HAT MASTERS

OS · PRO MEMBER GUIDE

Sales Tax Setup Guide

Sell in any city or state, with any number of products, using one tax.

HAT MASTERS OS · NOVEMBER 2026

> **How taxes work in Hat Masters OS:** You create one tax, named "Sales Tax," and connect it to every product you sell. When you travel to an event, you update that one tax to the event's rate. Every connected product then charges the new rate at checkout, no matter how many products you have.

This is the same idea as Square: one tax, applied to all items, rate set for where you're selling.

1 Pick your setup

Most hat bars need Setup A only. Add Setup B only if you also run an online store in Hat Masters OS.

SETUP	WHO IT'S FOR	WHAT YOU DO
A — One-Tax Method	Selling in person: hat bars, craft fairs, pop-ups, your shop	One-time setup below, then the 2-minute routine before each event
A + B — In person and online	Also selling through an online store or payment links	Setup A, plus the Online store add-on (Section 5)

The One-Tax Method is built for the POS. Online checkouts work differently because the buyer could be anywhere, so they use automatic taxes based on the shipping address.

2 One-time setup (on a computer: about 20 minutes, plus a minute per product)

Do these five steps once. After this, you never touch your product catalog for taxes again.

Taxes live in three places. You only touch the third one once.

PLACE	WHAT IT CONTROLS	HOW OFTEN YOU TOUCH IT
Settings → Business Profile	Your legal business address	Once
Payments → Settings → Taxes	Your tax rates and online auto-tax	Before each event (rate only)
Payments → Products	Which tax each product carries	Once, plus each new product

Step 1 — Confirm your business address

1. Go to **Settings → Business Profile**.
2. Enter your full street address, city, state, ZIP and country.
3. Click **Save**.

This never changes when you travel to events. A home address is fine if you run the business from home.

Step 2 — Create your one "Sales Tax"

1. Go to **Payments → Settings → Taxes**.
2. Set **Include tax in prices** to **No**. A $200 hat shows $200, and tax is added at checkout.
3. Under manual tax rates, click **Add Tax** (or **Create Tax**).
4. Name it **Sales Tax**. Customers see this name on receipts, so don't put a city in it.
5. Enter your home location's combined rate (for example, 8.25).
6. Click **Save**.

Create only this one tax. More rates is what makes setups confusing.

Step 3 — Attach "Sales Tax" to every product (one at a time)

1. Go to **Payments → Products**.
2. Click a product to open it.
3. Set **Include tax in prices** to **No**.
4. In the taxes field, attach **Sales Tax**.
5. Online sellers only: set **Product Tax Code** to clothing/apparel.
6. Click **Save**, then open the next product and repeat.

> **Bulk Edit can't do this.** It has no option to attach a tax, so every product has to be opened and saved on its own. Plan about a minute per product. You only do it once, so work through your catalog in batches.

Step 4 — Make it part of adding new products

Every time you add a hat, attach **Sales Tax** before you save. Add this line to your new-product checklist:

- [ ] Sales Tax attached

This is the one habit that keeps the method working. A product without the tax rings up with $0 tax.

Step 5 — Set the POS app

1. Update the Hat Masters OS app to the latest version.
2. Open the POS (dollar-sign icon).
3. Tap any product. At the bottom, check that **Sales Tax** is ticked, then tap **Add**.
4. Tap the blue **Review Sale (1 item)** button.
5. Toggle **Automatic Taxes** OFF.
6. Check the totals: Subtotal, Sales Tax and Amount Due should all show.
7. Back out without charging.

Sales Tax not ticked? You can only tick it and save it on the product on desktop (Step 3). Fix it there, then reopen the app.

You only do this once. After you turn Automatic Taxes off on one sale, it stays off for every sale.

Why it matters: automatic taxes calculate from the customer's home address, which is the wrong rate at an event.

3 Before every event (2 minutes)

Change one number the night before, test one sale, and you're ready for any city or state.

1. **Find the rate.** Look up the combined sales tax rate for the event's street address (state + county + city + any special district). Use your state's Department of Revenue rate lookup by address. Don't use the ZIP code alone; one ZIP can have several rates.
2. **Change the rate.** Go to **Payments → Settings → Taxes**, click **Sales Tax**, type the new rate, and save.
3. **Test it.** On the app, tap any hat, tap **Add**, then tap **Review Sale**. Check the tax matches the new rate, then back out without charging.
4. **After the event.** Set the rate back to your home rate if you sell from a shop or studio between events.

