

# Setup Tax Rates for High Dollar Parts

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## Introduction

Some areas of the country have complex tax codes that require individual high-dollar parts to be taxed at a different tax rate with tax tiers. For example, let's say a part costs \$1,750 and the tax-code states that any part over \$1,600 be taxed at 9.75% for the first \$1,600 and 7% for any additional amount.

In this scenario, there is a work around in CCC ONE where the estimate line should be split into two manual lines so that different tax rates can be applied individually thereby computing a tiered line-level rate.

This job aid describes how to update your CCC ONE® Estimating Repair Facility profile to reflect the appropriate sales tax rates and how to manually edit estimate lines in order to apply the sales tax properly.

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## 2-Step Process

The **first step** is to update your Repair Facility profile to use one Sales Tax rate for standard tax and another for miscellaneous tax.



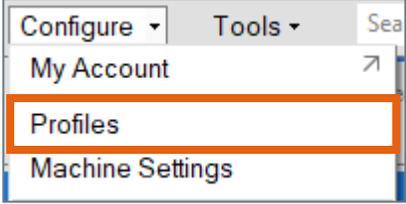
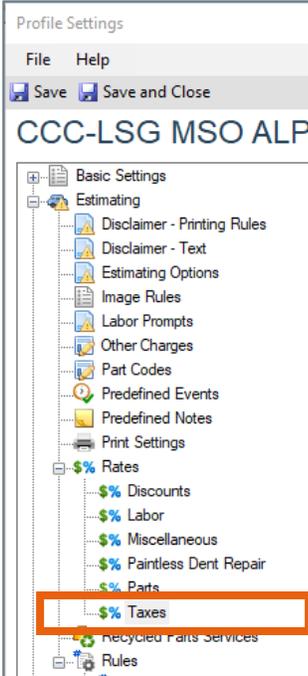
**Step two** is to apply those rates manually within the estimate. To do this, you will need to manually adjust the estimate line and add another manual line if a part is over the threshold your county or municipality has set for local option Sales Tax. We will begin with updating the Profile.

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## Setup Tax Rates for High Dollar Parts, Continued

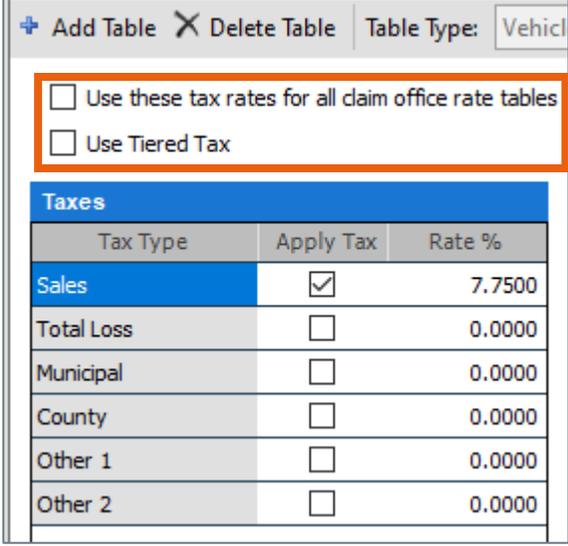
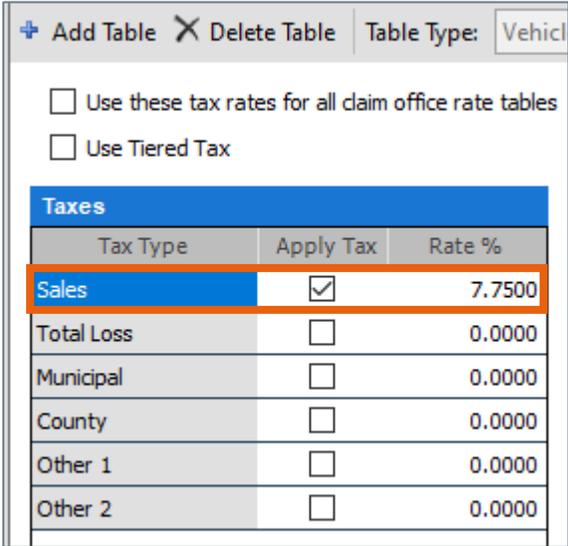
Adjust Existing  
Sales Tax Tier

Step	Action
1	Click <b>Configure</b> on the toolbar then select <b>Profiles</b> . 
2	Open the Repair Facility profile to update.
3	Scroll to <b>Rates</b> , then click <b>Taxes</b> . 

