Oracle® Receivables

Guide to Integrating Oracle Receivables with
Taxware Sales/Use System

Release 11*i*

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Oracle® Receivables, Guide to Integrating Oracle Receivables with Taxware Sales/Use System Release 11*i*

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Oracle Receivables Guide to Integrating Oracle Receivables with Taxware Sales/Use System, Release 11*i*

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Preface

Welcome to Release 11*i* of the *Integrating Oracle Receivables with Taxware Sales/Use Tax System* implementation guide.

This manual provides you with all the information you need to integrate Oracle Receivables and Oracle Order Management with Taxware. It is organized for easy access to the following information:

- License and Support for Taxware Sales/Use Tax System
- Implementation procedures
- Day to day operations
- Reconciliation, support, and audit procedures
- Technical reference material
- Commonly asked questions

This preface explains how this guide is organized and introduces other sources of information that can help you.

Audience for this Guide

This guide assumes you have a working knowledge of the following:

- The principles and customary practices of your business area.

- Oracle Receivables

  If you have never used Oracle Receivables, we suggest you attend one or more of the Oracle training classes available through Oracle University.

- Taxware Sales/Use Tax System

- The Oracle Applications graphical user interface.

  To learn more about the Oracle Applications graphical user interface, read the *Oracle Applications User Guide.*

See Other Information Sources for more information about Oracle Applications product information.

How To Use This Guide

This guide is the primary source of information about integrating Taxware with Oracle Receivables and Oracle Order Management. It contains overviews as well as task and reference information. This manual includes the following chapters:

- Chapter 1 describes the additional license requirements that you must complete before implementing or using Taxware Sales/Use Tax System. Additionally, this chapter documents which components of Taxware Sales/Use Tax System are distributed within the E*Business suite and the support available.

- Chapter 2 describes the installation and implementation steps required to integrate Taxware with Oracle Receivables and Oracle Order Management.

- Chapter 3 describes the normal operation of Oracle Receivables and Oracle Order Management when the Taxware products are implemented.

- Chapter 4 provides an overview of the various accounting and business processes required for the Taxware integration.

- Chapter 5 describes the internal communication parameters between Oracle and Taxware, the Oracle tax view functions that support this communication, and how to extend the integration using user descriptive flexfields, Oracle Receivables fields, and the PL/SQL functions. Additionally, this chapter includes some commonly asked questions about using Taxware with Oracle Receivables.

Documentation Accessibility

Our goal is to make Oracle products, services, and supporting documentation accessible, with good usability, to the disabled community. To that end, our documentation includes features that make information available to users of assistive technology. This documentation is available in HTML format, and contains markup to facilitate access by the disabled community. Standards will continue to evolve over time, and Oracle Corporation is actively engaged with other market-leading technology vendors to address technical obstacles so that our documentation can be accessible to all of our customers. For additional information, visit the Oracle Accessibility Program Web site at http://www.oracle.com/accessibility/.

Accessibility of Code Examples in Documentation

JAWS, a Windows screen reader, may not always correctly read the code examples in this document. The conventions for writing code require that closing braces should appear on an otherwise empty line; however, JAWS may not always read a line of text that consists solely of a bracket or brace.

Accessibility of Links to External Web Sites in Documentation

This documentation may contain links to Web sites of other companies or organizations that Oracle Corporation does not own or control. Oracle Corporation neither evaluates nor makes any representations regarding the accessibility of these Web sites.

Assumptions

This guide assumes that you will consult with qualified tax professionals when setting up your system. The examples in this guide are for illustrative purposes only; your specific implementation may be different. This guide also assumes you are familiar with Oracle Receivables. If you have never used Oracle Receivables, we suggest you attend one or more of the Oracle Receivables training classes available through Oracle Education. For more information about Oracle Receivables and Oracle training, refer to the Other Information Sources section below.

This guide also assumes that you are familiar with the Oracle Applications graphical user interface. To learn more about the Oracle Applications graphical user interface, read the *Oracle Applications User Guide.*

Other Information Sources

You can choose from other sources of information, including online documentation, training, and support services, to increase your knowledge and understanding of Oracle Receivables.

If this user guide refers you to other Oracle Applications documentation, use only the Release 11*i* versions of those guides unless we specify otherwise.

Online Documentation

All Oracle Applications documentation is available online (HTML or PDF).

- **Online Help** - The new features section in the HTML help describes new features in 11*i*. This information is updated for each new release of Oracle Receivables. The new features section also includes information about any features that were not yet available when this guide was printed. For example, if your administrator has installed software from a mini-packs an upgrade, this document describes the new features. Online help patches are available on MetaLink.

- **11*i* Features Matrix** - This document lists new features available by patch and identifies any associated new documentation. The new features matrix document is available on MetaLink.

- **Readme File** - Refer to the readme file or "About" document for patches that you have installed to learn about new documentation or documentation patches that you can download.

Related User Guides

Oracle Receivables shares business and setup information with other Oracle Applications products. Therefore, you may want to refer to other user guides when you set up and use Oracle Receivables.

You can read the guides online by choosing Library from the expandable menu on your HTML help window, by reading from the Oracle Applications Document Library CD included in your media pack, or by using a Web browser with a URL that your system administrator provides.

If you require printed guides, you can purchase them from the Oracle store at http://oraclestore.oracle.com.

User Guides Related to All Products

Oracle Applications User Guide

This guide explains how to enter data, query, run reports, and navigate using the graphical user interface (GUI) available with this release of Oracle Receivables (and any other Oracle Applications products). This guide also includes information on setting user profiles, as well as running and reviewing reports and concurrent processes.

User Guides Related to This Product

Oracle Receivables Tax Manual

This manual provides everything you need to know about calculating tax within Oracle Receivables, Oracle Order Management, Oracle Sales, and Oracle iStore. It includes information about implementation procedures, setup forms and windows, the Oracle Receivables tax calculation process, tax reports and listings, and tax–specific open interfaces.

Oracle General Ledger User Guide

Use this manual when you plan and define your chart of accounts, accounting period types and accounting calendar, functional currency, and set of books. It also describes how to define journal entry sources and categories so that you can create journal entries for your general ledger. If you use multiple currencies, use this manual when you define additional rate types and enter daily rates. This manual also includes complete information on implementing budgetary control.

Oracle Order Management User Guide

This guide provides information about how to enter sales orders and returns, copy existing sales orders, schedule orders, release orders, create price lists and discounts for orders, run processes, and create reports.

Oracle Inventory User Guide

This manual explains how to define your items, units of measure classes, units of measure, and unit of measure conversions for use in measuring amounts for your units of production items, as well as other information about setting up and using Oracle Inventory.

Using Oracle HRMS - The Fundamentals

This manual explains how to enter your employees, so you can enter expense reports for them. It also explains how to set up organizations and site locations.

Oracle Financials Country-Specific User Guides

Use these manuals to meet statutory requirements and common business practices in your country or region. They also describe additional features added to Oracle Receivables to meet those requirements. Look for a user guide that is appropriate to your country; for example, see the *Oracle Financials for the Czech Republic User Guide* for more information about using this software in the Czech Republic.

Multiple Reporting Currencies in Oracle Applications

If you use Multiple Reporting Currencies feature to report and maintain accounting records in more than one currency, use this manual before implementing Oracle Receivables. The manual details additional steps and setup considerations for implementing Oracle Receivables with this feature.

Multiple Organizations in Oracle Applications

If you use the Oracle Applications Multiple Organization Support feature to use multiple sets of books for one Oracle Receivables installation, use this guide to learn about setting up and using Oracle Receivables with this feature.

Oracle Receivables User Guide

This user guide explains how to create and maintain transactions, enter and apply receipts, and enter customer information in Oracle Receivables. It also describes the Oracle Receivables open interfaces, such as AutoLockbox which lets you create and apply receipts and AutoInvoice which you can use to import and validate transactions from other systems.

Oracle Applications Flexfields Guide

This guide provides flexfields planning, setup, and reference information for the Oracle Receivables implementation team as well as for users responsible for the ongoing maintenance of Oracle Applications product data. This guide also provides information on creating custom reports on flexfields data.

Installation and System Administration

Oracle Applications Concepts

This guide provides an introduction to the concepts, features, technology stack, architecture, and terminology for Oracle Applications Release 11*i*. It provides a useful first book to read before an installation of Oracle Applications. This guide also introduces the concepts behind Applications-wide features such as Business Intelligence (BIS), languages and character sets, and Self-Service Web Applications.

Installing Oracle Applications

This guide provides instructions for managing the installation of Oracle Applications products. In Release 11*i*, much of the installation process is handled using Oracle Rapid Install, which minimizes the time it takes to install Oracle Applications and the Oracle 8*i* Server technology stack by automating many of the required steps. This guide contains instructions for using Oracle Rapid Install and lists the tasks you need to perform to finish your installation. You should use this guide in conjunction with individual product user guides and implementation guides.

Upgrading Oracle Applications

Refer to this guide if you are upgrading your Oracle Applications Release 10.7 or Release 11.0 products to Release 11*i*. This guide describes the upgrade process in general and lists database upgrade and product–specific upgrade tasks. You must be at either Release 10.7 (NCA, SmartClient, or character mode) or Release 11.0 to upgrade to Release 11*i*. You cannot upgrade to Release 11*i* directly from releases prior to 10.7.

"About" Document

For information about implementation and user documentation, instructions for applying patches, new and changed setup steps, and descriptions of software updates, refer to the "About" document for your product. "About" documents are available on MetaLink for most products starting with Release 11.5.8.

Maintaining Oracle Applications

Use this guide to help you run the various AD utilities, such as AutoUpgrade for 11i, AutoPatch, AD Administration, AD Controller, Relink, and others. It contains how–to steps, screenshots, and other information that you need to run the AD utilities.

Oracle Applications Product Update Notes

Use this guide as a reference if you are responsible for upgrading an installation of Oracle Applications. It provides a history of the changes to individual Oracle Applications products between Release 11.0 and Release 11*i*. It includes new features and enhancements and changes made to database objects, profile options, and seed data for this interval.

Oracle Applications System Administrator's Guide

This guide provides planning and reference information for the Oracle Applications System Administrator. It contains information on how to define security, customize menus and online help, and manage processing.

Oracle Alert User's Guide

This guide explains how to define periodic and event alerts to monitor the status of your Oracle Applications data.

Oracle eTechnical Reference Manuals

Each eTechnical Reference Manual (eTRM) contains database diagrams and a detailed description of database tables, forms, reports, and programs for a specific Oracle Applications product. This information helps you convert data from your existing applications, integrate Oracle Applications data with non-Oracle applications, and write custom reports for Oracle Applications products. Oracle eTRM is available on MetaLink, Oracle's support web site. See the eTRM for Oracle Receivables-specific information.

Oracle Workflow Guide

This guide explains how to define new workflow business processes as well as customize existing Oracle Applications–embedded workflow processes. You also use this guide to complete the setup steps necessary for any Oracle Applications product that includes workflow–enabled processes.

Training and Support

Training

We offer a complete set of training courses to help you and your staff master Oracle Applications. We can help you develop a training plan that provides thorough training for both your project team and your end users. We will work with you to organize courses appropriate to your job or area of responsibility.

Training professionals can show you how to plan your training throughout the implementation process so that the right amount of information is delivered to key people when they need it the most. You can attend courses at any one of our many Educational Centers, or you can arrange for our trainers to teach at your facility. We also offer Net classes, where training is delivered over the Internet, and many multimedia–based courses on CD. In addition, we can tailor standard courses or develop custom courses to meet your needs.

Support

From on-site support to central support, our team of experienced professionals provides the help and information you need to keep Oracle Receivables working for you. This team includes your Technical Representative, Account Manager, and Oracle's large staff of consultants and support specialists with expertise in your business area, managing an Oracle server, and your hardware and software environment.

Do Not Use Database Tools to Modify Oracle Applications Data

We STRONGLY RECOMMEND that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle Applications tables, unless we tell you to do so in our guides.

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. But if you use Oracle tools such as SQL*Plus to modify Oracle Applications data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle Applications tables are interrelated, any change you make using an Oracle Applications form can update many tables at once. But when you modify Oracle Applications data using anything other than Oracle Applications forms, you might change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle Applications.

When you use Oracle Applications forms to modify your data, Oracle Applications automatically checks that your changes are valid. Oracle Applications also keeps track of who changes information. But, if you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL*Plus and other database tools do not keep a record of changes.

About Oracle

Oracle Corporation develops and markets an integrated line of software products for database management, applications development, decision support, and office automation, as well as Oracle Applications, an integrated suite of more than 160 software modules for financial management, supply chain management, manufacturing, project systems, human resources and customer relationship management.

Oracle products are available for mainframes, minicomputers, personal computers, network computers and personal digital assistants, allowing organizations to integrate different computers, different operating systems, different networks, and even different database management systems, into a single, unified computing and information resource.

Oracle is the world's leading supplier of software for information management, and the world's second largest software company. Oracle offers its database, tools, and applications products, along with related consulting, education, and support services, in over 145 countries around the world.

Thank You

Thank you for using Oracle Receivables and this implementation guide.

Oracle values your comments and feedback. In this guide is a reader's comment form that you can use to explain what you like or dislike about Oracle Receivables or this user guide. Mail your comments to the following address or call us directly at (650) 506-7000.

Oracle Applications Documentation Manager
Oracle Corporation
500 Oracle Parkway
Redwood Shores, CA 94065
USA

Or send electronic mail to appsdoc_us@oracle.com.

1

License and Support for Taxware Sales/Use Tax System

This chapter describes how the Oracle E*Business suite communicates your responsibilities for additional licensing should you wish to use the Taxware Sales/Use Tax System.

License

If you wish to implement or use the Taxware Sales/Use Tax System with Oracle Applications, you must obtain a license from Taxware International, a division of govONE Solutions. You must call the Taxware Sales Department to obtain a license.

Contact Information:

Taxware Sales Department

(978) 741-0101

http://www.taxware.com

Supported Platforms

Taxware supports these platforms:

- HP-UX 11.0

- Sun/Solaris 2.8

- AIX 4.3.2

> **Note:** Please contact Taxware for additional information on platforms that Taxware supports.

Using the Taxware Sales/Use Tax System

Integration with the Taxware Sales/Use Tax System allows you to calculate, track, and report on complex taxes. You may want to consider using the Taxware Sales/Use Tax System if:

- Your company has nexus or a physical presence in multiple states.

- Your company has multiple warehouses or warehouses that are located in jurisdictions that include origin-based tax.

Taxware International Inc. provides leadership and expertise in state and local tax research.

The Taxware Sales/Use Tax System provides the ability to calculate complex state, county, local, and district taxes based on ship-to, ship-from, order origin, and order acceptance locations.

Sales/Use Tax System (Sales, Use, and Consumer's Use Tax)

The Sales/Use Tax System is the center of Taxware's product line. It automatically calculates accurate sales, use and consumer's use taxes and operates as an integral part of a user's financial system. Unique to the system is the only fully populated Product Taxability Matrix in the industry. Its Tax Master File covers all U.S. tax jurisdictions and Canadian provinces and is kept current with monthly updates. Taxware's other systems interface with the Sales/Use Tax System, creating a comprehensive yet customizable solution.

