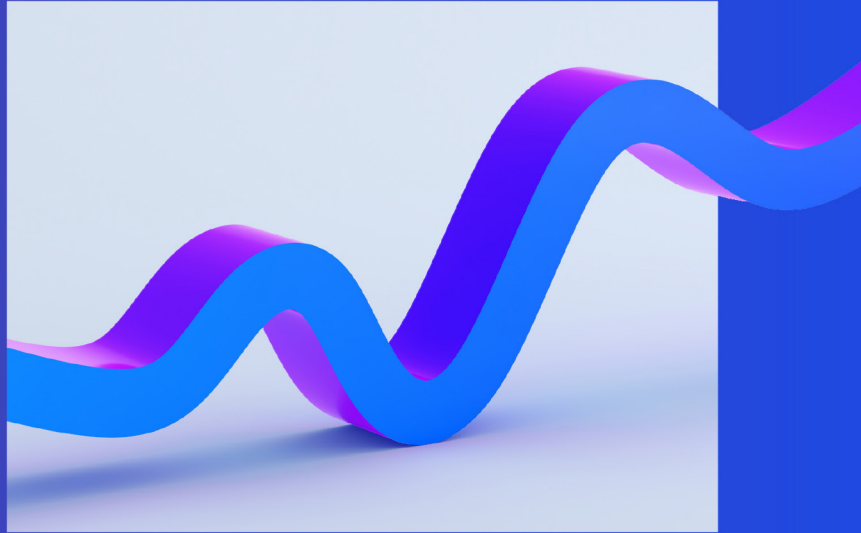




KPMG Indirect Tax Toolkit

Get more mileage out of your tax engine with our proprietary accelerator and analytics solution.



With increasing complexity of domestic and global indirect tax requirements, implementing and maintaining an indirect tax engine has become imperative. KPMG has developed a single, centralized solution to automate the configuration, testing, and maintenance of your tax engine.

The KPMG Indirect Tax Toolkit is a self-contained software solution with prebuilt integrations to Thomson Reuters ONESOURCE Determination, Vertex Indirect Tax O Series, and Avalara AvaTax—all within the same platform. The solution was designed to help companies manage the implementation and maintenance of their tax engines. It helps businesses have transparency into their tax policy and to support the day-to-day tuning that these solutions require to manage your tax requirements and tax policy.

The toolkit provides tax departments with direct access to create and save source files, which can be used to automate a variety of tax engine functions, including new configurations, testing, address validations, posting of additional transactions, and taxability matrix validations.

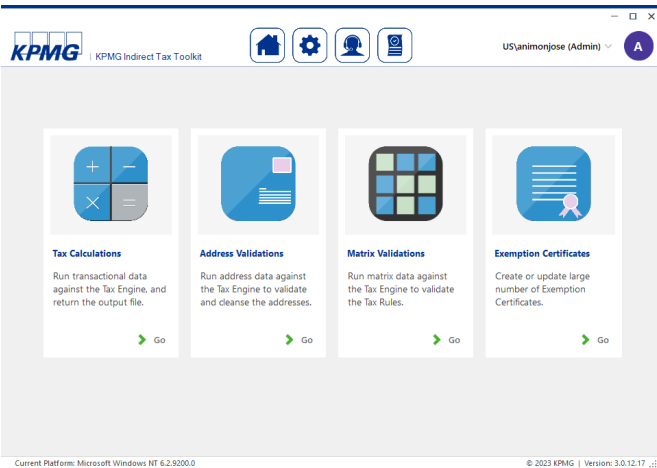
Why did we build KPMG Indirect Tax Toolkit?

As one of the leading firms for indirect tax engine implementations, KPMG identified the need internally to develop a solution to better optimize the implementation, testing, and validation process for tax engine projects. We leveraged our experience to design a solution that can automate many of the critical components of tax engine implementations and maintenance.

Over the past two years, we have refined this tool to enhance the value it can deliver to companies that are in the process of implementing or supporting a tax engine. Based on interactions with our clients, we saw a significant need for this solution to be available and licensable to support tax departments in optimizing their tax solutions.

The KPMG Indirect Tax Toolkit provides tax departments with the power to identify and manage upstream business changes to help keep tax engine configurations accurate and up to date. In addition, a lightweight footprint and flexible deployment options make it easy to install and operate within your tax department.

