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DYNAMICSCON LIVE

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Beyond Borders: Navigating Global Tax Compliance with Dynamics 365 & Vertex

Presented by:



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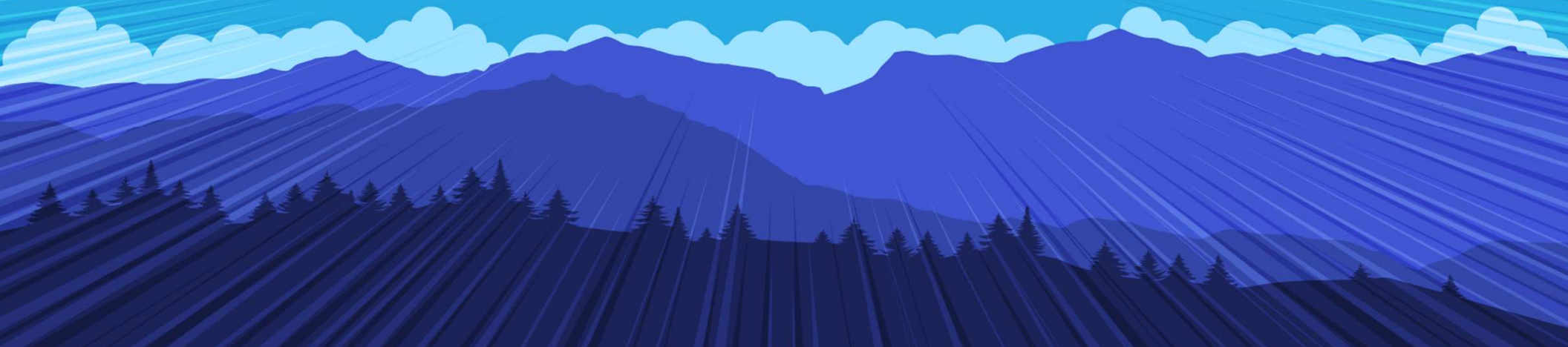
Agenda

- Opportunities and Challenges of Global Tax Compliance
- Tips for Successful Global Expansion and Compliance
- Why Native Tax Functionality Isn't Always Enough
- Tax Automation Solutions for Dynamics 365 with Vertex
- Supporting Global Compliance with Dynamics 365 and Vertex
- Q&A





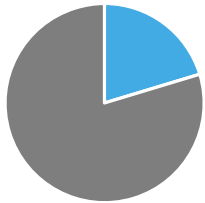
Opportunities and Challenges of Global Tax Compliance



Opportunities for Cross-Border Expansion

North America

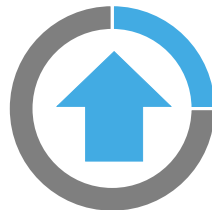
2nd largest market globally



North America accounts for 20.3% of global retail sales¹



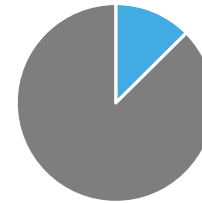
Nearly 1/3 of US consumers aged 14+ will be cross-border buyers in 2024¹



Up 25% since 2019¹

Europe

3rd largest market globally



Europe accounts for 12.6% of global retail sales¹



The top 5 economies of Europe (Germany, UK, France, Italy, Spain) are poised to post retail sales of €2.5 trillion in 2027²

1. Insider Intelligence, [More US Consumers Are Becoming Cross Border Buyers](#)

2. Forrester, [Europe-5 Online Retail Sales Will Reach €553 Billion by 2027](#)



Navigating the Complexities of Tax Compliance



Wayfair

- States' statute of limitations expiring
- Increased audit inquiries for out-of-state retailers



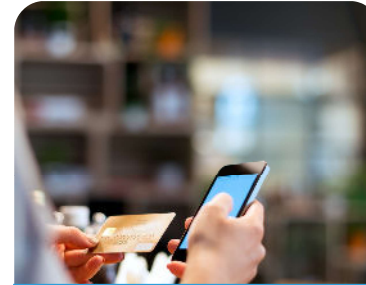
Digital Goods & Services

- Rise in taxes on digital goods and services



U.S. Marketplace facilitator laws

- States are enforcing varying thresholds on marketplace liability
- South Carolina assessed a \$12.5M backdated fee on Amazon



Sales Tax Holidays

- Many states require businesses to participate in sales tax holidays
- Requires timely preparation and short-term tax rate adjustments



State & Jurisdiction Changes

- State rates are decreasing slightly while county/city are increasing
- Imposition of environmental fees



The Tax Landscape is Ever-Evolving



Effective July 2024

Minnesota Retail Delivery Fee

Under the requirement, retailers and marketplace providers making deliveries of tangible personal property to Minnesota customers, will be subject to a \$0.50 fee on each transaction that amounts to \$100 or more.

