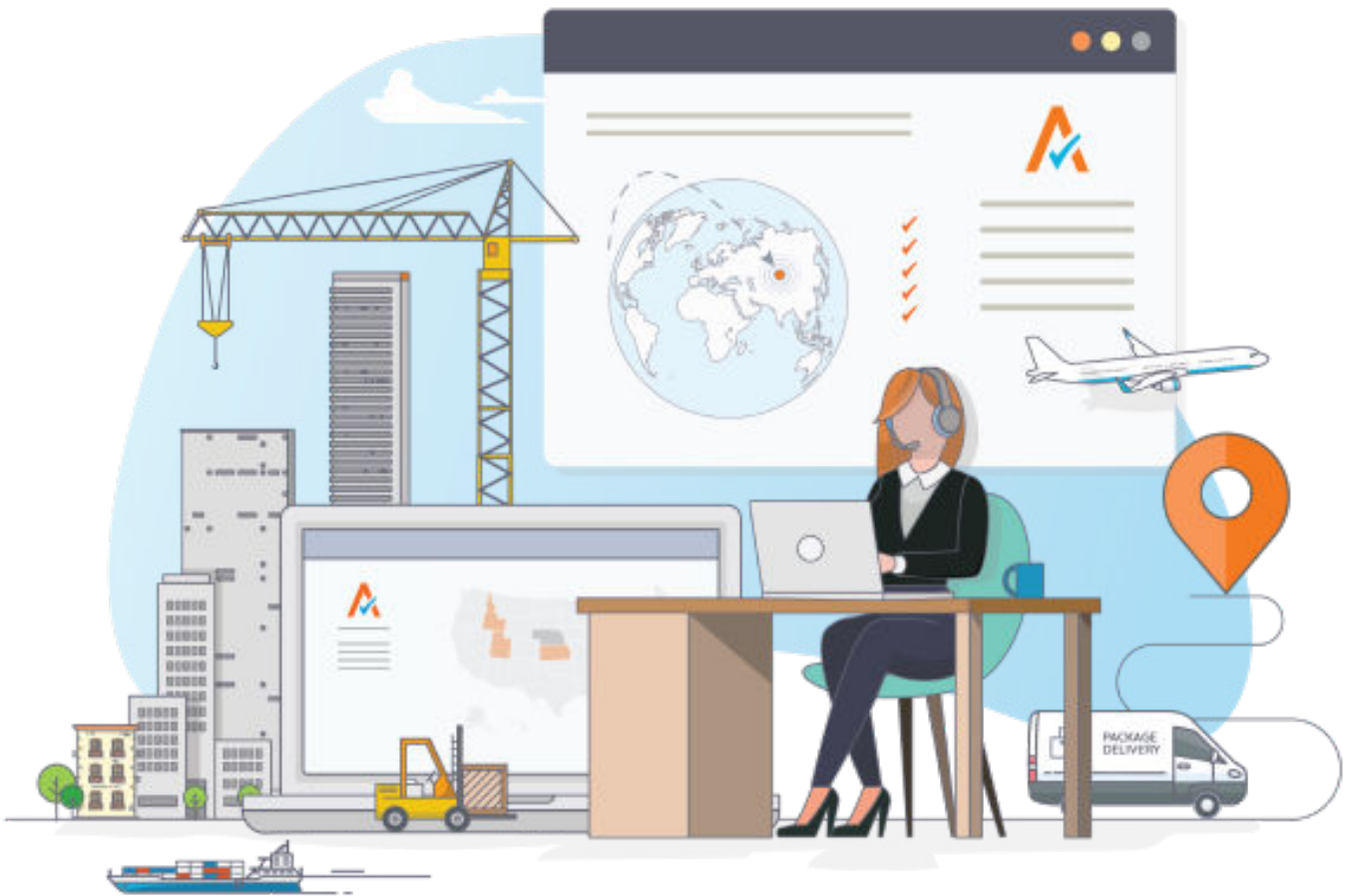




# Zoho Books



24 August 2024

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

# Table of Contents

<b>Get started.</b>	<b>3</b>
About Zoho Books.	3
<b>Setup.</b>	<b>4</b>
Create a basic company profile.	4
What you need to create a company profile.	4
Add a user and set permissions.	6
Add your company information.	7
Tell us where you collect and pay tax.	9
Verify your jurisdictions and activate your company.	11
Add other company locations for location-based filing.	12
Add marketplace transactions to your company profile.	14
Install and Configure Zoho Books.	14
Fine-tune your company profile in AvaTax.	14
Review where you collect and pay tax.	15
Map Avalara tax codes to the items you sell.	16
Exempt customers from tax.	19
Test your setup.	20
Use the tax calculator.	20
Create a test transaction.	21
Send a test transaction from your business application.	21
Set up Returns.	22
<b>Use Zoho Books.</b>	<b>24</b>
Use the connector.	24

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

## About Zoho Books



The AvaTax integration for **Zoho Books** is maintained and supported by our partners at **Zoho Corporation**.



**Note:**

You can learn how to set up your partner connector referring to this guide. For information about how to use Avatax for partner connector, refer to [Use Avatax for partner connector](#).

## Create a basic company profile

A AvaTax company profile includes the key information about your business that determines how tax is calculated.

- Where you collect and pay tax
- Products and services you sell and where you sell them
- Customers you exempt from tax, if any

The information we need varies depending on the product you're setting up. To help make sure your profile is complete, we guide you through the first three steps of the onboarding experience.



**Tip:**

If your business has more than one company, you can create an additional company profile at any time. Go to **Settings > Manage Companies** and then select **Add a Company** to get started.

- Gather the [information you need to set up a company](#).
  - If you're not the person setting it up, you can give others access so they can help set up your company. To learn how, see [add a user and set permissions](#).
1. [Add your company information](#). Begin by entering your address and tax ID numbers.
  2. [Tell us where you collect and pay tax](#). Enter the states, local jurisdictions, and countries where you're registered to collect and pay tax.
