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Xero platform, allowing advisors and business owners to automate sales tax calculations, reporting and filing.

Isaac M. O'Bannon • Nov. 27, 2023



Xero, the makers of business management solutions, has added new auto sales tax capability, helping to provide reliable sales tax calculations, comprehensive reporting, and automated filing options for small business owners and their advisors.

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“With more than 13,000 sales and use tax jurisdictions in the U.S., and constantly changing rules and regulations, businesses are spending valuable time on calculations and reporting — and still ending up with errors,” said Meg Higgins, SVP, Global Partners at Avalara. “Avalara’s expansive tax content database and sales tax calculation engine, coupled with Xero’s invoice and reporting capabilities, make it easy for both small business customers and their advisors — who often file on their customers’ behalf — to get tax right. With Avalara embedded in the Xero platform, customers and advisors will benefit from a seamless delivery of tax determinations and calculations on every transaction.”

Key features include:

- **Quick, guided setup:** Users can easily set up sales tax in every state where a business is registered to collect sales tax. Additionally, sales tax attributes can be managed on services or products offered to save time and increase accuracy.
- **Ability to calculate appropriate sales tax rates on invoices, automatically:** Avalara handles the ever-changing rates and rules of what’s taxable. Tax rates are calculated based on where a business is selling from, selling to, and whether an item is taxable according to state rules.
- **Comprehensive sales tax reports – all in one place:** View a summary of sales tax obligations or break this information down by state, jurisdiction, and tax exemption to make sales tax filing easier. Breaking this down further by transaction also helps trace discrepancies to invoices before exporting reports.
- **Option for seamless e-filing with Avalara:** Xero customers have the option to sign up for Avalara’s automated e-filing capabilities. Xero’s sales tax data will connect into Avalara for easy filing to all jurisdictions where they have a connection.

Xero plans to add new features and functionality to the solution over time, including enhancements like adding filing deadlines, expanding past invoicing to other documentation and adding other revenue sources.

“Services and goods-based businesses struggle with sales tax implications while

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be available going forward. For more information, please visit [Xero auto sales tax](#).

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