

Tax Application Rules

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When the tax engine is requested to apply tax on a specific transaction, the following actions are performed:

1. The system scans the Tax Groups.
2. For each group, the system scans the geographical definitions and compares them to the location of the tank. If there are multiple records that could apply for this location, the system will choose the most specific definition. For example, if one record is for the state and another record is for that same state but for a specific county that matches the transaction county, the system will choose this record. If a matching record is not found, this tax will not be applied.
3. For each location record, the system will pick the most specific rate based on the product and use. If there is a record specific for that product and use, the system will pick it first. If this record was not found, the system will look for a record specific for the sold product (with no use restriction). If this was not found, the system will look for a record specific for the use, and will check for a generic rate (neither product- nor use-related). If no matching record is found, this tax will not be applied.

After locating the exact group tax and rate record, the system will calculate the effective rate for this tax according to the definitions and will return that rate.