



## How to Set up EDIFICE to Assess Multiple Taxes Instructions

EDIFICE offers multiple ways for taxes to be calculated on utility services. The system can generate a universal tax that is assessed for all applicable charges and customers. It can also use a tax profile to assess different tax rates on a product or service. However, there are times when utility customers should be assessed multiple taxes that are based on different thresholds of usage. In this case, transaction codes and rate tables can be set up to calculate different taxes for various levels of usage. The transaction codes are added to the appropriate billing profiles, paired with the original usage charge codes to function as tax on those codes. This document details the setup for this third method of charging tax.

### EDIFICE offers 3 ways to calculate taxes:

- **Universal tax on charges** – the tax rate is held on the service setting and the appropriate transaction codes and customers are set to be taxable. WICA surcharges can be added in this way. For directions, see the *EDIFICE Tax with Universal Method Setup Instructions*.
- **Tax Profile Method** – different tax rates are created and added to a tax profile, which is added to specific customers. For directions, see the *EDIFICE Tax Profiles Setup Instructions*.
- **Multiple Taxes with Rate tables, Transaction codes and Billing Profile** – a transaction code is created with specific tax settings and a new rate table with taxable usage thresholds. The transaction code is added to appropriate billing profiles, paired with the original usage charge code.  
The instructions below explain how to set up this method.

### Set up Steps for Assessing Multiple Taxes for a Charge:

As an example, a utility company has to assess a delivery tax, which is 5.5% but is only charged on usage above a certain threshold. In addition, they assess taxes on the energy usage charges for the usage above a different threshold. These taxes are at different rates and kick in at different levels of usage. To accomplish this in EDIFICE, set up transaction codes for only the tax amount to pair with each original usage charge code that needs to be taxed above a certain usage threshold. Set up EDIFICE as follows for each individual tax.

#### Overview:

1. Build a rate table with the appropriate threshold and energy charge rates.
2. Build a transaction code for the tax using this rate table, and set charge multiplier with tax rate.
3. Add the transaction code to the appropriate billing profiles that contain your original usage charge.
4. Test to make sure the appropriate taxes are calculating correctly!
5. Repeat these steps for any additional tax that should be assessed.



### Build a Rate Table

In this example, the state of Maine PUC allows the first 750 units of usage to be non-taxable for the energy charge. The delivery charge, however, is taxable after only 50 units of usage. The transaction codes cannot simply be set as taxable, as this would tax the whole amount. Instead, use a combination of rate tables and transaction codes to calculate accurate tax on these charges.

The rate table below is set with the tax threshold and usage charge rate. In this case, 750 units of usage at a rate of 0, and above 750 at the original charge rate. Note that this is the charge rate for the transaction code, and not the tax rate itself.

Rate Table Maintenance

File View

Rate ID: 098

Save Search Retrieve

Title: TAX CHARGE DEL

Description: USAGE LEVEL 750--.05

|         | Usage Level | Rate      |         | Usage Level | Rate      |
|---------|-------------|-----------|---------|-------------|-----------|
| Row 1:  | 750         | 0.0000000 | Row 13: | 0           | 0.0000000 |
| Row 2:  | 0           | 0.0367200 | Row 14: | 0           | 0.0000000 |
| Row 3:  | 0           | 0.0000000 | Row 15: | 0           | 0.0000000 |
| Row 4:  | 0           | 0.0000000 | Row 16: | 0           | 0.0000000 |
| Row 5:  | 0           | 0.0000000 | Row 17: | 0           | 0.0000000 |
| Row 6:  | 0           | 0.0000000 | Row 18: | 0           | 0.0000000 |
| Row 7:  | 0           | 0.0000000 | Row 19: | 0           | 0.0000000 |
| Row 8:  | 0           | 0.0000000 | Row 20: | 0           | 0.0000000 |
| Row 9:  | 0           | 0.0000000 | Row 21: | 0           | 0.0000000 |
| Row 10: | 0           | 0.0000000 | Row 22: | 0           | 0.0000000 |
| Row 11: | 0           | 0.0000000 | Row 23: | 0           | 0.0000000 |
| Row 12: | 0           | 0.0000000 | Row 24: | 0           | 0.0000000 |



### Create a Transaction Code for the Tax

Set the following fields for the transaction code:

- **Rate Table No.:** Add the Rate Table number to the transaction code.
- **Description:** Enter a description that describes the tax calculation.
- **Special Handling:** Set to **Use Prior Usage**. This allows taxes to be calculated based on the usage in the original usage transaction.
- **Tax Code:** Set to **Tax Line**, which designates this charge as a tax item.
  - **Note:** Tax Line items are calculated and displayed as a charge in Bill Entry, displayed as a tax in the Billing Edit Journal, and update the general ledger as a charge.
- **Billing Code:** Generally, set to **Surcharge**, which allows the billing usage amount to be recalculated after the original charge was calculated.
- **Charge Multiplier:** Add the tax rate as the charge multiplier. The taxable usage will be multiplied by this multiplier to determine the tax. In this example, 0.0550000.
- **G/L Debit Account and G/L Credit Account:** Enter the appropriate G/L accounts for this tax.