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## Setup Tax Rates for High Dollar Parts, Continued

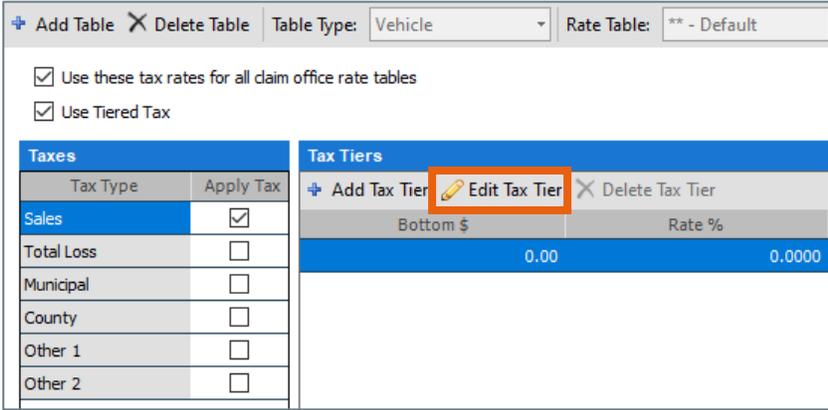
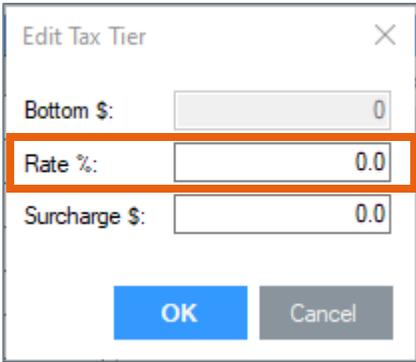
Adjust Existing Sales Tax Tier, continued

Step	Action																					
4	<p>Click <b>Use these tax rates for all claim office rate tables</b> and <b>Use Tiered Tax</b> to add to all profiles.</p>  <p>The screenshot shows a control panel with a '+ Add Table' button, a 'Delete Table' button, and a 'Table Type' dropdown menu set to 'Vehicle'. Below this are two checkboxes: 'Use these tax rates for all claim office rate tables' and 'Use Tiered Tax', both of which are currently unchecked. Underneath is a table titled 'Taxes' with the following data:</p> <table border="1" data-bbox="613 667 1133 1024"> <thead> <tr> <th>Tax Type</th> <th>Apply Tax</th> <th>Rate %</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td><input checked="" type="checkbox"/></td> <td>7.7500</td> </tr> <tr> <td>Total Loss</td> <td><input type="checkbox"/></td> <td>0.0000</td> </tr> <tr> <td>Municipal</td> <td><input type="checkbox"/></td> <td>0.0000</td> </tr> <tr> <td>County</td> <td><input type="checkbox"/></td> <td>0.0000</td> </tr> <tr> <td>Other 1</td> <td><input type="checkbox"/></td> <td>0.0000</td> </tr> <tr> <td>Other 2</td> <td><input type="checkbox"/></td> <td>0.0000</td> </tr> </tbody> </table>	Tax Type	Apply Tax	Rate %	Sales	<input checked="" type="checkbox"/>	7.7500	Total Loss	<input type="checkbox"/>	0.0000	Municipal	<input type="checkbox"/>	0.0000	County	<input type="checkbox"/>	0.0000	Other 1	<input type="checkbox"/>	0.0000	Other 2	<input type="checkbox"/>	0.0000
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Other 2	<input type="checkbox"/>	0.0000																				
5	<p>Make sure <b>Sales Tax</b> is selected in the <b>Apply Tax</b> column.</p>  <p>The screenshot shows the same control panel as in Step 4. The 'Taxes' table is shown with the 'Sales' row highlighted in blue and an orange border around it, indicating it is the focus of the instruction. The 'Apply Tax' checkbox for 'Sales' is checked.</p> <table border="1" data-bbox="613 1287 1133 1644"> <thead> <tr> <th>Tax Type</th> <th>Apply Tax</th> <th>Rate %</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td><input checked="" type="checkbox"/></td> <td>7.7500</td> </tr> <tr> <td>Total Loss</td> <td><input type="checkbox"/></td> <td>0.0000</td> </tr> <tr> <td>Municipal</td> <td><input type="checkbox"/></td> <td>0.0000</td> </tr> <tr> <td>County</td> <td><input type="checkbox"/></td> <td>0.0000</td> </tr> <tr> <td>Other 1</td> <td><input type="checkbox"/></td> <td>0.0000</td> </tr> <tr> <td>Other 2</td> <td><input type="checkbox"/></td> <td>0.0000</td> </tr> </tbody> </table>	Tax Type	Apply Tax	Rate %	Sales	<input checked="" type="checkbox"/>	7.7500	Total Loss	<input type="checkbox"/>	0.0000	Municipal	<input type="checkbox"/>	0.0000	County	<input type="checkbox"/>	0.0000	Other 1	<input type="checkbox"/>	0.0000	Other 2	<input type="checkbox"/>	0.0000
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## Setup Tax Rates for High Dollar Parts, Continued

