

# Assign Tax Codes for Non Taxable Transactions

## How to Assign tax codes for non taxable transactions in SAP

In previous SAP tutorials you have learned how to [define tax procedures](#) step by step, the next configuration step is assign tax codes for non taxable transactions in [SAP](#).

Non tax codes are mandatory to maintain in SAP, whenever you are posting the non taxable transactions to the tax relevant accounts, we need to specify 0% tax codes. Here we are going to configure A0 & V0 0% tax codes and assign to company code TK01.

Before assigning tax codes for non taxable transactions, we need to define 0% input tax and 0% output tax.

1. A0 – 0% Output Tax
2. V0 – 0% Input Tax

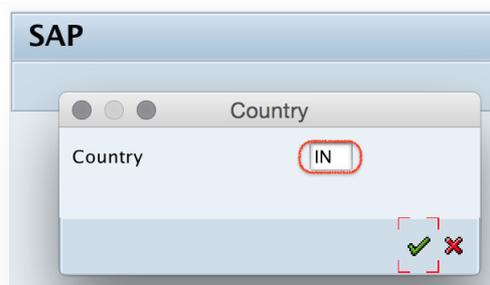
### Configuration steps for V0 – 0% Input Tax

- - *Transaction Code:* – FTXP
  - *Path:* – [SPRO](#) > [SAP IMG](#) > [Financial Accounting \(New\)](#) → [Financial Accounting Global Settings \(New\)](#) → [Tax on Sales/Purchases](#) → [Calculations](#) → [Define Tax Codes for Sales and Purchases](#).

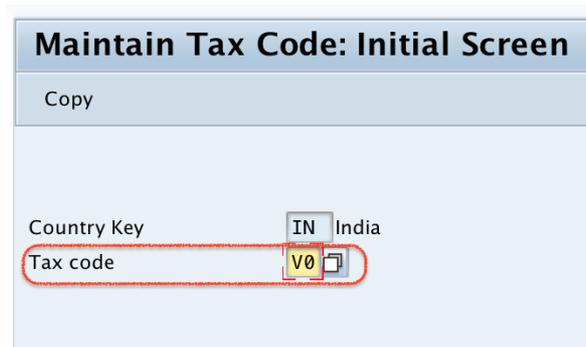
**Step 1)** Enter [T-code](#) “FTXP” in SAP command field.



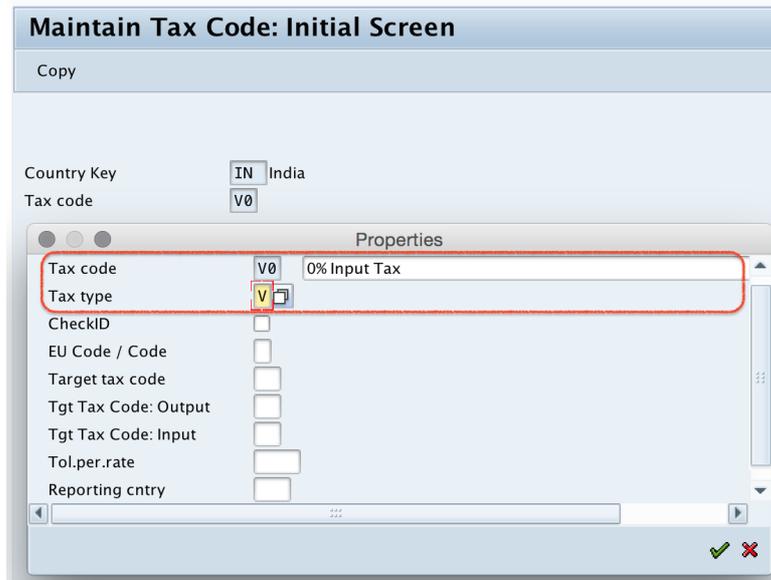
**Step 2)** Enter country key “IN”, as we are tax codes for country India so we have entered In. If you are maintaining tax code for United States, enter US as country key.



