



Creating a Retail Experience that Optimizes Accuracy, Efficiency and Consistency

Vertex solutions for Oracle Retail deliver automated, real-time tax determination and compliance support to enable omnichannel retail transformation

Retailers are advancing omnichannel transformation—shifting from channel expansion to improving execution, consistency, and scale. Success depends on accurate pricing to protect margins, a consistent customer experience, and a frictionless path through the end-to-end purchase lifecycle—from discovery to cart to checkout to returns—regardless of channel. Recent research from NRF points to a new dynamic as well: AI assistants are increasingly shaping how customers discover, decide, and buy, accelerating the convergence of customer experience (CX), loyalty, and commerce into AI-mediated journeys (*IDC, Top IDC Retail Takeaways from NRF 2026, February 2026, IDC #US54314726*).

As commerce becomes more conversational and increasingly supported by AI assistants, offers must be accurate and machine-consumable—including the details that determine total cost at checkout (pricing, fees, and policies). That extends to tax rules and tax content, which should be governed centrally and applied consistently across channels and devices so AI assistants can quote—and execute—the correct tax treatment in real time (*IDC, Top IDC Retail Takeaways from NRF 2026, February 2026, IDC #US54314726*).

U.S. Retail by the Numbers

- \$5.3T – Total impact on GDP
- \$1.3T – Direct labor income
- 4.6M – Retail establishments
- 32.2M – Direct retail employment
- 55M – Total jobs supported
- \$2.2T – Direct impact on GDP

A strong ERP ecosystem enables real-time data flows, unified inventory visibility, and seamless integration across sales channels, marketplaces, and fulfillment nodes. When core systems—POS, e-commerce, order management (OMS), product information management (PIM), procurement, and tax—operate in silos, retailers face fragmented data and inconsistent results across systems, channels, and devices. Increasingly, retailers prioritize architectures that integrate effectively across both legacy and modern environments while supporting phased modernization without operational disruption.

Tax accuracy depends on unified data and consistent tax logic across all transactional systems within the commerce ecosystem. When tax is wrong, retailers may overcharge customers—damaging trust and risking civil penalties, fines and lost reputation—or undercharge and absorb the difference, eroding margins. Either way, tax errors create friction at critical moments in the purchase lifecycle from cart to checkout to returns.

From marketplaces and ship-from-store to cross-border and emerging AI-mediated journeys—additional tax events are created with new sourcing rules, rates, and compliance obligations. Rules change quickly, and customers expect tax to be calculated in milliseconds without slowing checkout or creating inconsistencies between cart, receipt, and returns. Retailers can support Oracle Retail and Oracle ERP with tax automation that provides:

Retail Lifecycle Tax:

Tax needs to stay consistent from product page to cart to checkout—which is especially true in countries with VAT regulations, where the final price shown includes tax—and through post-purchase events like cancellations, shipping updates, returns, and exchanges. Consistent results (rates, sourcing, exemptions, fees, and rounding) across systems, channels, and devices help prevent pricing surprises, reduce service friction, and protect margins.

- **Automated, real-time tax determination:** Support accurate pricing and tax outcomes across channels.
- **Speed, resilience, and edge readiness:** Keep POS and digital checkout moving—even with peak demand or limited connectivity—while staying accurate.
- **Centralized tax content and governance:** Manage rates and rules once and apply them consistently across systems, channels, and devices—including tax holidays and new fees.
- **Accurate product taxability and reporting:** Improve classification and support compliant reporting—including returns, exchanges, and adjustments.

These foundational tax automation capabilities will help tax groups address their company's most pressing business needs, including:

- Omnichannel orchestration
- Growth and scalability
- Data quality
- Technology/business transformation and modernization
- Speed and resilience

Business Need: Omnichannel Orchestration

Omnichannel strategies now depend on coordinated execution across channels including brick-and-mortar stores, e-commerce, marketplaces, and 3rd-party fulfillment. As customer experience, loyalty, and commerce converge—often supported by AI assistants—retailers need consistent data and operational alignment across the full purchase lifecycle (IDC, *Top IDC Retail Takeaways from NRF 2026, February 2026, IDC #US54314726*). For tax teams, the implication is clear: tax accuracy and consistency must be delivered as a real-time service across every channel and step from cart to checkout to returns. The questions below help assess whether a tax automation solution is designed to support omnichannel orchestration at retail speed.

