

Sales Tax Calculation Made Easy

Avatax module automates the complex task of sales tax calculation with ease



Overview

Odoo provides integration with AvaTax, a tax solution software by Avalara which includes sales tax calculation for all US states and territories and all Canadian provinces and territories (including GST, PST, and HST). This module is capable of automatically detecting origin (Output Warehouse) and destination (Client Address), then calculating and reporting taxes to the user's Avalara account as well as a recording the correct sales taxes for the validated addresses within Odoo ERP.

This module utilizes core certified modules from Odoo as dependencies. The following dependencies will be installed: base, sale, account, account_accountant, and stock modules. The module also has sandbox data for configuration with demo deployments as needed. Once configured, the module operates in the background and performs calculations and reporting seamlessly to the AvaTax server. Account information to access the Avatax dashboard can be obtained through the Avalara website here:

<https://www.avalara.com/products/avatax/>

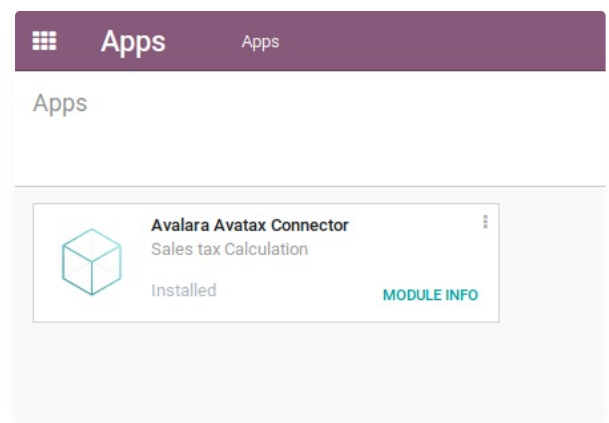
This guide includes instructions for the following elements:

- Activating your organization's AvaTax account and downloading the product
- Entering the AvaTax credentials into your Odoo database and configuring it to use AvaTax services and features within Odoo

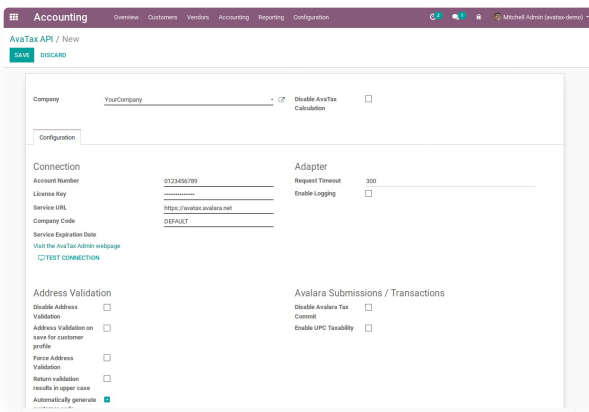
Note: Test the module before deploying in live environment. All changes to the AvaTax settings must be performed by a user with administrative access rights.

Installation

- Download the AvaTax Module
- Extract the downloaded file
- Upload the extracted directory into your Odoo module/add-on directory
- Restart your instance of Odoo
- Log in as an Administrator
- Navigate to 'Apps' and search 'AvaTax' in the search field
- Click Install button



To Configure AvaTax API



- Navigate to: Accounting -> Configuration -> AvaTax -> AvaTax API
- Click the **Create** button.
- Uncheck the **Disable AvaTax Calculation** box
- Fill out the form with your Company Code, Account Number, and License Key as provided with your Avalara account
- Fill out proper service URL provided to you by Avalara (developer/testing server or production URL)
 - Production: <https://avatax.avalara.net>
 - Developer: <https://development.avalara.net>
- Click the **Test Connection** button
- Click the **Save** button

Some other configuration

Adapter

- **Request Timeout** -- default is 300ms
- **Enable Logging** -- enables detailed AvaTax transaction logging within application