  3. [Verify your jurisdictions and activate your company](#). Double-check that we know everywhere you collect and pay tax. Confirm the tax types, effective date for each jurisdiction, and tax ID numbers.
  4. [Add other company locations for location-based filing](#). Add other company locations if you need to file returns based on location reporting requirements.
  5. [Add a marketplace to your company profile](#). If you don't use an extractor and you sell through a marketplace such as Amazon, Etsy, or Ebay, learn how to add it to your company profile.

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

## What you need to create a company profile

To get your company profile fully set up in Avalara, have the following information on hand. You can find most of this information on your tax returns and [business registration](#) documents.

- **Legal company name** The name your company uses on legal documents.
- **Taxpayer ID number** Also known as an **Employer Identification Number (EIN)**. This number is created by the IRS. Call the [IRS Business and Specialty Tax Line](#) if you don't know your ID or have other questions about your company's Taxpayer ID Number.
- **Business ID number** If you do business outside of the U.S., you need a Business ID number. This number is created by the governments in the countries where your business operates.
- **International Tax ID number** When your company registers to pay VAT or GST taxes in countries outside the U.S., you receive an International Tax ID Number.
- **Company code** Most people can use the default code generated by AvaTax, but you may need to find your company's code in your business application. Find out if you need a code.



Tip:

If you're not using AvaTax, you don't need a company code.

- **Your company's primary address** The physical address for your company's headquarters or main location.
- **Addresses for your other business locations** The addresses for any physical locations that your company uses other than your primary location.
- **A list of where you're registered to collect and pay tax** The states, regions, or countries where your company is registered to collect and pay taxes.
- **A list of your products and services** AvaTax calculates tax based on the standard rate for each jurisdiction, but some products might be tax exempt, taxed at a different rate, or specially taxed. Knowing what you sell helps AvaTax calculate the best tax rate for your customers.