These efforts create new demands for indirect tax teams. Marketplace transactions, BOPIS/BORIS, in-store kiosks, and other cross-channel flows introduce unique sourcing rules and tax rates, and complex integration chains can make nexus and facilitator obligations harder to identify quickly and accurately.

Does your tax automation solution support integrations across systems and channels?

Omnichannel retail requires real-time tax accuracy across stores, e-commerce, marketplaces, and fulfillment. Retailers need centralized tax management with reliable execution at the transaction level to support always-on operations across all channels without introducing friction at any stage of the purchase lifecycle from cart to checkout to returns. When assessing the extent to which an existing, or new, tax automation solution supports the business's omnichannel strategy, it helps to ask:

- Does the solution determine tax consistently across all transactional systems (SCM, procurement, POS, e-commerce, marketplaces, and ERP systems)?
- Can the solution support returns, exchanges, and BOPIS/BORIS with accurate, consistent tax?
- Will the solution calculate tax in real-time in cart and at checkout without delays, regardless of transaction volumes?
- Can the solution handle promotions, bundles, discounts, regional taxes and fees, exemptions and tax holidays accurately?



Business Need: Growth and Scalability

Economic pressure, rising costs, and intensifying competition are pushing retailers to pursue new growth models while protecting profitability. Expansion into new regions and channels—including recommerce, social selling, retail media networks, dynamic pricing, circular retail, and expanded digital assortment—can rapidly increase transaction volume and compliance complexity. For indirect tax teams, the priority is to scale accurate tax determination and content governance fast enough to support growth without creating margin leakage or customer friction.

In practice, these models often expand the catalog beyond what stores can physically carry. Many retailers extend assortment through online marketplaces and endless-aisle capabilities, sourcing items from third parties or manufacturers and shipping directly to customers without holding inventory in every location. These scenarios increase tax complexity—including sourcing, marketplace rules, delivery charges, and jurisdictional variation—making consistent tax determination across systems even more critical.

Growth strategies also expose retailers to evolving obligations—marketplace facilitation, digital goods, e-invoicing/real-time reporting, environmental fees—and frequent rate changes that can impact margin and customer experience.

Indirect tax teams must ensure that tax compliance keeps pace with strategic growth initiatives. Any lags in standing up tax compliance in new regions, countries, or cities can result in revenue loss. At the same time, indirect tax must support a seamless customer experience and protect margins by enabling consistent, accurate pricing and tax treatment across channels, devices, and post-transaction events. Key points include:

- Enabling consistent, transparent checkout experiences across channels while establishing clarity around total cost, duties, tax, and delivery
- Supporting post-decisions—including returns, replacements, and cross-channel exchanges—with the same real-time intelligence and accuracy customers expect at checkout
- Responding quickly to tax holidays and other short-notice rule changes that can directly influence promotional strategy, competitive pricing, and customer trust
- Leveraging tax data for supply chain optimization—such as inventory placement and fulfillment sourcing decisions—to reduce tax burden, protect margins, and improve total landed cost visibility
- Support intelligent fulfillment and orchestration. IDC notes that orchestration is increasingly used to protect fulfillment promises while optimizing cost and speed (*IDC, Top IDC Retail Takeaways from NRF 2026, February 2026, IDC #US54314726*). Accurate tax, fees, and duties help keep these decisions profitable and aligned to what customers were quoted.
- Improve upstream/downstream alignment and returns profitability. IDC highlights unified platforms and product life-cycle traceability as enablers of better sourcing-to-fulfillment decisions and profitable circularity (*IDC, Top IDC Retail Takeaways from NRF 2026, February 2026, IDC #US54314726*). Tax processes must keep pace across sourcing scenarios and lifecycle events such as returns and exchanges.
- Integrating tax with marketplaces and digital commerce ecosystems to support consistent pricing and low-friction checkout
- Building a flexible, future-ready tax stack that scales with regulatory and business-model change

Does your tax automation solution support business growth?