Adjust Existing Sales Tax Tier, continued

Step	Action
6	<p>Click <b>Edit Tax Tier</b>.</p> 
7	<p>Enter your <b>Top Tier Rate %</b>.</p> 
8	Click <b>OK</b> to save changes.

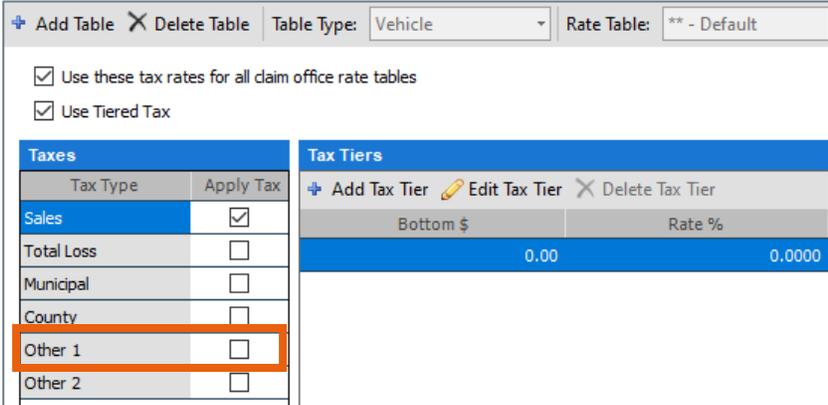
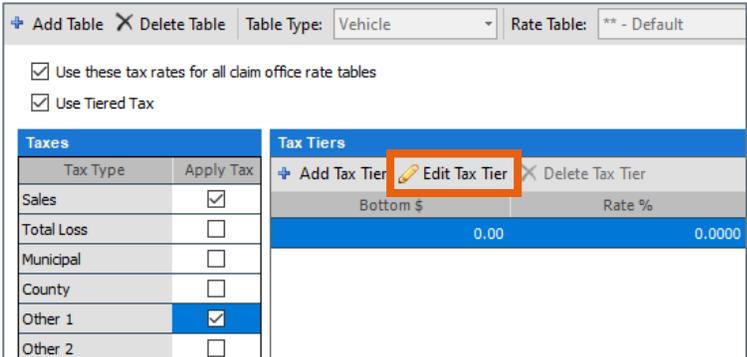
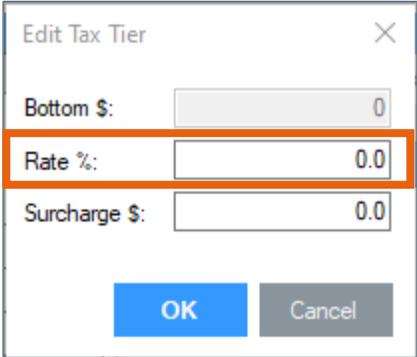
**Note:** Once applied to the Parts Charge Category, this rate becomes the **Sales Tax Tier**. See also the Estimate Print example at the end of this document for how it will work when applied.

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## Setup Tax Rates for High Dollar Parts, Continued

### Add Other 1 Tax Type

Follow the steps below to add a new **Other 1 Tier 1 Tax Rate**. Remember that this rate will be used for dollar amounts over the threshold when adding an estimate line.