Tip:

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

If you're not using AvaTax, you don't need a list of your products and services.

- **A list of the users you want to add to your company's Avalara profile** The names and email addresses for anyone you want to give access to your company's tax profile.

## Related tasks

- [Add you company information](#)

## Add a user and set permissions

Give someone else access to your account or company and assign permissions.

Invite someone else to help set up your company profile or update your Avalara account. Or, let them view information only. Being able to give others access and assign permission levels gives you the flexibility to share your information the way that works best for your business.

Before you begin, have this information ready—the name and email address of the person you want to invite and a username for that person.

These steps are for adding a user to AvaTax. If you're an CertCapture user, see Manage users in CertCapture.

## Steps

1. From the Avalara Homepage, go to **Settings > Users**.
2. Select **Add a User**.
3. Enter the person's **name, email address, and user name**. The **username** must be unique, but the **name and email address** can be shared by multiple users.
4. Decide what the person can access.
  - Select **Account** to give them access to everything within your account, including all companies, child companies, and settings.
  - Select **Company** to give them access to everything within a company, including child companies.
5. Decide how much they can do with their access.
  - Choose **Read-only Access** to let them view account or company information, but not change anything.

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

- **Limited access account user** Can see past payments, payment methods, current billing contacts, autopay status, and use the tax calculator, but can't make changes.
- **Limited access company user** Can [run reports](#), view transaction data, and use the tax calculator, but can't make changes to information that's already in Avalara. However, read-only users CAN add, update, or delete exemption certificate and customer records when working under the **Exemptions** tab.
- Choose **Administrator** to let them view and make changes to account or company information.
  - **Account access, Account permissions** Can submit payments, add or delete payment methods, update billing contacts, and manage autopay enrollment.
  - **Company access, Account permissions** Can [edit transactions](#) and other information, and [change important company settings](#).

**Tip:**

Users need account access with account permissions to change billing information. Users with account access and read-only permissions can't update billing information.

## 6. Select **Add** and **Send Invite**.

Avalara sends an email inviting the person to create a password and start using Avalara. If the invitation expires, [reset the password](#).

**Tip:****Change permissions or delete a user**

Select **Details** to change permissions or remove access. To delete a user, select the **trash** icon and then select **Remove User**.

There is not a limit to how many users you can have.

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

## Add your company information

Gather the following information:

- **Legal company name** The name your company uses on legal documents.
- **Taxpayer ID Number** Also known as an Employer Identification Number (EIN). This number is created by the IRS. Call the [IRS Business and Specialty Tax Line](#) if you don't know your ID or have other questions about your company's Taxpayer ID Number.
- **Business ID Number** If you do business outside the U.S., you need a Business ID (BIN) number. This number is created by the governments in the countries where your business operates.
- **Your company's primary address** The physical address for your company's headquarters or main location.

You can find most of these items in your company's tax returns and [business registration](#) documents.



Tip:

If you need help along the way, hover the mouse pointer over the tip (i) icons on the screen for more information.

1. [Sign in](#) to Avalara for the first time, if you haven't already. The first time you sign in, we ask you to accept Avalara Terms and Conditions.
  - a. Check your email for the confirmation Avalara sent you when you signed up for your account.
  - b. Sign in to your account using the username and link in your confirmation email.
  - c. Follow the prompts to create a new password.
2. Enter your company name and taxpayer ID, and then select **Next**. If you have more than one company, begin with the parent company. You can add the other companies later.



Tip:

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates



If your primary business address is located outside the U.S., clear **My company's primary business location is in the U.S.**, select the country your business is located in, and enter the Business ID (BIN) for that country.



Tip:

If your business collects and remits VAT for products sold in the European Union, select **I do business within the European Union** and enter your Import One-Stop-Shop (IOSS) registration number. If you have appointed an IOSS intermediary, select that checkbox too.