KPMG Indirect Tax Toolkit Homepage



Toolkit features	Value to you
Address validations	Easily create batch address validations to cleanse master data to enhance your tax calculation accuracy
Matrix validations	Create or validate country, region, or local taxability matrices to confirm your current tax policy
Batch tax calculations	Define your own file structures to post additional transactions to your tax engine or to execute volume testing against your tax engine
Configurations	Automate configurations, such as customers and exemption certificates, and perform testing of configurations

Tangible results to your organization

Leveraging our 25-plus years of implementing and managing tax engines, the KPMG Indirect Tax Toolkit enhances your organization by broadening tax engine coverage, providing more clarity into configurations, and enabling automated configurations. Examples of direct value include:

- 1 Creating additional interfaces to process transactions and post to your tax engine in a **matter of minutes**
- 2 Validating and cleansing **thousands of addresses** in the United States and Canada with the click of a button
- 3 Executing parallel testing and data analytics to help minimize unknown tax policy changes for go-live and post-go-live issues, leading to a roughly **40 percent reduction in maintenance support hours**
- 4 Performing thousands of tax configuration tests for Nexus settings, exemptions, product taxability, and custom rules, leading to a roughly **50 percent reduction in required testing hours** for a given release
- 5 Providing a **single source for automating configurations**, such as customers and exemptions certificates



Tax calculations

The KPMG Indirect Tax Toolkit provides an easy-to-use interface to define your own tax calculation batches for processing additional transactions against your tax engine. Users can define file structures by selecting any field available in the tax engine API while also setting default and inherited values in the file specification. This functionality is extremely useful in executing large-scale test simulations as part of a solution deployment or as stand-alone regression testing for a tax engine upgrade. Common use cases for our clients include:

- Execute large-scale batch tests of transactions and automatically identify variances over a set threshold
- Perform tax calculations and posting of transactions from other data sources that are not part of your ERP/tax engine integration, including purchasing transactions, promotional item giveaways, goods movement transactions, and employee sales
- Post-month-end adjustments to your tax engine
- Perform parallel testing as part of an upgrade or solution deployment to compare taxes from historical transactions with current calculations

- Develop a formal process to analyze purchases for use tax accruals to confirm vendor-charged tax and whether additional liabilities are due

Perform batch tax calculations to post additional transactions to your tax engine or to perform parallel testing to identify any calculation differences.

Tax Calculation File Profile

Define file profiles for Tax Calculation

Generate Template

Download Template

Profile: Run

New

Copy

Save

Delete

Demo - Tax Calc

Preferences

Options

Compare

Connection: Sandbox Test (Engine: ONESOURCE LTD. Ver: Classic, Env: SAND)

Map Input Fields

Col#	Source File Column	Map to Field	Sample Value
A	Invoice Num	INVOICE_NUMBER	2001
B	Invoice Date	INVOICE_DATE	2023-04-24
C	Ship To State	SHIP_TO_STATE(ISO)	AL
D	Ship To City	SHIP_TO_CITY (Line)	BIRMINGHAM
E	Ship To Post Code	SHIP_TO_POSTCODE (Line)	35061

Inherited Fields

Map to Field	Inherit From
EXTERNAL_COMPANY_ID	KITT-Test
EXEMPT_AMOUNT (Line)	100

Map Output Fields

Column Name
TOTAL_TAX_AMOUNT (Line)
AUTHORITY_NAME (Tax)
ZONE_NAME (Tax)
ZONE_LEVEL (Tax)
TAX_AMOUNT (Tax)
TAX_RATE (Tax)
RULE_ORDER (Tax)
MESSAGE-TEXT
MESSAGE-CATEGORY
MESSAGE-SEVERITY
MESSAGE-CODE

Tax matrix validation

One of the more common complaints we hear from our clients is the inability to quickly view current tax rules that exist within their tax engine configuration. Tax departments often look to taxability matrices to view a summarized definition of their current tax policy across sales and purchasing categories and geographies. The various vendor solutions, however, do not include an easy way to see summarized configurations factoring in all preprocessing, custom, and postprocessing rules.

The KPMG Indirect Tax Toolkit provides a direct mechanism to extract and summarize your tax policy at the country, state/region, or local level. Users can extract any output field from the tax engine, including taxability, tax rate, and rate code, into a summarized jurisdictional matrix as highlighted below. In addition, users can publish matrices specific to a subset of tax types and authorities to confirm when certain taxes are calculated by jurisdiction. The toolkit also automates the validation of published tax matrices, a critical step during user acceptance and regression testing.

Build or validate a state- or regional-level tax matrix to confirm tax rates and rules by jurisdiction and tax driver.