Keep a simple event log. It makes filing your tax returns easy.

EVENT	DATES	VENUE ADDRESS	RATE USED	PERMIT NEEDED?
Example: Fort Worth Craft Fair	Mar 14–15	123 Main St, Fort Worth, TX	8.25%	Yes — TX permit

Example only. Always look up the real rate for each venue.

4 At the event: ringing up a sale

You don't think about tax at the register. It's already on every hat.

1. Open the POS (dollar-sign icon).
2. Add hats from your catalog.
3. Tap the blue **Review Sale** button.
4. Glance at the tax line. It should match tonight's rate.
5. Take payment.

Special cases

SITUATION	WHAT TO DO
Custom item typed on the keypad (bands, add-ons, a one-off price)	Keypad items don't come from your catalog, so add **Sales Tax** to the item at Review Sale. Better: create catalog products for anything you sell often.
Tax-exempt buyer (reseller, nonprofit)	Tap the item at Review Sale, remove **Sales Tax**, tap **Update**. Keep a copy of their exemption or resale certificate.
Services (shaping, cleaning, custom fitting)	Taxability varies by state. Make these separate products and attach Sales Tax only where the service is taxable.
Discounts	Apply the discount at Review Sale. Tax is calculated on the discounted price.

5 Setup B — Online store add-on (done on desktop)

Online orders use automatic taxes, which calculate from the buyer's shipping address. Skip this section if you only sell in person.

Desktop and app are separate.

The online store's tax settings are on desktop, in Payments → Settings → Taxes. The POS app has its own Automatic Taxes switch.

- Turning automatic taxes **ON on desktop** affects your online store only.
- It does **not** turn them on in the app.
- Leave the **app** switch **OFF** (Step 5), so the POS keeps charging only your Sales Tax.

1. Go to **Payments → Settings → Taxes** and scroll to **Automatic Taxes**.
2. Toggle **Enable automatic tax** ON.
3. Set **Default Tax Category** to clothing/apparel.
4. Click **Add Nexus Address** and add each state where you're registered to collect sales tax. Add your Tax ID for each.
5. Save.

Only add states where you're registered. Adding a state tells the system to charge tax to buyers there.

Before your first online sale: place a test order to an address in one of your nexus states and confirm the order shows only **one** tax line. If you see two, contact your Hat Masters OS support team before selling online.

6 Troubleshooting

PROBLEM	FIX
No tax on a sale	The product is missing Sales Tax. Edit it in Payments → Products and attach it.
Old rate still showing	Force-close the app and reopen it. Confirm you saved the new rate on the web.
Tax looks like a different city's rate	Automatic Taxes is ON. Turn it OFF on the Review Sale screen (Step 5).
Tax charged twice	Automatic Taxes and Sales Tax are both active. Turn Automatic Taxes OFF on the Review Sale screen.
Price already includes tax	Include tax in prices is set to Yes. Set it to No (Step 2).

FAQ

Do I need a different tax for every city?
No. One Sales Tax, rate changed before each event.

Do I change my business address when I travel?
No. It stays your home base.

I have 300 hats. Do I edit each one before an event?
No. You edit one rate. Every product already points to it.

Does Hat Masters OS file my sales tax?
No. It collects tax at checkout. You report and pay it to each state.

7 Tax basics for traveling hat bars

In-person sales are generally taxed at the rate where the sale happens, which is why the rate changes per event.

- **Permits:** Many states require a seller's permit, often a temporary or special-event permit, to sell at an event there. Get it before you go.
- **Ask the organizer:** Some events collect and file sales tax for all vendors. If so, ask how they want your sales reported.
- **Filing:** Each state you collected tax in expects a return. Your event log shows what to file where.

This guide covers software setup, not tax advice. Confirm your obligations with your state or a tax professional.

✓ Final checklist

- [ ] Business address is correct
- [ ] Include tax in prices = No
- [ ] One "Sales Tax" created at my home rate
- [ ] Sales Tax attached to every product
- [ ] New-product checklist includes "Sales Tax attached"
- [ ] Automatic Taxes OFF in the POS app
- [ ] Ran one test sale and saw the right tax
- [ ] (Online sellers) Automatic taxes and nexus states set up on desktop