Setup Tax Rates for High Dollar Parts

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.

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.
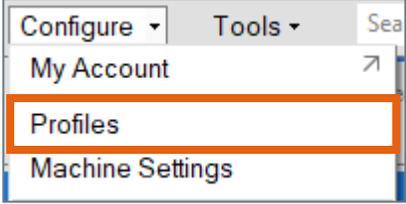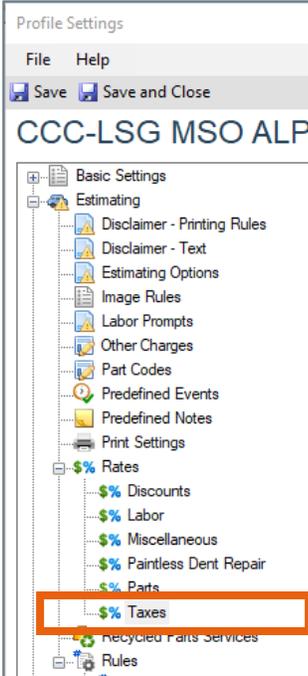

Step two is to apply those rates manually within the estimate. To do this, you will need to manually adjust the estimate line and add another manual line if a part is over the threshold your county or municipality has set for local option Sales Tax. We will begin with updating the Profile.

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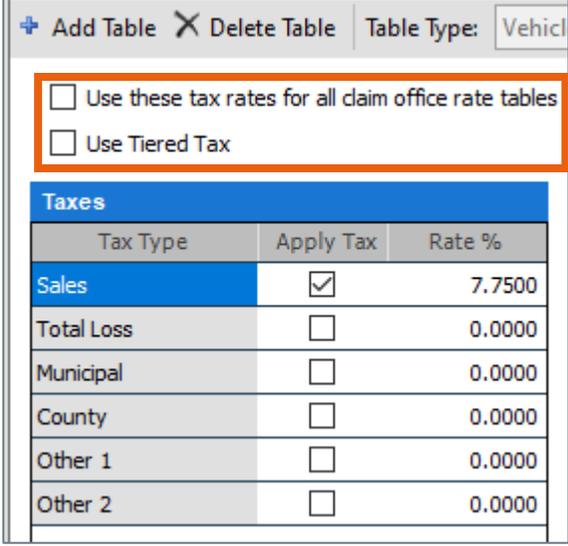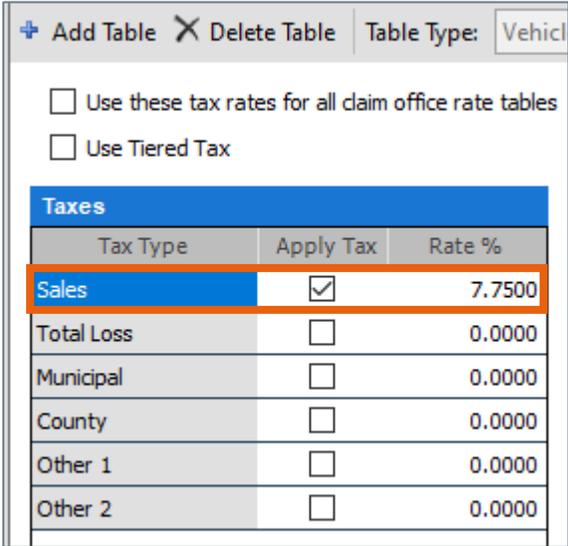
Setup Tax Rates for High Dollar Parts, Continued

Adjust Existing Sales Tax Tier

Step	Action
1	Click **Configure** on the toolbar then select **Profiles**. Configure ▾ Tools ▾ Sea My Account ↗ **Profiles** Machine Settings
2	Open the Repair Facility profile to update.
3	Scroll to **Rates**, then click **Taxes**. Profile Settings File Help 💾 Save 💾 Save and Close **CCC-LSG MSO ALP** ⊞ Basic Settings ⊟ Estimating 　Disclaimer - Printing Rules 　Disclaimer - Text 　Estimating Options 　Image Rules 　Labor Prompts 　Other Charges 　Part Codes 　Predefined Events 　Predefined Notes 　Print Settings ⊟ $% Rates 　$% Discounts 　$% Labor 　$% Miscellaneous 　$% Paintless Dent Repair 　$% Parts 　**$% Taxes** 　Recycled Parts Services ⊟ Rules

Continued on next page

Setup Tax Rates for High Dollar Parts, Continued

	Step	Action
Adjust Existing Sales Tax Tier, continued	4	Click **Use these tax rates for all claim office rate tables** and **Use Tiered Tax** to add to all profiles.
	5	Make sure **Sales Tax** is selected in the **Apply Tax** column.

