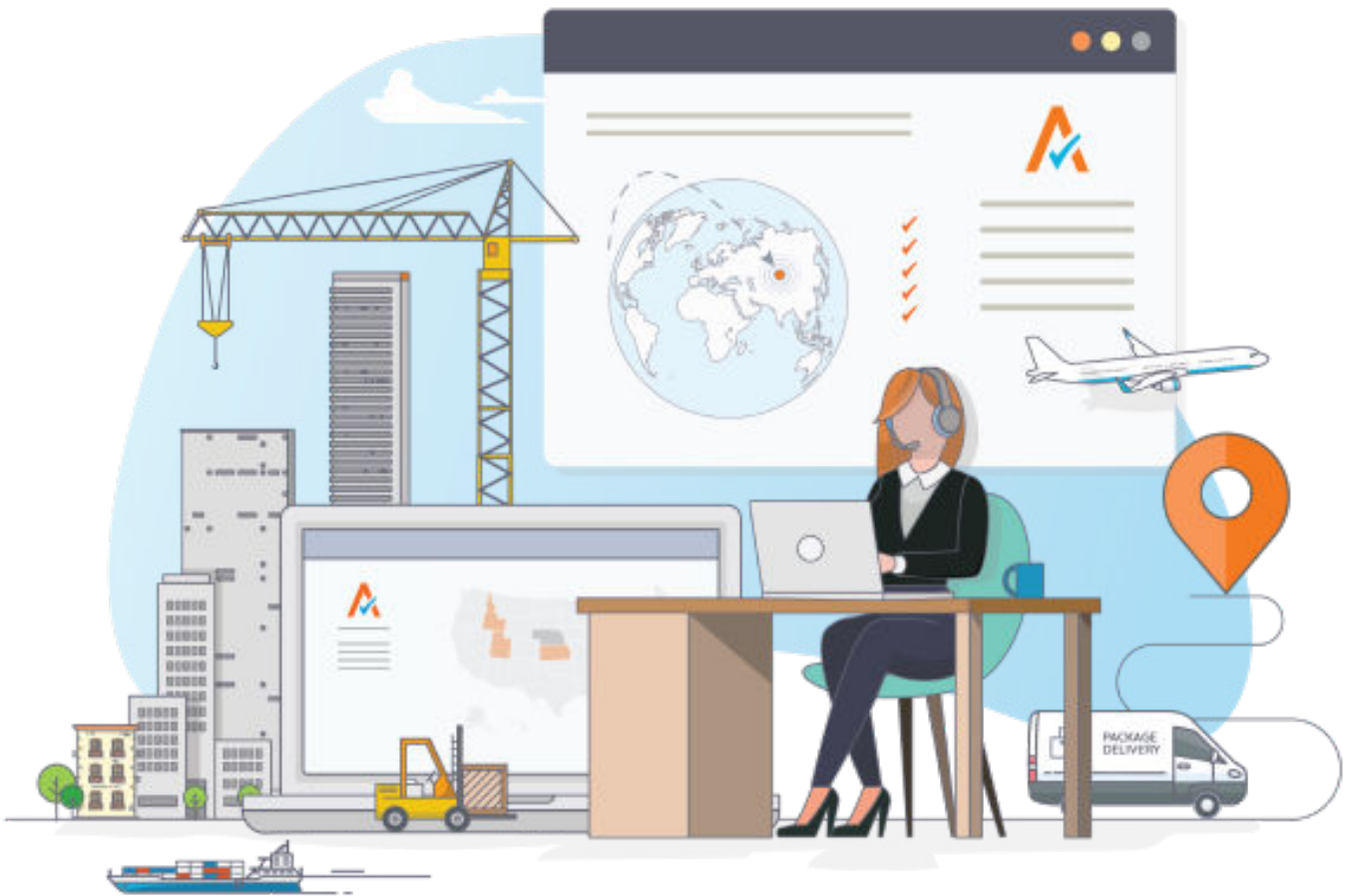




Shopify Plus



24 August 2024

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About Shopify Plus



The AvaTax integration for **Shopify Plus** is maintained and supported by our partners at **Shopify Plus**.



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](#).

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Create a basic company profile

Before you begin

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 that 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](#).

Steps

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.

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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.

Pre-requisites 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.

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- **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

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

About this task

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 . If you're a CertCapture user, see [Manage users in CertCapture](#).