3. Tell us where your business is located.
  - a. Enter your primary business address including the street address, city, state or territory, and ZIP or postal code. This should be a place where you're registered to collect tax.
  - b. Select **Validate address**.



Tip:

If your company is located outside the U.S., you may not see this option. If that's the case, select **Next** to skip this step.

- c. Compare the address you entered against the validated address.
  - d. Select **Use validated address** to accept the changes or select **Keep original address** to use the address you entered. We recommend using the validated address for the most accurate tax calculations.
  - e. Select **Next**.

Once you've validated your company's primary address, we add that address to the list of places or [local jurisdictions](#) where you're registered to collect and pay tax. You're on your way, setting up your company profile.

## Tell us where you collect and pay tax

Gather the following information:

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

- **Addresses for your business locations** The addresses for any physical locations that your company uses other than your primary location.
  - **A list of places where you're registered to collect and pay tax** The countries, states, territories, and local jurisdictions where your company is registered to collect and pay tax.
1. On the **Company Information** page, during the Avalara guided onboarding experience, confirm the primary location where you're registered to collect and pay tax. After you validate your company's primary address, we add that address to the list of places or [local jurisdictions](#) where you're registered to collect and pay tax.
    - a. Double-check that the jurisdictions are correct for your business under **Is this everywhere you need to collect sales and use tax.**
    - b. If your company isn't registered anywhere else in the U.S., select **Done with sales and use tax** (or **Next** for companies based outside the U.S.).
    - c. To add places where you're registered to collect and pay tax, select **Add U.S. states and territories** (or **Add Sales and Use Tax in the U.S.** for companies based outside the U.S.).



**Tip:**

Some regions have different rates for sales tax and sellers use tax. If you add a region that has both sales tax and sellers use tax, you'll be asked to select if your business collects sales tax only, or both sales tax and sellers use tax.

2. Add additional places based on a business address or by selecting them from a list. Most people find it easier to select places from a list. Adding a place based on an address is an option when you want to add a physical location and you don't sell online.
  - To add additional places based on an address:
    - Enter a business address and select **Validate**.
    - Check the validated address against the one you entered and select **Find Authorities**.
    - Choose the jurisdictions your company is registered in, if you have the option.
    - If the address is an office, warehouse, or sales location, select **Create a Company Location From This Address**.
  - To select additional places from a list: Select the U.S. states or territories where your company is registered to collect and pay tax.

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

### 3. Select **Add Selected Regions**.



Tip:

Some regions have additional requirements because of their local tax laws. If you select or add an address for one of those regions, you'll be asked to give us more details about where your company is registered before moving on to the next step.

4. Add countries outside the U.S. where your company is registered to collect and pay tax.
  - a. Make sure that **This Is an Establishment and You're the Importer of Record** are correctly selected for your company.
  - b. Select the countries where your company is registered to collect and pay tax.
  - c. Select **Add Selected Countries**.
  - d. Select **OK**, Got It from the pop-up window.



Tip:

Some countries, such as Canada, India, and Brazil, have additional requirements because of their local tax laws. If you choose one of these countries, you'll be asked to give us more details about where your company is registered before moving on to the next step.

Now we know the sales, use, VAT and GST taxes to calculate for your company, as well as where you should file returns. Contact your Account Manager if you're interested in using Avalara to calculate any [other types of taxes or fees](#).

[Verify your jurisdictions and activate your company](#)

## Verify your jurisdictions and activate your company

Check the list of places where your company is registered to collect and pay tax. Add effective and expiration dates, change tax type and [place of supply](#) settings, and add tax IDs.

Gather the registration information for each jurisdiction. You can find most of this information on your tax returns and [business registration](#) documents.

