

ShopSite Knowledgebase

How can I allow my tax exempt customers to place orders without tax charges?

Product: ALL

Platform: ALL

Version: ALL

How can I allow tax exempt entities to place orders without charging them sales tax?

Solution ID: S5496

In ShopSite Pro and Manager versions 6.0 and newer, or ShopSite Starter v8.1 or newer with the Tax by Zip feature (in Commerce Setup -> Sales Tax choose the 'Use ZIP Code to determine sales tax' option), you can ask that any tax exempt entity send you their tax exemption paperwork and the exact Zip+4 they will use in the shipping address of their future orders prior to ordering. Then you can set up a 'Tax Exempt' tax zone in the Tax by Zip setup and add these Zip+4's to it. Since ShopSite's tax-by-zip feature will use the most precise match available in the tax tables, their Zip+4 that they enter when placing an order will match this 'Tax Exempt' zone prior to matching the zip code in the zone where it would normally be found.

In ShopSite Manager and Pro version 5.0 and earlier or ShopSite Starter v8.0 and earlier where the shopper-selected tax is the only method, you can go to Commerce Setup -> Order System and create an additional line for the shopper-selected tax pull-down titled something to the effect of 'I am tax exempt' or 'tax exempt customers choose this option' with a percentage of 0. However, since this is a selection that any shopper can choose, and is unverifiable in the shopping cart, you will have to verify this manually before shipping the order.

Note: sales tax may not be applicable at all for orders shipped to states where your company does not have a physical presence, consult your tax attorney on tax laws relative to your internet business.

<https://support.shopsite.com/KBase/questions/2487/>