Address Validation

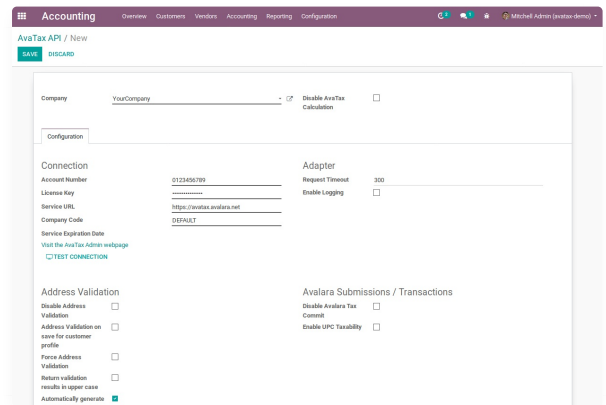
- **Disable Address Validation**
- **Address Validation on save for customer profile** -- automatically attempts to validate on creation and update of customer profile, last validation date will be visible and stored
- **Force Address Validation** -- if validation for customer is required but not valid, the validation will be forced
- **Return validation results in upper case** -- validation results will return in upper case form
- **Automatically generate customer code** -- generates a customer code on creation and update of customer profile

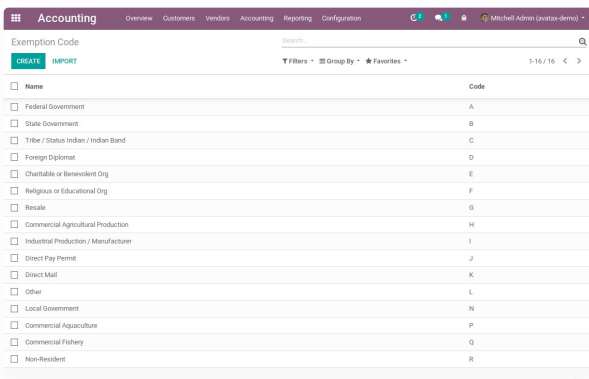
Avalara Submissions/Transactions

- **Disable Avalara Tax Commit** -- validated invoices will not be sent to Avalara
- **Enable UPC Taxability** -- this will transmit Odoo's product ean13 number instead of its Internal Reference. If there is no ean13 then the Internal Reference will be sent automatically.

Countries

- Add or remove applicable countries -- the calculator will not calculate for a country unless it's on the list.





Configure Exemption Codes

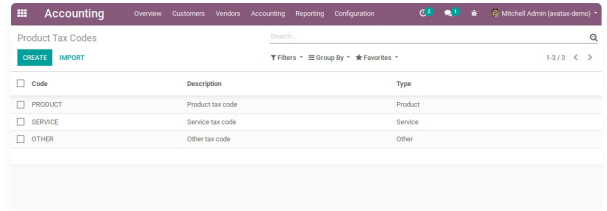
Exemption codes are allowed for users where they may apply (ex. Government entities). Navigate to: Accounting >> Configuration >> AvaTax >> Exemption Code

The module is installed with 16 predefined exemption codes. You can add, remove, and modify exemption codes.

Product Tax Codes

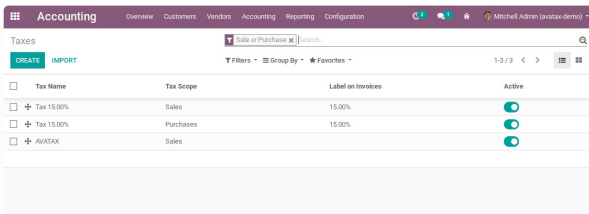
Create product tax codes to assign to products and/or product categories. Navigate to: Accounting >> Configuration >> AvaTax >> Product Tax Codes

From here you can add, remove, and modify the product tax codes.



Configure Taxes

The AvaTax module is integrated into the tax calculation of Odoo. **AVATAX** is automatically added as a type of taxes to be applied. You can configure how **AVATAX** integrates within the Odoo system.



Configure AVATAX Tax Type

- Navigate to: Accounting >> Configuration >> Accounting >> Taxes
- Select AVATAX from the list view (automatically added on module install).
- Click the **Edit** button to configure the AVATAX Tax Type with the proper tax account configuration for your system.

