Microsoft Dynamics 365

Tax Calculation 2024 Updates

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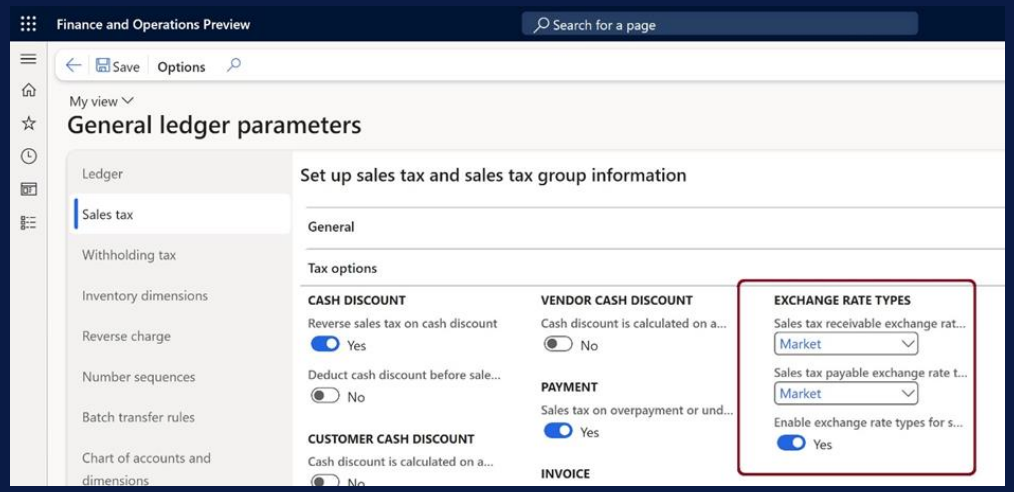
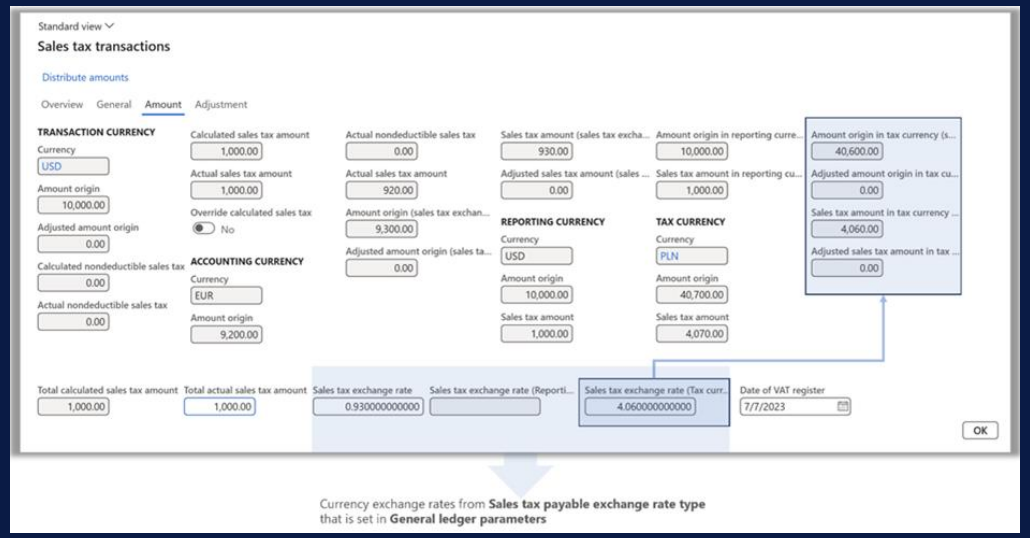
Agenda

- Sales tax currency exchange rate type
- Project transaction integration with Tax Calculation
- Universal tax rate API
- Tax calculation unification

Sales tax currency exchange rate type

- Based on top voted idea (100+ votes)
- Separate exchange rate for calculation of tax amounts in tax currency for documents in foreign currency:
  - Direct recalculation from transaction currency to tax currency
  - Tax amount adjustments in tax currency
- Prerequisites:
  - From version 10.0.35
  - Tax calculation is enabled
  - Date of VAT register, Enable exchange rate types for sales tax features are enabled





Work | Feature management | General ledger param | Ledger -- Finance and | Ledger posting group | Vendor invoice -- Fin

https://aurorabapenv5eaa3.operations.int.dynamics.com/?cmp=demf&mi=FeatureManagementWorksp...

