can be seen when you review the invoice lines and distributions as follows. Notice that the full tax amount is on the Nonrecoverable Tax distribution.

Invoice Workbench (Payables Mgr, SBX UK)

Number	Trading Pa	Supplier Num	Supplier Site	Invoice Date	Invoice Num	Invoice	Invoice Amount	Tax Control Amount	Tax Amount	Withheld Amount	Prepaid Amount
Queens Te	20	SBX LONDON	10-AUG-2011	NRNonRecov	USD		1,200.00		200.00		

1 General    2 Lines    3 Holds    4 View Payments    5 Scheduled Payments    6 View Prepayment Applications

AP Recoverability Data Entry

Num	Type	Amount	Description	Distribution Account	Ship to	Track As Asset	Tax Rate Name	Nonrecoverable Tax	Recoverable Tax
1	Item	1,000.00	Non Recoverable Exar	03-320-7610-000-000	SBX London HQ	<input type="checkbox"/>			
2	Tax	200.00	Non Recoverable Exar			<input type="checkbox"/>	GBVAT_P2P_I_21	200.00	0.00

Notice that Tax Control Amount is NOT entered. This is correct.

Single line for total tax amount

You can see the entire tax balance is not recoverable here

**Distributions (Payables Mgr, SBX UK) - SBX UK OU, NRNonRecov, Queens Tea**

Line Number	1	Invoice Total	1,200.00																																				
Line Description		Distribution Total	1,200.00																																				
<b>AP Recoverability Data Entry</b> <table border="1"> <thead> <tr> <th>Num</th> <th>Type</th> <th>Amount</th> <th>Account</th> <th>Description</th> <th>Recoverable</th> <th>Recovery Rate</th> <th>Recovery Type Code</th> <th>Recovery Rate Name</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Item</td> <td>1,000.00</td> <td>03-320-7610-000-000</td> <td>Non Recoverable Example</td> <td><input type="checkbox"/></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1</td> <td>Recoverable Tax</td> <td>0.00</td> <td>03-000-1320-000-000</td> <td>Non Recoverable Example</td> <td><input checked="" type="checkbox"/></td> <td>0</td> <td>STANDARD</td> <td>GBVAT_P2P_I_21_RE</td> </tr> <tr> <td>2</td> <td>Nonrecoverable Tax</td> <td>200.00</td> <td>03-320-7610-000-000</td> <td>Non Recoverable Example</td> <td><input type="checkbox"/></td> <td>100</td> <td></td> <td></td> </tr> </tbody> </table>				Num	Type	Amount	Account	Description	Recoverable	Recovery Rate	Recovery Type Code	Recovery Rate Name	1	Item	1,000.00	03-320-7610-000-000	Non Recoverable Example	<input type="checkbox"/>				1	Recoverable Tax	0.00	03-000-1320-000-000	Non Recoverable Example	<input checked="" type="checkbox"/>	0	STANDARD	GBVAT_P2P_I_21_RE	2	Nonrecoverable Tax	200.00	03-320-7610-000-000	Non Recoverable Example	<input type="checkbox"/>	100		
Num	Type	Amount	Account	Description	Recoverable	Recovery Rate	Recovery Type Code	Recovery Rate Name																															
1	Item	1,000.00	03-320-7610-000-000	Non Recoverable Example	<input type="checkbox"/>																																		
1	Recoverable Tax	0.00	03-000-1320-000-000	Non Recoverable Example	<input checked="" type="checkbox"/>	0	STANDARD	GBVAT_P2P_I_21_RE																															
2	Nonrecoverable Tax	200.00	03-320-7610-000-000	Non Recoverable Example	<input type="checkbox"/>	100																																	
<p><b>Tax distributions</b></p> <p><b>NonRecoverable Distribution is set to follow the item line</b></p> <p><b>Recoverable Distribution uses the Input VAT GL Account</b></p> <p><b>Rate shows apportionment between recoverable and nonrecoverable</b></p>																																							
Status	Validated	Distribution Class	Saved																																				
Accounted	Unprocessed	Associated Charges	200																																				
Account Description	United Kingdom-Accounts-Accounting & Tax Services-No Product-Default																																						

## Partially Recoverable Value Added Tax

For transactions that have partially recoverable amounts, the Integration separates tax lines for Recoverable and Nonrecoverable tax amounts on the tax distribution lines.

The tax amount calculated by Determination can be seen when you review the invoice lines and distributions as follows. Notice that the tax amount is split on the Recoverable and Nonrecoverable Tax distribution.

**Invoice Workbench (Payables Mgr, SBX UK)**

Batch Control Total	Batch Actual Total								
Queens Tea	20	SBX LONDON	10-AUG-201	KSBBPartRecov	USD	1,200.00	Tax Control Amount	Tax Amount	Withheld Amount
<p><b>Notice that Tax Control Amount is NOT entered. This is correct</b></p>									

**AP Recoverability Data Entry**

Total	Gross	1,200.00	Retained		Net			
Num	Type	Amount	Description	Distribution Account	Ship to	Tax Rate Name	Nonrecoverable Tax	Recoverable Tax
1	Item	1,000.00	Partial Recoverable Ex	03-440-7670-000-000	SBX London HQ			
2	Tax	200.00	Partial Recoverable Ex			GBVAT_P2P_I_21	140.00	60.00

**Single line for total tax amount**

**You can see the tax is partially recoverable here**

**NOTE** In order to get the result on a single tax line as shown above, Determination must have the Company Option 'Post VAT Non-Recoverable Amount' to N. See **INPUT VAT RECOVERABILITY (page 125)** section of the **ENABLING ONESOURCE INDIRECT TAX DETERMINATION FEATURES (page 121)** chapter for more details.

## SELF ASSESSED VAT TRANSACTIONS

The following scenarios describe the results of VAT for self-assessed fully recoverable, nonrecoverable and partially recoverable transactions.

### Fully Recoverable Self Assessed Tax

The online call to Determination will return separate tax lines with separate Tax Rate Codes for VAT Acquisition or Reverse Charge tax types to represent the Input and Output VAT. Like the standard VAT transactions example above, the Input tax line will have the full tax amount on the Recoverable tax distribution. The Output VAT line will place the full amount of the Output tax on the Nonrecoverable Tax distribution.

**NOTE**

Note that the accounting for the Output tax line will use the correct VAT Payable GL account configured on the Tax Code even though the distribution is labelled as Nonrecoverable.

Num	Type	Amount	Description	Distribution Account	Ship to	Track As Asset	Tax Rate Name	Recoverable Tax	Nonrecoverable Tax
1	Item	1,000.00	Reverse Charge Fully	03-720-5800-000-000	SBX London HQ	<input type="checkbox"/>	GBVAT_P2P_I_21	200.00	0.00
2	Tax	200.00	Reverse Charge Fully			<input type="checkbox"/>	GBVAT_P2P_O_166	0.00	<200.00>
3	Tax	<200.00>	Reverse Charge Fully			<input type="checkbox"/>			

Distributions (Payables Mgr, SBX\_UK) - SBX\_UK\_OU\_KBRCFullyReco, Queens Tea

Line Number	1	Invoice Total	1,000.00					
Line Description	Reverse Charge Fully Recoverab	Distribution Total	1,000.00					
<input checked="" type="checkbox"/> AP Recoverability Data Entry								
Num	Type	Amount	GL Date	Account	Description	Recoverable	Recovery Rate	Recovery Rate Name
1	Item	1,000.00	10-AUG-2015	03-720-5800-000-000	Reverse Charge Fully Reco	<input type="checkbox"/>		
1	Recoverable Tax	200.00	10-AUG-2015	03-000-1320-000-000	Reverse Charge Fully Reco	<input checked="" type="checkbox"/>	100	GBVAT_P2P_I_21_REC_RATE
2	Nonrecoverable Tax	0.00	10-AUG-2015	03-720-5800-000-000	Reverse Charge Fully Reco	<input type="checkbox"/>	0	
1	Recoverable Tax	0.00	10-AUG-2015	03-000-2360-000-000	Reverse Charge Fully Reco	<input checked="" type="checkbox"/>	0	GBVAT_P2P_O_166_REC_RAT
2	Nonrecoverable Tax	<200.00	10-AUG-2015	03-000-2360-000-000	Reverse Charge Fully Reco	<input type="checkbox"/>	100	
<div style="border: 1px solid green; padding: 5px; display: inline-block;">           Two Sets of Tax Distributions         </div> <div style="border: 1px solid green; padding: 5px; display: inline-block;">           Output VAT Distributions use the accounting set on the tax rate code.         </div>								
<input type="checkbox"/> Reverse 1 <input type="checkbox"/> Tax Distributions <input type="checkbox"/> View PO <input type="checkbox"/> View Receipt								
Status	Validated	Distribution Class	Saved					
Accounted	Unprocessed	Associated Charges	0.00					
Account Description: United Kingdom-Distribution-Salaries-No Product-Default								



When using the PO match functionality with inventory items, the GL accounts for tax default to the inventory item GL account. For those transactions and other VAT transactions which may not have the correct accounting for your company, you may want to use Oracle Payable Subledger Accounting functionality to update the accounting as needed.

## Nonrecoverable Self Assessed Tax

The online call to Determination will return separate tax lines with separate Tax Rate Codes for VAT Acquisition or Reverse Charge tax types to represent the Input and Output VAT. Like the standard VAT transactions example above, the Input tax line will have the full tax amount on the Non-Recoverable tax distribution. The Output VAT line will place the full amount of the Output tax on its Nonrecoverable Tax distribution as well.

**NOTE**

Note that the accounting for the Input Tax line is following the item distribution as we did not put a specific tax expense account to use for the input tax account. If you wish to designate a specific tax expense account on your transactions, please see Tax Rate Codes and General Tax Accounts section of this document.

**NOTE**

For additional information about which GL accounts to be setup for the Tax Rate Codes and Tax Recovery Rates for Input and OutPut Tax Direction for P2P Recoverable/Liability Accounts, see the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide Version 5.6.2.4* under the *Gather Regime, Tax Code and Operating Unit Values* section for the Regime to Rate Flow Parameters.

The screenshot shows the Oracle AP Workbench Data Entry interface. At the top, there are tabs for 'Batch Control Total' and 'Batch Actual Total' with a value of 11387.5. Below this is a table of invoices:

Trading Partner	Supplier Num	Supplier Site Name	Invoice Date	Invoice Num	Invoice Amount	Tax Control Amount	Tax Amount	Description
Queens Tea	20	SBX ITALY	10-AUG-2015	KBRCFullyRecov	1,000.00		0.00	Reverse Charge Fully Recoverable Example
Queens Tea	20	SBX ITALY	13-AUG-2015	NRRCNonrecov	1,000.00		0.00	Reverse Charge Non Recoverable Example
Queens Tea	20	SBX ITALY	13-AUG-2015	NRRCNonrecov1	1,000.00		0.00	Reverse Charge Non Recoverable Example

Below the table are several tabs: 1 General, 2 Lines, 3 Holds, 4 View Payments, 5 Scheduled Payments, 6 View Prepayment Applications. The '2 Lines' tab is selected. The 'AP Recoverability Data Entry' section shows:

AP Recoverability Data Entry			Total	Gross	1,000.00	Retained	Input VAT Rate Code	Net	1,000.00
Num	Type	Amount	Description	Distribution Account	Ship to	Track As Asset	Tax Rate Name	Recoverable Tax	Nonrecoverable Tax
1	Item	1,000.00	Reverse Charge Non F	03-260-7340-000-000	SBX London HQ	<input type="checkbox"/>	GBVAT_P2P_I_21	0.00	200.00
2	Tax	200.00	Reverse Charge Non F			<input type="checkbox"/>	GBVAT_P2P_O_166	0.00	<200.00>
3	Tax	<200.00>	Reverse Charge Non F			<input type="checkbox"/>			

Annotations on the screen:

- A callout points to the 'Input VAT Rate Code' field: "Input VAT will show split between recoverable and nonrecoverable".
- A callout points to the 'Output VAT Rate Code' field: "Output VAT always displays in the nonrecoverable column".
- A callout points to the VAT amount in the 'Recoverable Tax' column: "Output VAT always displays in the nonrecoverable column".
- A callout points to the VAT amount in the 'Nonrecoverable Tax' column: "Output VAT always displays in the nonrecoverable column".
- A callout points to the VAT amount in the 'Net' column: "Output VAT always displays in the nonrecoverable column".
- A callout points to the VAT amount in the 'Gross' column: "Output VAT always displays in the nonrecoverable column".
- A callout points to the VAT amount in the 'Total' column: "Output VAT always displays in the nonrecoverable column".
- A callout points to the 'Input VAT Rate Code' field: "Input VAT will show split between recoverable and nonrecoverable".
- A callout points to the 'Output VAT Rate Code' field: "Output VAT always displays in the nonrecoverable column".
- A callout points to the VAT amount in the 'Recoverable Tax' column: "Output VAT always displays in the nonrecoverable column".
- A callout points to the VAT amount in the 'Nonrecoverable Tax' column: "Output VAT always displays in the nonrecoverable column".
- A callout points to the VAT amount in the 'Net' column: "Output VAT always displays in the nonrecoverable column".
- A callout points to the VAT amount in the 'Gross' column: "Output VAT always displays in the nonrecoverable column".
- A callout points to the VAT amount in the 'Total' column: "Output VAT always displays in the nonrecoverable column".

**Distributions (Payables Mgr, SBXUK) - SBX UK DU\_NRR/Nonrecov1, Queens Tea**

Line Number	1	Invoice Total	1,000.00																																																						
Line Description	Reverse Charge Non Recoverable	Distribution Total	1,000.00																																																						
<b>AP Recoverability Data Entry</b> <table border="1"> <thead> <tr> <th>Num</th> <th>Type</th> <th>Amount</th> <th>GL Date</th> <th>Account</th> <th>Description</th> <th>Recoverable</th> <th>Recovery Rate</th> <th>Recovery Rate Name</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Item</td> <td>1,000.00</td> <td>13-AUG-2015</td> <td>03-260-7340-0000-000</td> <td>Reverse Charge Non Recov</td> <td><input type="checkbox"/></td> <td></td> <td></td> </tr> <tr> <td>1</td> <td>Recoverable Tax</td> <td>0.00</td> <td>13-AUG-2015</td> <td>03-000-1320-0000-000</td> <td>Reverse Charge Non Recov</td> <td><input checked="" type="checkbox"/></td> <td>0</td> <td>GBVAT_P2P_I_21_REC_RATE</td> </tr> <tr> <td>2</td> <td>Nonrecoverable Tax</td> <td>200.00</td> <td>13-AUG-2015</td> <td>03-260-7340-0000-000</td> <td>Reverse Charge Non Recov</td> <td><input type="checkbox"/></td> <td>100</td> <td></td> </tr> <tr> <td>1</td> <td>Recoverable Tax</td> <td>0.00</td> <td>13-AUG-2015</td> <td>03-000-2360-0000-000</td> <td>Reverse Charge Non Recov</td> <td><input checked="" type="checkbox"/></td> <td>0</td> <td>GBVAT_P2P_O_166_REC_RATE</td> </tr> <tr> <td>2</td> <td>Nonrecoverable Tax</td> <td>&lt;200.00&gt;</td> <td>13-AUG-2015</td> <td>03-000-2360-0000-000</td> <td>Reverse Charge Non Recov</td> <td><input type="checkbox"/></td> <td>100</td> <td></td> </tr> </tbody> </table>				Num	Type	Amount	GL Date	Account	Description	Recoverable	Recovery Rate	Recovery Rate Name	1	Item	1,000.00	13-AUG-2015	03-260-7340-0000-000	Reverse Charge Non Recov	<input type="checkbox"/>			1	Recoverable Tax	0.00	13-AUG-2015	03-000-1320-0000-000	Reverse Charge Non Recov	<input checked="" type="checkbox"/>	0	GBVAT_P2P_I_21_REC_RATE	2	Nonrecoverable Tax	200.00	13-AUG-2015	03-260-7340-0000-000	Reverse Charge Non Recov	<input type="checkbox"/>	100		1	Recoverable Tax	0.00	13-AUG-2015	03-000-2360-0000-000	Reverse Charge Non Recov	<input checked="" type="checkbox"/>	0	GBVAT_P2P_O_166_REC_RATE	2	Nonrecoverable Tax	<200.00>	13-AUG-2015	03-000-2360-0000-000	Reverse Charge Non Recov	<input type="checkbox"/>	100	
Num	Type	Amount	GL Date	Account	Description	Recoverable	Recovery Rate	Recovery Rate Name																																																	
1	Item	1,000.00	13-AUG-2015	03-260-7340-0000-000	Reverse Charge Non Recov	<input type="checkbox"/>																																																			
1	Recoverable Tax	0.00	13-AUG-2015	03-000-1320-0000-000	Reverse Charge Non Recov	<input checked="" type="checkbox"/>	0	GBVAT_P2P_I_21_REC_RATE																																																	
2	Nonrecoverable Tax	200.00	13-AUG-2015	03-260-7340-0000-000	Reverse Charge Non Recov	<input type="checkbox"/>	100																																																		
1	Recoverable Tax	0.00	13-AUG-2015	03-000-2360-0000-000	Reverse Charge Non Recov	<input checked="" type="checkbox"/>	0	GBVAT_P2P_O_166_REC_RATE																																																	
2	Nonrecoverable Tax	<200.00>	13-AUG-2015	03-000-2360-0000-000	Reverse Charge Non Recov	<input type="checkbox"/>	100																																																		

**Two Sets of Tax Distributions**

**Output VAT Distributions use the accounting set on the tax rate code.**

Status: Validated | Distribution Class: Saved  
 Accounted: Unprocessed | Associated Charges: 0.00  
 Account Description: United Kingdom-VSA M.I.S.-Depreciation Furniture-No Product-Default

Reverse 1 | Tax Distributions | View PO | View Receipt

## Partially Recoverable Self Assessed Tax

For transactions that have partially recoverable amounts, the Integration apportions the Recoverable amount and Nonrecoverable amount over the Tax Distributions associated with the Input VAT tax line. The output VAT line is still the same as the prior examples, the full amount of the tax is on the distribution labelled Nonrecoverable and uses the Output VAT GL Account.

Batch Control Total: 12387.5

AP Workbench Data Entry

Trading Partner	Supplier Num	Supplier Site Name	Invoice Date	Invoice Num	Invoice Amount	Tax Control Amount	Tax Amount	Description
Queens Tea	20	SBX ITALY	10-AUG-2015	KBRCFullyRecov	1,000.00		0.00	Reverse Charge Fully Recoverable Example
Queens Tea	20	SBX ITALY	13-AUG-2015	NRRCNonrecov	1,000.00		0.00	Reverse Charge Non Recoverable Example
Queens Tea	20	SBX ITALY	13-AUG-2015	NRRCNonrecov1	1,000.00		0.00	Reverse Charge Non Recoverable Example
Queens Tea	20	SBX ITALY	13-AUG-2015	KSBRCPartialRecov	1,000.00		0.00	Reverse Charge Partial Recoverable Example

1 General    2 Lines    3 Holds    4 View Payments    5 Scheduled Payments    6 View Prepayment Applications

AP Recoverability Data Entry

Total		Gross	1,000.00	Retained	Input VAT Rate Code	Net	1,000.00		
Num	Type	Amount	Description	Distribution Account	Ship to	Track As Asset	Tax Rate Name	Recoverable Tax	Nonrecoverable Tax
1	Item	1,000.00	Reverse Charge Partial	03-320-7360-000-000	SBX London HQ	<input type="checkbox"/>	GBVAT_P2P_I_21	60.00	140.00
2	Tax	200.00	Reverse Charge Partial			<input type="checkbox"/>	GBVAT_P2P_O_166	0.00	<200.00>
3	Tax	<200.00>	Reverse Charge Partial			<input type="checkbox"/>			

Two tax lines - net to zero to show Reverse Charge

Input VAT Rate Code

Output VAT Rate Code

Discard Line 1    Distributions    Allocations

Actions... 1    Calculate Tax    Tax Details    Corrections    Quick Match    Match    All Distributions

Line Number: 1    Invoice Total: 1,000.00    Distribution Total: 1,000.00

Line Description: Reverse Charge Partial Recover

AP Recoverability Data Entry

Num	Type	Amount	GL Date	Account	Description	Recoverable	Recovery Rate	Recovery Rate Name
1	Item	1,000.00	13-AUG-2015	03-320-7360-000-000	Reverse Charge Partial Rec	<input type="checkbox"/>		
1	Recoverable Tax	60.00	13-AUG-2015	03-000-1320-000-000	Reverse Charge Partial Rec	<input checked="" type="checkbox"/>	30	GBVAT_P2P_I_21_REC_RATE
2	Nonrecoverable Tax	140.00	13-AUG-2015	03-320-7360-000-000	Reverse Charge Partial Rec	<input type="checkbox"/>	70	
1	Recoverable Tax	0.00	13-AUG-2015	03-000-2360-000-000	Reverse Charge Partial Rec	<input checked="" type="checkbox"/>	0	GBVAT_P2P_O_166_REC_RATE
2	Nonrecoverable Tax	<200.00>	13-AUG-2015	03-000-2360-000-000	Reverse Charge Partial Rec	<input type="checkbox"/>	100	

Two Sets of Tax Distributions

Input VAT distributions show the partial recoverable percentage

Output VAT Distributions use the accounting set on the tax rate code.

Status: Validated    Distribution Class: Saved

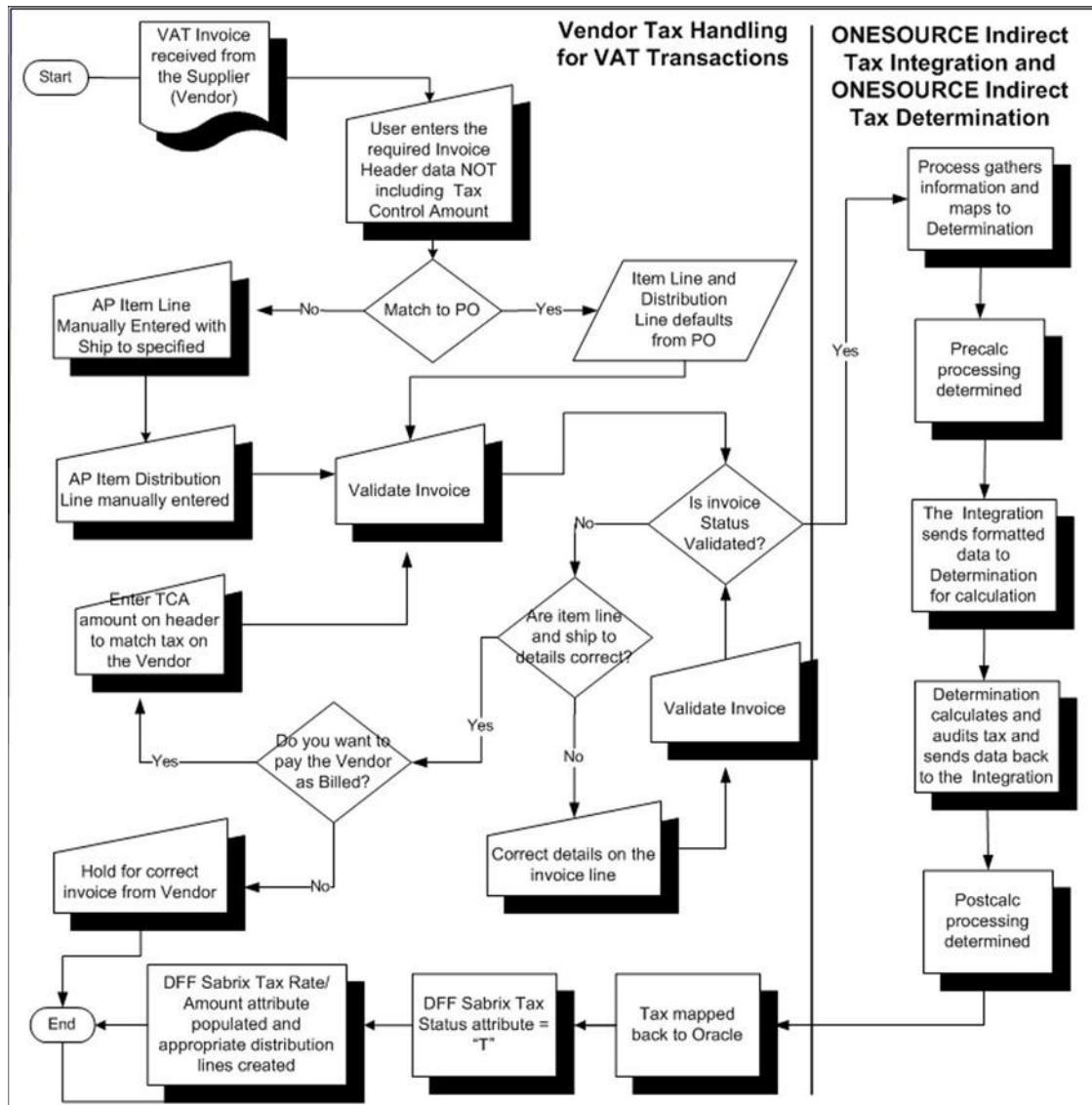
Accounted: Unprocessed    Associated Charges: 0.00

Account Description: United Kingdom-Accounts-Depreciation Computer & S-No Product-Default

Reverse 1    Tax Distributions    View PO    View Receipt

## VENDOR TAX HANDLING FOR VAT TRANSACTIONS

One of the features of having ONESOURCE Indirect Tax Determination calculate the tax on your invoice is to capture vendor charged tax that may be incorrect. Below is a flowchart of how to work with a tax difference when using the online call.



