uniCenta oPOS

Taxes Management

Jack Gerrard

September 2009

This Taxes Management Guide discusses how Taxes are defined, the logic used to automatically apply them.

Contents

Defining Taxes

The normal work-flow used to define and use taxes include these steps:

1. Create **Tax Categories**.
2. Create Taxes into these categories, in a hierarchical way.
3. Associate Products to the **Tax Categories**.
4. Create **Tax Customer Categories**, if necessary.
5. Associate these **Tax Customer Categories** to **Customers**.
6. Associate **Tax Customer Categories** to Taxes.

There are three important concepts for taxes: **Tax Categories**, **Taxes** and **Tax Customer Categories**.

Tax Categories groups similar taxes.

A **Tax** must belong to a **Tax Category**, and it may, optionally, belong to a **Tax Customer Category**.

When creating a Product a suitable **Tax Category** should be applied to it so that during a transaction the specific **Taxes** associated with it are applied. This also allows different products to have different **Taxes**.

By setting the different **Taxes** it will allow, for example; **Tax** needing to be charged for a Product consumed on-premise and a different **Tax** charged for a Product Take-Out within the same transaction.

Additionally, a **Tax** can be defined for a specific customer using **Tax Customer Categories**. This can then be used when creating a transaction for a chosen **Customer** to apply the appropriate **Tax** to the Product in the transaction.

Tax Categories

Tax Categories provides a method for grouping and managing similar **Taxes,** for example; Sales Tax or Value Added Tax.
Every **Tax** and every Product is in a **Tax Category** so when a Product is chosen in a transaction, a **Tax** with the same **Tax Category** is associated to it from the available **Tax Rates** of the same **Tax Category**.

Tax Customer Categories

Tax Customer Categories is used to define **Tax Categories** that are associated to one or more customers.

A **Customer** may or may not have an associated **Tax Customer Category** and moreover, a Customer can only belong to one **Tax Customer Category**.

Tax Customer Categories can be associated to **Taxes** as well. A **Tax** with a **Tax Customer Category** will only be applied to Customers of the same category. If the **Tax** does not have a **Tax Customer Category** defined, that tax will be applied to any partner.

Tax

Every **Tax** is part of a **Tax Category** and it is possible to define more than one **Tax Rate** for a **Tax Category**.

When adding a Product, during a transaction, the system will automatically determine which Tax is suitable for that Product and Customer combination. Different Products may have different Taxes as well and each transaction line is calculated accordingly.

Taxes can be defined as individual taxes (applying only one tax) or as summary type that are applied at the same time to more than one tax.

The configuration of a tax is done filling in the following fields:

- *Name* (Mandatory): The name for the tax.
- *Tax Category* (Mandatory): It is the tax category where the tax is included.
- *Customer tax category*: If this field is not blank this tax will only be applied to those customers that have the same category as the tax. If it is blank it can be applied to any customer.
- *Parent Tax*: It is used for defining the parent of the tax. Note that this type of tax cannot be applied directly; only complete trees can be applied (a parent with all its children).
- *Rate* (Mandatory): It is the percentage of the base price that is paid as tax.
- *Cascade*: This is used for summary type taxes. If it is not selected, the base for calculating the price after tax, will be the basic price; if it is selected, the base will be the price after applying the previous taxes for the same parent.
- *Order*: In summary type taxes, it is the sequence for dependent taxes.

Applying Taxes

Taxes are applied to Receipts.

In this process there are two steps: associate the desired tax to the transaction line and process the receipt that will apply the tax and calculate the actual amount.

Obtaining the Tax

When a product is selected in a receipt line, a tax is associated to this line. The selection of the default tax is achieved by the *TaxesLogic* java class. The rules followed by this java class are as follows;

The tax is selected from the ones defined in the same tax category as the product on the line. Taxes with defined customer tax category can only be applied to those customers with the same tax category. If the tax does not have a customer tax category, it can be applied to any customer.

Once the tax is selected, an approximated amount is calculated. If the tax is a parent tax, the calculation will be done using the rate defined in the parent, not exploding it and taking the real values from its children. The actual amount is calculated when the receipt is going to be closed.

Calculating actual Tax Amount

When receipts are going to be closed the actual taxes and amounts are calculated from the selected taxes following these steps:

A new tax line is created for every different tax applied to the lines of the receipt (each line will have only one tax). The amount paid to the tax is calculated from the base amount of the lines that are associated to this tax.

For taxes defined as parents, a new line is inserted for each of its children and the amount is calculated taking into account whether or not the children are cascaded.