Key takeaways:

- All retailers with MN nexus
- All transactions over \$100
- Except:
 - Prepared food
 - Prescription drugs
 - Medical devices
- Can be paid for directly or passed through to the consumer



Global Trends with VAT Compliance

1



Marketplace Enforcement

Suppliers are responsible for collecting and remitting VAT

- Global tax authorities are strictly enforcing compliance for non-residence businesses

2



Digital Taxation

Businesses are being taxed on digital good and services

- Non-resident businesses must register, collect, and remit tax on digital goods and services

3



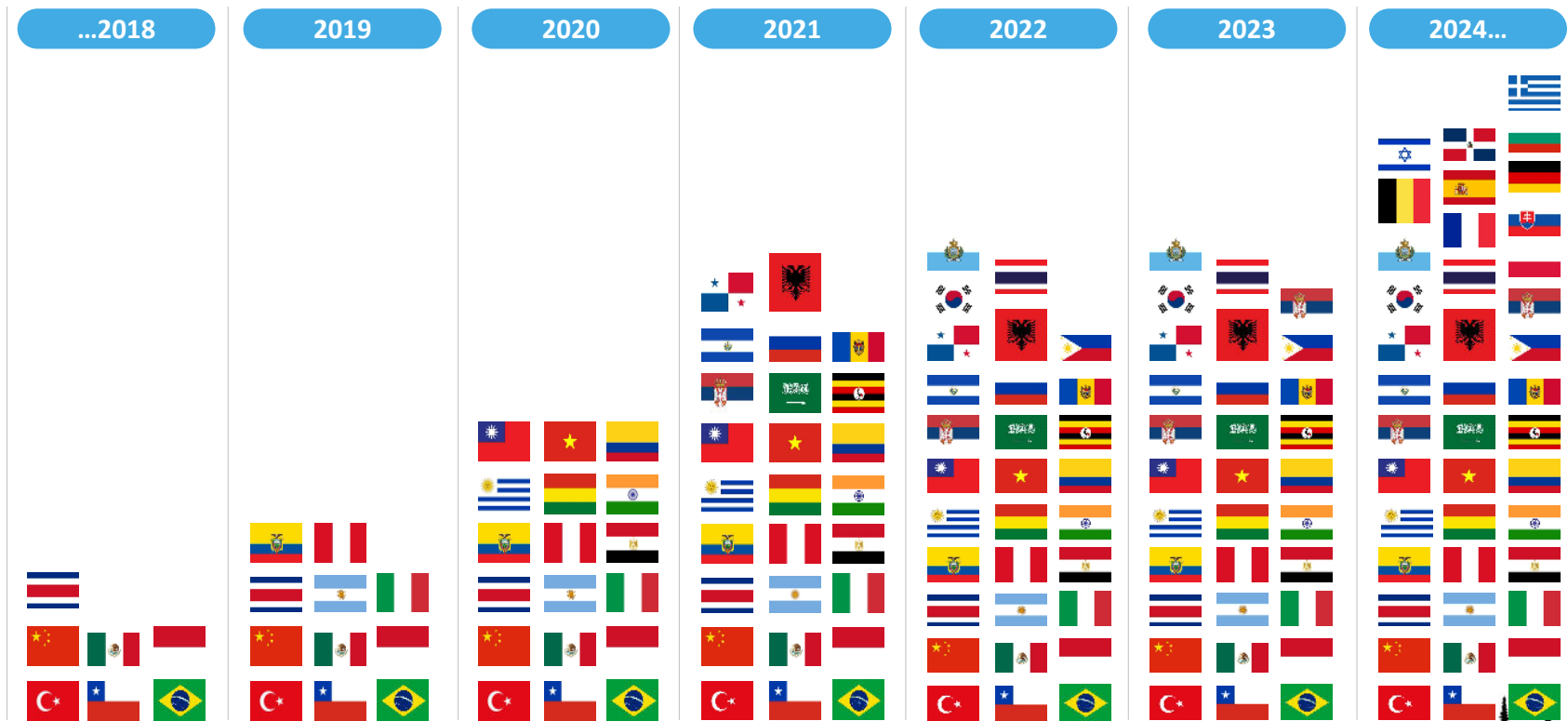
Invoicing Requirements

Countries are starting to enforce e-invoicing requirements

- Businesses are being required to meet strict digital and electronic invoicing requirements in real-time

