

Understanding aACE+ AvaTax Integration

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This guide explains the aACE+ AvaTax support. It is intended for advanced users.

On its own, aACE gives you sophisticated functionality for taxation. For example, you can:

- Set up different rates for different tax jurisdictions (i.e. [tax profiles](https://aace6.knowledgeowl.com/help/overview-of-tax-profiles) (<https://aace6.knowledgeowl.com/help/overview-of-tax-profiles>))
- Organize each profile with up to four different rates (e.g. federal, state, city/county, and special)
- Associate each profile with one or more postal codes
- Automate taxation based on various sales order criteria (i.e. shipping methods)

Sometimes a company needs even greater sophistication. aACE+ AvaTax integration leverages third-party software from Avalara to provide advanced tax support. For an example of how this feature can help your team, read our [feature highlight](https://www.aacesoft.com/resources/easily-and-accurately-collect-sales-taxes-with-aace-avalara-avatax)

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Expert Handling of Tax Calculations

Avalara's software package, AvaTax, is devoted solely to tax calculation. Avalara organizes interactions into two types:

- Orders — These are tax estimates. When you create or modify an order, aACE requests estimated taxes from AvaTax. This value is stored with the order and can reliably be given to your customers.
- Invoices — These are real taxable documents. When you post an invoice, aACE pushes the details to AvaTax and commits the record into their system. The records for various tax jurisdictions are saved there for use when you file your taxes. The tax value is returned to aACE and becomes part of the accounting transaction.

Filing Done for You

Avalara can [prepare and file](https://www.avalara.com/us/en/products/sales-and-use-tax/returns.html) your sales tax returns more quickly and accurately.

Monitoring Tax Complexities

Avalara is continually updating their calculations in AvaTax to keep up with the ever-changing and complex tax landscape. Some states charge different rates within their own boundaries, which may or may not align with the postal codes. AvaTax uses latitude and longitude to identify the tax rates where the goods are delivered. Some states use thresholds for the number of items or the dollar amounts and AvaTax is continually updating these rates.

For detailed questions about the complexities of your tax calculations, [contact an AvaTax representative](https://www.avalara.com/us/en/community/customers.html) (<https://www.avalara.com/us/en/community/customers.html>).

Specifying What to Tax

aACE allows you to configure which line item codes are AvaTax enabled and which are not, as well as which tax profiles will result in a request to AvaTax. This allows you to precisely manage the aACE+ AvaTax integration and reduce the amount of data that is exchanged between the two systems.

Supporting Multiple Business Entities

AvaTax allows you to manage multiple entities under a single account. In aACE, this is handled by specifying a code in the office record.
