

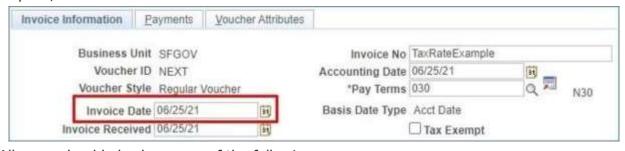
AOSD User Flash #318: Sales and Use Tax Rates — Follow-up and Reminders

Sales and Use Tax Rate Changes - Follow-Up

As stated in <u>AOSD User Flash #317: Sales & Use Tax Rates Update / eSettlement Vouchers</u>, 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%.

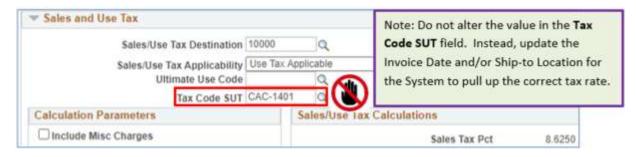
Tax Rate Reminders

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.



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.



 "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.



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.