Product Code	AL	AK	AS	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID	IL	IN	IA	KS
FREIGHT	T	T	N	T	N	T	T	T	T	T	T	T	T	T	T	T	T	T
SERVICE	N	T	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
OPTMAINT	T	T	N	T	N	N	N	N	N	N	N	N	N	N	N	N	N	N
INFOSVC	N	T	N	T	N	N	N	N	N	N	N	N	N	N	N	N	N	N
CONSULTSFT	N	T	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
CUSTSOFT	T	T	N	N	T	N	N	N	N	N	N	N	N	N	N	N	N	N
CUSTSOFT	T	T	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
HELPDESK	N	T	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
INSTALL	N	T	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
PAAS	N	T	N	T	N	N	N	N	N	N	N	N	N	N	N	N	N	N
PROVSVC	N	T	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
SAAS	T	T	N	T	N	N	N	N	N	N	N	N	N	N	N	N	N	N
SOFTAGREE	N	T	N	N	N	N	N	T	N	T	N	N	N	T	N	N	N	N
TRAIN	N	T	N	N	N	N	N	T	N	N	N	N	N	T	N	N	N	N
GLASS	T	T	N	T	T	T	T	T	N	T	T	T	T	T	T	T	T	T

Build or validate a global indirect tax matrix and highlight VAT/GST rates by country and tax driver.

Build or validate a country- or city-level tax matrix to confirm local tax rates and rules by jurisdiction and tax driver.

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KPMG Indirect Tax Toolkit

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Address cleansing and validations

Cleansing your vendor, customer, and physical locations is a prerequisite for all tax calculations and computations. The KPMG Indirect Tax Toolkit allows you to leverage the standard address cleansing and validation features within your tax engine to process batches of addresses and identify issues and gaps. This includes preassigning geographical areas and other jurisdictional codes, which is critical to the setup of your system and the accurate identification of the appropriate taxing authorities.

Results of the address cleansing and validation processes are created in Excel for review and remediation or to import data sets back into your ERP or source systems. An example of output from a KPMG Indirect Tax Toolkit address cleansing request follows:

CUST_ID	ADDRESS1	CITY	Zip	STATE	Status	Time(ms)	Confidence	Result_taxAreaId	Result_PostalCode	Result_SubDivision
1572066		BLAKSBURG	29702	SC	ADDRESS_CLEANSE	435	100	410211265	29702-0355	Cherokee
1627914		CORTLAND	44410	OH	ADDRESS_CLEANSE	162	77	361554230	44410-9673	Trumbull
1625016		SARASVILLE	43779	OH	ADDRESS_VALIDATION	111	85	361210000		NOBLE
1524955		HELLERTOWN	18055	PA	ADDRESS_CLEANSE	109	100	390950000	18055-3323	Northampton
1538456		TULLAHOMA	37388	TN	ADDRESS_CLEANSE	96	100	430310000	37388-5377	Coffee
1502765		NORTH WEBSTER	46555	IN	ADDRESS_CLEANSE	106	100	150850000	46555-9537	Kosciusko
1589929		THOMSON	30824	GA	ADDRESS_CLEANSE	85	100	111890000	30824-8332	McDuffie
1566126		LA VISTA	68138	NE	ADDRESS_CLEANSE	131	100	281530000	68138-4812	Sarpy
1623258		HOUSTON	77054	TX	ADDRESS_CLEANSE	153	100	442011440	77054-2680	Harris
1488984		HOMERVILLE	31634	GA	ADDRESS_CLEANSE	99	100	110650660	31634-3150	Clinch
1557825		EAGLETOWN	74734	OK	ADDRESS_CLEANSE	79	100	370890000	74734-5076	McCurtain
1508148		MUSELLA	31066	GA	ADDRESS_CLEANSE	105	100	110790000	31066-3615	Crawford
1574387		EAST WENATCHEE	98802	WA	ADDRESS_CLEANSE	94	100	480170000	98802-8560	Douglas
1581311		FAIRFAX	52228	IA	ADDRESS_CLEANSE	127	100	161132815	52228-4711	Linn
1591295		FORT WORTH	76109	TX	ADDRESS_CLEANSE	123	100	444391090	76109-4620	Tarrant

Automated Exemption Certificates

The KPMG Indirect Tax Toolkit makes it easy to manage the creation and maintenance of customers and exemption certificates. Users can define dynamic templates with customer and certificate data and map it to the fields exposed by the tax engine API. This functionality replaces the manual steps of managing exemptions in the user interface or creating complex data import files which can result in data integrity issues. Leverage the KPMG Indirect Tax Toolkit to develop your own automation for managing and testing customer exemptions. Key features include:

- Configurable template to upload customer and exemption certificates with a single file
- Attach certificate images or supporting files
- Supports different types of certificates: Blanket, Limited, Single Use
- Supports both zone level as well as authority specific exemptions
- Built-in intelligence to check for existing customers and certificates and updating objects that already exist

Exemption Certificate File Profile

Define file profiles for Exemption Certificate

Profile: Run

+ New

Copy

Save

Delete

Preferences

Demo-Vertex-Certs

Connection: Vertex Certificate Service - KPMG Sandbox (Engine: Vertex O-Series, Ver: 9.0, En.

