If your state tax rate changes, or if the rate changes for a particular tax district, you must create a new district on your system — ***you should not change or delete an existing tax district***.

Your system recalculates the tax rate as needed, so the old tax district must be kept as is. If you credit an invoice, for example, the tax district used to create it must be unchanged, or the credit's tax will be incorrect.

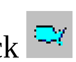
The following instructions apply ***only*** under the following conditions:

- You are *not* using a combined tax district
- You are a U.S. company
- You have the State Tax % field in the (LØ) screen left blank. (To check, double-click the Keyop Menu icon, then double-click the Parameters icon, then double-click Text-Based, and press the number Ø). The State Tax % field is under your business address and tax IDs.)

If your situation does not meet all of these conditions, there are alternative instructions for Canadian taxing and for combined tax districts, available on the Accounting FAQs page of our Web site**.**

Note: DDMS recommends using tax districts to specify the entire tax amount, instead of using the State Tax % field in the (LØ) screen for part of the tax amount.

Creating a new district

1. From the DDMS toolbar, select **Databases**, then **Tax Districts (**or click  in the **Customer** window).
2. Click **Add** in the **Tax District** window. The Tax District Detail dialog box opens.
3. Enter the number for the new district in the **District** box. You can enter up to four characters (*Do not begin district numbers with Ø*).
4. Enter a description of your choice for the new tax district in the **Description** box. You can enter up to 15 alphanumeric characters.
5. Enter the dollar limit (tax cap) on the amount you can tax, if any, in the **Cap** box. For example, to limit the taxable amount to $2000, enter 2000.
6. Enter the tax percentage in the **Percent** box.

   - For taxable districts in your state, enter the percentage paid over the state base.
   - For taxable districts outside your state, enter the total tax percentage.
   - For nontaxable districts, enter 0.000.

7. You have two options at this point:

   - You can click **Line Item Cap on Unit Price** to apply the tax rate by each line if the district is composed of more than one district.
   - If you click the **Multi-Tier Line Item Cap on Unit Price**, this allows you to tax a different tax percent on an item based on sell price.

8. After you finish entering the information for this single tax district, click **OK** to save the data.

9. Repeat Steps 3 through 8 until you have added all the single tax districts you need.
10. When you finish, click  to close the Tax District database.

Assigning a Tax District to a Customer

After you add a new tax district, you must assign it to the customer that it affects.

1. Double-click  . The Customer window opens, displaying the information for the last customer used.
2. Select the Customer account for whom you are setting up a tax district.
3. After you select the customer's account, click the **Order Entry** tab.
4. In the **Taxable** box, type **Y**.
5. In the **District** box, enter the single or combined tax district number that you want to assign this customer.
6. When you finish assigning the tax district to the customer, click  to save changes.

Mass Changing Customers to a New Tax District

To move existing customers from the old district to the new one, you perform a mass change. Follow these steps:

Notes:	Make sure you have a backup of your customer files before beginning this procedure. Mass changing is a dedicated procedure. Make sure no one else uses the system while you do this.

7. Double-click the Keyop Menu icon, and Double-click the Specials icon.
8. Make sure your CAPS LOCK key is on.
9. Go to the **(+A) Special Customer Screen** by typing the letter A.
10. Select the **[C] Change** action code by typing the letter C.
11. Tab to the **By Cust** field, and enter the appropriate response:
    - **Y —** Yes, display each customer record that meets the limits you will set, so you can indicate whether to change that customer's district.
    - **N —** No, do not display individual records. The system will change all customer records that meet the limits you set.
12. To use a location other than Ø1, press ESC while the cursor is in the **Customer From** field. In the location field, specify the location you want to use.
13. If you *do not* want to limit the mass change to a range of account numbers, skip to **Step 14**. To limit to a range:
    - To limit to a range of account numbers, specify the beginning of the range in the **Customer From** field. If you do not fill the field, press **TAB**.
    - In **Dept From**, you can further limit by customer department. To do so, enter the beginning of the range of departments you want to include.
    - In **Customer To**, specify the end of the range you want to include.

- In **Dept To**, specify the end of the range of departments to include (only if you specified a beginning in Dept From). See the following figure for an example.

```
15:45:54      (SPA) SPECIAL CUSTOMER SCREEN  REV. (03/26/99)            11/11/99
---------------------------------------------------------------------------------
 ACTION CODE [C] (C-CHANGE, D-DELETE, I-INQUIRY, Z-ZERO HITS, R-PRINT ROLODEX)
 (F-RESET FINANCE CHARGES, X-DELETE BLANK AUX. RECORDS, T-CLEAN AVG.DAYS TO PAY)
 (J-RESET CUSTOMER SALES HISTORY FROM SALES JOURNAL, L-RESET CUSTOMER LIMIT)
 BY CUST Y/N ?Y          LOC [ 1]

      CUSTOMER   DEPT                 SELECT ON              CHANGE TO
FROM 1050        ACCT     CREDIT LIMIT $......              $......
 TO  4550        ZZZZ     STATUS        .                    .
                          PO FLAG       .                    .
      Y-T-D- SALES        SALESMAN      ....                 ....
FROM   $.......           CONTRACT      ..                   ..
 TO    $.......           TAX FLAG      .                    .
                          TAX DISTRICT  ....                 ....
                          DISCOUNT TYPE .                    .
                          DISCOUNT %    ....                 ....
                          REMOTE ID     ..                   ..
                          ROUTE #       ....                 ....
                          CITY          ....................  ....................
                          STATE         ..                   ..
                          ZIP           ..... ....           ..... ....
---------------------------------------------------------------------------------
```

14. Tab to the **Tax District Select On** field. Enter the old tax district. If you do not fill the entire field, press **TAB**.
15. In **Tax District Change To**, enter the new tax district, and press **Enter**. See the figure below, where the old district was 100, and the new one is 101.

```
15:45:54      (SPA) SPECIAL CUSTOMER SCREEN  REV. (03/26/99)            11/11/99
---------------------------------------------------------------------------------
 ACTION CODE [C] (C-CHANGE, D-DELETE, I-INQUIRY, Z-ZERO HITS, R-PRINT ROLODEX)
 (F-RESET FINANCE CHARGES, X-DELETE BLANK AUX. RECORDS, T-CLEAN AVG.DAYS TO PAY)
 (J-RESET CUSTOMER SALES HISTORY FROM SALES JOURNAL, L-RESET CUSTOMER LIMIT)
 BY CUST Y/N ?Y          LOC [ 1]

      CUSTOMER   DEPT                 SELECT ON              CHANGE TO
FROM 1050        ACCT     CREDIT LIMIT $                    $
 TO  4550        ZZZZ     STATUS
                          PO FLAG
      Y-T-D- SALES        SALESMAN
FROM   $                  CONTRACT
 TO    $                  TAX FLAG
                          TAX DISTRICT  100                   101
                          DISCOUNT TYPE .                    .
                          DISCOUNT %    ....                 ....
                          REMOTE ID     ..                   ..
                          ROUTE #       ....                 ....
                          CITY          ....................  ....................
                          STATE         ..                   ..
                          ZIP           ..... ....           ..... ....
---------------------------------------------------------------------------------
```

16. At Are You Sure, type **Y**

    If you specified **N** at By Cust, the system will assign the new district to every customer record that meets your limits and was originally assigned to the old district.

    If you specified **Y** at By Cust, the system displays the first record that meets your limits and was as signed to the old district, along with the prompt **Change This One**.

17. If you want the displayed record assigned to the new district, press RETURN or type **Y**
18. If you want the displayed record to keep its current district, type **N**
19. Repeat this process for each record that is displayed.