STEP System (Sales Tax Exemption Processing)

STEP can interface with the Sales/Use Tax System for error-free handing of tax exempt sales and purchase transactions, generating reports as needed. The STEP System processes, stores, tracks, and maintains exemption certificates. The system singles out certificates that are nearing expiration and flags them in advance of the expiration date. Also used for transactions, STEP automates consumer's use tax accrual by allowing users to approach decision making by product, cost center, project, or vendor, with multiple levels and combination of detail.

ReMIT System (Returns Module for Taxation)

ReMIT prepares finished, ready-to-submit sales tax returns for state and local tax jurisdictions. The system automatically presents the user with a completed Sales/Use tax return. ReMIT is menu driven, which greatly simplifies and shortens the tax compliance process.

> **Note:** You do not have to implement or use Taxware Sales/Use Tax System in order to run the Oracle E*Business Suite.

Support

All support for the Taxware Sales/Use Tax System is provided by Taxware International, Inc. Technical support for the Taxware Sales/Use Tax System is available at (978) 741-0101 ext. 299.

Support for the integration of Taxware Sales/Use Tax System within Oracle Receivables is provided by Oracle Corporation under its normal support agreements.

The integration has been certified by Oracle for US State and Local Tax compliance within Oracle Receivables, Oracle Order Management, Oracle Order Capture, Oracle iStore, and Customer Relationship products.

For additional information, see Support Procedures on page 4-11.

2

Implementing the Taxware Sales/Use Tax System

This chapter describes the installation and implementation steps required to integrate the Taxware Sales/Use Tax System with Oracle Receivables, Oracle Order Management, and Oracle Order Capture.

Implementing the Taxware Sales/Use Tax System

Oracle Receivables provides a Tax Vendor Extension to integrate external tax calculation programs with Oracle Applications. This Extension lets you provide for complex tax calculation needs while retaining the full power of Receivables to create and store all other tax data.

The Tax Extension is called whenever a tax rate is calculated by the Receivables Tax Engine. When implemented, the Tax Extension will return a tax rate or amount from the vendor program. Receivables will use this information to create the appropriate tax line(s) and related accounting information.

> **Note:** If your Receivables installation uses multiple organizations (multi–org), the profile option Tax: Use Tax Vendor lets your system administrator control which users can call an installed third party application for tax calculations. The default value is Yes; this indicates that a user can call a third party application to calculate tax.

> **See also:** Overview of Receivables Profile Options, *Oracle Receivables User Guide*

Scope

This implementation guide is for the integration of the tax vendor extension with the Release 11i version of Oracle Receivables. The tax vendor extensions have been implemented using Taxware's Sales/Use Tax System.

> **Attention:** The Taxware integration is only supported for US state and local taxes. Do not implement this integration for Canada or any other country. For more information on international tax handling (including Canadian taxes), please refer to the *Oracle Receivables Tax Manual*.

Related Documents

This integration guide is a supplement to the *Oracle Receivables Tax Manual*. When implementing Taxware Sales/Use Tax System with Oracle Receivables, you should first review and perform the steps described in the Implementing US Sales Tax essay in the *Oracle Receivables Tax Manual*. Only after all the steps in the Implementing US Sales Tax essay have been completed should you then execute the additional steps required for Taxware integration.

Sales Tax Rate Interface

Both Oracle Order Management and Oracle Receivables provide an interface to load tax rates, postal code ranges, and location names from data files supplied by external vendors. This information is used by the Receivables Customers windows to validate addresses and create compiled sales tax data whenever an address is updated or created.

Receivables provides a sample Taxware SQL*Loader control file called aravp.ctl. This file will load state, county, city, postal code range, jurisdiction codes, tax rates, and jurisdiction code data from the Taxware TMD datafile into the Oracle table AR_TAX_INTERFACE. Once loaded, the jurisdiction code data will be automatically used by the Taxware views.

> **See also:**   Sales Tax Rate Interface, *Oracle Receivables Tax Manual*

Tax Database Views and Functions

Receivables provides database views to control which database columns are passed into the Tax Engine to calculate tax for your transaction lines. The database views call PL/SQL functions to provide a consistent and flexible access to vendor–specific data.

Generic Tax Extension

The Tax Extension is called whenever a tax rate is calculated by the Receivables Tax Engine. Tax rates are calculated in the following windows, concurrent programs, and reports:

- Adjustments windows

- AutoInvoice

- Copy Transactions window

- Credit Transactions window

- Quote window (CRM Applications that use Oracle Order Capture to perform tax quotations)

- Sales Orders window (Oracle Order Management)

- Transactions window

The Tax Extension can be implemented to generate single or multiple tax lines for every invoice line. Receivables stores each tax line in the RA_CUSTOMER_TRX_LINES table.

Integration With Oracle Order Management

The Receivables Tax Extension is fully integrated with Oracle Order Management. At the time of order entry, the tax amount for an order or line is calculated by calling the Receivables Tax Engine. Consequently, if you have installed a Tax Vendor, it will be called to calculate tax on the order in the same way as on the invoice.

> **Note:** Tax on an order is for information only and are recalculated at the time of invoice creation. This is necessary because tax rates change over time and there could be a significant difference in the rates between the order date and the invoice date.

Integration With Oracle Order Capture

The Taxware Sales Use Tax System is fully integrated with Oracle Order Capture. When you enter a quote, the tax amount for the quotation is calculated by calling the Receivable Tax Engine. Consequently, if you have installed a Tax Vendor, it will be called to calculate tax on quotes in the same way as on invoices and sales orders.

> **Note:** Tax on an order, quote, or an online order is for information only and is recalculated at the time of invoice creation because tax rates change over time and there could be a significant difference in the tax rates between the order date and the invoice date.

Preparing Receivables

The tax extension is a PL/SQL procedure that is called by the Oracle Tax Engine every time a tax rate is calculated within Receivables or Oracle Order Management.

Load External Tax Information

Receivables provides a sample Taxware SQL*Loader control file, $AR_TOP/bin/aravp.ctl, to load new locations and tax rates from the TMD datafile supplied by Taxware. These programs let you load multiple tax rates for the same location, which may cover different date ranges and postal codes. The following diagram shows how your Tax Vendor's data is imported into the Receivables tax tables.

> **Note:** Receivables provides six possible Sales Tax Location Flexfield structures. The sample Taxware SQL*Loader file, aravp.ctl, only supports the structure State.County.City.

The following illustration shows the Sales Tax Rate Interface:

Figure 2–1   Sales Tax Rate Interface
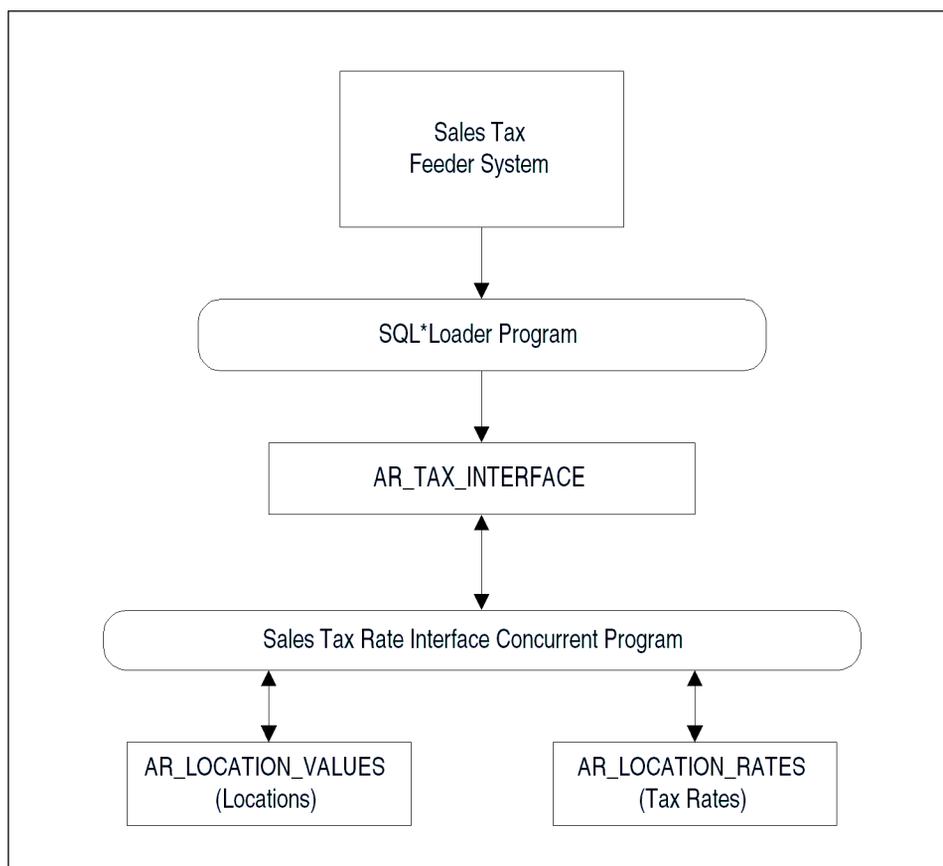
Receivables provides database views to pass tax information to the Tax Engine. You can use these views to control which database columns are passed into the Tax Engine for every transaction line that you tax. The following views were defined:

■   TAX_LINES_INVOICE_IMPORT_V_A

Used by the Receivables AutoInvoice program.

■   TAX_LINES_RMA_IMPORT_V_A

Used by the Receivables AutoInvoice program.

■   TAX_LINES_RECURR_INVOICE_V_A

Used by the Receivables Recurring Invoice program (Copy Transactions window).

- TAX_LINES_CREATE_V_A

  Used by the Receivables Transactions Workbench.

- TAX_LINES_DELETE_V_A

  Used by the Receivables Transactions Workbench.

- TAX_ADJUSTMENTS_V_A

  Used by the Receivables Transactions Workbench.

- TAX_LINES_CREATE_CM_V_A

  Used by the Receivables Transactions Workbench.

For additional information, please refer to the *Oracle Receivables eTRM* and the *Oracle Order Management eTRM available on MetaLink*.

Although these views are no longer supported, the functions associated with these views are available for customization:

- OE_TAX_LINES_SUMMARY_V_A

  Used by the Order Management Sales Orders window.

- ASO_I_TAX_LINES_SUMMARY_V_A

  Used by the Oracle Order Capture.

The following illustration shows how to use the Tax Engine to calculate tax:

Figure 2–2   Using the Tax Engine to Calculate Tax
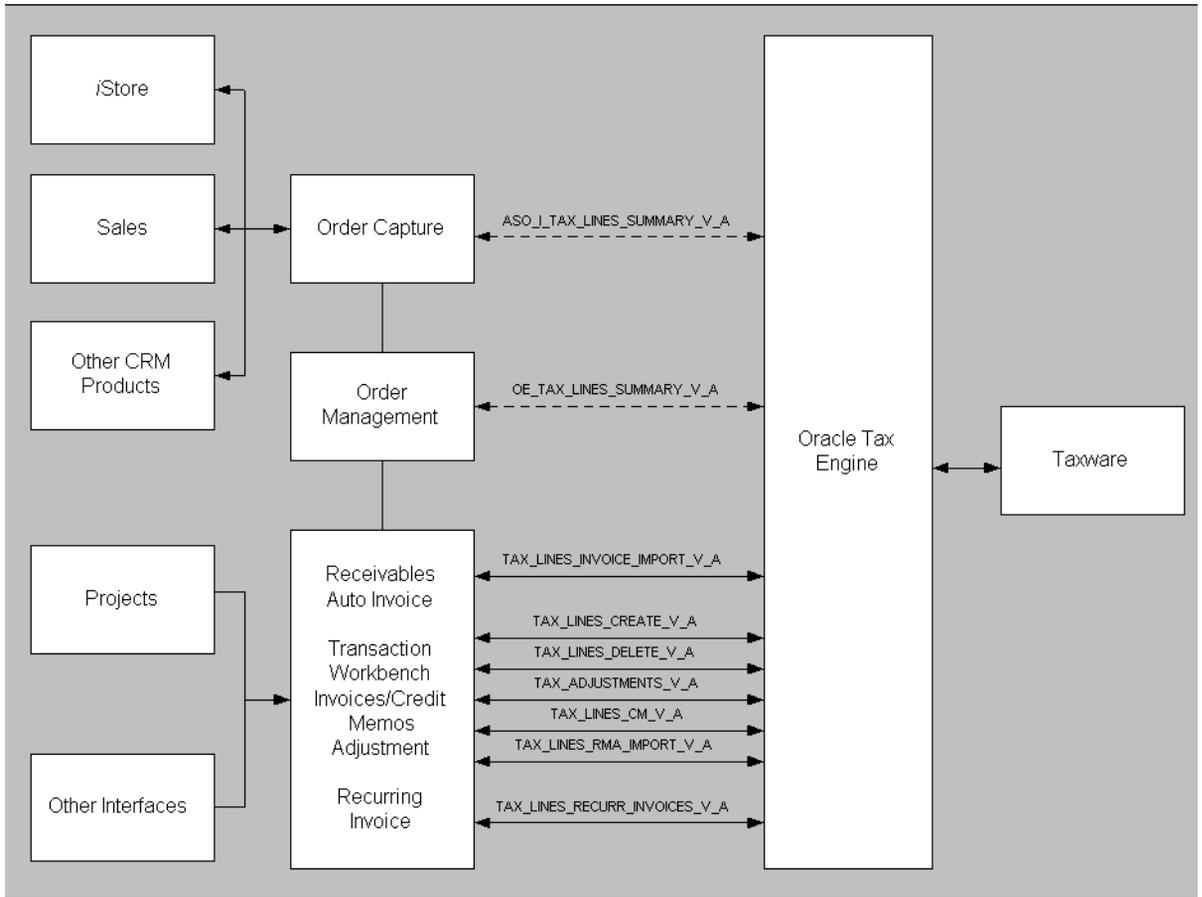
Receivables Tax Engine

The Tax Engine uses the information passed by the database views to calculate tax, regardless of whether an external Tax Vendor is installed. Both the Tax Extension and the AR Tax Module are components of the Tax Engine and are called every time the Tax Engine is requested to calculate tax.

If an external tax vendor is installed, the Tax Engine will use the tax rate or amount returned by the Tax Extension to override the rate or amount calculated by the AR Tax Module. The following table highlights key columns used by your tax vendor.

Table 2–1   Columns used by your vendor.

View Column Name	Description
TRX_NUMBER	Transaction Number
TRX_DATE	Transaction Date
BILL_TO_CUSTOMER_ NAME	Bill–to customer name
SHIP_FROM_ADDRESS_ CODE	Jurisdiction code for Ship From Address
SHIP_TO_ADDRESS_ CODE	Jurisdiction code for Ship–To Address
PART_NUMBER	Inventory Part Number

Tax Jurisdictions

Within the United States, a tax rate is calculated from Ship–To, Ship From, Point of Order Origin, and Point of Order Acceptance. To implement the Tax Extension using each of these addresses, you need to store the latter three values in descriptive flexfields at the appropriate level: Invoice Line or Header, or Order Line or Header.

