Managing Taxes

Taxes

Taxes are a complex subject, which should be fully understood as it can have a significant impact on your product prices or your shipping fees. While this user-guide is not meant to teach all the ins-and-outs of taxes, we will try our best to give you pointers.

Taxes are a "*compulsory contribution to state revenue, levied by the government on workers' income and business profits or added to the cost of some goods, services, and transactions*". In short, every product you sell is subject to sales taxes, which depend on your state's tax laws. In effect, you contribute to your state or government functioning (public goods and services) with a percentage of all your sales, as defined by local tax rates.

There are hosts of tax rates in the World, and they vary considerably from one country to another, and even within a single country if it has federal states (USA, Germany, Spain, Russia...). You should therefore make sure to strictly conform to your country's tax laws, and even those of your state or town if they apply to you. Check with your local tax representative as soon as possible in order to get all the official details.

By default in PrestaShop, a tax applies to all countries/states/zones. If order to apply a specific tax rate for a single country or a set of countries (and not some others), you must create a tax rule. The tax rule is then applied on a per-product basis, during the creation of the product ("Prices" tab).

You cannot directly apply a tax to a product; you can only apply tax rules. Therefore, you must first register all relevant taxes, and then create a tax rule for that tax in order to specify the countries where the tax applies, and finally set the tax rule to the product.

- Taxes (EN)
- Tax Rules