VERTEX®

Taking the Pain Out of Tax with Microsoft Dynamics 365

The only constant in life is change. And change happens a lot — especially when it comes to tax. This can not only lead to havoc for tax and IT processes but also a higher risk of audit penalties that can impact the bottom line.
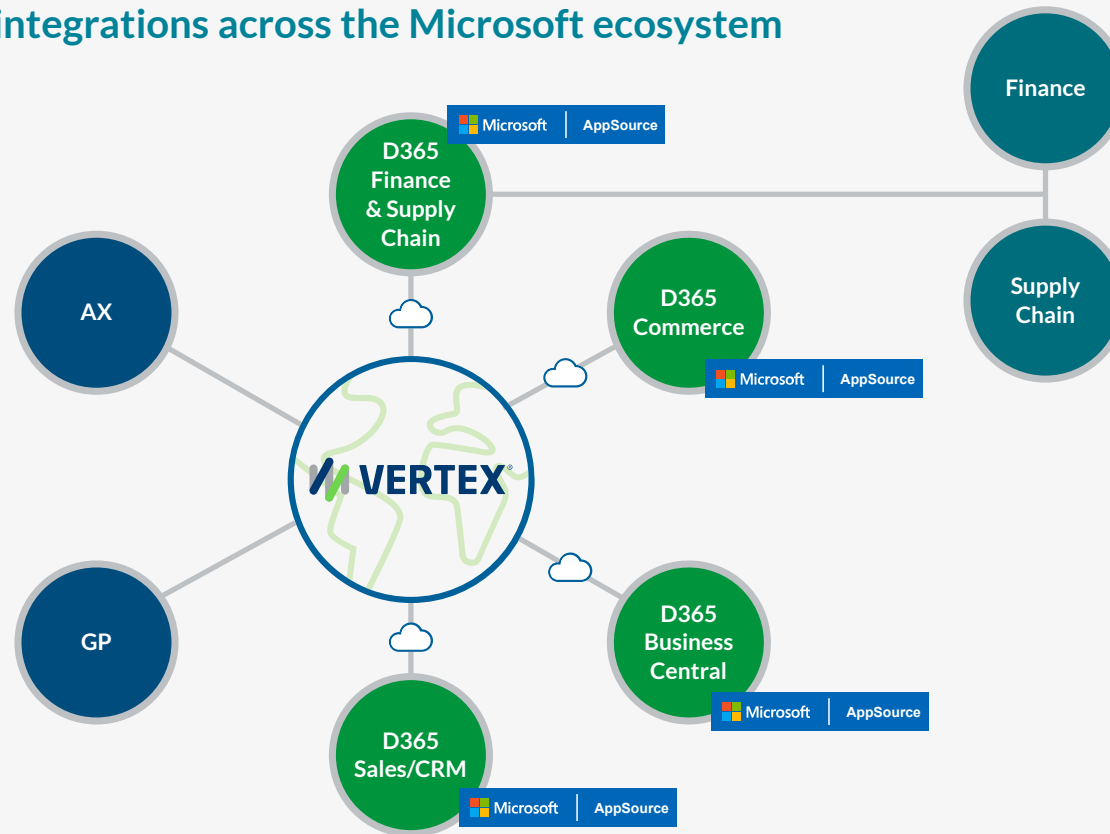
Another day, another change

In the U.S., 45 states as well as the District of Columbia impose a sales tax, and 38 states add local taxes on top. That's more than 12,000 U.S. taxing jurisdictions to keep track of. Plus, they constantly change their rates and regulations. For companies doing business globally, there's over 19,000 taxing jurisdictions with different rates, regulations, and requirements. It's up to businesses to keep up with the latest tax rates and requirements to calculate sales, use, and value added tax (VAT) accurately on every transaction.

Integrating a 3ʳᵈ party tax calculation engine

Many companies solve the problem by integrating a 3rd party tax engine to automate the maintenance of tax data and tax calculation across all their Microsoft D365 applications. The changing tax content is automatically maintained and updated in one central tax engine, then leveraged across multiple Microsoft Dynamics 365 applications. It serves as the single source for the latest tax data, complex tax calculations, and robust tax reporting for compliance and audit readiness. This not only improves tax accuracy and streamlines tax determination and compliance processes, but also reduces the burden on IT teams to maintain tax content in each Microsoft application. Since connectors can be made to multiple Microsoft applications, companies can standardize tax management and boost visibility and control.

