Invoices FAQ: How does tax work for contract carriers in Qargo?

Overview of tax configuration and automatic calculation for contract carrier invoices (carrier invoices) in Qargo. Covers contract carrier profiles, cost rate cards, and tax rules by country.

Updated June 24, 2026

Summary

- **What**: Tax logic for carrier invoices received from contract carriers in Qargo.
- **Why**: Correct tax configuration on contract carrier profiles ensures accurate cost accounting and tax compliance when processing invoices from carriers.
- **How**: Tax is configured on the contract carrier profile, inherited by cost rate cards, and automatically calculated based on the contract carrier's country, the tenant's country, and the transport route.

Prerequisites

- Contract carrier profiles must be set up in Qargo.
- Tax rates must be configured under **Configuration > Accounting > Tax rates and tax configuration** (typically completed during initial onboarding).
- For automatic tax determination, contract carrier tax numbers must include the country code.

Terminology

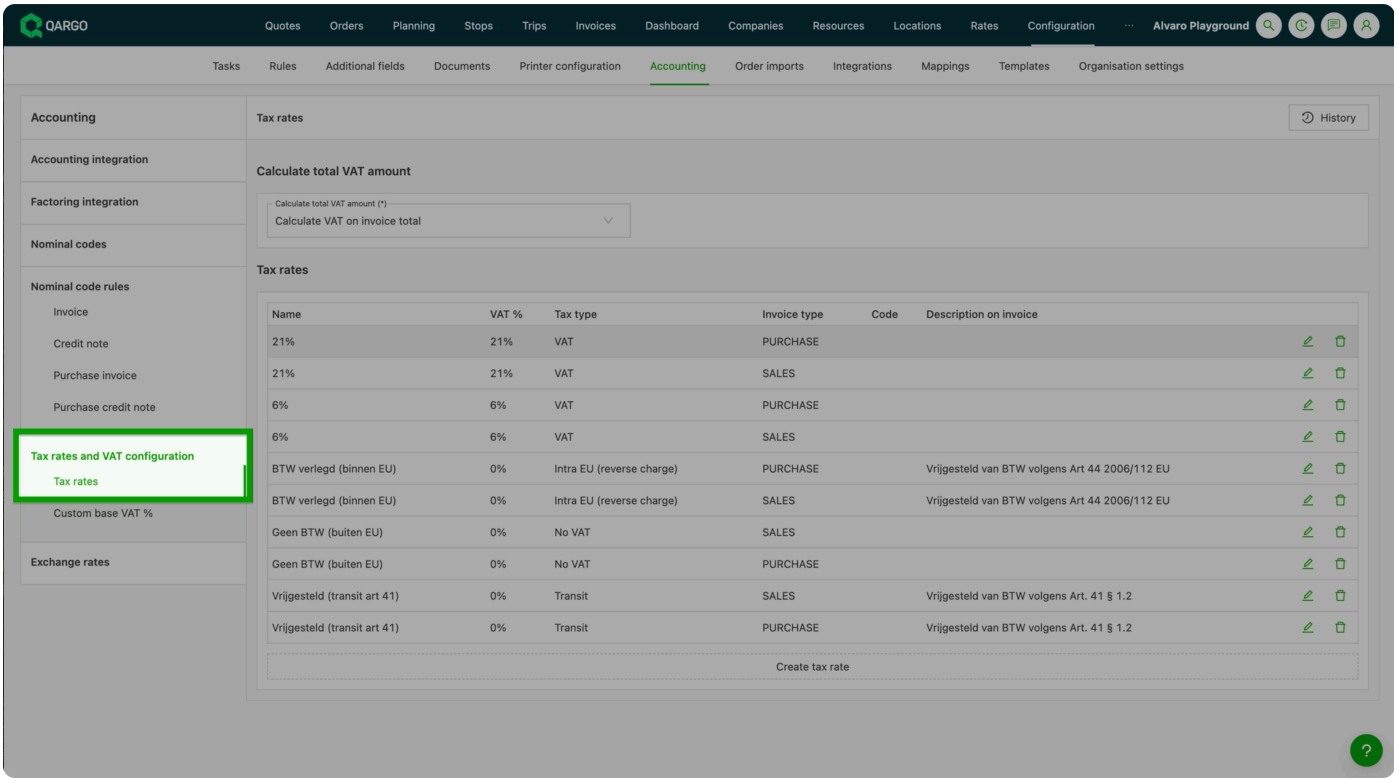
Term	Definition
Contract carrier	A third-party carrier engaged to perform transport on behalf of the Qargo tenant
Carrier invoice	An invoice received from a contract carrier for transportation services rendered
Reverse charge	A tax mechanism where the buyer (tenant) accounts for tax rather than the supplier (contract carrier). Within the EU, reverse charge applies when the tenant and contract carrier are in different EU member states (Intra EU). In the UK, reverse charge exists as 20% and 0% variants; Qargo's UK reverse charge is planned but not yet implemented
Intra EU	Transport between two EU member states
Tenant	The transport company operating Qargo
Transit (Art 41)	A tax exemption that applies to transportation services where goods cross an EU border
No tax	No tax applies to the transaction

