Energy Force Tax Setup and Functionality

Last Modified on 08/14/2025 5:04 pm EDT

Energy Force enables precise tax configuration and application to sales transactions. This document outlines the setup process for taxes and how they are applied.

Department Setup

Departments determine how items are taxed and are found at *Main Menu / Supervisor Menu / Maintenance Menu / Maintenance Tables / Department*.

Three key columns control taxation:

- **Sales Tax** — State Sales Tax.
- **Fed Tax** — Federal Excise Tax.
- **Other —** City tax, County tax, State Excise taxes, LUST tax, etc.

Div	Dept	Description	Department Type	Sale...	Fed Tax	Other...	Tank Type	Gas Dept
1	1000	RESIDENTIAL PROPANE	Sale	☑	☐	☑	P	Y

These columns are correlated back to *Tax Types* setup on *Tax Groups*. If a group is checked in the *Department* table, Energy Force applies the corresponding tax rates from the *Tax Rate* table, provided certain parameters are met.

Tax Group Setup

Tax Groups must be established before configuring tax rates at *Main Menu / Supervisor Menu / Maintenance Menu / Maintenance Tables / Tax Group Setup*.

- Standard groups include *State Sales Tax, Federal Excise Tax, State Excise Tax, City Tax*, and *County Tax*.
- Additional groups typically fall under *Other*.
- For each transaction, only one tax can be applied per group.

Key Fields:

- **ID —** Auto-generated, unmodifiable number.
- **Description —** Description of the Tax Group.
- **Tax Type —** Dropdown with options for *Sales Tax, Federal Motor Fuel*, or *Other*.

ID	Tax Group Description	Tax Type	
1	Federal Excise	Federal Motor Fuel	
2	Federal Special tax	Other	
10	State Sales Tax	Sales Tax	
11	State Special Tax	Other	
12	State Excise	Other	
13	State Use Tax	Other	
14	State Other Tax	Other	
20	County Tax	Sales Tax	
21	County Special Tax	Other	
30	School District Tax	Other	
40	City Tax	Other	
90	Exempt 1	Sales Tax	
91	Exempt 2	Sales Tax	
92	Exempt 3	Sales Tax	
93	Exempt 4	Sales Tax	
94	Exempt 5	Sales Tax	
95	Exempt 6	Sales Tax	

Tax Group

Create New
Modify
Delete

Tax Detail

Tax Maint

Taxes Assigned to Group   Dollars or Gallons   Status

Use Code Setup

Use Codes manage special taxing situations, such as exemptions or adjusted rates based on usage (e.g., Agricultural, Residential, Commercial) and set up at *Main Menu / Supervisor Menu / Maintenance Menu / Maintenance Tables / Use Code Maint.*

- *Use Codes* are up to 3 alphanumeric characters with a description visible during tank setup.

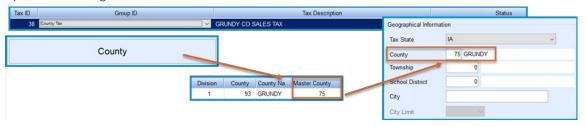| Use Code	Description	Priority	
1	NONE	0	
AGR	AG TANK	0	
RES	RESIDENTIAL	0	

Tax Rate Setup

Each tax rate is defined by a unique *Tax ID, Tax Group,* and *Tax Description* found at *Main Menu / Supervisor Menu / Maintenance Menu / Maintenance Tables / Tax.*

- **Description —** Appears on delivery tickets if itemized taxes are enabled in the order of Tax ID number.
- **Do not delete taxes**
  - Taxes in Energy Force should never be deleted once they are set up. Doing so can lead to inconsistencies and affect historical data integrity.
  - Tax rates can be modified to reflect the current rate. Historical transactions will retain the tax rates that were in effect at the time of the transaction.
- **Inactivate and Create New Tax Rates**
  - If a change is required, inactivate the existing tax and create a new tax rate to reflect the updated information. This ensures that historical transactions remain accurate while enabling the system to reflect the current tax structure.
  - When adding a new tax rate, ensure all relevant cross-reference tables in back-office software

interfaces are updated to maintain data consistency.

- **Geographical Information**
  - **State —** Required for state-specific taxes, including *County, City, Township,* and *School District*. Not required for Federal Taxes.
  - **County, Township, School District —** Select the corresponding Master IDs from the maintenance tables by double-clicking the fields.

  - **City —** Must match Tank Information exactly. City names should be entered with all CAPS.
  - **City Limit —** For City Taxes, optionally set the tax to apply only to *Urban* or *Rural* tanks.