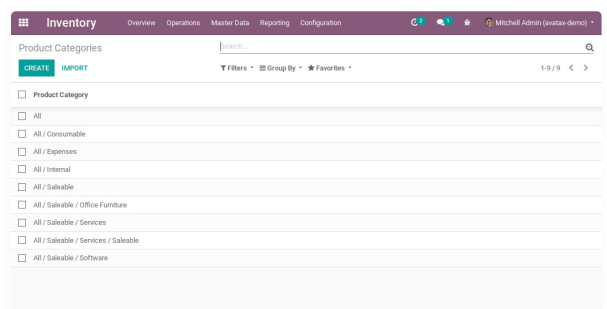
Note: Upon initial install the settings will be blank. The image shows the demo configuration.

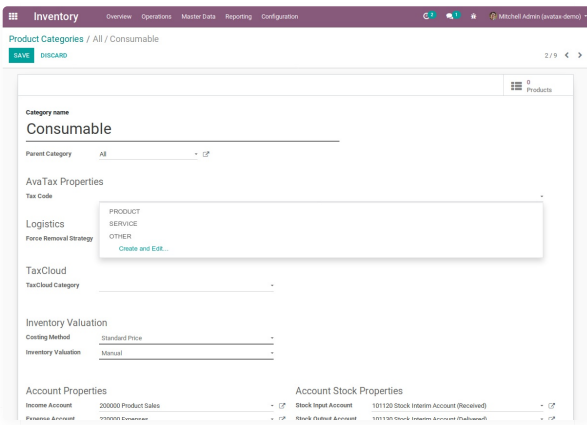
Product Category Configuration

Products in Odoo are typically assigned to product categories. AvaTax settings can also be assigned to the product category when a product category is created.

Create New Product Category

- Navigate to: Inventory >> Configuration >> Products >> Product Categories
- Click **Create** button





Configure Product Category Tax Code

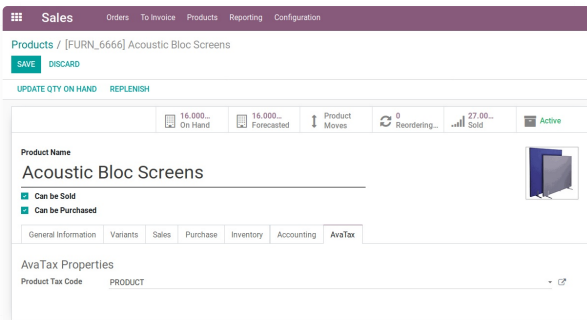
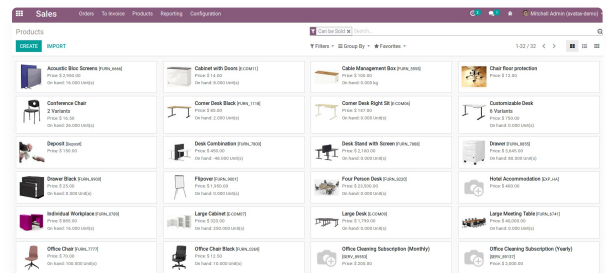
- Under AvaTax Properties >> Tax Code
- Select the desired Tax Code

Product Configuration

Individual products default to the tax code assigned to their product category; however, you can change the tax codes if needed. Tax calculations for a specific product can be disabled and will default to the product tax settings for the product category it belongs to.

Create New Product

- Navigate to: Sales >> Products >> Products
- Click **Create** button



Configure Product Tax Code

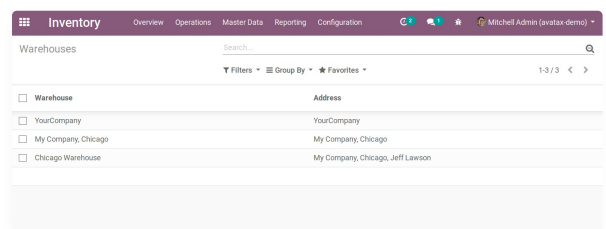
- Under General Information >> Product Category, select a Product Category
- Under AvaTax >> AvaTax Properties >> Product Tax Code, you can set a custom tax code to override the product category tax code