The screenshot shows the 'Transaction Code Maintenance' window with the following data entered:

|                      |                 |                         |           |                         |         |
|----------------------|-----------------|-------------------------|-----------|-------------------------|---------|
| Transaction Code ID: | 098             | Save                    | Search    | Retrieve                |         |
| Rate Code:           | D TX            | G/L Debit Account:      | 11300     | Discount Multiplier:    | 0.00000 |
| Rate Table No.:      | 098             | G/L Credit Account:     | 23100     | Discount Type:          | Default |
| Demand Table No.:    |                 | After Hour Charge:      | 0.00      | Discount Step 1 Cap:    | Default |
| Finance Table ID:    |                 | Model Min Charge:       | 0.00      | Prorate Calculations:   | Default |
| Power Factor ID:     |                 | Model Min Usage:        | 0         | Prorate Over Min:       | Default |
| Description:         | DELV.TAX CHARGE | Minimum Charge:         | 0.00      | Reason Type:            | Default |
| Transaction Type:    | Billing Entry   | Minimum Usage:          | 0         | Message Type:           | Default |
| Debit/Credit:        | Debit           | Old Minimum Charge:     | 0.00      | Customer Status:        | Default |
| Budget Type:         | Budget          | Old Minimum Usage:      | 0         | Credit Message Type:    | None    |
| Service Code:        | 1 - LIGHT       | This Year Usage:        | 17228664  | Discontinued:           | No      |
| Special Handling:    | Use Prior Usage | This Year Amount:       | 873.27    | Prevent Zero \$ Import: | No      |
| Calculation Types:   | 1 - Table       | Last Year Usage:        | 16554816  | Lien Allow:             | Default |
| Tax Code:            | Tax Line        | Last Year Amount:       | 0.00      | Roll Allow:             | Default |
| Category:            | DELV            | Analysis Flag:          | 0         | Finance Allow:          | Default |
| Billing Code:        | Surcharge       | Charge Multiplier:      | 0.0550000 | Shut Off Allow:         | Default |
| Cash Code:           | Not Active      | Calculation Multiplier: | 0.0000000 | Past Due Allow:         | Default |
| Age Category:        | Default         | # Decimal Places:       | 0         | Collection Allow:       | Default |
| Age:                 | Default         | Effective Date:         |           |                         |         |
| Reversal Age:        | Default         | Termination Date:       |           |                         |         |



### Add Transaction Code to the Billing Profile

After the transaction code is built, add it to the appropriate billing profiles. It should be added to profiles that contain the original usage charge on which this transaction code will function as tax.

| Transaction Codes |  |  |  |
|-------------------|--|--|--|
| 081               |  |  |  |
| 099               |  |  |  |
| 023               |  |  |  |
| 021               |  |  |  |
| 098               |  |  |  |
| 106               |  |  |  |
| 130               |  |  |  |
| 164               |  |  |  |
| 170               |  |  |  |
| 022               |  |  |  |

### Test the Rate Table and Transaction Code

It is important to enter some test charges and run through the billing process to ensure that the transaction codes, rate tables and billing profiles are set up correctly.

The following pages contain examples of charges and taxes in Bill Entry, the charges and taxes on the edit journal and a statement with this type of tax included.

### Tax Calculation for this Method:

| Formula   | Example                                       |
|---|---|
| Usage – delivery threshold usage on rate table = taxable usage          | 863 – 750 = 113                               |
| Taxable usage * usage charge rate on rate table = taxable charge        | 113 * .03672 (on rate table) = 4.150          |
| Taxable charge * tax rate that is trans code multiplier = tax to assess | 4.150 * .055 (multiplier on trans code) = .23 |



Bill Entry Example:

Book: 2 Company Group: Cycle # 2

Sequence #: 294.00 Location: 000229400101 Customer: 000229400101

Owner: GEORGE WASHINGTON  
 Tenant:  
 Address: 101 MAIN STREET FAIRCITY ME 04105  
 Service Location: 14 MAIN ST, M

Customer: 000229400101 (000229400101)