After you have Validated your invoice, if the online call returns a tax amount different than what the vendor charges, then the invoice will have a status of "Needs Revalidation" and have a Line Variance hold applied. Verify and correct the invoice details such as item purchased and Ship to address. If that doesn't resolve the difference, the Vendor may have charged incorrect VAT. Per the guidelines of your tax department, decide if you will notify the vendor and wait for a corrected invoice or pay the vendor as billed by entering the Vendor charged tax in the Tax Control Amount field on the invoice header.

Invoice Workbench (Payables Mgr, SBX UK) - Kate STP process test

Batch Control Total		Batch Actual Total		13562.5					
AP Workbench Data Entry									
Trading Partner	Supplier Num	Supplier Site Name	Invoice Date	Invoice Num	Invoice Amount	Tax Control Amount	Tax Amount	Description	
Queens Tea	20	SBX LONDON	14-AUG-2015	KBLLineVariance	1,175.00		200.00	Vendor Tax Difference Example	
1 General    2 Lines    3 Holds    4 View Payments    5 Scheduled Payments    6 View Prepayment Applications									
<b>Summary</b> Items: 1,000.00 Retainage: <input type="text" value="USD 0.00"/> Prepayments Applied: <input type="text"/> Withholding: <input type="text"/> Subtotal: 1,000.00 Tax: 200.00 Freight: <input type="text"/> Miscellaneous: <input type="text"/> Total: 1,200.00					<b>Status</b> Status: Needs Revalidation Accounted: No Approval: Not Required Holds: 1 Scheduled Payment Holds: 0				
<b>Description</b> Vendor Tax Difference Example									
Actions... 1    Calculate Tax    Tax Details    Corrections    Quick Match    Match    All Distributions									

Invoice Workbench (Payables Mgr, SBX UK) - Kate STP process test

Batch Control Total		Batch Actual Total		13562.5							
AP Workbench Data Entry											
Trading Partner	Supplier Num	Supplier Site Name	Invoice Date	Invoice Num	Invoice Amount	Tax Control Amount	Tax Amount	Description			
Queens Tea	20	SBX LONDON	14-AUG-2015	KBLLineVariance	1,175.00		200.00	Vendor Tax Difference Example			
1 General    2 Lines    3 Holds    4 View Payments    5 Scheduled Payments    6 View Prepayment Applications											
Hold Name: Line Variance    Hold Reason: Total of Invoice    Hold Date: 14-AUG-2015    Held By: System											
Purchase Order Number: <input type="text"/> Release: <input type="text"/> Line: <input type="text"/> Ship To: <input type="text"/>					Shipment Quantity Ordered: <input type="text"/> Billed: <input type="text"/> Received: <input type="text"/> Accepted: <input type="text"/>		Receipt Number: <input type="text"/> Line: <input type="text"/> Date: <input type="text"/>			Receipt Quantity Billed: <input type="text"/> Received: <input type="text"/> Accepted: <input type="text"/>	
View PO					Release... 1						
Actions... 1    Calculate Tax    Tax Details    Corrections    Quick Match    Match    All Distributions											

## USING TAX CONTROL AMOUNT ON VAT AP TRANSACTIONS

When the Tax Control Amount is filled in, the Online tax call will create the tax lines and distributions with whatever amount is filled in. Therefore this must only be used when you want to force the VAT result to pay a vendor as billed.

### Example Using Tax Control Amount

This example calculated tax of 200 and left the invoice out of balance. Entering a Tax control amount to match what the Vendor billed will look like this:

**AP Workbench Data Entry**

Trading Partner	Supplier Num	Supplier Site Name	Invoice Date	Invoice Num	Invoice Amount	Tax Control Amount	Tax Amount	Description
Queens Tea	20	SBX LONDON	26-AUG-2015	KBLLineVariance	1,175.00	175.00	175.00	Vendor Tax Difference Example

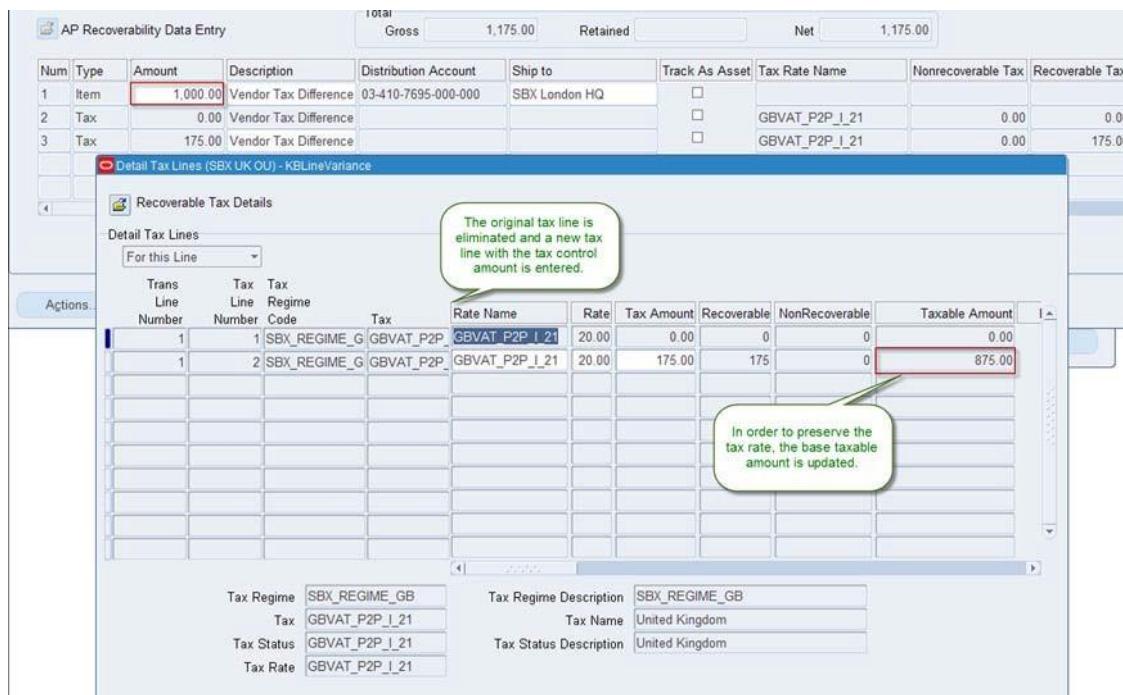
**AP Recoverability Data Entry**

Num	Type	Amount	Description	Distribution Account	Ship to	Track As Asset	Tax Rate Name	Nonrecoverable Tax	Recoverable Tax
1	Item	1,000.00	Vendor Tax Difference	03-410-7695-000-000	SBX London HQ	<input type="checkbox"/>			
2	Tax	0.00	Vendor Tax Difference			<input type="checkbox"/>	GBVAT_P2P_I_21	0.00	0.00
3	Tax	175.00	Vendor Tax Difference			<input type="checkbox"/>	GBVAT_P2P_I_21	0.00	175.00

Original tax line is set to 0.00

Tax Control Amount is now entered and the invoice recalculated tax and validated

Note that the Tax Amount has changed to reflect the Tax Control Amount



This situation will occur when the Tax Control Amount is filled in AND Determination calculated a tax amount other than Zero.

1. The original calculated tax line will be reversed.
2. A new Tax Line will get created. It will use the Determination calculated rate but it will also update the Tax Amount to match the value in Tax Control Amount field.
3. It will update the “Taxable Amount” on the Tax Detail Tab. This is not used by Determination.
4. Determination audits the calculated tax result and will also send the Tax Control Amount value to the **vendor\_tax** data element and the Determination calculated tax to the **tax\_amount** data element in Determination Audit if the profile option **eBTax: AP Sabrix Audit Determination Tax Amount** is set to Yes. If the profile option is set to No, then the Determination calculated tax will be saved in both **vendor\_tax** and **tax\_amount** audit fields. This can be viewed in the Transaction Extract in ONESOURCE Reporting.
5. The line variance hold will automatically be removed when the invoice is revalidated.

## Example Using Tax Control Amount when Determination calculates Reverse Charge

If Determination has identified the transaction should receive Zero Rate or Reverse charge, the net tax result is 0.00. In these situations, Oracle will not allow the Tax Control Amount to generate new tax lines. Instead you will receive a Tax Variance hold. As with any other Vendor tax difference, verify the invoice details and the configuration in Determination or ask the vendor for a corrected invoice.

AP Workbench Data Entry

Trading Partner	Supplier Num	Supplier Site Name	Invoice Date	Invoice Num	Invoice Amount	Tax Control Amount	Tax Amount	Description
Queens Tea	20	SBX ITALY	26-AUG-2015	ReverseChargeTCA	1,000.00	200.00	0.00	reverse charge with a Tax control amount

1 General    2 Lines    3 Holds    4 View Payments    5 Scheduled Payments    6 View Prepayment Applications

Hold Name	Hold Reason	Hold Date	Held By	Release Name	Release Reason	Released By	Release Date	WF Status
Tax Variance	Invoice tax amo	26-AUG-2015	System					

A Tax Variance hold gets applied when the Determination tax result is a net 0.00

Purchase Order    Shipment Quantity    Receipt    Receipt Quantity

Number    Ordered    Number    Billed  
Release    Billed    Line    Received  
Line    Received    Date    Accepted  
Ship To    Accepted    View PO    Release... 1

Actions... 1    Calculate Tax    Tax Details    Corrections    Quick Match    Match    All Distributions

## VIEWING VENDOR CHARGE TAX IN ONESOURCE INDIRECT TAX REPORTING

**ONESOURCE™ INDIRECT TAX REPORTING**

**Reporting**

**Transaction Extract**

**Columns**

All Fields

**Column** **Display Name**

Column	Display Name
Total Gross Amount	Total Gross Amount
Total Tax Amount	Total Tax Amount
Total Tax Amount - Line	Total Tax Amount - Line
<b>Vendor Tax</b>	<b>Vendor Tax</b>
Buyer Reg Num	Buyer Reg Num
Company Name	Company Name
Company Role	Company Role
Document Date	Document Date
Document Number	Document Number
Product Code	Product Code
Seller Reg Num	Seller Reg Num
Tax Code	Tax Code
Transaction Type	Transaction Type

Be sure to include Vendor Tax element in your data extract

Actions... Run Reset

44 of 100

## SUPPLIER VAT REGISTRATION NUMBERS

The supplier 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 a transaction is eligible for taxation within a particular jurisdiction. If a registration does not exist and Determination concludes that one is required, an error message in the Sabrix Tax Process log indicates that one needs to be created.

If a VAT registration does not exist, and Determination concludes that one is required, an error message will appear on your screen indicating that one needs to be entered in order to calculate tax.

See *ONESOURCE Indirect Tax Determination Online Help* for more information.



When entering VAT Registration numbers in Oracle R12, note that 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.

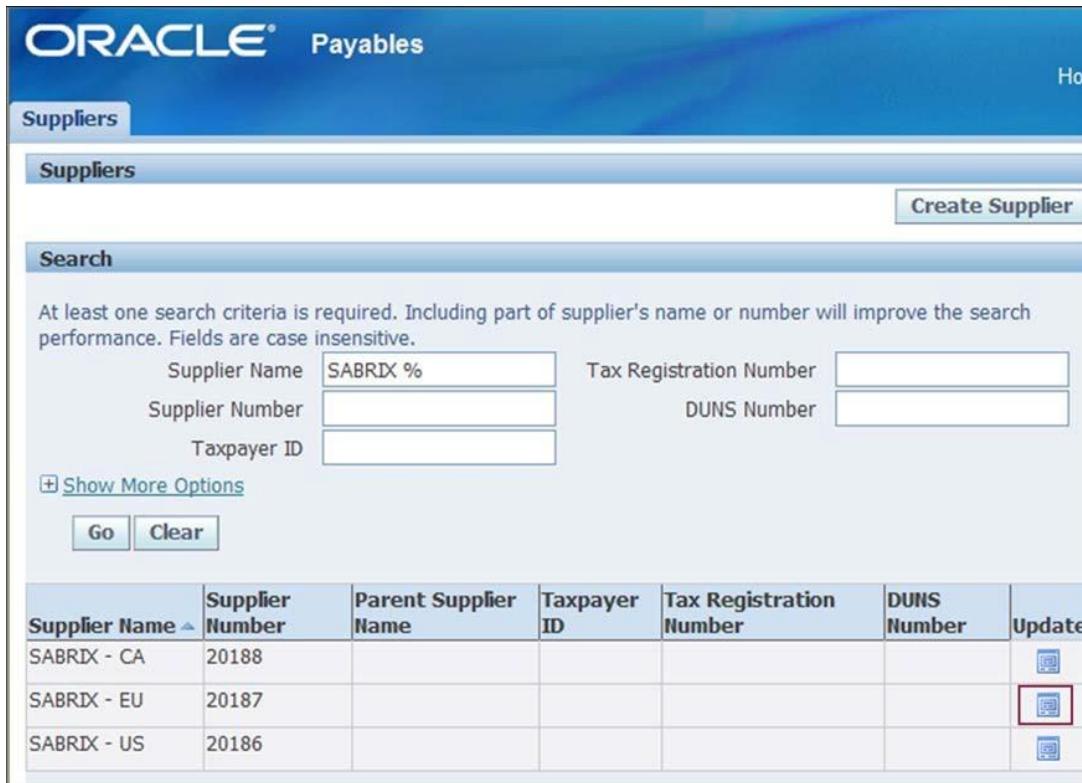
See MyOracleSupport note 875894.1 for more information.

To enter a VAT Registration on your Supplier Site, navigate to the **Tax Information** form from Oracle Payables, Oracle Purchasing or any other Oracle responsibility that has Supplier setup. The following steps are for accessing from Oracle Payables.

1. Navigate to the **Payables > Suppliers > Entry Search** screen.
2. Enter a portion of an existing **Supplier Name** and click **Go**.

The screenshot shows the Oracle Payables interface. The top navigation bar includes the Oracle logo and the Payables module. A blue header bar labeled 'Suppliers' is visible. A warning message states: 'Low-level logging is currently enabled. Your application will not perform as well while low-level logging is on.' A 'Create Supplier' button is in the top right. The main search area is titled 'Search' and contains fields for 'Supplier Name' (containing 'SABRIX %'), 'Supplier Number', 'Taxpayer ID', 'Tax Registration Number', and 'DUNS Number'. Below these fields is a link '+ Show More Options'. At the bottom are 'Go' and 'Clear' buttons. A table below the search fields shows results for 'Supplier Name', 'Supplier Number', 'Parent Supplier Name', 'Taxpayer ID', 'Tax Registration Number', 'DUNS Number', and 'Update'. The table displays the message 'No search conducted.'

3. Once you have the results, click the **Update** icon on the **Supplier Name**.



**ORACLE® Payables**

**Suppliers**

**Suppliers**

**Create Supplier**

**Search**

At least one search criteria is required. Including part of supplier's name or number will improve the search performance. Fields are case insensitive.

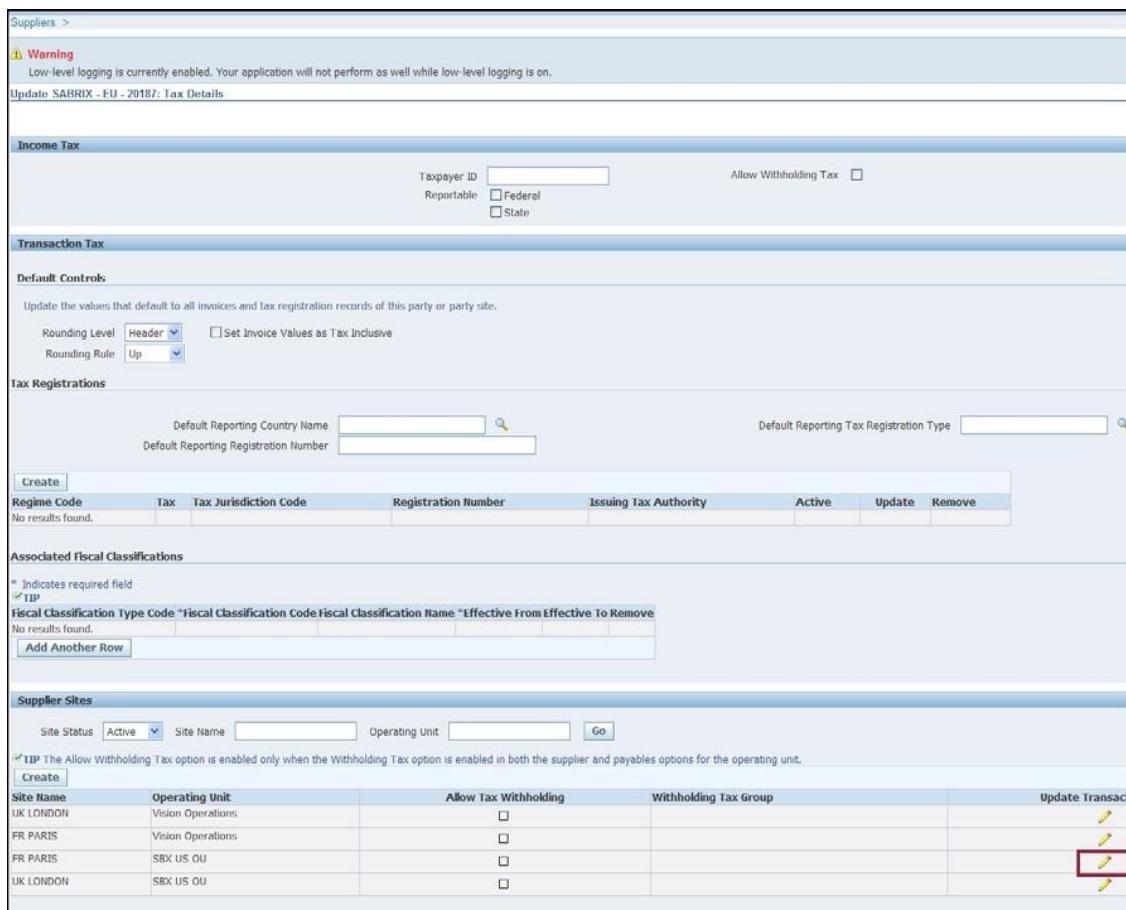
Supplier Name	SABRIX %	Tax Registration Number	
Supplier Number		DUNS Number	
Taxpayer ID			

[Show More Options](#)

**Go** **Clear**

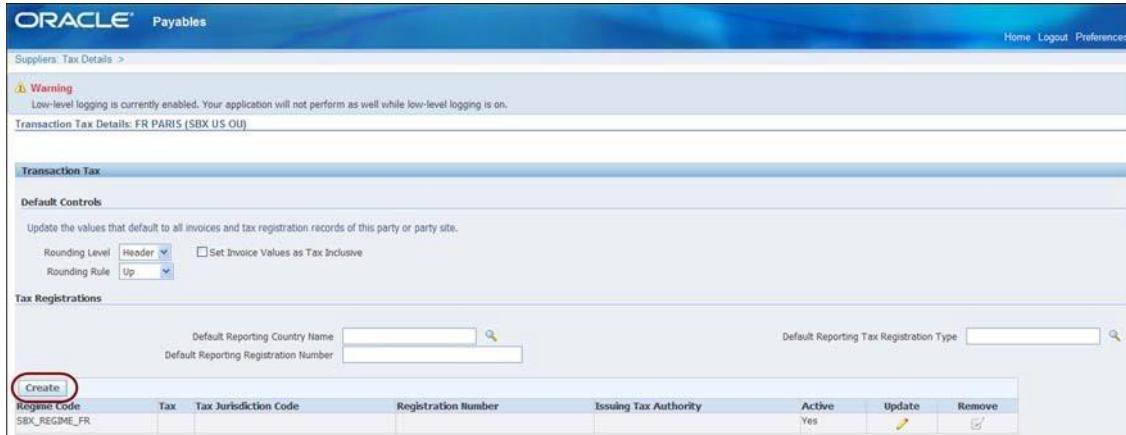
Supplier Name	Supplier Number	Parent Supplier Name	Taxpayer ID	Tax Registration Number	DUNS Number	Update
SABRIX - CA	20188					
SABRIX - EU	20187					
SABRIX - US	20186					

4. On the left side of the form, go to **Company Profile for Tax Details**. Then click the **Update Transaction Tax** icon for a specific **Site Name**.



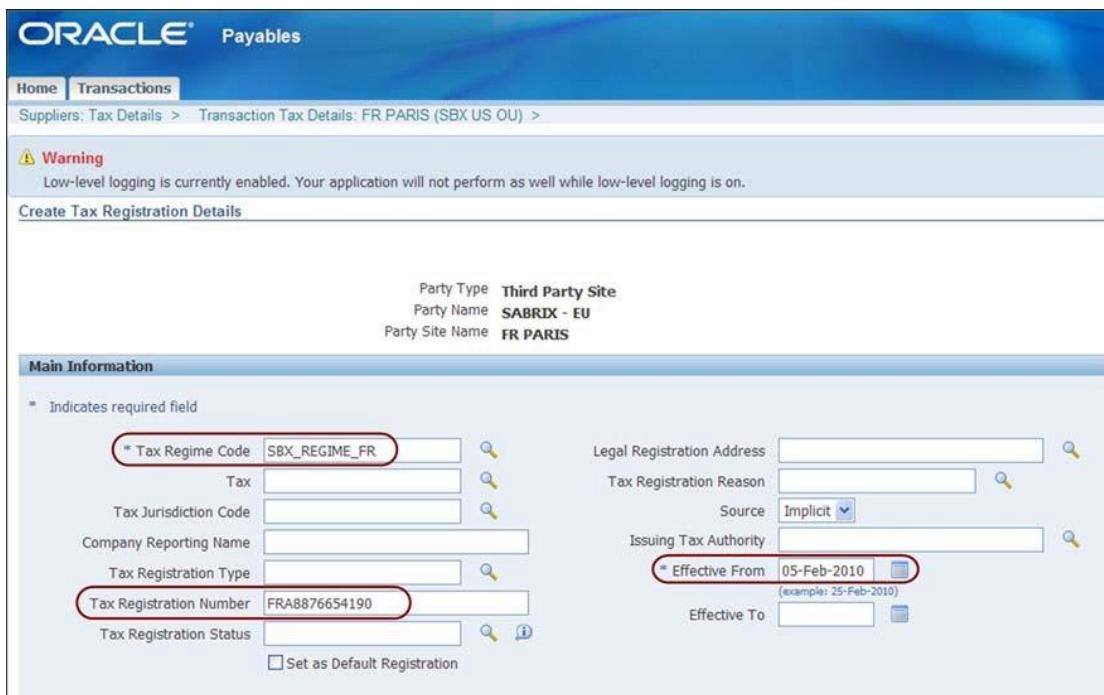
The screenshot shows the 'Update SABRIX - EU - 20187: Tax Details' page. The 'Income Tax' section is visible, showing fields for Taxpayer ID, Reportable (Federal, State), and Allow Withholding Tax. The 'Transaction Tax' section includes 'Default Controls' for rounding level (Header) and rule (Up). The 'Tax Registrations' section shows fields for Default Reporting Country Name and Number, and a table for creating new registrations. The 'Associated Fiscal Classifications' section shows a table for managing fiscal classification types. The 'Supplier Sites' section shows a table with columns for Site Name, Operating Unit, Allow Tax Withholding, Withholding Tax Group, and an 'Update Transaction Tax' icon. The 'Update Transaction Tax' icon is located in the last column of the 'Supplier Sites' table for the 'UK LONDON' row.