    Example: If the tax is designated for *Urban* areas, tanks marked as *Rural* will not have the tax applied, as they are located outside the city limits. This allows for precise tax application based on geographic classifications.
  - **Note on Federal Excise Taxes**
    - **Non-Location-Based Taxation —** Federal Excise Taxes are not tied to a delivery address or tank location. These taxes apply uniformly across all locations, ensuring a consistent rate regardless of where the tank or office is physically situated.
    - **Standard Rates —** Examples of Federal Excise Tax rates include:
      - Unleaded Gasoline: 18.4%
      - Clear Diesel Fuel: 24.4%
- **Miscellaneous Settings**

- **Charge Type**
  - **Dollars —** Tax is a percentage of the sales amount.
  - **Gallons —** Tax is a flat rate per gallon.
- **Taxing Location**
  - **TNK (Tank Location) —** Based on tank's geographical attributes.

- **POO (Point of Origin)** — In this context, refers to the servicing location derived from the Master Tank Location attributes found at *Main Menu / Supervisor Menu / Maintenance Menu / Maintenance Tables / Tank Location*. This means that the POO is determined by identifying the specific servicing location assigned to a given tank or Energy Service site based on the data and parameters within the Master Tank Location attributes.

- **Seasonal Tax** — Configured to apply during specific date ranges. Enter *Start* and *End Dates* in MMDD format.
- **Effective Dates**
  - Enter the Start date for the Tax Rate in MMDDYYYY format.
  - The *Termination Date* can be left at *00/00/0000* for indefinite tax or an ending date can be entered.

Tax Rates

- **Global or Specific Application**

- To apply a tax to all products, use 0 for *Division* and *Product* in the *Tax Rate* table.
- For product-specific taxes, define *Division* and *Product* codes alongside the applicable *Rates*.
- For cooperative-based setups, all tax setups should be exclusively in *Division* 1.
- **Use Codes —** Different rates can be applied depending on usage.

Note: Avoid the 0 for all configuration when dealing with multiple states and point-of-origin taxation.

Division	Name	Product	Description	Use Code	Description	Rate
1	ABC PROPANE CC	500	REG FEE			6.000%
1	ABC PROPANE CC	1000	RESIDENTIAL PROPANE			4.000%
1	ABC PROPANE CC	1001	COMMERCIAL PROPANE			8.000%

Compound Taxes

Compound Taxes, also known as tax on tax, are used in specific scenarios where a tax is applied to a subtotal that includes other taxes, rather than directly to the total sale amount. These taxes are calculated based on applicable components and factored into the overall total tax amount.

Key Features:

- Default Behavior — By default, taxes are calculated on the subtotal.
- Compound Tax Setup — In scenarios where a tax needs to be applied after other taxes have been calculated, Energy Force allows Tax Groups to be added to the Tax Setup. When a Tax Group is added, Energy Force calculates the included Tax Groups into a subtotal prior to applying that tax item. This setup ensures that a Compound Tax considers the total sale amount, including applicable taxes from defined Tax Groups, before applying itself.
  - **Example Scenario —** If a State Sales Tax needs to include the Federal Excise Tax in its taxable base, as seen in Illinois refined fuel taxation then,
    - The Federal Excise Tax, Illinois Environmental Tax, and Illinois Underground Storage Tax are calculated and combined into a subtotal.
    - The system applies the Illinois State Sales Tax to the subtotal, which includes the sale amount, Federal Excise Tax, Illinois Environmental Tax, and Illinois Underground Storage Tax.
  - **Configuration Steps —**
    1. Navigate to the **Tax on Group** setup in the *Tax Rate Maintenance* table.
    2. Select the *Tax ID* for the compound tax you are configuring.
    3. Define the Tax *Groups* that need to be included in the base calculation before this tax is applied.

Recommendations

- Documentation — Use clear, concise descriptions for Tax Groups and Tax Rates to avoid confusion.
- Testing — Verify all tax setups in a test environment before moving to production.
  - Utilize the **Test Sale** feature in Energy Force on customer tanks to confirm correct tax application for various scenarios, including special use cases like *Use Codes*, *Seasonal Taxes* and *Compound Taxes*.
- Maintenance
  - Regularly review tax rates for updates or expirations.
  - Schedule periodic audits to verify compliance with local, state, and federal tax regulations.
  - Maintain updated records of any changes to tax codes or business processes to ensure alignment with tax setups.