



Connex

# Sales Tax and QuickBooks



**CEO and Founder of Sync with Connex.**

**I have worked with QuickBooks for over 12 years. I created Connex for QuickBooks in 2011.**

**I have helped set-up hundreds of companies with QuickBooks Desktop.**





# How does Connex map tax?





**Our software sends the order without tax, then instructs QuickBooks to map a tax code. QuickBooks recalculates tax on the order.**



**An order can have multiple tax codes. Therefore, another mapping tool is required.**



**TYPE**  
 Sales Tax Group Use to calculate and individually track two or more sales tax items that apply to the same sale. The customer sees only the total sales tax.

Group Name/Number  
 LA County Tax

Description  
 Sales Tax

Item is inactive

Enter each individual sales tax you need to charge in this district. QuickBooks will collect tax for these items as a group, but will report on each one individually.

TAX ITEM	RATE	TAX AGENCY	DESCRIPTION
LA Tax	2.5%	Agency Power	Sales Tax
CA Tax	6.0%	Agency Power	Sales Tax
LA County	1.0%	CA DOR	Sales Tax
Group Rate		9.5%	

Buttons: OK, Cancel, Next, Notes, Spelling

**Connex can map single tax codes and group tax rates to QuickBooks.**





# Invoice

DATE: 06/02/2020  
INVOICE #: 15  
BILL TO: 2ND 2 NONE AUDIO & ELI  
123 N Main St.  
Los Angeles, CA 90012  
SHIP TO: Ship To 1  
2ND 2 NONE AUDIO & EL  
123 N Main St.  
Los Angeles, CA 90012

S.O. NO.: 17039  
P.O. NO.:  
TERMS:  
DUE DATE: 06/02/2020

ITEM	DESCRIPTION	QTY
METTL301-5	BLACK CARPET, 5 YDS.	1
ACOACR-1	Audio Control ACR-1 Dash Remot	1
UPS Ground	Method: ups ground Tracking: 1Z9EY7450306241131	1

QTY	INVOICED	U/M	RATE	AMOUNT	TAX
1	1		28.00	28.00	Tax
1	1		26.99	26.99	Tax
1	1		11.92	11.92	Non

CUSTOMER MESSAGE

TAX	CA Group Tax (8.5%)	4.67
TOTAL		71.58
PAYMENTS APPLIED		0.00
BALANCE DUE		71.58

## Example Tax Code



**You can map tax by city,  
county, state, or country. First  
match city, then county, then  
state.**





Edit



Tax Code

CA Tax

City

Los Angeles

County

Los Angeles

State / Region

CA

Country

US

✓ Update

⊘ Cancel

Tax Code	City	County	Region
LA Tax	Los Angeles	Los Angeles	
CA Tax		Los Angeles	CA
SalesTax			CA



Connex



**You can add tax as a line item. All order items are marked as non-taxable. A line item appears, whose type is sales tax item, that matches the tax on the order.**



**With tax codes, you can group tax by state or county. With the tax line item, all sales tax is mapped to Sales Tax Payable.**





**Here's an example of how  
it works with Shopify**




# Transaction in Shopify.

← Orders ← →


## JMA1150

September 10, 2019 at 11:37 am from Draft Orders Paid Fulfilled


Print order Refund More actions ▼

 **Fulfilled (5)** JMA1150-F1 test@example.com

UPS tracking  
1Z204E380338943508

 **5** JMA Red T Shirt \$2.00 × 5 \$10.00  
SKU: JMA Red T Shirt

More ▼

 **Paid**


Discount	Custom discount	-\$1.00
Subtotal	5 items	\$9.00
Shipping	UPS (0.0 lb)	\$2.00
Tax	MA State Tax 6.25%	\$0.56
<b>Total</b>		<b>\$11.56</b>

---

Paid by customer \$11.56

**Notes** Edit

Ring doorbell.

**Customer** 

Ragnar Ragnarson  
2 orders

**CONTACT INFORMATION** Edit

ragnar@viking.net

**SHIPPING ADDRESS** Edit

Ragnar Ragnarson  
JMA  
123 Main St.  
Waltham MA 02451  
United States  
781-330-0737

View map



# Connex set to 15 min sync

QuickBooks Web Connector 2.1.0.30

File Help

Select All Select None Update Selected View Log Troubleshoot Help

	Application	Auto-Run	Every _ M	Status	Password	Remove
<input type="checkbox"/>	Mock ( <a href="http://www.test-copy.com">www.test-copy.com</a> ) Connex for QuickBooks WebService JMA Basic Test 3 For support:	<input checked="" type="checkbox"/>	15	Last run: 5/23/2020 11:47:53 AM Last result: <b>Ready</b> Next run: 5/23/2020 12:47:53 PM <a href="#">Click for more information</a>	*****	Remove

Application Progress 0%

Total Progress 0%

Scheduling has been enabled for 'Mock (www.test-copy.com) Connex for QuickBooks WebService' with interval = 60.  
Last and next run time will be updated after the next automatic update.

