



## Taxes

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Cartzy allows you to manage tax collection for the drop shipping regions in a very efficient manner.

To set up tax collection, you first need to define a shipping profile against the regions where you are drop-shipping your products and want to collect taxes (if applicable).

### Path: Settings > Taxes

When you open the **Taxes** page in the Cartzy **admin panel**, you will see the list of regions where you are shipping along with the tax collection status and an option to configure tax collection.

Tax management for a region can be categorized as the following:

- **Collecting:** Indicates that the tax will be collected from the users placing orders from specific regions where the tax collection implies. In this case, the button **“Manage”** will appear to further configure the settings.
- **Not Collecting:** This status indicates that you are not collecting taxes from a particular region if the products are shipped to that region from your store. In this case, the button **“Set Up”** will be available for you to set up tax collection and tax rates for the region/country.

□ Only those regions will be listed on this page that are added to your **shipping profile(s)**. Therefore, to set up tax collection against a specific country/region, you must first add it to your shipping profile.



## Set up taxes

To configure a tax collection profile against a particular region/country, click on the **Set Up** button given against it. On the next page, you can toggle between the following two options to set up tax collection.

1. Auto
2. Customized



### 1. Auto tax management

If you select this option, tax rates will be automatically applied based on the legal state taxes. As soon as you turn this **toggle on**, the tax settings for **Auto Tax** will be saved for the selected region.

You should select the **Auto Tax** option only if the selected country is listed on this page as currently there are only a handful of countries that are supported by the auto tax system.



### 2. Customized tax management

If the selected country is not supported by the auto tax system, you can always configure tax collection manually by switching to the **Customized** tab.

The following two steps will be followed:

1. Adding a state and zip code
2. Adding a tax rate (for the selected state)

### Adding a state and zip code

Based on the selected country, the **State Name** dropdown will list the states/regions of the country. If you want to set up a tax collection for all the states, you need to select one by one.

First, you will select one state, and then enter its zip code, and click the **Add State** button.



When you click the **Add State** button, the state is added below along with its **Zip Code** and an input field for you to add the tax rate against it.

Similarly, you will add the rest of the states by selecting from the **dropdown** and entering the corresponding **zip codes**.

**Notes:**

- Multiple states can be added against one region
- A state can be added only once. You cannot set up different tax rates against one state.



### **Adding a tax rate**

Once you have added a state, you can add a tax rate percentage against it. To save the tax rate, click on the **save** icon. As soon as you save the tax rate, a **notification** popup containing the success message will appear at the top right corner of the page.

Only one tax rate can be added against one state.



The tax collection status of the region will be updated to **“Collecting”** when the tax collection is configured for that region.



### **Regions with no states**

When setting up tax collection for various countries, the options to add state and zip code will not appear for those regions/countries that have no states, such as **Anguilla**.



In such a case, you will enter the tax rate only once that applies to the whole country, and

click the **Add Country Rate** button to save it.



## Deleting a tax rate

To **delete** the state tax setting, simply click on the **bin icon**. The **Delete Tax Rate** confirmation popup will appear. Click the **Delete Tax Rate** button to confirm the action.

The action of deletion is irreversible. To restore the deleted tax collection setting, you will have to add the state again as explained earlier in this article.




If all the states/taxes added against a region are deleted, then the status will be reset to **"Not Collecting."**



## Tax calculation

On the main page of **Taxes**, there are further two options for tax calculation.

- 1. Show all prices with tax included:** Checkmark this checkbox if you want to display the total price inclusive of taxes. If this option is checked, the tax applied to the shipping cost will also be added to the total price.
- 2. Charge tax on shipping rates:** Check this option if you want to charge tax separately on the shipping cost of the product. For the EU and the US states, tax is automatically charged on shipping. So, if you are drop shipping to the EU and USA, then you can leave this option unchecked, as the shipping tax will be auto-calculated and added to the total price.

 **Tax Calculations**  
Manage how your store calculates and shows tax on your store.

Show All Prices With Tax Included  
If taxes are charged on shipping rates, then taxes are included in the shipping price.

Charge tax on shipping rates  
Include shipping rates in the calculation. This is automatically calculated for European Union and United States.

