

Exactor

SALES TAX COMPLIANCE SERVICE

Exactor offers a fully automated end-to-end solution to enable businesses to outsource all aspects of their sales tax compliance needs in a secure, reliable and highly accurate environment.

- Exactor's cloud based Software as a Service (SaaS) offering includes:
 - Tax determination and calculation (*ExactoCalc*)
 - **Both** sales and use taxes
 - Transaction life cycle tracking (*ExactoTrack*);
 - Entity exemption management (*ExactoExempt*);
 - Tax return – generating and filing tax returns and remitting tax payments in all jurisdictions (*ExactoFile*);
 - International VAT calculation (ExactoVAT);
 - Address Verification Service (ExactoAVS).

- Modular architecture allows users to pick and choose modules that best fit their customized needs;

- Automated scalable solution enables providing a **cost-effective high-reliability service** to a large spectrum of customers.

FUNCTIONALITY

- Exactor's tax engine is a
 - tool for the benefit of the merchant,
 - providing peace of mind, while
 - reducing legal and tax liability, with
 - nominal financial impact, and
 - no impact upon the sale cycle.
- SaaS service: Applying advanced web services assures:
 - **Zero maintenance.** Hosted solutions and rate tables require monthly updates, and dedicated trained personnel to assure these are done accurately and timely.
 - Exactor's SaaS Service eliminates the need for any ongoing maintenance;
 - **Seamless, transparent cycle.**
 - Does not slow down or otherwise impact the sale cycle.
- Audit Trail: Providing a fully trackable **defensible** audit trail;
- Enabling tool
 - Engine modularity enables the merchant to pick and choose which of the services they want to use.
 - Automation and Ease of Use: merchants can easily use and benefit from the system and reduce overhead expenditures

Proceed to Tax Calculation

eCommerce -- complete shopping and proceed to check-out.
Accounting & ERP system -- complete invoice, quote, sales order, etc



Step 1: Determine Place of Sale

- Precise identification of location, using physical address; geo codes; FIPs codes.
- AVS service to clean the address, conform to USPS guidelines;
- Apply physical address is used, not zip or zip+4 (which produce inaccurate results)
 - Example -- using zip only, which rate do you choose?
 - Basehor, KS 66007-5231 -- Tax Rates: 6.30% & 7.55%
 - Colorado, ZIP 80111 has 5 different tax rates, ranging 4.35% - 7.85%

Step 2: Determine Taxability

- Identify each separate product
 - Different products are taxed differently, so taxes must be calculated for each invoice line item;
- Identify whether or not the specific product is taxable;
- Search special rules, such as:
 - Tax holidays;
 - Min & max thresholds;
 - Reduced rates
- Apply customer exemption certificates

Step 3: Calculate Taxes

- Apply the correct, product specific tax rate.
- Calculate Taxes on **each** line item
- Standard tables and services do not have this kind of built-in logic, causing the user to oftentimes charge incorrect sales taxes.

Step 4: File Tax Returns

- Exactor will generate and file tax returns in **ALL** locations -- State and local
 - Exactor does not leave it to the merchant to print and file a return.

Failure to Use These Steps

Merchants are at risk for inaccurate calculations, for tax difference as well as fines and penalties

VAT COMPLIANCE SERVICE

- **Calculating.**
 - Real time calculation of global value added taxes.
 - Rate accuracy is maintained by Exactor, and the merchant does not perform any data-update maintenance service.
- **Filing.**
 - VAT returns can be filed in most countries, focusing on Europe, Australia and East Asia.
- **NOT ONLY FOR US BUSINESSES**
 - Exactor's International VAT Service is designed for the Global Marketplace.
 - Accurate calculation of sales and consumption taxes in all countries independent of the location of the buyer and seller.
- **SPECIFICALLY IDENTIFY VAT IN INVOICES**
 - VAT taxes typically need to be specifically listed in the invoice. Exactor's Compliance Service assures that the accurate taxes are seamlessly inserted into the invoice in real time without stopping or impacting the transaction.
- **EXTRACT VAT FROM SALE PRICE**
 - The seller has the obligation to specifically identify in the invoice the sale price and the VAT tax charged.
 - Where sale price already includes the VAT tax, Exactor's Compliance Service will automatically:
 - Extract the correct and state specific appropriate VAT tax from the sale price; and
 - Insert into the invoice the required break-down between the net sales price and VAT taxes owing.

FEATURE ADVANTAGES

- Pricing
 - Calculation
 - Filing
- Fully integrated calculation service
 - No software to install
- Filing
 - Fully automated, comprehensive filing in ALL locations
- Reporting
 - Comprehensive, real time, intuitive and easy to use reporting capabilities
- Simple and easy to use
- Identification of tax jurisdiction by physical address
 - Higher level of accuracy than ZIP or ZIP+4 systems
- Tax determined on a line by line item, rather than invoice basis
- Tax determined by date of transaction
 - Tax reported only when revenue is actually recognized
- International VAT Rates
 - Calculation services
- Modular system
- SST certification

THANK YOU!