Company Configuration

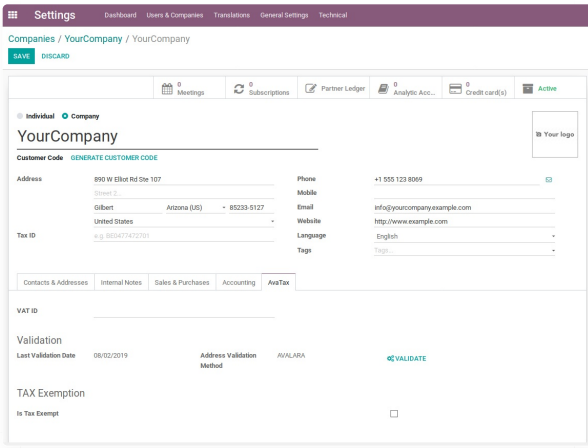
Each company linked to AvaTax and their associated warehouses should be configured to ensure the correct tax is calculated and applied for all transactions.

Warehouse Configuration

- Navigate to: Inventory >> Configuration >> Warehouse Management >> Warehouses
- Select the warehouse associated with your company
- Under **Address**, follow the link to be directed to



your warehouse profile



Configure Warehouse Address

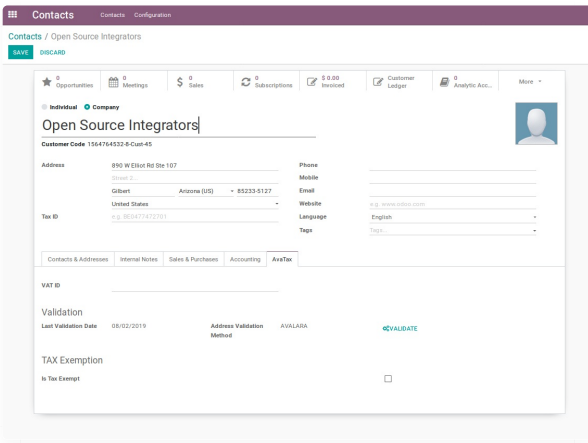
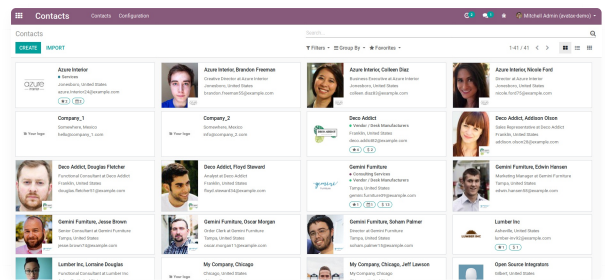
- Enter Warehouse Address
- Under AvaTax >> Validation, click **Validate** button

Customer Configuration

Properly configuring each customer ensures the correct tax is calculated and applied for all transactions.

Create New Customer

- Navigate to Contacts
- Click **Create** button

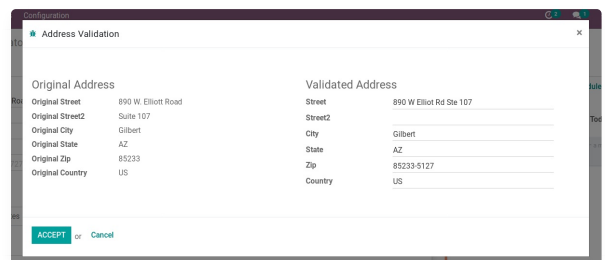


Configure Customer Address

- Enter Customer Address
- Under AvaTax >> Validation, click **Validate** button

Address Validation

The AvaTax Module will attempt to match the address you entered with a valid address in its database. Click the **Accept** button if the address is valid.