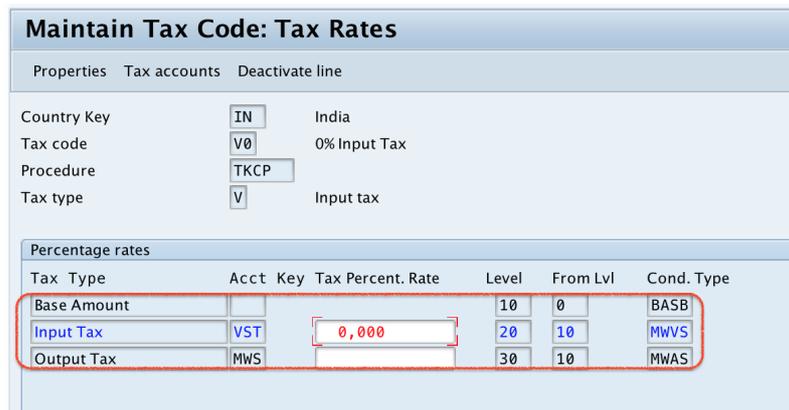
**Step 3)** On maintain tax code: Initial screen, enter tax code that you like to create. Update as V0 and press enter to continue.



**Step 4)** In next screen, update tax code description and tax type as V (Input tax). Press enter to continue.



**Step 5)** Now update input tax – tax percentage rate as 0.



Click on save and save the configured tax code.

Tax code V0 was created

Similarly create A0-Output tax code

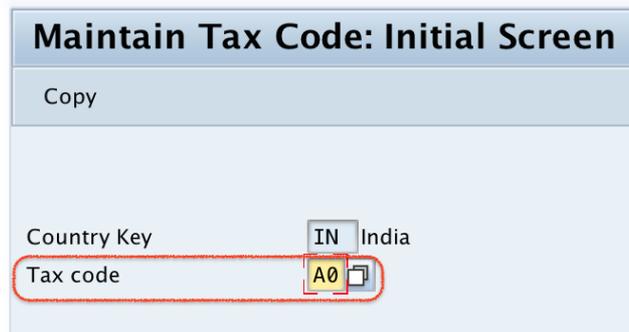
**Step 1)** Enter T-Code “FTXP”



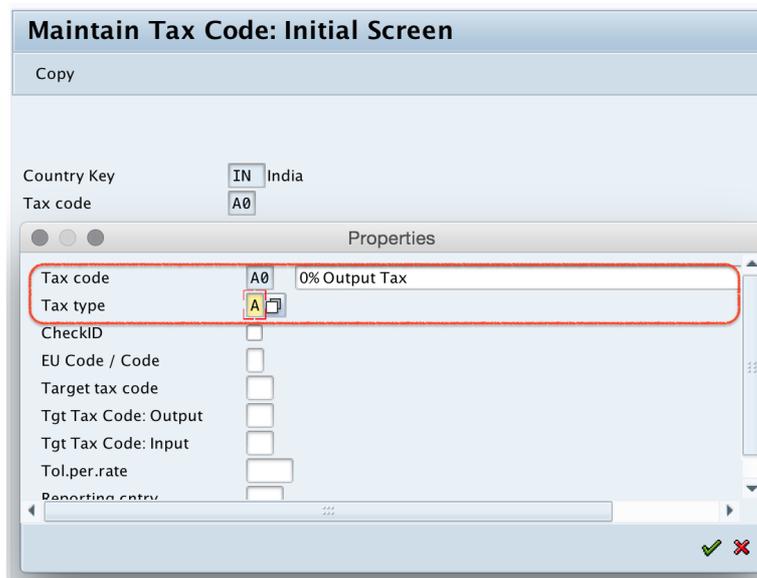
**Step 2)** Choose Country key In.



**Step 3)** In next screen, enter A0 in the tax code field and enter.



**Step 4)** Update tax code description and tax type key as A, press enter to continue.



**Step 5)** In next screen, you need to update tax percentage rate and update it as 0.

### Maintain Tax Code: Tax Rates

Properties Tax accounts Deactivate line

Country Key  India  
 Tax code  0% Output Tax  
 Procedure   
 Tax type  Output tax

Tax Type	Acct Key	Tax Percent. Rate	Level	From Lvl	Cond. Type
Base Amount			10	0	BASB
Input Tax	VST	0,000	20	10	MWVS
Output Tax	MWS	0,000	30	10	MWAS

Click on save button and save the configured tax code.