- Effective date for when your registration begins for each jurisdiction

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

- Tax type you're registered to collect and pay
  - Whether your company is established in a country and if it is the importer of record for a country
  - Company tax ID numbers for each country
1. On the **Where You Collect Tax** page, during the Avalara guided onboarding experience, double-check where your company is registered to collect and pay tax.
    - a. To see locations within the U.S., select **Sales and Use Tax**, select **Details**, and then select the **edit** icon to review the [tax type](#) and **effective date** for each jurisdiction. By default, the effective date for a jurisdiction is set to one year prior. If you registered with a jurisdiction, but aren't allowed to collect tax yet, change the effective date to the future date when your registration begins.
    - b. To see locations outside the U.S., select **VAT / GST**, select **Details**, and then select the **edit** icon to review the **tax type** and **effective date** for each jurisdiction and to add your **registration number**.
    - c. If everything looks correct, Select **Done with Tax Jurisdictions**.
  2. Select **Activate Company**.

Your company profile is now set up. The next step you take depends on your company's needs. Some companies need to add other company locations for location-based filing. Other companies don't have Extractor and need to add online marketplaces.

## Add other company locations for location-based filing

A company location in AvaTax Update is a record of the physical presence of a company or its personnel. If your accounting software sends AvaTax Update transactions with location codes for company locations you've added in AvaTax Update, AvaTax can report on sales by individual location.

Some U.S. states require companies to file tax returns for each physical location individually. This is called [location-based filing](#). Add locations to your company profile to make filing tax returns in these states easier.

If you use Managed Returns, we may be able to create locations for you in regions where you've set up return forms by pulling information from your account on the taxing jurisdiction's electronic filing website. Unfortunately, most jurisdictions don't provide us with that information, so it's usually better to create locations in AvaTax yourself to make sure that you're prepared for filing.

If you're using an extractor, you might also need to [add online marketplace locations](#).

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

Gather the addresses for any physical locations that your company has in U.S. states that require location-based filing. To add many locations at once, [import company locations](#).

1. From the Avalara Homepage, go to **Settings > Company Locations and Marketplaces**.
2. Select **Add a Location**.
3. Add the location information:
  - a. Enter a location code that is easy to remember or one that you already use in your business application.
  - b. Select **Location under Type**.
  - c. Select a **Category** that best describes the location.
4. Enter the address for the location, select **Validate**, and then select **Use Validated Address**.
5. Enter an **effective date** for when you want transactions to start being calculated for this location.
6. Enter additional information if required for your location.
7. Optional: Enter [additional attributes](#) for your location. If you use Avalara to calculate taxes and fees other than sales tax, you may need to add location Attributes for accurate tax calculation.
  - a. Select an option from the **Attribute** drop-down, then enter the required information for the attribute.
  - b. Select **+ Attribute** to add another attribute.
8. Select **Save This Location**.



**Tip:**

Now that you've added locations, you need to make sure you're passing the correct location code with each transaction from your business application to us.

If you can't enter the location code in your business application, [import the transactions](#) to Avalara using process code 4 to reconcile differences.

You now have a location set up within your company profile that can be used to track transactions in places that require location-based filing. Assign the location code to transactions from this location so that you can create location-specific reports, file through Managed Returns, or filter by location code on the Transactions page.

If you don't use an extractor:

- [Add marketplace transactions to your company profile](#)
- [Sales and sellers use tax jurisdiction detail report](#)
- [Consumer use tax jurisdiction detail report](#)

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

## Add marketplace transactions to your company profile

Some states require online marketplaces such as Amazon, Etsy, and Ebay, to collect sales tax for you, while other states require your company to do the collection and payment work. If the marketplace you sell through collects and pays tax for you, set up a special rule so that tax isn't reported twice on those transactions.

Tax is included on transactions even if the marketplace is collecting and paying tax on your behalf, because in some jurisdictions you still need to report that tax even if you aren't the one paying it.



### Tip:

If you're using an Extractor to sync one or more of your online marketplaces with our platform, you don't need to follow these steps. Extractor adds each marketplace to Avalara when you set it up, and assigns the correct location codes to the transactions you import with your extractor.

