

## Sample Scenarios and Results Reported in Sales Tax Liability Report

Customer: John Test

Located in Maryland

Customer Record Tax Rate: Custom MD(6%)

Product: Advanced Deposit

Type: Service

Sales Tax: Nontaxable

Purpose of Test: To Identify whether the sale of a non-taxable service items is included in the Sales Tax Liability Report or not

Expected Outcome: For each scenario, it is expected that the Invoice Total is included in the Gross Total and Non-Taxable Balance of the Sales Tax Liability Report

1) Invoice 4987 Dated 6/21/22

- a. Sold Advanced Deposit for \$100.00
- b. Tax Box – Not Checked
- c. Tax Rate on Invoice: MD(6%) – Custom Rate
- d. QB Result for Sales Tax Liability Report
  - i. Not included in report at all - THIS IS WRONG

2) Invoice 4988 Dated 6/21/22

- a. Sold Advanced Deposit for \$100.00
- b. Tax Box – Checked
- c. Tax Rate on Invoice – Based on Location (location is Maryland)
- d. QB Result for Sales Tax Liability Report
  - i. Included in Sales Tax Liability Report
    1. Associated with line: Maryland State
    2. Invoice info is reporting under Gross Total and Non-Taxable columns as expected

3) Invoice 4989 Date 6/21/22

- a. Sold Advanced Deposit for \$100.00
- b. Tax Box – Checked
- c. Tax Rate on Invoice MD(6%) – Custom Rate
- d. QB Result for Sales Tax Liability Report
  - i. Included in Gross Total, Taxable Amount with a Tax Amount of 6% - THIS IS WRONG

Nothing in these scenarios has changed except the Sales Tax Rate selected on the Invoice

In ALL SCENARIOS – the sale should be included in the Gross Total and Non-Taxable balances as the product is defined as non-taxable!!!

# Invoice #4987

This Invoice is not included in the Sales Tax Liability Report  
 FYI - This is the scenario that has been in place for my client forever.  
 The invoices were included properly in the Sales Tax Liability Report  
 prior to the update that pushed the new automated sales tax functionality.

**Billing address**  
 John test  
 [Redacted]  
 Joppe, MD 21085

**Terms**  
 Net 30

**Invoice date**  
 06/21/2022

**Due date**  
 07/21/2022

**Shipping to**  
 John test  
 [Redacted]  
 Joppe, MD 21085

**Tags**  
 Start typing to add a tag

**Invoice no.**  
 4987

**Shipping from**  
 462 Linton Run Rd, Port Deposit, Iv

#	SERVICE DATE	PRODUCT/SERVICE	SKU	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1		Fees & Misc:Advanced Deposit		tax box not checked	1	100	100.00	
2								

Add lines Clear all lines Add subtotal

**Message on invoice**  
 This will show up on the invoice.

**Message on statement**  
 If you send statements to customers, this will show up as the description for this invoice.

Select tax rate  
 MD (6%)

Need help with sales tax? [Learn more](#)

Shipping

**Total** \$100.00

**Balance due** \$100.00

# Invoice #4988

This invoice appears to report properly in the Sales Tax Liability Report

**Billing address**  
 John test  
 [Redacted]  
 Joppe, MD 21085

**Terms**  
 Net 30

**Invoice date**  
 06/21/2022

**Due date**  
 07/21/2022

**Shipping to**  
 John test  
 [Redacted]  
 Joppe, MD 21085

**Tags**  
 Start typing to add a tag

**Invoice no.**  
 4988

**Shipping from**  
 462 Linton Run Rd, Port Deposit, Iv

#	SERVICE DATE	PRODUCT/SERVICE	SKU	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1		Fees & Misc:Advanced Deposit		Tax box checked -invoice Tax BOL	1	100	100.00	✓
2								

Add lines Clear all lines Add subtotal

**Message on invoice**  
 This will show up on the invoice.

**Message on statement**  
 If you send statements to customers, this will show up as the description for this invoice.

Select tax rate  
 Based on location

Need help with sales tax? [Learn more](#)

Shipping

Tax on shipping \$0.00

**Total** \$100.00

**Balance due** \$100.00

**Invoice #4989**

This Invoice actually calculates the tax on a nontaxable item  
 The Tax box was checked per advice given on Quickbooks Community  
 so as to insure the balance is included in the Sales Tax Liability Report  
 It's included - but as a taxable balance.

