FAQ's Tax Coordinator for MAX

Below are answers to some commonly asked questions for Tax Coordinator. This information is current through MAX Version 5.6.11.

1. QUESTION: **Address accuracy:** Does Zip2Tax determine jurisdiction from the full street address, ZIP+4, or only the five-digit ZIP code? How are ZIP codes crossing multiple jurisdictions handled?
    - ***ANSWER**: Zip2Tax and Tax Coordinator use the combination of the 5-digit zip code and the city name. If there are multiple jurisdictions, they will typically have either a different city name, or a different zip code so will be assigned different tax codes in MAX.*

2. QUESTION: **Order-level changes:** If our customer service reps add or change a ship to address while entering an order, does Tax Coordinator update the order automatically, or must the customer service rep manually run Tax Coordinator again?
    - ***ANSWER**: If the ship to address is changed while an order is in process, the sales tax codes will be changed by MAX to match the new ship to address code.*

3. QUESTION: **One-time ship to addresses:** Does it work with temporary order-level addresses that are not saved in the customer master?
    - ***ANSWER**: If a ship to address is typed into the sales order Ship To box, MAX does not attempt to assign tax codes based on the ship to address. If the order has been coded Taxable, MAX will assign the tax codes that have been assigned to the Bill To address.*

      When Tax Coordinator is processed at month-end or any time during the month, it creates or updates tax codes only for taxable ship to addresses that exist in MAX at that time. A new single-use ship to address entered onto a sales order could likely be an address that has not had a tax code created. Tax Coordinator can be added to the MAX Tools menu or to the Shortcut bar so it can be easily be opened and tax codes assigned to a new saved ship to address.

4. QUESTION: **Invoice protection:** Can MAX flag or prevent invoicing when a taxable ship to address has not been processed or cannot be matched?
    - ***ANSWER**: If a customer or ship to address is coded Taxable, the record cannot be saved unless at least one tax code is assigned. Therefore, if the Ship To is the Bill To address or a saved Ship To address, and if the order is coded Taxable, MAX will use the tax codes that were required to be entered at the time the customer or ship to address was created. It is only if a ship to address that has not been saved has been entered on the order, and in that case MAX will assign the tax code assigned to the Bill To address.*

5. QUESTION: **Non-collection states:** How should we handle customers shipping to states where it does not have nexus?
    - ***ANSWER**: If you are shipping to a state where you do not have nexus, the ship to address, whether it is the Bill To or a Ship To address should be coded Nontaxable. If you are entering an order for a taxable customer but shipping to a nontaxable state and not using a saved address code, you can change the taxable status on the sales order.*

6. QUESTION: **Partial exemptions:** How will it handle customers that are exempt in some states but taxable in others?
    - ***ANSWER**: The Ship To address of the nontaxable states should be coded Nontaxable.*

7. QUESTION: **Open orders:** When the monthly update changes a rate, will Tax Coordinator update existing open sales orders or only future orders?
    - ***ANSWER**: When a tax rate for a tax code changes, the rate is updated on existing open sales orders with that tax code.*

8. QUESTION: **Freight:** Does it only mark freight taxable or nontaxable by state, or can it accommodate more detailed state-specific rules?
    - ***ANSWER**: It currently exempts freight by state. Depending on the rules would you need for exempting freight Balance Point may be able to come up with a solution.*

9. QUESTION: **Exceptions:** What report or alert identifies incomplete addresses, unmatched jurisdictions, or customers the system could not update?
    - ***ANSWER**: Tax Coordinator has an Audit report to identify taxable addresses with incorrect or missing tax codes or tax codes with incorrect rates.*

10. QUESTION: **Returns:** Exactly what work will Accounting still need to do after receiving the month-end spreadsheet?
    - ***ANSWER**: Tax Coordinator will provide the Excel spreadsheet with the full details of sales. You will be able to filter it to subtotal your total sales, taxable sales, and credits by state or tax code as required to complete the state tax returns. In addition, if you would like to speak with Avalara regarding having them prepare your state returns, Balance Point will make that introduction.*

11. QUESTION: **Pre-existing Sales Orders**
    - ***ANSWER**: When Tax Coordinator is implemented, it will create new tax codes that will likely be different from those you have used and assigned to existing sales orders. As part of the database cleanup, Balance Point can update those sales orders with tax codes created by Tax Coordinator.*

12. QUESTION: **Database:** In cleaning up the database, if there is a customer that is listed multiple times, would you be able to streamline it to one customer but preserve the historical data?
    - ***ANSWER**: Yes, there is a tool named ID Changer for MAX that gives you the ability to change customer, vendor, part and stock ids. It can also combine multiple ids into a single one. It changes the customer id in all tables in MAX so history is maintained.*