When tax teams take hard looks at the degree to which their current technology solutions support or slow business growth initiatives, they can ask:

- Does the solution provide global jurisdiction coverage with retail-grade content granularity?
- Does the solution support cross-border transactions with duties, VAT, GST, and SUT?
- Does the solution support e-invoicing, CTC, and real-time reporting requirements?
- Does the solution support marketplace facilitator rules and tax-collection responsibility?
- Does the solution apply regulatory updates automatically to reduce manual effort?



Business Need: Data Quality

Data governance is a board-level priority in retail, where differentiation depends on understanding customers and executing consistently across channels. For tax, finance, and IT teams, data quality directly influences pricing accuracy, compliance outcomes, and the reliability of downstream analytics and AI initiatives. The questions below help determine whether a tax automation solution strengthens data quality through consistent classification, governed content, and audit-ready transaction detail.

Does your tax automation solution support data quality objectives?

Data quality is essential for accurate product taxability, which directly impacts pricing accuracy and compliance. Many retailers still manage product categorization manually or with outdated tools, making it hard to keep up with new SKUs and jurisdiction-specific rules (see sidebar). The result can be rework, inconsistent outcomes across systems, and higher error risk.

These issues are evident in common retail scenarios. The same product may be taxed differently across state and local jurisdictions; for example, local sugar taxes can affect beverage taxability, and some jurisdictions treat a protein bar differently than a candy bar. Retailers must also apply non-tax charges correctly, such as mattress recycling fees in certain states or delivery fees and related taxes in specific locations. Segment-specific nuance adds complexity as well; for example, grocers with in-store pharmacies may face additional requirements tied to healthcare items and medical devices. Accurate classification of products, fees, and charges is foundational to compliant pricing and a consistent customer experience.

Finance teams grapple with the ripple effects of data quality shortcomings, which include slower omnichannel expansion, delays to geographic expansion initiatives, and margin erosion from categorization errors. For their part, IT groups must troubleshoot the fallout from product categorization missteps by cleaning up data errors across fragmented ERP, point-of-sale (POS) and e-commerce systems, and costly manual updates that expose the organization to risk.

Tax, finance, and IT teams can assess a tax automation solution's ability to generate high-quality data by asking questions such as:

- Does the solution capture audit-ready detail by jurisdiction, line item, and rate component?
- Does the solution export tax data easily for reporting, analytics, and business intelligence?
- Does the solution validate inputs and outputs, and reconciliation to prevent data-quality issues?
- Does the solution classify product taxability at scale for large, changing catalogs?
- Does the solution govern tax changes with role-based controls and audit trails?

A Smarter Approach to Product Tax Categorization

Omnichannel growth and frequent rule changes increase pressure on product tax categorization. AI-assisted categorization can help retailers scale classification, improve consistency, and reduce downstream rework.

Vertex Smart Categorization is a cloud-based, generative AI solution that helps automate product taxability mapping for use with the Vertex tax engine. It can be applied at multiple points in the tax process, including:

- Initial product mapping during a Vertex O Series implementation
- Ongoing mapping of new products (or new versions of existing products)
- Post-merger integration support by accelerating product mapping and taxability alignment across combined catalogs
- Catalog validation to speed taxability testing and support audit preparation

How Vertex Smart Categorization helps

- Helps tax teams more effectively manage product categorization mapping for tax as SKUs are added or removed driven by seasonality, market demand, and packaging changes
- Supports tax and finance teams by improving categorization consistency and data quality for planning, forecasting, and governance as the business expands
- Reduces IT rework by helping embed taxability requirements consistently across ERP, OMS, PIM, POS, and e-commerce environments



Business Need: Technology Modernization, Higher ROI, and Lower TCO

Modernization programs typically include cloud migration, data cleanup, and improved integration across ERP and commerce systems, and for many retailers, POS modernization is also a critical step. These initiatives raise the bar for tax automation: tax must integrate cleanly across ERP, merchandising, OMS, inventory, e-commerce, and POS to avoid manual work, inconsistent results, delayed close processes, and audit risk. The questions in this section help evaluate whether a tax automation solution can support modernization with measurable ROI and lower operational burden.