Adjust Existing Sales Tax Tier, continued

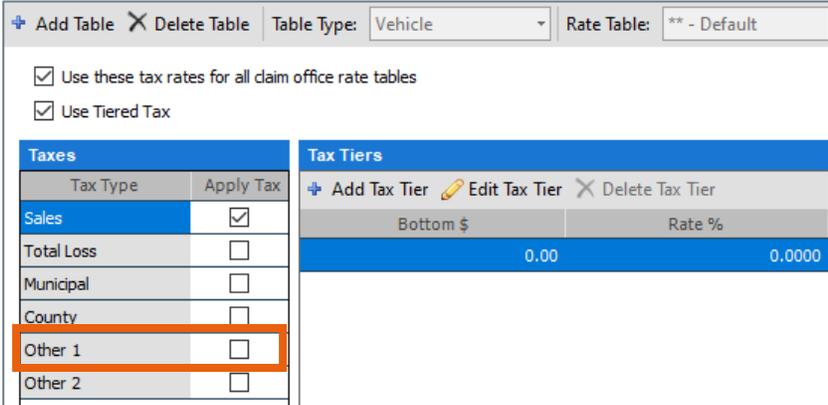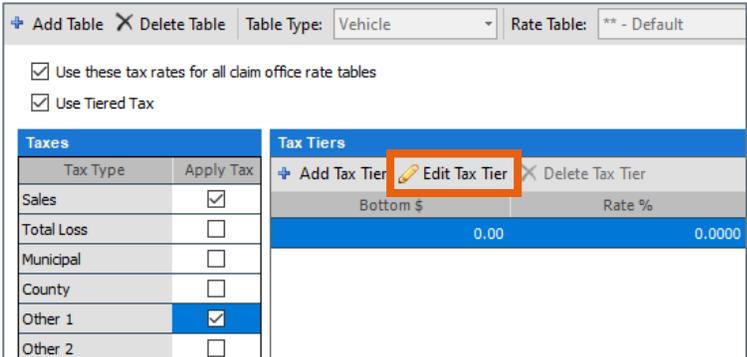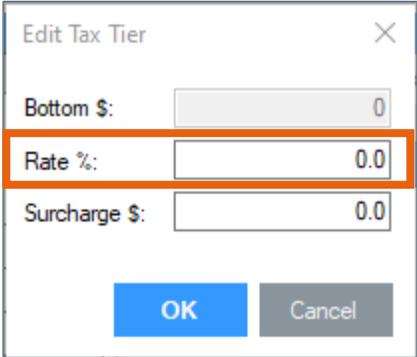| Step	Action
6	Click **Edit Tax Tier**.
7	Enter your **Top Tier Rate %**.
8	Click **OK** to save changes.
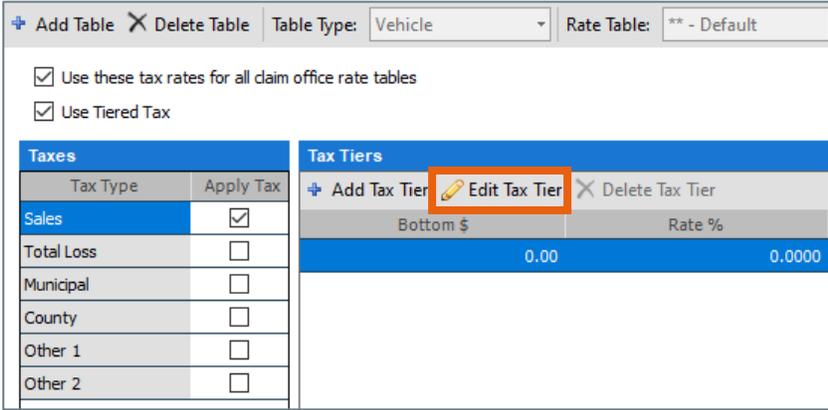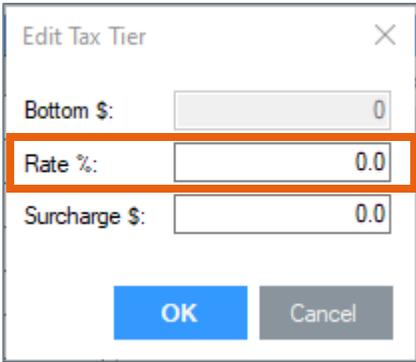
Note: Once applied to the Parts Charge Category, this rate becomes the **Sales Tax Tier**. See also the Estimate Print example at the end of this document for how it will work when applied.

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	Check the box for **Other 1**.
2	Click **Edit Tax Tier**.
3	Enter the new **Tax Tier Rate %**.

Setup Tax Rates for High Dollar Parts, Continued

Add Other 1 Tax Type, continued

Step	Action
4	Click **OK** 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	Locate and click on **Parts**.
2	Select **Sales Tax** for **Standard**.

Apply Rates to Parts Charge Category, continued

Step	Action
3	Select **Other Tax 1** for **Miscellaneous Taxed**.

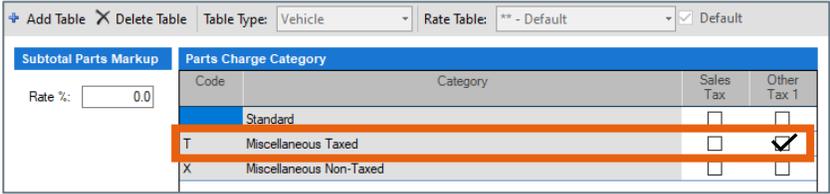**Note:** Click **Save** to save all of your changes.

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.

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.

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

Customer:

2017 BENZ SL SL65 AMG 2D CNVT 12-6.0L Turbocharged Gasoline Sequential MPI

Line	Oper	Description	Part Number	Qty	Extended Price $	Labor	Paint
1	**HOOD**						
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	**ELECTRICAL**						
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	**CONSOLE**						
10	*	Repl Armrest assy leather gray	23168079017M83	1	750.00	0.2	
			SUBTOTALS		5,000.00	3.5	4.5

ESTIMATE TOTALS

Category	Basis		Rate	Cost $
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
Grand Total				5,618.63
Deductible				0.00
CUSTOMER PAY				0.00
INSURANCE PAY				5,618.63