



# Infor LN Extended Tax Configuration User Guide

Release 2022.x

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## About this Guide

This document describes the processes related to the activation of the Extended Tax Configuration functionality in Infor LN.

### Intended audience

This document is intended for persons responsible for the implementation and activation of the Extended Tax Configuration functionality. Consequently, the intended audience can include key users, implementation consultants, product architects, and support specialists.

### Assumed knowledge

Although you need no detailed knowledge of the LN software to read this guide, general knowledge of the LN functionality will help you understand this guide.

### Document summary

This table shows the chapters of this guide:

Chapter	Content
Introduction	Provides an overview of the Extended Tax Configuration functionality in Infor LN
Data setup and activation	Provides information on the initial data setup and activation of the Extended Tax Configuration functionality

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# Chapter 1: Introduction

This chapter provides an overview of the Extended Tax Configuration functionality.

## Extended tax configuration

Infor LN allows the implementation and optimization of the tax configuration for tax defaulting of the various taxable transactions. The Extended tax configuration functionality supports:

- Tax defaulting for interstate and intrastate transactions (India)
- Optimization of tax defaulting based on Goods and Service Categories
- Improved standard tax defaulting when using multiple tax registration numbers in a financial company.

**Note:**

You must activate the Extended tax configuration concept using the **Concept Activation (tceмм4600m000)** session to use the tax configuration functionality for taxable transactions.

## When is activation required

You must activate the Extended tax configuration concepts for Infor LN application:

- Installed for the first-time, or,
- Migrated from an older version.

## Pre-requisites

You can set the status of Extended Tax Configuration to **In Preparation** only if the **Tax Exempt Level** is set to **Extended** in the **Tax Parameters (tctax0100m000)** session.

**Note:**

The companies are defined in the **Companies (tceмм1170m000)** session.

## Chapter 2: Data setup and activation

This chapter describes the process to set up the data and activate the parameters for Extended Tax Configuration. Activation is a set of processes that must be performed to implement the extended tax configuration functionality in Infor LN. Activation process consist of a Preparatory stage and an Activation stage. The progress of the activation process is indicated using various status.

During the Preparatory stage, you must define or modify the master data and set the parameters. The Activation stage involves launching the process to build the data based on the setup process completed in the Preparatory stage.

The Extended Tax Configuration functionality is classified into concepts and activation activities.

A concept is a specific functionality . A concept consists of multiple activation activities. An activation activity is a step that you must complete to activate a concept, for example, setting parameters in a specific session. When all activation activities of a concept are completed, you can activate the concept.

You can use the **Concept Activation (tceмм4600m100)** session to activate the extended tax configuration functionality for all financial companies defined in the **Companies (tceмм1170m000)** session.

Extended tax configuration status must be set using the **Concept Activation (tceмм4600m000)** session. Infor LN synchronizes the status of the extended tax configuration across all companies with the defined tax parameter data.

When the status is set to In preparation in the **Concept Activation (tceмм4600m000)** session, Infor LN allows for an upgrade from the old tax handling system to the new tax handling system.

This is possible for a specific financial company of a multi-financial company environment. The master data related to goods and service category using item as an attribute, can be used for the upgrade of the old tax handling data where the item is specified. In case, the goods and service category data is not available or cannot be mapped, the particular upgrade will be skipped.

**Note:** Upgrade is required for tax exception sessions.

When setting the status of extended tax configuration parameter to **Active** in the **Concept Activation (tceмм4600m000)** session, Infor LN must check if new tax handling session has defaults set for countries defined in the old tax handling session for every financial company. If defaults are not set, you can activate the extended tax configuration functionality.

# Activating extended tax configuration

To activate Extended Tax Configuration:

- 1** Access the **Concept Activation (tcomm4600m100)** session.
- 2** Click **Extended Tax Configuration**. The **Concept Activation (tcomm4600m000)** session is displayed where you must configure the data and parameters for the extended tax configuration.
- 3** Click **Configure Tax Exempt Level to Extended**. This step is a prerequisite for enabling extended tax configuration and involves:
  - Setting Tax Exempt Level to **Extended** in Tax Parameters session.
  - Configuring tax exemption in Tax exceptions by country / country set sessions.
  - Configuring Search Sequence Tax Library to include tax exemption libraries.
- 4** Click **In Preparation** to set the extended tax configuration to In preparation status.
- 5** Click **Configure tax parameters** to configure goods and service category and jurisdiction by state/province using the **Tax Parameters (tctax0100m000)** session.
- 6** Click **Configure tax parameters by country** to configure goods and service category lookup sequence and jurisdiction by state/province for a specific country using the **Tax Parameters by Country (tctax0101m000)** session.
- 7** Click **Define goods and service categories** to specify goods and service category as well as goods and service category mapping for every country for which tax defaulting is required using these sessions:
  - **Goods and Service Categories (tctax0122m000)**
  - **Goods and Service Categories (tctax0122m100)**
  - **Goods and Service Category Mapping (tctax0123m000)**
- 8** Click **Upgrade tax handling** to update the tax handling data using the **Tax Handling (tctax0135m000)** and the **Tax Handling (tctax0138m000)** sessions.

This includes mapping the data to goods and service category, if applicable.

**Note:** To handle this Goods and Service category definition, mapping of data is prerequisite. Also, only item mapping is considered. Item group / HS code mappings are ignored.
- 9** Click **Validate tax handling** to verify the upgraded data and complete details such as state / province, if applicable, as well as the new tax code introduced for Advance Invoice.
- 10** Click **Maintain Tax Handling** to maintain the tax handling data for all financial companies.
- 11** Click **Define state sets** to create the state sets for which tax exceptions must be defined using these sessions:
  - **State Sets (tccom1185m000)**
  - **State Set (tccom1685m000)**
  - **States by State Set (tccom1186m000)**
- 12** Click **Upgrade tax exceptions by country**. Infor LN upgrade the tax exceptions by country. If the **Use Domestic Tax Code** check box is selected in the **Tax Exceptions by Country (tctax1100m000)** session, the **Tax Code to Use** must be set to **Domestic**.
- 13** Click **Validate tax exceptions by country**. Infor LN verifies the upgraded data and completes details such as state set, goods and service category, jurisdiction data in the tax model.
- 14** Click **Maintain tax exception by country** to maintain the tax exception data by country for all financial companies.

- 15** Click **Upgrade tax exceptions by country set**. Infor LN upgrade the tax exceptions by country set. If the **Use Domestic Tax Code** check box is selected in the **Tax Exceptions by Country Set (tctax1101m000)** session, the **Tax Code to Use** must be set to **Domestic**.
- 16** Click **Validate tax exceptions by country set**. Infor LN verifies the upgraded data and completes details such as goods and service category, Jurisdiction data in the outcome of tax model.
- 17** Click **Maintain tax exception by country set** to maintain the tax exception data by country set for all financial companies.
- 18** Click **Test Tax Scenario** to verify the extended tax configuration.
- 19** Click **Activate extended tax configuration**. Extended tax configuration is set to **Active** in all companies.  
**Note:** This option is allowed for the super users only when all the above steps are completed for all financial companies.