Follow these steps to track and correctly tax all of your transactions from online marketplaces.

1. [Add a marketplace location](#) Create a location for each marketplace your company uses if your business application doesn't share that information with AvaTax.
2. [Create a custom rule to exclude marketplace transactions](#) Create rules that apply to transactions made through online marketplaces that collect and pay tax on your behalf.
3. [Import transactions](#) If you you're not using an extractor or connector, use our template to import your transaction data to AvaTax.

### Related concepts

- [Create and manage advanced tax rules](#)

## Install and Configure Zoho Books

For detailed steps on how to install and configure AvaTax for Zoho Books, refer to <https://www.zoho.com/books/help/integrations/avalara-integration.html>.

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

## Fine-tune your company profile in AvaTax

Log in to AvaTax, change your password, and set up your company profile to begin using Avalara services.

After you create an initial company profile and connect your system to AvaTax, you may want to make further adjustments depending on the products and services you sell and where they're sold. By default, AvaTax calculates tax for all product and services as if they're tangible personal property—at the standard rate for each jurisdiction.

### 1. [Review where you collect and pay tax](#)

Before making adjustments, review where you're registered to collect and pay tax. If you're required to file based on location—or you sell through an online marketplace like Amazon or Etsy—confirm your company locations.

### 2. [Map the items you sell to Avalara tax codes](#)

Make sure your customers receive the most accurate sales tax rate. The taxability of some products and services—such as clothing, food, beverages, downloadable content and software, and pharmaceuticals—varies depending on jurisdiction. This step is required for customers participating in Avalara's SST program.

### 3. [Exempt customers from sales tax](#)

Skip this step if you don't have exempt customers. Otherwise, decide how you want to manage exempt sales and exemption certificates. Certain exemption information is required for customers participating in Avalara's SST program.

Next, [Test your setup](#).

## Review where you collect and pay tax

Before you fine-tune your company profile, review everywhere you collect and pay tax to make sure the information is up to date and accurate. Product taxability varies depending on the jurisdictions where you collect and pay tax.

1. Verify your company information.
  - a. From the AvaTax home page, go to **Settings > Manage Companies**.
  - b. Make sure that your legal company name and taxpayer ID or Employment Identification Number (EIN) are accurate.
2. Make sure your company locations are up to date.

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

- a. Go to **Settings > Company Locations and Marketplaces**.
- b. Double-check that your primary office location is listed and accurate. If applicable, ensure that all other physical or marketplace locations for your business are listed.
3. Review everywhere you collect and pay tax including jurisdiction details.
  - a. Go to **Settings > Where You Collect Tax**.
  - b. For each jurisdiction, confirm the [tax type](#) and effective date.
    - **Tax type** Confirm the tax type and review your state registrations. To change a jurisdiction's tax type, click Details, choose a new tax type, and click Done.
    - **Effective date** Confirm the effective date. By default, we set this date to one year before the day you set up AvaTax. If you register with a jurisdiction, but are not allowed to collect tax yet, set the effective date to a future date when tax collection should begin.

### [Map the items you sell to Avalara tax codes](#)

## Map Avalara tax codes to the items you sell

An item represents an individual or group of products, services, or charges. Add items one at a time or import many at once to map them to tax codes in AvaTax Update.

Map the items you sell to Avalara tax codes so that AvaTax calculates the most accurate sales tax rate for your customers. If you don't assign tax codes, all products and services are taxed at the standard rate for each jurisdiction. Examples of products with varying tax rates include clothing, food, software, medical supplies, software subscriptions, and freight.

1. Find the right Avalara tax codes for your products and services.
  - Upload a list of your products so Avalara can make [tax code recommendations](#).
  - After you've reviewed the tax code recommendations, [generate a taxability matrix](#) to see the jurisdictions in which each tax code is taxable.