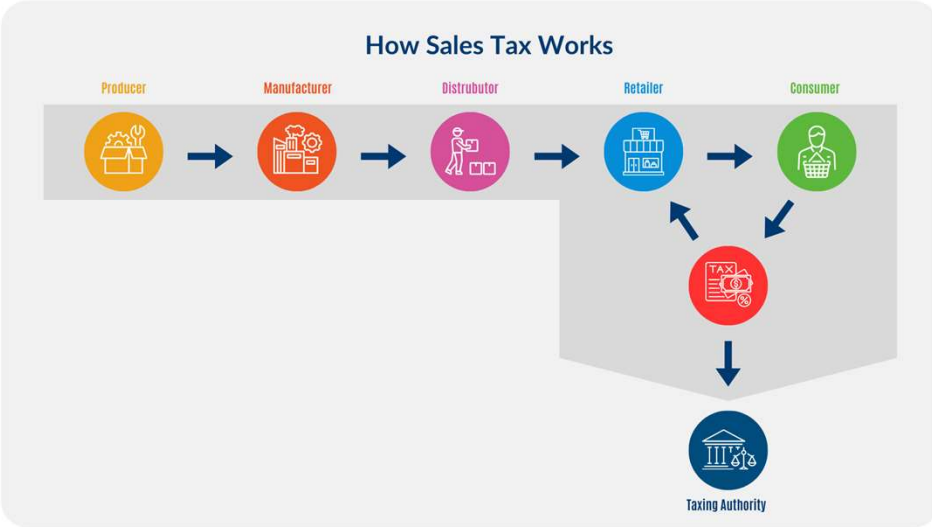


Rapidly Changing Global Tax Compliance Landscape

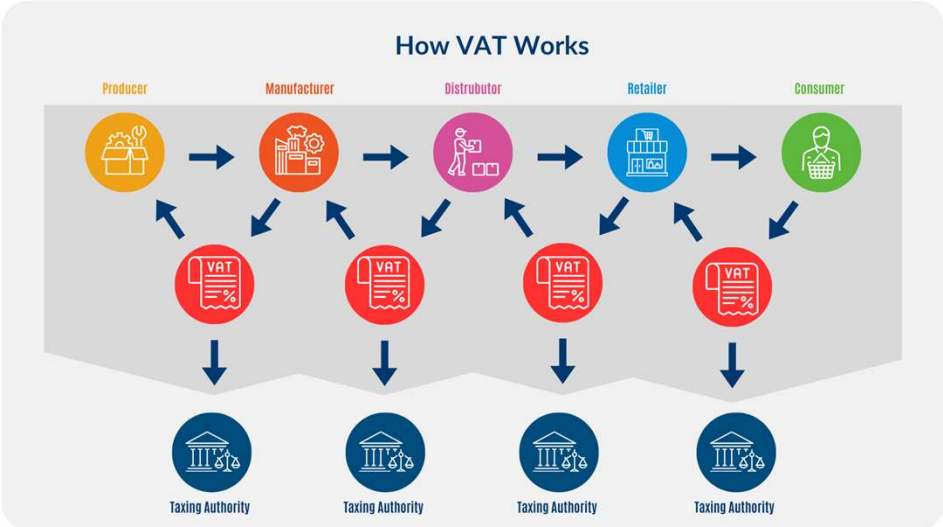


Understanding Cross-Border Compliance

Sales Tax



VAT





Tips for Successful Global Expansion and Compliance

7 Tips to Help Ensure Global Compliance

1

Understand your tax obligations

2

Determine if you need to register for tax

3

Understand product taxability and local product regulations

4

Ensure accurate tax calculations & meet invoicing requirements

5

Understand local custom, import, & consumer rights regulations

6

Ensure consistency across systems & selling channels