Add an application

Hide Exit





# Connex set to 15 min sync



# Order shows up in QuickBooks

QuickBooks interface showing an invoice for Ragnarson, Ragnar. The invoice is highlighted with a blue oval.

**Invoice**

CUSTOMER: J... Ragnarson, Ragnar CLASS: [ ] ACCOU... Accounts Receivable TEMPLATE: Adv Inv Product Invo...

DATE: 09/10/2019 INVOICE #: JMA1150

BILL TO: Ragnar Ragnarson  
JMA  
123 Main St.  
Waltham, MA 02451  
United States

SHIP TO: Ragnar Ragnarson  
JMA  
123 Main St.  
Waltham, MA 02451  
United States

P.O. NUMBER: [ ] TERMS: [ ] REP: [ ] SHIP: 09/10/2019 VIA: UPS F.O.B.: [ ]

ITEM CODE	QUANTITY	DESCRIPTION	U/M	PRICE EACH	AMOU...	TAX
JMA Red T Shirt	5	JMA Red T Shirt		2.00	10.00	Non
SalesTax		Sales tax for postal code 02451		0.56	0.56	
Custom discount		Coupon Code: Custom discount		-1.00	-1.00	N.
UPS		Method: UPS Tracking: 1Z204E380338943508		2.00	2.00	Non

TAX: Out of State (0.0%) 0.00

TOTAL: 11.56

PAYMENTS APPLIED: 0.00

BALANCE DUE: 11.56

MEMO: Ring doorbell. CUSTOMER TAX CODE: Tax

Buttons: Save & Close, Save & New, Revert

Customer Information (Ragnarson, Ragnar):

- Customer: Ragnarson, Ragnar
- Transaction: [ ]
- Phone: 7813300737
- Email: ragnar@viking.net
- Preferred delivery method: None
- Open balance: 11.56
- Active estimates: 0
- Sales Orders to be invoiced: 0

RECENT TRANSACTION:

- 09/10/19 Invoice: 11.56

NOTES: [ ]