5. Click **Create**.



The screenshot shows the Oracle Payables interface for managing supplier tax details. The 'Transaction Tax' screen is displayed, showing a table for 'Tax Registrations'. The 'Create' button in the top-left corner of the table is highlighted with a red circle. The table columns include: Regime Code, Tax, Tax Jurisdiction Code, Registration Number, Issuing Tax Authority, Active (Yes/No), Update, and Remove.

6. Enter the **Tax Regime Code**, **Tax Registration Number**, and **Effective From** date. If necessary, enter the **Tax and Jurisdiction** to make a unique combination.



The screenshot shows the 'Create Tax Registration Details' screen. The 'Main Information' section is visible, containing fields for Tax Regime Code (SBX\_REGIME\_FR), Tax Registration Number (FRA8876654190), and Effective From date (05-Feb-2010). The 'Tax Regime Code' and 'Tax Registration Number' fields are highlighted with red circles.

7. Click **Apply** and then click **Save**.

8. The **Warning** page shows a message: **Changes to Tax Details have been saved.**

The screenshot shows the Oracle Payables interface. At the top, there is a 'Warning' message box with two items: 'Changes to Tax Details have been saved.' and 'Low-level logging is currently enabled. Your application will not perform as well while low-level logging is on.' Below this, the 'Update SABRIX - EU - 20187: Tax Details' screen is displayed. It includes sections for 'Income Tax' (Taxpayer ID, Reportable, Allow Withholding Tax), 'Transaction Tax' (Default Controls, Rounding Level, Rounding Rule), and 'Tax Registrations' (Default Reporting Country Name, Default Reporting Registration Number, Default Reporting Tax Registration Type). A 'Create' table lists a single row: Regime Code (SEX\_REGIME\_FR), Tax (FRA), Tax Jurisdiction Code (FRA8876654190), Registration Number (FRA8876654190), Issuing Tax Authority (FRA), Active (Yes), Update (pencil icon), and Remove (trash icon).

## MULTIPLE VAT REGISTRATION NUMBERS

In some cases a single location may need to file multiple registrations. A separate tax registration number can be defined to represent each distinct registration requirement. Oracle requires the registration number be unique for the combination of Regime, Tax, and Jurisdiction.

- Regime - registration number applies to all the taxes within a regime. For example, a registration number applies to the all the taxes for Canada. In this case, a registration number would be defined for the Canada Regime.
- Tax - registration number applies to all the jurisdictions where the tax is applicable. For example, a registration number applies to all the jurisdictions under the tax for Canada Province of Quebec. In this case, a registration number would be defined for the Canada Regime and tax of QCQST.
- Jurisdiction - registration number applies to the specific jurisdiction. The registration number can be defined using the jurisdiction to make the combination unique.

## PO MATCHING

The PO match process is used when you enter an invoice with a purchase order associated with it. When an invoice is matched, information needed by the Integration is obtained from the purchase order.

Companies match invoices to purchase orders according to their standard business processing guidelines. This example shows the effects of the tax calculation when the tax on the vendor invoice matches the tax determined by Determination.



Other AP Invoice examples in this document have not been matched to Purchase Orders.

1. Navigate to the Accounts Payable **Invoice Entry** form. Enter the required invoice information shown on this screen according to your company's standard business processes.
2. For U.S. Sales and Use Tax invoices, enter the invoice amount of vendor charged tax into the Tax Control Amount field. For VAT invoices the online tax call will create the tax line. Do not enter a Tax Control Amount. Please see **Vendor Tax Handling for VAT Transactions (page 85)** for more detail.
3. From the invoice header, click **Match**.

The screenshot shows the Oracle AP Workbench Data Entry interface. The top section displays a table with invoice details, including the 'Tax Control Amount' field which is circled in red and set to '100.00 Purchase Order'. The bottom section shows the invoice header with a red arrow pointing to the 'Match' button, which is also circled in red. The 'Match' button is located in the bottom right corner of the header area.

4. Match the PO to an invoice using your standard business matching process.

5. When you return to the invoice line form, the Invoice Total Gross displays the amount of the PO lines created by the matching process. Click **Distributions** for the first PO matched item line.

6. For PO Matched invoices, the **Ship To Address** will be derived from the PO and defaulted on the AP invoice line. The **Ship To Address** can be changed after it is derived from the PO.



Ship To address is not required for either non-PO matched AP invoices or PO matched AP invoices. If Determination has insufficient information to calculate tax and does not return any tax lines, the **SABRIX\_LOG** table will display the following ERROR Message: "No tax lines were returned from ONESOURCE Indirect Tax Determination. Contact your Determination tax administrator".

7. If this is a known VAT invoice, there is no need to proceed further. Otherwise, enter *R* in the **Sabrix Tax Status** descriptive flexfield on the AP Distributions form (shown below) to indicate the invoice is ready for processing through the **Sabrix Tax Process**.

**!** If you are importing invoices using the Oracle AP Open Interface and you want to copy the Sabrix descriptive flexfields (DFF) information to the AP Invoice Distribution Lines, the Oracle System Options Profile Option **AP: Copy Invoice Lines Flex field to Distributions during Import** must be set to Yes.

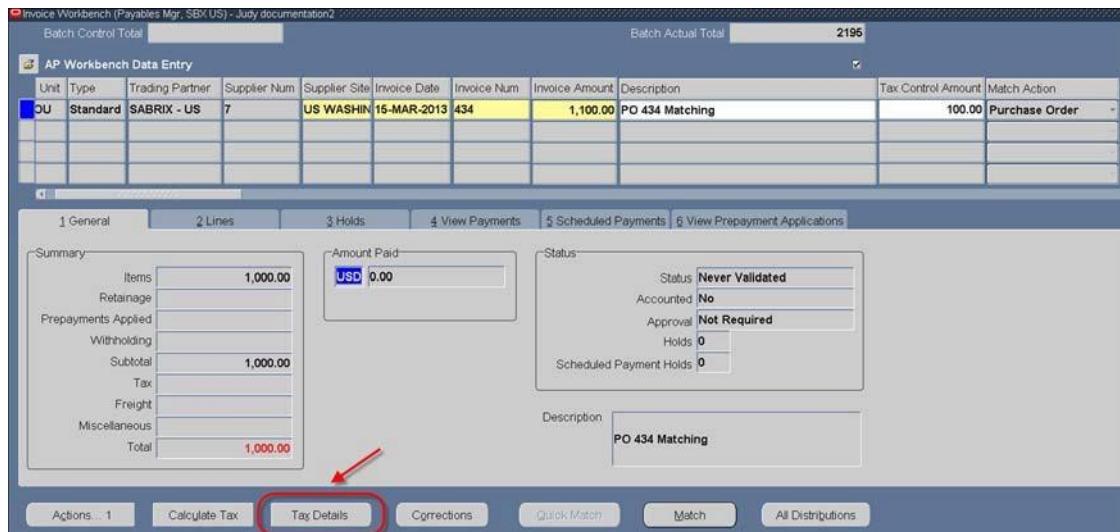


You can configure the **Sabrix Tax Status** descriptive flexfield segment with a constant value of *R* as a default. This will default *R* upon saving the manual invoice.

To default the status *R* for PO Matched Invoices, define the Oracle Purchasing descriptive flexfield 'PO Distributions' with the same attribute number as the Oracle Payables descriptive flexfield segment, AP\_SABRIX\_TAX\_STATUS. Then set the constant value of *R* as a default on the PO Distributions descriptive flexfield. Set the profile option **AP:Copy Invoice Lines Flexfield to Distribution during Import** to Yes. This will default the status *R* when matching the AP invoice to the PO.

8. Click **OK**.

9. Click **Tax Details** to view the prorated vendor charged tax amount which was entered into the Tax Control Amount field at the invoice header.



An online tax calculation is invoked at events such as when Saving the distribution line, Calculate Tax button or the Tax Details button on the AP workbench. Determination will calculate tax and the Integration will return the results to the AP invoice, creating Tax lines. Any differences between the PO calculated tax and the AP Invoice online tax calculation will result in Tax Rate Variance lines. The online tax calculation will return Tax to Rate Flow information for the ERP Tax Code, using the authority Tax to Rate flow for that ERP Tax Code.

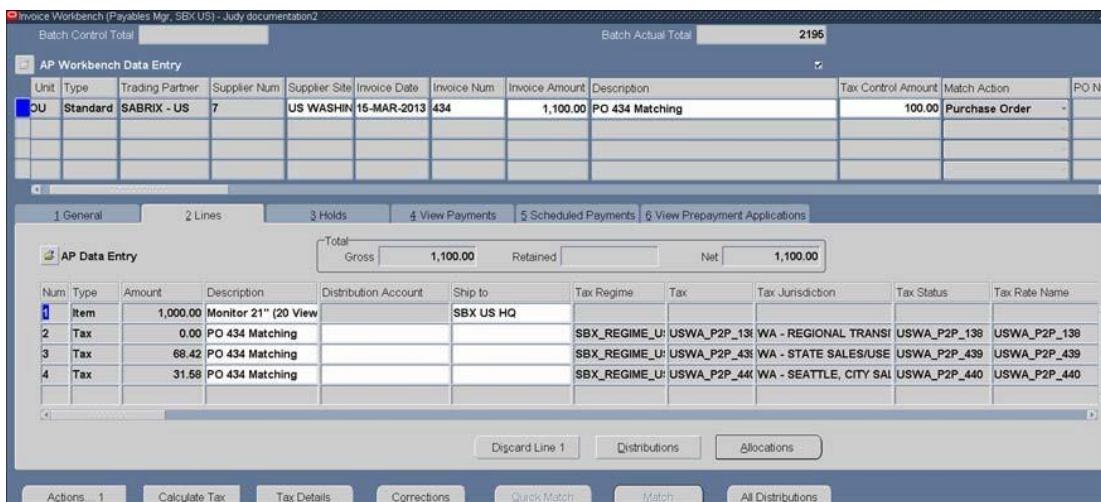
10. In the **Tax Lines Summary** form, the online calculated tax will be based on prorating the Tax Control Amount with the appropriate Authority Tax Rate percentages.

11. The following table is an example of the information displayed on the **Tax Details Summary** form:

Tax Lines Summary Field Name	Example Values	Example of Your Values
Tax Regime Code	SBX_REGIME_US	SBX_REGIME_XX XX = ISO two digit Country Code
Tax	USWA_P2P_439 USWA_P2P_138 USWA_P2P_440	<ERP Tax Code>_P2P_XXXXX XXXXX = database-generated incremental number
Jurisdiction	WA - STATE SALES/USE TAX WA - REGIONAL TRANSIT AUTHORITY WA - SEATTLE, CITY SALES/USE T	<p>This will be the actual authority from Determination for each Tax Line Number.</p> <p>Example: For USWA (State of Washington), there are usually three authorities for one ERP Tax Code such as:</p> <ul style="list-style-type: none"> <li>• WA - STATE SALES/USE TAX</li> <li>• WA - SEATTLE, CITY SALES/USE T</li> <li>• WA - REGIONAL TRANSIT AUTHORITY</li> </ul> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• The display size is limited to 30 characters.</li> <li>• The field does not show as Required on the Tax Details Summary form, but the value is needed in order to enter a Tax Amount.</li> </ul>

Tax Lines Summary Field Name	Example Values	Example of Your Values
Tax Status	<i>USWA_P2P_439</i> <i>USWA_P2P_138</i> <i>USWA_P2P_440</i>	<ERP Tax Code>_P2P_XXXXX XXXXX = database-generated incremental number
Rate Name	<i>USWA_P2P_439</i> <i>USWA_P2P_138</i> <i>USWA_P2P_440</i>	<ERP Tax Code>_P2P_XXXXX XXXXX = database-generated incremental number
Rate	6.50% 0.00% 3.00%	<i>USWA_P2P_439</i> for WA - STATE SALES/USE TAX <i>USWA_P2P_138</i> for WA - SEATTLE, CITY SALES/USE T <i>USWA_P2P_440</i> for WA - REGIONAL TRANSIT AUTHORITY
Tax Amount	68.42 0.00 31.58	Tax Control Amount of \$100.00 is prorated based upon the various Rate %s for the appropriate authorities. $\$100.00 \times 65/95 = 68.42$ $\$100.00 \times 00/95 = 0.00$ $\$100.00 \times 30/95 = 31.58$

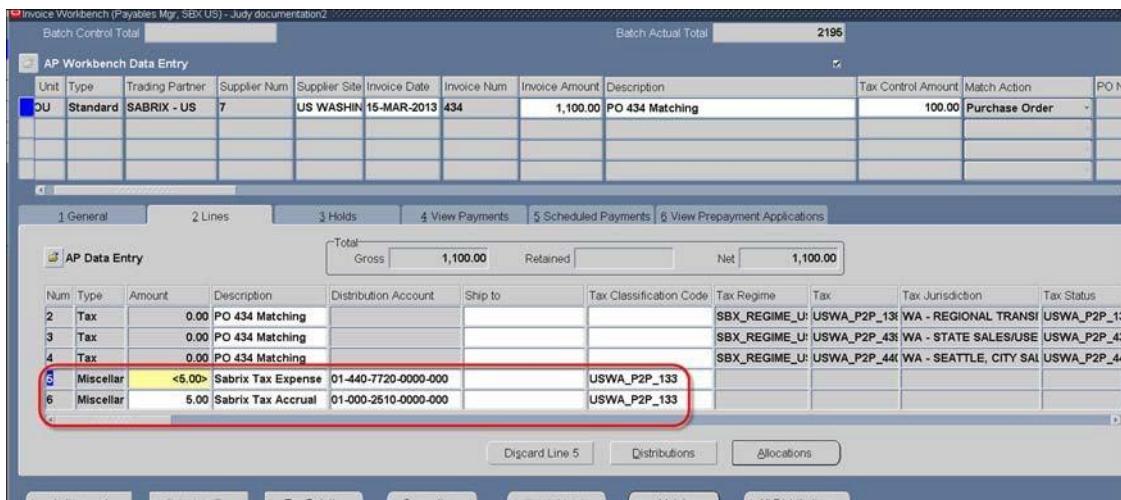
12. Click **OK** and save the AP Invoice.
13. When the AP Invoice is complete, validate it according to your company's standard business processes. The AP Invoice must be validated in order for the **Sabrix Tax Process** to select the invoice for processing.





If Vendor Charged Tax has been entered (as in this example) for U.S. transaction in the Tax Control Amount field, the online tax calculation will use the tax rates returned from Determination to prorate the VCT into tax lines. The Vendor Charge Tax entered in the Tax Control Amount field overrides the standard online tax calculated amounts. If there is no Vendor Charged Tax, the online tax calculation creates Tax Lines with the tax amount calculated based only on the Item line amounts.

14. Run the **Sabrix Tax Process**. Requery the AP Invoice to see the Integration-generated lines. See **SABRIX TAX PROCESS FOR AP U.S. SALES AND USE TAX (page 107)** for more information.



The **Sabrix Tax Process** for the U.S. transaction will recalculate tax, perform the accrual logic, and submit the transaction to Audit. The **Sabrix Tax Process** will summarize the calculated tax amounts by ERP Tax Code and use the 'Source' Tax to Rate Flow for the ERP Tax Code. The entries (either due to the accrual logic or if zero dollar Vendor Charge Tax is entered) will have a line type of Miscellaneous and use the 'Source' Tax Flow information in the Tax Classification Code field. This 'Source' tax flow is used to derive the recoverable/liability account and the tax expense account (if the profile option, 'eBTax: Sabrix AP Tax Expense Account Source' is set to 'TAX'). For more information on Source Tax Flows, see the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide*.



The concurrent program **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to **ONESOURCE Indirect Tax Integration for Oracle 12** Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.

## MANUAL INVOICING

Manually entered AP Invoices that are not matched to purchase orders follow a similar entry process as PO Matched invoices. To enter a manual AP Invoice not matched to a purchase order:

1. Navigate to the Accounts Payable **Invoice Entry** form. Enter the required invoice information shown on this screen according to your company's standard business processes.
2. Navigate to the **Lines** tab. Enter the invoice line information.
3. For U.S. Sales and Use Tax invoices, enter the invoice amount of vendor charged tax into the Tax Control Amount field. For VAT invoices the online tax call will create the tax line. Do not enter a Tax Control Amount. Please see **Vendor Tax Handling for VAT Transactions (page 85)** for more detail.
4. The **Ship To Address** can be left blank.



The value in the **Ship to** address field on the manually entered AP invoice line is not required for online tax calculation or the Sabrix Tax Process. When matching an AP invoice to a PO, the Ship To address automatically defaults from the matched PO Ship To.

- If Determination has insufficient information to calculate tax and does not return any tax lines, the **SABRIX\_LOG** table will display the following ERROR Message: "No tax lines were returned from ONESOURCE Indirect Tax Determination. Contact your Determination tax administrator".

5. Click the **Distributions** button for the item line and enter the Distribution information.
6. If this is a known VAT invoice, there is no need to proceed further. Otherwise, enter **R** in the **Sabrix Tax Status** descriptive flexfield to indicate the invoice is ready for processing.



The **Sabrix Tax Status** descriptive flexfield segment can be configured with a constant value of **R** as a default. This will default **R** upon saving the manual invoice. This is acceptable for VAT invoices as well. VAT invoices will not be reprocessed but will simply be marked with a "T" as Processed, along with the phrase "Processed by online tax calculation."

7. When the AP Invoice is complete, validate the AP Invoice according to your company's standard business processes. The AP Invoice must be validated in order for the *Sabrix Tax Process* to select the invoice for processing.
8. Run the **Sabrix Tax Process**. See **SABRIX TAX PROCESS FOR AP U.S. SALES AND USE TAX (page 107)** for more information.
9. To account for the AP invoice, run the Oracle standard process to Create Accounting according to your company's standard business processes.



The concurrent program **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to ONESOURCE Indirect Tax Integration for Oracle 12 Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.

## TRUSTED VENDOR TAX HANDLING FOR U.S. SALES AND USE TAX

Business requirements drive the decision for handling tax variances between the vendor charged tax and the Determination-calculated tax. This section is not applicable for any non-U.S. transactions such as VAT.

### ALLOWING TRUSTED VENDORS

Your business may have relationships with vendors who always charge the correct amount of vendor charged tax on their AP invoices. In order to not have the tax accrued or shortpay the vendor, the vendor charged tax (VCT) will be always used as the tax amount. The Determination-calculated tax rates will be stored in Audit for reporting purposes.

The tax calculation can be turned off for a specific Supplier Site in Oracle. Thus tax will not be recalculated on these vendors designated as having a Trusted Vendor relationship with your business.

When the Oracle Supplier Site for 'Calculate Tax' field is set to **No**, the Sabrix Tax Process treats the invoice as "In-Tolerance" and will not shortpay or accrue any additional tax amounts on the AP invoice. The AP invoice will be processed "as-is" and the Sabrix Tax Rate/Amount descriptive flexfield (dff) displays a message "Trusted vendor site - Tax not re-calculated".

To turn off tax calculation for a specific Supplier Site in Oracle:

1. Navigate to **Supplier > Entry**.
2. Search for the Supplier.
3. On the **Suppliers** tab, click on **Tax And Reporting**.
4. Then go to the bottom of the Supplier form to Supplier Sites.
5. Select a Supplier Site and then click on the **Update Transaction Tax** icon.

The screenshot shows the Oracle Supplier Entry screen. On the left, a sidebar lists various supplier management options, with 'Tax and Reporting' highlighted. The main area shows the 'Suppliers > Update Home Depot, Inc. - 5032: Tax and Reporting' screen. It includes fields for 'Reporting Name' and 'Verification Date'. Below these are sections for 'Transaction Tax' and 'Main Information', including checkboxes for 'Allow Tax Applicability', 'Set for Self Assessment / Reverse Charge', and 'Allow Offset Taxes'. The 'Tax Classification' field has a search icon. The 'Tax Reporting Codes' section shows a table with columns: \* Tax Reporting Type Code, Data Type, Reporting Code, Description, \*Effective From, Effective To, and Remove. A note indicates that 'TIP Date format example: 25-Mar-2013'. The 'Supplier Sites' section at the bottom shows a table with columns: Site Status, Active, Site Name, Operating Unit, and Go. A 'Create' button is at the top of the table. The 'Update Transaction Tax' icon, located in the 'Actions' column of the 'Supplier Sites' table, is circled in red.

6. In the Supplier Site Tax Details region of form, go to **Calculate Tax** field set to **No** for the site selected for specific operating units



Supplier Site Tax Details

Review or update the tax details for the supplier site account. Note: Values defined at the tax registration level take precedence over these values.

\* Indicates required field

Operating Unit	*Site Name	Calculate	Tax Registration Number	Allow Offset Taxes	Rounding Rule	Set Invoice Values as Tax Inclusive	Tax Classification
SBX US OU	CORPORATE	No		No	Nearest	No	

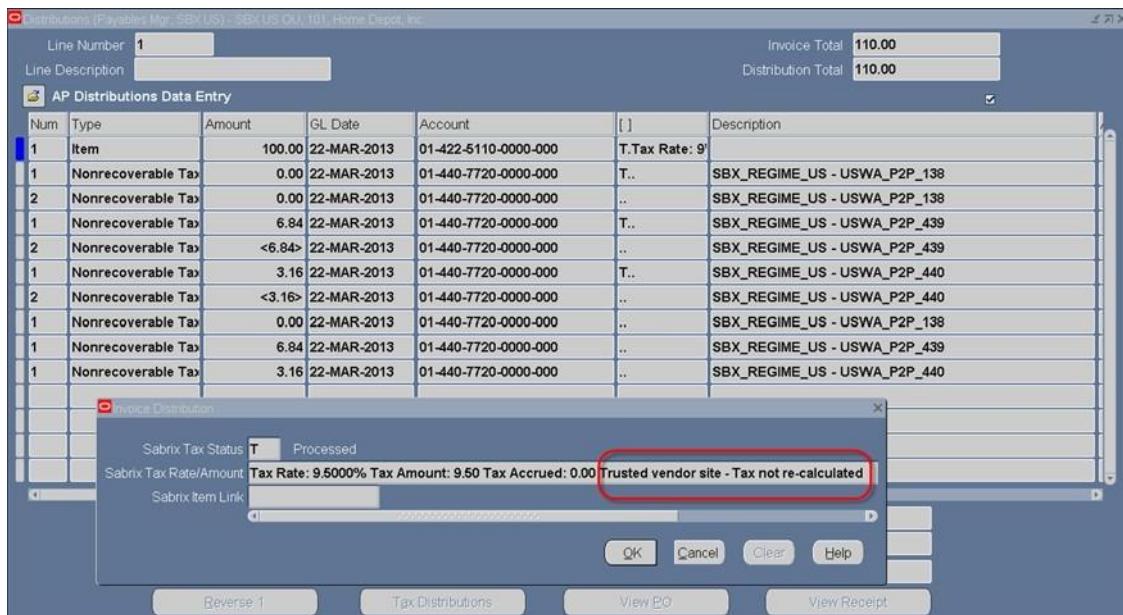
Tax Reporting Codes

\* Indicates required field

*TIP Date format example: 25-Mar-2013	Data Type	*Reporting Code	Description	*Effective From	Effective To	Remove
No results found.						Add Another Row

7. Enter AP invoices for this supplier based on your company's standard business processes.

8. After the AP invoice is completed, validated and the Integration **Sabrix Tax Process** has completed with no errors, requery the AP invoice. View the AP item line distributions line for the Sabrix Tax Rate/Amount descriptive flexfield (dff) which displays the message "Trusted vendor site - Tax not re-calculated".