Tax configuration defaults

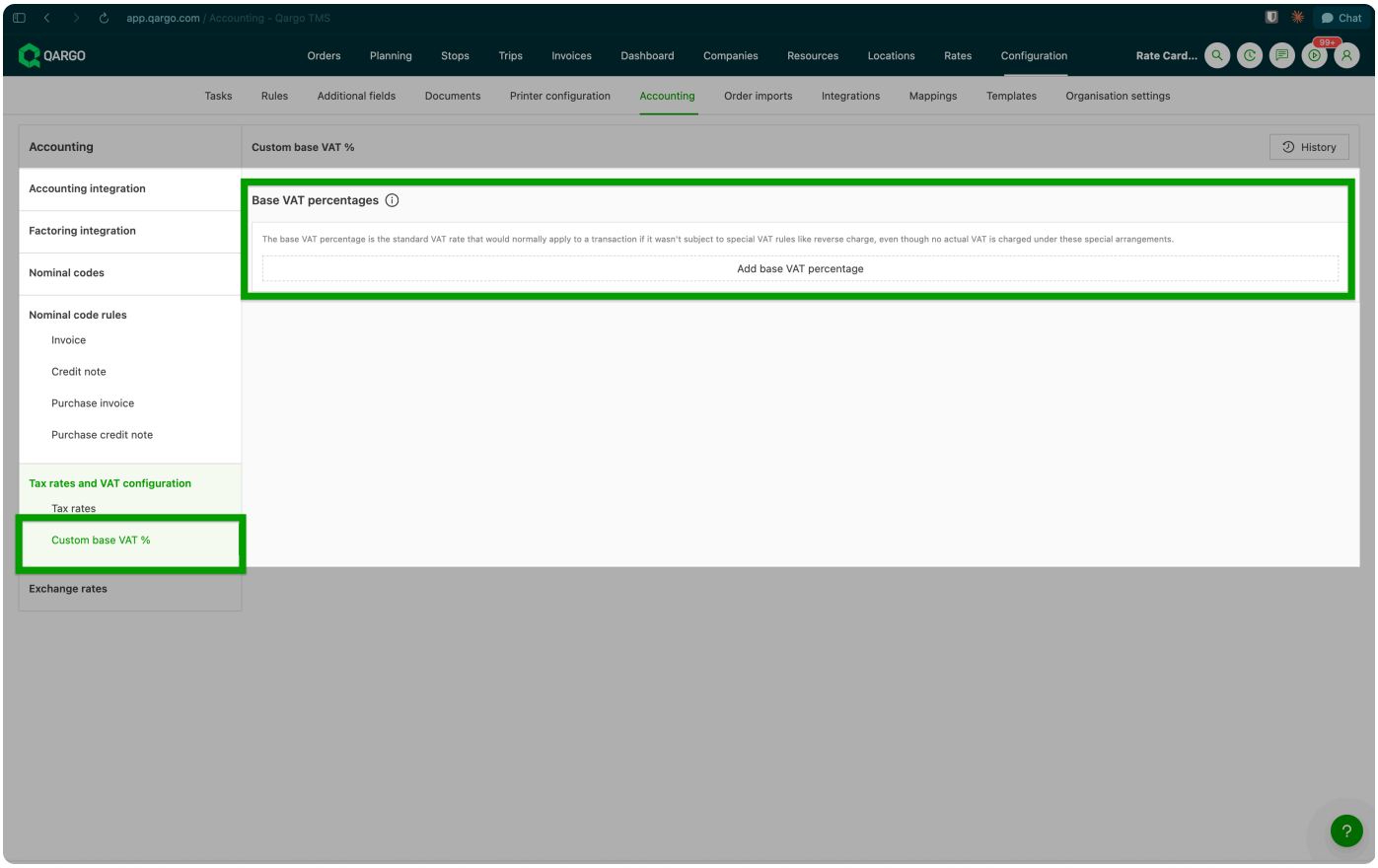
Default tax rates are configured when the tenant account is created, and any modifications are typically made as part of initial onboarding. Note: EU tenants and UK tenants have separate tax rate configurations.