Steps

Steps

1. From the **Avalara Home** page, 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 multiple users can share the **name and email address**.

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4. Decide what the person can access.

- Select **Account access** to give them access to everything within your account, including all companies, child companies, and settings.
- Select **Company access** to give them access to everything within a company, including child companies.

5. Decide how much they can do with their access.

- Select **Limited access user** to navigate to and view anything, and generate and download reports.

Limited access users can see past payments, payment methods, current billing contacts, autopay status, and use the tax calculator, but can't make changes.

In addition to generate and download reports, they can view transaction data, and use the tax calculator, but can't edit information that's already in Avalara. The limited access users can't add, update, or delete exemption certificate and Customer records when working under the **Exemptions** tab.

- Select **Administrator** to let them view and edit account or company information.

The admin users can submit payments, add or delete payment methods, update billing contacts, and manage autopay enrollment. In addition, they 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 limited access user permissions can't update billing information.

- Select **Exemptions-only** to let limited role for a user with view-only access to data in the **Exemptions** tab and save the uploaded certificates as pending. Users can access only the **Exemptions** tab and not other tabs on the **Avalara Home** page.



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This option is available to Customers with **ECM Pro** or **ECM Premium** subscriptions.

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

Result

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



Tip

Pause a user's access or make the user inactive.

Select **Details** corresponding to the username and select **Make inactive** check box. Select **Save** to make the user inactive and remove user's access.

There isn't a limit to how many users that you can have.

Related concepts

- [Reports in AvaTax](#)

Related tasks

- [Edit a transaction](#)
- [Change advanced company settings](#)

Add your company information

Before you begin

Gather the following information:

- **Legal company name** The name your company uses on legal documents.



Important

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After adding a company when you need to export companies, items, locations, tax rules, or transactions, at that time, if any of the exported data begins with **+**, **=**, **-**, **or** **@**, the export file appends the apostrophe (') to the field. For example, a **company name @ABC123** will appear on an export file as **'@ABC123**.

- **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.

Steps

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

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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**.

Result

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.

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Tell us where you collect and pay tax

Before you begin

Gather the following information:

- **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.

Steps

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**.

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- 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.

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.

Result

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](#).

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What to do next

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

Verify your jurisdictions and activate your company

Before you begin

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
- 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

Steps

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 [States and tax types](#) 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**.

Result

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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

Before you begin

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](#).

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](#).

Steps

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.

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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.

Result

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.

What to do next

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](#)

Add marketplace transactions to your company profile

About this task

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

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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.

Steps

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 Shopify Plus


For detailed steps on how to install and configure AvaTax for Shopify Plus, refer to <https://help.shopify.com/en/manual/taxes/tax-services>.



Note

Download the *Avalara AvaTax for Shopify Plus Project Plan* spreadsheet to easily track your setup progress.

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Select the  Download Attachments icon on the page. The Attachments pop-up window appears.

Fine-tune your company profile in AvaTax

About this task

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.

Steps

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.

What to do next

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Next, [Test your setup](#).

Review where you collect and pay tax

About this task

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.

Steps

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.
 - 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 [States and tax types](#) 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.

What to do next

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

Map Avalara tax codes to the items you sell

Before you begin

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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;

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.
 - 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

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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.

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|

- 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](#).

Hospitality and Lodging tax codes can be located under the Services and supplies by industry section.

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.

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- **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.

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](#)

Result

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.

What to do next

[Exempt customers from sales tax](#)

Exempt customers from tax

Before you begin

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.

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**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.

Steps

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.
 - 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.

Result

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

What to do next

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[Test your setup](#)

Test your setup

About this task

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

Steps

1. [Use the tax calculator](#). Preview tax calculations and validate addresses.
Lodging and Hospitality is not supported by Tax Calculator
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

About this task

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.

Steps

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**.

Result

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](#).

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Create a test transaction

About this task

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

Steps

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.

What to do next

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

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Send a test transaction from your business application

About this task

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.

Steps

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.

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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.

What to do next

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

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Use the connector

For help with the Shopify Plus connector, visit <https://help.shopify.com/en/manual/taxes/tax-services> and <https://help.shopify.com/en/support/login>

Beverage Alcohol Support in Shopify

Avalara supports sales tax calculation for the beverage alcohol products ordered in the Shopify marketplace (USA region).