If you use AutoInvoice to import orders from Oracle Order Management, AutoInvoice will populate the item line Transaction Flexfield with packing slip information, which can be used to source the Ship From site use and address for each order. For more information, please refer to Integrating Oracle Order Management with Oracle Receivables in the *Oracle Financials Open Interfaces Manual*.

The jurisdiction codes are loaded by the Sales Tax Rate Interface into attribute 1 of the table ar_location_rates. To load vendor jurisdiction codes into the other view columns, you will need to modify the views to join ar_location_rates with your appropriate customized table.

If you require postal code data to nine characters (zip+4) to segregate customer addresses by jurisdiction code, you will need to manually update the address data provided by your Tax

Vendor. You can use the Location and Rates window to update the postal code data to comply with your jurisdiction code requirements.

This table shows an example of multiple jurisdiction codes within a standard five digit postal code designation:

Table 2–2   Jurisdiction codes

location_segment_id	from_postal_code	to_postal_code	jurisdiction_code
43 (San Francisco)	94110	94116	code 1
43 (San Francisco)	94117	94117	code 2
43 (San Francisco)	94118	94118–3999	code 3
43 (San Francisco)	94118–4000	94118–9999	code 4

For more information, see

Installing the Taxware Sales/Use Tax Integration

With Release 11.5.9, the latest Oracle certified version of Taxware Sales/Use Tax System software is available prepackaged with Oracle E Business Suite Release 11i. See the setup checklist for prepackaged Taxware Sales/Use Integration steps on page 2-14 for installation if a prepackaged version is used.

The tax vendor also provides an alternative mechanism to install their software. See the setup checklist on page 2-21 for non-prepackaged taxware sales/use tax integration for installation without prepackaged Taxware software.

The prepackaged version of Taxware software is a convenient installation method with a simplified Taxware database server-side software. The Taxware software resides on the Oracle installation CD as a single zip file. A one-step automated process facilitates Taxware installation without user intervention, which replaces the multi-step interactive process previously required. The non prepackaged installation method requires these steps from the checklist, which are eliminated if prepackaged installation is used:

- Provide Grants to the APPS Schema

- Recreate Synonyms

Perform the prerequisites steps before using the setup checklist for any installation method.

Character Mode Upgrade

If you are upgrading from Oracle Applications Release 10 character mode applications, integrating with the Taxware Sales/Use Tax System using the solution from Design Migration Services, please contact your Oracle account manager for consulting assistance.

Prerequisites

- Please contact the Taxware Sales Department for Oracle related Taxware products at (978) 741-0101, ext. 299 to obtain a software license and all other necessary product components.

- Sales/Use Tax System, STEP, and Implementation training from Taxware international

- Implement U.S. Sales Tax. To do this, you need to perform all of the steps described in the Implementing US Sales Tax essay in the *Oracle Receivables Tax Manual*.

- Upload the Taxware TMDFL data file into Oracle Receivables Address Validation tables. You need to upload this file before loading any customer addresses. This two-step process is described in Monthly Procedures on page 4-6.

- Validate customer addresses. All Ship–to and Bill–to Customer Addresses within the US must have been validated by Oracle Receivables by setting the Address validation field in the System Options window to "Error."

- Login access to the APPS schema

- Permission to relink Oracle executables

- Test database

> **Attention:**   Oracle Receivables allows a maximum of 20 characters when entering transaction numbers. Taxware reports, however, display only 10 characters, so some transaction numbers may be truncated. We recommend that you limit transaction numbers to no more than 10 characters when creating transactions in Oracle Receivables.

Setup Checklist for PrePackaged Taxware Sales/Use Tax Integration

The Taxware database server-side, residing on the Oracle CD, is manually installed after the Oracle E Business suite Release 11i (11.5.9 or later) is successfully installed. To find the version of the latest prepackaged Taxware software, review the About document included with your software. The prepackaged installation process will automatically upgrade the existing database server-side Taxware software, if any. The main components of the prepackaged Taxware software are:

- An installation driver script
- A zipped software file consisting of database server-side objects necessary for installing Taxware.

You must perform all prerequisites in this chapter before installing Taxware software.

Where appropriate, Oracle may certify a more recent version of Taxware software than the version included with the Oracle CD. Users can download the prepackaged Taxware software via Oracle MetaLink. Contact your Oracle support representative for more information.

Complete the following steps in the order shown to implement the prepackaged version of Tax Vendor Extension:

1. Run the Installation Driver Script

2. Set Profile Options

3. Set up Lookup Code ARTAXVDR: Location Qualifier

4. Set up Lookup Code Tax Exemption Reason

5. Set Up Tax Vendor-Specific Tax Codes

6. Setup System Options

7. Set Up Jurisdiction Codes (optional)

8. Install Client-Side Taxware Software

9. Load Tax Rates Data from Taxware

10. Verify Tax Vendor Implementation

Step 1 Run the Installation Driver Script

The installation driver script (UNIX Shell script for UNIX-based systems) unzips the Taxware software, installs the database server-side software, and integrates Taxware software with Oracle E Business Suite. After a successful installation of Release 11.5.9, run the driver script at the command prompt:

```
cd $AR_TOP/bin
artxptnr.sh <parameter1> <parameter 2> <parameter3> <parameter4> <parameter5>
<parameter6> <parameter7> <parameter8> <parameter9>
```

This table displays parameters passed to the driver script:

Table 2–3 Parameters passed to the driver script

Parameter	Parameter Name	Required
parameter1	Partner Name	Yes
parameter2	System User (Database)	Yes
parameter3	System User Password	Yes
parameter4	Apps User Password	Yes
parameter5	Taxware Schema Name	Yes
parameter6	Taxware Schema Password	Yes
parameter7	Tablespace Name for Taxware Schema	Yes
parameter8	Temporary Tablespace Name for Taxware Schema	Yes
parameter9	SQL*Loader Executable (sqlldr) for loading sample Taxware Data	Yes

The parameters in this table are required and must be passed in the order listed. An example driver script run command based on this table is:

```
$AR TOP/bin/artxptnr.sh taxware system manager apps taxware taxware USER_DATA
TEMP sqlldr
```

Other relevant information for the driver script is:

- Location of the driver script: $AR_TOP/bin

- Location of the execution log file: $APPLTMP

- Name of the execution log file: artxptnr.log

Step 2 Setup Profile Options

Set profile options at responsibility level. This table displays the profile options that are used by the tax vendor extensions:

This table displays the profile options that are used by the tax vendor extensions:

Table 2–4 Profile Options and Default Values

Profile Name	Default Value	Description
Tax Taxware: Use Nexpro	No	Use this option to indicate whether Taxware uses the Nexpro functionality.
Tax Taxware: Tax Selection Parameter	Jurisdiction and Tax	Use this option to indicate whether jurisdiction level jurisdiction codes are used to calculate taxes. The value "Tax only" calculates tax based on the ship–to address only. The value "Jurisdiction and Tax" calculates tax based on all jurisdiction information.
Tax Taxware: Tax Type	Sales	This option indicates the type of tax. Enter a value of Sales, Service, or Use.
Tax Taxware: Service Indicator	Non–service	Choose Service, Rental, or Nonservice.

Step 3 Setup Lookup Code ARTAXVDR: Location Qualifier

The ARTAXVDR lookup code: Location Qualifier determines whether tax lines should be created separately for state, country, and city, or it the tax rates amounts should be summed up into one tax line. Use the Oracle Receivables Lookups window to define this lookup code.

Required Setup: Enable ALL and disable STATE, COUNTY, and CITY to get a consolidated, single tax line.

Step 4 Setup Lookup Code Tax Exemption Reason

When storing tax exemptions in Oracle Receivables, use the Oracle Receivables Lookups window to set up the Tax Exemption Reason lookup code. These reason codes are used by the tax vendor to determine the exemption reason and are restricted in the number of characters that are used by the vendors.

> **Attention:**   Taxware is restricted to two alphanumeric characters; define these exemption reasons so that the first two characters of the Exemption Reason QuickCode Name are unique.

Step 5 Set Up Tax Vendor–Specific Tax Codes

When using the tax vendor extensions, you need to define a location–based tax code for each organization that will use Taxware integration. Only location–based taxes are calculated by

the tax vendor extensions. Depending on your setup for the lookup.code ARTAXVDR: Location Qualifier, you will need to define some additional tax codes (see below). When this lookup code is set up to return STATE, COUNTY, and CITY, the tax vendor extension creates tax lines with separate tax codes set for the state, county, and city tax.

For each organization that will use Taxware integration, create three extra tax codes: STATE, COUNTY, and CITY. These tax codes should be of type *Sales Tax*. The tax rates associated with these tax codes are not used, but is updated by the tax vendor extension.

This integration will generate one tax line per invoice. The State, County, and City tax amounts and tax rates are held in the Global Descriptive Flexfield for the tax line. This enhancement enables Oracle to provide a more detailed level of tax reporting and reconciliation without requiring three tax lines per invoice line and multiple tax codes.

Oracle Receivables will use the Tax Account identified in the Tax Locations and Rates window to control the tax liability posting so that each state may have its own state tax liability account.

Step 6 Set Up System Options

The default tax views will not work properly with the tax vendor extensions. These views should be replaced with the vendor tax views provided. These views were installed under a different name (see below).

1. Naviage to the System Options window.

2. Choose the Tax tabbed region.

3. Enter Taxware in the Tax Vendor Views field for each organization that will use Taxware integration so that the views use the data source derived from the Taxware views.

4. Enter the State.County.City in the Location Flexfield Structure field, which is required for valid location addresses for Taxware integration.

5. Choose the Tax Defaults and Rules tab.

6. Check the Calculate Tax on Credit Memo during Autoinvoice check box.

Step 7 Set Up Jurisdiction Codes and other optional fields (optional)

You can implement descriptive flexfields and use standard fields available in Oracle Receivables windows to extend the basic functionality of this integration. Specifically, Warehouse Jurisdiction Code, Salesperson Jurisdiction Code, and Customer Addresses Jurisdiction Codes can be used to support tax calculations using both ship–from and ship–to addresses. The Predefined Exempt Rates descriptive flexfield allows you to enter an exemption percentage, and the User Defined Receivables Activity Information descriptive flexfield allows you to set up a flag, which indicates whether you want to post adjustment information to the Taxware audit table. For more information, see: Storing Tax Information in Oracle Receivables on page 5-22.

Step 8 Install Client-Side Taxware Software

Install all necessary client-side Taxware Sales/use Tax applications, including STEP (Sales Tax Exemption Processing) client-side software.

Step 9 Load Tax Rates Data from Taxware

Load the tax rates data from Taxware needed for the integrated solution. These tax rates are loaded in Taxware schema using the Taxware utilities. Contact Taxware for additional details about this step.

Step 10 Verify Tax Vendor Implementation

Perform the following steps to verify that the tax vendor was successfully implemented

> **Note:** Between each step, confirm that the vendor's tax reports reconcile to Oracle Receivables.

1. Run the Tax Set up Verification report.

   This report is available with Release 11.5.9. Run the report with these parameters:

   - Tax Partner Name: Taxware

   - Tax Partner Schema Name: <Taxware>

   Review the report output to verify completeness of the Taxware integration setup.

2. Create Customer Addresses.

   Customer addresses are validated against existing location.

3. Create a sales order.

The tax vendor extensions are integrated with Oracle Order Management sot hat tax estimations can be calculated.

4. Import a sales order with AutoInvoice.

   Tax is calculated with the vendor tax extension on invoices imported from Oracle Order Management or other feeder systems.

5. Create an invoice in the Receivables Transaction Workbench.

   Tax is calculated using the vendor tax extension on manual invoices created from within Oracle Receivables.

6. Update/Delete a line.

   When you update or delete an invoice line, tax amounts will always reconcile to your vendor's tax reports.

7. Credit the invoice.

   When you create credit memos, tax amounts will always reconcile to your vendor's tax reports.

8. Copy the invoice.

   Tax is calculated using the vendor tax extensions on recurred invoices.

9. Create an exempt order.

   Oracle Receivables exemptions can be used in calculating tax with the vendor tax extensions.

10. Adjust the invoice.

    Tax adjustments will reconcile with your vendor's tax reports. Only approved adjustments of Tax type are reflected in your vendor's tax reports, which lets you control which write offs have recoverable sales tax from the state, county, and city.

Setup Checklist for Non-PrePackaged Taxware Sales/Use Tax Integration

Complete the following steps in the order shown to implement the Vendor Tax Extension:

1. Install Database Server-Side Taxware Software

2. Provide Grants to the APPS Schema

3. Remove the C Tax Vendor (optional)

4. Recreate Synonyms

5. Set Profile Options

6. Setup Lookup Code ARTAXVDR: Location Qualifier

7. Setup Lookup Code Tax Exemption Reason

8. Setup Vendor-Specific Tax Codes

9. Setup System Options

10. Setup Jurisdiction Codes (optional0

11. Install Client-Side Taxware Software

12. Load Tax Rates Data from Taxware

13. Verify Tax Vendor Implementation

Step 1 Install Database Server-Side Taxware Software

Install the latest Oracle certified version of Taxware's Sales/User Tax system software including all database server-side components such as Taxware PL/SQL packages, tables, data, and STEP (Sales Tax Exemption Processing). These database objects should all be created in a separate vendor schema.

You must apply the cumulative Oracle tax patch that is intended to work with the Taxware version that is being installed. Contact your Oracle support representative for more information.

Step 2 Provide Grants to the APPS Schema

Once the vendors are installed, certain grants must be given to the APPS schema so that these vendor packages can be executed.

```
Connect <Taxwareschema>/<Taxware passwork>
GRANT ALL ON TAXPKG GEN TO <APPS Schema>
WITH GRANT OPTION;
GRANT ALL ON TAXPKG 10 TO <APPS Schema>
WITH GRANT OPTION;
GRANT DELETE ON TAXAUDIT HEADER to <APPS Schema>;
GRANT DELETE ON TAXAUDIT DETAIL to <APPS Schema>;
GRANT DELETE ON TAXAUDIT TAX to <APPS Schema>;
GRANT DELETE ON TAXAUDIT JURIS to <APPS Schema>;
```

Step 3 Remove the C Tax Vendor (optional)

This step is required only if you are upgrading from the DMS integration. To use the PL/SQL version of the tax vendor extensions, the C tax vendor extension must be taken out of all Oracle executables. This integration will make obsolete the integration from DMS.

