

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

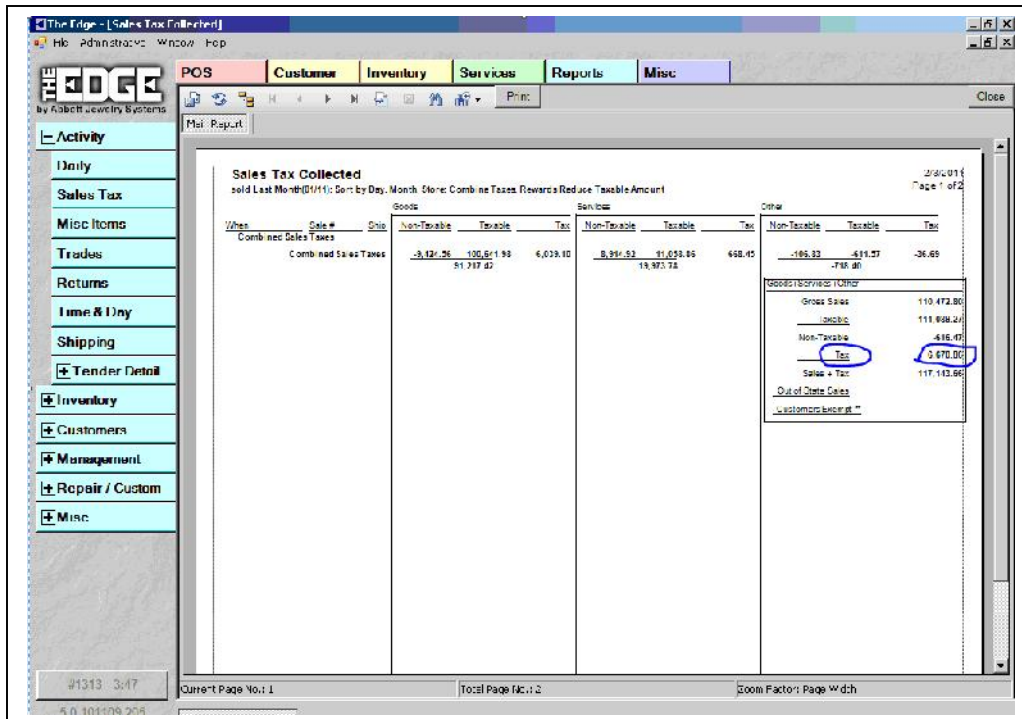
**3. Non Taxed Sales:** This would be some repairs that aren't taxed, out of state sales and income from the refiner where you sent all of that scrap gold. This is simple, subtract **total taxed sales from Total Store Income** and that's "non taxed sales.

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.



jewelers			
Profit & Loss			
January 2011			
	Jan 11	% of Income	
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
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	116.58	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	16.9%	
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	<del>668.45</del>	-0.6%	
<b>Total Income</b>	<b>121,141.84</b>		<b>100.0%</b>
<b>Cost of Goods Sold</b>			
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%	