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WooCommerce tax settings: prices with or without tax, tax classes and rates

Online Stores

CODE

RLX-INT-KB-4926

VERSION

v2026.10.10

COUNTRY · LANGUAGE

International · English

MozOut International

RLX Holdings (Pty) Ltd. · Group RLX Holdings

Tax no. (SARS) 943 907 6234 · Registration no. (CIPC) 2025/667953/07

<https://www.my.mozout.com/knowledgebase/4926>



WooCommerce only calculates tax once you have answered **three questions**: do the prices you typed already include tax? Which address is the calculation based on? And which rate applies to each kind of product? Leave them unanswered and the price in the catalogue may not be the price at checkout, which is what produces complaints. What each rate should be is for your accountant: this article only covers how to set it up.

The three decisions, in order

1

Switch taxes on. In WooCommerce, Settings, General tab, tick the option to enable tax rates and calculations. After saving, a new Tax tab appears. If your business does not charge tax on sales, leave this off and keep things simple.

2

Say whether prices already include tax. On the Tax tab, in the options, pick between prices entered inclusive of tax and exclusive of tax. This is the choice that colours everything else: get it wrong and you either undercharge, or show figures that change at checkout.

3

Pick the address the calculation is based on. It can be the customer's shipping address, the billing address or the shop address. If you only sell inside your own country the shop address is usually enough; if you sell abroad, think about the destination.

4

Decide how prices are displayed. On the same page you choose whether the catalogue shows prices with or without tax, whether the cart and checkout show them differently, and whether tax appears as one line or itemised. What you must not do is show one figure and charge another without explaining.

5

Create the rates. WooCommerce comes with three classes: standard, reduced and zero rate. In each one, add rows with the country, the percentage and the name of the tax. If you have many rows, there is a CSV import.

6

Link each product to its class. On the product, in the product data box, General tab, choose the tax status and the class. A product with no class falls into the standard one.

7

Test with a real order. Place a test purchase as a customer, from another address if you sell abroad, and compare the total in the cart, at checkout and in the confirmation e-mail.

What each choice does

Setting	If you choose this	Watch out
Prices include tax	The number you type is what the customer pays; the tax is taken out of it.	The net amount is lower than the number you typed, and the reports show it.
Prices exclude tax	Tax is added on top of the number you typed.	The checkout total is higher than the catalogue if the catalogue shows prices without tax.
Based on shop address	The same rate for everybody.	Not suitable if you sell outside your own country.
Based on customer address	The rate changes with the destination.	You need rows for every destination you serve.

Do not copy rates from an article or from another shop. Which ones apply, to whom, and whether you have to charge tax at all, depends on the country you sell from and your own situation. Ask your accountant before filling in the table. We look after the server; we do not give tax advice.

Write your decisions in a dated file. A year from now, when somebody asks why prices show without tax, the answer is there. And if you change your mind midway, do it on a quiet day: products you already created are not rewritten for you.

After tax comes shipping: see **shipping and delivery rates in WooCommerce**. What is decided once for the whole shop is also covered in **general product settings: stock, tax and downloads**.

Filled everything in and the checkout total does not add up? Tell us the shop address and the test product, and we will see what the server is doing.

[Open a support ticket](#)

SEE ALSO

[Setting up your WooCommerce shop](#)

[Invoices for your shop customers](#)

[WordPress hosting](#)



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2025/667953/07

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