Perform the following steps;

1. Determine where you want to map items to Avalara tax codes.
  - The most common place to map an item to a tax code is the place where you maintain your master inventory list, which is typically in your business application. Find your business application or system for specific instructions.

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates



- We recommend mapping items to tax codes in either your business application or system or AvaTax, but not both. Mapping items in AvaTax overrides mapping items in your application.
  - If your transactions come from multiple systems, it's usually easier to map all of them in AvaTax to simplify item mapping maintenance.
2. If you also use AvaTax to calculate custom duties or other special taxes, you may also need to map your items to tariff codes or product attributes. Items with these parameters can't be imported in bulk.
    - To calculate customs duties for cross-border transactions, [map items to tariff codes](#).
    - To calculate taxes and fees such as eWaste, beverage alcohol, bottle, and lodging, add [product and service attributes](#).

To map items to Avalara tax codes in AvaTax

3. In AvaTax, go to **Settings > What you sell**.
4. Click **Add an item**.
5. Enter an item code and description. The item code must match the name of the product, service, or charge as it is recorded in your business application.
6. Select the [Avalara tax code](#) that best fits your item. A list of codes displays when you start typing.

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

ITEM CODE \*

BF250

ITEM DESCRIPTION \*

Food

AVALARA TAX CODE \*

Select the Avalara tax code that most closely fits the type of item in order to apply special tax treatment

food| I

- PH403402**  
Food product supplies
- PF050401**  
Food combo pack #1 - Food 51%-74%, Hard goods 26%-49%
- PF050402**  
Food combo pack #2 - Food 75%-89%, Hard goods 11%-25%
- PF050403**  
Food combo pack #3 - Food 90%-99%, Hard goods 1%-10%
- PF050404**  
Food combo pack #4 - Food 51%-74%, Candy 26%-49%
- PF050405**

7. If you can't find the code you're looking for, scroll down to the end of the list and click **Browse the directory**. Or, create a [custom tax code](#).
8. Select one of the following options:

- **Save:** If you use AvaTax to calculate sales and use tax, VAT, or GST, select Save when you're done.
- **Save and get attributes:** If you use AvaTax to calculate other types of taxes or fees, select Save and Get Attributes. If additional attributes are required for accurate tax calculation, they appear under the Define Product Attributes section.
  - Enter the required information for each attribute. Refer to this guide for more information about the attribute options.
  - Select **Save** when you're done.

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

9. Repeat steps 3-6 if you have more than one item to map.



Tip:

If you need to map many items to Avalara tax codes, see [import and map items to tax codes in AvaTax](#)

AvaTax adjusts the tax rate and displays the items on the **What You Sell** page. Go to **Settings > What you Sell** to see your items.

[Exempt customers from sales tax](#)

## Exempt customers from tax

If you regularly sell to tax-exempt customers—such as government agencies or nonprofit organizations—you need to do two things:

- Indicate customer purchases are exempt so customers aren't charged sales tax.
- Decide how to organize and store valid customer exemption certificates and invoices in case your company is audited.

Review options for exempting customers.



Tip:

Does your company participate in the Streamlined Sales Tax (SST) program? ([Get started with Streamlined Sales Tax](#)) If so, there are additional requirements for your exemptions. See [SST exemption requirements](#) to learn more.

1. If you already have a way to manage exempt customers, skip these steps.
2. To use Exemptions, go to **AvaTax > Exemptions > Get Set Up** . For help adding customers, see [Add a customer](#).
3. To exempt on a case-by-case basis, choose one of these methods depending on your business application.
  - Enter the exemption certificate number in the transaction.

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

- Assign an [entity use code](#) to a customer at the line-level in a transaction. Note that this option is not available in all business applications.-



**Important:**

Make sure entity use codes are enabled in your system before you assign one to a customer.

For example, if you use QuickBooks Desktop, go to **File > AvaTax > Preferences > Customer Exemptions** and make sure the **Use Entity Use Codes** box is selected.