7

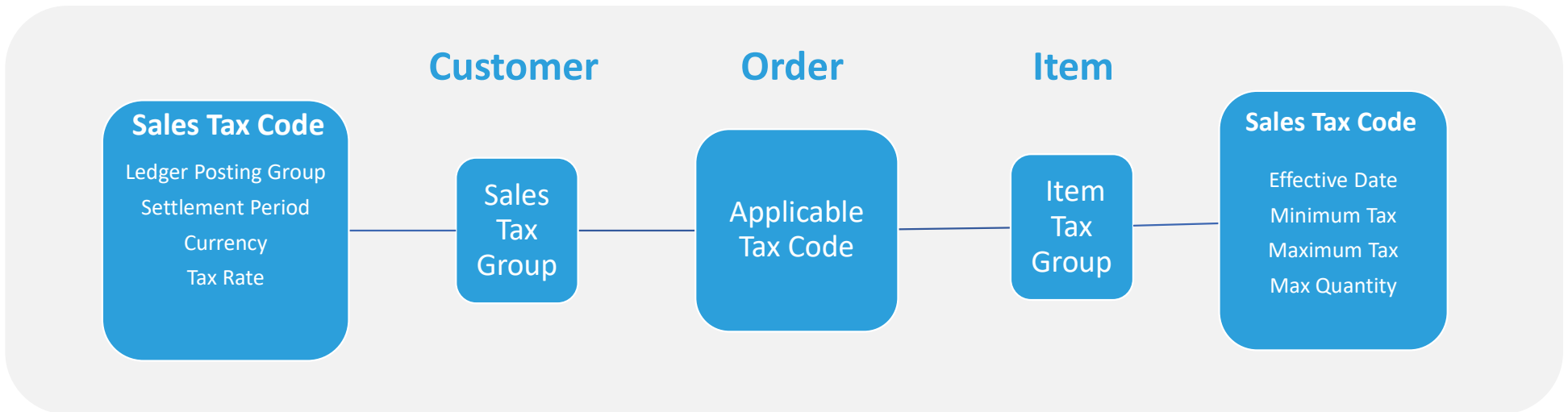
Maintain detailed and secure records





Why Native Tax Functionality Isn't Always Enough

Tax Components in Dynamics 365



Key Tax Calculation Requirements

Fee-based taxes

Origin or modified
origin-based taxes

Multiple tax
driver decisions

Lease item + lease term
purchase item + department

Tax on Tax

AP vendor tax
reconciliation

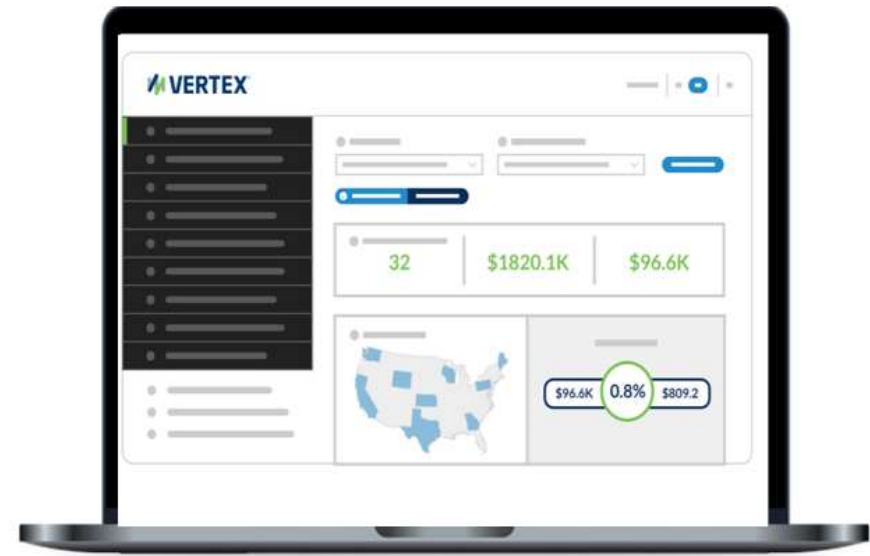


Tax Automation Solutions for Dynamics 365 with Vertex



End-to-End Workflows

- Address validation
- Economic nexus monitoring
- Customer exemption management
- Indirect tax reporting and filing



