

VAT INCREASE

14% to 15%

on 1 April 2018

TurboCASH5

Date : 6 May 2018

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Change of Tax Rates

The Tax authorities may impose changes in the VAT (GST/Sales tax) rates. For example, in South Africa, the South African Revenue Services (SARS), changed the VAT rate from 14% to 15% on 1 April 2018.

References / Resources

SARS - [FAQs: Increase in the VAT rate from 1 April 2018](#).

SARS – [Pocket Guide on the VAT rate increase on 1 April 2018](#). The following is a list of topics explained in detail:

- RATE CHANGE
- TRANSACTION DATE
- PRICES QUOTED OR ADVERTISED
- AGREEMENTS
- SALES AND BILLING SYSTEMS, ISSUING OF CASH REGISTER SLIPS, TAX INVOICES, DEBIT AND CREDIT NOTES
- RECEIPT OF QUOTES, TAX INVOICES, CASH REGISTER SLIPS DEBIT OR CREDIT NOTES
- IMPORTATION OF GOODS
- ACCOUNTING SYSTEMS
- VAT201 RETURNS
- RATE SPECIFIC RULES

SARS – [VAT201 – Return Example](#).

GOLEGAL - [VAT rate increase: What you need to consider](#).

Moneyweb - [VAT increase: Practical issues for companies to consider](#).

In TurboCASH, the VAT accounts need to accommodate two VAT rates.

An invoice may even reflect a rate of 14% and 15% depending if the goods were supplied or services rendered before 31 March 2018 or after 1 April 2018. An example would be where a service provider charges subscriptions in advance April 2018, but usage (e.g. calls) are charged in arrears March 2018.

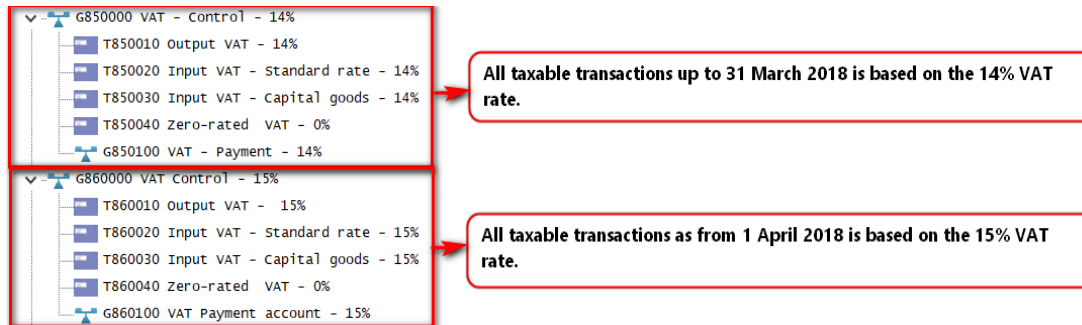
Configure TurboCASH5

Tax Accounts

In this example, the VAT rate is based on 14% in March 2018 and increased to 15% in 1 April 2018.

For the transition period and thereafter; it is recommended that a total new structure of Tax accounts (including the 2 Tax ledger accounts (i.e. VAT – Control and VAT – Payment accounts), similar to the 14% structure is replicated.

An example of the 14% Tax accounts and the Tax accounts 15% Tax accounts



This method makes it easier for reporting, managing and processing tax transactions.



Another method is where Tax accounts are added within the existing VAT structure.

See [TurboCASH VAT Changeover video](#)

An example to incorporate the Tax (VAT) accounts into the existing structure of the Chart of accounts:

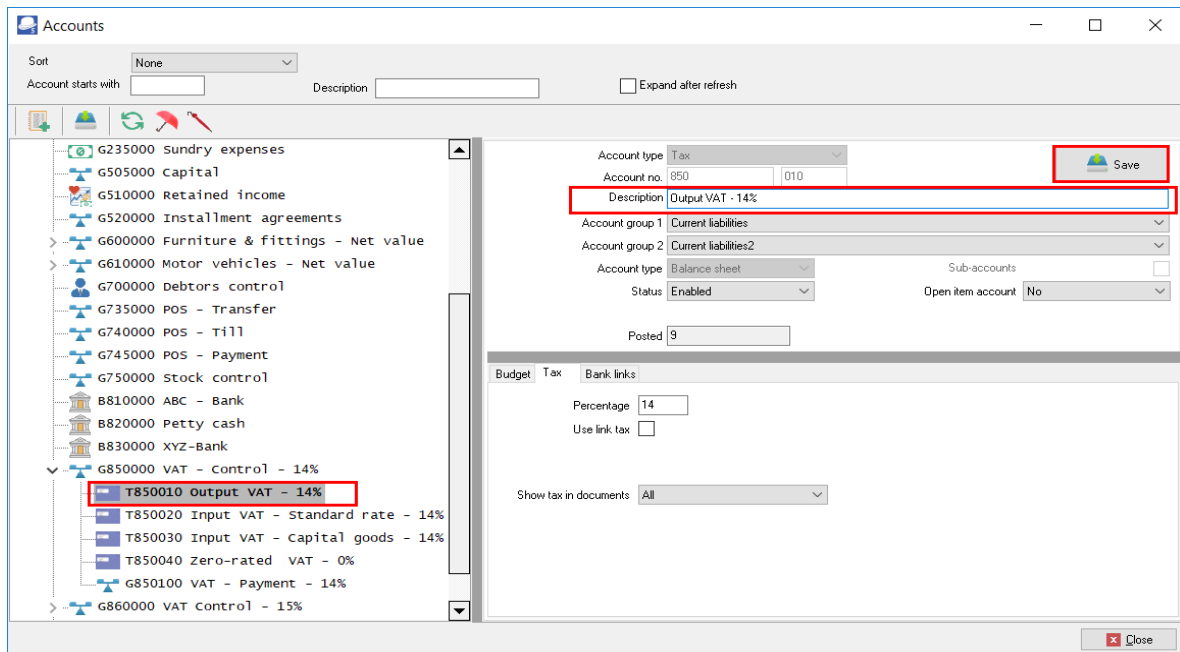
- T850050 – Output VAT – 15%
- T850060 – Input VAT – Standard rate - 15%
- T850070 – Input VAT – Capital goods – 15%

Change the Descriptions of existing Tax Accounts to 14%

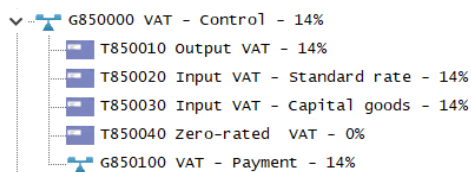
Add or Change the Descriptions of the Tax Accounts (i.e. Output - VAT Control, the VAT Payment account, as well as all Tax accounts to 14%) to reflect the existing percentage applicable (until 31 March 2018).

To change the Descriptions of Output and Input tax accounts to 14%:

1. On the **Action** ribbon, select **Accounts**.
2. Select a Tax account.



3. In the "Description" field, add "- 14%" to "Output VAT - 14%".
4. Click the **Save** button to save the changes. After all the account descriptions is changed, the 14% accounts should display as follows:



Add new VAT - Control and VAT - Payments - 15% accounts


This is only applicable if a new Structure is set for the Tax accounts (i.e. VAT - Control, the VAT - Payment account (as Ledger accounts), as well as all Tax accounts to 15%) to reflect the 15% percentage applicable (as from 1 April 2018).