Tax calculation integrations across the Microsoft ecosystem

Vertex for Microsoft D365 Business Central	Real-time calculation of sales and use tax
Vertex for Microsoft D365 Commerce	Real-time calculation of sales tax
Vertex for Microsoft D365 Finance & Supply Chain	Real-time calculation of sales, use, and value added tax
Vertex for Microsoft D365 Sales/CRM	Real-time calculation of sales tax
Vertex for Microsoft Dynamics AX	Real-time calculation of sales and use tax
Vertex for Microsoft Dynamics GP	Real-time calculation of sales tax

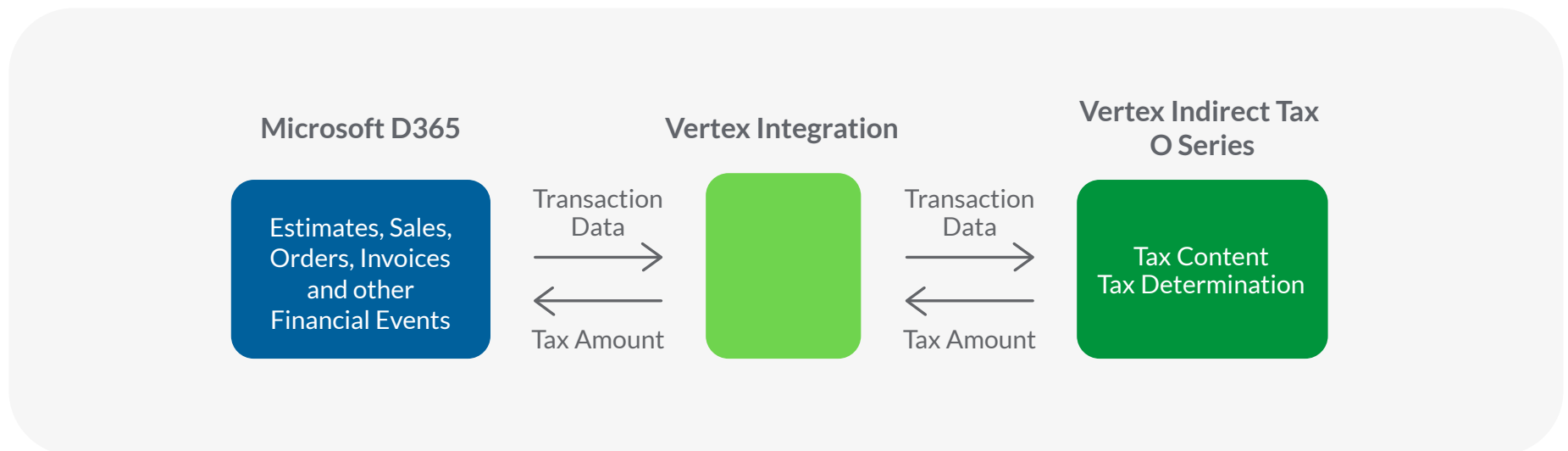## Benefits of integrating a tax engine across Microsoft D365 applications

- **Automates** tax calculation and the maintenance of tax data
- **Eliminates** manual processes, freeing resources
- **Improves** tax accuracy, improving audit performance
- **Provides** better tax and compliance reporting and control
- **Increases** productivity for tax, finance, and IT teams
- **Creates** more streamlined OTC and P2P cycles

"Microsoft customers are focused on transforming their businesses leveraging automation to streamline every facet of their revenue operations," said Kurt Springman, Director of Strategic Partner Development at Vertex. "Vertex solutions for Microsoft integrate seamlessly, providing a complete solution to automate tax calculation across Microsoft clouds. They also reduce compliance risk by extending the value of Microsoft solutions regardless of how or where our customers transact."

