



# The Sales and Use Tax Forest

By Paul Demery

## Defining Taxability Rules

Integration with ERP systems is also moving ahead at Vertex, a Berwyn, Pa.-based company that is offering a new Tax Assist feature that contains and defines rules on taxability in a new Vertex O Series Taxability Manager user interface, says John Cowan, director of the company's Oracle Solutions Practice.

"The Vertex O Series software provides College Board's silo applications a single and centralized mechanism in calculating sales tax, managing and maintaining rules, integrating with the financial back-end system, and providing end-to-end reporting," says Bahar Limaye, application architect for The College Board. "It provides a significant return on investment for The College Board by streamlining and efficiently aligning business processes with technology for our service-oriented e-commerce platform."

Cowan says using the Vertex O Series is cheaper, since the vendor maintains the code and makes changes, including when new versions of ERP systems are installed. Since the O Series provides update notifications, "Customers can run their operation on standard or 'vanilla' tax system connections, so that they do not create costly modifications."

In addition, he says, the Vertex product now enables a single transaction to drive multiple taxes independently of

the standard sales tax calculation. Often, taxing authorities impose other miscellaneous taxes in addition to sales and use tax on the same transactions. "This feature allows our customers to accommodate these multiple impositions from tax calculation and into detailed reporting," he says.

Moreover, the Taxability Manager can now examine an unlimited number of rules to classify any single transaction as taxable, exempt, or subject to special tax treatment.

Vertex has also introduced the O Series Lease Tax application, which comes loaded with tens of thousands of state and local tax rules to handle the complex mix of decision drivers, surcharges, and end-of-lease conditions.

To keep up with SST requirements, Vertex O Series was built with a data model that can define state-sourcing rules, taxability of products and services, rate changes, and other SST-related calculations. Vertex also supports VAT and other international tax issues for 128 countries. Through its electronic filing features, its tax calculation engine summarizes tax by reporting period and imports data directly onto forms or into the e-filing format.

*The selection above is an excerpt from Paul Demery's article in Accounting Technology. To view the full article, log on to: <http://www.webcpa.com/article.cfm?articleid=20112&pg=acctech>*