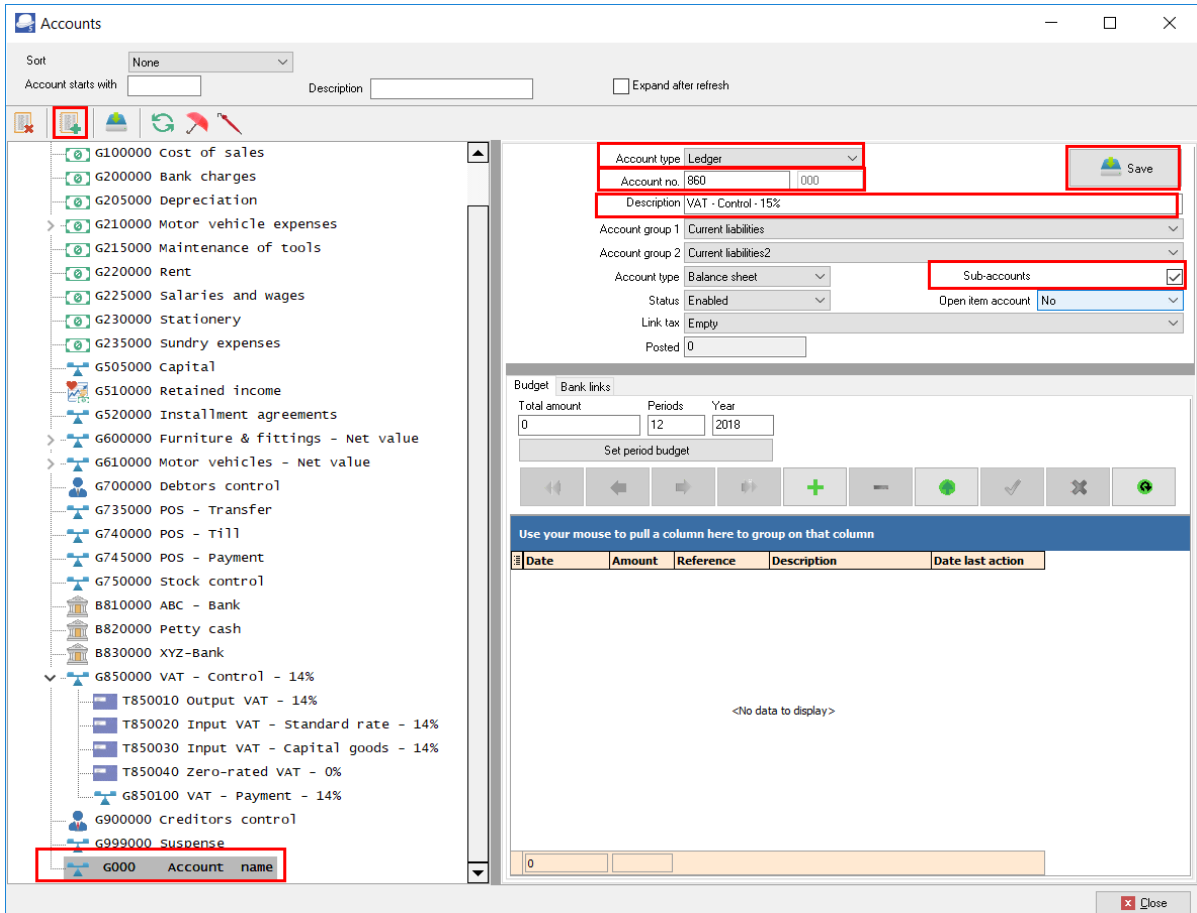
Add new VAT - Control account at 15% as a Ledger Main account

The VAT – Control – 15% account is the Main account under which the VAT – Payment – 15% as a Ledger account type as well as Tax account type for each Tax codes (VAT codes) at 15% as well as the Zero-rated Tax codes (VAT codes) will be processed, managed and reported on. Transactions on which the 15% VAT rate is applicable from 1 April 2018, are selected and posted (updated to the ledger).

Add new VAT - Control account at 15% as a Ledger Main account

To Add a new VAT Control as a Ledger Main account for 15%:

1. On the **Action** ribbon, select **Accounts**.
2. Select the "REPORTING GROUP ROOT" and click on the  (**Add:Account**) icon (or select the **Add** on the Context menu). An entry for the new ledger account is displayed as "G000 000 Account name" on the Account list.