How the Vertex solutions for Microsoft D365 work

Tax determination is quite complex because it relies on a multitude of taxability rules and transaction data points. But the whole process happens in real time once Microsoft solutions are connected to the Vertex tax engine. Here's how it works:

1. The Microsoft app sends the transaction data to the tax engine via an integration.

2. The Vertex tax engine applies address cleansing to ensure the ship-to address is complete and accurate, and mapped to the correct taxing jurisdiction.

3. Then, Vertex automatically calculates the tax based on the transaction details using the embedded tax rules and rates and sends the tax amount back to the Microsoft app through the integration to complete the quote or sales transaction.
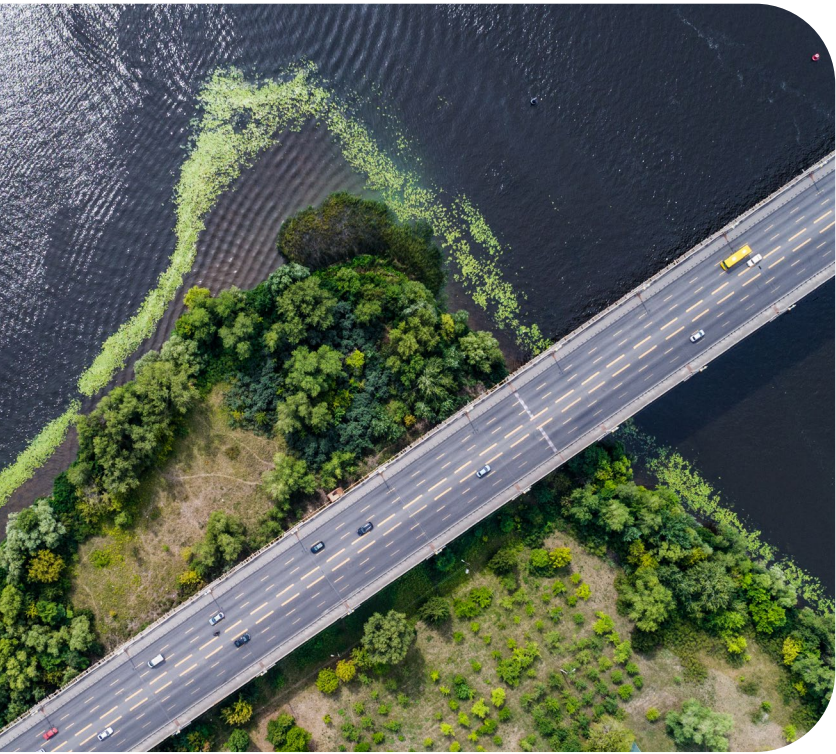

Vertex pulls the transaction details from Microsoft D365 to calculate indirect tax in Vertex O Series and send that tax amount back to Microsoft D365.

- Whenever a change is made in either the Vertex tax engine or a Microsoft module, experts modify the integrations as needed and the new release is made available to all users.

- The integrations undergo continuous improvement based on application performance monitoring, so it always reflects the most up-to-date capabilities to deliver peak performance.

- Updates to the functionality of the integrations reflect feature requests from across the Vertex-Microsoft customer base, so every user benefits from the best practices of the collective group.

- IT departments are freed from the cost, skill requirements, and man-hours required to maintain one-off integrations and provide help desk support to users experiencing problems.

- As the business implements additional Microsoft applications, they can be connected to the same Vertex tax engine for centralized, standardized tax processes.

As you can see, by leveraging the standardized Vertex integrations, Microsoft users establish a technology landscape that scales for growth and change.

Leveraging the power of a tax connector

In the hustle and bustle of attracting, serving, and billing customers, businesses don't want tax calculation errors to slow things down. By leveraging Vertex for Microsoft Dynamics 365, businesses reduce manual processes, stabilize process efficiency, improve audit performance, and reduce risk. They also establish a tax process that's more reliable and scalable to support business growth. Vertex has a 40-year history of automating tax calculation and is a proud Microsoft partner. Vertex solutions seamlessly integrate with Microsoft Dynamics 365, offering flexible deployment options and scalability to support enterprise growth across the organization and around the world.

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