First, the $FND_TOP/usrxit/devenv files VNDARSL and VNDARPL should include the vendor–specific object files: these need to be removed. The following objects have been

defined for Taxware in VNDARPL and VNDARSL. Please remove any references to these objects.

```
$(AVP_TOP)/tax010.o
$(AVP_TOP)/tax010a.o
$(AVP_TOP)/tax010b.o
$(AVP_TOP)/tax010c.o
$(AVP_TOP)/taxio.o
$(AVP_TOP)/taxiodb.o
$(AVP_TOP)/taxioseq.o
$(AVP_TOP)/taxvalid.o
$(AVP_TOP)/stepio.o
$(AVP_TOP)/stepiodb.o
$(AVP_TOP)/stepiosq.o
$(AVP_TOP)/stepvald.o
$(AVP_TOP)/taxwrdb.o
$(AVP_TOP)/taxdbms.o
$(AVP_TOP)/taxauddb.o
$(AVP_TOP)/step90.o
$(AR_TOP)/lib/aravp.o
$(AVP_TOP)/libbtv3.a
```

Next, relink aiap, AutoInvoice, recurring invoices, OE Transaction Manager, and the reports executables by issuing the following commands:

```
adrelink force=y ranlib=y "fnd aiap"
adrelink force=y ranlib=y "fnd ar25run"
adrelink force=y ranlib=y "oe OEORPC"
adrelink force=y ranlib=y "ar RAXTRX"
adrelink force=y ranlib=y "ar ARXREC"
```

Step 4 Re–create Synonyms

Once the packages have been installed, you need to recreate certain synonyms to point to the correct vendor packages.

```
CONNECT <apps schema>/<apps password>
DROP SYNONYM ARP_TAX_TAXWARE_010;
DROP SYNONYM ARP_TAX_TAXWARE_GEN;
DROP SYNONYM ARP_TAX_TAXWARE_AUDIT_HEADER;
DROP SYNONYM ARP_TAX_TAXWARE_AUDIT_DETAIL;
DROP SYNONYM ARP_TAX_TAXWARE_AUDIT_JURIS;
DROP SYNONYM ARP_TAX_TAXWARE_AUDIT_TAX;
CREATE SYNONYM ARP_TAX_TAXWARE_010 FOR
<Taxware Schema>.TAXPKG_10;
CREATE SYNONYM ARP_TAX_TAXWARE_GEN FOR
<Taxware Schema>.TAXPKG_GEN;
CREATE SYNONYM ARP_TAX_TAXWARE_AUDIT_HEADER FOR
<Taxware Schema>.TAXAUDIT_HEADER;
CREATE SYNONYM ARP_TAX_TAXWARE_AUDIT_DETAIL FOR
<Taxware Schema>.TAXAUDIT_DETAIL;
CREATE SYNONYM ARP_TAX_TAXWARE_AUDIT_JURIS FOR
<Taxware Schema>.TAXAUDIT_JURIS;
CREATE SYNONYM ARP_TAX_TAXWARE_AUDIT_TAX FOR
<Taxware Schema>.TAXAUDIT_TAX;
```

Step 5 Set Up Profile Options

Profile options should be set at responsibility level. This table displays the profile options that are used by the tax vendor extensions:

Table 2–5 Profile Options and Default Values

Profile Name	Default Value	Description
Tax: Use Tax Vendor	Null	Use this option to indicate whether the vendor tax engine should be used. (The default value indicates that the tax vendor is *not* used.) Set this option to "Yes" if you are using Taxware. This profile option is not required if you are using Release 11.5.9 or higher, and is replaced by step 9 in this section: the Oracle Receivables System Options window, Tax tab, enter "Taxware" in the Tax Vendor Views field.
Tax Taxware: Use Nexpro	No	Use this option to indicate whether Taxware uses the Nexpro functionality.

Table 2–5   Profile Options and Default Values

Profile Name	Default Value	Description
Tax Taxware: Tax Selection Parameter	Jurisdiction and Tax	Use this option to indicate whether jurisdiction-level jurisdiction codes are used to calculate taxes. The Tax Only value calculates tax based on the ship-to address only. The Jurisdiction and Tax value calculates tax based on all jurisdiction information.
Tax Taxware: Tax Type	Sales	This option indicates the type of tax. Enter a value of Sales, Service, or Use.
Tax Taxware: Service Indicator	Non–service	Choose Service, Rental, or Nonservice.
Tax: Use PL/SQL Vendor	Null	Indicates which tax vendor is used. Set this option to "Taxware." This profile option is not required if yo use Release 11.5.9 or higher and is replaced by Step 9 in this section: the Oracle Receivables System Options window, Tax tab, enter "Taxware" in the Tax Vendor Views field.
Tax Calculate Tax on Credit Memos	No	Set this profile option to "Yes" to post credit memos to the Taxware audit file. This profile is not available if you are using Release 11.5.7 or higher. In Oracle Receivables System Options window, choose the Tax Defaults and Rules tab, select the Calculate Tax on Credit Memo during Autoinvoice check box.

Steps 6-13

For details on steps 6-13, refer to steps 3-10 in the Setup Checklist for prepackaged Taxware Integration on page 2-14.These steps include:

- Setup Lookup Code ARTAXVDR

- Setup Lookup Code Tax Exemption Reason

- Setup Vendor-Specific Tax Codes

- Setup System Options

- Setup Jurisdiction Codes and Other Optional Fields (optional)

- Install Client-Side Taxware Software

- Load Tax Rates Data from Taxware

- Verify Tax Vendor Implementation

3

Tutorial

This chapter describes the normal operation of Oracle Receivables and Oracle Order Management when the Taxware products are implemented. Use this tutorial to learn how your daily transactions are reflected in the Taxware Sales and Use report.

Tutorial

This section describes the Demonstration Script for a standard implementation.

Create Customer Addresses

When creating a new address for a customer, the state, county, city, and postal code are validated against existing locations. These locations are imported into Oracle Receivables using the Taxware Tax Management Database (TMDFL) and the Receivables Sales Tax Rate Interface. In this way, each customer site is guaranteed to have an address that is associated with a valid jurisdiction code.

When entering the address, the postal code can be used to automatically populate the state, county, and city. In cases where multiple jurisdiction codes are available for a particular postal code, a pop up list will appear as shown.

For example, the postal code 64801 is defined in several jurisdictions in the state of Missouri. The poplist helps you select the correct jurisdiction code for your addresses.

Create a customer with an address in Cliff Village (Newton County), MO 64801. Assign Bill To and Ship To business purposes to this address.

Create a Sales Order

Sales orders can be created in Oracle Order Management and the tax amount will be calculated automatically. The sales order includes the customer (which defines the ship–to address) and the salesperson can be assigned the point–of–order acceptance. Also, if the order is a shipped order, the warehouse from which the order is shipped will define the ship–from address.

Create a sales order for the customer that you created in the previous step. Enter the order header information in the Main Tab and Others Tab of the Sales Order Pad window.

Tax Calculation on Sales Orders

The tax calculated on a sales order is only an estimate, since many factors, including the ship–to address, can change between sales order and invoice creation. Also, since there is no accounting for the tax amounts at this time, the vendor will calculate the tax, but will not update its audit files.

Create two sales order lines, both of which use the tax code for the Location Based tax type. The first sales order line has a quantity of 1 and a list price of $10,000.00. The second sales order line has a quantity of 3 and a list price of $1,100.00. When you save the order, the first line will have estimated tax of $510.00 and the second line will have estimated tax of $168.30. After saving the order, book the order by clicking on the Book Order button.
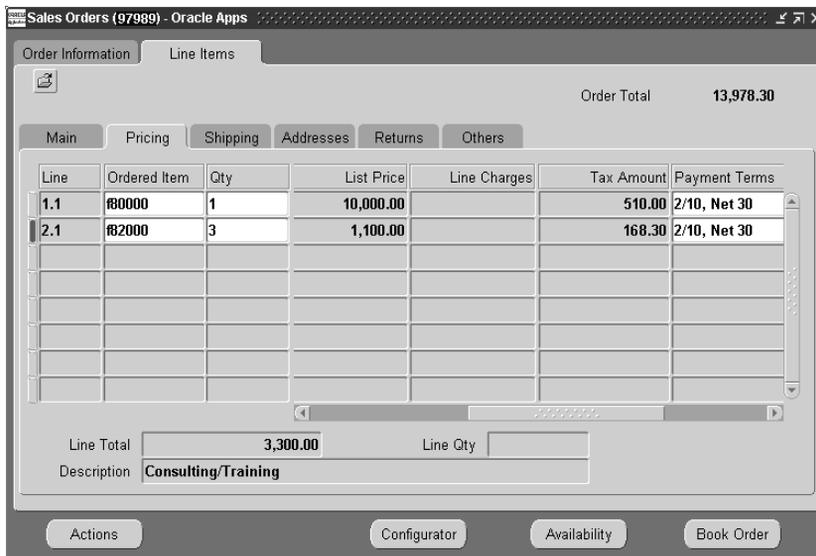
Import Sales Orders Using AutoInvoice

Orders created in Oracle Order Management or documents created in other feeder systems can be imported into Oracle Receivables using AutoInvoice. Tax will be calculated using the vendor tax extension. AutoInvoice will generate the accounting and sales credits, creating a fully validated invoice in Oracle Receivables.

Run AutoInvoice for the order created in the previous steps. To find the invoice in the Receivables Transactions window, reference the order number.

Invoice Lines from an Imported Order

The order lines are imported by AutoInvoice and invoice lines are created. The top section of the window shows the totals for the transaction, lines, tax, and freight.

To view the invoice lines for the imported invoice created in the previous steps, select the Line Items button from the Transactions window.

Accounting for the Imported Order

The accounting entries are created for the imported order, including the accounting for the tax lines calculated by the tax vendor extension.

To view the accounting entries for the imported invoice created in the previous steps, select the Distributions button from the Transactions window or the Lines window.

Balances

The Balances window shows the balance due for the Line, Tax, Freight, and Bank Charges. The balance can be modified by applying payments, credit memos, adjustments, or early payment discounts. The tax balance will reconcile with your vendor's tax reports.

To view the balances for the imported invoice created in the previous steps, select the Balances button from the Transactions window.

	Line	Tax	Freight	Charges	Total
Original	13,300.00	678.30	0.00		13,978.30
Receipts	0.00	0.00	0.00	0.00	0.00
Credits	0.00	0.00	0.00		0.00
Adjustments	0.00	0.00	0.00	0.00	0.00
Discount	0.00	0.00	0.00		0.00
Balance	13,300.00	678.30	0.00	0.00	13,978.30

Balances (Vision Operations: USD) - Oracle Apps, 10002829

Entered Currency   Functional Currency   Currency USD

Taxware Sales/Use Tax Report (After AutoInvoice)

The following illustration of the vendor tax report shows the outcome of importing the order with AutoInvoice.

Run the vendor tax report for the imported invoice created in the previous steps. The tax amounts for each line are the same as the tax amounts shown on the Transaction Lines window for the imported invoice.

Figure 3–1   Taxware Sales/Use Tax Report, page 1

```
SQL030 R3.2.0-00-08-1                    S A L E S   A N D   U S E   R E P O R T                                    Page   1
Run 12/01/2000 at 19:48:00                              Extra Detail Report

All Dates

No Division Breaks            Print Exact Amounts          Blank lines around totals      All States
All Companies

States:                                        No Divisions.                   Reasons:
------------------------------------------------   ------------------------------------------   -------------------------------
01 ALABAMA                  02 ALASKA                                                           03 US GOVTNMT   04 STATE GOVN
03 ARIZONA                  04 ARKANSAS                                                         06 INTERSTATE   11 APO/FPO
05 CALIFORNIA               06 COLORADO                                                         15 ENT. ZONE    20 DIRECT PAY
07 CONNECTICUT              08 DELAWARE                                                         21 SHIPS        22 CAP IMPROV
09 DISTRICT OF COLUMBIA     10 FLORIDA                                                          23 SCHOOLS      24 COMM CAR
11 GEORGIA                  12 HAWAII                                                           25 EXEMPT ORG   26 INDIANS
13 IDAHO                    14 ILLINOIS                                                         27 PACK MATER   28 BLANKET
15 INDIANA                  16 IOWA                                                             29 COMM FISH    30 POLLU CTRL
17 KANSAS                   18 KENTUCKY                                                         31 LEASING      32 R & D
19 LOUISIANA                20 MAINE                                                            33 AIRCRAFT     34 RESALE
21 MARYLAND                 22 MASSACHUSETTS                                                     35 AGRICULTUR   36 MULTI-JURI
23 MICHIGAN                 24 MINNESOTA                                                        37 CONTRACTOR   38 MOTOR VEHI
25 MISSISSIPPI              26 MISSOURI                                                         39 FUEL/ENERG   40 SALES EXMP
27 MONTANA                  28 NEBRASKA                                                         41 USE EXMP     42 NON PROFIT
29 NEVADA                   30 NEW HAMPSHIRE                                                    43 MANUFACTUR   44 LOCAL GOVT
31 NEW JERSEY               32 NEW MEXICO                                                       45 RELIGIOUS    46 CHARITABLE
33 NEW YORK                 34 NORTH CAROLINA                                                   47 EX HOSPITL   48 TITLE VEHL
35 NORTH DAKOTA             36 OHIO                                                             49 FED CR UN    50 POLITICAL
37 OKLAHOMA                 38 OREGON                                                           51 REPLCPART    52 TIRE RETAL
39 PENNSYLVANIA             40 RHODE ISLAND                                                     53 RAW MATL     54 CR UN
41 SOUTH CAROLINA           42 SOUTH DAKOTA                                                     55 MED EQUIP    56 OIL EXPLOR
43 TENNESSEE                44 TEXAS                                                            57 FORGN DIP    58 SCHOOL NP
45 UTAH                     46 VERMONT                                                          59 MED          60 DRUG
47 VIRGINIA                 48 WASHINGTON                                                       61 URBAN        62 LIF SAV
49 WEST VIRGINIA            50 WISCONSIN                                                        63 PUBLISHING   64 FARM MACH
51 WYOMING                  52 CANADA                                                           65 OTHER        AA AGRICULTUR
53 INTERNATIONAL            54 PUERTO RICO                                                      AB FARMMACHIN   AC PROCESSOR
55 U.S. VIRGIN ISLANDS      56 PACIFIC ISLANDS                                                  AD BLINDDSABL   AE CAPIMPREAL
57 GUAM                     58 AMERICAN SAMOA                                                   AF CASUAL       AG COMMFISH
59 RESERVED                 60 AMERICAN FORCES AMERICAS                                         AH DIRECTPAY    AI DROPSHIP
61 AMERICAN FORCES EUROPE 62 AMERICAN FORCES PACIFIC                                            AJ EXEMPTORGS   AK ART&LIT
99 UNITED STATES FEDERAL                                                                        AL ATHLETIC     AM BUSINESS
                                                                                                AN CEMETERY     AO CHARITABLE
                                                                                                AP CIVIC        AQ CONSERV
                                                                                                AR EDUCATION    AS ELDERLY
                                                                                                AT EXORGCONTR   AU FRATERNAL
                                                                                                AV HISTORICAL   AW HUMANE
                                                                                                AX LEGAL        AY MEDICAL
                                                                                                AZ ORPHAN       BA RELIGIOUS
                                                                                                BB SCIENTIFIC   BC TESTING
                                                                                                BD TOURIST      BE VETERAN
                                                                                                BF VLTRFIRE     BG YOUTHORG
                                                                                                BH GOVERNMENT   BI CREDUNFED
                                                                                                BJ CREDUNSTAT   BK DIPLOMAT
                                                                                                BL GOVTST&LC    BM GOVTUS
```

