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Sales Tax – How It Works

an explanation of the core website sales tax logic

AGENDA

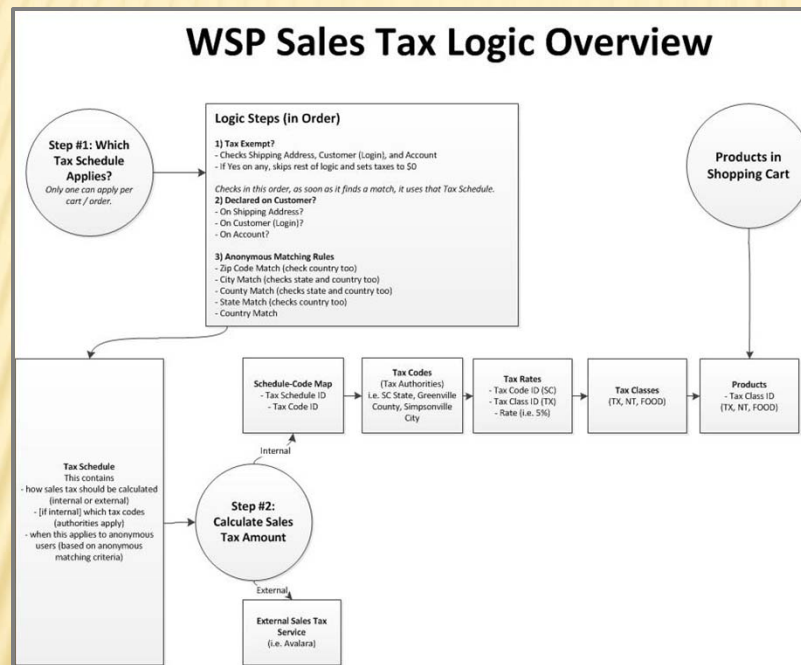
- ✘ Overview & Naming Conventions
- ✘ Business Logic
 - + Diagram
 - + Web Driver Screens
- ✘ Calculation Example

OVERVIEW & NAMING CONVENTIONS

- ✘ **Tax Codes:** Who to Pay Taxes To? (Tax Authorities)
 - + SC State
 - + Spartanburg County (in SC State)
 - + Greenville County (in SC State)
 - + Simpsonville City (in Greenville County)
- ✘ **Tax Schedules:** Which Tax Authorities Apply? (the container)
 - + In SC, but not in Greenville County
 - + In Greenville County (in SC State), but not in Simpsonville City
 - + In Simpsonville City (in Greenville County, in SC State)
- ✘ **Tax Classes:** Are Products Taxed Differently?
 - + Simple (taxable, non-taxable)
 - + Complex (taxable food, taxable other, non-taxable)
- ✘ **Tax Rates:** What Percent to Collect for Each Product Classification?

BUSINESS LOGIC

✘ Diagram



✘ Web Driver Screens

CALCULATION EXAMPLE

Sales Tax Calculation Example ("Tax Matrix")

Product	Ext Price	Tax Class	Tax Code	Rate	Tax Amount
MP3 Player	\$100.00	TX	SC State	5.00%	\$5.00
Warranty	\$50.00	NT	SC State	0.00%	\$0.00
Candy Bar	\$10.00	FOOD	SC State	5.00%	\$0.50
MP3 Player	\$100.00	TX	SC County – Greenville	1.25%	\$1.25
Warranty	\$50.00	NT	SC County – Greenville	0.00%	\$0.00
Candy Bar	\$10.00	FOOD	SC County – Greenville	0.00%	\$0.00
MP3 Player	\$100.00	TX	SC City – Simpsonville	0.35%	\$0.35
Warranty	\$50.00	NT	SC City – Simpsonville	0.00%	\$0.00
Candy Bar	\$10.00	FOOD	SC City – Simpsonville	0.35%	\$0.04
					\$7.14