Line Number 1

Line Description

Invoice Total 110.00

Distribution Total 110.00

AP Distributions Data Entry

Num	Type	Amount	GL Date	Account	[ ]	Description
1	Item	100.00	22-MAR-2013	01-422-5110-0000-000	T.Tax Rate: 9%	
1	Nonrecoverable Tax	0.00	22-MAR-2013	01-440-7720-0000-000	T..	SBX_REGIME_US - USWA_P2P_138
2	Nonrecoverable Tax	0.00	22-MAR-2013	01-440-7720-0000-000	..	SBX_REGIME_US - USWA_P2P_138
1	Nonrecoverable Tax	6.84	22-MAR-2013	01-440-7720-0000-000	T..	SBX_REGIME_US - USWA_P2P_439
2	Nonrecoverable Tax	<6.84>	22-MAR-2013	01-440-7720-0000-000	..	SBX_REGIME_US - USWA_P2P_439
1	Nonrecoverable Tax	3.16	22-MAR-2013	01-440-7720-0000-000	T..	SBX_REGIME_US - USWA_P2P_440
2	Nonrecoverable Tax	<3.16>	22-MAR-2013	01-440-7720-0000-000	..	SBX_REGIME_US - USWA_P2P_440
1	Nonrecoverable Tax	0.00	22-MAR-2013	01-440-7720-0000-000	..	SBX_REGIME_US - USWA_P2P_138
1	Nonrecoverable Tax	6.84	22-MAR-2013	01-440-7720-0000-000	..	SBX_REGIME_US - USWA_P2P_439
1	Nonrecoverable Tax	3.16	22-MAR-2013	01-440-7720-0000-000	..	SBX_REGIME_US - USWA_P2P_440

Invoice Distribution

Sabrix Tax Status T Processed

Sabrix Tax Rate/Amount Tax Rate: 9.5000% Tax Amount: 9.50 Tax Accrued: 0.00 Trusted vendor site - Tax not re-calculated

OK Cancel Clear Help

Reverse 1 Tax Distributions View PO View Receipt



For U.S transactions, Determination audits the Determination-calculated tax as zero and places the vendor charged tax (VCT) amount in the vendor\_tax\_amount audit field.

## SABRIX TAX PROCESS FOR AP U.S. SALES AND USE TAX

This section describes the **Sabrix Tax Process**, how to run it, and the results. The **Sabrix Tax Process** has two Oracle concurrent processes:

**Sabrix Tax Process (Parent concurrent process).** Gathers all invoices with lines ready to be processed and separates them into batches. Invoices are ready to be processed once they are validated and the AP Distribution Lines descriptive flexfield for Sabrix Tax Status attribute is set to *R* (Ready) or *A* (Accept). Then a Sabrix AP Tax Thread job is submitted for each batch of invoices.

**Sabrix AP Tax Thread (Child concurrent process).** Pulls the required information from each eligible invoice line in order to determine the tax, processes the line, and then sets the AP Distribution Lines descriptive flexfield for Sabrix Tax Status attribute flag to:

- *T* - indicates that the line has been processed by the Sabrix Tax Process.
- *E* - indicates that the tax process encountered an error on that invoice.
- *O* - indicates that the invoice is outside of tolerance.
- *C* - indicates that the invoice was cancelled. See **CANCELLING INVOICES (page 114)**.

The **eBTax: Sabrix Approve Invoices** profile option determines whether the **Sabrix Tax Process** will process the invoice through the AP approval workflow (if enabled by your company). See the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide*, "Configuring Profile Options" section for more information.

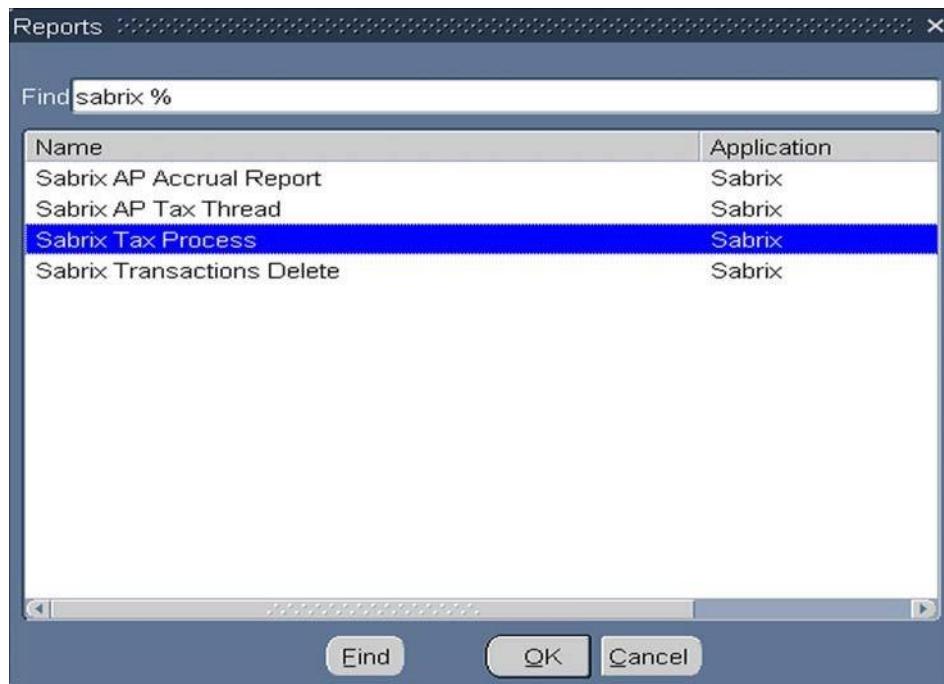
The **Sabrix Tax Process** creates Miscellaneous Lines that reference the 'Source' tax flow in the 'Tax Classification Code' field of the invoice line. This 'Source' tax flow is used to derive the recoverable/liability account and the tax expense account (if the profile option, 'eBTax: Sabrix AP Tax Expense Account Source' is set to 'TAX'). For more information on Source Tax Flows, see the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide*.



The concurrent program **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to ONESOURCE Indirect Tax Integration for Oracle 12 Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.

To manually run the **Sabrix Tax Process**:

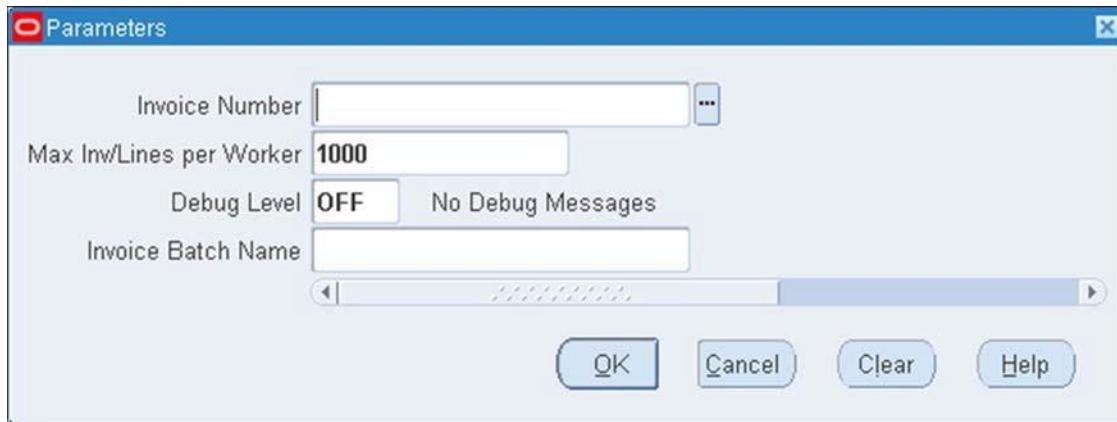
1. From an Oracle Payables responsibility, navigate to the **Submit Request** form.
2. In the **Name** field, select **Sabrix Tax Process** from the list of values.



3. Select the **Operating Unit** from the list of values.



4. Enter information from the following table on the **Parameters** page:



Parameter	Description
<b>Invoice Number</b>	<ul style="list-style-type: none"> <li>Enter an invoice number to process an individual invoice.</li> <li>Leave this field blank to process all eligible invoices.</li> </ul>
<b>Max Inv/Line per Worker</b>	<ul style="list-style-type: none"> <li>The default is 1000 invoices per worker.</li> <li>See <i>SETTING THE MAX INV/LINES PER WORKER PARAMETER</i> (page 112) to determine the correct setting for your environment.</li> </ul>
<b>Debug Level</b>	<p>Enter one of the following:</p> <ul style="list-style-type: none"> <li><b>ALL</b> to write all debug messages.</li> <li><b>OFF</b> to not write messages.</li> </ul>
<b>Invoice Batch Name</b>	<ul style="list-style-type: none"> <li>Enter an AP Invoice Batch Name to process an AP Invoice batch. This parameter is optional.</li> <li>Leave this field blank to process all eligible AP invoicebatches.</li> </ul>

**NOTE**

To view debug messages in the **Sabrix Tax Process** concurrent request log file, enter **ALL** in the request parameters (noted above). Alternatively, the debug level can be set to a value other than **10** in the **SABRIX\_CONNECTION\_OPTIONS** table. See the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide*, “Registering the ONESOURCE Indirect Tax Integration” section, for more information.

5. Click **OK** and then **Submit**.

Depending on the setting of the **Max Inv/Line per Worker** parameter and the quantity of eligible invoices, multiple Sabrix AP Tax Thread jobs may be submitted by the Sabrix Tax Process. Once the threads are submitted, the Sabrix Tax Process completes, as shown below. As long as the concurrent manager is available, the processes can run at the same time. The remaining jobs will be in pending status until the concurrent manager is available.

**NOTE**

To avoid overloading the concurrent manager, you should limit the number of concurrent jobs you submit. Set the **Maximum Number of Workers** profile option accordingly. You will need to run additional jobs to process the remaining invoices.



The Sabrix Tax Process will complete with an **Error** if ONESOURCE Indirect Tax Integration for Oracle 12 is not installed or setup for an Operating Unit.

Request ID	Name	Parent	Phase	Status	Parameters
4384266	PL/SQL Profiler Report		Completed	Normal	0, Y
4384264	Sabrix AR Transaction M		Completed	Normal	, CLEAN, , , , BOTH
4383680	[Org 204] [1 of 1] Sabrix	4383679	Completed	Normal	156077, 156079, ALL, YES,
4383679	Sabrix Tax Process		Completed	Normal	AP, , 1000, ALL, YES, YES, 1
4383677	PO Output for Communic	4383673	Completed	Normal	R, , , , , N, , , , View
4383674	[Org 204] [1 of 1] Sabrix	4383673	Completed	Normal	156074, 156074, OFF, NO,
4383673	Sabrix Tax Process	4383673	Completed	Normal	AP, , 1000, OFF, NO, YES, 12
4383669	[Org 204] [4 of 4] Sabrix	4383665	Completed	Normal	156075, 156075, ALL, YES,
4383668	[Org 204] [3 of 4] Sabrix	4383665	Completed	Normal	156078, 156078, ALL, YES,
4383667	[Org 204] [2 of 4] Sabrix	4383665	Completed	Normal	156076, 156076, ALL, YES,

Buttons at the bottom:

- Hold Request
- View Details...
- View Output
- Cancel Request
- Diagnostics
- View Log...

In the example above, the highlighted items show:

1. The **Sabrix Tax Process** is running and has submitted multiple Sabrix AP Tax Threads. This job will complete only when all the threads have completed.
2. The full field name is **[Org 204] [4 of 4] Sabrix Tax Worker (Sabrix AP Tax Thread)**. *Org 204* indicates which Org the job was submitted from. *[4 of 4]* indicates that 4 **Sabrix AP Tax Thread** jobs were submitted and that this is the last submission.
3. The value in the **Parent ID** for each Sabrix AP Tax Thread is the concurrent request ID of the Sabrix Tax Process. This is true even if you include the **Sabrix Tax Process** in a Request Set.

The **Sabrix AP Tax Thread** jobs can run concurrently, allowing parallel processing. As the concurrent manager becomes available, the remaining threads will run concurrently.

The first two parameters for each **Sabrix AP Tax Thread** job show a range of invoice IDs for processing. The **Sabrix Tax Process** selected all eligible invoices and passed ranges of invoice IDs to allow parallel processing.



This process can be scheduled using the standard Oracle Concurrent Request Scheduling functionality for reports and processes.

## VIEWING THE RESULTS

When the **Sabrix Tax Process** has completed, the AP Distribution Line descriptive flexfield for each item line distribution is updated with the results, including the **Sabrix Tax Status** flag, the **Sabrix Tax Rate/Amount** and any tax accrual or tax expense distribution lines and amounts.

The AP **Sabrix Item Link** Distribution Line descriptive flexfield segment for the Sabrix Miscellaneous distribution lines shows the associated item line and distribution line numbers in the format <item>/<distribution>. The **Sabrix Item Link** attribute usually displays an associated item line link for the Sabrix Tax Accrual and/or Sabrix Tax Expense Miscellaneous Line Type. But in the case of a supplier overcharge and the **eBTax: Sabrix Overcharge Shortpay Action** profile option is set to **OFF**, the Sabrix Item Link attribute will display a (-1) for only the first item distribution line.



For tax lines that result in multiple groupings of lines, the last line number is displayed. In the **Distribution** window of the invoice, navigate to the descriptive flexfield. The **Sabrix Tax Status** field has changed from *R* to *T* to indicate that the invoice line was processed by Determination. When the Sabrix Tax Process runs again, this line is not processed again.

For examples of the results, see *Default GL Accounts for Integration-Generated Miscellaneous Line Type (page 22)* and *Examples of AP Invoice Distribution Lines (page 31)*.



The concurrent program **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to ONESOURCE Indirect Tax Integration for Oracle 12 Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.

## SETTING THE **MAX INV/LINES PER WORKER** PARAMETER

To determine the optimal setting for the **Max Inv/Lines per Worker** parameter, consider the following questions:

### What is the invoice volume each time you run the **Sabrix Tax Process**?

**Example A:** You run your **Sabrix Tax Process** once each evening and typically process about 5000 invoices per day. However, twice a month you receive an invoice import that spikes to about 11000 invoices per day. Typically, your invoices average about 3 lines per invoice.

**Example B:** You run your **Sabrix Tax Process** every 4 hours and typically process about 50 invoices with an average of 100 lines per invoice.

### How many jobs are available in your concurrent manager?

**Example A:** You have a general concurrent manager that allows 10 jobs to run at the same time. The concurrent manager is used by all of Oracle Financials, so you do not want your tax process to take up more than 3 slots to minimize the impact to other processes.

**Example B:** Due to your concurrent manager settings and use, only one **Sabrix Tax Process** can run at a time. In this case, you may not want to split your volume across separate Tax Thread jobs.

### How much time does it take to process an average invoice in your environment?

You will need to determine this by testing the new **Sabrix Tax Process** in your environment.

### Are you constrained more by time for the processing to complete or availability of concurrent process slots?

**Example A:** If you must process all invoices in a short window of time, you may want to maximize performance by having multiple threads running concurrently.

**Example B:** If your concurrent manager has high demands on it at the time you must run your **Sabrix Tax Process**, you may decide that you want all of your eligible invoices to be processed in one batch and only have one tax thread submitted. Alternatively, you could decide to submit multiple tax threads. Even if they do not run concurrently, you will have multiple shorter running jobs.

The following table shows the effects of using different values for the **Max Inv/Lines per Worker** parameter on concurrent process availability when processing 5000 invoices or 5000 lines.



The profile option **eBTax: Sabrix Batch by Lines** defaults to group by invoices. Set this profile option to Yes to enable batching by lines.

If you are processing by lines, note that all lines on a single invoice must be processed by the same worker to ensure proper taxation of the whole invoice, so the distribution across several workers may not be equal.

Eligible Invoices or Lines	Max inv/Lines per Worker	Number of Tax Threads Submitted	Open Concurrent Spots	Running	Initially Pending
5000	500	10	3	3	7
5000	2000	3	3	3	0
5000	1000	5	1	1	4



Do not set the **Max Inv/Lines per Worker** parameter to a very low number when you have a large quantity of invoices to process. Doing so may overload your concurrent manager. For example, given a volume of 5000 invoices ready to process, setting this parameter to 5 would cause 1000 separate submissions of the AP Tax Thread. To help manage this, you may set the profile option **Maximum Number of Workers** to reduce the impact of an inadvertent submission.

## CONFIGURING TAX PROCESS LOGGING AND XML SETTINGS

The ONESOURCE Indirect Tax Integration provides flexible logging capabilities that are controlled by the following settings:

- The **Debug Level** parameter in the **Sabrix Tax Process** and **Sabrix AP Tax Thread** concurrent jobs.
  - The Debug Level parameter on the **Sabrix Tax Process** concurrent process overrides the SABRIX\_CONNECTION\_OPTIONS table setting.
  - If the **Sabrix Tax Process Debug Level** parameter is null, then the SABRIX\_CONNECTION\_OPTIONS table **debug\_level** setting will be used.
- The values set for **debug\_level** and **log\_file** are in the SABRIX\_CONNECTION\_OPTIONS table. These values were entered during the Integration installation.
- The **eBTax: Sabrix Debug Level** profile option controls what data is in the SABRIX\_LOG table. This profile option does not affect the AP **Sabrix Tax Process**.



The value set for **log\_file** must be a fully qualified file name (for example, `c:\temp\sabrix\conn\log.log`).

Sources of Integration logging and message information are:

- The concurrent log of the **Sabrix AP Tax Thread**.
- The concurrent output of the **Sabrix AP Tax Thread**.
- The SABRIX\_MESSAGE table.
- The SABRIX\_LOG table.

## CANCELLING INVOICES

Invoices cancelled in Oracle must be updated in the audit to reflect the cancellation. Invoices previously processed by the Integration will be reversed in the audit. The invoice tax status flag on the invoice distribution line will be updated with C (Cancelled). The invoice status flag will also be updated to reflect the cancellation on invoices that have not been previously processed by the Integration (invoice tax status flag of *R* or *E*). These invoices will not be reversed in audit, since they do not exist in audit.

To cancel invoices and process invoices with the Integration:

1. Cancel the invoice(s) using the Oracle cancel invoice standard functionality.
2. Run the **Sabrix Tax Process** to process or reprocess the invoice(s).
  - The invoice tax status flag is updated from *T* (Taxed), *R* (Ready), or *E* (Error) to *C* (Cancelled).
  - Any future **Sabrix Tax Processes** will not re-process any invoices with a **Sabrix Tax Status** of *C*.



For invoices cancelled prior to installing the Integration, the tax status flag is updated when the AP **Sabrix Tax Process** is run for the first time.

The following screen shows the **Sabrix Tax Status** flag after the invoice has been cancelled and before re-running the **Sabrix Tax Process**. Note that all distribution lines are reversed by Oracle and the **Sabrix Tax Status** flag is set to *T*.

The screenshot shows the AP Distributions (Payables) window with the following details:

- Line Number:** 1
- Line Description:** Cancel Invoice
- Invoice Total:** 0.00
- Distribution Total:** 0.00
- AP Distributions Data Entry Table:**

Num	Type	Amount	GL Date	Account	Description
1	Item	300.00	28-FEB-2012	01-000-2225-0000-000	T.. Tax Rate: 91.5000% Tax Amount: 281.50 Tax Accrued: 131.5 Cancel Invoice
1	Miscellaneous	<13.50>	28-FEB-2012	01-000-2520-0000-000	T... Sabrix Tax Accrual
1	Miscellaneous	13.50	28-FEB-2012	01-410-7710-0000-000	T.../1 Sabrix Tax Expense
1	Nonrecoverable	0.00	28-FEB-2012	01-410-7710-0000-000	T... Cancel Invoice
1	Nonrecoverable	9.00	28-FEB-2012	01-410-7710-0000-000	T... Cancel Invoice
1	Nonrecoverable	15.00	28-FEB-2012	01-440-7720-0000-000	T... Cancel Invoice
1	Nonrecoverable	19.50	28-FEB-2012	01-410-7710-0000-000	T... Cancel Invoice
2	Item	<300.00>	28-FEB-2012	01-000-2225-0000-000	T.. Tax Rate: 91.5000% Tax Amount: 281.50 Tax Accrued: 131.5 Cancel Invoice
2	Miscellaneous	<13.50>	28-FEB-2012	01-410-7710-0000-000	T.../1 Sabrix Tax Expense
2	Miscellaneous	13.50	28-FEB-2012	01-000-2520-0000-000	T... Sabrix Tax Accrual
2	Nonrecoverable	<19.50>	28-FEB-2012	01-410-7710-0000-000	T... Cancel Invoice
2	Nonrecoverable	<15.00>	28-FEB-2012	01-440-7720-0000-000	T... Cancel Invoice
2	Nonrecoverable	<9.00>	28-FEB-2012	01-410-7710-0000-000	T... Cancel Invoice
2	Nonrecoverable	0.00	28-FEB-2012	01-410-7710-0000-000	T... Cancel Invoice
- Status:** Validated
- Distribution Class:** Saved
- Accounted:** Unprocessed
- Associated Charges:** 0.00
- Account Description:** Operations-No Department-Accrued Expenses-No Sub Account-No Product
- Buttons:** Reverse, Tax Distributions, View PO, View Receipt

After the **Sabrix Tax Process** is run again, the **Tax Status** flag is set for all lines to C to indicate the invoice has been cancelled. Cancelled invoices will not be reprocessed by the Integration.

AP Distributions (Payables Mgr, SBX US) - SBX US (OU, 411, SABRIX - US)

Line Number	1	Invoice Total	0.00				
Line Description	Cancel Invoice	Distribution Total	0.00				
AP Distributions Data Entry							
Num	Type	Amount	GL Date	Account	[ ]	Description	Asset Bo
1	Item	300.00	28-FEB-2012	01-000-2225-0000-000	C...	Cancel Invoice	
1	Miscellaneous	<13.50>	28-FEB-2012	01-000-2520-0000-000	C...	Sabrix Tax Accrual	
1	Miscellaneous	13.50	28-FEB-2012	01-410-7710-0000-000	C...1/1	Sabrix Tax Expense	
1	Nonrecoverable	0.00	28-FEB-2012	01-410-7710-0000-000	C...	Cancel Invoice	
1	Nonrecoverable	9.00	28-FEB-2012	01-410-7710-0000-000	C...	Cancel Invoice	
1	Nonrecoverable	15.00	28-FEB-2012	01-440-7720-0000-000	C...	Cancel Invoice	
1	Nonrecoverable	19.50	28-FEB-2012	01-410-7710-0000-000	C...	Cancel Invoice	
2	Item	<300.00>	28-FEB-2012	01-000-2225-0000-000	C...	Cancel Invoice	
2	Miscellaneous	<13.50>	28-FEB-2012	01-410-7710-0000-000	C...1/1	Sabrix Tax Expense	
2	Miscellaneous	13.50	28-FEB-2012	01-000-2520-0000-000	C...	Sabrix Tax Accrual	
2	Nonrecoverable	<19.50>	28-FEB-2012	01-410-7710-0000-000	C...	Cancel Invoice	
2	Nonrecoverable	<15.00>	28-FEB-2012	01-440-7720-0000-000	C...	Cancel Invoice	
2	Nonrecoverable	<9.00>	28-FEB-2012	01-410-7710-0000-000	C...	Cancel Invoice	
2	Nonrecoverable	0.00	28-FEB-2012	01-410-7710-0000-000	C...	Cancel Invoice	

Status: Validated      Distribution Class: Saved  
 Accounted: Unprocessed      Associated Charges: 0.00  
 Account Description: Operations-No Department-Accrued Expenses-No Sub Account-No Product

Buttons: Reverse 1, Tax Distributions, View EO, View Receipt



After you cancel an invoice and subsequently run the **Sabrix Tax Process**, related audit records are reversed.



The concurrent program **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to ONE SOURCE Indirect Tax Integration for Oracle 12 Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.

