

## Changing Tax Rates

When tax rates change the user can configure specific tax rates to adjust on a specific date.

Perform the following steps to configure tax rates to adjust on a specific date:

1. Select the **System Configuration** button from the VRM main menu.
2. Select the **Financial** button.
3. Select the **Taxes** tab.
4. Highlight the **tax entry** which will be changing.
5. Select the **Edit** button.

The screenshot shows a software interface with a top navigation bar containing tabs: Banks, Accounts, Credit Cards, Taxes, Travel Insurance, Damage Deposit Waiver, Holds, Misc, and Revenue Management. The 'Taxes' tab is active. Below the tabs is a dialog box for configuring a tax entry. The dialog has the following fields and values:

Name:	Tax-NC Sales	Account:	Tax-NC Sales
Rate (%):	4.75	Future Rate (%):	5
Taxable Cap:	0	Discount (%):	0
Category:	Sales	Max Nights:	Disabled
Effective Date:	01/01/2015	<input checked="" type="checkbox"/> Default	

At the bottom right of the dialog are 'Save' and 'Cancel' buttons. In this screenshot, the 'Future Rate (%)' field containing the value '5' and the 'Effective Date' field containing '01/01/2015' are circled in red.

6. Enter the **value** the tax will be changing to within the **'Future Rate (%)'** field.
7. Select the **calendar arrow keys** to the specific month the tax rate will be changing.
8. Select the **specific day** within the month when the tax rate will be changing.
9. Select the **Save** button.

Example: The Tax, Sales tax is increasing on January 1, 2015 from 4.75% to 5%. I would set the configuration of the 'Tax-NC Sales' tax type to the following and then select the Save button.

This screenshot is identical to the one above, showing the same tax configuration dialog box. In this version, both the 'Future Rate (%)' field (containing '5') and the 'Effective Date' field (containing '01/01/2015') are circled in red.

**Notes:**

A. All preexisting reservations which were made before the tax increase yet arrive on or after the new tax effective date will contain the new tax rate.

*Example:* I make a reservation on December 10, 2014 for July 4, 2015. When the reservation was made on December 10, 2014 the tax rate was 4.75%. I configure my tax rate to adjust to 5% on January 1, 2015. When this reservation is reopened the tax rate will recalculate with the new 5% tax rate.

B. The old tax rate will apply to all reservations arriving before the date the tax increases.

*Example:* I configure the tax increase of 4.75% to 5% to occur on January 1, 2015. I make a reservation for December 7, 2014 to December 14, 2014. The reservation will be taxed at the tax rate of 4.75%.

C. Only one future tax rate can be applied at a time. If the tax rate changes again during the same year, the new future rate cannot be applied until after the effective date of the previous change.

*Example:* The 'Tax-NC Sales' tax is changing from 4.75% to 5% in January and then changing from 5% to 6% in March. The end user would configure the tax type with a 'Future tax' amount of 5 and a date of January 1. The end user would have to wait until January 1, when the new 5% tax rate becomes active before configuring the next tax rate increase of 6% to occur in March. After January 1, the end user can configure the 'Tax-NC Sales' tax type with a future tax amount of 6 with a date of March 1.