



## AOSD User Flash #318: Sales and Use Tax Rates – Follow-up and Reminders

### Sales and Use Tax Rate Changes – Follow-Up

As stated in [AOSD User Flash #317: Sales & Use Tax Rates Update / eSettlement Vouchers](#), the sales and use tax rates for a number of California cities and counties were updated on July 1st. This includes the City and County of San Francisco's tax rate which increased from 8.500% to 8.625%.

### Tax Rate Reminders

The *Invoice Date* (in conjunction with the "ship-to" location) on the voucher determines the tax rate for any particular tax code. For example, a voucher with a June 25, 2021 *Invoice Date* and a San Francisco "ship-to" location will calculate using the 8.500% tax rate. A voucher with a July 1, 2021 *Invoice Date* and a San Francisco "ship-to" location will calculate the tax amount using the 8.625% tax rate. If the goods receipt date or service period is before July 1st, 2021, user should ensure the Invoice Date entered on the voucher is before July 1st, 2021.

A screenshot of the SF Employee Portal voucher entry form. The form has three tabs: "Invoice Information", "Payments", and "Voucher Attributes". The "Invoice Information" tab is active. The form contains the following fields:

- Business Unit: SFGOV
- Voucher ID: NEXT
- Voucher Style: Regular Voucher
- Invoice Date: 06/25/21 (highlighted with a red box)
- Invoice Received: 06/25/21
- Invoice No: TaxRateExample
- Accounting Date: 06/25/21
- \*Pay Terms: 030
- Basis Date Type: Acct Date
- Tax Exempt:

All users should also be aware of the following:

- The "Ship-to" location on both the purchase order and invoice must properly reflect where the goods were delivered/picked up or where the service was provided. This is to ensure that the corresponding tax rate is correct.
- The "Tax Code SUT" field on the voucher must **not** be manually changed. The value of this field is derived from the "ship-to" location. Users may **not** change this field manually, even if changing to a code with the correct tax rate.

Sales and Use Tax	
Sales/Use Tax Destination	10000
Sales/Use Tax Applicability	Use Tax Applicable
Ultimate Use Code	
<b>Tax Code SUT</b>	<b>CAC-1401</b>
<p><b>Note: Do not alter the value in the Tax Code SUT field. Instead, update the Invoice Date and/or Ship-to Location for the System to pull up the correct tax rate.</b></p>	
<b>Calculation Parameters</b> <input type="checkbox"/> Include Misc Charges	<b>Sales/Use Tax Calculations</b> Sales Tax Pct 8.6250

- “Ad-Hoc” should **not** be used as a “ship-to” location in either the purchase order or invoice. “Ad-Hoc” does not have a designated tax rate and may cause errors downstream.

Invoice Lines	
Line 1 <input type="checkbox"/> Copy Down	<b>Ship To</b> ADHOC
*Distribute by Amount	Description
Item	Packing Slip
Quantity	Supplier ID
UOM	

- Departments should work with their suppliers to ensure that invoices reflect the correct fiscal period and tax rates. If possible, this should be verified *before* the invoice is accepted for payment. In general, invoices received from the supplier should match the final, approved vouchers in SF Financials.

### Questions?

Please contact your fund accountant with any questions.