Figure 3–2   Taxware Sales/Use Tax Report, pages 2-4

```
_SQL030 R3.2.0-00-08-1              S A L E S   A N D   U S E   R E P O R T                     Page    2
Run 12/01/2000 at 19:48:00                    Extra Detail Report

All Dates

All Dates
                                                                        BP REDCROSS    BQ INDUSTRY
                                                                        BR ENTPRIZONE  BS EXTRACTION
                                                                        BT LOGGING     BU OILEXPLOR
                                                                        BV INGCMPPART  BW MANUFACTUR
                                                                        BX POLLUTCTRL  BY R&D
                                                                        BZ MEDIA       CA NATAMERICN
                                                                        CB OTHER       CC OTHERTAX
                                                                        CD SUOTHSTATE  CE OTHSTTAXPD
                                                                        CF OUTOFJURIS  CG OOJAIR
                                                                        CH OOJRR       CI OOJROAD
                                                                        CJ OOJWAT      CK RESALE
                                                                        CL CONTRCRTLR  CM LEASING
                                                                        CN RXDRUG      CO TELECOMMUN
                                                                        CP TRANSPORT   CQ CCAIR
                                                                        CR CCRR        CS CCROAD
                                                                        CT CCWAT       CU GENAIR
                                                                        CV GENRR       CW GENROAD
                                                                        CX GENWAT      CY ISCAIR
                                                                        CZ ISCRR       DA ISCROAD
                                                                        DB ISCWAT      DC PUBLIC
                                                                        DD UNDETERMIN
_SQL030 R3.2.0-00-08-1              S A L E S   A N D   U S E   R E P O R T                     Page    3
Run 12/01/2000 at 19:48:00                    Extra Detail Report

All Dates

STATE: MISSOURI

C_U_S_T_O_M_E_R ___I_N_V_O_I_C_E___   ------ G R O S S ------    --------------- T A X E S ---------------   T O T A L   CC
Name or Number  Number    mmddyyyy   EXEMPT     TAXABLE        STATE      COUNTY     CITY     TRANSIT    T A X E S TYPE

1107        10002829  11142000                 3300.00     139.42     28.88                                168.30  S 83
   REAS CODE:          TAX CERT #:                         MISC:              JURIS:    PROD CODE: F8200
1107        10002829  11142000                10000.00     422.50     87.50                                510.00  S 83
   REAS CODE:          TAX CERT #:                         MISC:              JURIS:    PROD CODE: F8000

 * LOCAL TOTAL:   CLIFF VILLAGE                13300.00     561.92    116.38                                678.30

** COUNTY TOTAL:  NEWTON                       13300.00     561.92    116.38                                678.30

STATE TOTAL: MISSOURI                          13300.00     561.92    116.38                                678.30

_SQL030 R3.2.0-00-08-1              S A L E S   A N D   U S E   R E P O R T                     Page    4
Run 12/01/2000 at 19:48:00                    Extra Detail Report

All Dates

S U M M A R Y   B Y   S T A T E

                                                             -------------------- T A X E S ----------------------
STATE           GROSS       CREDIT       EXEMPT      TAXABLE     STATE      COUNTY     CITY     TRANSIT      TOTAL

MISSOURI       13300.00                             13300.00    561.92     116.38                           678.30
-------------- ------------- ------------- ------------- ------------- ----------- ----------- ----------- -------------
Report Total   13300.00                             13300.00    561.92     116.38                           678.30
```

Inserting New Lines

Invoices imported using AutoInvoice can be maintained using the Transaction Workbench. Modifying attributes such as the transaction date or customer will force the invoice lines to recalculate the tax using the tax vendor extension. Additionally, invoice lines can be deleted, updated, or inserted.

Incomplete the imported invoice created in the previous steps by clicking on the Incomplete button. Add a third invoice line with a quantity of 1, a unit price of $2,000.00 and a tax code for the Location Based tax type. When you save the invoice, the tax for the third line will be $102.00 and the total tax for the invoice will be $780.30.

Update Lines

On the invoice from the previous steps, change the quantity of the third invoice line from 1 to 3. When you save the invoice, the tax for the third line will be $306.00 and the total tax for the invoice will be $984.30. Complete the invoice by clicking on the Complete button. The original tax amount for this invoice line will be deducted from the vendor's audit files and the new tax amount will be inserted.

Any modifications to the tax amounts will always be maintained across the vendor's audit files.

Credit the Invoice

Manual credit memos can be applied to an invoice in Oracle Receivables. The tax amounts for this credit memo will always reconcile to your vendor's tax reports.

Create a manual credit memo for the invoice created in the previous steps. Credit 10% or -$1,930.00 of the line and 10% or -$98.43 of the tax. Complete the credit memo by clicking on the Complete button.

Adjust the Invoice

As with manual credit memos, manual adjustments can be applied to your invoice and the tax amounts will reconcile to your vendor's tax reports. Only approved adjustments of type 'Tax' will be applied to the vendor's tax reports. This gives you greater control over which adjustments should reduce the sales tax liability. If you have adjustments of type 'Tax' that you do not want to post to Taxware, see Storing Tax Information in Oracle Receivables on page 5-22.

Create an adjustment to the invoice created in the previous steps by adjusting -$100.00 of the tax.

Copy (Recur) an Invoice

When you copy (recur) transactions, tax will be calculated using the tax vendor extension on all copied invoices.

In the Copy Transactions window, create a single copy of the invoice created in the previous steps.

Viewing the Copied Invoice

The copied invoice will have the exact same invoice lines as the original invoice. The tax amounts will automatically be recalculated by the tax vendor extension which may give different results if the tax rates have changed over time.

To view the invoice in the Receivables Transactions window, reference the invoice number shown in the Copy Transactions window.

> **Note:** Header–level information of the copied invoice is shown in the figure above. The line–level information is shown in the figure below.

Creating Manual Invoices

You can also create invoices manually in Oracle Receivables using the Transactions window. The tax amounts will be calculated by the tax vendor extension and will reconcile to your vendor's tax reports.

Create a manual invoice for the customer you created in the previous steps. Enter the invoice information in the Main Tab located in the Transactions window.

Invoice Lines on Manual Invoices

As with invoices imported through AutoInvoice, tax amounts will always be recalculated when you update, delete, or insert invoice lines and the tax amounts will reconcile with your vendor's tax reports.

Create two invoice lines, both of which use the tax code for the Location Based tax type. The first invoice line has a quantity of 1 and a unit price of $10,000.00. The second invoice line has a quantity of 6 and a unit price of $1,100.00. When you save the invoice, the first line will have estimated tax of $510.00 and the second line will have estimated tax of $336.60.

Apply Exemptions to Invoice Lines

Taxware's Sales Tax Exemption Processing (STEP) will always be used to determine if an invoice line should be exempt. Optionally, an Order Management or Receivables clerk may want to mark a particular invoice line 'exempt.' You can also apply tax exemptions defined in Oracle Receivables to an invoice line and the tax vendor extension will override the STEP and exempt the invoice line.

In the Tax Exemption Tab of the Lines window, change the Tax Handling for the second invoice line to "Exempt", enter an exempt certificate number, and enter an exempt reason. When you save the invoice, the first line will have estimated tax of $510.00 and the second line will have estimated tax of $336.60.

Taxware Sales/Use Tax Report (Complete)

The following illustration of the vendor tax report shows the result of all transactions entered in this section.

Run the vendor tax report for all of the transactions created in the previous steps.

Figure 3–3   Taxware Sales and Use Report, page 1

```
SQL030 R3.2.0-00-08-1                          S A L E S   A N D   U S E   R E P O R T                              Page   1
Run 12/01/2000 at 19:48:00                                Extra Detail Report

All Dates

No Division Breaks           Print Exact Amounts          Blank lines around totals     All States
All Companies

States:                                          No Divisions.                          Reasons:
----------------------------------------------   --------------------------------------  ------------------------------
01 ALABAMA                 02 ALASKA                                                     03 US GOVTNMT  04 STATE GOVN
03 ARIZONA                 04 ARKANSAS                                                   06 INTERSTATE  11 APO/FPO
05 CALIFORNIA              06 COLORADO                                                   15 ENT. ZONE   20 DIRECT PAY
07 CONNECTICUT             08 DELAWARE                                                   21 SHIPS       22 CAP IMPROV
09 DISTRICT OF COLUMBIA    10 FLORIDA                                                    23 SCHOOLS     24 COMM CAR
11 GEORGIA                 12 HAWAII                                                     25 EXEMPT ORG  26 INDIANS
13 IDAHO                   14 ILLINOIS                                                   27 PACK MATER  28 BLANKET
15 INDIANA                 16 IOWA                                                       29 COMM FISH   30 POLLU CTRL
17 KANSAS                  18 KENTUCKY                                                   31 LEASING     32 R & D
19 LOUISIANA               20 MAINE                                                      33 AIRCRAFT    34 RESALE
21 MARYLAND                22 MASSACHUSETTS                                              35 AGRICULTUR  36 MULTI-JURI
23 MICHIGAN                24 MINNESOTA                                                  37 CONTRACTOR  38 MOTOR VEHI
25 MISSISSIPPI             26 MISSOURI                                                   39 FUEL/ENERG  40 SALES EXMP
27 MONTANA                 28 NEBRASKA                                                   41 USE EXMP    42 NON PROFIT
29 NEVADA                  30 NEW HAMPSHIRE                                              43 MANUFACTUR  44 LOCAL GOVT
31 NEW JERSEY              32 NEW MEXICO                                                 45 RELIGIOUS   46 CHARITABLE
33 NEW YORK                34 NORTH CAROLINA                                             47 EX HOSPITL  48 TITLE VEHL
35 NORTH DAKOTA            36 OHIO                                                       49 FED CR UN   50 POLITICAL
37 OKLAHOMA                38 OREGON                                                     51 REPLCPART   52 TIRE RETAL
39 PENNSYLVANIA            40 RHODE ISLAND                                               53 RAW MATL    54 CR UN
41 SOUTH CAROLINA          42 SOUTH DAKOTA                                              55 MED EQUIP   56 OIL EXPLOR
43 TENNESSEE               44 TEXAS                                                      57 FORGN DIP   58 SCHOOL NP
45 UTAH                    46 VERMONT                                                    59 MED         60 DRUG
47 VIRGINIA                48 WASHINGTON                                                 61 URBAN       62 LIF SAV
49 WEST VIRGINIA           50 WISCONSIN                                                  63 PUBLISHING  64 FARM MACH
51 WYOMING                 52 CANADA                                                     65 OTHER       AA AGRICULTUR
53 INTERNATIONAL           54 PUERTO RICO                                                AB FARMMACHIN  AC PROCESSOR
55 U.S. VIRGIN ISLANDS     56 PACIFIC ISLANDS                                            AD BLINDDSABL  AE CAPIMPREAL
57 GUAM                    58 AMERICAN SAMOA                                             AF CASUAL      AG COMMFISH
59 RESERVED                60 AMERICAN FORCES AMERICAS                                   AH DIRECTPAY   AI DROPSHIP
61 AMERICAN FORCES EUROPE 62 AMERICAN FORCES PACIFIC                                     AJ EXEMPTORGS  AK ART&LIT
99 UNITED STATES FEDERAL                                                                 AL ATHLETIC    AM BUSINESS
                                                                                         AN CEMETERY    AO CHARITABLE
                                                                                         AP CIVIC       AQ CONSERV
                                                                                         AR EDUCATION   AS ELDERLY
                                                                                         AT EXORGCONTR  AU FRATERNAL
                                                                                         AV HISTORICAL  AW HUMANE
                                                                                         AX LEGAL       AY MEDICAL
                                                                                         AZ ORPHAN      BA RELIGIOUS
                                                                                         BB SCIENTIFIC  BC TESTING
                                                                                         BD TOURIST     BE VETERAN
                                                                                         BF VLTRFIRE    BG YOUTHORG
                                                                                         BH GOVERNMENT  BI CREDUNFED
                                                                                         BJ CREDUNSTAT  BK DIPLOMAT
                                                                                         BL GOVTST&LC   BM GOVTUS
```

Figure 3–4   Taxware Sales and Use Report, page 2

```
_SQL030 R3.2.0-00-08-1                S A L E S   A N D   U S E   R E P O R T                    Page   2
Run 12/01/2000 at 19:48:00                     Extra Detail Report

All Dates

All Dates
                                                                    BP REDCROSS    BQ INDUSTRY
                                                                    BR ENTPRIZONE  BS EXTRACTION
                                                                    BT LOGGING     BU OILEXPLOR
                                                                    BV INGCMPPART  BW MANUFACTUR
                                                                    BX POLLUTCTRL  BY R&D
                                                                    BZ MEDIA       CA NATAMERICN
                                                                    CB OTHER       CC OTHERTAX
                                                                    CD SUOTHSTATE  CE OTHSTTAXPD
                                                                    CF OUTOFJURIS  CG OOJAIR
                                                                    CH OOJRR       CI OOJROAD
                                                                    CJ OOJWAT      CK RESALE
                                                                    CL CONTRCRTLR  CM LEASING
                                                                    CN RXDRUG      CO TELECOMMUN
                                                                    CP TRANSPORT   CQ CCAIR
                                                                    CR CCRR        CS CCROAD
                                                                    CT CCWAT       CU GENAIR
                                                                    CV GENRR       CW GENROAD
                                                                    CX GENWAT      CY ISCAIR
                                                                    CZ ISCRR       DA ISCROAD
                                                                    DB ISCWAT      DC PUBLIC
                                                                    DD UNDETERMIN
```