Map Input Fields			
Col#	Source Fil...	Map to Field	Sample Value
B	Customer...	Customer-Name (Customer)	Test Customer110
C	Company...	CompanyCode (Customer)	KPMG
D	EffectiveD...	EffectiveDate (Customer)	2022-05-01
E	Certificate...	CertificateNumber (Certificate)	Cert110.20
F	Certificate...	CertificateClass (Certificate)	EXEMPTION CER...

Customer Code	Customer-Name	Certificate Number	Transaction Type	States	Effective Date	Certificate Scope	TaxabilityDriver-Co
C10000110	Acme Industries	ACME-MULTISTATE	SALE,RENTAL	TX,CA,PA,NY,NJ	8/12/2022	Limited	HELPDESK
C10000111	Apex Solutions	APEX-CO-001	SALE	CO	4/21/2022	Blanket	
C10000112	Blue Sky Enterprises	BSE-IA-PA-001	SALE	IA,PA	10/1/2022	Limited	HELPDESK
C10000113	Bright Ideas Inc.	BI-MULTI-001	SALE	AZ,NM,UT	2/15/2022	Blanket	
C10000114	Clear Vision Corporat	CLEAR-NV-001	SALE	NV	5/6/2023	Blanket	
C10000115	Crimson Consulting	CR-CA-001	SALE,RENTAL	CA	11/11/2022	Blanket	
C10000116	Elite Enterprises	EE-NV-001	SALE	NV	6/30/2022	Blanket	
C10000117	Evergreen Innovations	EI-AZ-001	SALE	AZ	11/10/2022	Blanket	
C10000118	Fusion Dynamics	FUSION-001	SALE,RENTAL	UT,SD	8/1/2022	Blanket	
C10000119	Global Reach Inc.	GRI-001	SALE	KS,NE	5/21/2022	Blanket	
C10000120	Horizon Enterprises	HE-OK-001	SALE	OK	12/1/2022	Blanket	
C10000121	Infinity Solutions	IS-AL-001	SALE	AL	12/15/2022	Blanket	
C10000122	Intrepid Ventures	IV-MULTI-001	SALE	MS,MO	6/6/2023	Blanket	
C10000123	Keystone Technologies	KE-LA-001	SALE,RENTAL	LA	4/21/2022	Blanket	
C10000124	Liberty Enterprises	LE-TN-001	SALE	TN	10/1/2022	Blanket	
C10000125	Maverick Industries	MI-VA-001	SALE	VA	2/15/2022	Blanket	
C10000126	Nexus Innovations	NI-MULTI-001	SALE	NC,SC	4/21/2022	Blanket	
C10000127	Omega Solutions	OS-MI-001	SALE	PA,OH	10/1/2022	Blanket	
C10000128	Phoenix Enterprises	PH-MI-001	SALE,RENTAL	MI	2/15/2022	Blanket	

What's next?

KPMG is committed to bringing the best people, processes, and technologies to support the indirect tax technology needs of our clients. This includes the KPMG Indirect Tax Toolkit, which can be licensed directly to clients. We have a full onshore and offshore development and support team that is continually releasing new versions of the solution with enhanced functionality and features. We work directly with our clients in an agile approach to identify opportunities and to quickly adopt in future releases. As tax engines evolve and change, so will our KPMG Indirect Tax Toolkit, helping ensure that we support the latest versions and APIs from these technologies.

KPMG Indirect Tax practice

The KPMG Indirect Tax practice has the strength in numbers to help manage your tax burden. With more than 500 professionals, we have the experience and technology tools to assist in your tax transformation journey.

Our professionals combine technical capabilities in indirect tax with a deep understanding of industry and business issues. We bring a big-picture perspective to the cross-border environment and help you go beyond compliance to unlock tangible business value from reporting and data.

Contact us

For a scheduled demo of our KPMG Indirect Tax Toolkit or any related questions, please contact:

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