The screenshot shows the 'Accounts' window with the 'Add:Account' form open. The form fields are as follows:

- Account type: Ledger
- Account no.: 860,000
- Description: VAT - Control - 15%
- Account group 1: Current liabilities
- Account group 2: Current liabilities2
- Account type: Balance sheet
- Sub-accounts:
- Status: Enabled
- Open item account: No
- Link tax: Empty
- Posted: 0

The account list on the left shows the following accounts:

- G100000 Cost of sales
- G200000 Bank charges
- G205000 Depreciation
- G210000 Motor vehicle expenses
- G215000 Maintenance of tools
- G220000 Rent
- G225000 Salaries and wages
- G230000 Stationery
- G235000 Sundry expenses
- G505000 capital
- G510000 Retained income
- G520000 Installment agreements
- G600000 Furniture & fittings - Net value
- G610000 Motor vehicles - Net value
- G700000 Debtors control
- G735000 POS - Transfer
- G740000 POS - Till
- G745000 POS - Payment
- G750000 Stock control
- B810000 ABC - Bank
- B820000 Petty cash
- B830000 XYZ-Bank
- G850000 VAT - Control - 14%
 - T850010 output VAT - 14%
 - T850020 Input VAT - Standard rate - 14%
 - T850030 Input VAT - capital goods - 14%
 - T850040 Zero-rated VAT - 0%
 - G850100 VAT - Payment - 14%
- G900000 Creditors control
- G999000 Suspense
- G000 Account name

3. Enter or select the following:
 - a) **Account type** - Select "Ledger".
 - b) **Account no.** - Change "100" in the sub accounts field of the "Account no." field to "860".
 - c) **Description** - Replace "Account name" with "VAT Control – 15%".
 - d) **Account group 1** - If you have set up "Account group 1", select your account group e.g. "Current liabilities".
 - e) **Account group 2** - If you have set up "Account group 2", select your account group e.g. "Current liabilities2".
 - f) **Type** - "Balance sheet" should be displayed.
 - g) **Sub accounts** - Select (tick) this option. This is the new main account under which a Ledger sub account for the Tax payments and Tax accounts for each of VAT accounts will be added for the 15%.
 - h) **Status** - "Enabled" (default) should be selected.

Configure TurboCASH5


- i) **Open item account** - "No" (default) should be selected.
 - j) **Link tax** - "Empty" (default) should be selected.
4. Click on the **Save** button. When you save the "VAT - Control - 15%" account, it will automatically be listed after the 14% Tax accounts.

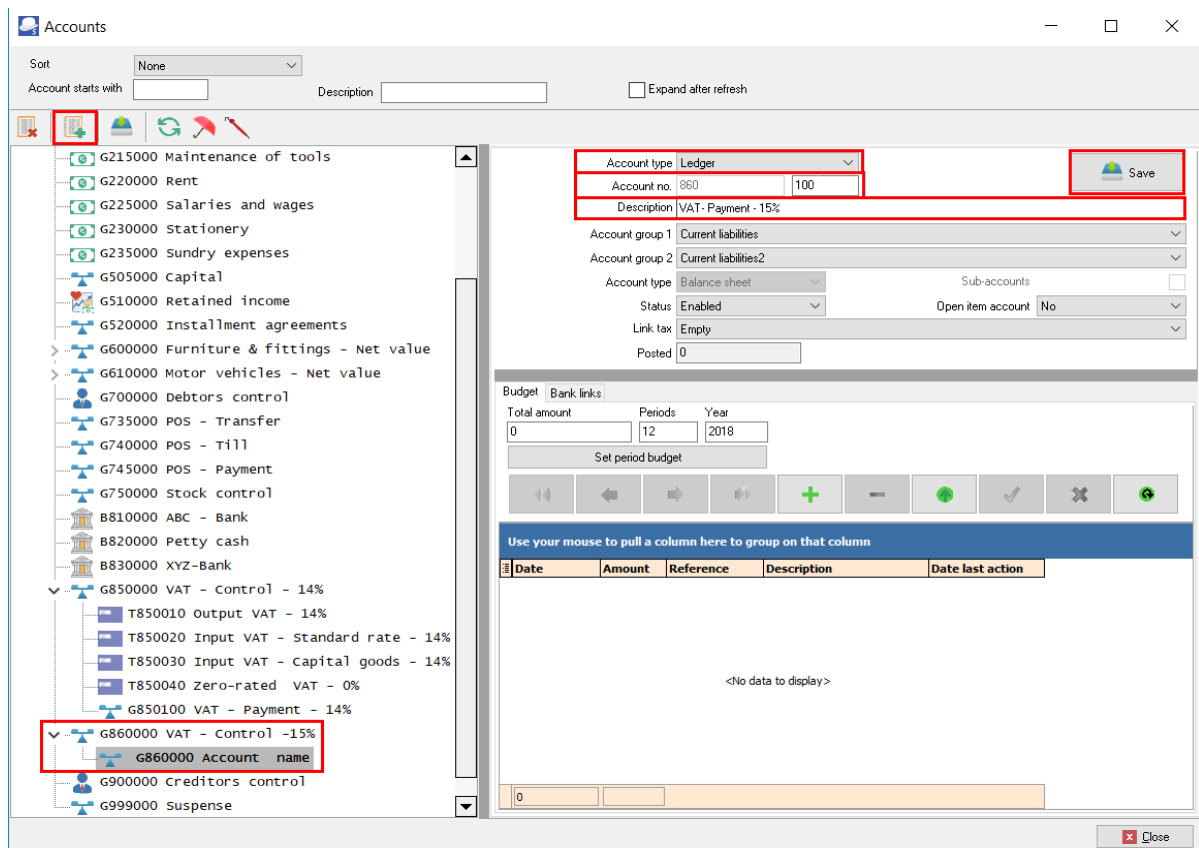
Add new VAT Payment account at 15% as a Ledger Sub account