To view available tax types:

1. Navigate to **Configuration > Accounting > Tax rates and tax configuration**.
2. Go down to the **Tax rates** panel, where all available tax rates are listed.



In addition to the tax rates, a *Base tax rate* can be set. The base rate is used for the *Reverse charge* tax rate: a reverse charge invoice carries €0 tax, but in accounting the tax is booked both up and down at the original rate (for example, on a €100 invoice at 21%, €21 is booked up and €21 booked down; net €0, but registered on the correct tax codes). The base rate communicates to the accounting package what the tax would have been without reverse charge. Tax codes can also be added to each tax rate, which are passed through to the connected accounting software.



📚 Some accounting & ERP integrations (Business Central, Multivers, Adfinity) allow both the base rate and the specific tax rate applied to be exported.

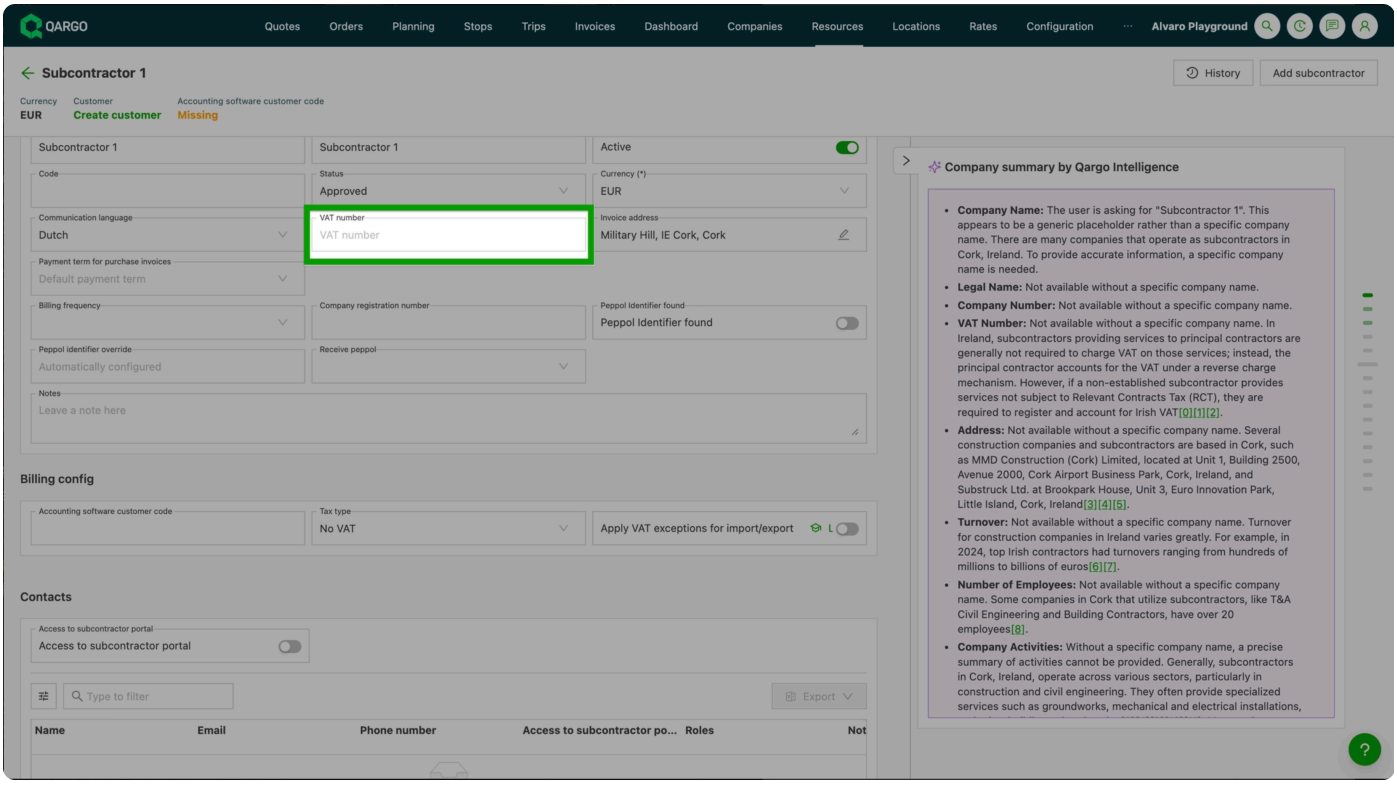
Tax configuration on the contract carrier

Completing the **Tax section** in the contract carrier profile enables Qargo to automate tax calculation when a contract carrier price is added to a load. Tax is determined at that point, before the carrier invoice is created.