Name	Phone	Action	Email
<input type="checkbox"/> Azure Interior	(870) 631-5154	Address Validation	azure.interior24@example.com
<input type="checkbox"/> Azure Interior, Brandon Freeman	(355) 447-1512	Address	brandon.freeman55@example.com
<input type="checkbox"/> Azure Interior, Colleen Diaz	(255) 955-6142	Delete	colleen.diaz83@example.com
<input type="checkbox"/> Azure Interior, Nicole Fort	(940) 438-4142	Merge Contacts	nicole.fort75@example.com
<input type="checkbox"/> Company_1	+1 (999) 554	Send Email	hello@company_1.com
<input type="checkbox"/> Company_2	+1 (999) 554	Send SMS	info@company_2.com
<input type="checkbox"/> Deco Addict	(603) 996-1424	Process Followup	deco.addict2@example.com
<input type="checkbox"/> Deco Addict, Addison Olson	(223) 399-7837	Address Validation	addison.olson28@example.com
<input type="checkbox"/> Deco Addict, Douglas Fletcher	(132) 553-7242	Address	douglas.fletcher51@example.com
<input type="checkbox"/> Deco Addict, Floyd Steward	(145) 138-3401	Delete	floyd.steward34@example.com
<input type="checkbox"/> Gemini Furniture	(943) 284-4875	Send Email	gemini.furniture59@example.com
<input type="checkbox"/> Gemini Furniture, Edwin Hansen	(943) 352-2555	Send SMS	edwin.hansen58@example.com
<input type="checkbox"/> Gemini Furniture, Jesse Brown	(820) 386-3277	Address	jesse.brown74@example.com
<input type="checkbox"/> Gemini Furniture, Oscar Morgan	(561) 239-1744	Delete	oscar.morgan11@example.com
<input type="checkbox"/> Gemini Furniture, Soham Palmer	(978) 147-2040	Merge Contacts	soham.palmer15@example.com
<input type="checkbox"/> Lumber Inc	(828) 316-0593	Send Email	lumber.inc92@example.com
<input type="checkbox"/> Lumber Inc, Jomaha Davidson	(443) 448-8154	Send SMS	jomaha.davidson54@example.com

Validate Multiple Customers

- Multiple existing customer addresses can be validated at one time
- In the Contacts list view, select multiple customers with checkboxes.
- Under the Action menu, click **Address Validation**.

Tax Exemption Status

If the customer is tax exempt, check the box under AvaTax >> Tax Exemption >> Is Tax Exempt and select the desired Tax Exempt Code from the dropdown menu.

Open Source Integrators

Customer Code: 1544794532-8-Cust-45

Address: 890 W Elliot Rd Ste 107
Gilbert, Arizona (US) 85232-5127
United States
Tax ID: 053871472081

Phone:
Mobile:
Email:
Website:
Language: English
Tags:

Validation
Last Validation Date: 08/02/2019
Address Validation Method: AVALASA
VALIDATE

TAX Exemption
Is Tax Exempt:

Customer Invoices

The AvaTax module is integrated into Sales Invoices and is applied to each transaction. The transaction log in the AvaTax dashboard shows the invoice details and displays whether the transaction is in an uncommitted or committed status. A validated invoice will have a **Committed** status and a cancelled invoice will have a **Voided** status.

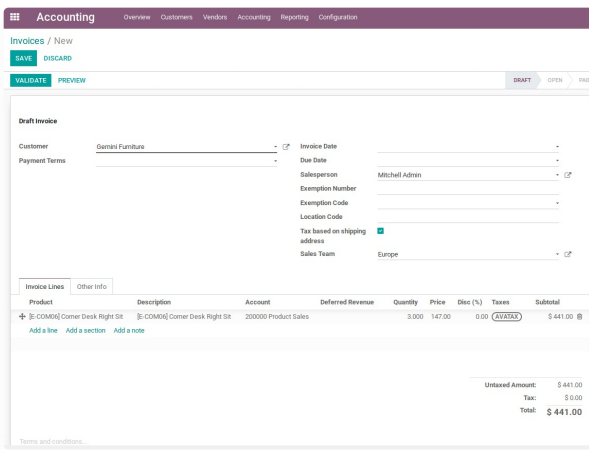
The module will check if there is a selected warehouse and will automatically determine the address of the warehouse and the origin location. If no address is assigned to the warehouse, the company address is used.

Discounts are handled when they are enabled in Odoo's settings. They are calculated as a net deduction on the line item cost before the total is sent to AvaTax.