Finance and Operations Preview | Search for a page | DEMF | AD

Feature management

Do not enable new features automatically

New	Not enabled	Scheduled
4	359	1

Enable all | Check for updates

New | Not enabled | Scheduled | All

Filter

Feature name	Status	Enable date	Feature added	Feature state	Module
Enable exchange rate types for sales tax	✓	2/19/2024	2/1/2024		Tax

Enable exchange rate types for sa...

Feature added 2/1/2024

Tax

Learn more

This feature was enabled on 2/19/2024

Description

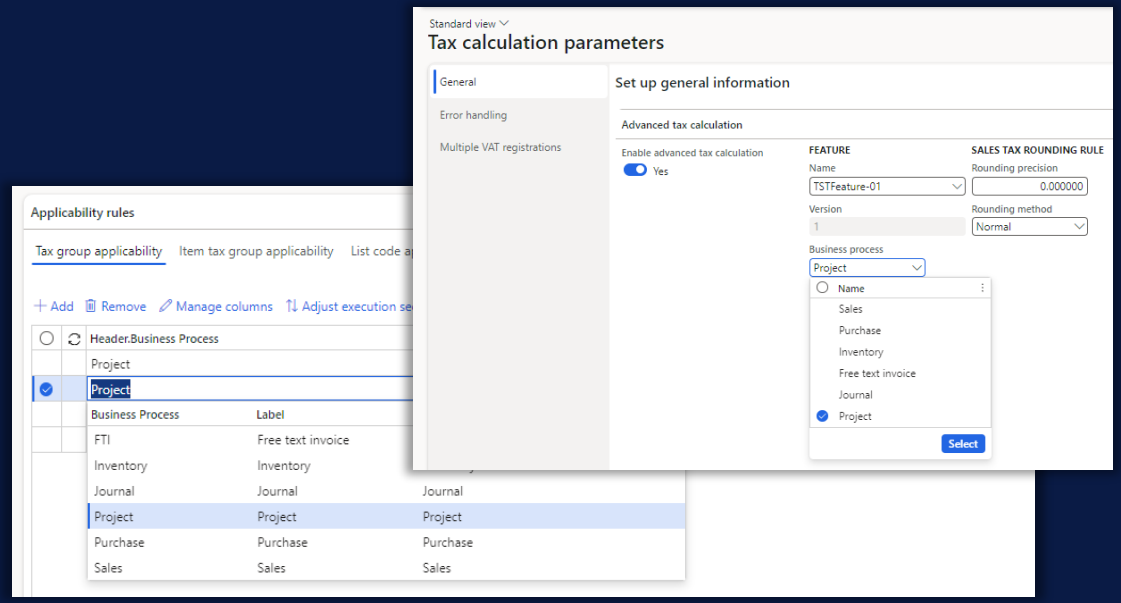
The feature enables calculation of VAT amount for foreign invoice transactions on exchange rate different from the document date.
NOTE. This functionality will be available only for the legal entities with the enabled Tax calculation service for the selected business processes.

Comments

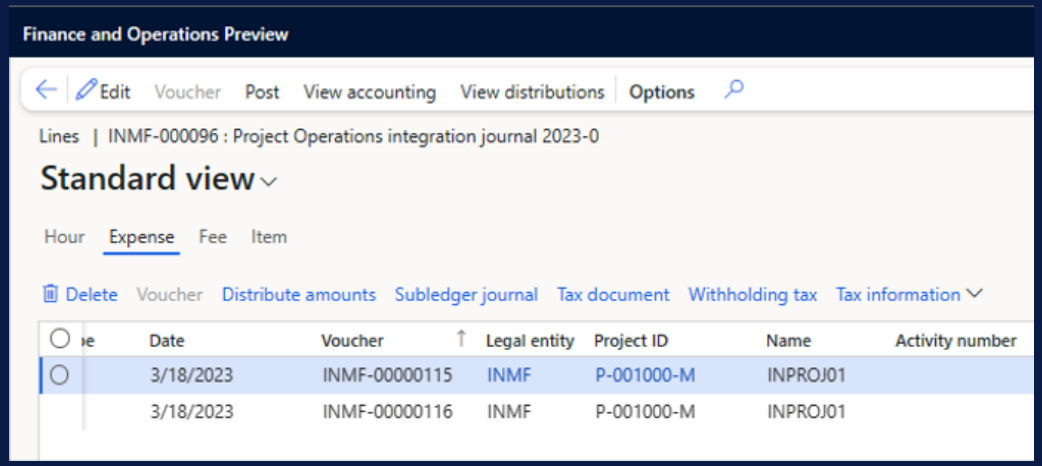
Disable

Project transactions integration

- Integration of Tax Calculation with Project management and accounting in Dynamics 365 Finance (10.0.38)
  - 'Project' business process in Tax Calculation parameters
  - Project invoice proposals
  - Journals (Hour/Expense/Item/Fee)
  - Project quotations
  - Project Operations integration journal