Step	Action
1	<p>Check the box for <b>Other 1</b>.</p>  <p>The screenshot shows a software interface for setting up tax rates. At the top, there are buttons for '+ Add Table' and 'X Delete Table', and dropdown menus for 'Table Type: Vehicle' and 'Rate Table: ** - Default'. Below these are two checked checkboxes: 'Use these tax rates for all claim office rate tables' and 'Use Tiered Tax'. There are two tables: 'Taxes' and 'Tax Tiers'. The 'Taxes' table has columns 'Tax Type' and 'Apply Tax'. The 'Tax Tiers' table has columns 'Bottom \$' and 'Rate %'. In the 'Taxes' table, the 'Other 1' row is highlighted with an orange box. In the 'Tax Tiers' table, the 'Edit Tax Tier' button is highlighted with an orange box.</p>
2	<p>Click <b>Edit Tax Tier</b>.</p>  <p>This screenshot is similar to the first one, but now the 'Other 1' checkbox in the 'Taxes' table is checked. The 'Edit Tax Tier' button in the 'Tax Tiers' table is highlighted with an orange box.</p>
3	<p>Enter the new <b>Tax Tier Rate %</b>.</p>  <p>The screenshot shows a dialog box titled 'Edit Tax Tier'. It has three input fields: 'Bottom \$:' with a value of 0, 'Rate %:' with a value of 0.0 (highlighted with an orange box), and 'Surcharge \$:' with a value of 0.0. There are 'OK' and 'Cancel' buttons at the bottom.</p>

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## Setup Tax Rates for High Dollar Parts, Continued

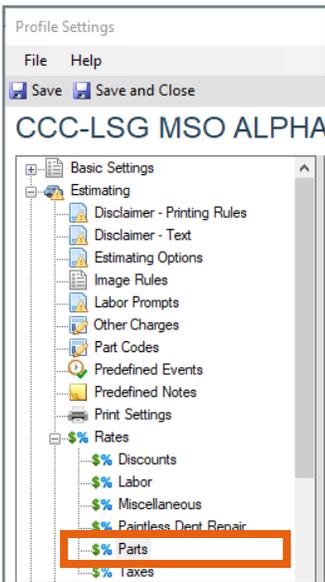
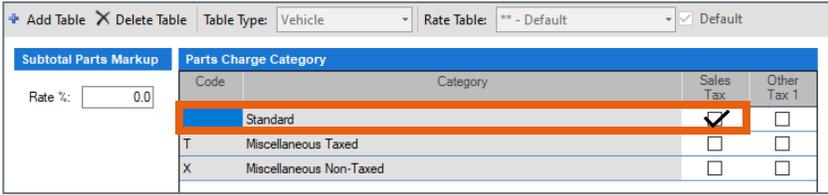
**Add Other 1 Tax Type,**  
continued

Step	Action
4	Click <b>OK</b> to save your changes.

**Note:** Now this Tax Rate will be applied to the parts you select when writing your estimate in the next step. Click **Save** to save all of your changes to Taxes.

**Apply Rates to Parts Charge Category**

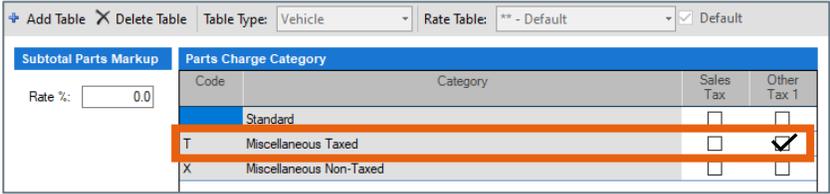
The next step is to apply the **Sales Tax Rate** and **Other 1 Tax Rate** to the appropriate Parts Charge Categories.

Step	Action																
1	<p>Locate and click on <b>Parts</b>.</p>  <p>The screenshot shows a 'Profile Settings' window for 'CCC-LSG MSO ALPHA'. The left-hand tree view is expanded to 'Rates', and the 'Parts' sub-item is highlighted with an orange box.</p>																
2	<p>Select <b>Sales Tax</b> for <b>Standard</b>.</p>  <p>The screenshot shows a 'Parts Charge Category' table. The 'Standard' row is highlighted with an orange box, and the 'Sales Tax' checkbox is checked. The 'Other Tax 1' checkbox is unchecked. The 'Rate %' is set to 0.0.</p> <table border="1"> <thead> <tr> <th>Code</th> <th>Category</th> <th>Sales Tax</th> <th>Other Tax 1</th> </tr> </thead> <tbody> <tr> <td></td> <td>Standard</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>T</td> <td>Miscellaneous Taxed</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>X</td> <td>Miscellaneous Non-Taxed</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Code	Category	Sales Tax	Other Tax 1		Standard	<input checked="" type="checkbox"/>	<input type="checkbox"/>	T	Miscellaneous Taxed	<input type="checkbox"/>	<input type="checkbox"/>	X	Miscellaneous Non-Taxed	<input type="checkbox"/>	<input type="checkbox"/>
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## Setup Tax Rates for High Dollar Parts, Continued