Create New Customer Invoice

- Navigate to: Accounting >> Customers >> Invoices.
- Click **Create** button.

Customer	Invoice Date	Number	Salesperson	Due Date	Source Document	Tax Excluded	Tax	Total	Amount Due	Status
<input type="checkbox"/> Deco Addict	08/08/2019	INV/2019/0003	Odoobot	09/07/2019		\$ 525.00	\$ 0.00	\$ 525.00	\$ 525.00	Open
<input type="checkbox"/> Deco Addict	08/08/2019	INV/2019/0002	Odoobot	09/07/2019		\$ 750.00	\$ 0.00	\$ 750.00	\$ 750.00	Open
<input type="checkbox"/> Gemini Furniture	08/02/2019	INV/2019/0005	Michael Adams	08/02/2019	SO0005	\$ 276.79	\$ 21.45	\$ 298.20	\$ 298.20	Open
<input type="checkbox"/> Gemini Furniture, Soham Palmer	08/02/2019	INV/2019/0005	Michael Adams	08/02/2019	SO0007	\$ 14,981.00	\$ 1,183.04	\$ 16,164.04	\$ 0.00	Paid
<input type="checkbox"/> Azure Interior	08/01/2019	INV/2019/0001	Marc Demo	09/30/2019		\$ 4,410.00	\$ 0.00	\$ 4,410.00	\$ 4,410.00	Open
<input type="checkbox"/> Deco Addict	07/18/2019	INV/2019/0004	Marc Demo	07/18/2019		\$ 4,410.00	\$ 0.00	\$ 4,410.00	\$ 4,410.00	Open
						20,782.79	1,182.49	26,965.24	16,782.20	

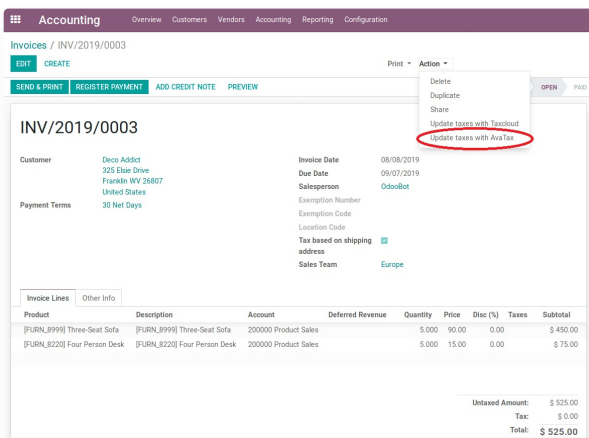
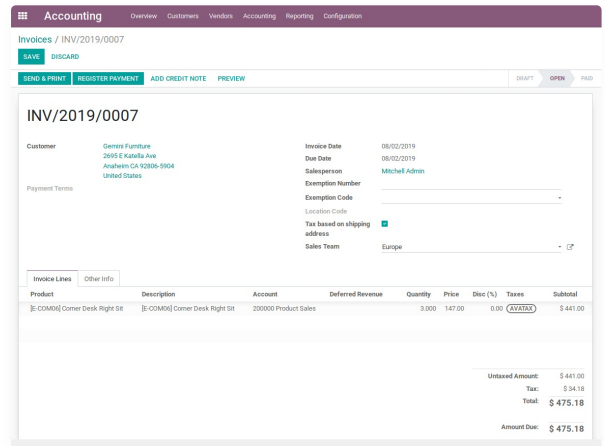


Validate Invoice

- Ensure that **Tax based on shipping address** is checked.
- Line items should have AVATAX selected under **Taxes** for internal records.
- To complete the invoice, click the **Validate** button.
- The sale order will now appear in the AvaTax dashboard.

Register Payment

- Click the **Register Payment** button to finalize the invoice.

