

## **Description of Tax, Charge, & Distribution Data Type Usage**

### **Background**

This issue arose when the OAGI Team made the request to add a Tax Data Type to the Sync Salesorder BOD and to each and every BOD that has already been published where the CHARGE Data Type occurs.

A TAX Data Type already exists and was originally used in three other OAGIS chapters. The three chapters in OAGIS Release 6.2 that use the Tax Data Type are:

005:LOAD:RECEIVABLE

006:LOAD:PAYABLE

076:LOAD:PLINVOICE

The TAX Data Type is currently used for:

1. Summarizing the tax information that occurs on a financial document. It is used by the receivables, payables, and matchdoc lines.
2. Adding descriptive information about the tax data on the receivables, payables, and matchdoc lines.

### **The TAX ISSUE**

The larger issue is how to handle taxes on different types of documents. The two major types of documents identified are the financial and the operations oriented documents.

Taxes are handled differently for each of these two types of documents.

#### **1. Financial Documents**

For financial documents such as Receivables and Payables, the tax information is handled on the line on the document, thus obviating the need for a separate TAX Data Type. The tax lines on the receivables or payables document are identified by the Field Identifier TAXLINE. The use of the TAXCODE Field Identifier is used to identify a description or a possible tax table.

The General Ledger information for the taxes in this case are contained on the line of the financial document itself or within the DISTRIBUTN Data Type attached to the line.

#### **2. Operations Oriented Documents**

For the operations oriented documents such as Purchase Order and Sales Order, the taxes are handled by adding the Charge Data Type to the header and lines of the document.

This Data Type currently does not contain any General Ledger information such as GL Nominal Account or Cost Center.

## **Other Background Information**

The LOAD PLINVOICE uses a Data Type called DISTRIBUTN that is used to describe the accounting distribution associated with a business event or document. This Data Type has been found to very effective for describing the accounting distribution as well as enabling multiple distributions for an event or document.

## **Solution Defined:**

1. Follow the conventions previously established for enabling Taxes.
  - Financial documents enable TAX on the lines themselves.
  - Operations oriented documents enable TAX using the CHARGE Data Type.
2. Add the DISTRIBUTN Data Type to be associated with each CHARGE Data Type. The DISTRIBUTN Data Type is optional with multiple occurrences.
3. Add the DISTRIBUTN Data Type to the lines for the operations oriented documents. The DISTRIBUTN Data Type is optional with multiple occurrences.
4. Add the DISTRIBUTN Data Type to the lines of the financial documents that previously did not use them. The DISTRIBUTN Data Type is optional with multiple occurrences. The financial documents may still use the tax information on the lines themselves or alternatively use the DISTRIBUTN Data Type.
5. Update the TAXCODE Field Identifier in Appendix C to describe it as a "Tax identifier for an ITEM describing the type of tax. Examples include: VAT1, VAT2, VAT3, VAT4, VAT5, US Federal Tax."
6. Leave TAXID as the Field Identifier for business partners.
7. Leave TAXEXEMPT as is for the business partner.
8. Leave TAXJRSDCTN on the business partner.
9. Add TAXWHEXMPT to the operations oriented document headers and lines in OAGIS. Examples of operations oriented documents include PO and SALESORDER.