- Path: **Resources > Contract carriers**, then select the contract carrier

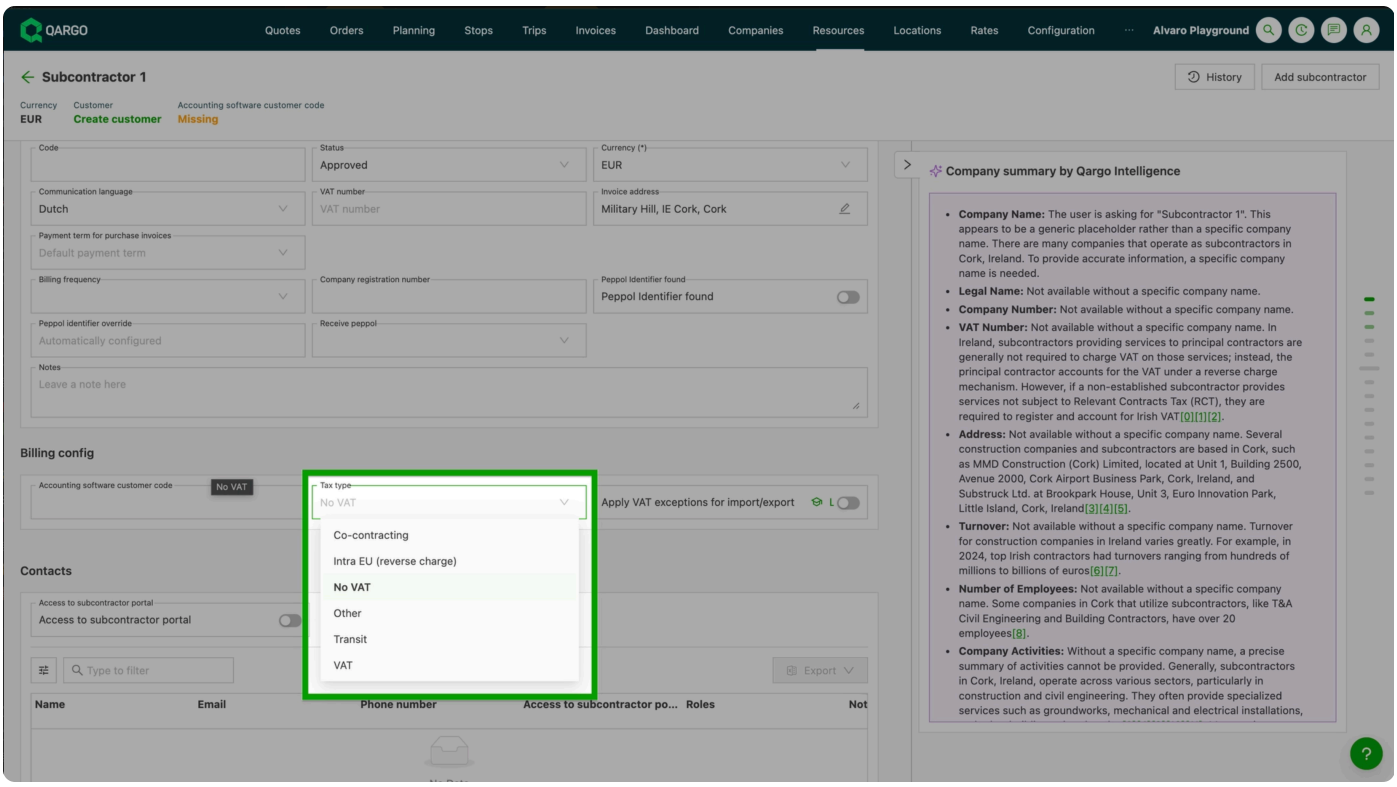
Tax number

A tax registration number uniquely identifies a taxable business registered for tax. Tax numbers added to the contract carrier profile must include the country code (for example, BE0123456789 or GB123456789).