Figure 3–5   Taxware Sales and Use Report, page 3

```
_SQL030 R3.2.0-00-08-1                S A L E S   A N D   U S E   R E P O R T                    Page   3
Run 12/01/2000 at 19:48:00                     Extra Detail Report

All Dates

STATE: MISSOURI

C_U_S_T_O_M_E_R ___I_N_V_O_I_C_E___  ------ G R O S S ------   -------------- T A X E S --------------   T O T A L    CC
Name or Number  Number  mmddyyyy     EXEMPT    TAXABLE    STATE     COUNTY      CITY    TRANSIT   T A X E S  TYPE

(1)  1107  10002829  11142000                  3300.00    139.42    28.88                          168.30  S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8200
(2)  1107  10002829  11142000                 10000.00    422.50    87.50                          510.00  S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8000
(3)  1107  10002829  11142000                  2000.00     84.50    17.50                          102.00  S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8100
(4)  1107  10002829  11142000                 2000.00-    84.50-    17.50-                         102.00- S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8100
(5)  1107  10002829  11142000                  6000.00    253.50    52.50                          306.00  S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8100
(6)  1107  10002831  11142000                  330.00-    13.94-     2.89-                          16.83- S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8200
(7)  1107  10002831  11142000                 1000.00-    42.25-     8.75-                          51.00- S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8000
(8)  1107  10002831  11142000                  600.00-    25.35-     5.25-                          30.60- S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8100
(9)  1107  3871      11142000                  335.29-    14.17-     2.93-                          17.10- S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE:
(10) 1107  3871      11142000                 1015.88-    42.92-     8.89-                          51.81- S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE:
(11) 1107  3871      11142000                  609.61-    25.76-     5.33-                          31.09- S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE:
(12) 1107  10002832  11152000                  3300.00    139.42    28.88                          168.30  S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8200
(13) 1107  10002832  11152000                 10000.00    422.50    87.50                          510.00  S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8000
(14) 1107  10002832  11152000                  6000.00    253.50    52.50                          306.00  S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8100
(15) 1107  DEMO-INV  11142000                 10000.00    422.50    87.50                          510.00  S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8100
(16) 1107  DEMO-INV  11142000                  6600.00    278.85    57.75                          336.60  S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8200
(17) 1107  DEMO-INV  11142000                 6600.00-   278.85-    57.75-                         336.60- S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8200
(18) 1107  DEMO-INV  11142000   6600.00                                                                    S 83
     REAS CODE:              TAX CERT #:                  MISC:            JURIS:  PROD CODE: F8200

 * LOCAL TOTAL:    CLIFF VILLAGE    6600.00   44709.22   1888.95    391.22                         2280.17

** COUNTY TOTAL:   NEWTON           6600.00   44709.22   1888.95    391.22                         2280.17

STATE TOTAL: MISSOURI               6600.00   44709.22   1888.95    391.22                         2280.17
```

Figure 3–6   Taxware Sales and Use Report, page 4

```
_SQL030 R3.2.0-00-08-1                      S A L E S   A N D   U S E   R E P O R T                              Page   4
Run 12/01/2000 at 19:48:00                          Extra Detail Report

All Dates

S U M M A R Y   B Y   S T A T E
                                                               -------------------- T A X E S --------------------
STATE              GROSS        CREDIT      EXEMPT      TAXABLE       STATE      COUNTY       CITY    TRANSIT      TOTAL

MISSOURI        63800.00      12490.78     6600.00     44709.22     1888.95      391.22                          2280.17
-------------- -------------- ------------- ------------- ------------ ----------- ----------- ----------- ------------
Report Total    63800.00      12490.78     6600.00     44709.22     1888.95      391.22                          2280.17
```

The bold numbers in parenthesis correspond to the operations shown in this chapter and the information below. (The numbers do not appear in the actual report; they are provided for your reference only.)

1. AutoInvoice and Importing Invoices: Inserts lines 1 and 2

2. Inserting New Lines: Inserts line 3

3. Updating Lines: Backs out of original tax amount with Line 4; Inserts line 5

4. Manual Credit Memos: Inserts lines 6, 7, and 8

5. Manual Adjustments: Inserts lines 9, 10, and 11

6. Copy (Recur) an Invoice: Inserts lines 12, 13, and 14

7. Creating Manual Invoices: Inserts lines 15 and 16

8. Updating a line with an exemption backs out the original tax amount with line 17: inserted line 18 has a 100% exemption applied to it

> **Note:**   Oracle Receivables and Taxware view the interaction between exemptions and taxable amounts in slightly different ways. Oracle Receivables deducts the tax rate to give the correct tax amount, whereas Taxware deducts the taxable amount to derive the correct tax amount. Therefore, the total taxable amount may differ between Oracle Receivables and the vendor's tax reports.

4

Business Processes

This chapter provides an overview of the various accounting and business processes required for the Taxware integration. The following sections are included:

- Accounting for State and Local Taxes
- Working with Taxware Sales Tax Exemption Processing (STEP)
- Using Taxware Geocodes
- Monthly Procedures
- Reconciliation and Audit Procedures
- Support Procedures

Accounting for State and Local Taxes

Oracle Receivables will use the Tax Accounts defined in the Tax Locations and Rates window for each tax amount that you record on the customer invoice. Using Oracle Receivables, you can set up different liability accounts for each ship-to state of the invoice. Using different ship-to states lets you reconcile total tax amounts for each state to the Oracle and Taxware reports. This reconciliation can be used during audit to ensure that any given state has the total tax recorded correctly.

We recommend that you create liability accounts for each state. After you create and assign each account to each state using the Tax Locations and Rates window (based on your tax AutoAccounting setup), those accounts will be used automatically during invoice entry.

Origin and Destination-Based Taxes

Transactions that are subject to Origin and Destination-based tax will have the entire portion of tax recorded in the account noted on the Ship-to State. This does not impact reconciliation because Origin-based taxes are typically levied on District or other local taxes for intra-state transactions (transactions where the ship-from and ship-to states are the same).

Working with Taxware STEP

Taxware's STEP (Sales Tax Exemption Processing) allows you to control the taxability of transactions. By using Taxware STEP with Oracle Receivables, you can control taxability at state, county, city, secondary county, and secondary city levels based on Item, Bill-to Customer or Ship-to Jurisdiction. Once set up, the STEP program will automatically apply these rules to all sales orders and invoices.

The STEP program will use the Company, Customer, Address & Part Number, and Category fields for controlling Taxability. The integration provides this information to STEP as illustrated in this table:

Table 4–1   Taxware STEP and Oracle Values

STEP Field	Oracle Value
Company	Constant 01
Division Code	Constant 01
Customer	Bill-to customer number of the invoice or order
Address	Ship to Address (State, County, City) with optional Jurisdiction code overrides as needed
Product Code	Segment1 of the Item Flexfield
Product Category	(not used)

When implementing Oracle Receivables, you can choose to record all of your taxability rules and customer/product exemptions using Taxware, Oracle, or a combination of both. If an Oracle exemption is found and applied to the tax calculation, the Taxware programs will still be called and the Taxware Tax Register will include the exempt tax line for complete audit and reconciliation.

You must enter product rate exceptions into Taxware STEP. Product rate exceptions stored in Oracle are not used when integrating with the Taxware Sales/Use Tax System.

For more information on using and changing the standard Oracle values, see Tax View Functions on page 5-7.

Integration with Oracle Exemption Handling

Define Tax Exemptions

Exemption Certificates created within Oracle Receivables using the Tax Exemptions window can be used to control Taxware Sales/Use Tax System and STEP. If you enable Customer Exemptions in the Oracle Receivables System Options window, then any Primary Exemption Certificate that is applicable to a given Bill-to Customer and Ship-to State will be automatically used on Taxware tax calculations.

Using Oracle you can migrate from Oracle Tax Exemptions to STEP, allowing a flexible transition from legacy tax controls to the Taxware STEP program.

Order and Invoice Level Overrides

You can use the transaction level Tax Handling fields of Oracle Order Management and Oracle Receivables to provide transaction-level control of Exemptions. These three fields allow the Order Management or Invoice Entry clerks to override the STEP module, allowing a given transaction to be identified as exempt, documented with a reason and certificate number field. The Oracle Receivables profile option: Tax: Allow Override of Customer Exemptions is used to secure access to this feature.

Working with Taxware Jurisdiction Codes

Taxware Jurisdiction Codes

Jurisdiction codes are used by Taxware to identify a taxing jurisdiction. The two digit jurisdiction code supplements, but does not replace, the State plus five digit zip code. This code is an internal code that is understood by the Taxware Sales/Use Tax System integration. An example jurisdiction code is "CA9411400."

A jurisdiction code is typically needed when the state and zip code of an address do not uniquely identify the exact taxing jurisdiction. For example, the same city and zip can be found in multiple counties.

Using Jurisdiction Codes within Oracle Applications

The Oracle Receivables Customer Workbench and Oracle Sales Contacts workbench will automatically populate the county field of an address given the other field values.

Alternatively, all three fields (state, county, city) are automatically populated on the entry of a single zip code. If multiple candidates exist, then only those applicable location values are shown in the list of values. As a result, you rarely need to research an address and manually identify the county or jurisdiction codes before the customer can be invoiced.

The association of an address to a jurisdiction code is an automatic process, but can be manually overridden. For more information, see Storing Tax Information in Oracle Receivables on page 5-22.

Monthly Procedures

Database Storage Requirements

The Oracle Receivables tables AR_LOCATION_VALUES and AR_LOCATION_RATES should be sized to allow a full upload of the Taxware TMDFL data file; a full upload requires approximately 75MB of free space. An additional 100MB of free space is required in the Taxware schema to allow the Taxware tables to be initialized.

Each audited tax calculation requires an approximate 1500 bytes of database storage within the Taxware Schema. Normally, each Oracle Receivables transaction line will need one audited tax calculation; however, manual changes to the invoice lines will require an additional 3000 bytes for each change.

For more information, please refer to the *Taxware Sales/Use Tax System Installation Manual* and Preparing to Load Sales Tax Rates in the *Oracle Receivables Tax Manual*.

Address Validation Data - Taxware TMDFL Data File

Each month Taxware will send an updated version of the TMDFL data file. You need to upload the TMDFL file into both Taxware Sales/Use Tax System and Oracle Receivables. This will ensure that Oracle Receivables has the latest information for address validation and jurisdiction code assignments.

As part of your standard monthly procedures, you can use the SQL*Loader script $AR_TOP/bin/aravp.ctl to load the TMDFL data file into the Oracle Receivables Tax Interface tables. Then, run the Sales Tax Rate Interface program to transfer this data into Oracle Receivables. Repeat both of these steps each month as the Taxware data file is updated. These procedures will ensure that you have up to date address validation data available.

Use the following Unix script to execute the SQL*Loader program:

```
sqlload apps/apps control=$AR_TOP/bin/aravp.ctl data="tmdfl.dat"
discard="avp.dis" rows=4096
```

Next, run the Oracle Receivables concurrent program Sales Tax Rate Interface using the parameters in this table:

Table 4–2   Sales Tax Rate Interface Parameters

Parameter	Value
Review or Upload	Load Changed Data Only in Tax Interface Table
Print Format	Print Warnings in Detail
State	<null>

Sales Tax Reporting and Reconciliation Processes

Before completing your tax returns using the Taxware Sales/Use Tax System reports, you should reconcile the total tax amounts held in Oracle Receivables, Oracle General Ledger, and the Taxware Sales/Use Tax Reports.

Oracle Receivables will post all tax amounts to the Taxware Tax Audit tables so that Taxware Reports can be used to assist the state and local tax filing process. Using Oracle, the Taxware Tax Ledger is posted on-line as the transactions are entered. This allows Oracle and Taxware to provide tax reports without a lengthy period end close procedure and a long running posting program. This on-line posting of tax, using Taxware, is a key benefit of the Oracle/Taxware product integration.

Since Oracle performs this posting of tax amounts automatically and for all transactions that you enter, you should ensure that the steps in the Reconciliation Checklist below have been completed before you close your period and report your state and local taxes.

Reconciliation Checklist

❏ All transactions must be completed and posted to the General Ledger. Ensure that no incomplete, manually entered transactions exist for your reporting period. Incomplete invoices and credit memos will still be recorded in the Taxware reports and as a result you may over or understate your state and local tax liabilities.

All incomplete transactions must be either completed or deleted from Oracle Receivables before the period is closed.

> **Suggestion:** Run the Oracle Receivables Incomplete Invoice report to see all incomplete invoices, debit memos, and credit memos that exist for your reporting period.

❏ Reconcile Oracle Receivables total tax amounts by state to Oracle General Ledger. The Total Tax amounts by State reported by the Oracle Receivables US Sales Tax Report should reconcile to each state tax liability account held in Oracle General Ledger. If this reconciliation step fails, refer to Reconciling US Sales Tax in the *Oracle Receivables Tax Manual*.

❏ Reconcile Oracle total tax amounts by state to the Taxware Sales Tax Reports. After you run the Taxware reports, you should be able to reconcile the tax amounts by state to both Oracle Receivables and Oracle General Ledger. If this reconciliation step fails, you should verify that you have no incomplete transactions within Oracle Receivables.

Audit Process

Each taxable transaction line within Oracle Receivables will be recorded in the Taxware Sales/Use Tax System Reports as a single Taxware report line.

If a Receivables transaction line is updated, the integration will post two audit records to the Taxware Sales/Use Tax System Register to record the update. The first will reverse out the original value for tax, the second record will then post the updated values. This is described in Update Lines on page 3-12.

During your audit, a given line in the Taxware register report may need to be grouped with the other lines within the same report before it can be reconciled to Oracle Receivables.

This process allows for a rapid period close, as long running posting programs do not have to be completed before the AR period is closed.

Attention: The Taxware Sales/Use Tax System reports and Oracle Receivables use different terms when referring to the tax calculation date and the accounting date for transactions.

The table below summarizes these terminology differences:

Table 4–3   Terminology Differences

Value	Oracle Receivables	Taxware
Accounting Date	GL Date	Fiscal Date
Tax Calculation Date	Transaction Date	Invoice Date

Support Procedures

If you have a support request concerning tax calculations, Oracle Receivables will document all the input and output parameters to the tax calculation. You can then use this information to document your support request.

Taxware error messages are prefixed with 'APP-11526:Taxware.' These messages can appear when you create invoices or sales orders. If you receive these error messages and are unsure why the error occurred, follow these procedures to document the parameters to the Taxware tax calculation and then refer back to the Taxware Sales/Use Tax System documentation and support procedures. Oracle error messages are prefixed with 'APP-####.'

If you are using Oracle Receivables AutoInvoice or the Copy Transaction program, run either program with the Message Level field in the System Options window set to 3. You can then use the complete log file to help document your support request.

If you are using the Oracle Receivables Transaction Workbench, please follow the steps below to document your support question:

Step 1 Set Profile Option Tax: Debug File Directory
Set the profile option Tax: Debug File Directory to a server side directory where a file that contains log messages will be created. You can set this profile option only at the Site level.

> **Note:**   This directory must be set as the value of one of the Oracle initialization parameters, "UTL_FILE_DIR". To see the current value of UTL_FILE_DIR, issue the following SQL statement in the apps schema:
>
> ```
> select value from v$parameter where name = 'utl_file_dir';
> ```
>
> If this parameter does not contain a value, modify the initialization parameter file init<db_name>.ora to add the parameter and a value for it (where <db_name> is the name of your database).

Step 2 Set Profile Option Tax: Debug Flag

Set the profile option Tax: Debug Flag to Yes to create a file with debugging information. This log file can be created by any module that uses the Tax Engine (for example, Oracle Receivables or Order Management). You can set this profile option only at the User level.

A log file called <USERNAME>.log will be created in the directory specified by the profile option Tax: Debug File Directory (where <USERNAME> is your login username).

5

Technical Reference

This chapter describes the internal communication parameters between Oracle and Taxware, the Oracle tax view functions that support this communication, and how to extend the integration using user descriptive flexfields and the PL/SQL functions. This chapter also includes some commonly asked questions about using the Taxware Sales/Use Tax System with Oracle Receivables.

