Getting the right sales tax numbers from the Edge.

If you look at the sales tax report below from the Edge you'll see a few negative sales numbers. Typically you'd think this would be incorrect (I agree). This comes from the use of "Misc Sales" at the POS screen. Discounts, coupons, give a ways, just a whole host of "Let's make the sale work with a Misc Sale!".

If you export from The Edge into QuickBooks there's a more accurate way to get your numbers for your sales tax.

Typically you'll need three numbers to fill out your sales tax report:

- 1. Total store sales
- 2. Total taxed sales
- 3. Total non taxed sales
- 4. Sales tax you collected.

Not known by the Edge but you'll need is "use tax". Use Tax is your responsibility to voluntarily tell your state this statement:

"I know I am to pay sales tax on anything we use (not for resale) in the store. Office Depot charges us sales tax on the paper we buy. I'd like to tell you that we bought some buffing compound and pliers for the shop last month and we were not charged sales tax. So I'm putting this on the use tax line of the monthly sales tax report"

So here's how to get the numbers for your sales tax return.

**1. Total store sales**: This comes from running your profit and loss report in QuickBooks. It's the line called "Total Income". It's the total of product sales; repairs, custom, appraisals, refining gold sales, the whole shebang. Coupons and discounts have been taken out, it is the total store sales.

**2. Total taxed sales:** Because of the negative numbers and wild uses for Misc Sales I suggest better way to get a correct "Taxable Sales" number. The sales tax report from The Edge has a simple "tax" number. On the report below the "tax" is \$6670.86. This is an accurate sum of what the store collected from every customer last month for sales tax. You can trust it.

All you have to do to find your **taxable sales** is divide the "tax" on the report by your sales tax rate. In this example if you sales tax is 6.5% all you have to do is divide the sales tax you collected (here it was \$6670.86) by your rate.

Convert 6.5% to a decimal or ".065". Add a zero "0" and a decimal point.

So \$6670.86 divided by .065 = \$102,628.62 in **total taxed sales**.

In fact you now have three out of the four numbers you need:

Sales Tax Collected:	\$6670.86
Taxable Sales:	\$102,628.62
Total Store Income:	\$121,141.84

**3.** Non Taxed Sales: This would be some repairs that aren't taxed, out of state sales and income from the refiner where you sent all of that scrap gold. This is simple, subtract total taxed sales from Total Store Income and that's "non taxed sales.

Total Store Income:	\$121,141.84
Taxable Sales:	-102,628.62
Non taxed Sales:	\$18,513.22

There's all of your answers for the sales tax report.

Below are two pictures of what you need and the data you need is circle.

I have prepared an Excel spreadsheet for you. Just open it up, click on the tab for the right month and fill in the yellow boxes only and instantly all of the numbers are figured out for you. Print the sheet and keep it with your records and save the spreadsheet.

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	4000 · PRODUCT SALES						
	4005 · Showcase-Special Order Sales	•	99,422	88	82.1%		
	4010 · Memo-Consignment Sales		199	00	0.2%		
	4015 · Bulk and Misc Sales		116	<u>58</u>	0.1%		
	Total 4000 · PRODUCT SALES			99,738.46		82.3%	
	4025 · Appraisals			210.00		0.2%	
	4030 · SHOP SALES						
	4035 · Jewelry Repair		20,499	52	<mark>16.9%</mark>		
	4045 · Watch Repair and Batteries		814	21	0.7%		
	Total 4030 · SHOP SALES			21,313.73		17.6%	
	4070 · Fee Income (Restocking)			500.00		0.4%	
	4080 · Shipping Income			48.10		0%	
	-4085 · Sales Discounts		~	-668.45_		-0.6%	
	Total Income		$\rightarrow$	121,141.84	7	100.0%	
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	Cost of Goods Sold						
	5000 · PRODUCT COST OF GOODS						
	5005 · Showcase-Spec Order COG's		40,380	52	33.3%		
	5010 · Memo-Consignment COG's		40	00	0%		
	Total 5000 · PRODUCT COST OF GOODS			40,420.52		33.4%	
	5030 · SHOP COST OF GOODS						
	5035 · Jeweler's Wages		3,540	15	2.9%		
	5050 · Findings/Mtgs/Gold/Stones		42	73	0%		
	5055 · Tools & Shop Supplies		170	28	0.1%		-