To make an alcohol order to be compliant as per jurisdiction needs, *AvaAlcohol* and *AgeVerifications* subscriptions allows you to download the **Avalara Integration Studio app** and manage the below components:

- Avalara Shipping Verification
- Age Verification

Avalara Shipping Verification (ASV)

Avalara Shipping Verification will be set to True, if an order which has alcohol product in its transaction is compliant with jurisdiction standards. Sellers can view the ASV status for all the orders placed and make it compliant or take necessary action.



Note Customers will be allowed to make payment on the order even if ASV fails. It is the seller who decides whether to fulfill or deliver the order placed.

Age Verification

Age verification is an optional component which verifies the age for new and existing shop customers who initiate the alcohol order in the marketplace. Sellers can enable or disable this component based on the jurisdiction compliance need.



Note Customers can order alcohol products in shopify marketplace even if Age Verification fails, it is the seller who decides whether to fulfill and deliver the order placed.

Related information

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- [Install and Configure Avalara Integration Studio App](#)
- [Sales Tax Calculation and Compliance on BevAlc Orders](#)

Install and Configure Avalara Integration Studio App

Avalara Integration Studio app is an unembedded application for Shopify merchants. Follow the below steps to install and configure the app.

Before you begin

- Valid AvaTax account
- AvaAlcohol and AgeVerification Subscription
- Valid Shopify Merchant account

Steps

1. In your Shopify App store, search for Avalara BevAlc application.
2. Follow the basic installation steps to download the app.
3. You will be prompted to enter your AvaTax credentials.
4. On Successful login, you will be landed in the Avalara Integration Studio page with the below tiles:
 - a. **Manage Integrations** - Avalara connector settings
 - b. **Execution Logs** - View logs
 - c. **Revoke Authorization** - Revoke authorization for connection details
5. Click on **Get Started** link in the Manage Integrations tile, and do the following:
 - Under Account settings:
 - You can see your AvaTax account details prefilled. (Read only)
 - You can change the company name.
 - Under Integration settings:
 - You can enable/disable Age Verification
 - Avalara AvaTax connector (Calculates Sales tax) which is selected by default.
 - **Webhook Customer Handler**: Enabled by default.

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6. Click **Save**, to complete the configuration.
7. On successful configuration, two metafields will be created for **Customers** and two metafields will be created for **Orders**.
8. In your Shopify marketplace, go to **Settings >> Custom data**. Under **Metafields** section, select Customers, you can verify the below two metafields:
 - **Age verification failure** - Displays the error message when Age Verification metafield is False
 - **Age Verification** - True or False based on the eligibility defined.
9. In your Shopify marketplace, go to **Settings >> Custom data**. Under **Metafields** section, select Orders, you can verify the below two metafields:
 - **ASV compliant** - True or False, based on the value passed in the mandatory parameters of an order which must be compliant within the limit set by the Jurisdiction. For example, Container size.
 - **ASV compliant failure** - Displays the error message when ASV compliant metafield is False
10. If the metafields are not created as explained above, our Customer Support can help you.

Sales Tax Calculation and Compliance on BevAlc Orders

When a beverage alcohol order is placed in the Shopify marketplace, sales tax will be calculated in the Avalara AvaTax and displayed in the Storefront checkout page. But the order will be registered for shipment only if the Avalara Integration Studio app validates the order as compliant.

Before you begin

- Install and Configure Avalara Integration Studio App
- Add your Products with a Tax Code in AvaTax >> What you sell

Steps

1. Let's assume, customer creates a beverage alcohol order in the marketplace. Avalara AvaTax calculates the sales tax based on the Tax code mapped to the product.

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2. When a customer makes the payment, Avalara Integration Studio validates the compliance of a paid order, the order will not be registered for shipment if **Avalara Shipping Verification** Fails.
3. To know the reason for Avalara Shipping Verification failure, go to the specific order which status is unfulfilled, select **Show all** in the **Metafields** section. You can see the error message in the **ASV compliant failure** field.
4. Sellers can know the reason for Avalara Age Verification failure, select **Customers** tab, go to the specific customer who placed the beverage alcohol order, select **Show all** in the **Metafields** section. You can see the error message in the **Age verification failure** field.
5. Sellers can decide and do the necessary changes in the order and register the shipment.



Note Sales tax calculation and compliance validation on the alcohol orders are two different entities and not interrelated.