Connections:  
 M 45037951  
 S System

Transactions:  
 081 ENE RES ENERGY  
 099 E TX TX CHARGE EN  
 021 RES RES DELV  
 098 D TX DELV.TAX CHAR  
 106 RTC R TRAN RES  
 130 R TX RTANS TAX  
 164 CON CONSV FUND

| Status                     | LGT Active | Total |
|----------------------------|------------|-------|
| Total Charge               | 58.73      | 58.73 |
| Total Finance              | 0.00       | 0.00  |
| Un-Applied Amount:         | 0.00       | 0.00  |
| Daily Interest:            | 0.00       | 0.00  |
| Total Balance              | 58.73      | 58.73 |
| Total Balance w/ Interest: | 58.73      | 58.73 |
| Last Pay Amount:           | 43.06      | 43.06 |
| Last Pay Date:             | 12/31/2018 |       |
| Discount Amount:           | 0.00       | 0.00  |
| Discount Date:             |            |       |
| Discount Balance:          | 58.73      | 58.73 |
| Loan Balance:              | 0.00       | 0.00  |
| Lien Total:                | 0.00       | 0.00  |
| Prev Lien Total:           | 0.00       | 0.00  |
| Roll Total:                | 0.00       | 0.00  |

| Billing ID   | Multiplier | Prior Read | Prior Read Date |
|--------------|------------|------------|-----------------|
| 000229400101 | 1.00000    | 25331      | 12/17/2018      |

| Tran. Code       | Prior Reading | Present Reading | Usage | Charge | Tax  | Amount | Age | Current Total |
|------------------|---------------|-----------------|-------|--------|------|--------|-----|---------------|
|                  |               |                 |       |        |      |        | 0   | 130.28        |
| Reference:       |               |                 |       |        |      |        |     | 130.28        |
| Transaction Code | Prior Reading | Present Reading | Usage | Charge | Tax  | Amount | Age |               |
| 081              | 25331         | 26194           | 863   | 66.68  | 0.00 | 66.68  | 0   |               |
| 099              | 0             | 0               | 863   | 0.00   | 0.48 | 0.48   | 0   |               |
| 021              | 0             | 0               | 863   | 29.85  | 0.00 | 29.85  | 0   |               |
| 098              | 0             | 0               | 863   | 0.23   | 0.00 | 0.23   | 0   |               |
| 106              | 0             | 0               | 863   | 22.33  | 0.00 | 22.33  | 0   |               |
| 130              | 0             | 0               | 863   | 0.00   | 0.16 | 0.16   | 0   |               |
| 164              | 0             | 0               | 863   | 2.10   | 0.00 | 2.10   | 0   |               |
| 170              | 0             | 0               | 863   | 0.00   | 0.01 | 0.01   | 0   |               |
| 022              | 0             | 0               | 0     | 8.00   | 0.44 | 8.44   | 0   |               |

Billing Edit Journal Example:

01/29/2019 Billing EDIT Transaction Journal Page: 1

| Book/Seq #          | Location ID       | Customer ID  | Name              | To Date    | Class | Company | Service | Location | Total  | User |
|---------------------|-------------------|--------------|-------------------|------------|-------|---------|---------|----------|--------|------|
| 0002-294.00         | 000229400101      | 000229400101 | GEORGE WASHINGTON | 01/19/2019 | 1     | 1       | 14      | MAIN ST  |        |      |
| 1 081               | ENER RES ENERGY   | 25331        | 26194             | 863        | 366   | 66.68   | 0.00    | 0.00     | 66.68  | nds  |
| 1 099               | E TX TX CHARGE EN | 0            | 0                 | 863        | 366   | 0.00    | 0.48    | 0.00     | 0.48   | nds  |
| 1 021               | RES RES DELV      | 0            | 0                 | 863        | 366   | 29.85   | 0.00    | 0.00     | 29.85  | nds  |
| 1 098               | D TX DELV.TAX CHA | 0            | 0                 | 863        | 366   | 0.00    | 0.23    | 0.00     | 0.23   | nds  |
| 1 106               | RTC R TRAN RES    | 0            | 0                 | 863        | 366   | 22.33   | 0.00    | 0.00     | 22.33  | nds  |
| 1 130               | R TX RTANS TAX    | 0            | 0                 | 863        | 366   | 0.00    | 0.16    | 0.00     | 0.16   | nds  |
| 1 164               | CONF CONSV FUND   | 0            | 0                 | 863        | 366   | 2.10    | 0.00    | 0.00     | 2.10   | nds  |
| 1 170               | CFC CON F RES TA  | 0            | 0                 | 863        | 366   | 0.00    | 0.01    | 0.00     | 0.01   | nds  |
| 1 022               | CUST CUSTOMER CHA | 0            | 0                 | 0          | 366   | 8.00    | 0.44    | 0.00     | 8.44   | nds  |
| Customer Totals     |                   |              |                   | 863        | 366   | 128.96  | 1.32    | 0.00     | 130.28 |      |
| GRAND TOTALS        |                   |              |                   | 863        | 366   | 128.96  | 1.32    | 0.00     | 130.28 |      |
| Total Accounts      |                   |              |                   | 1          |       |         |         |          |        |      |
| Totals Book #: 2    |                   |              |                   |            |       |         |         |          |        |      |
| Service #: 1        |                   |              |                   | 6904       | 3294  | 128.96  | 1.32    | 0.00     | 130.28 |      |
| Totals Service #: 1 |                   |              |                   | 6904       | 3294  | 128.96  | 1.32    | 0.00     | 130.28 |      |

