Vertex Tax Categorization Service

Vertex Tax Categorization Service leverages machine learning to provide tax categorization mapping for improved tax accuracy. The service, available through Vertex Consulting, can streamline the tax mapping process for you by identifying the tax categories for your products. This eases the burden on tax teams and reduces their manual efforts, while also helping to identify human errors and inconsistencies.

How a product or service is mapped determines taxability and the rate at which sales tax is calculated, collected, and remitted. As a seller, it's critical that your business charges the appropriate sales tax. Undercharging may have a negative financial impact on your business, while overcharging can cause problems if your organization is audited. Vertex Tax Categorization Service applies machine learning technology to improve both categorization accuracy and tax accuracy.

Outsource tasks and improve tax accuracy

Using the Vertex Tax Categorization Service lets you outsource the administrative tasks of product mapping to tax categories so you can redeploy tax staff to higher value work. You'll improve efficiency, accuracy, and consistency.

· Streamline and digitize the product mapping process
· Increase turnaround time for product mapping
· Improve the accuracy and consistency of taxability determinations
· Identify products and services that require user-defined tax rules
· Save time and money and reduce audit risk

Benefits

· Eliminate manual efforts to manage tax categorization
· Expand your inventory without added tax categorization burden
· Improve the agility of the tax department to support business growth
· Increase consistency of product categorization for improved compliance

"We were spending significant hours in a manual process to serve our buyers and sellers. We needed to find a smart, innovative way to solve tax categorization. Vertex wasn't afraid to listen to our needs and stand bold and innovate a tax categorization solution for us."
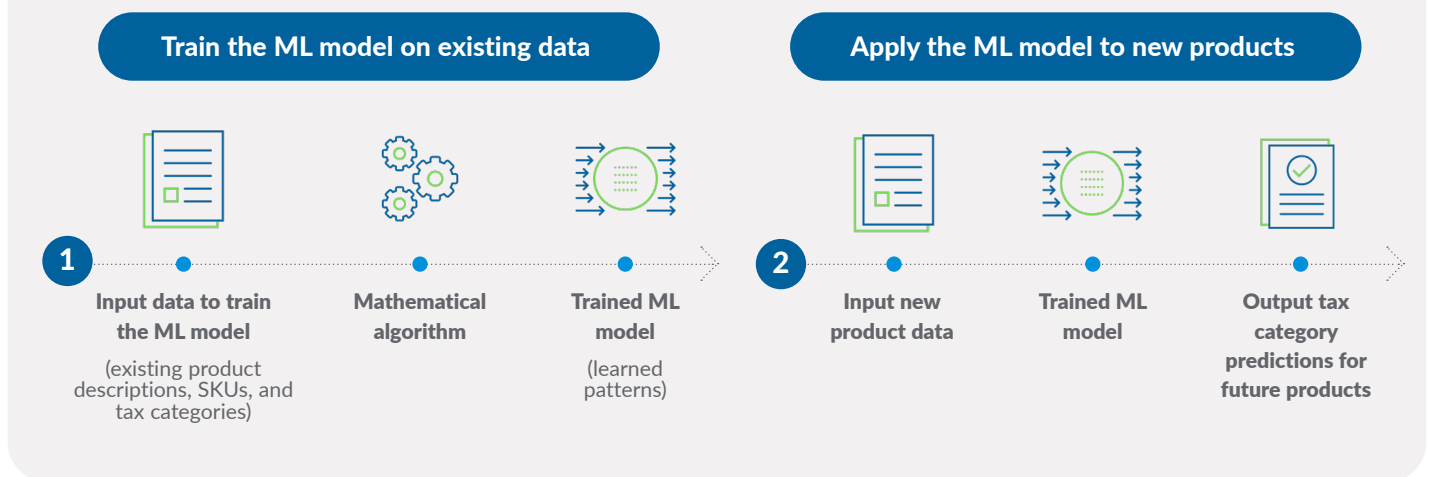
**Jacqui Van der Leij
Head of Tax Technology, eBay**

Ease your tax burden with Vertex

With 11,000 tax jurisdictions in the United States and countless rules around how products and services are taxed, it's no wonder categorizing taxes of products and services is a time-consuming effort. Nearly every jurisdiction has a unique approach to defining taxability, and a single sales transaction may be subject to tax in multiple jurisdictions and with various tax rates.

The key to understanding this complexity and accurately determining tax lies in knowing details about a product or service, such as how it's sold, where it's sold, and how it's delivered. This mapping is essential to ensuring that accurate taxability determinations and the proper tax rates are applied to sales transactions. Vertex Tax Categorization Service can help simplify the process.

How does the Tax Categorization Service work?

Train the ML model on existing data

Apply the ML model to new products

1

Input data to train the ML model

(existing product descriptions, SKUs, and tax categories)

Mathematical algorithm

Trained ML model

(learned patterns)

2

Input new product data

Trained ML model

Output tax category predictions for future products

Benefits of working with Vertex Consulting

Vertex Consulting brings unmatched experience from working with 1,000+ customers to implement Vertex solutions.

We can help you:

- Reduce risk with unmatched Vertex expertise
- Achieve ROI quickly with a fast implementation
- Realize timely and on-budget completion
- Boost internal capabilities with knowledge transfer

For more information, contact Vertex today at Inside.Sales@vertexinc.com.

About Vertex

Vertex Inc., is a leading global provider of indirect tax software and solutions. The company's mission is to deliver the most trusted tax technology enabling global businesses to transact, comply, and grow with confidence. Vertex provides cloud-based and on-premise solutions that can be tailored to specific industries for major lines of indirect tax, including sales and consumer use, value added, and payroll. Headquartered in North America, and with offices in South America and Europe, Vertex employs over 1,200 professionals and serves companies across the globe.

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