**Apply Rates to Parts Charge Category,**  
continued

Step	Action
3	<p>Select <b>Other Tax 1</b> for <b>Miscellaneous Taxed</b>.</p>  <p><b>Note:</b> Click <b>Save</b> to save all of your changes.</p>

**Apply Rates in Estimate**

**Edit Estimate Line:** If a part exceeds the local option sales tax dollar amount threshold, manually edit the Price to threshold amount.

**Example:** Line 2: Hood is \$1,750 and our example threshold is \$1,600.

A	N	*	O	Est	Line	Oper	Description	Qty	Price	Ext. Price	Labor	Paint	
					1		<b>HOOD</b>	0	0.00	0.00	0.0	0.0	
*					2	Repl	Hood (ALU)	1	1,600.00	1,600.00	2.0	3.0	
					3		Add for Clear Coat	0	0.00	0.00	0.0	1.3	
#					4		Hood remainder cost at other tax rate	1	150.00	150.00	T	0.0	0.0
					5		<b>ELECTRICAL</b>	0	0.00	0.00	0.0	0.0	
*					6	Repl	Distance sensor	1	1,600.00	1,600.00	m	0.3	0.0
					7		Aim distance sensor	0	0.00	0.00	m	1.0	0.0
#					8		Distance Sensor remainder at other tax rate	1	900.00	900.00	T	0.0	0.0
					9		<b>CONSOLE</b>	0	0.00	0.00	0.0	0.0	
*					10	Repl	Armrest assy leather gray	1	750.00	750.00	0.2	0.0	

**Add Estimate Line:** Add a second manual line within the same group for the remainder of the part cost which must be marked as a Miscellaneous Taxed item. Then, the remainder part will be taxed at the correct, Other 1 Tax Rate.

**Example:** Line 4: Hood remainder cost at other tax rate \$150.00.

Repeat as needed for each part that exceeds the threshold dollar amount until all are adjusted and taxed properly.

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## Setup Tax Rates for High Dollar Parts, Continued

### Example

Below is an example of how the new tax rates work when applied to an estimate.

Look at the Parts lines and rates, and then how the Sales Tax and Other Tax 1 rates were applied. The Parts total for the Sales Tax rate in this example add up to \$3,950 and the parts for the Miscellaneous Tax rate add up to \$1,050.

Preliminary Estimate							
<b>Customer:</b> [REDACTED]							
2017 BENZSL SL65 AMG 2D CNVT 12-6.0L Turbocharged Gasoline Sequential MPI							
Line	Oper	Description	Part Number	Qty	Extended Price \$	Labor	Paint
1		<b>HOOD</b>					
2	*	Repl Hood (ALU)	2318800000	1	1,600.00	2.0	3.2
3		Add for Clear Coat					1.3
4	#	Hood remainder cost at other tax rate		1	150.00 T		
5		<b>ELECTRICAL</b>					
6	*	Repl Distance sensor	0009007807	1	1,600.00 m	0.3	
7		Aim distance sensor				m	1.0
8	#	Distance Sensor remainder at other tax rate		1	900.00 T		
9		<b>CONSOLE</b>					
10	*	Repl Armrest assy leather gray	23168079017M83	1	750.00	0.2	
<b>SUBTOTALS</b>					<b>5,000.00</b>	<b>3.5</b>	<b>4.5</b>
<b>ESTIMATE TOTALS</b>							
<b>Category</b>		<b>Basis</b>	<b>Rate</b>	<b>Cost \$</b>			
Parts				3,950.00			
Body Labor		3.5 hrs @	\$ 20.00 /hr	70.00			
Paint Labor		4.5 hrs @	\$ 20.00 /hr	90.00			
Miscellaneous				1,050.00			
Subtotal				5,160.00			
Sales Tax		\$ 3,950.00 @	9.7500 %	385.13			
Other Tax 1		\$ 1,050.00 @	7.0000 %	73.50			
<b>Grand Total</b>				<b>5,618.63</b>			
Deductible				0.00			
<b>CUSTOMER PAY</b>				<b>0.00</b>			
<b>INSURANCE PAY</b>				<b>5,618.63</b>			