

CyberSource Global Tax Calculation Service



The ability to provide accurate real-time tax calculation is a must-have for every online business. Customers want a fast and hassle-free checkout, with the correct tax amount applied for their city, county, state, and country. Hidden or last-minute fees, or inaccurate or slow transactions, can lead to frustration, cart abandonment, and lost sales.

For merchants, global tax calculation is a highly complex process that is fraught with risks. Collecting insufficient taxes can be costly. Yet with thousands of jurisdictional rules and constantly changing tax codes, a merchant might not even know it is out of compliance until the tax bill arrives.

CyberSource Global Tax Calculation service can help you streamline eCommerce transactions by providing accurate, real-time tax calculation for sales originating across the world. The hosted tax service makes tax calculation easy to implement and maintain without time-consuming research or specialized software. With accurate, automated real-time tax calculation capability, you can enter new markets more easily, with less risk, while providing customers with a seamless checkout experience.

**Calculate global
tax rates quickly
and accurately
to provide a fast
and easy checkout
experience while
minimizing
compliance risks.**

KEY FEATURES

- ✓ Calculates sales, use, and Value Added Tax (VAT) in real time
- ✓ Identifies tax jurisdictions by address, not just postal code
- ✓ Assesses tax by line item rather than total amount for greater accuracy
- ✓ Accommodates maximum tax rates, rate overrides, and exemptions
- ✓ Provided as a hosted service accessed through one easy Internet connection
- ✓ Covers 14,000 tax jurisdictions in the United States and VAT in 30 countries

KEY BENEFITS

- ✓ Apply the right rate based on order details and current tax rules
- ✓ Enter new global markets easily, with less compliance risk
- ✓ Provide customers with a seamless checkout experience
- ✓ Connect to a comprehensive payment management platform
- ✓ Calculate tax without time-consuming tax research or specialized software

Provide Accurate Tax Calculations Across Global Markets

Merchants face tremendous challenges in calculating taxes for purchases. Global tax calculation is complex and existing rules frequently change, increasing your risk of noncompliance. In the United States alone, more than 14,000 jurisdictions levy sales taxes, which can affect your tax liability. Tax rates can even vary significantly within a ZIP code.

Tax collection is even more difficult when you conduct business in multiple countries. Selling in the European Union, for example, requires the collection of VAT at the rate applicable for the country where each customer is located. Intricate nexus rules plus millions of product and service exemptions add complexity.

CyberSource Global Tax Calculation service helps you apply the right rate based on customer information, order details, and current tax rules. Tax is calculated for each line item rather than for the order total. Geolocation technology determines the exact point of taxable jurisdiction, providing superior accuracy for all tax conditions. The service accommodates relevant maximum tax rates, rate overrides, and thousands of buyer/seller exceptions covering 138 countries.

Rapid, accurate calculation of global tax rates helps reduce the obstacles for selling in new geographic regions. At the same time, fast tax calculations help deliver a strong customer experience, speeding the checkout process no matter where your customers are located.

Keep Current with Changing Tax Codes

The challenges of tax compliance are compounded by the continuous changes to tax codes each year. Between 2001 and 2013, the number of tax codes that were added or changed amounted to about one

per day.¹ CyberSource Global Tax Calculation service helps you keep up to date on the latest code changes so you can avoid compliance problems while reducing administrative effort.

Accommodate Product and Service Exemptions

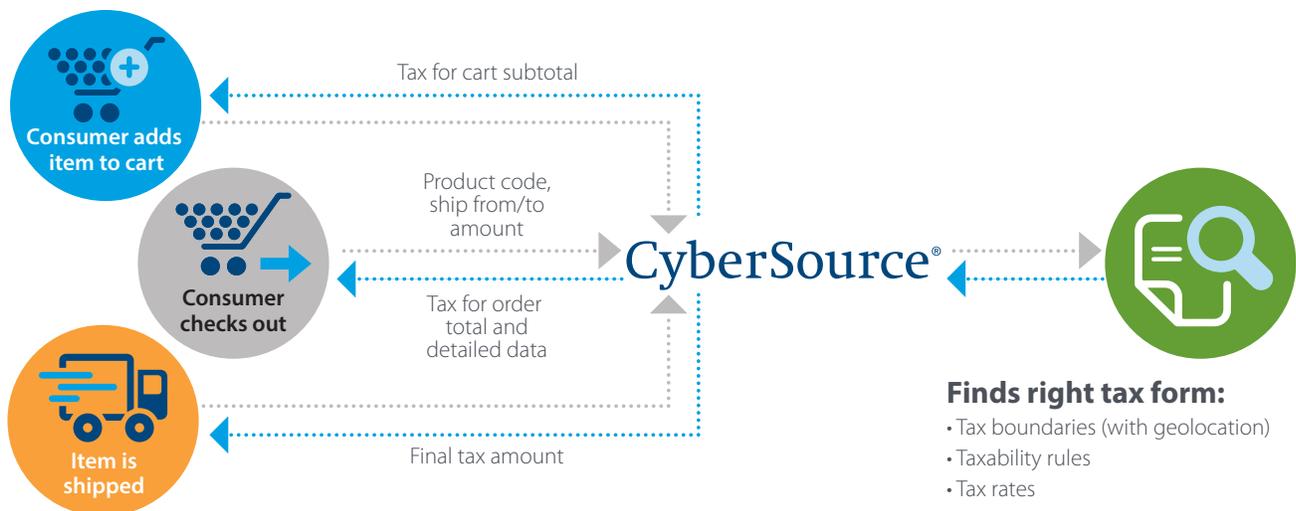
More than 30 million tax exemptions can exist each year for various products and services. With CyberSource Global Tax Calculation service, you can get accurate tax amounts on products and services that are exempt or that have nonstandard tax rates in a certain jurisdiction. The service supports a list of over 1,000 predefined product codes in the United States plus custom product codes that you create. Taking product and service exemptions into account helps ensure you collect the right amount of tax and avoid compliance issues.

Accelerate Implementation and Streamline Management

As a hosted service, there is no software to install, update, or manage. Connectivity through a single application programming interface (API) and multiple partner integrations help you get up and running quickly while keeping operations and maintenance simple. Integration with other CyberSource services, such as payment and fraud services, further streamlines management while also helping you reduce errors and latency associated with making multiple API calls. With Global Tax Calculation service, you can navigate a complex array of tax regulations from around the world without adding significant management complexity.

How It Works

Process Flow for Common Use Cases



¹“Tax Code Altered More Than Once Per Day On Average Since 2001,” Huffington Post, April 13, 2013, http://www.huffingtonpost.com/2013/04/13/us-tax-code-has-changed-m_n_3070183.html