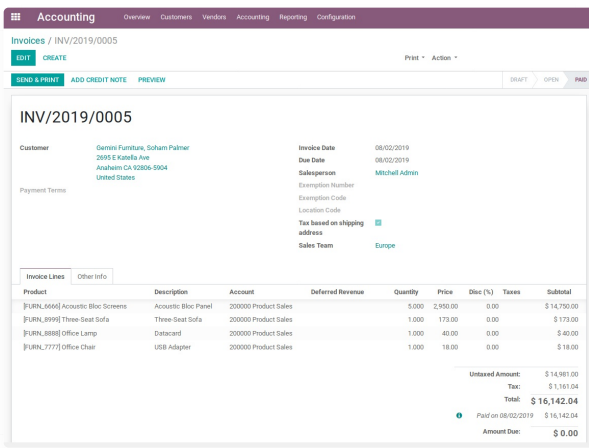


Manual Update

- Tax is calculated automatically when the invoice is validated, but it can be updated manually as well
- Under the Action menu, click **Update taxes with AvaTax**.

Customer Refunds

Odoo applies refunds as opposed to voids in its accounting module. As with customer invoices, the AvaTax module is integrated with customer refunds and is applied to each transaction. Refunded invoice transactions will be indicated with a negative total in the AvaTax interface.

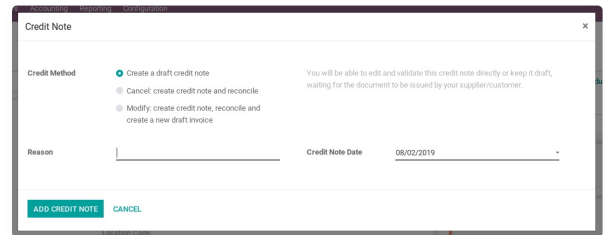


Initiate Customer Refund

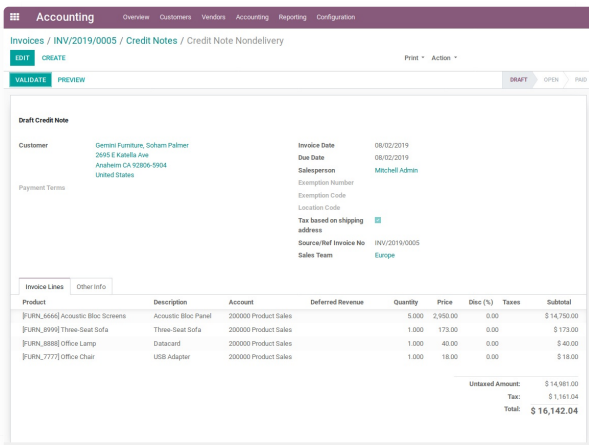
- Navigate to: Accounting >> Customers >> Invoices
- Select the invoice you wish to refund
- Click **Add Credit Note** button

Create Credit Note

- Under Credit Method, select **Create a draft credit note**.
- Enter a reason.
- Click **Add Credit Note** button.



Note: You will be taken to the Credit Notes list view

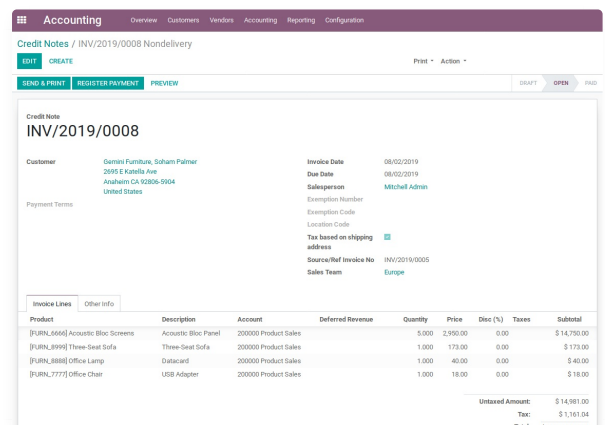


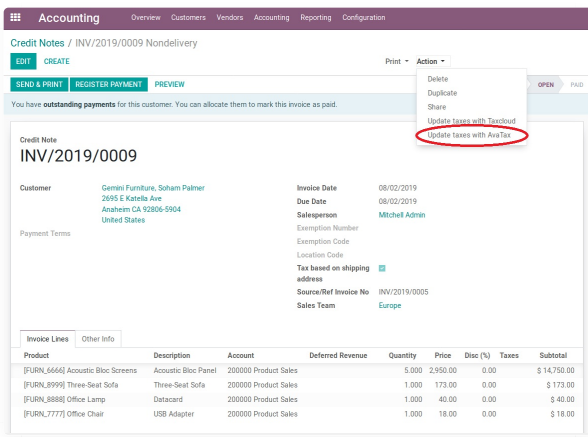
Validate Refund

- Select the Credit Note you wish to validate, review and then click **Validate** button.

