

Tax isn't calculated or the tax amount is zero

A transaction might have a line amount that isn't 0 (zero), but either tax isn't calculated or the calculated tax amount is 0. To solve this issue, follow the steps in the following sections as required. Verify that tax codes are correctly selected by the transaction. If the transaction doesn't select the correct tax codes, or if it doesn't select any tax codes, taxes won't be calculated on it. Follow these steps to verify that tax codes are correctly selected by the transaction.

1. On the transaction line, on the Line details FastTab, on the Setup tab, in the Sales tax section, verify that the correct tax groups are selected in the Item sales tax group and Sales tax group fields. If the correct tax groups aren't selected, select them.
2. Go to Tax > Indirect taxes > Sales tax > Sales tax groups.
3. Select the appropriate sales tax group, and then, on the Setup FastTab, make a note of the tax code in the Sales tax code field.
4. Go to Tax > Indirect taxes > Sales tax > Item sales tax groups.
5. Select the appropriate item sales tax group, and then, on the Setup FastTab, verify that the tax code in the Sales tax code field matches the tax code of the sales tax group.
6. If the tax codes don't match, update the sales tax code for one of the groups. Verify that the selected tax codes aren't exempt and that they have the correct tax rate value. If the tax codes are exempt, or if the tax rate is 0 (zero), the tax calculation result will be 0. Follow these steps to determine whether the selected tax codes are exempt and to verify that the correct tax rate is applied to them.

1. Go to Tax > Indirect taxes > Sales tax > Sales tax groups.
2. Select the appropriate sales tax group, and then, on the Setup FastTab, verify that the Exempt check box is cleared. If it's selected, clear it.
3. Go to Tax > Indirect taxes > Sales tax > Sales tax codes.
4. Select the appropriate sales tax code, and then verify that the tax rate value in the Value field isn't 0 (zero). If it's 0, update the field so that it's set to the correct tax rate.

Determine whether zero is the correct tax amount. In some scenarios, a tax amount of 0 (zero) is correct. Follow these steps to determine whether 0 is the correct tax amount for your transaction.

1. Go to General ledger > Ledger setup > General ledger parameters.
2. On the Sales tax tab, in the Calculation method field, verify that Total is selected.
3. Go to Tax > Indirect taxes > Sales tax > Sales tax codes.
4. Select the appropriate sales tax code, select Calculation > Marginal base, and verify that the marginal base is set to Net amount of invoice balance or Invoice total incl. other sales tax amounts. For more information, see the Invoice total incl. other sales tax amounts.
5. If the correct values are set in steps 2 and 4, determine whether the total amount of the transaction is 0 (zero). If the total amount is 0, a tax amount of 0 is the expected result. Because the tax calculation is based on the total amount of the invoice balance, and that amount isn't line by line, the tax amount of 0 will be allocated to each line after the tax calculation. Determine whether customization exists. If you've completed the steps in the previous sections but have found no issue, determine

whether customization exists. If no customization exists, create a Microsoft service request for further support

Tax calculation performance affects transactions

Sometimes, a transaction is affected by performance issues that tax calculation is having. To solve this issue, follow the steps in the following sections as required. Review the transaction line count Determine whether the transaction has a large number of lines (for example, more than several hundred). If it doesn't, move on to the next section. If the transaction does have several hundred lines, delay the tax calculation. For more information, see [Enable delayed tax calculation on journals](#). Next, you can determine whether any of the following conditions are met: There are import transactions from large files. Multiple sessions process the same transaction tax calculation at the same time. The transaction has multiple lines, and the views are updated in real time. For example, the Calculated sales tax amount field on the General journal page is updated in real time when a line's fields are changed. If any of these conditions are met, delay the tax calculation. Review the call stack Review the call stack to determine whether tax calculation is called multiple times. If it isn't, move on to the next section. If the call stack is called multiple times, follow these steps to help reduce the tax calculation times. 1. If the journal has considered the transaction, delay the tax calculation. For more information, see [Enable delayed tax calculation on journals](#). 2. If the transaction is a purchase order, and the application version is later than 10.0.15, you can delay the tax calculation until the final calculation by enabling the `flighting` for `PurchTableChangeMgmtDistributionUpdateOnToggle_KillSwitch`. Review the call stack timeline Review the call stack timeline to determine whether the following issues exist. If they do, enable the `flighting` for `TaxUncommittedDoIsolateScopeFlighting` to fix the issue. The transaction causes the system to stop responding until the session ends. Therefore, the transaction can't calculate the tax result. The `TaxUncommitted` methods take more time than other methods. For example, the `TaxUncommitted::updateTaxUncommitted()` method could take 43,347.42 seconds, but other methods take 0.09 seconds. Customize and call tax calculation When you customize, don't call tax calculation at the `insert()` or `update()` method for each line. Tax calculation should be called at the transaction level. Determine whether customization exists If you've completed the steps in the previous sections but have found no issue, determine whether customization exists. If no customization exists, create a Microsoft service request for further supportss