TAX DETERMINATION

COMPLIANCE & REPORTING

TAX DATA MANAGEMENT DOCUMENT MANAGEMENT

Registration

Product Mapping

Calculation

Exemptions

Compliance

Invoicing

Payments

Reporting



Vertex for Dynamics 365

Standard view ▾

Vertex address validation results

Several addresses matched the information you provided. You entered:

Street	City	State	ZIP/postal code	County	Country/region	
10599 Skybeach Road	Littleton	CO	80126	DOUGLAS	USA	

To proceed, please choose from one of the following recommendations provided by the Vertex address validation service:

[Edit street](#)

Street line 1	Street line 2	City	State	ZIP/postal code	County	Country
10599 Skyreach Rd		Highlands Ranch	CO	80126-5635	Douglas	USA



Vertex for Dynamics 365

The screenshot displays the Microsoft Dynamics 365 Finance and Operations interface. At the top, the header shows 'Finance and Operations' and a search bar. The main navigation bar includes 'Sales order', 'Sell', 'Manage', 'Pick and pack', 'Invoice', 'Commerce', 'General', and 'Warehouse'. Below this, a secondary navigation bar is divided into sections: 'Create' (Credit note), 'Charges' (Maintain charges, Allocate charges), 'Tax' (Sales tax, Recalculate sales tax), 'Calculate' (Confirmed delivery dates, Multiline discount, Total discount, Supplementary items, Tiered charges, Recalculate), 'Generate' (Recalculate line margins, Remove price lock, Confirm sales order, Pro forma confirmation), 'Actions' (Confirm now), 'Process' (Event kanbans), and 'Apply' (Service agreement). A red arrow points to the 'Sales tax' option in the 'Tax' section.

Sales order details | Standard view

000960 : Contoso Retail Los Angeles

Open order

Lines Header

Sales order lines

+ Add line + Add lines Add products Remove Sales order line Financials Inventory Product and supply Update line Warehouse Retail

Ty...	Variant number	Item number	Product name	Sales category	CW quantity	CW unit	Quantity	Unit
		1000	Surface Pro 128 GB				2.00	ea



Vertex for Dynamics 365

Standard view ▼

Temporary sales tax transactions

Overview General Amount Adjustment Vertex Invoice text codes

<input type="radio"/>	Sales tax code	Quantity	Amount origin	Percent	Actual sales ta...	Sales tax direction	Tax Area ID	Vertex tax description	⋮
<input type="radio"/>	VertexAR	2.00	3,800.00	0.50000	19.00	Sales tax payable		102864 - TAXABLE - DISTRICT - TR	
	VertexAR	2.00	3,800.00	0.25000	9.50	Sales tax payable		103278 - TAXABLE - DISTRICT - M	
	VertexAR	2.00	3,800.00	0.75000	28.50	Sales tax payable		104840 - TAXABLE - DISTRICT - TR	
	VertexAR	2.00	3,800.00	6.00000	228.00	Sales tax payable		2398 - TAXABLE - STATE - CALIFOR	
	VertexAR	2.00	3,800.00	1.25000	47.50	Sales tax payable		2872 - TAXABLE - COUNTY - LOS A	
	VertexAR	2.00	3,800.00	0.50000	19.00	Sales tax payable		2873 - TAXABLE - DISTRICT - TRAN	
<input type="radio"/>	VertexAR	2.00	3,800.00	0.50000	19.00	Sales tax payable		66710 - TAXABLE - DISTRICT - TRA	
	VertexAR	2.00	3,800.00	0.50000	19.00	Sales tax payable		88645 - TAXABLE - DISTRICT - ME	

Total calculated sales tax amount Total actual sales tax amount Total calculated fee amount Total actual fee amount

