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California Sales Tax Connector

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Overview

Manually maintaining the Tax Area and Tax Jurisdiction tables within Dynamics 365 Business Central is a time-consuming and error-prone task. Especially if you have a facility in California and ship within the state. California frequently updates district rates, tax jurisdictions, and enforces complex destination-based (Ship-to Address) tax rules. Our app removes that burden by automatically calculating the correct sales tax for California shipments, pulling data directly from the CDTFA (California Department of Tax and Fee Administration) website. You no longer need to second guess rates or manage your own tax tables. In addition to accurate calculations, the app also simplifies compliance by generating Schedule A, the form required for tax filing with the CDTFA.

Most of the existing sales tax automation apps on the market are expensive, often overkill if you're only selling within California. Maintaining your own tax tables inside Business Central is a ton of work, and nobody has time for that. Tax rates change constantly, and staying up to date manually is nearly impossible. This app eliminates those headaches and keeps your tax reporting accurate and efficient, so your team can stay focused on what matters.

Installation & Setup

This app is licensed through Microsoft. To purchase and deploy it in your production environment, follow the instructions in the link below:

[How to purchase and license the app through Microsoft AppSource](#)

Setup

Assign User Permission Set

1) Open the **User Card** for each user that is assigned a license,
2) In the **User Permission Sets** group, add the **APECATAXCONNECTOR** permission sets

Verify HttpClient Request enabled

1) Open the **Extension Management** page
2) Open the **California Sales Tax Connector** app page

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3) Enable the **Allow HttpClient Request** checkbox

Setting the Tax Group, Jurisdiction, and Details

The app uses the Tax Area Code **CATAX** to indicate that the line should be sent to CDTFA for sales tax calculation. For all your California customers and customer Ship-to Addresses, you will need to set them to CATAX for the sales tax to be calculated.

Setup Tax Jurisdiction

1) Open the **Tax Jurisdiction** page and create a new code that will be used for the sales tax calculation. In this walkthrough, we will use **CATAX**

2) Define the **Tax Account (Sales)**, **Tax Account (Purchase)** G/L Accounts

Setup Tax Details

1) Open the **Tax Details** page

2) Create the Tax Details for the new Tax Jurisdiction code for each Tax Group Code that is set up in your environment. Ensure that the **Tax Below Minimum** field is all set to 0.

Setup Tax Area

1) Open the **Tax Areas** page

2) Create a new Tax Area for **CATAX** and fill in the Tax Jurisdiction code with **CATAX** as well

Setup Tax Group

1) Open the **Tax Groups** page
2) Place a checkmark in the **CDTFA Taxable** field for the Tax Group Codes that should be taxable under CDTFA guidelines

Overview

This app will only calculate the sales tax for the state of California. The sales tax calculation will be based on the **Ship-to Address** for the following documents:

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- Sales Quotes
- Sales Orders
- Sales Blanket Orders
- Sales Invoices

For the following documents, the sales tax will be calculated using the **Return-From Address:**

- Return Orders
- Credit Memos

In addition:

- The Ship-to County (or Return-From County) must be set to **CA** for the sales tax calculation to trigger
- If the Ship-to (or Return-from) **Longitude** or **Latitude** is used, it will override the use of address, city, and zip code.
- Verify any address if the Address Confidence is anything less than HIGH

Sales Tax Calculation by Address

1) Ensure the sales document is **Tax Liable** and the **Tax Area Code** is set to **CATAX**

2) Ensure the Ship-to State is set to **CA**

Shipping and Billing

Ship-to	Alternate Shipping Address
Code	SALESTAX13
Name	Sales Tax Customer Test
Address	100 Channel St
Address 2	
City	San Francisco
State	CA
ZIP Code	94158
Country/Region	

3) The order will go to the CDTFA website to retrieve the most current published sales tax rate when the document is **Released,** or the document **Statistics** page is opened.

4) The CDTFA site will return a **CDTFA Address Match Confidence** and the **CDTFA Returned Address** in the General group. Verify that what is returned is what you expect and correct if necessary.

Sales Tax Calculation by Coordinates

The app is not bound to a street address for calculating the sales tax, alternatively you are able to enter GPS coordinates to determine the tax rate.

1) Create the sales document is **Tax Liable** and the **Tax Area Code** is set to **CATAX**

2) Ensure the Ship-to State is set to **CA**

3) Fill in the **Ship-to Address Longitude** and **Ship-to Address Latitude**.

    a) **Be aware:** Entering these fields will bypass the Ship-to Address information

4) When you **Release** the document or go to the **Statistics**, the order will go to the CDTFA website to retrieve the most current published sales tax rate based on the coordinates entered.

