

Apply Tax Based on Charity Rules

Last Modified on 07/31/2023 9:50 am EDT

Note: Excludes Click to Donate, Votes, and Ticket Purchases.

Charity Rules is a tax based on the lesser of Fair Market Value (FMV) or selling price, excluding donations. "Will not Tax" is the default.

Set Tax

1. Go to Admin view
2. Visit the Payments Container from your Dashboard
3. Click the More button ("...")
4. Click on Settings
5. Scroll to Payments
6. Click the dropdown arrow to the right of How would you like to tax?
7. Select Tax Based on Charity Rules.
8. Set your Tax/Surcharge (%).
9. Set your Tax or Surcharge label.
10. Select Save.


Set the FMV on Items

- VIEW ADMIN > AUCTION > MANAGE ALL ITEMS > SELECT ITEM > FMV
- When the purchase price is lower than the FMV, the applied purchaser's tax is based on the winning amount.
- When the purchase price is higher than the FMV, the applied tax is based on the FMV added to the item.

Examples based on a Tax set to 7.25% and FMV set at \$500 on the Item.

Payments

Tax Identification

How would you like to tax? 

Tax based on charity rules 

Surcharge (%) 

7.25

Surcharge Label 

Tax

Pricing, Cost and Value

FMV 

500

Silent and Live Auction Item

Auction Item and FMV is set at \$500 with a winning bid less than FMV

The winning user will see in the item in their Cart item, along with with the 7.25% tax applied, which is based on the winning amount (7.25% of the \$300 winning amount).

Cart	
#4 Blackhawks Jersey Return	\$300.00
Tax	\$21.75
Total	\$321.75

Auction Item and FMV is set at \$500 with a winning bid greater than FMV

Once the auction is concluded, and the winning bid is greater than the FMV, the winning guest will see in their Cart item won, along with with the 7.25% tax applied, which is based on the FMV (7.25% of the \$500 FMV)

Cart	
#4 Blackhawks Jersey Return	\$600.00
Tax	\$36.25
Total	\$636.25

Auction Item and FMV is not provided

If you create a Silent item and leave the FMV field as 0, no Surcharge/Tax will be applied to that item. The winning guest will see the item in their cart, and no additional tax will be applied.

Cart	
#4 Blackhawks Jersey Return	\$600.00
Total	\$600.00

Instant Item

Instant Item and FMV is provided

Once the Instant Item is purchased, it is added to the donor's cart to pay. The 7.25% tax will be applied and based off the purchase price (7.25% of \$5) NOT THE FMV

Cart	
#800 T-Shirts Return	\$5.00
Tax	\$0.36
Total	\$5.36

Instant Item and FMV is not provided

Once the Instant Item is purchased, it is added to the donor's cart to pay. If you leave the FMV field as 0, no Surcharge/Tax will be applied to that item. The winning guest will see the item in their cart, and no additional tax will be applied

Cart	
#800 T-Shirts Return	\$5.00
Total	\$5.00

Donate Item

Donate Item and FMV is provided

Tip: A Surcharge/Tax can be an option if you are using the Donate Item for non-monetary donations, and an FMV value is added.

Once the donation is made it is in the donor's cart to pay. When to donor opts to pay, the 7.25% tax will be applied, which is based on the FMV (7.25% of the \$500 FMV)

Cart	
#505 Donate Now Return	\$500.00
Tax	\$36.25
Total	\$536.25

Donate Item and FMV is not provided

If you create a Donate Item and leave the FMV field as 0, no Surcharge/Tax will be applied to that item. The donor will see the item in their cart, and no additional tax will be applied.

Cart	
#505 Donate Now Return	\$500.00
Total	\$500.00

Raffle Item

While there is no FMV field –The tax is based on the price of 1 raffle ticket.

For this example, raffle tickets are being offered at 1 for \$5 or 5 for \$10, providing the guest with a discount for multiple tickets purchases. For Raffle Items, the tax is based on the price set for an individual ticket purchased. Regardless of discounts offered, the tax is calculated on the total number of raffles tickets purchased multiplied by the tax of an individual ticket.

Cart	
#1 RAFFLE DRAWING Return	\$5.00
Tax	\$0.36
Total	\$5.36

Note: The example above reflects a single raffle ticket purchase. (1 for \$5; $5 * 7.25\% = \$0.36$)

For a multi-ticket discount, the tax is calculated by multiplying the # of raffle tickets by the tax of 1 ticket. ($\$0.36 \times 5$ tickets)

Cart	
#1 RAFFLE DRAWING (x5) Return	\$10.00
Tax	\$1.81
Total	\$11.81

Note: The example above reflects a multiple raffle ticket purchase. (5 for \$10; $5 * \$0.36 = \1.81)

Vote Item

With Vote Items, there is NO FMV field on the Item Form so no global tax can be added to a donor's vote.

Cart	
#901 TEAM ROCK AND ROLL Return	\$1.00
Total	\$1.00