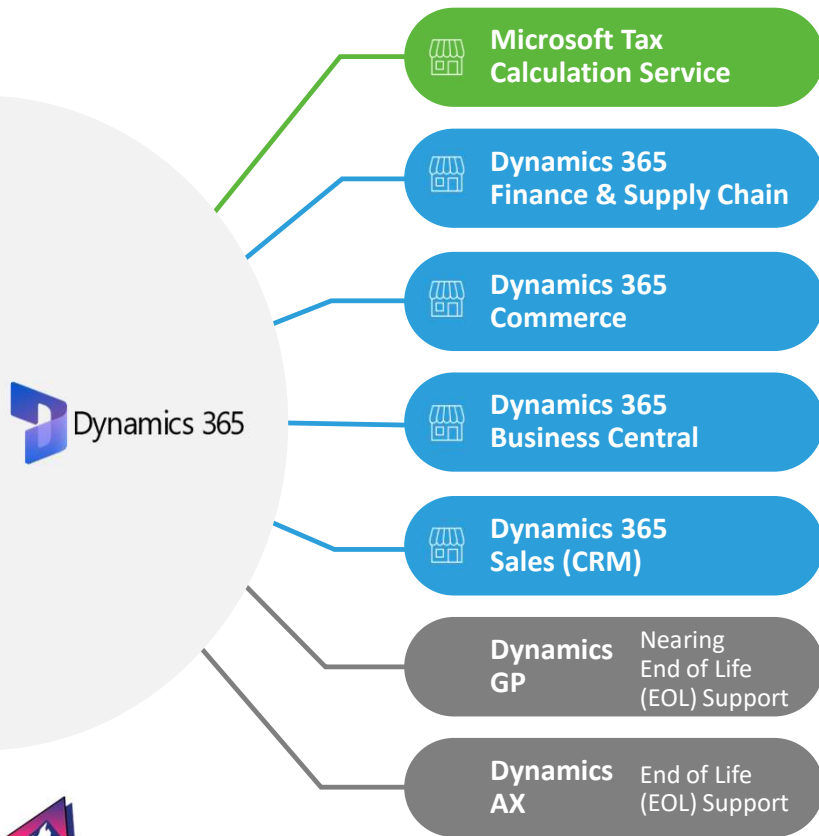
389.50 389.50 0.00 0.00



Supporting Global Compliance with Dynamics 365 and Vertex



Indirect Tax Solution Across the Microsoft Ecosystem



- Consulting & Managed Services
- Tax determination
- Global content
- Edge performance
- Exemption management
- Registration validation
- Address cleansing & Lat/Long
- Analytics & Insight
- VAT Returns & Reporting (software & service)
- SUT Returns & Reporting (software & service)
- Invoicing (including Marketplace Support)
- 24/7 Support