## DEBIT MEMOS

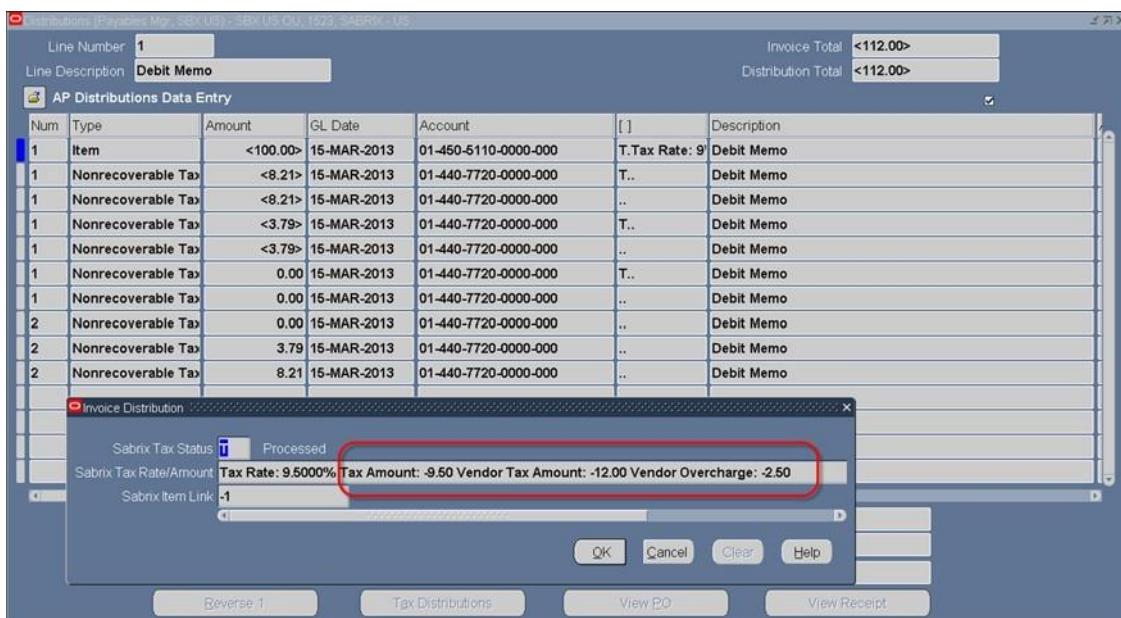
Determination processes debit memos created in Oracle Payables in much the same way as standard invoices, as described in previous sections of this chapter.

Accrual and expense records are returned to the invoice distribution lines if there is a variance in the tax that should be returned to the vendor. Determination also has the ability to shortpay debit memos, if your business rules call for this functionality.



In order to process a debit memo, you must ensure that at least one distribution Item line has an *R* status.

The following example shows the debit memo results where the vendor tax is greater than what Determination calculated. The **eBTax: Sabrix Overcharge Shortpay Action** profile option is set to *OFF*. For more information, see **PROFILE OPTIONS FOR SHORTPAY AND/OR ACCRUE (page 29)**.



The \$12.00 tax was entered into the invoice header Tax Control Amount field, Oracle prorates the tax to each authority based on the tax percentages returned from Determination. After the *Sabrix Tax Process* is run, the descriptive flexfield attribute for Sabrix Tax Rate/Amount is updated with the *Tax Rate*, *Tax Amount*, *Vendor Tax Amount* and the *Vendor Overcharge* amount. Oracle then reverses the original vendor charge tax amount and re-calculates the vendor charged tax amount.



The concurrent program **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to ONESOURCE Indirect Tax Integration for Oracle 12 Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.

## REVERSING

If you need to reverse a line or re-tax an invoice after the **Sabrix Tax Process** has set the **Invoice Tax Status** to *T* and updated the invoice distribution appropriately, you would:

- Make the necessary change (dollar amount, **Ship To**, etc.)
- Reset the **Invoice Tax Status** field in the descriptive flexfield on at least one of the lines that needs to be re-taxed to *R*.
- Re-validate the invoice.
- Re-run the Sabrix Tax Process.

The **Sabrix Tax Process** will reverse the Integration-generated distribution lines, recalculate tax, update the invoice **Tax Status** to *T*, and create new distribution lines.

The screenshot shows the 'AP Distributions Data Entry' window. At the top, there are fields for 'Line Number' (1), 'Line Description' (empty), and 'Invoice Total' (105.00). The 'Distribution Total' is also 105.00. The main area is a grid of distribution lines:

Num	Type	Amount	GL Date	Account	Description
1	Item	100.00	28-MAR-2013	01-580-7740-0000-000	T.Tax Rate: 9'
2	Item	<100.00>	28-MAR-2013	01-580-7740-0000-000	T.Tax Rate: 9'
3	Item	100.00	28-MAR-2013	01-410-5110-0000-000	T.Tax Rate: 9'
1	Miscellaneous	4.50	28-MAR-2013	01-440-7720-0000-000	T..1/1 Sabrix Tax Expense
2	Miscellaneous	<4.50>	28-MAR-2013	01-440-7720-0000-000	T..1/1 Sabrix Reversal : Sabrix Tax Expense
1	Miscellaneous	<4.50>	28-MAR-2013	01-000-2510-0000-000	T.. Sabrix Tax Accrual
2	Miscellaneous	4.50	28-MAR-2013	01-000-2510-0000-000	T.. Sabrix Reversal : Sabrix Tax Accrual
1	Miscellaneous	4.50	28-MAR-2013	01-440-7720-0000-000	T..1/3 Sabrix Tax Expense
1	Miscellaneous	<4.50>	28-MAR-2013	01-000-2510-0000-000	T.. Sabrix Tax Accrual
1	Nonrecoverable Tax	3.42	28-MAR-2013	01-440-7720-0000-000	.. SBX_REGIME_US - USWA_P2P_439
2	Nonrecoverable Tax	<3.42>	28-MAR-2013	01-440-7720-0000-000	.. SBX_REGIME_US - USWA_P2P_439
3	Nonrecoverable Tax	3.42	28-MAR-2013	01-440-7720-0000-000	.. SBX_REGIME_US - USWA_P2P_439
1	Nonrecoverable Tax	1.58	28-MAR-2013	01-440-7720-0000-000	.. SBX_REGIME_US - USWA_P2P_440
2	Nonrecoverable Tax	<1.58>	28-MAR-2013	01-440-7720-0000-000	.. SBX_REGIME_US - USWA_P2P_440
3	Nonrecoverable Tax	1.58	28-MAR-2013	01-440-7720-0000-000	.. SBX_REGIME_US - USWA_P2P_440

At the bottom, there are buttons for 'Reverse', 'Tax Distributions', 'View PO', and 'View Receipt'. The status is 'Validated' and 'Saved'.



The concurrent program **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to ONESOURCE Indirect Tax Integration for Oracle 12 Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.

## WORKING WITH FIXED ASSETS

Although the Integration does not integrate directly with Oracle Assets, it can send tax distribution lines to Oracle Assets.

Integration-created expense distribution lines are automatically associated with fixed assets when the following fields are populated for the item line:

- **Track as Asset**
- **Asset Book**
- **Distribution Account equal to the Asset Clearing Account**

### INTEGRATION TAX EXPENSE ALLOCATION

In Oracle R12, Miscellaneous invoice lines allocated to an Item line with Fixed Asset information are eligible for transferring to Oracle Assets. During the Oracle approval process, the Sabrix Tax Expense line is fully allocated to the Item line and the distribution lines are created. This can be executed during the Sabrix Tax Process based on the profile option **eBTax: Sabrix AP Approve Invoices**.

If the profile option **eBTax: Sabrix AP Approve Invoices**, is set to *No*, the **Sabrix Tax Process** will not execute the Oracle approval process. You must run the Oracle approval process separately as your business process dictates. The result is as follows:

- The Integration tax lines are created:
  - The distribution line for the Sabrix Tax Accrual line is created with a **Distribution Class** of *Saved*.
  - The distribution line for the Sabrix Tax Expense line is created with a **Distribution Class** of *Preview*.
- The **Invoice Status** is *Needs Revalidation*.
- The **Allocation Status** is *Pending*.
- Revalidate the invoice.
  - The **Allocation Status** is *Executed*,
  - The Sabrix Tax Expense distribution line is saved with a **Distribution Class** of *Saved*.

If the profile option **eBTax: Sabrix AP Approve Invoices**, is set to *Yes*, the **Sabrix Tax Process** will execute the Oracle approval process. The result is as follows:

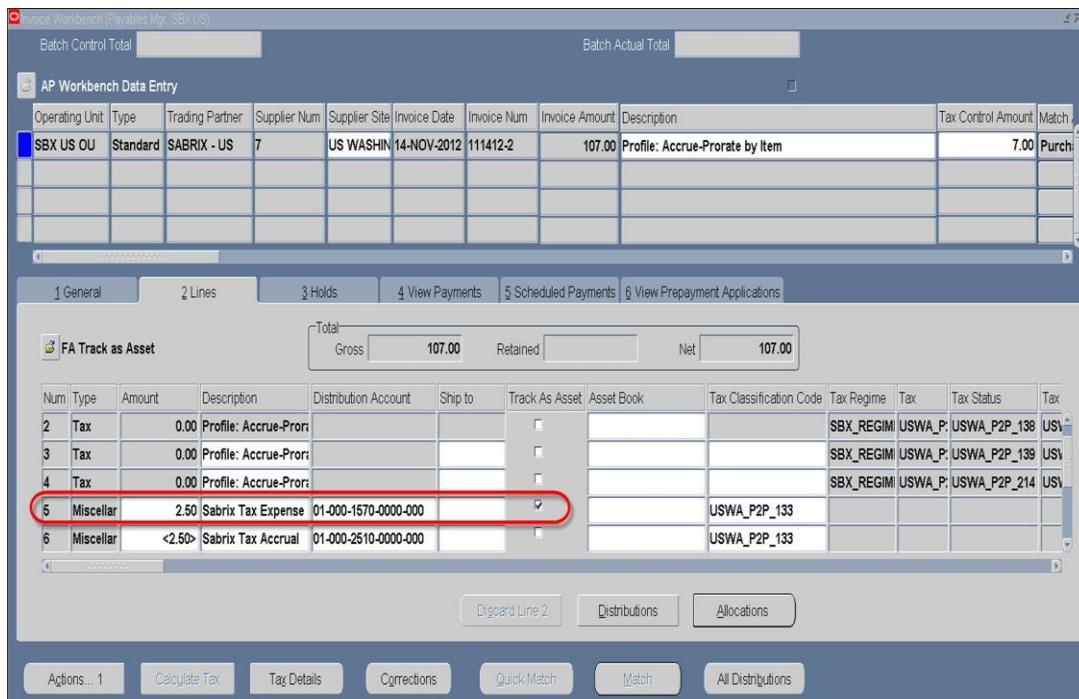
- The Integration tax lines are created.
  - The distribution lines for the Sabrix Tax Accrual and the Sabrix Tax Expense are created with a **Distribution Class** of *Saved*.
  - The **Invoice Status** is *Validated* and the **Allocation Status** is still *Executed*.

## FIXED ASSETS EXAMPLE

The following example outlines the steps to generate fixed asset information on the Integration generated distribution lines.

1. Navigate to the **Accounts Payable Invoice Entry** form.
2. Enter the required invoice information shown on this screen according to your company's standard business processes. The **Track as Asset** flag for the **AP Invoice Line** and **Distribution Lines** will be checked for the item line when the line distribution is the **Asset Clearing Account**.
3. Enter the **Asset Book**.
4. Enter the **Sabrix Tax Status** descriptive flexfield segment.
5. Validate the Invoice.
6. Run the **Sabrix Tax Process**.

The following is an example of an invoice after the **Sabrix Tax Process** has run. The **AP Lines** form shows the Sabrix Tax Expense line referencing the Asset Clearing account and the Track As Asset flag is checked:



The screenshot shows the Oracle AP Workbench Data Entry screen. At the top, there is a table for 'AP Workbench Data Entry' with columns for Operating Unit, Type, Trading Partner, Supplier Num, Supplier Site, Invoice Date, Invoice Num, Invoice Amount, Description, Tax Control Amount, and Match. The data entry row shows 'SBX US OU' as the Operating Unit, 'Standard' as the Type, 'SABRIX - US' as the Trading Partner, '7' as the Supplier Num, 'US WASHIN' as the Supplier Site, '14-NOV-2012' as the Invoice Date, '111412-2' as the Invoice Num, '107.00' as the Invoice Amount, 'Profile: Accrue-Prorate by Item' as the Description, '7.00' as the Tax Control Amount, and 'Purch' as the Match.

Below this is a 'FA Track as Asset' table with columns for Num, Type, Amount, Description, Distribution Account, Ship to, Track As Asset, Asset Book, Tax Classification Code, Tax Regime, Tax, Tax Status, and Tax. The table contains six rows:

Num	Type	Amount	Description	Distribution Account	Ship to	Track As Asset	Asset Book	Tax Classification Code	Tax Regime	Tax	Tax Status	Tax
2	Tax	0.00	Profile: Accrue-Pror			<input checked="" type="checkbox"/>		SBX_REGIM	USWA_P	USWA_P2P_138	US	
3	Tax	0.00	Profile: Accrue-Pror			<input checked="" type="checkbox"/>		SBX_REGIM	USWA_P	USWA_P2P_139	US	
4	Tax	0.00	Profile: Accrue-Pror			<input checked="" type="checkbox"/>		SBX_REGIM	USWA_P	USWA_P2P_214	US	
5	Miscellar	2.50	Sabrix Tax Expense	01-000-1570-0000-000		<input checked="" type="checkbox"/>		USWA_P2P_133				
6	Miscellar	<2.50>	Sabrix Tax Accrual	01-000-2510-0000-000		<input checked="" type="checkbox"/>		USWA_P2P_133				

At the bottom of the screen, there are buttons for 'Discard Line 2', 'Distributions', 'Allocations', 'Actions... 1', 'Calculate Tax', 'Tax Details', 'Corrections', 'Quick Match', 'Match', and 'All Distributions'.

The following shows the **AP All Distributions** form, including the asset fields.

The screenshot shows the **AP All Distributions** form. At the top, there are fields for **Line Number** (1), **Line Description** (Profile: Accrue-Prorate by Iter), **Invoice Total** (107.00), and **Distribution Total** (107.00). Below this is a table titled **AP Distributions - Fixed Assets** with columns: Num, Type, Amount, GL Date, Account, Description, Asset Book, and Track as Asset. Several rows are highlighted with red boxes: a row for an **Item** distribution (Amount 100.00, GL Date 14-NOV-2012, Account 01-000-1570-0000-000, Description T.. Profile: Accrue-Prorate by Item, Asset Book OPERATIONS, Track as Asset checked); a row for a **Miscellaneous** distribution (Amount <2.50>, GL Date 14-NOV-2012, Account 01-000-2510-0000-000, Description T.. Sabrix Tax Accrual, Asset Book OPERATIONS, Track as Asset checked); and a row for another **Miscellaneous** distribution (Amount 2.50, GL Date 14-NOV-2012, Account 01-000-1570-0000-000, Description T.. Sabrix Tax Expense, Asset Book OPERATIONS, Track as Asset checked). Below the table is a **Invoice Distribution** dialog box. It shows **Sabrix Tax Status** as **Processed**. In the **Sabrix Tax Rate/Amount** field, the text **Tax Rate: 9.5000% Tax Amount: 9.50 Tax Accrued: 2.50** is displayed, with **Tax Accrued: 2.50** circled in red. The dialog also includes fields for **Sabrix Item Link** and buttons for **OK**, **Cancel**, **Clear**, and **Help**.



The concurrent program **Sabrix Tax Process** is only applicable to U.S. Sales and Use Tax. This is due to ONESOURCE Indirect Tax Integration for Oracle 12 Version 5.6.0.0 enhancing the P2P functionality for real time (online) tax calculations for recoverable tax details.

# ENABLING ONESOURCE INDIRECT TAX DETERMINATION FEATURES

In this chapter, you will learn how to enable some optional Determination features:

- **HANDLING DIRECT PAY PERMITS**
- **SETTING UP CUSTOM AUTHORITIES (page 124)**
- **INPUT VAT RECOVERABILITY (page 125)**

## HANDLING DIRECT PAY PERMITS

Companies often negotiate with state authorities to self assess and pay transaction taxes themselves rather than allow a vendor to calculate, collect and remit the tax to a state. A direct pay permit is issued to a legal entity that enables the company to control the calculation and cash flow associated with remitting the tax payments. These agreements with the states are known as Direct Pay Permits (DPP). Many ONESOURCE Indirect Tax customers have Direct Pay Permits that require special handling of transactions that fall under the jurisdiction of the permit.

You should treat a vendor invoice with vendor-determined tax that falls under the jurisdiction of a DPP differently from other invoices. Reverse the vendor tax, reduce the invoice amount, and make a corresponding accrual, assessing the tax for the company.

When the Integration Procure to Pay processes a transaction:

- The vendor is set to the Oracle vendor and
- The customer is set to your External Company ID.

Determination evaluates if a certificate is applicable, and if so, applies it. The data returned to the Integration has the DDP Exempt Certificate number in the **EXEMPTION\_CERTIFICATE** field and the 'Direct Pay Permit' in the **EXEMPT\_REASON** field for each applicable authority. This value indicates that Direct Payment adjustments to the invoice are needed, as described above.

Transactions with multiple **Ship-To** addresses or multiple vendor tax amounts on the invoice have vendor tax distributions reversed and self-assessed, including those intended jurisdictions for which the Direct Pay Permit does not apply.

The Integration then passes a second transaction to Determination to record this information to the audit file.

To set up the Direct Pay Permit in Determination for a specific company:

1. Log on to Determination.
2. Navigate to **Menu > System > Companies** and click your company name, and then click the **Company Preferences** tab.
3. If **Uses Exemption Certificates** is not checked, select it and click **Submit**.
4. Navigate to **Menu > Company Data > Exemptions and Licenses** and click the **Exempt Reasons** tab.
5. On the **Actions** menu, select **Add**.
6. Enter a new exempt reason using the following information and then click **Submit**:

Prompt	Value
Long Code	Direct Pay Permit
Short Code	DP
Description	Direct Pay Permit

7. Click the **Search** tab.
8. From the **Actions** menu, select **Add Customer**.
9. Create a customer with the same name as your Determination company name. For example, if your company name is ABC COMPANY, create a customer with the name *ABC COMPANY* and click **Submit**.

If you use precalc user exits to populate the EXTERNAL\_COMPANY\_ID, you must populate the CUSTOMER\_NUMBER with the same value.

10. From the **Actions** menu, select **Add Certificate**.
11. Create a certificate using the table below as a guide (Do not check the **Fully Exempt** box. If checked, you will not get an accrual for the tax results):

Prompt	Value
Number	Permit Number
Valid From	(Today's Date)
Active	(Checked)
Status	Approved
Exempt Reason	Direct Pay Permit
Applies To	Choose the appropriate state (for example, Washington)

12. Click **Submit** after you have entered the data (see the example below).

Do not check the **Fully Exempt** box. If checked, you will not get an accrual for the tax results.



**ONESOURCE™ INDIRECT TAX DETERMINATION**

Menu ▾ Help ▾ Ready.

Exemptions and Licenses      Sabrix System dba - Oracle Headquarters ▾ Logout

Selected Group: DEFAULT (Oracle Headquarters)      Selected Customer: Oracle 01 Balance\_Segment01      Selected Certificate: DPPTEXAS878      Submit      Actions ▾

**Edit Certificate:**  
Certificate Information

Number: DPPTEXAS878	Valid From: 02/01/2011
Status: Approved	Expires:
Exempt Reason: Direct Pay Permit	Applies To: TEXAS
Active: <input checked="" type="checkbox"/>	<input type="checkbox"/> Fully Exempt: <input checked="" type="checkbox"/>
Tax Data Type: United States Tax Data	<input type="checkbox"/> Prohibit Changes from ECM: <input checked="" type="checkbox"/>
Certificate Image Path/URL: <input type="button" value="Display"/>	

**Customer**      **Seller**

Tax ID: <input type="text"/>	Name: <input type="text"/>
License Number: <input type="text"/>	Number: <input type="text"/>
Business Type: <input type="text"/>	DBA: <input type="text"/>
Comments: <input type="text"/>	Tax ID: <input type="text"/>
License Number: <input type="text"/>	

**Exemption Details**      **Product Criteria**

Exempt Amount: <input type="text"/>	Product: <input type="text"/>
Currency: - None -	
Basis %: <input type="text"/>	

Once you have created this Direct Pay Permit in Determination, you can use the Direct Pay Permit feature for an AP transaction.

When you enter an AP transaction with a Direct Pay Permit, you will see a reversal line generated by the Integration. The reversing line description has the following: *Sabrix generated total shortpay entry due to Direct Pay Permit.*

In the example below, the gross amount for the invoice is adjusted to reflect the reversal of a vendor-determined tax of \$82.50.

AP Distributions (F:\My Files\Myr\Job\US\100\09-09\1237\1400\US)

Line Number 1      Invoice Total 1,000.00  
Line Description DPP for Texas      Distribution Total 1,000.00

**AP Distributions Data Entry**

Num	Type	Amount	GL Date	Account	Description
1	Item	1,000.00	28-FEB-2012	01-000-2225-0000-000	T..Tax Rate: 8.2500% Tax DPP for Texas
1	Miscellaneous	<82.50>	28-FEB-2012	01-440-7720-0000-000	T... Sabrix generated short pay entry due to Direct Pay Permit.
1	Miscellaneous	<82.50>	28-FEB-2012	01-000-2520-0000-000	T... Sabrix Tax Accrual
1	Miscellaneous	82.50	28-FEB-2012	01-410-7710-0000-000	T...1/1 Sabrix Tax Expense
1	Nonrecoverable	0.00	28-FEB-2012	01-410-7710-0000-000	T... DPP for Texas
1	Nonrecoverable	0.00	28-FEB-2012	01-410-7710-0000-000	T... DPP for Texas
1	Nonrecoverable	0.00	28-FEB-2012	01-410-7710-0000-000	T... DPP for Texas
1	Nonrecoverable	82.50	28-FEB-2012	01-440-7720-0000-000	T... DPP for Texas
2	Nonrecoverable	0.00	28-FEB-2012	01-410-7710-0000-000	T... DPP for Texas
2	Nonrecoverable	0.00	28-FEB-2012	01-410-7710-0000-000	T... DPP for Texas
2	Nonrecoverable	0.00	28-FEB-2012	01-410-7710-0000-000	T... DPP for Texas

**Invoice Distribution**

Sabrix Tax Status: <input checked="" type="checkbox"/> Processed
Sabrix Ship To Address: <input type="text"/>
Sabrix Tax Rate/Amount: Tax Rate: 8.2500% Tax Amount: 82.50 Tax Accrued: 82.50
Sabrix Item Link: <input type="text"/>

Status: Validated      Accounted: Unprocessed      Account Description: Operations-No Department-Accrued Ex

Reverse 1      Tax Distributions      OK      Cancel      Clear      Help

## SETTING UP CUSTOM AUTHORITIES

This section describes how to set up custom authorities in Determination and in Oracle E-Business Tax.

### DETERMINATION

If your AP invoice triggers a tax calculation for a Custom Authority set up in Determination, the Integration returns a separate line for the Custom Authority only if it uses a separate tax code from the other tax results on your transaction.

In Determination, the configuration for the new tax code is indicated in the **ERP Tax Code** field for the selected authority's rule that is triggered by the invoice, as shown below:

The screenshot shows the 'Basic Info (Rates and Rules)' screen for a selected authority. The authority is 'WA - STATE SALES/USE TAX'. The 'ERP Tax Code' field is highlighted with a red circle and contains the value 'USWA'. Other fields visible include 'Authority Name' (WA - STATE SALES/USE TAX), 'Description' (STATE SALES/USE TAX), 'Invoice Description' (N/A), 'Location Code' (N/A), 'Official Name' (WASHINGTON), 'Authority Category' (N/A), 'Product Group' (US), 'Authority FIPS' (N/A), 'Registration Mask' (N/A), 'Simple Registration Mask' (N/A), 'Tax Administration Level' (State), 'Effective Tax Level' (State), 'Distance Sales Threshold' (N/A), 'Authority Type' (State Sales/Use (Sabnx US Tax Data)), 'Authority Unit Of Measure' (None), 'Template' (checkbox), and 'Custom' (checkbox).