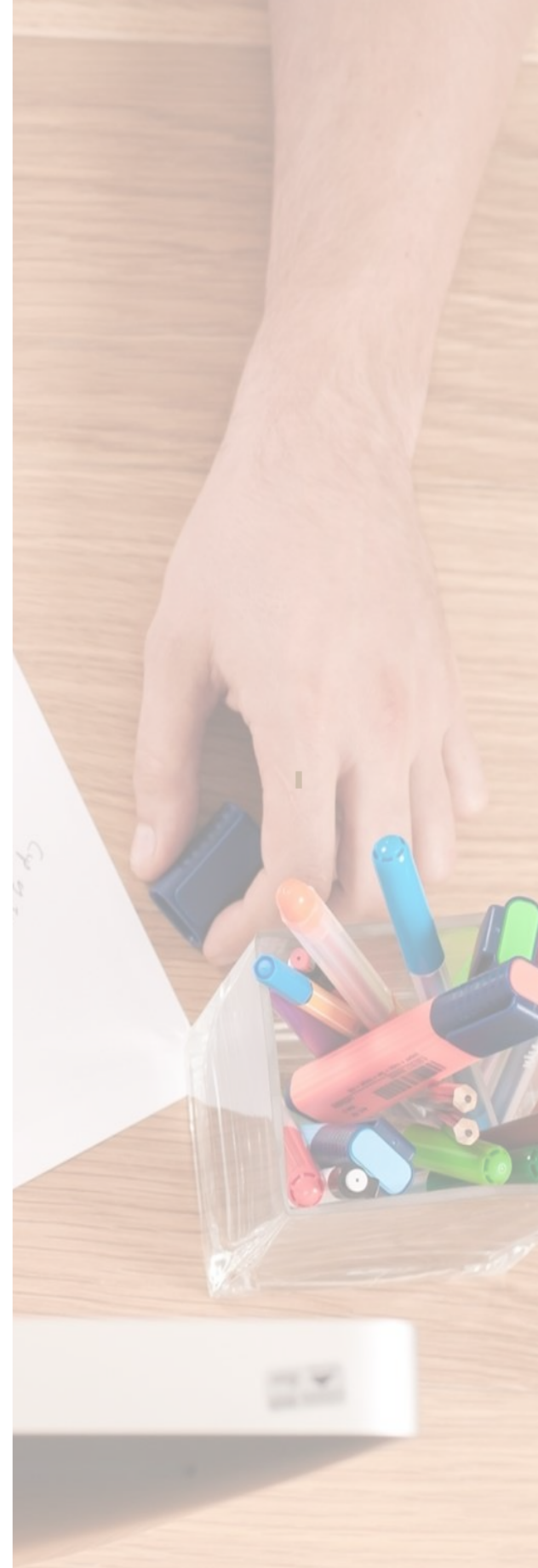


**What do you recommend?**

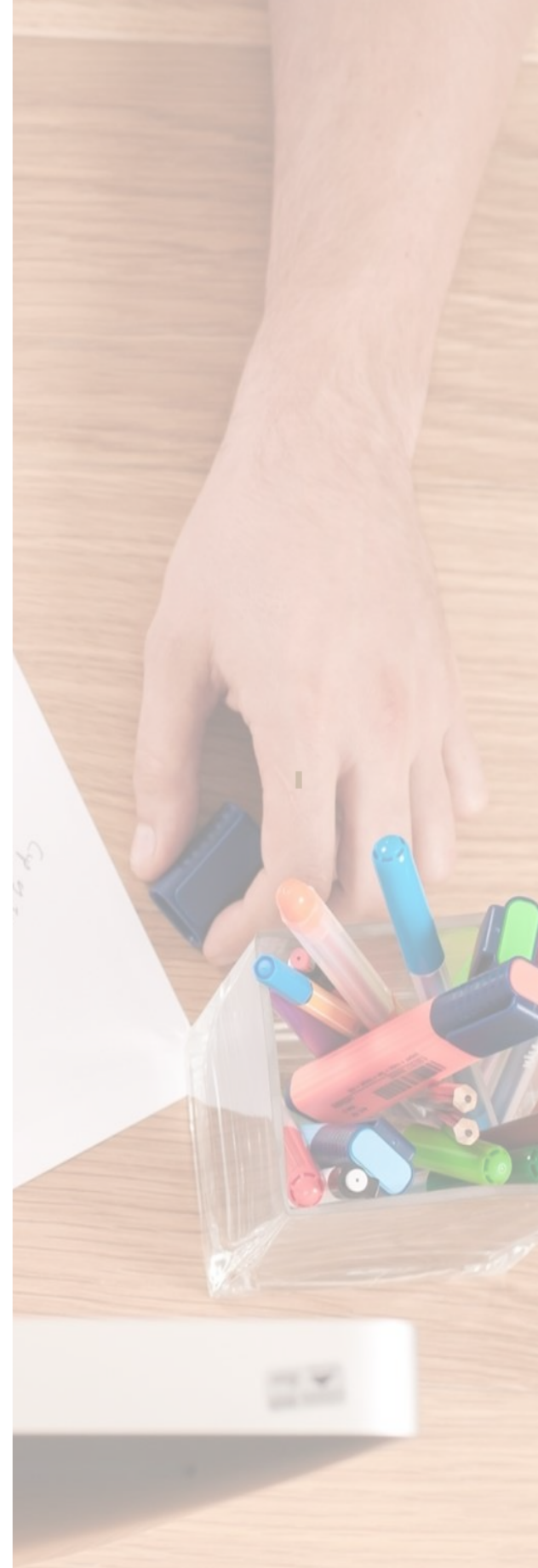




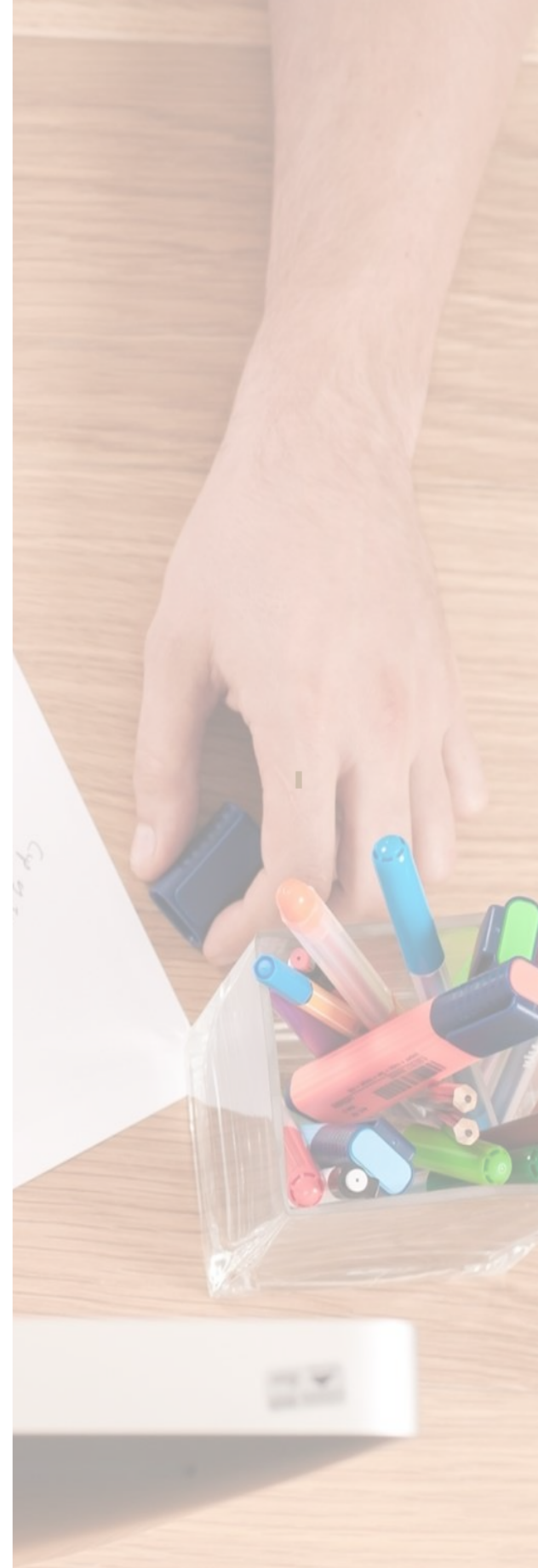
**If you use a 3<sup>rd</sup> party tax service, like Avalara, check the Avalara checkbox in our set up wizard. Our software adds a line item called TotalAvaTax that is compatible with Avalara.