

In Kentico, tax classes allow you to configure taxes that [customers](#) pay when they purchase goods in your on-line store. You can specify different tax classes with different rates for each country or state, and then apply the taxes to particular [products](#), [product options](#), and [shipping options](#).

To assign tax classes to items in your store:

Products	Specify which tax class applies when editing products in the <b>Products</b> application on the <b>General</b> tab.  Learn more in <a href="#">Products</a> .
Product options	Specify taxes for product options in the <b>Product options</b> application when editing a product option on the <b>Options</b> tab.  Learn more in <a href="#">Creating and modifying product options</a> .
Shipping options	Specify taxes when editing shipping options in the <b>Store configuration</b> application on the <b>Shipping -&gt; Shipping options</b> tab.  Learn more in <a href="#">Configuring shipping options</a> .

It is also possible to connect Kentico to external tax calculation services (for example Avalara). To achieve that, you can [customize](#) the Kentico E-commerce Solution or you can check the [Kentico Marketplace](#) for third party integration features.

To configure tax classes, you need to:

1. [Configure basic tax settings](#)
2. [Create a new tax class](#)
3. [Assign a percentage value to the tax class](#)
4. [Assign the tax class to your products](#)

## Configuring tax settings

The [e-commerce settings](#) allow you to configure several options related to taxes:

1. Open the **Store configuration** application (if you want to configure the settings for the current site) or the **Multistore configuration** application (if you want to configure the settings [globally](#)).



If you are not sure what to choose, see [Choosing site or global e-commerce configuration](#). If you are not sure about specifics of configuring in these applications, see [Configuring e-commerce settings for a specific site or globally](#).

2. Navigate to the **Taxes** category.
3. Configure the available settings:

Setting	Description
Default country	Specifies the default <a href="#">country</a> (typically, select your country or the country where you sell the most). The system applies all taxes based on their values as set for the default country, unless the customer specifies a different country (or state) during the checkout process.
Apply taxes based on	Specifies whether the system applies taxes based on the <i>Billing address</i> or the <i>Shipping address</i> .  <b>Note:</b> For orders without shipping information, taxes are applied based on the billing address regardless of this setting.

Prices include tax	<p>Determines how the system handles taxes for the prices of <a href="#">products</a>, <a href="#">product options</a> and <a href="#">variants</a>, <a href="#">shipping costs</a>, etc.</p> <ul style="list-style-type: none"> <li>If disabled, store managers enter prices without tax. The system calculates and adds the tax to the price total during the checkout process.</li> <li>If enabled, store managers enter prices with tax already included. The system does not change prices when calculating taxes, only shows the tax portion of the price.</li> </ul> <p>In both cases, prices appear in product catalogs on the live site based on the entered price value (with or without taxes). Tax values can be displayed using the appropriate e-commerce <a href="#">transformation methods</a>.</p> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>Changing the setting value does not automatically recalculate existing product prices and orders.</li> <li>If your instance runs multiple stores (e-commerce sites), the global value of this setting <b>must be the same</b> as the site value for all sites that offer both <a href="#">site and global products</a>. Other scenarios are not supported, for example having a single store display prices with tax for site-specific products and without tax for global products.</li> </ul>
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4. Click **Save**.

The system applies taxes based on the configured settings.

## Creating and modifying new tax classes

To create or modify a new tax class:

1. Open the **Store configuration** application to create or edit tax classes on the current [site](#), open the **Multistore configuration** application to create or edit [global](#) tax classes.



If you are not sure what to choose, see [Choosing site or global e-commerce configuration](#). If you are not sure about specifics of configuring in these applications, see [Configuring e-commerce settings for a specific site or globally](#).

2. Switch to the **Tax classes** tab.
3. To create a new tax class, click **New tax class**. To edit an existing tax class, click **Edit** (✎) next to the respective tax class item.
4. Enter the following properties:

<b>Display name</b>	The name of the tax class that is also displayed to customers on the live site.
<b>Code name</b>	<p>The unique identifier of the tax class object used by developers in the code.</p> <p>Unless there is a reason to set a particular value, you can leave the default (<i>automatic</i>) option, and the system generates an appropriate code name automatically.</p>
<b>Zero tax if tax ID is supplied</b>	If selected, the tax class will be charged as 0 % to customer organizations which enter their tax ID during <a href="#">the checkout process</a> .

5. Click **Save**.

The system saves the tax classes. You can now assign the tax class to any product or shipping option.

## Assigning values to tax classes

You can assign values to either [countries](#) or states. The tax is then applied [based on the billing or shipping address](#).



If the tax is specified for both a country and a state, the system applies only the tax specified for the state.

To assign a value to a tax class:

1. Open the **Store configuration** application (if you want to add a value to a site tax class) or open the **Multistore configuration** application (to add a value to a global tax class).

✓ If you are not sure what to choose, see [Choosing site or global e-commerce configuration](#). If you are not sure about specifics of configuring in these applications, see [Configuring e-commerce settings for a specific site or globally](#).

2. Switch to the **Tax classes** tab.
3. **Edit** (✎) an existing tax class.
4. Switch to the **Countries** tab to enter a value to a country, or switch to the **States** tab to enter a value to a state.
5. Type the value to the **Amount** column next to the respective country or state item.
6. Click **Save**.

The system saves the taxes. The entered value of the tax class is now calculated for products or shipping options to which the tax class is assigned.

## Assigning tax classes to products

✓ If you have not yet created or imported your store's products, see [Assigning taxes to products automatically](#). The page provides information about automatic assigning of tax classes to new products.

To assign a tax class to already existing products:

1. Open the **Products** application.
2. Select a product in the tree.
3. On the **General** tab, select the appropriate **Tax class** for the product.
4. Click **Save**.

The system now calculates tax for the given product according to the assigned tax class.

i You can find an overview of the products that have individual tax classes assigned in the **Store configuration** application. Edit the tax class on the **Tax classes** tab, and view its **Products** tab.

This overview is only available for site tax classes in the **Store configuration** application. In the **Multistore configuration** application, the **Products** tab is hidden when editing tax classes.