 See *ONESOURCE Indirect Tax Determination Online Help* for further details about setting up custom authorities.

### ORACLE E-BUSINESS TAX

You must set up additional tax rate codes for any custom authorities or special fees such as a **TIREFEE** in Oracle E-Business Tax under the **SBX\_Regime\_XX** (ISO Country Code) hierarchy.

See **CREATING ADDITIONAL TAX RATE CODES FOR PAYABLES (page 130)** for additional information.

## INPUT VAT RECOVERABILITY

ONESOURCE Determination has two options for input VAT recoverability tax results, depending on how you want to display and account for in Oracle AP.

Options for Input VAT Recoverability are:

- Partially Recoverable tax result can be returned as a single result using the recoverable flag and percent recoverable specified on the AP Distribution in Oracle. This is the recommended setting for using the Online tax call for VAT transactions. A single tax line will be created and the distributions will apportion the Recoverable amount and the Nonrecoverable amount. For example 30% recoverable and 70% nonrecoverable.
- Partially Recoverable tax result can be returned as two separate results: the recoverable portion and the non-recoverable tax expense. This will create two separate tax lines. One line will be 100% recoverable and the other line will be 100% nonrecoverable.

To configure VAT recoverability:

1. Log on to Determination.
2. Navigate to **System > Companies** and then click the **Options** tab.

Option	Value
EU Place of Supply Tax Handling	BOTH
Exclude IM, RC, and AC Tax Types When Creating Expense Tax Blocks	N
<b>Post VAT Non-recoverable amount</b>	<b>N</b>
Use Post Version 5.1.1 Tax Types	Y



Do NOT set the Determination Company Option Exclude 0% Non-Recoverable Tax Block, Value as "Y". Recommend to leave as Null or "N"



- Fully Recoverable has Input Recovery % equal to "1".
- Partially Recoverable has Input Recovery % less than but not equal to "1", e.g. 60% would be displayed as ".6" in the XML.

## INPUT VAT RECOVERABILITY

## Example Partial Recoverable Invoice with Post VAT Nonrecoverable set to N

AP Workbench Data Entry

Trading Partner	Supplier Num	Supplier Site Name	Invoice Date	Invoice Num	Invoice Amount	Tax Control Amount	Tax Amount	Description
Queens Tea	20	SBX LONDON	10-AUG-2015	KSBPartRecov	1,200.00		200.00	Partial Recoverable Example

Notice Tax Control Amount is NOT entered.

1 General    2 Lines    3 Holds    4 View Payments    5 Scheduled Payments    6 View Prepayment Applications

AP Recoverability Data Entry

Total		Gross	1,200.00	Retained		Net	1,200.00		
Num	Type	Amount	Description	Distribution Account	Ship to	Track As Asset	Tax Rate Name	Recoverable Tax	Nonrecoverable Tax
1	Item	1,000.00	Partial Recoverable E	03-440-7670-000-000	SBX London HQ	<input type="checkbox"/>			
2	Tax	200.00	Partial Recoverable E			<input type="checkbox"/>	GBVAT_P2P_I_21	60.00	140.00

Single Line for Total Tax Amount

You can see the tax is partially recoverable here.

Discard Line    Distributions    Allocations

Distributions (Payables Migr SBX UK) - SBX UK OU, KSBPartRecov, Queens Tea

Line Number	2	Invoice Total	1,200.00					
Line Description	Partial Recoverable Example	Distribution Total	1,200.00					
AP Recoverability Data Entry		<input checked="" type="checkbox"/>						
Num	Type	Amount	GL Date	Account	Description	Recoverable	Recovery Rate	Recovery Rate Name
1	Item	1,000.00	10-AUG-2015	03-440-7670-000-000	Partial Recoverable Examp	<input type="checkbox"/>		
1	Recoverable Tax	60.00	10-AUG-2015	03-000-1320-000-000	Partial Recoverable Examp	<input checked="" type="checkbox"/>	30	GBVAT_P2P_I_21_REC_RATE
2	Nonrecoverable Tax	140.00	10-AUG-2015	03-440-7670-000-000	Partial Recoverable Examp	<input type="checkbox"/>	70	

Tax Distributions

Recovery Rate Percentage showing 30% recoverable

Status: Validated    Distribution Class: Saved  
 Accounted: Unprocessed    Associated Charges:   
 Account Description: United Kingdom-Default-Standard VAT \- Input-No Product-Default

Reverse 1    Tax Distributions    View PO    View Receipt

## Example Partial Recoverable Invoice with Post VAT Nonrecoverable set to Y

Invoice Workbench (Payables Mgt, SEU UK) - Kats STP process test

Batch Control Total	Batch Actual Total	12387.5							
<input checked="" type="checkbox"/> AP Workbench Data Entry									
Trading Partner	Supplier Num	Supplier Site Name	Invoice Date	Invoice Num	Invoice Amount	Tax Control Amount	Tax Amount	Description	
Queens Tea	20	SBX LONDON	10-AUG-2015	KSBPartRecoY	1,200.00		200.00	Partial Recoverable Example Invoice w	
<input type="button" value="1 General"/> <input type="button" value="2 Lines"/> <input type="button" value="3 Holds"/> <input type="button" value="4 View Payments"/> <input type="button" value="5 Scheduled Payments"/> <input type="button" value="6 View Prepayment Applications"/>									
<input checked="" type="checkbox"/> AP Recoverability Data Entry				Total Gross <input type="text" value="1,200.00"/> Retained <input type="text"/> Net <input type="text" value="1,200.00"/>					
Num	Type	Amount	Description	Distribution Account	Ship to	Track As Asset	Tax Rate Name	Recoverable Tax	Nonrecoverable Tax
1	Item	1,000.00	Partial Recoverable E>	03-720-7410-000-000	SBX London HQ	<input type="checkbox"/>	GBVAT_P2P_L_21	60.00	0.00
2	Tax	60.00	Partial Recoverable E>			<input type="checkbox"/>	GBVAT_P2P_L_101	0.00	140.00
3	Tax	140.00	Partial Recoverable E>			<input type="checkbox"/>			
<input type="button" value="Two input tax lines are created"/>				<input type="button" value="Separate tax rate codes for the recoverable portion and the nonrecoverable portion"/>					
<input type="button" value="Discard Line 1"/> <input type="button" value="Distributions"/> <input type="button" value="Allocations"/>									
<input type="button" value="Actions... 1"/>		<input type="button" value="Calculate Tax"/>		<input type="button" value="Tax Details"/>		<input type="button" value="Corrections"/>		<input type="button" value="Quick Match"/>	
<input type="button" value="Match"/>		<input type="button" value="All Distributions"/>							

Distribution PAYABLES Mgt. (B2B UK) : 36X UK GL : KBDPnRfRcom : Queens Tax

Line Number	1	Invoice Total	1,200.00					
Line Description	Partial Recoverable Example Inv	Distribution Total	1,200.00					
AP Recoverability Data Entry								
Num	Type	Amount	GL Date	Account	Description	Recoverable	Recovery Rate	Recovery Rate Name
1	Item	1,000.00	10-AUG-2015	03-720-7410-000-000	Partial Recoverable Example Inv	<input type="checkbox"/>		
1	Recoverable Tax	60.00	10-AUG-2015	03-000-1320-000-000	Partial Recoverable Example Inv	<input checked="" type="checkbox"/>	100	GBVAT_P2P_I_21_REC_RATE
2	Nonrecoverable Tax	0.00	10-AUG-2015	03-720-7410-000-000	Partial Recoverable Example Inv	<input type="checkbox"/>	0	
1	Recoverable Tax	0.00	10-AUG-2015	03-000-1320-000-000	Partial Recoverable Example Inv	<input checked="" type="checkbox"/>	0	GBVAT_P2P_I_101_REC_RATE
2	Nonrecoverable Tax	140.00	10-AUG-2015	03-720-7410-000-000	Partial Recoverable Example Inv	<input type="checkbox"/>	100	

Two sets of distributions. One set for each tax line

NonRecoverable Distribution is set to follow

Recoverable Distribution is set to the Input VAT

Rates are always 100% or 0% because they are split between 2 tax codes already.

## SETTING LOCATION TAX CATEGORIES

Determination allows you to identify when you have a bonded warehouse or other location type that requires special tax handling. Because there are many options in the E-Business Suite to identify these locations, you must enable this capability using a precalc user exit. See the *ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide* for more information about precalc user exits.

For example, if an Inventory organization is a bonded warehouse, you can identify it by its name or an attribute. Whenever the warehouse is used, the precalc sets the value for ST\_IS\_BONDED to Yes (ST stands for Ship To). If it is a different type of location, such as a refinery, set the ST\_LOCATION\_TAX\_CATEGORY to Refinery.



The Location Tax Category, such as rule qualifiers, requires additional set up in Determination to ensure that you use the correct taxation rules. For more information, see *ONESOURCE Indirect Tax Determination Online Help*.

# TAX RATE CODES AND GENERALTAX ACCOUNT

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 outlines creating tax flows for the initial implementation, upgrading from a prior version, as well as creating additional information after the initial implementation. For example, you may add a custom authority in Determination and want it to have a unique tax rate code and associated accounting.

If you are upgrading from a release prior to 5.6.0.0 and have VAT Tax Rate Codes, you are required to run a concurrent process that updates your existing tax flows by creating and associating necessary recoverable rates. If this is a new installation or you are creating new tax flows, the recoverable rates will be created via that process.

The sections below describe the process to:

- **[RECOVERY TAX RATE CODES FOR TAX TO RATE FLOWS](#)**
- **[CREATING ADDITIONAL TAX RATE CODES FOR PAYABLES \(page 130\)](#)**
- **[SABRIX ADD ACCOUNT TO TAX RATE CODE \(page 132\)](#)**
- **[MANUALLY ADDING GENERAL LEDGER TAX ACCOUNTS FOR PAYABLES \(page 140\)](#)**
- **[UPDATING GENERAL LEDGER TAX ACCOUNTS FOR PAYABLES \(page 143\)](#)**

## RECOVERY TAX RATE CODES FOR TAX TO RATE FLOWS

Tax to Rate flows created prior to ONESOURCE Indirect Tax Integration for Oracle 12 5.6.0.0 do not have eBTax Recovery Rate Codes information populated. This data is necessary for VAT transactions from release 5.6.0.0 going forward. The concurrent process “Sabrix Setup Recovery Rates” can be run once in your installation and will automatically add the required details to your existing VAT or GST tax codes. Any new tax codes do not need to have this process run. They will create the Recoverable Rate along with the rest of the Tax Flows.



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 **Requests > Other > Requests > Run** and select a single request.
3. In the name field, select the concurrent process *Sabrix Setup Recovery Rates*.
4. Click **Submit**. There are no parameters to fill in.



Once completed, you can review the accounting to be sure your configuration meets your business needs. If you need to make changes, run the **Sabrix Add Account to Tax Rate Code** concurrent process outlined below. It will update accounting on both your tax rate code and your recoverable rate code.

## CREATING ADDITIONAL TAX RATE CODES FOR PAYABLES

If a Default (DFLT) Tax Flow is defined, the Integration can automatically create Tax to Rate Flows for ERP Tax Codes returned from Determination that are not defined in Oracle. This allows the flows to be created and the transaction to be processed.

Alternatively, a new individual tax flow can be added to an existing Regime by running the concurrent process, *Sabrix Setup Tax*. This process will create the Tax Rate Code and associated Tax, Status, Recovery Rate (for AP tax codes in VAT Regimes) and Jurisdiction for the entered regime. The general ledger tax accounts are not created by the concurrent process. The tax accounts need to be added as an additional step.



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 **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
Tax Regime	Tax Regime Name. Choose from value set.
ERP Tax Code	Sabrix ERP Tax Code. Choose from value set
Tax Direction	Specifies input/output values for VAT recovery identification. Choose from value set.
Install O2C	Create an O2C Tax Flow? Yes or No
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.

See the following sections for more information:

- To add general ledger accounts for a new Tax Rate Code using the concurrent process, see **SABRIX ADD ACCOUNT TO TAX RATE CODE (page 132)**
- To manually enter general ledger accounts for a new Tax Rate Code, see **MANUALLY ADDING GENERAL LEDGER TAX ACCOUNTS FOR PAYABLES (page 140)**.
- To manually change the general ledger accounts for an existing Tax Rate Code, see **UPDATING GENERAL LEDGER TAX ACCOUNTS FOR PAYABLES (page 143)**

## SABRIX ADD ACCOUNT TO TAX RATE CODE

This program will update the general ledger tax accounts on the Tax Rate Code and, for VAT installations, the Recoverable Rate Codes. Although in most cases, the general ledger accounts can be manually entered via the **Tax Accounts** form in the **Tax Manager** responsibility we recommend that the **Sabrix Add Account to Tax Rate Code** program 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.

## 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 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 *Sabrix Add Account to Tax Rate Code*.
4. Enter the following parameters:

Prompt	Description
Tax Regime	Tax Regime Name. Choose from value set
Operating Unit	Operating Unit. Choose from value set.
ERP Tax Code	Sabrix ERP Tax Code. Choose from value set
Workflow	<i>Procure to Pay or Order to Cash</i> . Choose from value set.
Tax Direction	Specifies input/output values for VAT recovery identification. Choose from value set.

Prompt	Description
Recoverable/Liability Acct	<p>Enter a valid General Ledger account combination for the Operating Unit</p> <p>Required for O2C and P2P Tax Rate Codes. For VAT Regimes in a P2P implementation, this program will use this value to update the GL account on the Recoverable Rate.</p>
Tax Expense Acct	<p>Enter a valid General Ledger account combination for the Operating Unit</p> <p>Not Required for P2P or O2C Tax Rate Codes. If it is left null, then your tax expense will use the general ledger account associated with the item distribution on your invoice. For VAT Regimes in a P2P implementation, this Expense account may be left null for Input tax codes, but, for Output tax codes, must be set to the Output VAT GL account used above.</p>



For additional information about which GL accounts to be setup for the Tax Rate Codes and Tax Recovery Rates for Input and OutPut Tax Direction for P2P Recoverable/Liability Accounts, see the **ONESOURCE Indirect Tax Integration for Oracle 12 Installation and Configuration Guide Version 5.6.2.4** under the Gather Regime, Tax Code and Operating Unit Values section for the Regime to Rate Flow Parameters.

5. Click **Submit**.

6. Review the concurrent request log file to confirm successful completion.



For Canadian implementations, to easily identify recoverable vs. non-recoverable amounts in the general ledger, it is advised to enter separate Tax Recoverable/Liability accounts for recoverable (GST) and non-recoverable (PST) Tax Rate Codes.

SABRIX ADD ACCOUNT TO TAX RATE CODE

## VIEW TAX RATE CODE ACCOUNTING

You can verify your tax accounting is set up correctly by reviewing the configuration in EBusiness Tax, as follows.

1. Navigate to **Tax Configuration > Tax Rates**. Search for your newly created **Tax Rate Code** and click on **Tax Rate Code**.

**Tax Rates**

**Search**

Indicates required field

Regime Level	Country
* Country Name	United States
Tax Regime Code	USWA_P2P_16
Tax Rate Code	USWA_P2P_16
Tax	
Tax Jurisdiction Code	
Configuration Owner	

**What is a Tax Rate?**

A Tax Rate is the rate specified for a tax status. A tax status can have one or several tax rates. In addition, special tax rates may apply to a specific tax jurisdiction.

**TIP** Use the Copy and Override icon to create a new version of the tax rate with a different configuration owner. The configuration owner you specify can use this version of the tax rate instead of the common configuration version.

2. Then click on **View Tax Accounts**.

**Tax Rate: USWA\_P2P\_16**

Tax Regime Code	SBX_REGIME_US	Tax Regime Name	SBX_REGIME_US
Tax	USWA_P2P_16	Tax Name	WA - SEATTLE, CITY SALES/USE TAX
Tax Status Code	USWA_P2P_16	Tax Status Name	WA - SEATTLE, CITY SALES/USE TAX
Tax Rate Code	USWA_P2P_16	Configuration Owner	Global Configuration Owner
Tax Jurisdiction Code		Tax Jurisdiction Name	
Rate Type	Percentage		

**Rate Periods**

Percentage Rate	Effective From	Effective To	View Rate Details	View Tax Accounts
1	01-Jan-2004		09	09

**Return to Tax Rates**

3. Verify the accounting details. If you did not specify a Tax Expense account, the Tax Expense accounting for P2P transactions will mirror the item distribution accounting in the APIInvoice.

**General Tax Accounts**

Account Type	Account Number	Description
Tax Expense	01-000-2520-0000-000	Company-Department-Account-Sub-Account-Product
Tax Recoverable/Liability	01-000-2520-0000-000	Company-Department-Account-Sub-Account-Product

**Operating Unit** SBX US OU

**Interim Tax** Company-Department-Account-Sub-Account-Product

**Tax Liability Account** Company-Department-Account-Sub-Account-Product

## SABRIX ADD ACCOUNT TO TAX RATE CODE

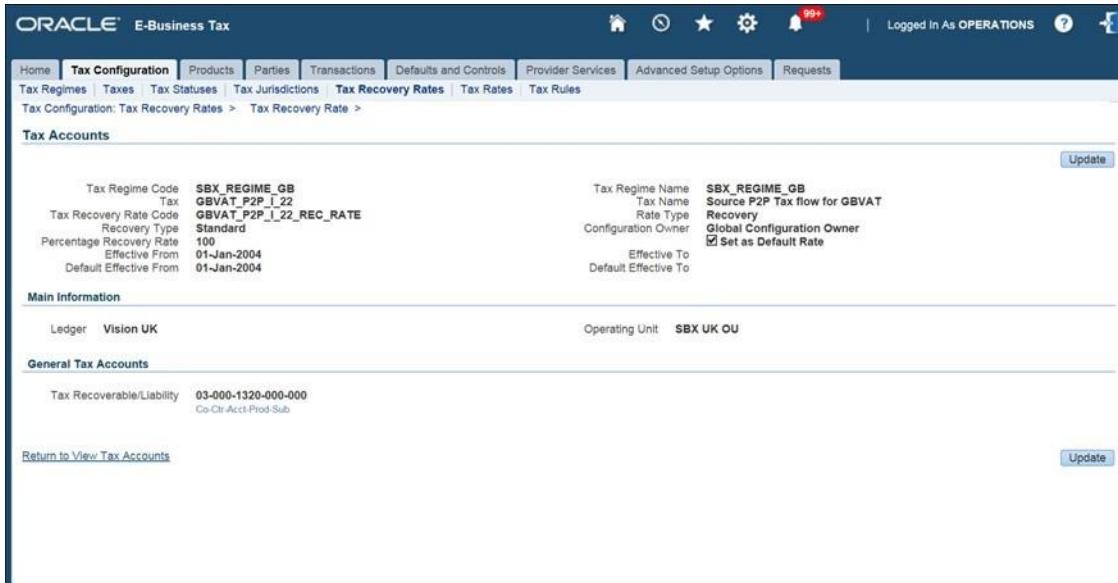
## VIEW VAT TAX RECOVERY RATE ACCOUNTS

For VAT transactions, the recoverability accounting comes from the GL account set up on the Tax Recovery Rate Code. To view the Tax Recovery Rate Code:

1. Navigate to **Tax Configuration > Tax Recovery Rates**. Search for your newly created **Tax Recovery Rate Code** and click the **Tax Recovery Rate Code**.

2. Click on **View Tax Accounts**.

3. Note that the Tax Recoverable/Liability account that displays here on the Tax Recovery Rate Code matches the Tax Recoverable/Liability account on Tax Rate Code.



The screenshot shows the Oracle E-Business Tax interface. The top navigation bar includes Home, Tax Configuration, Products, Parties, Transactions, Defaults and Controls, Provider Services, Advanced Setup Options, Requests, and a notification icon with 99+ messages. The user is logged in as OPERATIONS.

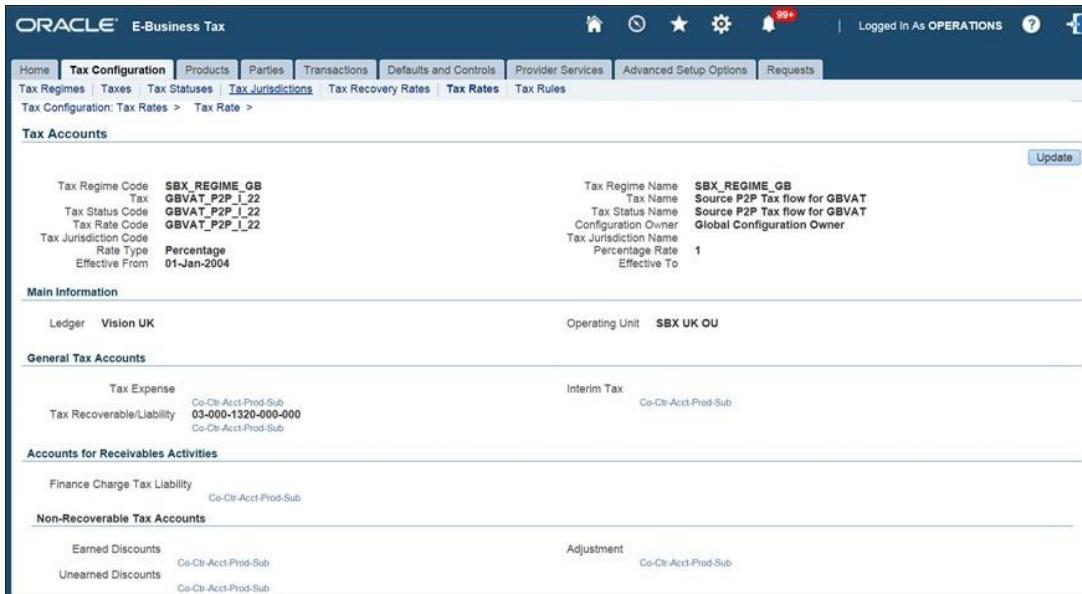
The main content area is titled 'Tax Recovery Rates' under 'Tax Configuration'. The 'Tax Recovery Rates' tab is selected. The page displays a table with two rows of data. The first row represents the 'Tax Recovery Rate Code' and the second row represents the 'Tax Rate Code'.

Tax Regime Code	SBX_REGIME_GB	Tax Regime Name	SBX_REGIME_GB
Tax Recovery Rate Code	GBVAT_P2P_I_22	Tax Name	Source P2P Tax flow for GBVAT
Recovery Type	Standard	Rate Type	Recovery
Percentage Recovery Rate	100	Configuration Owner	Global Configuration Owner
Effective From	01-Jan-2004	Effective To	Default Effective To
Default Effective From	01-Jan-2004	<input checked="" type="checkbox"/> Set as Default Rate	
<b>Main Information</b>			
Ledger	Vision UK	Operating Unit	SBX UK OU
<b>General Tax Accounts</b>			
Tax Recoverable/Liability	03-000-1320-000-000 Co-Ctr-Accnt-Prod-Sub	<input type="button" value="Update"/>	

[Return to View Tax Accounts](#)

## EXAMPLE INPUT VAT TAX RATE CODE AND RECOVERY RATE CODE

### Input VAT Tax Rate Code



The screenshot shows the Oracle E-Business Tax interface. The top navigation bar includes Home, Tax Configuration, Products, Parties, Transactions, Defaults and Controls, Provider Services, Advanced Setup Options, Requests, and a notification icon with 99+ messages. The user is logged in as OPERATIONS.

The main content area is titled 'Tax Rates' under 'Tax Configuration'. The 'Tax Rates' tab is selected. The page displays a table with two rows of data. The first row represents the 'Tax Rate Code' and the second row represents the 'Tax Recovery Rate Code'.