**



**If you use QuickBooks Online Automatic Sales Tax, our tool will map tax on the bottom of the order. No settings change is required.**



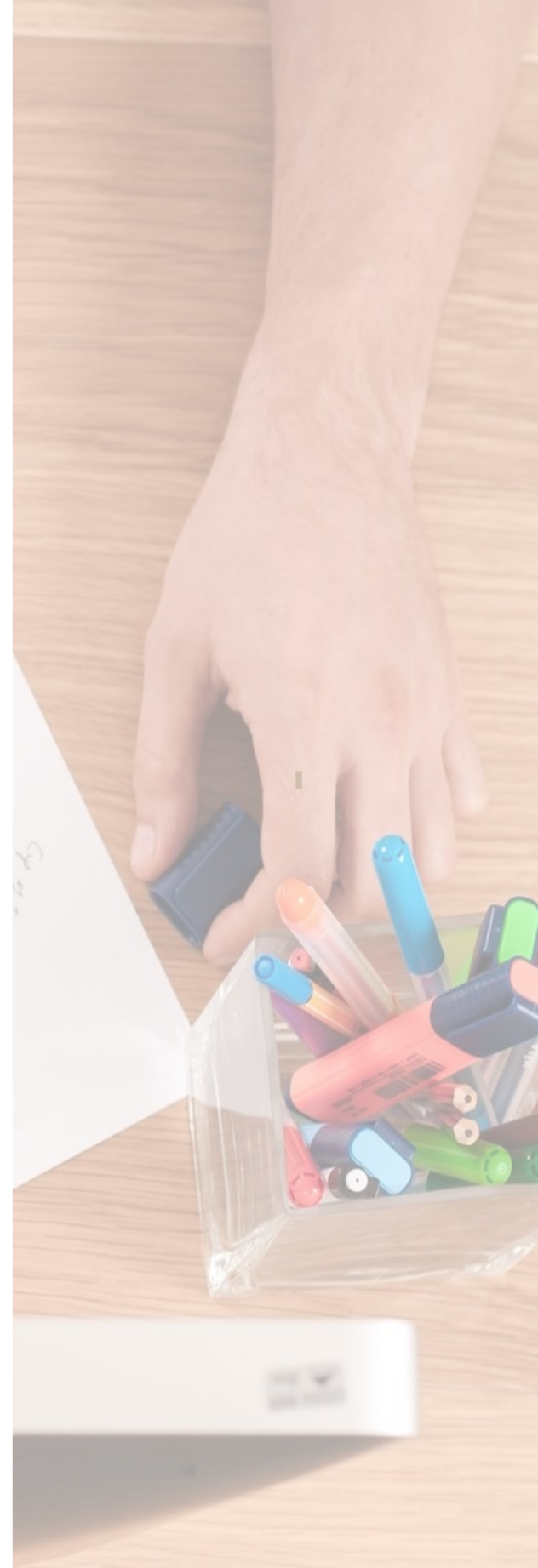
**In a state like Massachusetts, where we have flat tax, you can get by on QuickBooks tax codes. For states where the rate changes on rooftop location, consider a 3<sup>rd</sup> party service.**