- India GST/TDS-TCS taxes in Project Operations integration journal (10.0.35)
  - Default tax information and TDS/TCS groups in Hour, Fee, Item, and Expense journals
  - Edit default tax attributes in Integration journals and Project invoice proposals
  - GST on tax document for Expense integration journals
  - TDS/TCS in withholding tax in Expense integration journals



Universal Tax Rate API - Overview

What is Universal Tax Rate API?

Universal Tax Rate API is a set of standard application programming interfaces that Microsoft has defined in Tax calculation, based on the tax calculation data model. It's an extended feature of Tax calculation that enables external tax services to be connected under the same framework.

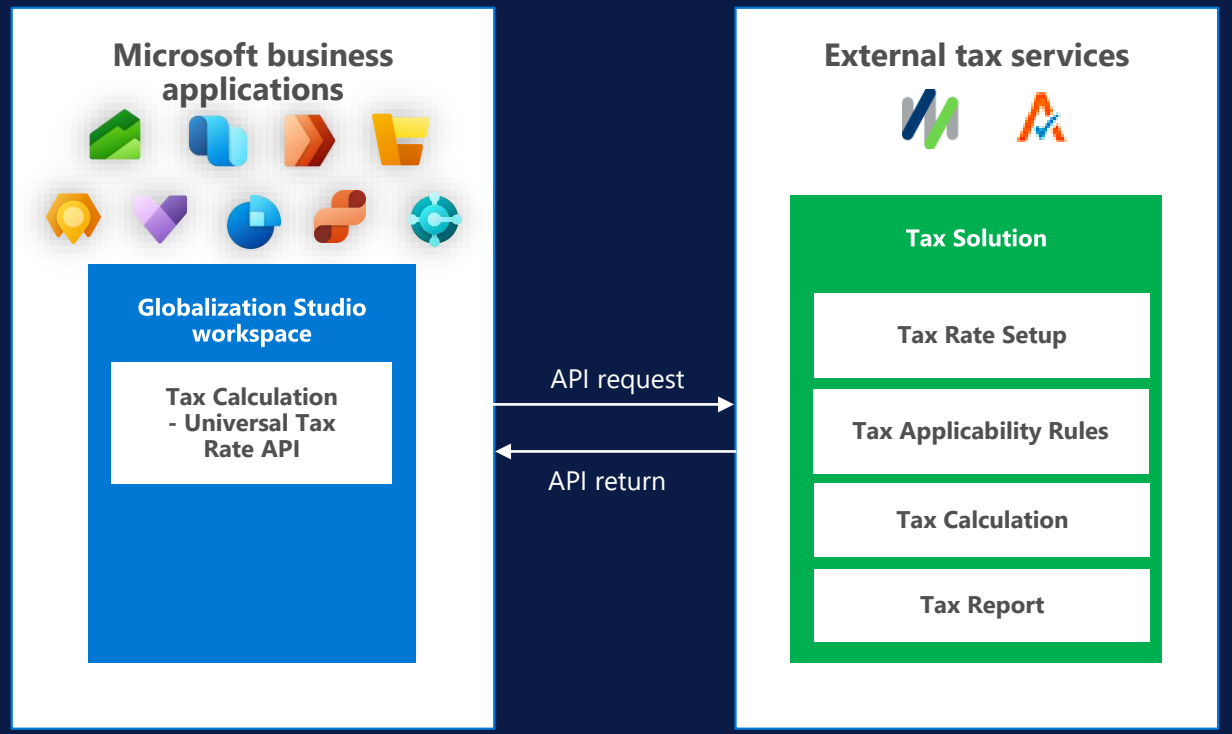
Business values

- Seamless integration with Microsoft Dynamics 365 applications
- Improved scalability
- Reduced maintenance overhead
- Flexibility and customization
- Compliance with local regulations

How does it work with existing Tax Calculation

Universal Tax Rate API extends Tax Calculation for accessing external tax solution provider under the same framework. It's controlled by the feature "**Enable external tax solution providers for Tax calculation service**" released in **10.0.39** and can be further enabled at more granular level:

- Enable by legal entity
- Enable by business process



See https://aka.ms/UniversalTaxRateAPIDoc for more information

Universal Tax Rate API - Functions

Encrypted Connection

- The Universal Tax Rate API supports an encrypted connection via Azure Key Vault. This connection helps ensure the security and privacy of data that's **transmitted to** external tax solution providers.