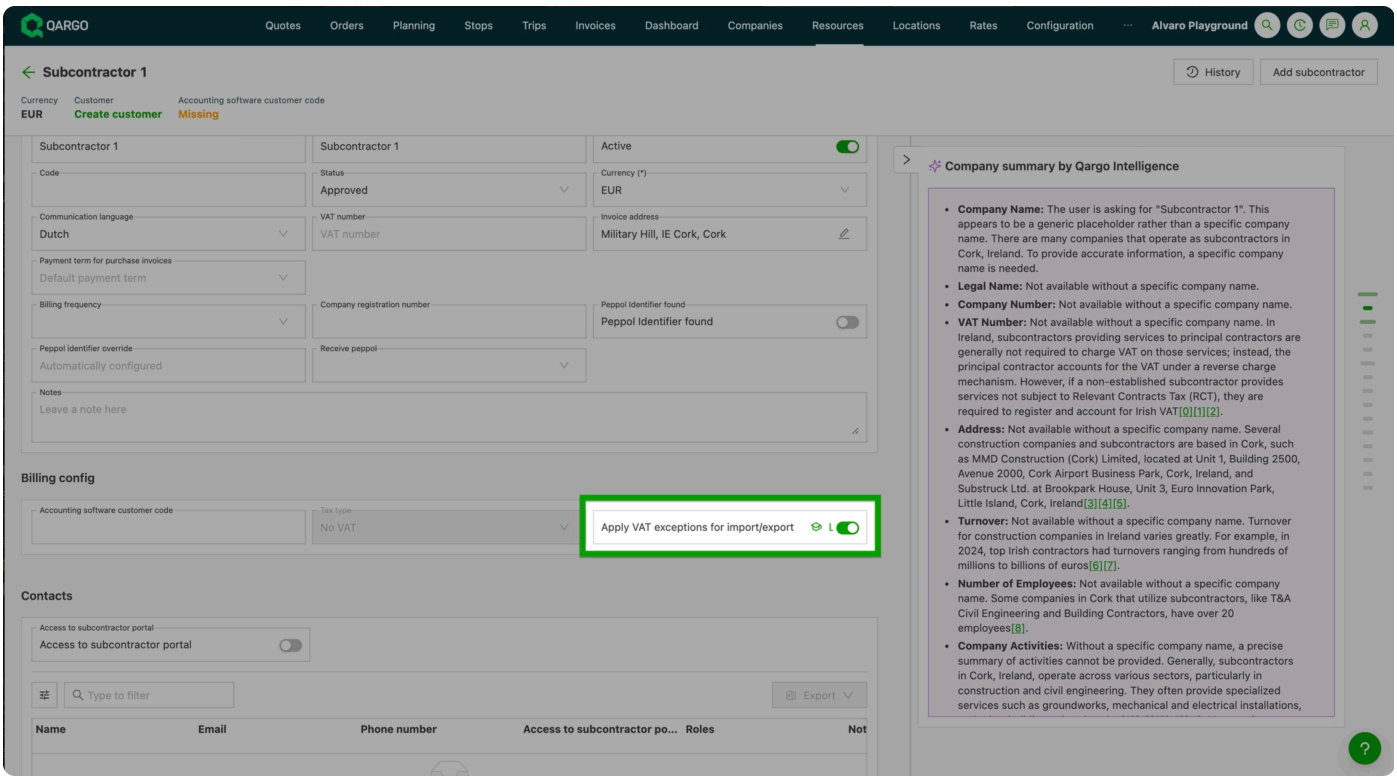
Tax type

- **Co-contracting**: used when the contract carrier is operating under a co-contracting arrangement.
- **Intra EU (reverse charge)**: use when both the tenant and the contract carrier are inside the EU but in different countries. The reverse charge mechanism shifts the tax accounting obligation to the tenant (buyer). *Reverse tax* will appear as the description on the carrier invoice.
- **No tax**:
  - Use when the tenant is based in the EU and the contract carrier is based outside the EU.
  - Use when the tenant is based in the UK and the contract carrier is based outside the UK.
- **Other**: use for transactions that do not fall under any of the standard categories listed above.
- **Transit**: use if the pickup or delivery is outside the EU.
- **Tax**: use if the contract carrier is based in the same country as the tenant.



Tax exceptions toggle

When set to **On**, Qargo automatically applies the appropriate tax exceptions for import/export orders involving that contract carrier.



When the toggle is set to **On**, the **Tax type** field is grayed out and cannot be modified manually.