Available Parameters

The structure ARP_TAX.TAX_INFO_REC is the communications area for the integration with Taxware Sales Use Tax System. This structure passes information selected from the database views. The tax extension then calculates the tax and passes back all of the necessary output parameters through the same structure.

For more information about PL/SQL stored procedures and customizing Oracle Applications, contact your system administrator.

> **Warning:**   The parameters in ARP_TAX.TAX_INFO_REC are subject to change in subsequent releases of Oracle Applications. If you customize Oracle Applications to integrate your own PL/SQL tax calculations, you should review and test your custom code after each upgrade.

This table shows the members of the database structure ARP_TAX.TAX_INFO_REC:

Table 5–1   Members of the database structure ARP_TAX.TAX_INFO_REC

Member	Data Type	Parameter Type	Null Allowed	Related View Column
amount_includes_ tax_flag	varchar2	input	no	AMOUNT_INCLUDES_TAX_ FLAG
audit_flag	varchar2	input	no	AUDIT_FLAG
bill_to_customer_ name	varchar2	input	yes	BILL_TO_CUSTOMER_NAME
bill_to_customer_ number	number	input	yes	BILL_TO_CUSTOMER_ NUMBER
bill_to_cust_id	number	input	no	BILL_TO_CUSTOMER_ID
bill_to_location_ id	number	input	yes	BILL_TO_LOCATION_CCID
bill_to_postal_ code	varchar	input	yes	BILL_TO_POSTAL_CODE
bill_to_site_use_ id	number	input	yes	BILL_TO_SITE_USE_ID
calculate_tax	varchar2	input	yes	TAXABLE_FLAG
company_code	varchar2	input	yes	COMPANY_CODE

Table 5–1   Members of the database structure ARP_TAX.TAX_INFO_REC

Member	Data Type	Parameter Type	Null Allowed	Related View Column
credit_memo_flag	boolean	input	no	(True if credit memo)
customer_trx_ charge_ line_id	number	input	yes	CUSTOMER_TRX_CHARGE_ LINE_ID
customer_trx_id	number	input	yes	TRX_HEADER_ID
customer_trx_ line_id	number	input	yes	TRX_LINE_ID
default_ussgl_ transaction_code	varchar2	input	yes	USSGL_TRANSACTION_CODE
division_code	varchar2	input	yes	DIVISION_CODE
extended_amount	number	input	yes	EXTENDED_AMOUNT
fob_point	varchar2	input	yes	FOB_CODE
gl_date	date	input	yes	GL_DATE
inventory_item_ id	number	input	yes	INVENTORY_ITEM_ID
invoicing_rule_id	number	input	yes	INVOICING_RULE_ID
item_exception_ rate_id	number	input/output	yes	TAX_EXCEPTION_ID
link_to_cust_trx_ line_ id	number	input	yes	TRX_LINK_TO_CUST_TRX_ LINE_ID
memo_line_id	number	input	yes	MEMO_LINE_ID
minimum_ accountable_unit	number	input/output	yes	MINIMUM_ACCOUNTABLE_ UNIT
part_no	varchar2	input	yes	PART_NUMBER
payment_terms_ discount_percent	varchar2	input	yes	PAYMENT_TERMS_ DISCOUNT_PERCENT
payment_term_id	number	input	yes	PAYMENT_TERM_ID
poa_code	varchar2	input	yes	POA_ADDRESS_CODE
poa_id	number	input	yes	POA_ID
poo_code	varchar2	input	yes	POO_ADDRESS_CODE
poo_id	number	input	yes	POO_ID

Table 5–1   Members of the database structure ARP_TAX.TAX_INFO_REC

Member	Data Type	Parameter Type	Null Allowed	Related View Column
precision	number	input/output	yes	PRECISION
previous_ customer_trx_id	number	input	yes	PREVIOUS_TRX_HEADER_ID
previous_ customer_trx_ line_id	number	input	yes	PREVIOUS_TRX_LINE_ID
previous_trx_ number	number	input	yes	PREVIOUS_TRX_NUMBER
qualifier	varchar2	input	no	LOCATION_QUALIFIER
ship_from_code	varchar2	input	yes	SHIP_FROM_ADDRESS_CODE
ship_from_ warehouse _id	number	input	yes	SHIP_FROM_WAREHOUSE_ID
ship_to_code	varchar2	input	yes	SHIP_TO_ADDRESS_CODE
ship_to_ customer_name	varchar2	input	yes	SHIP_TO_CUSTOMER_NAME
ship_to_ customer_number	number	input	yes	SHIP_TO_CUSTOMER_ NUMBER
ship_to_cust_id	number	input	yes	SHIP_TO_CUSTOMER_ID
ship_to_location_ id	number	input	yes	SHIP_TO_LOCATION_CCID
ship_to_postal_ code	varchar2	input	yes	SHIP_TO_POSTAL_CODE
ship_to_site_use_ id	number	input	yes	SHIP_TO_SITE_USE_ID
status	number	output	yes	(Default return code)
taxable_amount	number	output	no	TAXABLE_AMOUNT
taxable_basis	varchar2	input	yes	TAXABLE_BASIS
taxed_quantity	number	input	yes	TAXED_QUANTITY
tax_amount	number	input/output	yes	TAX_AMOUNT
tax_calculation_ plsql _block	varchar2	input	yes	TAX_CALCULATION_PLSQL_ BLOCK

Table 5–1   Members of the database structure ARP_TAX.TAX_INFO_REC

Member	Data Type	Parameter Type	Null Allowed	Related View Column
tax_code	varchar2	input/output	yes	TAX_CODE
tax_control	varchar2	input/output	yes	TAX_EXEMPT_FLAG
tax_exemption_id	number	input/output	yes	VAT_TAX_ID
tax_header_level_ flag	varchar2	input	yes	TAX_HEADER_LEVEL_FLAG
tax_line_number	number	input	yes	TAX_LINE_NUMBER
tax_rate	number	input/output	yes	TAX_RATE
tax_rounding_ rule	varchar2	input	yes	TAX_ROUNDING_RULE
tax_vendor_ return_code	varchar2	output	no	(Return code from tax vendor)
trx_currency_ code	varchar2	input	yes	CURRENCY_CODE
trx_date	date	input	yes	TRX_DATE
trx_exchange_ rate	number	input	yes	EXCHANGE_RATE
trx_line_type	varchar2	input	yes	TRX_LINE_TYPE
trx_number	number	input	yes	TRX_NUMBER
trx_type_id	number	input	yes	TRX_TYPE_ID
userf1-10	varchar2	input	yes	ATTRIBUTE1-10
usern1-10	number	input	yes	NUMERIC_ATTRIBUTE1-10
vat_tax_id	number	input/output	yes	VAT_TAX_ID
vdrctrl_exempt	varchar2	input	yes	VENDOR_CONTROL_ EXEMPTIONS
xmpt_cert_no	varchar2	input/output	yes	TAX_EXEMPT_NUMBER
xmpt_percent	number	input/output	yes	TAX_EXEMPT_PERCENT
xmpt_reason	varchar2	input/output	yes	TAX_EXEMPT_REASON

> **Note:** The taxable_amount output parameter is required and must be set by the PL/SQL program before returning control to the tax module. Additionally, the program must also set either the tax_amount or the tax_ rate parameter. For more information, refer to the example below.

Tax View Functions

The views that will be used by the tax vendors will return some extra information that were passed a NULL value in the Oracle views. These values will be passed to the views through PL/SQL functions from the package ARP_TAX_VIEW_TAXWARE.

Additionally, the package will define the procedure GET_EXEMPTIONS, which will return information about exemptions. This procedure is not called by the views, but rather by the interface packages themselves.

The following functions will be defined for Taxware (ARP_TAX_VIEW_TAXWARE package).

> **Warning:**   Any modifications to the tax view functions are considered customizations and must be reapplied after applying any tax-only or Oracle Receivables patches.

This table shows the tax view functions:

Table 5–2   Tax View Functions

Function Name	Column Name	Default Value
CALCULATION_FLAG	ATTRIBUTE1	00000 (Calculate tax at all jurisdiction levels)
COMPANY_CODE	COMPANY_CODE	01
DIVISION_CODE	DIVISION_CODE	01
PRODUCT_CODE	PART_NUMBER	SEGMENT1 of MTL_SYSTEM_ ITEMS
POA_ADDRESS_CODE	POA_ADDRESS_CODE	1) Organization jurisdiction code 2) Ship-From jurisdiction code 3) Ship-To jurisdiction code
POO_ADDRESS_CODE	POO_ADDRESS_CODE	1) Salesperson jurisdiction code 2) Ship-From jurisdiction code 3) Ship-To jurisdiction code
NUMERIC_ATTRIBUTE4	SERVICE_INDICATOR	Profile: TAXVDR_ SERVICEIND

Table 5–2   Tax View Functions

Function Name	Column Name	Default Value
SHIP_FROM_ADDRESS_ CODE	SHIP_FROM_ADDRESS_ CODE	1) Warehouse jurisdiction code
		2) Ship-to jurisdiction code
SHIP_TO_ADDRESS_ CODE	SHIP_TO_ADDRESS_CODE	1) Ship-to jurisdiction code
		2) ATTRIBUTE1 of AR_ LOCATION_RATES
NUMERIC_ATTRIBUTE2	TAX_SEL_PARM	Profile: TAXVDR_ TAXSELPARAM
NUMERIC_ATTRIBUTE3	TAX_TYPE	Profile: TAXVDR_TAXTYPE
ATTRIBUTE2	USE_NEXPRO	Profile: TAXVDR_ USENEXPRO
VENDOR_CONTROL_ EXEMPTIONS	VENDOR_CONTROL_ EXEMPTIONS	Job Number

The PL/SQL functions are included in the Oracle Receivables file $AR_TOP/admin/sql/ARTXVWAB.pls on your installation CD and $AR_TOP/patch/115/sql/ARTXVWAB.pls in any maintenance patchsets that you apply.

The functions will be defined as follows: if the returned value has a combined meaning (for example, if the first character means something and the rest of the string means something else), this will be described; if the value is derived from a descriptive flexfield defined on a table, this will also be defined; if the value is derived from a field in a base table, this will also be defined.

FUNCTION CALCULATION_FLAG (

```
p_view_name     IN VARCHAR2,
p_header_id     IN NUMBER,
p_line_id       IN NUMBER) RETURN VARCHAR2;
```

The table below describes the above function.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

This function returns a 5 character string which represents a jurisdiction level calculation flag. Each character returns a value to determine whether tax should be calculated at a particular level. Each character represents a particular jurisdiction level. A '1' indicates that tax should not be calculated for this level; a '0' indicates that tax should be calculated.

Character 1 is for the state tax, 2 is for the county tax, 3 is for the city tax, 4 is for the secondary county tax, and 5 is for the secondary city tax.

FUNCTION COMPANY_CODE (

```
p_view_name     IN VARCHAR2,
p_header_id     IN NUMBER,
p_line_id       IN NUMBER) RETURN VARCHAR2;
```

The table below describes the above function, which returns the company code.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

This value controls the tax reporting level. Returns 01 for Taxware. Taxware also uses this value to determine exemptions entered into STEP.

The PL/SQL global variables ARP_STANDARD.SYSPARM.SET_OF_BOOKS_ID and ARP_STANDARD.SYSPARM.ORG_ID can be referenced from within these functions for set of books and organization information.

FUNCTION DIVISION_CODE (

```
p_view_name   IN VARCHAR2,
p_header_id   IN NUMBER,
p_line_id     IN NUMBER) RETURN VARCHAR2;
```

The table below describes the above function, which returns the division code.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

This value is used to control the tax reporting level and identifies exemptions defined in Taxware STEP. Returns '01' for Taxware.

The PL/SQL global variable ARP_STANDARD.SYSPARM.SET_OF_BOOKS_ID and ARP_STANDARD.SYSPARM.ORG_ID can be referenced from within these functions for set of books and organization information.

PROCEDURE GET_EXEMPTIONS (

```
p_exemption_id                IN NUMBER
p_state_exempt_percent        OUT NUMBER,
p_state_exempt_reason         OUT VARCHAR2;
p_state_cert_no               OUT VARCHAR2,
p_county_exempt_percent       OUT NUMBER,
p_county_exempt_reason        OUT VARCHAR2,
p_county_cert_no              OUT VARCHAR2,
p_city_exempt_percent         OUT NUMBER,
p_city_exempt_reason          OUT VARCHAR2,
p_city_cert_no                OUT VARCHAR2,
p_sec_county_exempt_percent   OUT NUMBER,
p_sec_city_exempt_percent     OUT NUMBER,
p_use_step                    OUT VARCHAR2,
p_step_proc_flag              OUT VARCHAR2,
p_crit_flag                   OUT VARCHAR2);
```

The table below describes the above function's input.

Input	Description
p_exemption_id	ID of exemption

The table below describes the above function's output.

Output	Description
p_<juris>_exempt_ percent	Exemption percent for jurisdiction
p_<juris>_exempt_ reason	Exemption reason for jurisdiction
p_<juris>_exempt_ cert_no	Exemption certificate number for jurisdiction
p_use_step	Use STEP90 flag
p_step_proc_flag	STEP processing flag
p_crit_flag	Criterion flag

This function is called by the package ARP_TAX_TAXWARE (interface package) to determine the jurisdiction level exemption percentages.

If a Receivables exemption is not found, the function returns 'Y' for p_use_step, '1' for p_step_proc_flag, and 'R' for p_crit_flag. Therefore, if no exemptions are found in Oracle Receivables, STEP90 will be used and an invoice may still be exempt, depending on the setup of Taxware.

If p_exemption_id is NULL, then no exemptions were found. p_<juris>_exempt_percent, p_<juris>_exempt_reason, and p_<juris>_exempt_cert_no are passed NULL. Since no exemptions were found, STEP90 will be used to determine whether an exemption exists for this transaction. Therefore, p_use_step will be set to 'Y', p_step_proc_flag will be set to '1', and p_crit_flag will be set to 'R'. Otherwise, the state, county, city, secondary county and secondary city exemption percent will be determined from EXEMPT_PERCENT1, EXEMPT_PERCENT2, EXEMPT_PERCENT3, EXEMPT_PERCENT4 and EXEMPT_PERCENT5 respectively from the Vendor Exempt Rates descriptive flexfield. If these values do not exist, then the default exemption percent from the actual Oracle exemption certificate will be used. The exemption reason will be set to the value of the first two characters from the actual Oracle exemption for all jurisdiction levels.

This table shows the valid values for p_use_step:

Table 5–3   Values for function p_use_step

Value	Description
Y	Call step90, use default record. If you enter Y and STEP does not find the exact reason code, STEP defaults to the first record for that customer.
L	Call step90, do not use default record, STEP only returns a record if an exact reason code match is found. (If a job number is passed and found, it overrides reason code.)
P	Call step90, search by product code. Step90 searches for certificates in the customer's state to see if the product code is covered by a certificate.
D	Call step90, search by reason code and accept default customer. This search looks for an exact match of reason code and the other fields passed. If an exact match is not found, step90 searches for the customer name "DEFAULT" with the reason code.
N	Do not call step90.