**Billing address**  
 John test  
 708 Towne Center Dr  
 Joppa, MD 21085

**Terms**  
 Net 30

**Invoice date**  
 06/21/2022

**Due date**  
 07/21/2022

**Shipping to**  
 John test  
 708 Towne Center Dr  
 Joppa, MD 21085

**Ship via**

**Shipping date**

**Tracking no.**

**Tags**  
 Start typing to add a tag

**Invoice no.**  
 4989

**Shipping from**  
 462 Linton Run Rd, Port Deposit, M

#	SERVICE DATE	PRODUCT/SERVICE	SKU	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1		Fees & Misc:Advanced Deposit		Tax Box Checked - Invoice Rate MD (6%)	1	100	100.00	✓
2								

Add lines Clear all lines Add subtotal

**Message on invoice**  
 This will show up on the invoice.

**Message on statement**  
 If you send statements to customers, this will show up as the description for this invoice.

**Subtotal** \$100.00

**Taxable subtotal**

Select tax rate  
 MD (6%) 6.00

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**Total** \$106.00

**Balance due** \$106.00

test, John  
 Joppa, MD 21085

Transaction List Customer Details Late Fees

Batch actions Filter

DATE	TYPE	NO.	MEMO	DUE DATE
06/21/2022	Invoice	4990		07/21/2022
06/21/2022	Invoice	4989		07/21/2022
06/21/2022	Invoice	4988		07/21/2022
06/21/2022	Invoice	4987		07/21/2022
06/09/2022	Invoice	4951		07/09/2022

**Sales form delivery options**  
 None

**Language to use when you send invoices**  
 English

**Additional info**

**Customer type**  
 Select

**Taxes**  
 This customer is tax exempt

Select tax rate  
 MD (6%)

**Opening balance**  
 Opening balance As of 06/20/2022

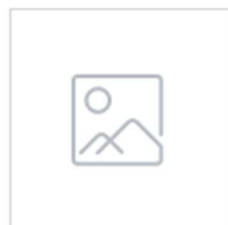
## Product/Service information



Service [Change type](#)

### Name\*

Advanced Deposit



### SKU



### Category

Fees & Misc



### Description

I sell this product/service to my customers.

*Description on sales forms*

### Sales price/rate

0.00

### Income account

240.00 Customer Deposits Received



### Sales tax [?](#)

Nontaxable

We won't apply sales tax for this product or service.

[Edit sales tax](#)

Expecting to see Gross Total = \$300.00 and Non-Taxable = \$300.00  
 Below is what is being reported



**Sales Tax Liability Report**  
 June 21, 2022

TAX NAME	GROSS TOTAL	NON-TAXABLE	TAXABLE AMOUNT	TAX AMOUNT
▼ Comptroller of Maryland				
Maryland State	100.00	100.00	0.00	0.00
MD	100.00	0.00	100.00	6.00
<b>Total for Comptroller of Maryland</b>				<b>\$6.00</b>

Accrual basis Monday, June 20, 2022 07:44 PM GMT-04:00



**Transaction Report**  
 June 21, 2022

DATE	TRANSACTION TYPE	NUM	ADJ	NAME	TAX NAME	TAX RATE	TAX AMOUNT	TAXABLE AMOUNT
06/21/2022	Invoice	4988	No	test, John	Maryland State	6.00%	0.00	0.00
<b>TOTAL</b>							<b>\$0.00</b>	<b>\$0.00</b>

Monday, June 20, 2022 07:45 PM GMT-04:00



**Transaction Report**  
 June 21, 2022

DATE	TRANSACTION TYPE	NUM	ADJ	NAME	TAX NAME	TAX RATE	TAX AMOUNT	TAXABLE AMOUNT
06/21/2022	Invoice	4989	No	test, John	MD	6.00%	6.00	100.00
<b>TOTAL</b>							<b>\$6.00</b>	<b>\$100.00</b>

Monday, June 20, 2022 07:46 PM GMT-04:00