The VAT – Payment – 15% as a Ledger account type on which the payment to SARS is recorded. All payments to SARS for transactions, on which the 15% VAT rate is applicable from 1 April 2018, should be paid and recorded in the from this VAT – Payment – 15% account.

All payments to SARS for transactions, on which the 14% VAT rate is applicable on or before 31 March 2018, should be paid and recorded in the VAT – Payment – 14% account.

To Add a new VAT Payment - Ledger Sub account for 15%:

1. On the **Action** ribbon, select **Accounts**.
2. Select the "G860000" VAT Control – 15%" account and click on the  (**Add:Account**) icon (or select the **Add** on the Context menu). An entry for the new ledger account is displayed as "G860 000 Account name" on the Account list.



The screenshot shows the 'Accounts' window in TurboCASH5. On the left, a tree view of accounts is displayed, with 'G860000 VAT - control -15%' selected and expanded to show a sub-account 'G860000 Account name'. On the right, the 'Add:Account' form is open. The 'Account type' is set to 'Ledger', 'Account no.' is '860', and 'Description' is 'VAT - Payment - 15%'. The 'Save' button is highlighted. Below the form, there is a 'Budget Bank links' section with a table for 'Total amount', 'Periods', and 'Year'. The table has columns for 'Date', 'Amount', 'Reference', 'Description', and 'Date last action', and currently displays '<No data to display>'. The 'Close' button is visible at the bottom right of the window.

Add new VAT Payment account at 15% as a Ledger Sub account

3. Enter or select the following:
 - a) **Account type** - Select "Ledger".
 - b) **Account no.** - The main account "860" in the of the "Account no." field cannot be changed. Change the "Sub accounts" field from "000" to "100".
 - c) **Description** - Replace "Account name" with "VAT - Payment - 15%".
 - d) **Account group 1** - If you have set up "Account group 1", select your account group, e.g. "Current liabilities".
 - e) **Account group 2** - If you have set up "Account group 2", select your account group, e.g. "Current liabilities2".
 - f) **Type** - "Balance sheet" should be displayed.
 - g) **Sub accounts** - This option cannot be selected, since this is a sub account of the VAT - Control - 15% main account.
 - h) **Status** - "Enabled" (default) should be selected.
 - i) **Open item account** - "No" (default) should be selected.
 - j) **Link tax** - "Empty" (default) should be selected.
4. Click on the **Save** button.