This table shows the valid values for p_step_proc_flag:

Table 5–4   Values for function p_step_proc_flag

Value	Description
1	Access ALL certificate levels individually (state, county, and city levels). If a job number is passed and found at the state level, the job number indicators are used to determine taxability. This flag is used only if there is no state certificate record or if the Default to State flag is blank.
space	Access state level ONLY. If the certificate applies at the state level, it will also apply at the county and city levels. If the certificate does not apply at the state level, it will not apply at the county and city levels either. This field tells tax010 whether to use step90. This field must be set for each call to step90. This field is not passed to STEP.

This table shows the valid values for p_crit_flag:

Table 5–5   Values for function p_crit_flag

Value	Description
R	Retail
D	E.D.I.
M	Manufacturing
C	Construction

FUNCTION_PRODUCT_CODE (

```
p_view_name      IN VARCHAR2,
p_header_id      IN NUMBER,
p_line_id        IN NUMBER,
p_item_id        IN NUMBER,
p_memo_line_id   IN NUMBER) RETURN VARCHAR2;
```

The table below describes the above function, which returns the item category.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line
p_item_id	ID of inventory item
p_memo_line_id	ID of memo line

This function returns the part number used by the vendors to determine exemptions for this line. This function will return SEGMENT1 from the MTL_SYSTEM_ITEMS table (System Items key flexfield). If a memo line is passed instead of an inventory item, then a NULL value is passed.

FUNCTION POA_ADDRESS_CODE (

```
p_view_name      IN VARCHAR2,
p_header_id      IN NUMBER,
p_line_id        IN NUMBER) RETURN VARCHAR2;
```

The table below describes the above function, which returns the Point-of-Order-Acceptance Jurisdiction code and In/Out City Limits flag.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

The first character of this function will return the In/Out City Limits flag. For Taxware, the value of the first character is 1.

The rest of the string will be the value of the Jurisdiction code for the Point-of-Order-Acceptance.

The Jurisdiction code is derived from SALES_TAX_GEOCODE of the AR_SYSTEM_PARAMETERS_ALL table.

If this information is not available, then the default value of 'XXXXXXXXXX' will be returned. This will indicate to the interface package that the ship-from jurisdiction code should be used. If no ship-from jurisdiction code is found, then the ship-to jurisdiction code will be used in place of the POA_ADDRESS_CODE.

FUNCTION POO_ADDRESS_CODE (

```
p_view_name         IN VARCHAR2,
p_header_id         IN NUMBER,
p_line_id           IN NUMBER,
p_salesrep_id       IN NUMBER) RETURN VARCHAR2;
```

The table below describes the above function, which returns the Point-of-Order-Origin Jurisdiction code and In/Out City Limits flag.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line
p_salesrep_id	ID of the primary sales representative

The first character of this function will return the In/Out City Limits flag. For Taxware, the value of the first character is 1.

The rest of the string will be the value of the jurisdiction code for the Point-of-Order-Origin.

The Jurisdiction code is derived from SALES_TAX_GEOCODE of the RA_SALESREPS view.

If this information is not available, then the default value of 'XXXXXXXXX' will be returned. This will indicate to the interface package that the ship-from jurisdiction code should be used. If no ship-from jurisdiction code is found, then the ship-to jurisdiction code will be used in place of the POO_ADDRESS_CODE.

FUNCTION SERVICE_INDICATOR (

```
p_view_name       IN VARCHAR2,
p_header_id       IN NUMBER,
p_line_id         IN NUMBER) RETURN NUMBER;
```

The table below describes the above function, which returns the Service Indicator.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

This function returns 1, 2, or 3: 1 indicates a service; 2 indicates a rental; 3 indicates a non-service. Returns the value of the profile option Tax Taxware: Service Indicator.

FUNCTION SHIP_FROM_ADDRESS_CODE (

```
p_view_name       IN VARCHAR2,
p_header_id       IN NUMBER,
p_line_id         IN NUMBER,
p_warehouse_id    IN NUMBER) RETURN VARCHAR2;
```

The table below describes the above function, which returns the Ship-from Jurisdiction code and In/Out City Limits flag.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line
p_warehouse_id	ID of warehouse of the ship-from

The first character of this function will return the In/Out City Limits flag. For Taxware, the value of the first character is 1.

The rest of the string will be the value of the Jurisdiction code for the ship-from.

The Jurisdiction code is derived from LOC_INFORMATION13 of the Location Address Descriptive Flexfield.

If this information is not available, then the default value of 'XXXXXXXXXX' will be returned. This will indicate to the interface package that the ship-to address code should be used in place of the SHIP_FROM_ADDRESS_CODE.

FUNCTION SHIP_TO_ADDRESS_CODE (

```
p_view_name           IN VARCHAR2,
p_header_id           IN NUMBER,
p_line_id             IN NUMBER
p_ship_to_address_id  IN NUMBER,
p_ship_to_location_id IN NUMBER,
p_trx_date            IN DATE,
p_ship_to_state       IN VARCHAR2,
p_postal_code         IN VARCHAR2) RETURN VARCHAR2;
```

The table below describes the above function, which returns the Ship-to Jurisdiction code and In/Out City Limits flag.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line
p_ship_to_address_id	ID of Ship-to address
p_ship_to_location_id	ID of Ship-to location
p_trx_date	Transaction Date
p_ship_to_state	State of the ship-to
p_postal_code	Zip code for the ship-to

The first character of this function will return the In/Out City Limits flag. For Taxware, the value of the first character is 1.

The rest of the string will be the value of the Jurisdiction code for the ship-to.

The Jurisdiction code is derived from the SALES_TAX_GEOCODE column of the HZ_LOCATIONS table.

If the Jurisdiction code is not found in the SALES_TAX_GEOCODE column of the HZ_ LOCATIONS table, this function will search for the Jurisdiction code in ATTRIBUTE1 of AR_LOCATION_RATES table.

If a value is not found, then a NULL value is passed back for Taxware. This will then cause an error to occur within the tax engine.

FUNCTION TAX_SEL_PARM (

```
p_view_name    IN VARCHAR2,
p_header_id    IN NUMBER,
p_line_id      IN NUMBER) RETURN NUMBER
```

The table below describes the above function, which returns the tax selection parameter.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

This function returns the values '2' or '3.' A '2' indicates that only the ship-to address should be used; '3' indicates that all jurisdiction information be included in the tax calculation. This function returns the value of the profile option Tax Taxware: Tax Selection.

FUNCTION TAX_TYPE (

```
p_view_name    IN VARCHAR2,
p_header_id    IN NUMBER,
p_line_id      IN NUMBER) RETURN NUMBER
```

The table below describes the above function, which returns the tax type.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

This function returns '1, '2' or '3.' A '1' indicates a Sales tax; '2' indicates a use tax; '3' indicates a Rental. This function returns the value of the profile option Tax Taxware: Tax Type.

FUNCTION USE_NEXPRO (

```
p_view_name      IN VARCHAR2,
p_header_id      IN NUMBER,
p_line_id        IN NUMBER) RETURN VARCHAR2
```

The table below describes the above function, which returns Use Nexpro.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line

Indicates whether the Nexpro functionality should be used by Taxware.

'Y' indicates that Nexpro should be used; 'N' indicates that it should not. This function returns the value of the profile option Tax Taxware: Use Nexpro.

FUNCTION VENDOR_CONTROL_EXEMPTIONS (

```
p_view_name      IN VARCHAR2,
p_header_id      IN NUMBER,
p_line_id        IN NUMBER,
p_trx_type_id    IN NUMBER) RETURN VARCHAR2;
```

The table below describes the above function, which returns the job number.

Input	Description
p_view_name	Name of view calling this function
p_header_id	ID of transaction header
p_line_id	ID of transaction line
p_trx_type_id	ID of the transaction type

This function returns the job number which will be used to determine exemptions for this line. This function will return ATTRIBUTE15 of the Transaction Type Information descriptive flexfield.

Storing Tax Information in Oracle Receivables

Many of the functions in the previous section and functionality of the interface package derive their values from descriptive flexfields or fields in Oracle Receivables windows. The following tables list all of the Descriptive Flexfields and Oracle Receivables fields you can use to store tax information. Using any of the following Oracle Receivables fields or Descriptive Flexfields to store tax information is optional. If these columns are not used, a default value is assigned.

Predefined Descriptive Flexfields Used to Store Tax Information

The table below shows the predefined Descriptive Flexfields you can use to enter an exemption percentage and ship-from information.

Table 5–6   Predefined Oracle Descriptive Flexfields

Table Name	Column	Window	Field Name(s)	Description
RA_TAX_ EXEMPTIONS (Vendor Exempt Rates descriptive flexfield)	EXEMPT_ PERCENT1	Tax Exemptions	State Exempt Percent	State Exempt Percent
	EXEMPT_ PERCENT2	Tax Exemptions	County Exempt Percent	County Exempt Percent
	EXEMPT_ PERCENT3	Tax Exemptions	City Exempt Percent	City Exempt Percent
	EXEMPT_ PERCENT4	Tax Exemptions	Secondary County Exempt Percent	Secondary County Exempt Percent
	EXEMPT_ PERCENT5	Tax Exemptions	Secondary City Exempt Percent	Secondary City Exempt Percent
	EXEMPT_ PERCENT6	Tax Exemptions	Secondary State Exempt Percent	Reserved for future use
HR_LOCATIONS _V (Location Address descriptive flexfield)	LOC_ INFORMATION1 3	Location Address	Sales Tax Override	Ship-From jurisdiction code
	LOC_ INFORMATION1 4	Location Address	Inside City Limits	Reserved for future use.

User-Defined Descriptive Flexfields Used to Store Tax Information

If you want to use any of the following Descriptive Flexfields to store tax information, you must register each flexfield as required. Refer to the *Oracle Applications Flexfields Guide* for more information.

This table shows the user-defined Oracle Descriptive Flexfields:

Table 5–7   User-Defined Oracle Descriptive Flexfields

Table Name	Field Name	Column	Description	Value Set Name
AR_ RECEIVABLES _ TRX	Receivables Activity Information	ATTRIBUTE15	Post Adjustment to Taxware flag	AR_TAXVDR _ YES_NO
RA_CUST_TRX_ TYPES_ALL	Transaction Type Information	ATTRIBUTE1	Job Number	AR_TAXVDR _ CHAR10

> **Warning:**   Use of user-defined Descriptive Flexfields is considered a customization. Functions supplied by Oracle may change in future releases to support these fields in core tables. Additionally, if these columns are in use by your customizations, you will need to either redefine the view functions so that they look in other attribute columns, or your customizations will need to be changed so that they reside in other locations.

Oracle Receivables Fields Used to Store Tax Information

The table below lists each field in Oracle Receivables that you can use to enter point of order acceptance (POA), point of order origin (POO), and ship-to information.

Table 5–8   Mapping Oracle Columns with Taxware Tax Information

Table Name	Column	Window	Field Name(s)	Description
JTF_RS_ SALESREPS	SALES_TAX_ GEOCODE	Sales Force	Geo Override	Point of Order Origin jurisdiction code
	SALES_TAX_ INSIDE _CITY_ LIMITS	Sales Force	Inside City Limits	Reserved for future use.
HZ_LOCATIONS	SALES_TAX_ GEOCODE	Customer Addresses	Geo Override	Ship-to GeoCode
	SALES_TAX_ INSIDE _CITY_ LIMITS	Customer Addresses	Inside City Limits	Reserved for future use.
AR_SYSTEM_ PARAMTERS_ ALL	SALES_TAX_ GEOCODE	System Options	Geo Override	Point of Order Acceptance jurisdiction code

Note: If you used Descriptive Flexfields in Oracle Receivables Release 10.7SC/NCA or Release 11 to store tax information, the values are automatically populated into predefined Descriptive Flexfields and Receivables fields during the upgrade process. For more information, refer to *Upgrading Oracle Applications* for Release 11*i.*

Commonly Asked Questions

What benefits are there to the Taxware Sales Use Tax System integration?

- Oracle Receivables provides a simple solution to US Sales Tax Compliance that does not consider Origin-Based Taxes, Quantity Thresholds, or Muni/District Taxes.

- The integration with Taxware STEP allows you to calculate, account for, and report on these complex taxes. You may be required to consider these tax issues if you have multiple warehouses or if you have warehouses that are located in jurisdictions that include origin-based tax.

- Using your choice of tax vendors, you can dramatically reduce the costs associated with US Sales Tax compliance.

Who do I call to obtain Taxware products and services?

Taxware Sales Department

(978)-741-0101

http:\\www.taxware.com

When is the Tax Extension called to calculate a rate?

The Tax Extension is called whenever Oracle Receivables or Oracle Order Management calculates a sales tax rate. The following concurrent programs and windows do this:

- Adjustments windows

- AutoInvoice

- Copy Transactions window

- Credit Transactions window

- Quote window (CRM Applications that use Oracle Order Capture to perform tax quotations)

- Sales Orders window (Oracle Order Management)

- Transactions window

What Sales Tax Location flexfield structure should I select when implementing the Tax Extension within the US?

Oracle Applications provides the following default location structure for sites within the US:

■   State.County.City

The State.County.City structure provides the greatest accuracy in locating a tax jurisdiction and tax rate given a customer address. Additionally, the SQL*Loader control files, aravp.ctl and artaxware.ctl, support the State.County.City location flexfield structure.

Do we still need to upload the Tax Vendor monthly tax locations and rates file in to Oracle Receivables?

Yes. You need to upload the locations and rates file into both Oracle Receivables and the Tax Vendor. Oracle Receivables uses this information for address validation and Jurisdiction Code assignments.

How do we distinguish between tax rates calculated by Oracle and tax rates calculated by an installed Tax Vendor?

Receivables will mark tax lines for an invoice that have been calculated by an installed Tax Vendor.

Can an Oracle Order Management window call a Tax Vendor?

Yes, Oracle Order Management and Receivables share the same tax engine. This one engine will call a Tax Vendor if the vendor is installed.

How do I implement tax on freight?

Receivables will calculate tax on freight lines if you can enter freight as a revenue line item. Additionally, you can automatically present freight lines as revenue lines during the Ship Confirm process within Oracle Order Management. If the Oracle Order Management user profile Tax: Invoice Freight as Revenue is set to Yes, the Oracle Order Management/Receivables Interface program will generate a standard invoice line for the freight amount, optionally using the inventory item defined by the user profile Tax: Inventory Item for Freight. Please refer to the *Oracle Receivables Tax Manual* for more information.

Does the Customer Interface program allow me to import US customer addresses without a County field when I have address validation set to 'Error' and a Sales Tax Location flexfield of 'State.County.City'?

No. When preparing to convert legacy data that only tracks state, city, and zip code, you will need to manually assign the correct county to each customer address before you import that customer into Oracle Receivables.

How do we enter item tax rate exceptions tax when using a Tax Vendor?

Item tax rate exceptions must be entered into the Tax Vendor software. Oracle Receivables and Oracle Order management do not pass item tax rate exception information to the Tax Vendor.