Industry Leaders Trust Vertex with Their Business

44+

Years in
Tax Technology

4,000+

Customers

>60%

of the
Fortune 500

>195

Countries Supported

800M+

data-driven effective
tax rules

Supporting over **20,000** global taxing jurisdictions



Tax Provider with an
integration to Microsoft's
new tax calculation service

HDI

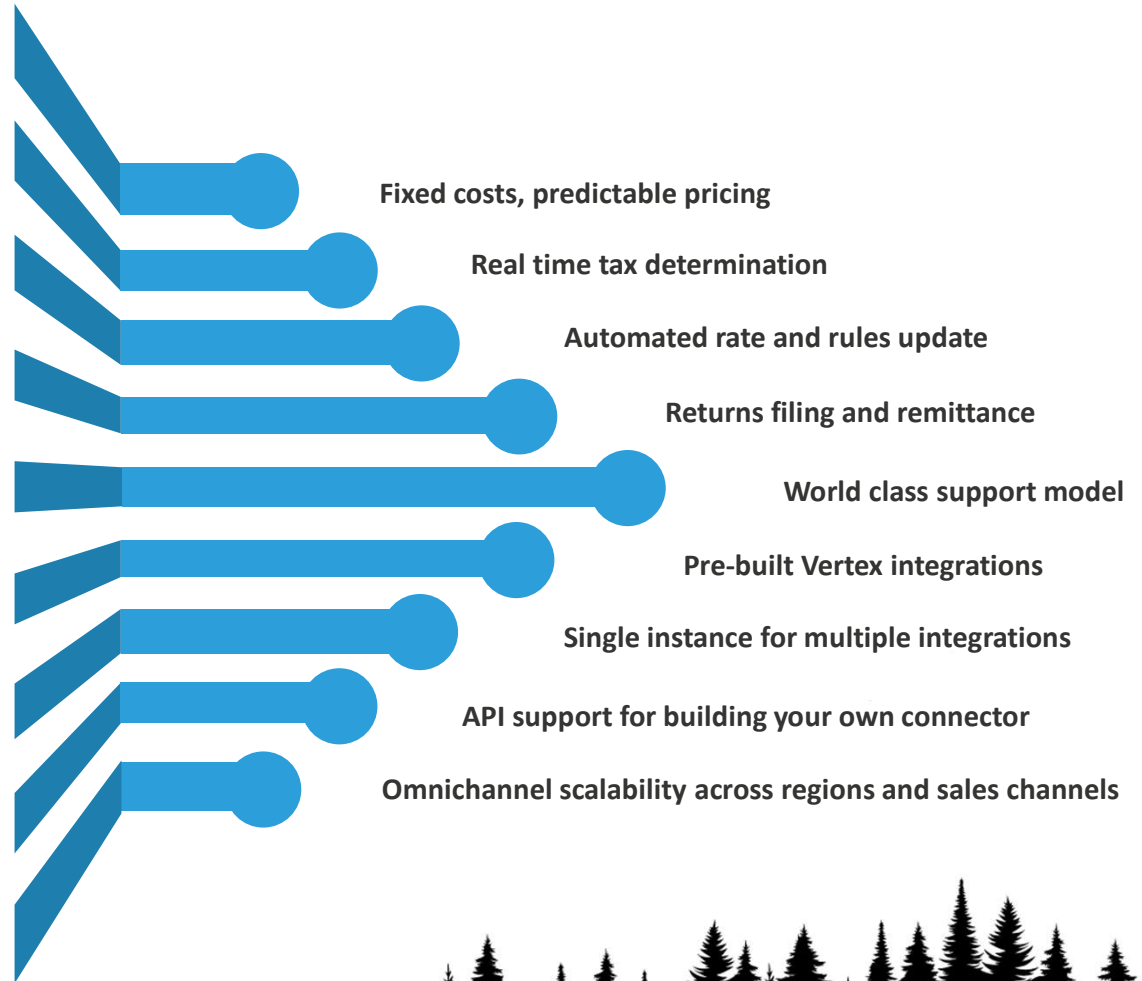
Certified Support

96.4%

Customer Satisfaction
Rating

VERX, IPO NASDAQ since 2020





One integrated solution across systems and channels



... and more

ERP
CRM
HCM
Multi-Cloud
E-Commerce
Marketplace
Digital Goods
Procurement
Billing
Invoicing



Q&A



Stop by booth #26 or contact us to learn more about our tax compliance solutions for Dynamics 365



Stop by booth #26 or contact us to learn more about our tax compliance solutions for Dynamics 365

Thank You!



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DEMO

Vertex Tax Solutions for Invoice Compliance





DEMO

Tax Automation Solutions for
Microsoft Dynamics 365 with Vertex



S-002176 · School of Fine Art

✖ The available inventory for item 1000 is lower than the entered quantity at this location. Show details | Don't show again

