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CERTIFIED QuickBooks ProAdvisor

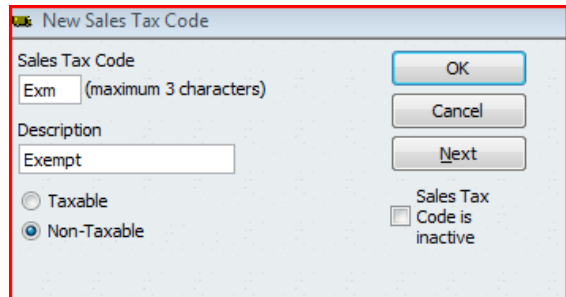# Track Tax Exempt Sales vs. Other Non-Taxable Sales

If you want/need to track Sales that are Tax Exempt due to Tax Exemption Certificates so you can list those sales on line 2 of your Sales Tax return, do the following:

1. Create a Sales Tax Code called **Exm** by choosing Lists | Sales Tax Code List from the menu bar and fill out as follows making sure the Item is Non-Taxable.
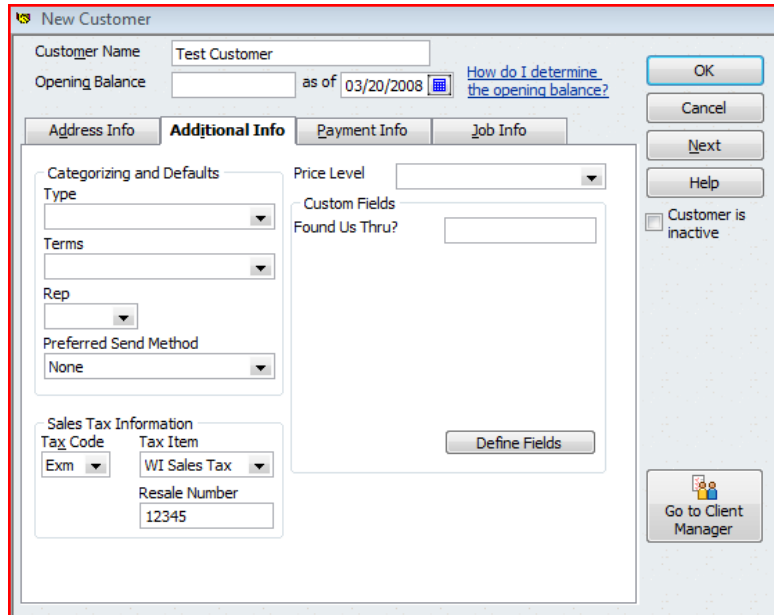
2. Assign the **Exm** code to your Tax Exempt Customers AND record their Tax Exemption Code (Resale Number) in the Customer record on the Additional Info tab. Be sure to assign them to the appropriate Tax Item (i.e. WI Sales Tax).

3. When completing your Sales Tax return, run the Sales Tax Liability Report as normal by choosing Vendors | Sales Tax | Sales Tax Liability from the menu bar.

    a. Then Double-Click on the Non-Taxable total to zoom in.
    b. Note the amounts for Exempt Sales that appear on Line 2 of your Sales Tax return versus the Non-Taxable Sales that appear on Line 3.