

Changing the Tax Status of a Service Item

Chapter 6 Homework

Once the sales tax feature is activated in Chapter 6, a new **Sales tax** field will be added to all products and services. The field automatically defaults to **Taxable – standard rate** for all items, including **service** items.

In your Chapter 6 homework, you'll need to change the tax status for all **service** items.

Click **Edit** in the **ACTION** column dropdown menu for each **service** item to open the item record.

Product/Service information ✕

 **Service** [Change type](#)

Name*
Design 

SKU

Description
 I sell this product/service to my customers.
Custom Design

Sales price/rate 75 **Income account** Design income ▼

Sales tax ⓘ

Taxable - standard rate
We'll apply sales tax based on location only.

[Edit sales tax](#)

Click **Edit sales tax**.

Product/Service information ×

[← Back](#)

What kind of product or service is this?
Tell us what it is, and we'll make sure it's taxed correctly.

Browse all

- > Automotive repair
- > Construction
- > Information technology
- > Personal services

> **Still don't see what you're looking for?**

Click **Still don't see what you're looking for?**.

✓ **Still don't see what you're looking for?**

Select 'Taxable - standard rate' if you can't find a category that fits, and we will apply a standard sales tax rate based on location only.

Taxable - standard rate

Nontaxable

Done

Toggle **Nontaxable** and click **Done**.