Process Posting Release Prepare Print/Send Request A

General

Customer Name School of Fine Art

Contact Meagan Bond

Document Date 4/15/2024

Posting Date 4/15/2024

Order Date 4/15/2024

Lines | Manage Line Order Fewer options

Type	No.	Item Reference No.	De
→ Item	1000		HA
Charge (Item)	JB-FREIGHT		Fr

Sales Line Tax Details - Order · S-002176 · 10000 · 4220 · 1 · 2.90

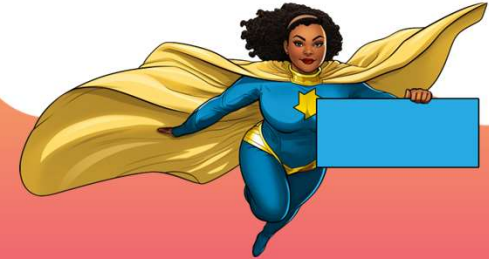
↗ ✖

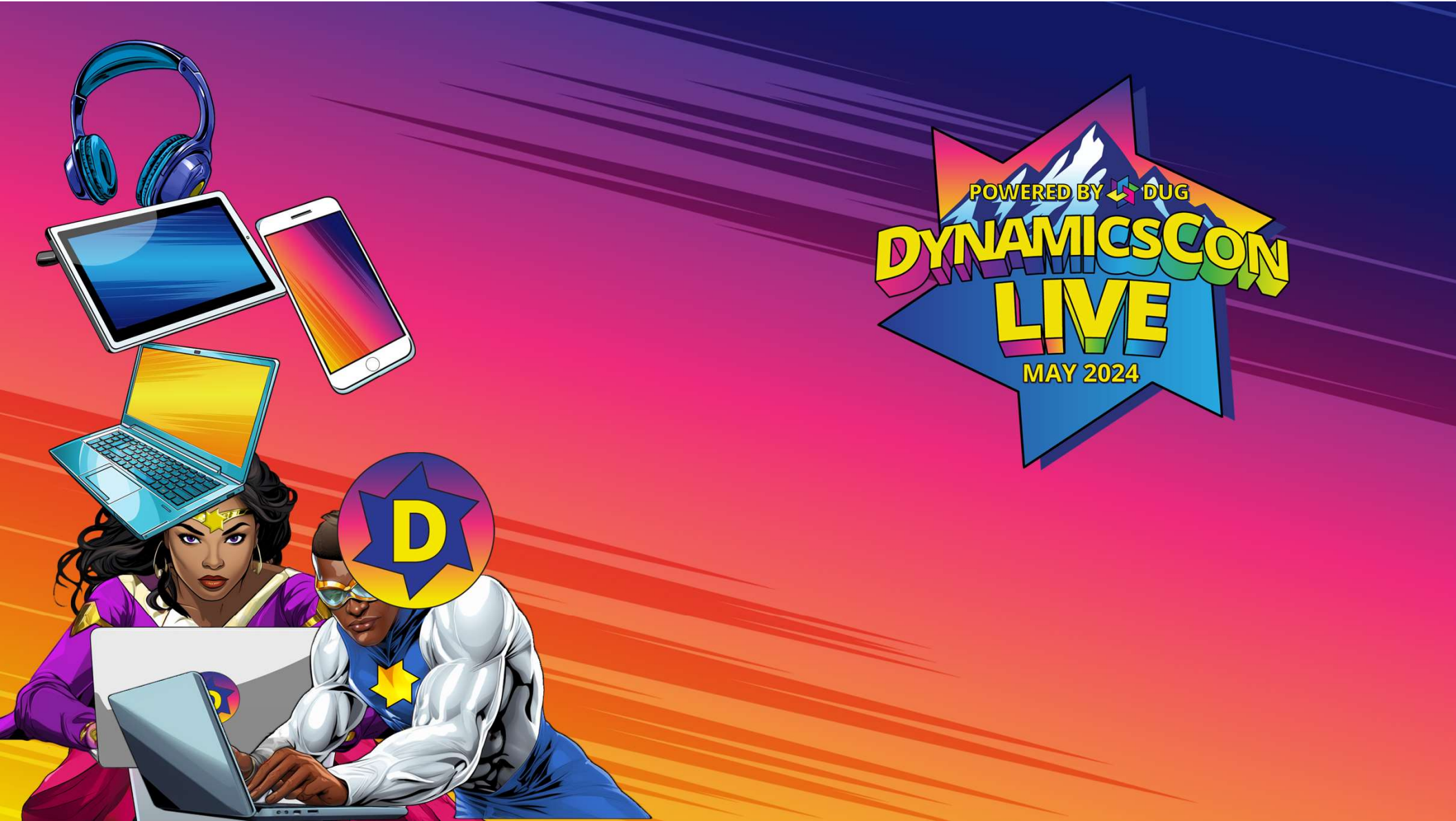
Line No. ↑	Jurisdiction Level	Jurisdiction	Imposition	Tax Rate ↑	Tax Amount
→ 10000	STATE	COLORADO	Sales and Use Tax	2.90	6.96
10000	COUNTY	ARAPAHOE	Local Sales and Use Tax	0.25	0.60
10000	CITY	AURORA	Local Sales and Use Tax	3.75	9.00
10000	DISTRICT	REGIONAL ...	Local Sales and Use Tax	1.00	2.40
10000	DISTRICT	SCIENTIFIC...	Local Sales and Use Tax	0.10	0.24
20000	STATE	COLORADO	Sales and Use Tax	2.90	0.29
20000	STATE	COLORADO	Retail Delivery Fee	2.80	0.28
20000	COUNTY	ARAPAHOE	Local Sales and Use Tax	0.25	0.02
20000	CITY	AURORA	Local Sales and Use Tax	3.75	0.38
20000	DISTRICT	REGIONAL ...	Local Sales and Use Tax	1.00	0.10
20000	DISTRICT	SCIENTIFIC...	Local Sales and Use Tax	0.10	0.01

←

Close

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