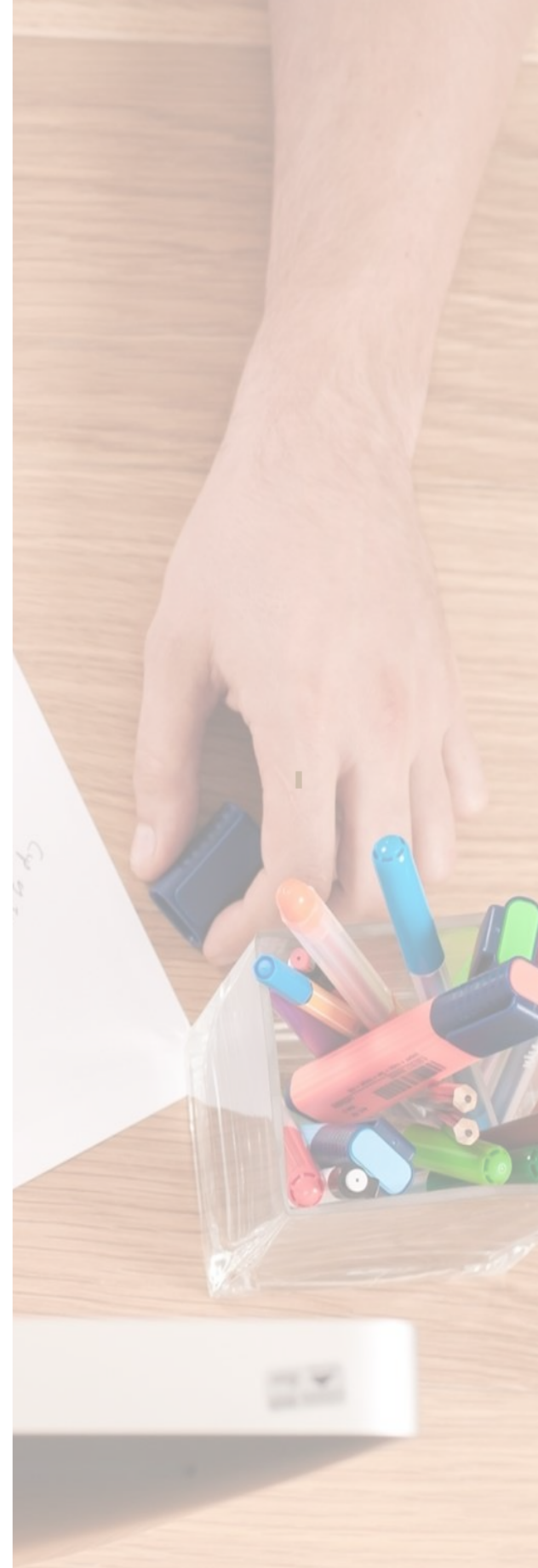
**You can upload a spreadsheet of tax codes for each city or county.**

**The problem is tax rates change and there are tax free weekends. You could charge the wrong rate on certain orders.**





**If your city or town exists in multiple counties, then the sync could send the wrong tax code.**



# Summary

- QuickBooks tax codes are OK, if you have one tax rate.
- Add tax as a line item, if you have multiple rates.
- Codes are ideal for grouping tax by state or county.
- Use a 3<sup>rd</sup> party service for complex scenarios.



**I still experience sync issues.  
How do I contact you?**

