

# Manage exemption certificates and get tax compliance right with automation

## Avalara Sales Tax Suite for Manufacturing

Manufacturers face shifting sales and use tax regulations and nexus obligations thanks to the complex nature of equipment, parts, drop shipping, consumer direct sales, installation and repair services, and direct pay permits. This complexity adds up to compliance cost and risk.

Because of large volumes of tax exempt sales, manufacturers that sell to other businesses (B2B) are an attractive target for a sales and use tax audit. Manual processes for collection, storage, and application of resale and exemption certificates are often disconnected from your ERP and ecommerce systems, making it hard to enforce exemption policies consistently. In an audit, valid proof of every exemption certificate must be produced, or you could be required to pay back taxes, interest, and penalties.

Manufacturers selling to end consumers (B2C), need to ensure compliance with local tax rules and evolving nexus obligations everywhere products are shipped. Considering there are more than 12,000 sales and use tax jurisdictions in the U.S. alone, finding and tracking all of these tax regulations is nearly impossible.

And all manufacturers, whether they are selling B2B or B2C, are subject to consumer use tax on their purchases. Manual approaches to self-assessment of consumer use tax are time consuming and error-prone, leading to both negative margin impact and audit risk.

**The Avalara Sales Tax Suite** has helped more than 20,000 businesses automate tax compliance, increase efficiency, and lower audit risk. Avalara provides over 600 prebuilt integrations to business applications (see diagram below) to help handle growing tax complexity with technology instead of human resources, enabling retailers to focus on more strategic projects.



### Exemption certificate management

- Collects, stores, tracks, reports, and analyzes resale and exemption certificates
- Applies or exempts sales tax based on exemption status
- Integrates with ecommerce or POS checkout process to capture certificates at point of purchase
- Automates collection via mail or email campaigns

### Sales and use tax calculation

- Maintains tax rules and rates, eliminating tax research and tax table maintenance
- Validates addresses and uses mapping technology to improve accuracy over ZIP+4 rate determination
- Supports VAT and GST determination for global tax calculations
- Provides built-in sales tax history reporting
- Integrates with ERP, POS, ecommerce, billing and CRM applications for fast deployment

### Managed returns filing

- Manages monthly tax prep, filing and payments on your behalf
- Handles responses to tax notices from tax authorities
- Simplifies treasury management with a single ACH transfer to cover all sales tax liabilities

## Exemption certificate management with Avalara CertCapture

CertCapture collects and manages resale and exemption documents efficiently. Exemption status is used during tax calculation to provide a tax exemption only when a valid, active certificate is available.

- **Exposure analysis:** CertCapture performs detailed exposure analysis and reporting. When certificates are near expiration, it automatically triggers outbound requests for a new certificate.
- **Certificate requests:** CertCapture automates individual or bulk requests for updated certificate information. Your customers can easily look up their certificates online or submit new ones by uploading a file or taking a picture with a mobile device. For ecommerce or retail checkout, certificates can easily be created at the time of sale.
- **Secure storage:** Centralized storage and easy certificate retrieval improves audit readiness.

## Sales and use tax calculation with Avalara AvaTax

AvaTax maintains tax rules and rates and fully automates tax determination to help your business manage compliance and mitigate audit risk.

- **Jurisdiction assignment:** AvaTax validates the full address and uses mapping technology to match it to predefined tax regions for U.S. states, U.S. local governments, and countries. AvaTax determines the proper jurisdiction for sales, use, and VAT tax calculation and reporting.
- **Global coverage:** Avalara tracks tax rules and rates across the U.S. so you don't have to. Avalara also supports European VAT, India GST, full compliance in Brazil, and tax calculations for countries around the world.
- **Cloud deployment:** Internet-based service delivery provides a scalable solution that supports growth without IT bottlenecks.
- **Omnichannel ready:** More than 600 pre-built integrations can quickly integrate any transaction source for centralized tax management.
- **Comprehensive reporting:** Avalara offers a library of common sales and consumer use tax reports that summarize transaction history for return preparation, reconciliation, tax analysis, and audit readiness.

## Managed returns filing with Avalara Returns

Avalara Returns improves efficiency and compliance by handling monthly sales and use tax preparation, filing, payment, and notice management on your behalf. Stay in control through easy review, reconciliation, and approval of tax liabilities prior to filing. Simplify your accounting and treasury management with a single ACH transfer to a secured account covering all sales tax liability.

Avalara Returns can help lower filing costs and reduce errors, so you can focus on more strategic projects.

“Avalara makes us much more confident that we will have up-to-date certificate information so we can bill right the first time, not have to re-bill, credit again, and re-bill again.”

**Keith Hill, Controller**  
nora systems, Inc.

### Manufacturers using the Avalara sales tax suite



602-281-5702  
Ask@PeopleSenseERP.com  
www.PeopleSenseERP.com

780 McArdle Dr. | Unit D  
Crystal Lake, IL 60014