## Procedure to Assign Tax Codes for Non Taxable Transactions

**Step 1)** Enter T-Code "OBCL" and enter.

Menu Edit Favorites Extras System Help

**Step 2)** On change view allocate company code → Non taxable transactions overview screen, click on position button and enter your company code in the given field.

### Change View "Allocate Co.Cd. -> Non-Taxable Transactions": Overview

CoCd	Company Name	City	Input t...	Outpu...	Jurisdict. co
TK01	TK Software limited	Bangalore	V0	A0	

Position... Entry 1.027 of 1.027

**Step 3)** Now update 0% input tax code and 0% output tax code in the given field as shown below.

### Change View "Allocate Co.Cd. -> Non-Taxable Transactions": Overview

CoCd	Company Name	City	Input t...	Outpu...	Jurisdict. co
TK01	TK Software limited	Bangalore	V0	A0	

Successfully we have assigned tax Codes for non taxable transactions in SAP.

## SAP FICO Training

- SAP FICO Tutorials

## SAP FICO - Introduction

- SAP Financial Accounting

- What is SAP FICO

- What is client in SAP

## SAP FICO - Enterprise Structure

- Define Company in SAP

- Define Company Code in SAP

- Assign company code to company in SAP

- Define business area and consolidation business area in SAP

- Assign business area to consolidated business area in SAP

- Define credit control area in SAP

- Assign company code to credit control area in SAP

- Define functional area in SAP

- Maintain Financial Management Area in SAP

- Assign financial management area to company code in SAP

- How to create segments in SAP

## SAP FICO - Global Parameters

- What is Chart of accounts and how to create COA in SAP?

- Assign company code to chart of accounts

- What is Fiscal year in SAP?

- How to maintain fiscal year variant

- Assign company code to fiscal year variant

- Define account group in SAP

- Define retained earnings account

- Define posting period variant (PPV)

- Assign variants to company code in SAP

- Open and closing posting period variants

- Define field status variant and field status groups in FICO

- Assign company code to field status variant

- Define Tolerance group for G/L accounts

- Define Tolerance group for employees

- Check company code global parameters

## SAP FICO - Foreign Currency Transactions

- Check exchange rate types
- Define translation ratios for currency translation
- How to maintain exchange rates in SAP
- Define accounts for exchange rate differences
- Define foreign currency valuation methods
- Define accounting principles and assign to ledger group
- Define valuation areas and assign to accounting principles

## SAP FICO - New G/L Accounting

- How to activate new G/L accounting?
- Define ledgers for general ledger accounting
- Define currencies for leading currency
- Define & Activate Non-Leading Ledgers
- Define Zero-balance clearing account
- Define interest calculation types
- Define interest indicator

## SAP FICO - Accounts Receivable

- Define account group for customers
- Maintain number ranges for customer account groups
- Assign number ranges to customer account groups
- Define risk categories
- Define tolerance group for Customers
- Create sundry debtors accounts
- Define Customer Master Record

## SAP FICO - Accounts Payable

- What is Accounts Payable in SAP?
- Define vendor account groups
- Maintain number range intervals for vendor accounts
- Assign number ranges to vendor account groups
- Create payment terms
- Define accounts for cash discount taken
- Define Vendor reconciliation account
- Create vendor code

## SAP FICO - Tax on Sales and Purchases

## SAP FICO - Tax on Sales and Purchases

‡ What is Sales tax and Purchase tax in SAP?

‡ Define tax calculation procedures

‡ Assign country to calculation procedure

‡ Assign tax codes for non taxable transactions

‡ Maintain tax codes for sales and purchases

‡ Define tax accounts in SAP

## SAP FICO - Bank Accounting

‡ What is Bank Accounting in SAP?

‡ Define bank key

‡ Define house bank in SAP

‡ Create check lots

‡ Automatic payment program

## SAP FICO - Asset Accounting

‡ What is Asset Accounting in SAP?

‡ Define Chart of Depreciation

‡ Assign chart of depreciation to company code

‡ Specify Account Determination

‡ Number range intervals for Assets

‡ Maintain Asset Classes

‡ Define tax accounts in SAP

## SAP Controlling Training

‡ SAP CO Tutorials

## SAP TCodes

‡ SAP TCodes

‡ SAP FI TCodes