

VAT Setup

Last Modified on 31/03/2026 10:31 am IST

This article explains how to configure VAT for countries you ship to, including item tax setup and WebStore tax settings.

How to Set Up in POS

1. In the POS, create an **item tax** for each **country** you ship to.

Order	Sales tax selection	On Receipt
1st:	VAT 20%	<input checked="" type="checkbox"/>
2nd:	<none>	<input type="checkbox"/>
3rd:	<none>	<input type="checkbox"/>
4th:	<none>	<input type="checkbox"/>
5th:	<none>	<input type="checkbox"/>
6th:	<none>	<input type="checkbox"/>
7th:	<none>	<input type="checkbox"/>
8th:	<none>	<input type="checkbox"/>
9th:	<none>	<input type="checkbox"/>
10th:	<none>	<input type="checkbox"/>

2. Configure each **item tax** to calculate **VAT** at the **correct rate**.
Example: Italy VAT set to 20%.

Rounding rules	Unit of measure	Tender	GL Accounts	Multi-Store
Store	Ordering rules	Inventory rules	Sales Tax	Store rules

Method Of Taxation

Tax-Exclusive (United States, Canada)

Value Added Tax (VAT) or Tax-Inclusive (Europe)

VAT Reg. No.: VAT Detail ID:

Tax Schedule Basis:

Select the local tax (identified in the Item tax field) to apply to any newly created Items:

Note: POS automatically applies the local tax unless shipping to a different destination (on a per Item basis).

If shipping to the customer, select the value (e.g., Ship to state/city/country/ZIP) to use to determine the local tax at the destination (on a per customer basis).

3. After all item taxes are created, **synchronize your web store** to apply the changes.

How to Set Up in Webstore Manager

1. Each **country** must be configured correctly in WebStore Manager.
2. To do this, **Select a country** in the **Fulfillment & Taxes** configuration and update its **tax**

properties accordingly.

- Set the **country** tax configuration to **Inherited**.
- Set **all other countries** to **Exempt**.

Configuration for Italy [change properties...](#)

Country Name:	Italy
Country Code:	IT
Tax Configuration:	Inherited (POS: Item Based)
	Zip codes are NOT required for this country
	State/County is NOT required for this country

3. In Web Store Manager, go to **Settings>All Config Options**, search and enable the following options:

- Enable Tax on Shipping
- Deduct Tax from Shipping for Tax-Exempt Customers

4. Save your changes once both options are enabled.

Address			
Corso Vittorio Emanuele 130			
Address 2			
Italy			
Cinigiano	58044	Grosseto	

Shipping: Pick up in Store	
- Pick up in Store:	\$0.00
Tax (inclusive):	\$0.37
Total:	\$25.00
Coupon Code	