Kinetic

KxConferencing

Taxes – How to Exempt Some Taxes, but Not All

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Taxes in Kx

Tax Rates and Exemption

When an event or a company is tax exempt, taxes are not charged on any items on the quote/Current charges

However, in some circumstances, some companies might be exempt of some taxes but have to pay others.

Example

Company Blue is exempt for state taxes. But it is not exempt from city sales tax.

In this scenario, just making a company tax exempt will not work.

The company can remain as a tax exempt or tax paying company and in the event, the event can become a tax-exempt event

How to set this up in KxConfiguration

To do this the state and city taxes need to have a status in the tax rate. This needs to show the Kx user what the tax actually is ie Standard GST 20%

Or City Sales Tax 5%

Tax Model : Standard 20%

Description	Rate	Status	Rate Type	Order	Accum.	If >	If
Standard 20%	20	Standard GST 20%	Percent	1	☐	$0.00	

Description	Standard 20%
Rate (%)	20.00 Rate Type Percent ⌄
Account Code	41501 (Student Non Core Tenancy) ⌄
Status	Standard GST 20%
Accumulates	☐
Applies If Greater Than	$0.00
Applies If Less Than	$0.00
Applies To Invoice	☐
Order Of Application	1
Applies From (inclusive)	/ / 📅 ⏮ ◀ ▶ ⏭ ⊗
Applied To (inclusive)	/ / 📅 ⏮ ◀ ▶ ⏭ ⊗

Tax Model : State and City Tax

Description	Rate	Status	Rate Type	Order	Accum.	If >	If <	Invoice	Start
Standard 20%	20	Standard GST 20%	Percent	1	☐	$0.00	$0.00	☐	
City Tax	5	City Tax 5%	Percent	2	☐	$0.00	$0.00	☐	

The tax model is then applied to the relevant charge templates

KxConferencing

The Event is Created in KxConferencing

When the event is created and the company is exempt from State Tax but has to pay city tax – you can click on the Tax-exempt button in the details page of the event.

This then brings up a list of Tax rates in configuration

You can select the taxes that the event is <u>to be exempt from</u>

This will   leave the event exempt from the ticked tax rates but **applies the rate that was not ticked**

When the charge template item is added to the quote, it will show the tax model name (State and City Tax,) but only charge the City Tax as Kx knows to exempt the State tax

Linen charge = $20

$20 x 20 people = $400

Add city tax of 5% = $420