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5) The CDTFA site will return a **CDTFA Address Match Confidence** in the General group, but the **CDTFA Returned** Address will state **'GPS Coordinates used'**. Verify that what is returned is what you expect and correct if necessary.

Exporting Schedule A

Before you begin, download the latest Schedule A form from the CDTFA website. This is required to be used for the Schedule A export. You can download the latest version of a blank Schedule A here:

https://cdtfa.ca.gov/cros/schedule-a.htm

1) Open the **Create Sales Tax Schedule A** report
2) Define the **Start Date** and the **End Date** for the data to be exported
3) Click on the Assist Edit button on the **Workbook File Name** and choose the Schedule A template file that you downloaded
4) Click OK

Uploading Schedule A for Sales Tax Reporting

1) Open the Schedule A exported in the previous step

2) Open the file and click on Enable Editing

3) **IMPORTANT**: Click on Save

4) Here are the instructions to upload the exported Schedule A when you're filing your sales tax return:

https://www.youtube.com/watch?v=UmGdmZ0Y9k0

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NOTE: It's important that you click on **Save** in step number 3. Otherwise, the file will not upload.

CDTFA Errors

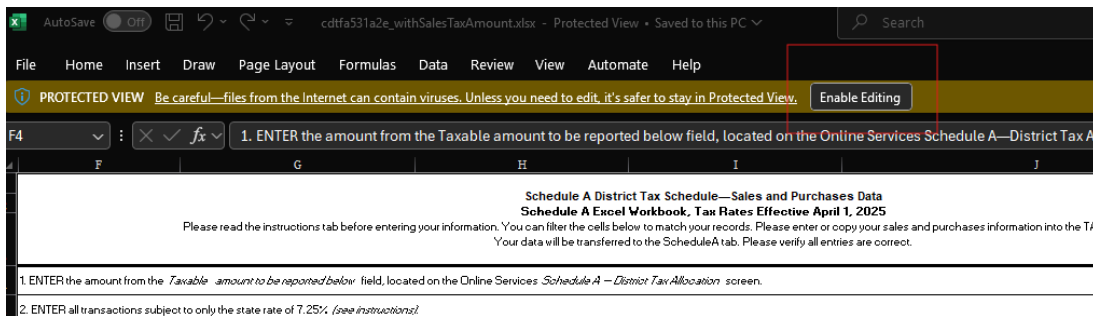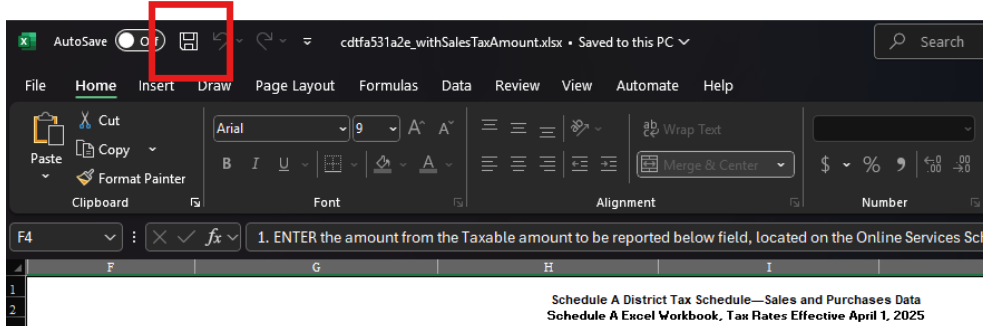1) **Call to web service failed** – This error means that Business Central could not access the web service.
   - Check if the Allow HttpClient Request is enabled in the Extension Management app is enabled
   - Check if there are any security blocks in your network environment
   - The CDTFA website may be offline temporarily
2) **No tax rate info returned for the given address** – This error means that the address being sent to CDTFA is incorrect. Check if the Ship-to Address or the Return-From Address is valid
3) **A tax rate could not be found at the geocoded location** – This error means that the coordinates used for sales tax calculation is invalid. Check your Longitude and Latitude and try again
4) **The address could not be geocoded** – The Ship-to address cannot be found in the CDTFA website. Verify the address and try again

Limitations

- You will not be able to use the Get Shipment Lines functionality because the sales tax can only be calculated from sales header. Since the Get Shipment Lines functionality grabs different sales lines from multiple orders, the sales tax for those shipped orders may be calculated incorrectly.
- The sales tax calculation only works on the sales side. It's assumed that the purchase use tax (or sales tax) calculation is specific to your location. In these instances, you can use the regular sales tax setup to calculate the use or sales tax for your locations.
- When you're issuing credit memos, you can only base the sales tax being credited to the customer from a single location per credit memo.