Address Validation

- This functionality lets you validate addresses that are maintained in the global address book. It helps ensure accurate tax calculations by confirming that addresses are valid and complete.

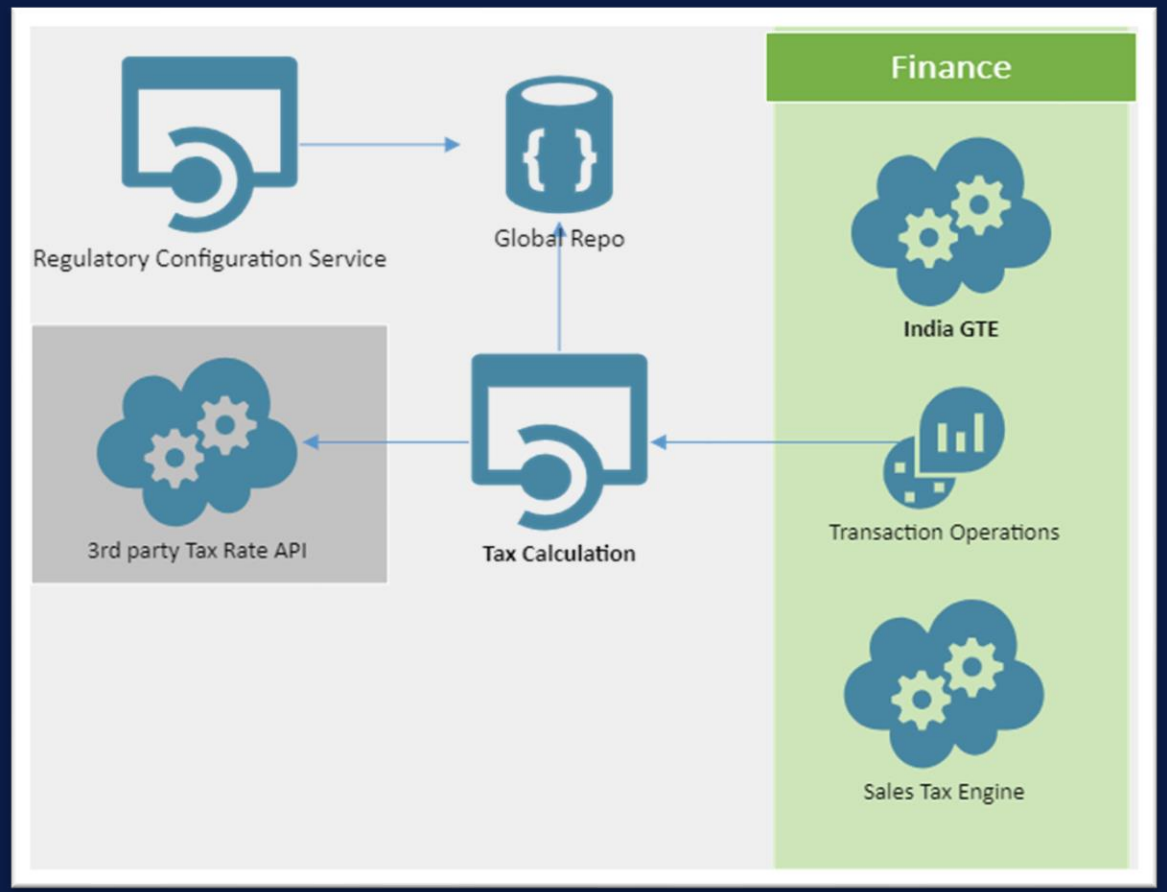
Accrual of Use Tax

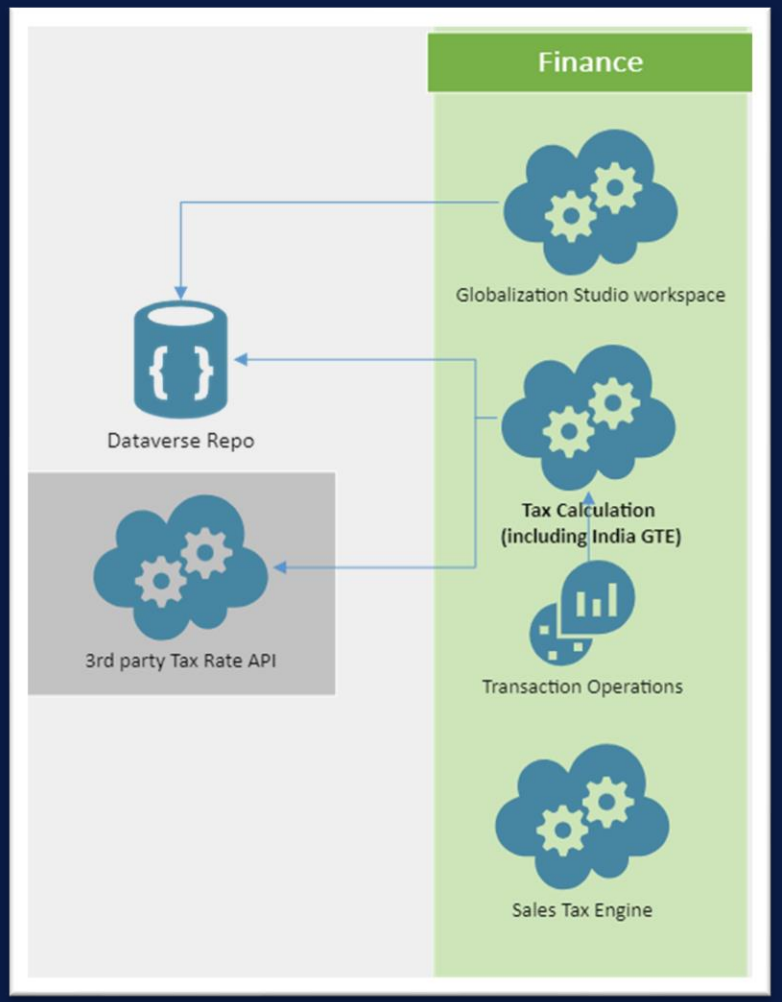
- The Universal Tax Rate API enables external tax solution providers to accrue use tax. Use tax is a type of tax that's imposed on the use, storage, or consumption of taxable items or services that weren't taxed at the time of purchase in the United States.

Overcharge Tolerance

- This functionality lets you define overcharge tolerance when the Vendor charged sales tax amount exceeds your tax calculation result.

Tax calculation unification





Disclaimer: the architecture is subject to future change

Tax calculation unification

What is changed?