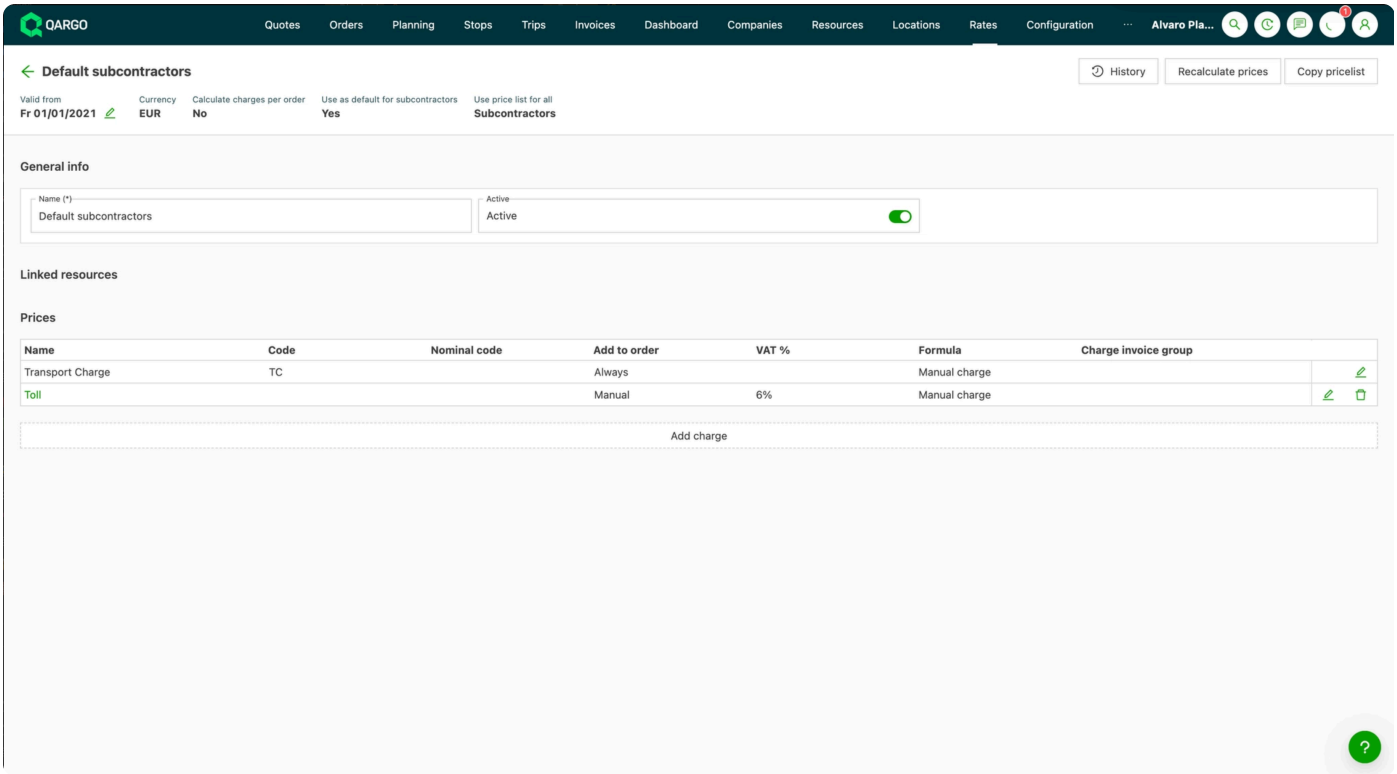
‼️ Tax determination is all-or-nothing: either all charges use automatic assignment (toggle **On**) or all use manual configuration (toggle **Off**). If any charges require a fixed tax setting (for example, a customs surcharge that should always be tax exempt), turn the **Apply tax exceptions for import/export** toggle **Off** for that contract carrier.

Tax configuration on cost price list and surcharges/extras

- Path: **Rates > Cost calculation load**, then select **Default contract carrier**

When configuring contract carrier cost services and surcharges/extras, the tax for the carrier invoice is mandatory.

- Cost price lists that use saved charges include the tax assigned to that charge.
- This avoids having to configure the tax % separately for each cost rate card.
- Applies to both transport charges and any surcharges or extras.



Tax calculations for contract carrier invoices

Tax priority logic

1. **Contract carrier tax type configuration takes precedence** if set to **Intra EU** or **No tax**: this overrides everything else.
2. **Cost calculation load tax %**: applied when no tax type is set on the contract carrier profile (e.g., domestic contract carriers).

