

Compliance starts at the invoice

The invoice is at the center of business and is a crucial tool for getting tax right. If the wrong tax is calculated from the invoice, large negative effects can follow — everything from your customer experience to the growth of your company and business efficiency. Here are 3 important aspects of why your tax compliance process should start at the invoice.

Business

All invoices have transaction tax implications. The business bears the effort and cost of collecting and remitting tax. Getting tax right involves many areas of your company beyond the tax department. Accounts Payable/Receivable, Finance, and IT all have a part to play when it comes to obtaining the invoice and calculating the tax implication. If tax is incorrectly calculated, it can also negatively impact many areas outside of tax, leading to invoice payment issues, diminished buying power, and IT inefficiency.



Customer

No matter what type of transaction you are dealing with, you need to ensure that the correct tax is being calculated. Incorrectly calculated tax can have huge financial implications for a business in multifaceted ways. If your tax is consistently wrong, you have the potential to have bills unpaid, which can impact customer experience and loyalty or vendor relationships.



Jurisdiction

Governments expect tax to be right.

Whether you're selling an item to a customer or buying goods from a supplier, you need to make sure that your invoice is calculating the right tax amount from the start so that you can either remit the proper amount to the government or validate that you're being charged the appropriate tax from your vendor. Large penalties can result from the wrong tax being remitted to the government or from late or inaccurate reporting.

Ready to get tax right the first time, every time? Contact us today:

888 885 0206 | tax.tr.com/determination