When you use exemption certificate numbers or entity use codes, it's up to you to keep organized records of all exempt purchases.

### [Test your setup](#)

## Test your setup

After you fine-tune your company profile, send a few test transactions to validate the tax calculations and make sure your connection is working.

1. [Use the tax calculator](#). Preview tax calculations and validate addresses.
2. [Create a test transaction in AvaTax](#). See if the results are expected. Ensure transactions are associated with the correct company locations for location-based filing.
3. [Send a test transaction from your application](#). Send a few test transactions to validate business scenarios and workflows.

## Use the tax calculator

The tax calculator calculates tax based on the information you provide us about your business—where you collect tax, the products and services you sell, tax-exempt customers if any—plus any custom rules you set up. Use the tax calculator to preview tax rates, validate addresses, and test tax scenarios.

1. From the AvaTax home page, go to **Transactions > Tax Calculator**.
2. Enter the information you want to include in the calculation and select **Calculate**. To validate an address, select **Validate**.

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

AvaTax displays the tax calculation at the bottom of the page. The transaction is not recorded. To test advanced tax calculations—such as tax on discounted transactions, transactions with tax included, or transactions with multiple line items, refer to [create a test transaction in AvaTax](#).

## Create a test transaction

In addition to testing your setup with the tax calculator, create a test transaction to verify tax calculations.

1. From the AvaTax home page, go to **Transactions > Transactions**.
2. Select **Add Transaction**. For information about creating a transaction, see [add a transaction](#).



### Tip:

We recommend testing common workflows and billing scenarios including quotes, return invoices, and credit memos.

Here are some things you might want to include in a test transaction:

- Addresses in jurisdictions where you collect and pay tax
- Products and services mapped to [Avalara tax codes](#) to make sure the tax calculates as you expect
- Shipping fees included in [a freight line](#)
- Tax-exempt customers, if any

3. Once the transaction is posted, review the transaction in AvaTax on the **Transactions** page.
4. Make changes to your AvaTax settings in as needed.
5. Once you're satisfied with the results, void the transaction so it isn't included in your reports or sales tax returns.

[Send a test transaction from your system](#)

## Send a test transaction from your business application

After you connect your application to AvaTax, send a few test transactions to make sure the connection is working and to verify different business scenarios and workflows.

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

1. In your business application, create and commit a transaction or an invoice. The transaction must be committed for AvaTax to calculate tax. If your application allows it, add a prefix to the document code on the test transaction so you can easily identify the transaction and void it later on.



**Tip:**

We recommend testing common workflows and billing scenarios including quotes, return invoices, or credit memos.

Here are some things you might want to include in a test transaction:

- Addresses in jurisdictions where you collect and pay tax
- Products and services mapped to [Avalara tax codes](#)
- Shipping fees included in [a freight line](#)
- Tax-exempt customers, if any

2. Once the transaction is posted to AvaTax, sign in to AvaTax and go to **Transactions** to review the transaction. If the test transaction doesn't show up in AvaTax or look as you expect, try these things:
  - Make sure the account ID, [license key](#), and company code in AvaTax match the ID, key, and code in your business application.
  - Create another test transaction and turn off any plugins or customizations to your business application. Sometimes these additions interfere with the connection to AvaTax.
3. Change your settings as needed.
4. Once you're satisfied with the AvaTax results, void the transaction in your business application and in AvaTax to make sure it isn't included in your tax returns.

### [Set up Returns](#)

## Set up Returns

Learn what you need to do to start using Avalara Returns:

- If you want to setup and use Managed Returns, see [Managed Returns](#)

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates

- If you want to setup and use Returns for Small Business, see [Returns for Small Business](#)

## Use the connector

For help with the Zoho Books connector, visit <https://www.zoho.com/books/help/integrations/avalara-integration.html> and <https://www.zoho.com/books/help/getting-started/welcome.html>

Avalara regularly updates Knowledge Center content and this document may be out of date. Please check back frequently for updates