IDC reports that POS is evolving into a unified commerce hub, with integrated capabilities and AI-powered tools that elevate the store associate's role in the customer journey (*IDC, Top IDC Retail Takeaways from NRF 2026, February 2026, IDC #US54314726*). Modernizing to Oracle Retail POS provides a foundation to embed consistent tax determination into the in-store experience and reduce reliance on manual rate and rule uploads.

Finance leaders want technology that delivers measurable ROI while supporting scalability and business continuity. Tax leaders need audit-ready compliance through cloud migration, POS replacement, and ERP integration. IT teams aim to future-proof architecture with secure, scalable modernization that minimizes disruption, often by using proven integrations. For retailers modernizing to Oracle Retail POS, integrating Vertex helps reduce manual tax maintenance, improve calculation accuracy, and keep tax logic consistent across stores and digital channels.

In the retail segment, Oracle's tax automation story is often positioned around its ecosystem alignment with Vertex. Vertex describes itself as a long-standing strategic partner in the Oracle ecosystem and states that it has partnered with Oracle for more than 30 years, supporting thousands of joint customers worldwide. Vertex notes that its tax technology integrates across Oracle Retail environments, including Oracle Retail Cloud and Oracle Retail POS. Oracle and Vertex have also highlighted Oracle-validated integrations and deployment options on Oracle Cloud Infrastructure (OCI), including in-region configurations that can support data residency requirements. Vertex positions its platform to support tax determination through downstream compliance processes, including invoicing and e-invoicing. In addition, customers have reported performance benefits from running Vertex workloads on OCI in certain scenarios (for example, improvements in Accounts Receivable processing). Vertex also describes embedded AI and machine learning capabilities for Oracle Cloud ERP use cases and has been recognized through multiple Oracle Partner Awards.

In addition to driving process efficiencies, contributing to revenue and profitability gains, and strengthening risk management and compliance, technology modernization enables retailers to deploy AI and other advanced technologies faster and more easily.



Does your tax automation solution support technology modernization objectives in a high-ROI, low-TCO manner?

Tax is a crucial consideration in technology modernization, especially efforts centered on ERP cloud migration. Tax automation should integrate seamlessly with ERP, merchandising, order management, inventory, and POS systems. Subpar integration creates data silos, manual reconciliation work, delayed financial closes, and heightened audit risk. For retailers operating on Oracle Retail, Oracle Cloud ERP, or similar enterprise platforms, the depth and quality of integration directly impacts implementation timelines, total cost of ownership, and long-term operational efficiency.

A compliance platform can also reduce risk during periods of change. A single tax engine can support multiple source systems—legacy, custom, and modern commerce components—so tax logic remains consistent even when business units operate different technology stacks. This approach supports phased migrations (by region, banner, or channel) and post-merger integration, helping retailers maintain continuity while improving accuracy, scalability, and performance.

For retailers, integration is not only about whether a tax automation solution connects to required systems, but also how completely it supports end-to-end workflows, how efficiently it can be implemented, and what it will require to maintain over time. The following questions can help retail, tax, finance, and IT teams evaluate fit and total cost of ownership:

- Does the solution provide validated integrations for Oracle Cloud ERP and other Oracle ERPs (including E-Business Suite, PeopleSoft and JD Edwards)?
- Does the solution meet requirements with minimal customization?
- Does the solution offer packaged integrations to reduce implementation time and cost?
- Does the solution integrate with modern POS platforms, enabling automated tax determination and content updates?
- Does the solution integrate across all transactional systems (including procurement, SCM, ERP, and other back-office systems) end to end?
- Does the solution integrate with Shopify, Mirakl, and other modern commerce platforms?
- Can the solution remove barriers and risk to organic and inorganic (M&A) growth? Post M&A, can your solution make the situation less risky and help accelerate migrations?
- Does the solution help to reduce IT effort for implementation, maintenance, upgrades, and support?
- Does the solution help to reduce tax-team effort through automation and governed configuration?
- Does the solution help to reduce IT effort to maintain integrations and troubleshoot issues?
- Does the solution help to shorten financial close cycles through automation and data accuracy?
- Does the solution help to strengthen audit readiness while reducing audit defense effort?
- Does the solution help to reduce transaction friction that can delay sales and fulfillment?



Business Need: Speed and Resilience

Retail resilience requires sustaining high-performance transaction processing through seasonal surges, outages, and bandwidth constraints. For tax teams, this means tax determination must remain fast and accurate under peak load and during connectivity disruptions—especially at remote brick and mortar retail locations. The questions below help assess whether a tax automation solution can sustain retail speed and resilience without degrading the customer experience.

Spikes in transaction volumes during promotions and holidays can overwhelm inadequate systems, causing slowdowns or failures. Physical stores in malls and pop-up locations typically share bandwidth with hundreds of mobile devices or operate with limited connectivity. Tax automation must perform reliably under all these conditions; if not, the customer experience and the bottom line suffer. This challenge is amplified by the realities of retail outlets at the edge, where staff bandwidth is limited, manual processes are common, and a mix of legacy and modern systems must still deliver consistent outcomes.

Edge use cases bring these requirements into sharp focus. Retailers need tax automation that can be deployed locally at the POS and continue regardless of connectivity disruptions so stores can keep processing transactions and issue accurate receipts. With an edge deployment, tax determination can be executed close to the point of transaction to sustain speed and accuracy at scale, then synchronize activity once connectivity is restored.

The underlying question extends beyond whether the tax technology stack can calculate tax accurately to whether that accuracy and speed will sustain as retailers process a multitude of transactions amid purchasing spikes, system outages, bandwidth constraints, and other unexpected hindrances without requiring customers to postpone their purchases.

Does your tax automation solution sustain retail speed and resilience?

Tax, finance, and IT groups can assess whether a tax automation solution can deliver accurate, real-time tax determination across all touchpoints without performance degradation in the face of disruptions by asking:

- Does the solution sustain performance during seasonal spikes and promotional surges?
- Does the solution run on cloud infrastructure built for retail reliability?
- Does the solution perform under store bandwidth constraints and shared connectivity?
- Does the solution calculate tax during outages and synchronize when connectivity returns?
- Does the solution offer deployment flexibility including on premise, containerized edge, public and/or private cloud?





Conclusion: Risk Mitigation and Future Resilience

Retail commerce is becoming more connected, more dynamic, and more automated—across channels, geographies, and fulfillment paths.

E-commerce is no longer a channel—it has become an underlying driver of modern commerce. Social platforms have become storefronts. AI-powered shopping agents browse, compare, and check out on behalf of consumers. BOPIS, BORIS, cashier-less checkout, endless aisle, and live commerce have narrowed the boundary between physical and digital retail into more unified experiences.

These and other retail experiences create new tax compliance demands—and place added requirements on Oracle Retail technology stacks. Addressing them proactively helps retailers reduce risk, protect margins, and deliver the consistent experiences customers expect.

Across the retail lifecycle—from cart to checkout to returns—tax accuracy and performance shape customer trust and directly influence margins. Legacy POS infrastructure and manual tax maintenance increase cost and inconsistency, especially during peak volume and at the edge, where stores must keep transacting through bandwidth constraints and outages.

Vertex solutions integrated with Oracle Retail and Oracle ERP help retailers address these requirements with automated, real-time tax determination and compliance support so tax stays consistent across channels, systems, and the full retail lifecycle. Vertex also states it supports thousands of joint customers worldwide across the Oracle ecosystem. Depending on architecture and regulatory needs, organizations may evaluate Oracle-validated integration patterns and OCI deployment options that Oracle and Vertex have described.

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