Tax Regime Code	SBX_REGIME_GB	Tax Regime Name	SBX_REGIME_GB
Tax Status Code	GBVAT_P2P_I_22	Tax Name	Source P2P Tax flow for GBVAT
Tax Rate Code	GBVAT_P2P_I_22	Tax Status Name	Source P2P Tax flow for GBVAT
Tax Jurisdiction Code	GBVAT_P2P_I_22	Configuration Owner	Global Configuration Owner
Rate Type	Percentage	Tax Jurisdiction Name	Global Configuration Owner
Effective From	01-Jan-2004	Percentage Rate	1
Effective To		Effective To	
<b>Main Information</b>			
Ledger	Vision UK	Operating Unit	SBX UK OU
<b>General Tax Accounts</b>			
Tax Expense	Co-Ctr-Accnt-Prod-Sub	Interim Tax	Co-Ctr-Accnt-Prod-Sub
Tax Recoverable/Liability	03-000-1320-000-000 Co-Ctr-Accnt-Prod-Sub		
<b>Accounts for Receivables Activities</b>			
Finance Charge Tax Liability	Co-Ctr-Accnt-Prod-Sub		
<b>Non-Recoverable Tax Accounts</b>			
Earned Discounts	Co-Ctr-Accnt-Prod-Sub	Adjustment	Co-Ctr-Accnt-Prod-Sub
Unearned Discounts	Co-Ctr-Accnt-Prod-Sub		

## SABRIX ADD ACCOUNT TO TAX RATE CODE

## Input VAT Tax Recovery Rate Code

ORACLE E-Business Tax

Home | Tax Configuration | Products | Parties | Transactions | Defaults and Controls | Provider Services | Advanced Setup Options | Requests

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | Tax Rules

Tax Configuration: Tax Recovery Rates > Tax Recovery Rate >

**Tax Accounts**

Tax Regime Code	SBX_REGIME_GB	Tax Regime Name	SBX_REGIME_GB
Tax	GBVAT_P2P_I_22	Tax Name	Source P2P Tax flow for GBVAT
Tax Recovery Rate Code	GBVAT_P2P_I_22_REC_RATE	Rate Type	Recovery
Recovery Type	Standard	Configuration Owner	Global Configuration Owner
Percentage Recovery Rate	100	<input checked="" type="checkbox"/> Set as Default Rate	
Effective From	01-Jan-2004	Effective To	
Default Effective From	01-Jan-2004	Default Effective To	

**Main Information**

Ledger	Vision UK	Operating Unit	SBX UK OU
--------	-----------	----------------	-----------

**General Tax Accounts**

Tax Recoverable/Liability	03-000-1320-000-000	Co-Ctr-Acc-Prod-Sub
---------------------------	---------------------	---------------------

[Return to View Tax Accounts](#) [Update](#)

## EXAMPLE OUTPUT VAT RATE AND TAX RECOVERY RATE

## Output VAT Tax Rate Code

ORACLE E-Business Tax

Home | Tax Configuration | Products | Parties | Transactions | Defaults and Controls | Provider Services | Advanced Setup Options | Requests

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | Tax Rules

Tax Configuration: Tax Rates > Tax Rate >

**Tax Accounts**

Tax Regime Code	SBX_REGIME_GB	Tax Regime Name	SBX_REGIME_GB
Tax	GBVAT_P2P_O_166	Tax Name	United Kingdom
Tax Status Code	GBVAT_P2P_O_166	Tax Status Name	United Kingdom
Tax Rate Code	GBVAT_P2P_O_166	Configuration Owner	Global Configuration Owner
Tax Jurisdiction Code		Tax Jurisdiction Name	
Rate Type	Percentage	Percentage Rate	<input type="text" value="100"/>
Effective From	01-Jan-2004	Effective To	<input type="text" value=""/>

**Main Information**

Ledger	Vision UK	Operating Unit	SBX UK OU
--------	-----------	----------------	-----------

**General Tax Accounts**

Tax Expense	03-000-2360-000-000	Co-Ctr-Acc-Prod-Sub
Tax Recoverable/Liability	03-000-2360-000-000	Co-Ctr-Acc-Prod-Sub

**Accounts for Receivables Activities**

Finance Charge Tax Liability	Co-Ctr-Acc-Prod-Sub
------------------------------	---------------------

**Non-Recoverable Tax Accounts**

Earned Discounts	Co-Ctr-Acc-Prod-Sub	Adjustment	Co-Ctr-Acc-Prod-Sub
Unearned Discounts	Co-Ctr-Acc-Prod-Sub		

Populate your output VAT account for both Tax Expense and Tax Recoverable/Liability

## Output VAT Tax Recovery Rate Code

**Tax Recovery Rate Configuration**

**General Information**

Field	Value
Tax Regime Code	SBX_REGIME_GB
Tax	GBVAT_P2P_O_166
Tax Recovery Rate Code	GBVAT_P2P_O_166_REC_RATE
Recovery Type	Standard
Percentage Recovery Rate	100
Effective From	01-Jan-2004
Default Effective From	01-Jan-2004
Tax Regime Name	SBX_REGIME_GB
Tax Name	United Kingdom
Rate Type	Recovery
Configuration Owner	Global Configuration Owner
Effective To	
Default Effective To	

**Main Information**

Field	Value
Ledger	Vision UK
Operating Unit	SBX UK OU

**General Tax Accounts**

Field	Value
Tax Recoverable/Liability	03-000-2360-000-000
Co-Ctr-Accnt-Prod-Sub	

[Return to View Tax Accounts](#) [Update](#)

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## MANUALLY ADDING GENERAL LEDGER TAX ACCOUNTS FOR PAYABLES



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 enter the general ledger accounts for the new Tax Rate Code:

1. Navigate to **Tax Configuration > Tax Rates**. Search for your newly created **Tax Rate Code** and click the **Update** icon.

The screenshot shows the Oracle E-Business Tax application interface. The top navigation bar includes links for Home, Tax Configuration, Products, Parties, Transactions, Defaults and Controls, Provider Services, Advanced Setup Options, and Requirements. The sub-navigation bar for Tax Rates includes Tax Regimes, Taxes, Tax Statuses, Tax Jurisdictions, Tax Recovery Rates, Tax Rates, and Tax Rules. The main search area has fields for Regime Level (Country), Country Name (United States), Tax Regime Code (SBX\_REGIME\_US), Tax Rate Code (TIREFEE%), Tax, Tax Jurisdiction Code, and Configuration Owner. A 'Search' button is present. To the right, a 'What is a Tax Rate?' panel defines a tax rate as a rate specified for a tax status. It includes a 'Learn More...' link and a 'TIP' section with a red circle around the 'Update' icon in the 'Create' row. The 'Create' row contains fields for Tax Rate Code (TIREFEE\_P2P\_2981), Tax Jurisdiction Code (TIREFEE\_P2P\_2981), Tax (SBX\_REGIME\_US), Tax Regime Code (TIREFEE\_P2P\_2981), Country Name (United States), Configuration Owner (Global Configuration Owner), and buttons for 'Update' (with a red circle), 'Copy and Override', and a file icon.

2. Click **Tax Accounts**.

The screenshot shows the Oracle E-Business Tax application interface, specifically the Tax Rates screen. The top navigation bar and sub-navigation bar are identical to the previous screenshot. The main content area shows the 'Update Tax Rate: TIREFEE\_P2P\_2981' details. The 'Tax Accounts' section is highlighted with a red circle. It displays the following data:

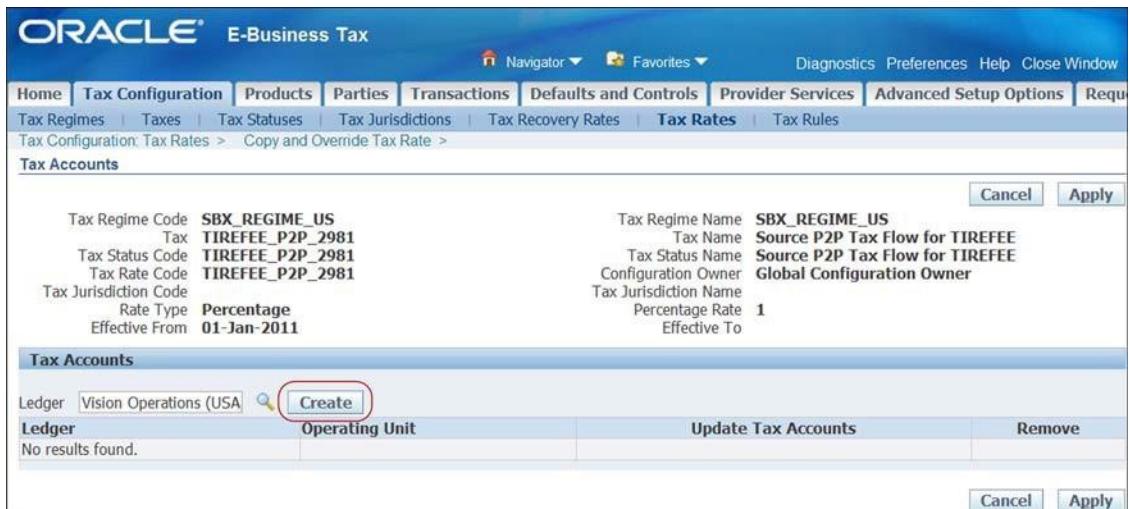
Tax Regime Code	SBX_REGIME_US	Tax Regime Name	SBX_REGIME_US
Tax	TIREFEE_P2P_2981	Tax Name	Source P2P Tax Flow for TIREFEE
Tax Status Code	TIREFEE_P2P_2981	Tax Status Name	Source P2P Tax Flow for TIREFEE
Tax Rate Code	TIREFEE_P2P_2981	Configuration Owner	Global Configuration Owner
Tax Jurisdiction Code		Tax Jurisdiction Name	
Rate Type	Percentage		

The 'Rate Periods' section shows a table with one row:

Percentage Rate	Effective From	Effective To	Rate Details	Tax Accounts	Duplicate Details	Accounts Remove
1	01-Jan-2011					

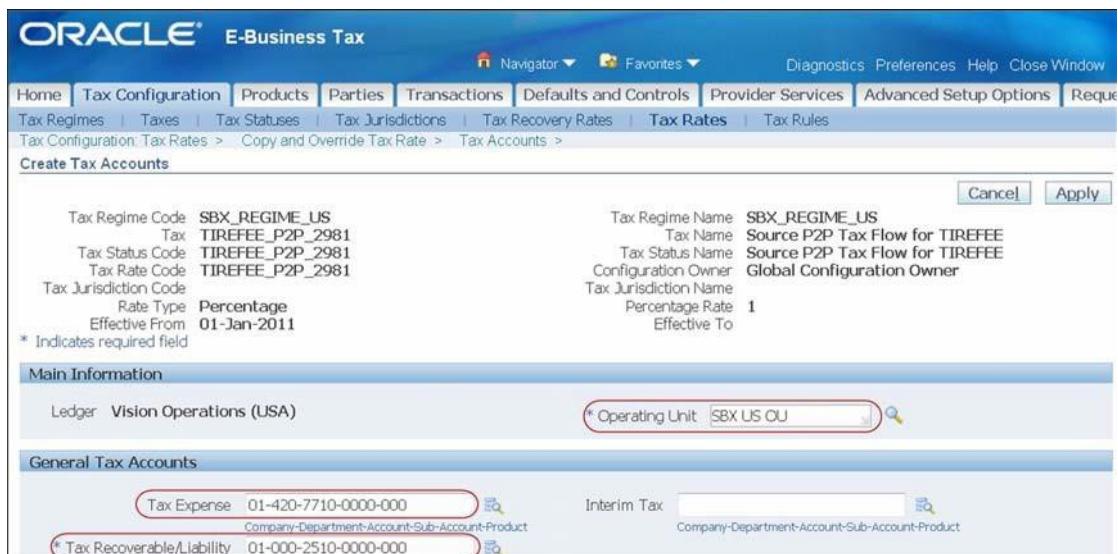
\* Indicates required field  
✓ TIP Date format example: 17-Nov-2011

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



The screenshot shows the Oracle E-Business Tax interface. The top navigation bar includes Home, Tax Configuration, Products, Parties, Transactions, Defaults and Controls, Provider Services, Advanced Setup Options, and Request. Below this, a sub-menu bar shows Tax Regimes, Taxes, Tax Statuses, Tax Jurisdictions, Tax Recovery Rates, Tax Rates, and Tax Rules. The current path is Tax Configuration > Tax Rates > Copy and Override Tax Rate > Tax Accounts. The main content area displays a table for 'Tax Accounts'. The 'Create' button in the table is circled in red. The table has columns for Ledger, Operating Unit, Update Tax Accounts, and Remove. The 'Update Tax Accounts' and 'Remove' buttons are also circled in red.

4. Enter the **Operating Unit** and the **Tax Recoverable/Liability** GL similar to the example shown below. The **Tax Expense** account is not required. Click **Apply** on the **Create Tax Accounts** form.



The screenshot shows the 'Create Tax Accounts' screen. The top navigation bar and sub-menu bar are identical to the previous screenshot. The main content area shows a 'Main Information' section with fields for Tax Regime Code, Tax Status Code, Tax Rate Code, Tax Jurisdiction Code, Rate Type, and Effective From. Below this is a 'General Tax Accounts' section with fields for Tax Expense, Interim Tax, and Tax Recoverable/Liability. The 'Operating Unit' field in the 'General Tax Accounts' section is circled in red.



If the Tax Rate Code General Tax Accounts for Tax Expense is null, and vendor charged tax (VCT) is entered on the Tax Details Summary as a Tax Only Line, then GL Tax Expense Account is required. The Tax Only Line means the tax is not associated to an item line, therefore GL Tax Expense accounts cannot be determined when GL Tax Expense account is null on the Tax Rate Code. This is based on standard Oracle functionality to derive the GL Tax Expense account from the item line if it is null on the Tax Rate Code. Integration is also using the same functionality to use the item line GL account if the Tax Rate Code has a null GL Tax Expense account.

5. On the **Tax Accounts** form, 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.

The Tax Rate has been successfully updated.

Tax Rate Code	Tax Jurisdiction Code	Tax	Tax Regime Code	Country Name	Configuration Owner	Update	Copy and Override
TIREFEE_P2P_2981	TIREFEE_P2P_2981	SBX_REGIME_US	SBX_REGIME_US	United States	Global Configuration Owner		



You must repeat the general ledger account entry steps for each operating unit in which the **Tax Rate Code** will be used.

## UPDATING GENERAL LEDGER TAX ACCOUNTS FOR PAYABLES

The general ledger accounts defined on a Tax Rate Code can be updated manually (described below). 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. The program will change/update all the Tax Rate Codes (i.e. authorities) for the specified ERP Tax Code to a specific operating unit's general ledger accounts. For more information, see **SABRIX ADD ACCOUNT TO TAX RATE CODE (page 132)**



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 easily identify recoverable vs. non-recoverable amounts in the general ledger, it is advised to enter separate Tax Recoverable/Liability accounts for recoverable (GST) and non-recoverable (PST) Tax Rate Codes.

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** you want to update and click **Go**.
4. Click the **Update** icon associated with the Tax Rate Code to be updated.

The screenshot shows the Oracle E-Business Tax application interface. The top navigation bar includes links for Home, Tax Configuration, Products, Parties, Transactions, Defaults and Controls, Provider Services, Advanced Setup Options, and Requests. The sub-navigation bar for Tax Rates includes links for Tax Regimes, Taxes, Tax Statuses, Tax Jurisdictions, Tax Recovery Rates, Tax Rates, and Tax Rules. The main search screen has a 'Search' section with fields for Regime Level (Country: United States), Tax Regime Code (SBX\_REGIME\_US), Tax Rate Code (TIREFEE%), Tax (dropdown), Tax Jurisdiction Code (dropdown), and Configuration Owner (dropdown). A 'Go' button is at the bottom of the search section. To the right of the search section is a 'What is a Tax Rate?' help panel with a definition and a 'Learn More...' link. Below the search section is a 'Create' section with a table for entering new Tax Rate Code details. The table columns are Tax Rate Code (TIREFEE\_P2P\_2981), Tax Jurisdiction Code (dropdown), Tax (TIREFEE\_P2P\_2981), Tax Regime Code (SBX\_REGIME\_US), Country Name (United States), Configuration Owner (Global Configuration Owner), and a row of buttons for Update (highlighted with a red circle), Copy and Override, and Delete.

5. Click the Tax Accounts icon.

Tax Regime Code	SBX_REGIME_US	Tax Regime Name	SBX_REGIME_US
Tax	TIREFEE_P2P_2981	Tax Name	Source P2P Tax Flow for TIREFEE
Tax Status Code	TIREFEE_P2P_2981	Tax Status Name	Source P2P Tax Flow for TIREFEE
Tax Rate Code	TIREFEE_P2P_2981	Configuration Owner	Global Configuration Owner
Tax Jurisdiction Code		Tax Jurisdiction Name	
Rate Type	Percentage		

**Rate Periods**

\* Indicates required field  
✓ TIP Date format example: 17-Nov-2011

*Percentage Rate	*Effective From	Effective To	Rate Details	Tax Accounts	Duplicate Details and Accounts	Remove
1	01-Jan-2011					

**Add Another Row**

6. Click the Update Tax Accounts icon.

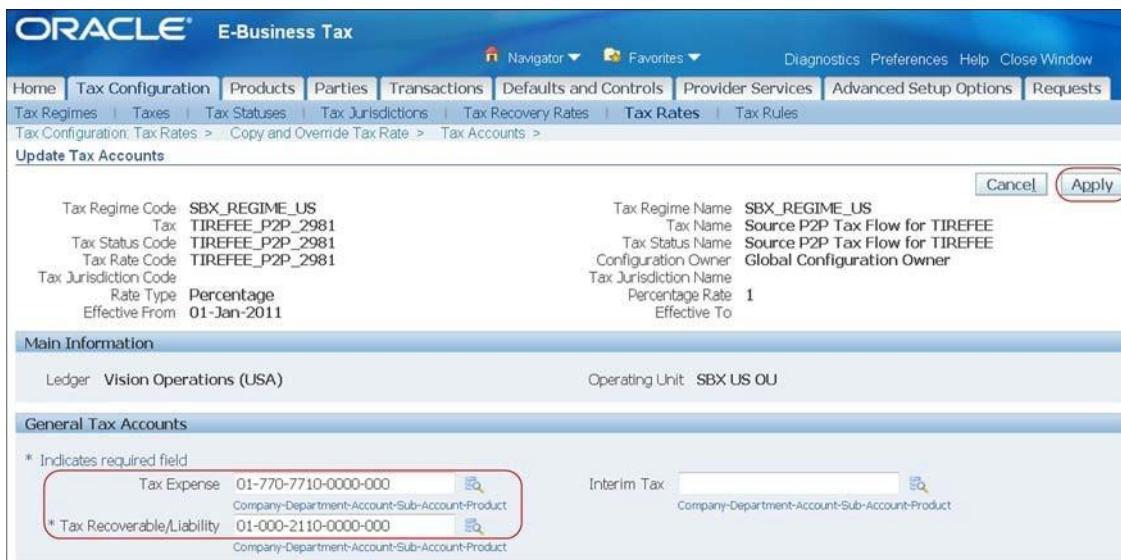
Tax Regime Code	SBX_REGIME_US	Tax Regime Name	SBX_REGIME_US
Tax	TIREFEE_P2P_2981	Tax Name	Source P2P Tax Flow for TIREFEE
Tax Status Code	TIREFEE_P2P_2981	Tax Status Name	Source P2P Tax Flow for TIREFEE
Tax Rate Code	TIREFEE_P2P_2981	Configuration Owner	Global Configuration Owner
Tax Jurisdiction Code		Tax Jurisdiction Name	
Rate Type	Percentage	Percentage Rate	1
Effective From	01-Jan-2011	Effective To	

**Tax Accounts**

Ledger	Vision Operations (USA)	Create	Operating Unit	Update Tax Accounts	Remove
Ledger	Vision Operations (USA)		SBX US OU		

**Cancel** **Apply**

7. Update the values in the **Tax Recoverable/Liability** account value and the **Tax Expense** account value. The **Tax Expense** GL account is not required for P2P on-line tax calculation or the AP **Sabrix Tax Process**. When the Tax Expense GL account is null on the Tax Rate Code, the Tax Expense GL account is then determined from the invoice item lines GL account. Click **Apply** on the **Update Tax Accounts** form.



The screenshot shows the Oracle E-Business Tax 'Update Tax Accounts' form. The 'Main Information' section includes fields for Tax Regime Code (SBX\_REGIME\_US), Tax (TIREFEE\_P2P\_2981), Tax Status Code (TIREFEE\_P2P\_2981), Tax Rate Code (TIREFEE\_P2P\_2981), Tax Jurisdiction Code (Rate Type Percentage), Effective From (01-Jan-2011), Tax Regime Name (SBX\_REGIME\_US), Tax Name (Source P2P Tax Flow for TIREFEE), Tax Status Name (Source P2P Tax Flow for TIREFEE), Configuration Owner (Global Configuration Owner), Tax Jurisdiction Name (Percentage Rate 1), Effective To, and Operating Unit (SBX US OU). The 'General Tax Accounts' section shows Tax Expense (01-770-7710-0000-000) and Interim Tax (01-000-2110-0000-000). The 'Tax Recoverable/Liability' field is highlighted with a red box.



If the Tax Rate Code General Tax Accounts for Tax Expense is null, and vendor charged tax (VCT) is entered on the Tax Details Summary as a Tax Only Line, then GL Tax Expense Account is required. The Tax Only Line means the tax is not associated to an item line, therefore GL Tax Expense accounts cannot be determined when GL Tax Expense account is null on the Tax Rate Code. This is based on standard Oracle functionality to derive the GL Tax Expense account from the item line if it is null on the Tax Rate Code. Integration is also using the same functionality to use the item line GL account if the Tax Rate Code has a null GL Tax Expense account.

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:

The screenshot shows the Oracle E-Business Tax application interface. The top navigation bar includes links for Home, Tax Configuration, Products, Parties, Transactions, Defaults and Controls, Provider Services, Advanced Setup Options, Requests, Navigator, Favorites, Diagnostics, Preferences, Help, and Close Window. The main menu bar has links for Home, Tax Configuration, Products, Parties, Transactions, Defaults and Controls, Provider Services, Advanced Setup Options, Requests, Tax Regimes, Taxes, Tax Statuses, Tax Jurisdictions, Tax Recovery Rates, Tax Rates, and Tax Rules. A confirmation message 'The Tax Rate has been successfully updated.' is displayed in a red-bordered box. The 'Tax Rates' section contains a search bar with fields for Regime Level (Country: United States), Tax Regime Code (SBX\_REGIME\_US), Tax Rate Code (TIREFEE%), Tax (TIREFEE\_P2P\_2981), Tax Jurisdiction Code (TIREFEE\_P2P\_2981), and Configuration Owner (Global Configuration Owner). A 'What is a Tax Rate?' help section defines a Tax Rate as the rate specified for a tax status. A tip is provided: 'Use the Copy and Override icon to create a new version of the tax rate with a different configuration owner. The configuration owner you specify can use this version of the tax rate instead of the common configuration version.' The table of tax rates shows the following data:

Tax Rate Code	Tax Jurisdiction Code	Tax	Tax Regime Code	Country Name	Configuration Owner	Update	Copy and Override
TIREFEE_P2P_2981	TIREFEE_P2P_2981	SBX_REGIME_US	United States	Global Configuration Owner			

# REPORTING

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

- **SABRIX AP ACCRUAL REPORT (page 148)**
- **SABRIX LOG TABLE MAINTENANCE (page 152)**
- **SABRIX TRANSACTION MANAGER (page 155)**
- **SABRIX AP TRANSACTIONS DELETE (page 158)**



The **Sabrix Tax Process** and the **Sabrix AP Tax Thread** processes are described in detail in the section **SABRIX TAX PROCESS FOR AP U.S. SALES AND USE TAX (page 107)**.

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 an ERP Code where the general ledger accounts differ.

## SABRIX AP ACCRUAL REPORT

You can run the **Sabrix AP Accrual Report** daily to show activity for all transactions that have been processed with accruals, the total dollar amount of all the accruals, and any transactions that have generated errors.

This report is a helpful tool to review AP transactions that have Sabrix Tax Accruals, transactions with a Sabrix Out of Tolerance hold, and transactions with Determination-generated errors.