Qargo applies the following logic based on the contract carrier's configuration:

- **Contract carrier is Intra EU**: Tax on the carrier invoice is set to reverse charge. Configuration on the cost rate card is ignored.
- **Contract carrier is No tax**: Tax on the carrier invoice is set to No tax. Configuration on the cost rate card is ignored.

- **No tax type set**: Qargo uses the tax % configured on the cost rate card directly. This is the typical path for domestic contract carriers in the same country as the tenant.

Stand-alone charges on carrier invoices

Stand-alone charges added directly to a carrier invoice (i.e., not generated from a load) always follow the tax type configured on the contract carrier profile.

Automatically determine tax on contract carrier invoices

When the **Apply tax exceptions for import/export** toggle is set to **On** on the contract carrier profile, Qargo automatically determines the tax type on each carrier invoice.

> 📚 For domestic routes where both pickup and delivery are in the same country, tax exceptions do not apply: the domestic tax rate is used automatically.

Tax type is determined based on:

- The country of the contract carrier, derived from the tax number and billing address.
- The load pickup and delivery locations.

> ‼️ The tax determination is made at the **contract carrier** level. Updating the contract carrier profile will recalculate the tax. Changing pickup and delivery locations on the load will not.

For import/export orders (containers), the tax type is based on the **country of origin** or **country of destination** of the goods rather than the pickup and delivery locations. These values are recorded under the shipment information on the order, and are additional fields that must be enabled in the account configuration before they appear.

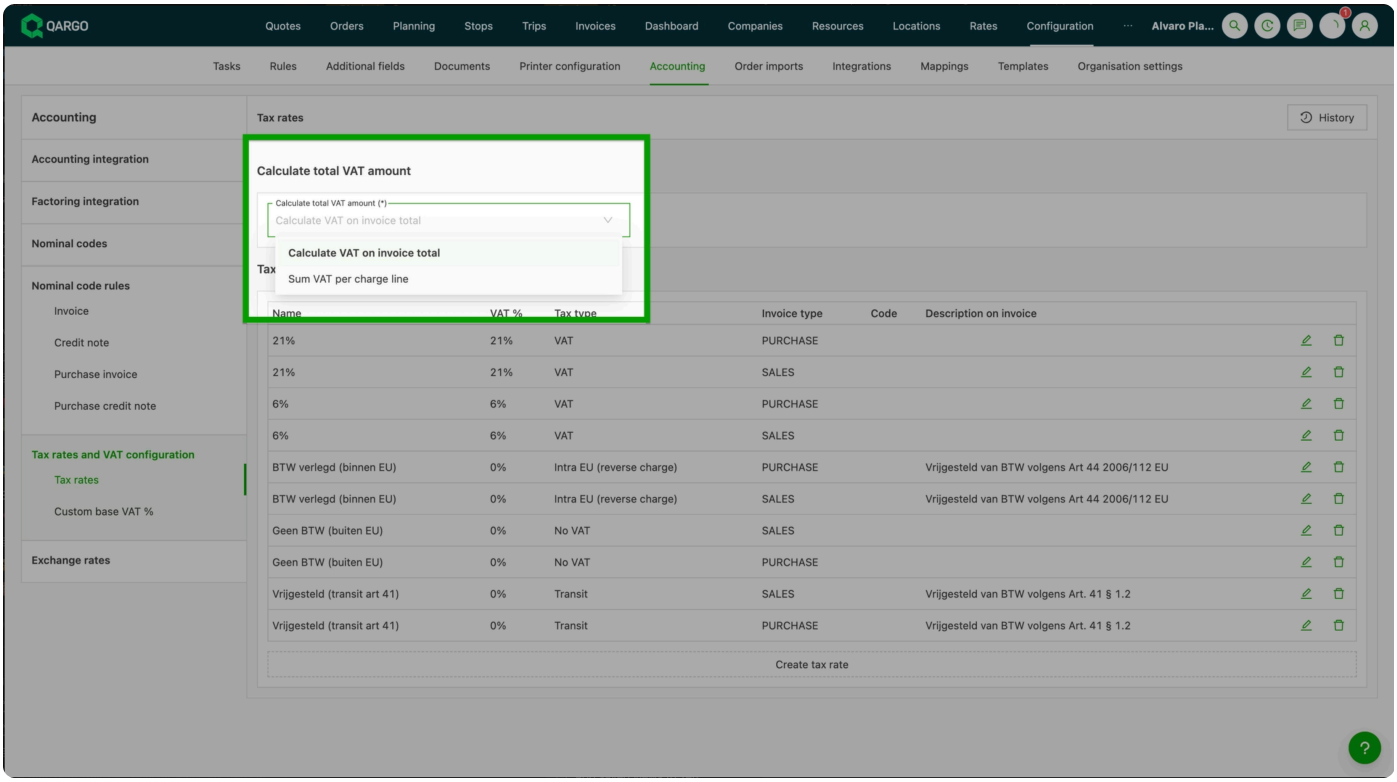
Country of origin and country of destination are set in one of two ways:

- If the user enters these values on the shipment, those values are used.
- If they are left blank, Qargo determines them automatically from the locations of the first and last stop of the shipment.

> ‼️ The **Apply tax exceptions for import/export** toggle must be set to **On** on the contract carrier profile for the country of origin to influence tax determination.

Calculating total tax amount on carrier invoices

Two tax calculation methods are available, configured in **Configurations > Accounting**. This is typically set during initial account configuration and applies account-wide, affecting all invoices for both sales and purchase.



The two options are:

1. **Calculate tax on invoice total**: all charge lines are summed and tax is applied to the total.
2. **Sum tax per charge line**: tax is calculated and rounded to 2 decimal places on each individual charge line.

‼️ The tax calculation method is an account-wide setting. While it is technically possible to change the method on a single invoice, doing so will cause an error when posting to accounting. It is not possible to configure this setting per customer. Frequent changes can lead to inconsistencies across invoices and potential disputes.

💬 The appropriate method may be determined by the accounting package in use, as rounding differences can affect reconciliation. Contact a Qargo Account Manager for any changes.

Summary guide for tax rules: contract carrier (carrier invoice)

BE tenant

Transportation	BE contract carrier	EU contract carrier	Contract carrier outside EU
Domestic (e.g., Antwerp - Ghent)	Tax	Reverse charge (Art 44)	No tax
Within EU, one stop in BE (e.g., Paris - Ghent)	Tax	Reverse charge (Art 44)	No tax
Within EU, no stop in BE (e.g., Paris - Berlin)	Tax	Reverse charge (Art 44)	No tax
Pickup outside EU, delivery inside EU (e.g., UK - Ghent)	Transit Art 41 / No tax	Transit Art 41 / No tax	Transit Art 41 / No tax
Pickup inside EU, delivery outside EU (e.g., Ghent - UK)	No tax / Export (Transit Art 41)	Transit Art 41 / No tax	Transit Art 41 / No tax
Transport outside EU (e.g., Switzerland - UK)	No tax	Reverse charge (Art 44)	No tax

EU tenant

Transportation	Contract carrier in same country as tenant	EU contract carrier	Contract carrier outside EU
Domestic	Tax	Reverse charge (Art 44)	No tax
Within EU	Tax	Reverse charge (Art 44)	No tax
Pickup outside EU, delivery inside EU	Transit / No tax	Reverse charge (Art 44)	No tax
Pickup inside EU, delivery outside EU	Transit / No tax	Reverse charge (Art 44)	No tax
Transport outside EU	No tax	Reverse charge (Art 44)	No tax

UK tenant

Transportation	UK contract carrier	Contract carrier outside UK
Domestic (e.g., London - Manchester)	Tax	No tax
Pickup outside UK, delivery inside UK (e.g., Antwerp - London)	No tax (Transit)	No tax
Pickup inside UK, delivery outside UK (e.g., London - Antwerp)	No tax (Transit)	No tax
Transport outside UK (e.g., Ghent - Amsterdam)	No tax	No tax

Troubleshooting

Issue	Solution
Domestic routes still showing full tax despite import/export toggle being on	Tax exceptions only apply to cross-border routes. Domestic routes (pickup and delivery in the same country) always use the domestic tax rate.
Tax-exempt lines on cost rate cards despite exceptions being disabled	Check and update default tax rates in contract carrier cost rate cards. Misconfigured rate cards can result in tax-exempt line items.
Reverse charge not applying correctly for EU contract carriers	Enable the **Apply tax exceptions for import/export** toggle on the contract carrier profile and ensure reverse charge settings are configured correctly.
Tax 0% showing on carrier invoice instead of tax exempt	This can occur due to how **No tax** is mapped in the account configuration settings, or when automatic tax rules override manual setups. Adjusting tax mappings and toggling the relevant settings can address this.