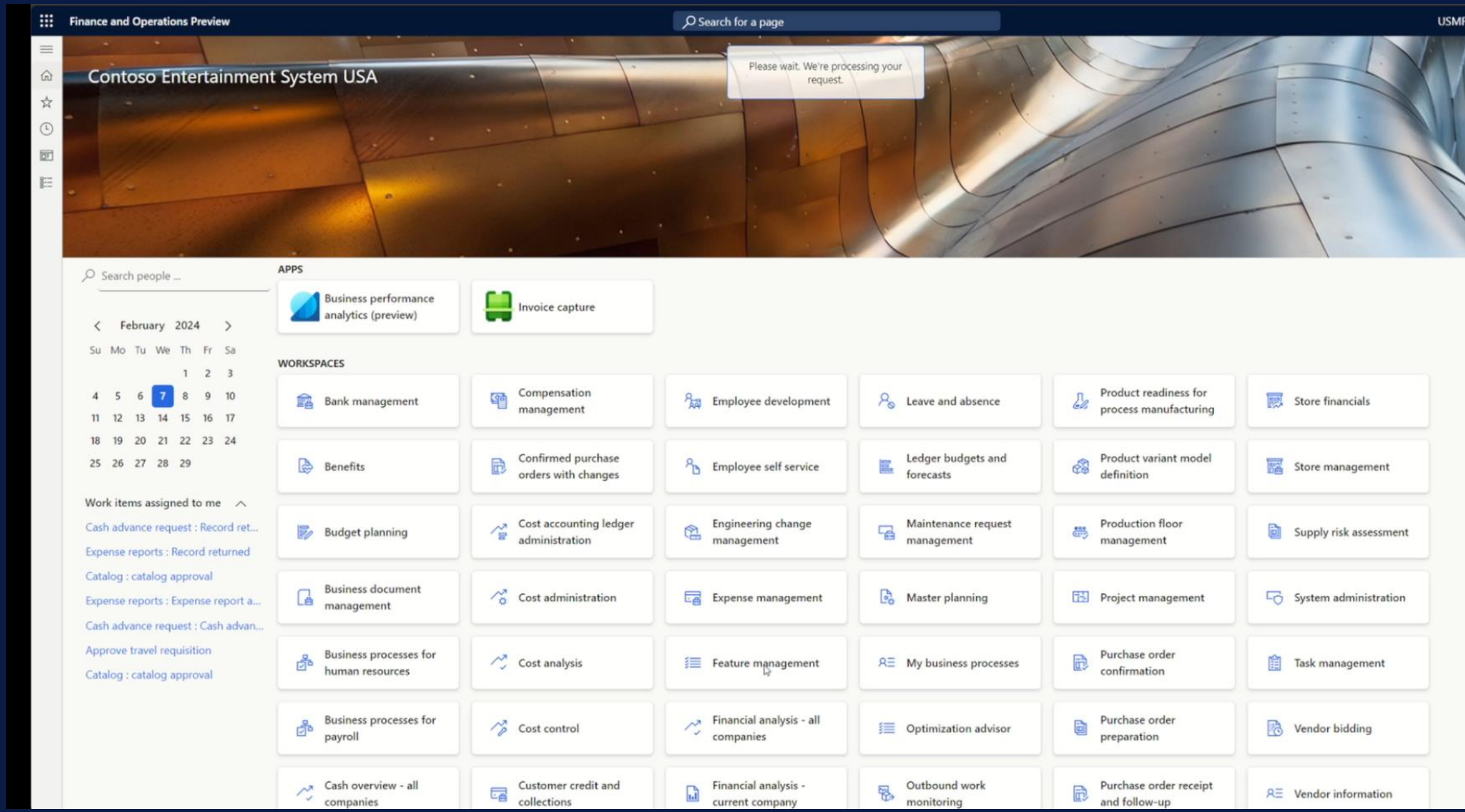
- The Tax Calculation Service is merged into Dynamics 365 Finance in 10.0.39
- The tax feature setup is moved from Regulatory Configuration Service to Globalization Studio workspace in Finance
- The official tax configuration storage is moved from Global Repo to Dataverse repo
- Tier-2 is no longer the strict pre-condition.

What is not changed?

- All Tax Calculation behaviors in Finance are not changed
- The Tax Calculation functionalities are not changed
- Tax feature and tax configurations are not changed

What uptake is needed?

- No uptake is needed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Work items assigned to me
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Expense reports : Record returned
Catalog : catalog approval
Expense reports : Expense report a...
Cash advance request : Cash advan...
Approve travel requisition
Catalog : catalog approval
APPS
Business performance analytics (preview)
Invoice capture
WORKSPACES
Bank management
Compensation management
Employee development
Leave and absence
Product readiness for process manufacturing
Store financials
Benefits
Confirmed purchase orders with changes
Employee self service
Ledger budgets and forecasts
Product variant model definition
Store management
Budget planning
Cost accounting ledger administration
Engineering change management
Maintenance request management
Production floor management
Supply risk assessment
Business document management
Cost administration
Expense management
Master planning
Project management
System administration
Business processes for human resources
Cost analysis
Feature management
My business processes
Purchase order confirmation
Task management
Business processes for payroll
Cost control
Financial analysis - all companies
Optimization advisor
Purchase order preparation
Vendor bidding
Cash overview - all companies
Customer credit and collections
Financial analysis - current company
Outbound work monitoring
Purchase order receipt and follow-up
Vendor information

Tax Calculation Updates

	2023 wave 1 (Apr 2023 ~ Sep 2023)	2023 wave 2 (Oct 2023 ~ Mar 2024)
Tax Calculation Service	Integration with Invoice register/Invoice pool/Invoice approval	Integration with project transactions and project operation journal
	Tax specific exchange rate	Integration with prepayment handling form
		Merge to Finance and Operations as part of Globalization studio workspace
Simplified Integration	Calculation/Post/Address validation APIs	US Use tax accrual scenarios
	Support Purchase/Sales/Free text invoice/Journal/Transfer order	Support Project Transactions
Extended Tax Scenarios	Withholding tax estimation on vendor invoice	
		Tax Transaction Data Archival
	Project integration journal with India GST and Withholding tax	Tax scenarios for LATAM countries
Regulatory Compliance	Brazil RegFs	

Disclaimer: subject to future change

Q & A

Tech Talk Survey

Thank you