

Indirect Tax Logic: Tax Codes with Validity Periods

In today's challenging tax landscape, multinational companies operate under complex global supply chain models, and tax authorities change rates with increased frequency. Companies operating on SAP platforms therefore face the risk of running out of codes available in standard SAP, as well as high costs in maintaining those tax codes.

In standard SAP, tax codes consist of two alphanumeric characters, which equates to a maximum of 1,296 unique tax codes. Through this limitation, Tax and IT teams alike face a laborious process to manage VAT rate changes, which can be time consuming.

What is Tax Codes with Validity Periods?

ITL Tax Codes with Validity Periods is a solution within SAP and other tax automation software to simplify the management of VAT rate changes: you simply have to "end date" the old rate and add a new rate with a validity period. Companies do not need to create new tax codes for every rate change, and as a result, reduces the maintenance costs of tax codes, and the risk of running out of tax codes.

Highlights

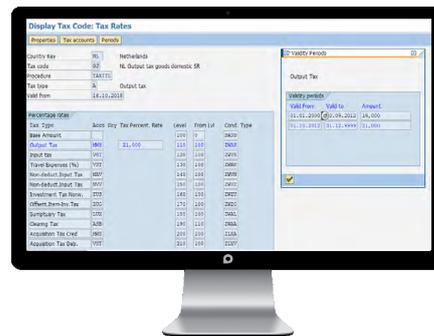
-  New tax codes are no longer necessary when tax rates change
-  Reduced risk of running out of tax codes
-  Old rates can be end-dated and new rates added with a new validity period
-  Tax code maintenance now possible as in standard SAP, but with validity periods
-  Two-character tax codes and descriptions can remain unchanged
-  Maintain complex, multi-rate tax codes easily
-  Tax code maintenance costs are reduced significantly
-  Preserve a sustainable naming convention for two-character tax codes

Why Deloitte?

Deloitte in the Netherlands acquired Tytho, a consulting and software company that provides its clients with sustainable tax automation and tax technology solutions. The combination created a team of highly skilled tax technologists with strong relationships in the broader tax technology community, and also Tytho's product suite of SAP add-on tax solutions.

Deloitte can use the ITL suite to help clients with:

-  Tax automation (ERP)
-  Transfer pricing
-  ERP/tax health checks
-  Training
-  Tax engine implementation and optimization
-  Tax technology selection
-  Supply chain redesigns
-  Tax technical support



Contact us

There are several ways to implement Deloitte's ITL Tax Codes with Validity Periods in your SAP environment. For more information or a demonstration, call your usual Deloitte contact or:



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