The report displays the type of transaction with:

- Supplier Name
- Invoice Date
- Invoice Number
- Invoice Line Number
- Sabrix Taxable Amounts
- Sabrix Tax Rate %
- Sabrix Tax Amount
- Vendor Tax Amount
- Sabrix Accrual Amount (total dollar amount of Sabrix accruals)
- Status Message

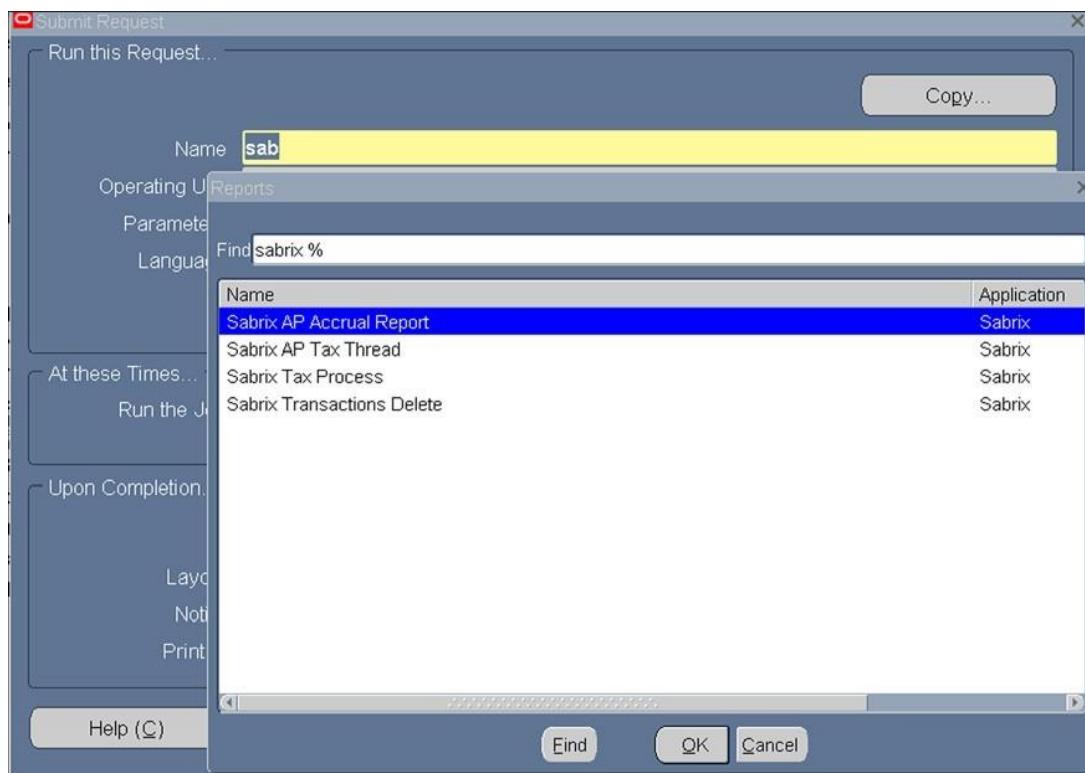
The last page of the report also has a summary recap of the transaction details based on the selected Report Parameters.



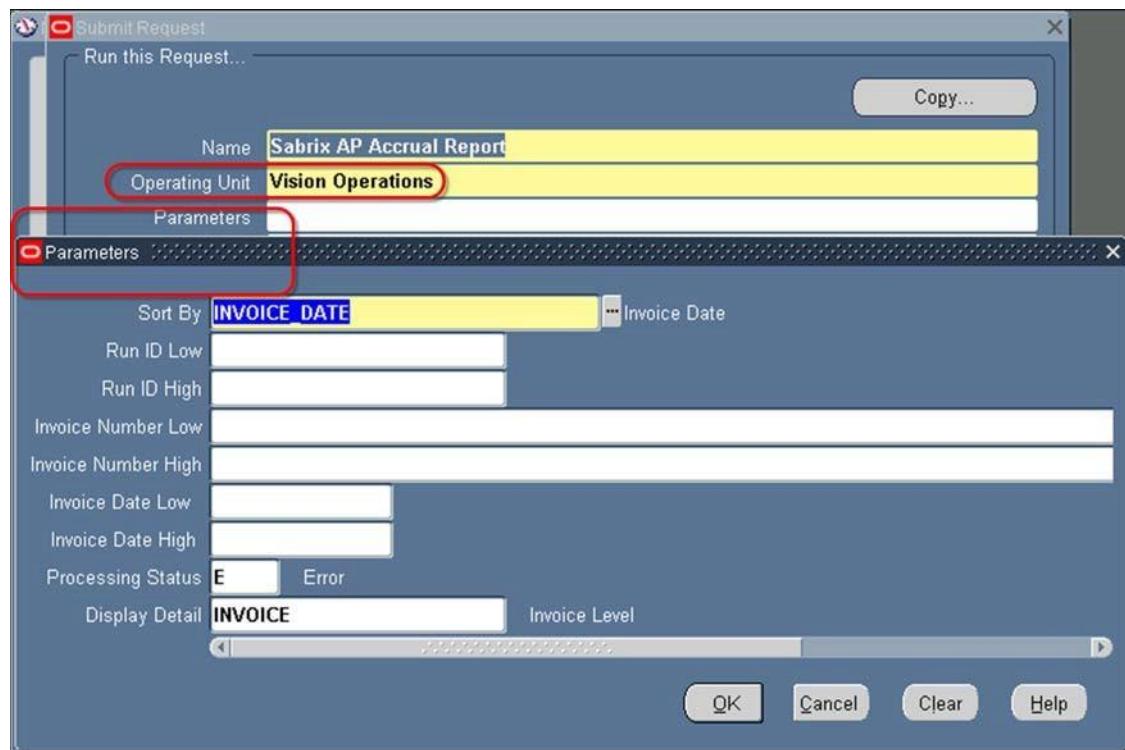
The profile option **eBTax: Sabrix AP Create Transactions** must be set to Yes for the `Sabrix_transactions_ap` table to be populated with data for this report. See **CONFIGURING PROFILE OPTIONS (page 4)** for more information about this profile option.

To run the **Sabrix AP Accrual Report**:

1. In Payables, navigate to **Other > Requests > Run** or from the Menu bar **View > Requests** for the report submission page.
2. Select the desired report and click **OK**.



3. Enter the **Operating Unit** and then enter the report parameters as needed.using the table below as a guide:



AP Accrual Report Parameters	
Parameter	Description
Sort By	Select whether to sort the accrual data by invoice number or invoice date.
Run ID Low	The specific concurrent run id starting number
Run ID High	The specific concurrent run id ending number
Invoice Number Low	The invoice starting number if you want to run the report for a specific invoice or a range of invoices.
Invoice Number High	The invoice ending number if you want to run the report for a specific invoice or a range of invoices.
Invoice Date Low	The invoice starting date if you want to run the report for a specific date or a range of dates.
Invoice Date High	The invoice ending date if you want to run the report for a specific date or a range of dates.

AP Accrual Report Parameters	
Parameter	Description
Processing Status	<p>Processing Status Select from the following choices:</p> <ul style="list-style-type: none"> <li>• <i>E</i> - to run the report for those transactions that have been placed on hold due to an error.</li> <li>• <i>C</i> - to run the report for those transactions that have been cancelled.</li> <li>• <i>O</i> - to run the report for those transactions that are out of tolerance</li> <li>• <i>T</i> - to run the report for those transactions that have completed successfully.</li> </ul>
Display Detail	<p>Select from the following choices:</p> <p><b>INVOICE</b> - to have the report display detail at the invoice level.</p> <p><b>LINE</b> - to have the report display detail at the line level.</p> <p><b>ROLLUP LINE</b> - to have the report display line information with rolled up invoice totals</p>

4. After you complete the parameters form, click **OK** and then **Submit**.

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

The following is a sample accrual report:

Set Of Books : Vision Operations (USA) Invoice Detail			Sabrix/AP Consumer Use Tax - Accrual Report Functional Currency : USD						08-NOV-2010 : Page :	
			Order By : Supplier Name, Invoice Date Run ID : To Invoice Number : 1250 To 1250 Invoice Date : To Processing Status Filter : Display Detail : LINE							
Transaction	Supplier Name	Invoice Date	Invoice Number	Line	Sabrix Taxable Amount	Sabrix Tax Rate %	Sabrix Tax Amount	Vendor Tax Amount	Sabrix Accrual Amount	Status Message
Accrual	SABRIX - US	29-OCT-10	1250	1	100.00	6.50	6.50	8.00	1.50	Vendor charged lower/higher sales tax, net use tax accrued
	SABRIX - US	29-OCT-10	1250	1	100.00	.00	.00	8.00	1.50	Vendor charged lower/higher sales tax, net use tax accrued
	SABRIX - US	29-OCT-10	1250	1	100.00	3.00	3.00	8.00	1.50	Vendor charged lower/higher sales tax, net use tax accrued
	SABRIX - US	29-OCT-10	1250	2	-100.00	6.50	-6.50	8.00	-1.50	Vendor charged lower/higher sales tax, net use tax accrued
	SABRIX - US	29-OCT-10	1250	2	-100.00	.00	.00	8.00	-1.50	Vendor charged lower/higher sales tax, net use tax accrued
	SABRIX - US	29-OCT-10	1250	2	-100.00	3.00	-3.00	8.00	-1.50	Vendor charged lower/higher sales tax, net use tax accrued
	SABRIX - US	29-OCT-10	1250	3	100.00	6.50	6.50	8.00	1.50	Vendor charged lower/higher sales tax, net use tax accrued
	SABRIX - US	29-OCT-10	1250	3	100.00	3.00	3.00	8.00	1.50	Vendor charged lower/higher sales tax, net use tax accrued
	SABRIX - US	29-OCT-10	1250	3	100.00	.00	.00	8.00	1.50	Vendor charged lower/higher sales tax, net use tax accrued

## SABRIX LOG TABLE MAINTENANCE

The Integration is fully integrated with Oracle's error handling capabilities. The **Sabrix Log Table Maintenance** 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



All transaction data (not just AP transactions) is stored in the SABRIX\_LOG table, including the appropriate workflow (O2C or P2P). The information can be cleaned or purged using the **Sabrix Log Table Maintenance** concurrent program.

The log messages for all transaction data (not just AP 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.

For details on logging when processing Oracle Payables transactions, see the **CONFIGURING TAX PROCESS LOGGING AND XML SETTINGS (page 113)**

Timing statistics for AP transactions can be viewed on the **Sabrix Log Manager** report if the profile option **eBTax: Sabrix Debug Level** is set to *Timing*. This setting will write procedure entry and exit messages for AP transactions in the SABRIX\_LOG table.

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*, in conjunction with the **eBTax: Sabrix System Print Structure** setting. See the **CONFIGURING PROFILE OPTIONS (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.

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

- **CLEAN** - data for the parameters (retention days, start and end dates, etc) selected will be deleted from the log table.
- **PURGE** - the log table is emptied, either entirely or all transactions based on the workflow parameter.



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



Once the data is deleted or purged from the SABRIX\_LOG table, the XML data is also deleted or purged. Therefore, reports (Sabrix XML Report) will contain no data for the filtered criteria.

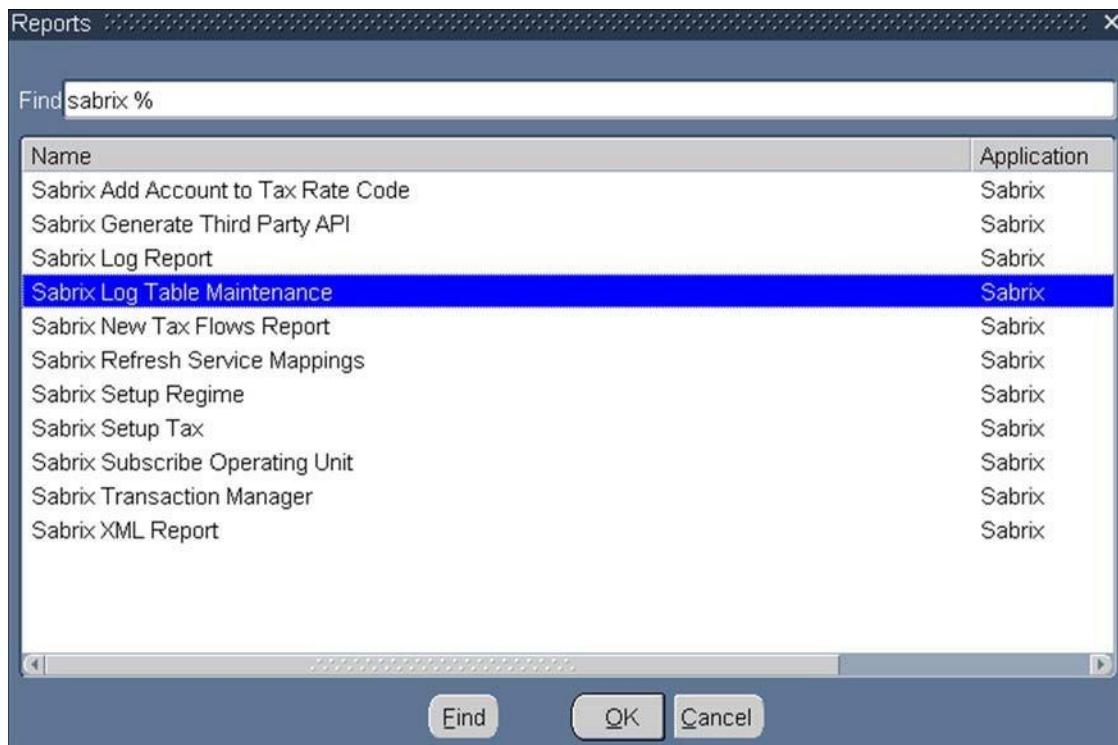
The process parameters include the Action (Clean or Purge), Workflow (O2C or P2P), Retention Days (the number of days to retain the transaction data - used for CLEAN action only), the start and end dates. (date parameters are for CLEAN action only).

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 Table Maintenance** program:

1. In the Tax Manager responsibility, navigate to **Requests > Other > Requests > Run**.
2. Select **Sabrix Log Table Maintenance**.



3. Enter information on the **Parameters** page.



Parameter	Sample Value	Comment
Retention (Days)	7	The number of days to retain the transaction data in the Sabrix Log table. This parameter will work with the Start Date parameter. The process will retain data in the Sabrix Log table for the number of days in the past starting at the Start Date parameter value or sysdate (if no start date is entered). This parameter is used only for the 'CLEAN' action.  This parameter is required and defaults to 7.
Action	CLEAN	<b>Note:</b> Action will be performed on ALL data in the Sabrix Log Table, this includes AR, OM, AP, and PO transactions. This parameter will work in conjunction with the 'Workflow' parameter (described below), taking action on only the data for the workflow selected. <ul style="list-style-type: none"> <li><b>CLEAN:</b> Data for the parameters (Retention Days, Start and End Dates, etc) selected will be deleted from the logtable.</li> <li><b>PURGE:</b> The entire log table is emptied, either entirely or all transactions based on the workflow parameter.</li> </ul> The default is <i>CLEAN</i> .
Start Date	12-MAY-2011	A start date for a date range for the action of 'CLEAN'. This parameter works in conjunction with the Retention Days parameter.  A null value defaults to sysdate.
End Date	12-MAY-2011	The ending date for a date range for the action of 'CLEAN'. This parameter works in conjunction with the Start Date parameter.  A null value defaults to sysdate.
Workflow	Procure to Pay	The workflow, Order to Cash or Procure to Pay, associated with the transaction data. The selection is used in conjunction with the 'Action' parameter.  A null value defaults to all transactions.

The **Sabrix Log Table Maintenance** program 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 ONESOURCE Indirect Tax processes. The Integration writes transactions to tables in the Sabrix schema. This process is not Operating Unit-specific since it is used for Sabrix tables that are not Operating Unit-specific. The **Sabrix Transaction Manager** concurrent program manages these tables, and depending upon the setting of parameters listed in the table below, can:

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



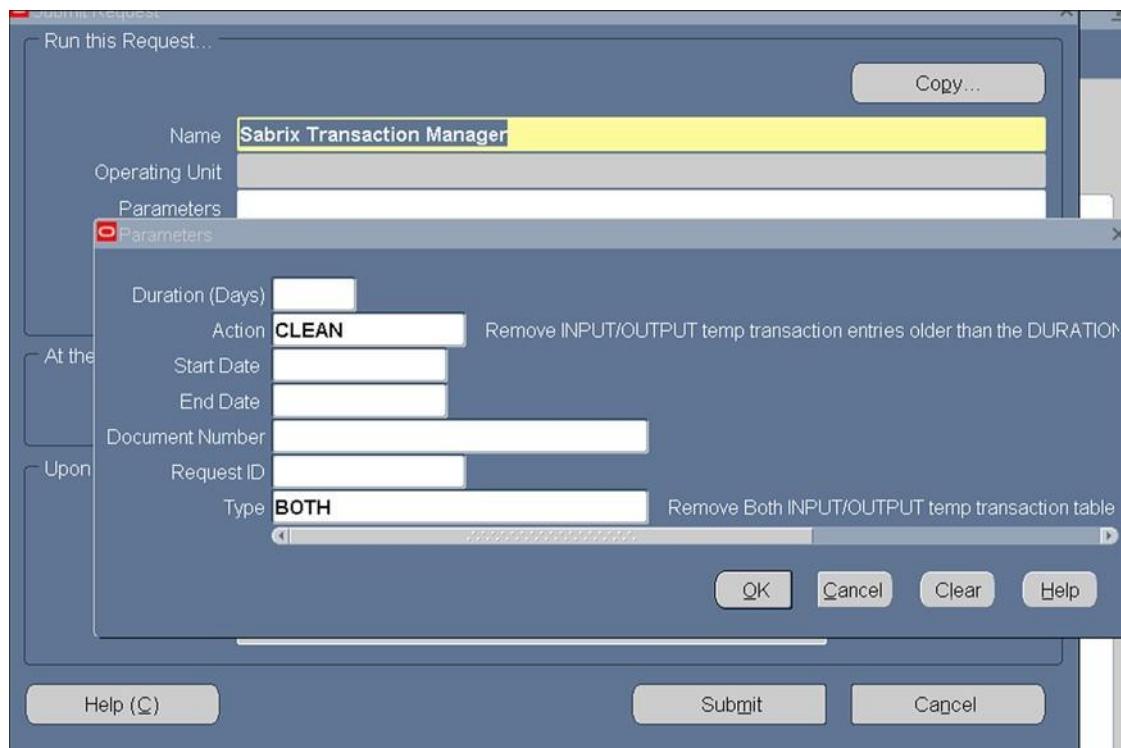
The selected action outlined above will be performed on ALL data in the Sabrix tables, this includes, Receivables, Order Management, Payables, and Purchasing transactions.

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**
3. Enter information on the **Parameters** page:



#### Transaction Manager Configuration Parameters

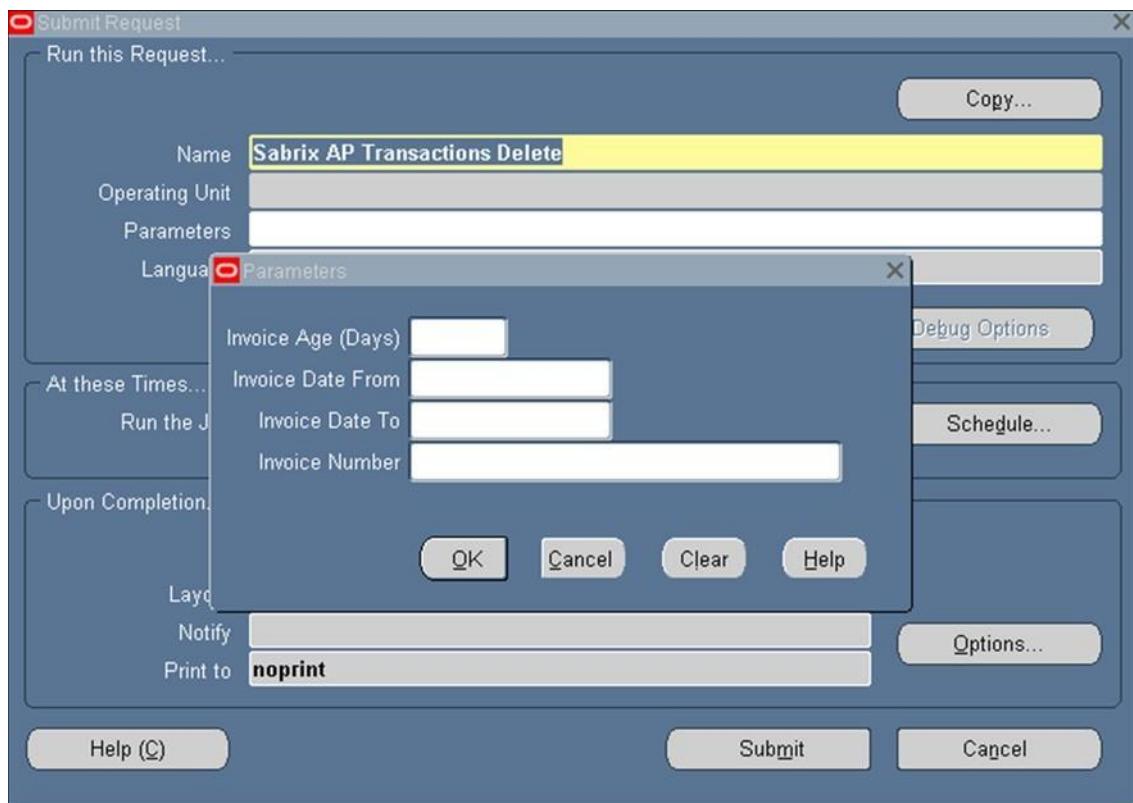
Parameter	Sample Value	Comment
Duration (Days)	7	The length of time in days to delete an entry in the table; mutually exclusive with <b>Start Date</b> .
Action	PURGE	<p><b>Note:</b> Action will be performed on ALL data in the Sabrix Log Table, this includes AR, OM, AP, and PO transactions.</p> <ul style="list-style-type: none"> <li>• <b>PURGE:</b> Remove all records from the transaction tables via TRUNCATE.</li> <li>• <b>CLEAN:</b> Remove all records older than <b>Duration</b> days old or all records which fall between the dates specified by <b>Start Date</b> and <b>End Date</b>.</li> </ul> <p>The default is <b>CLEAN</b>.</p>
Start Date	12-MAY-2011	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 <b>Duration</b> .

Transaction Manager Configuration Parameters		
Parameter	Sample Value	Comment
End Date	12-MAY-2011	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 an invoice or a PO number in this field. If either exists, the log manager will perform the action stated in the <b>Action</b> parameter for that document.
Request ID	4126279	The log manager will perform the action stated in the Action parameter for the specific request id.
Type	List of Values	<ul style="list-style-type: none"><li><i>INPUT</i>: Selected to delete/purge the records from the tmp_sabrix_invoice_input table.</li><li><i>OUTPUT</i>: Selected to delete/purge the records from the tmp_sabrix_invoice_output table.</li><li><i>BOTH</i>: Selected to delete/purge the records from both the input and output tables. This is the default value for the parameter.</li></ul>

## SABRIX AP TRANSACTIONS DELETE

This report maintains the SABRIX\_TRANSACTIONS\_AP table. This table stores transaction information about the invoices that have been processed. Invoices marked in error are shown in the table along with information to assist with handling errors. This process is not Operating Unit-specific since it is used for Sabrix tables that are not Operating Unit-specific. When the table becomes too large, this concurrent process will delete it based on the set of parameters entered.

When you run the report, enter the parameters using the table below as a guide:



AP Transaction Delete Parameters		
Parameter	Sample Value	Comment
<b>Invoice Age (days)</b>	15	Any invoices older than 15 days will be purged from the table
<b>Invoice Date From</b>	01-JUN-06	Use <b>Invoice Date From</b> and <b>Invoice Date To</b> in conjunction. Invoices within this range will be deleted.
<b>Invoice Date To</b>	31-DEC-06	
<b>Invoice Number</b>	Any Invoice Number	Any occurrences of this invoice number will be deleted.