Register Refund Payment

- Click **Register Payment** button to complete a refund





Manual Update

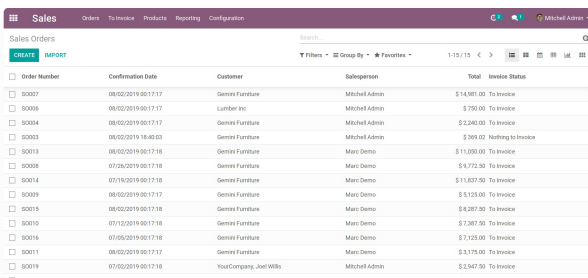
- Tax is calculated automatically when the refund is validated, but it can be updated manually as well
- Under the Action menu, click **Update taxes with AvaTax**.

Sales Orders

The AvaTax module is integrated into Sales Orders and allows computation of taxes. Sales order transactions do not appear in the in the AvaTax interface.

The information placed in the sales order will automatically pass to the invoice on the Avalara server and can be viewed in the AvaTax control panel.

Discounts are handled when they are enabled in Odoo's settings. They will be reported as a net deduction on the line item cost.

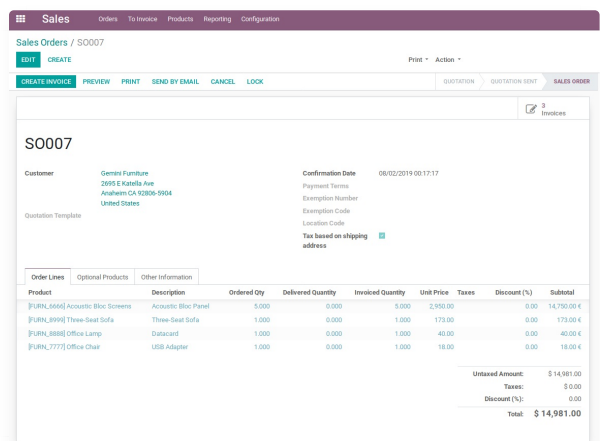


Create New Sales Order

- Navigate to: Sales >> Orders >> Orders
- Click **Create** button

Compute Taxes with AvaTax

- The module will calculate tax when the sales order is confirmed.
- At this step, the sales order will retrieve the tax amount from Avalara but will not report the transaction to the AvaTax dashboard. Only invoice, refund, and payment activity are reported to the dashboard.
- The module will check if there is a selected warehouse and will automatically determine the address of the warehouse and the origin location.
- If no address is assigned to the warehouse the module will automatically use the address of the company as its origin.
- Location code will automatically populate with the warehouse code but can be modified if needed.



Sales Orders To Invoice Products Reporting Configuration

Quotations / SO020

SEND BY EMAIL PRINT CONFIRM PREVIEW APPLY COUPON UPDATE PROMOTIONS CANCEL

Print Action

SO020

Customer: Gemini Furniture
2695 E Katella Ave
Anaheim CA 92806-9904
United States

Validity: Payment Terms
Exemption Number
Exemption Code
Location Code
Tax based on shipping address

Update taxes with Taxcloud
Update taxes with AvaTax

Order Lines	Optional Products	Other Information	Product	Description	Ordered Qty	Unit Price	Taxes	Discount (%)	Subtotal
[E-COM07]			Large Cabinet	[E-COM07] Large Cabinet	1.000	320.00	AVATA	0.00	\$ 320.00

Untaxed Amount: \$ 320.00
Taxes: \$ 24.80
Discount (%): 0.00
Total: \$ 344.80

Manual Update

- Tax is calculated automatically when the sales order is confirmed, but it can be done manually as well
- Under the Action menu, click **Update taxes with AvaTax**.