Add new Tax codes (Tax accounts) for Each Tax type at 15%.


Your Set of Books in TurboCASH need to be configured to is able to accommodate the different rates. Transactions need to be processed at the new VAT rate of 15% as from 1 April 2018, and at VAT rate of 14% as up to 31 March 2018.

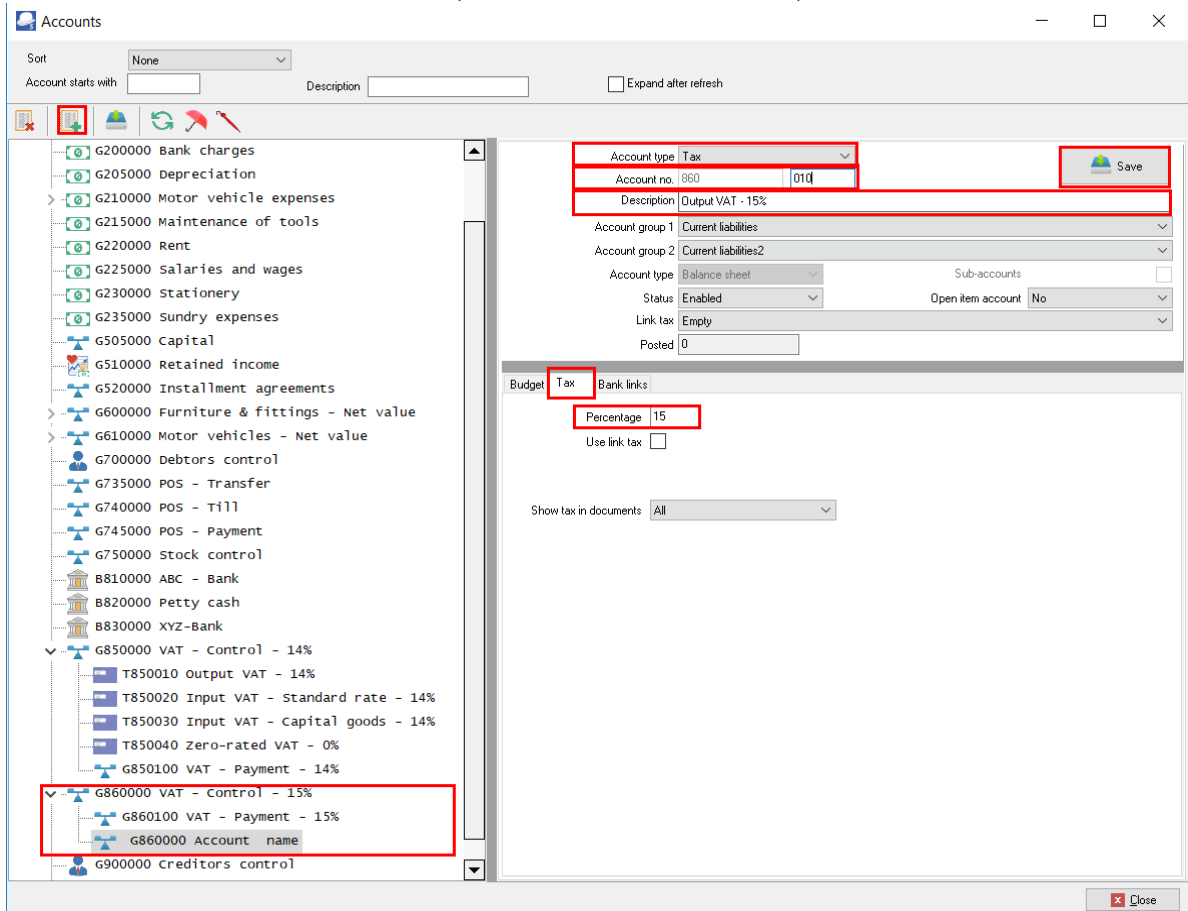
All "Enabled" Tax / VAT codes are listed in the Tax lookup in the "Tax" column. Transactions are taxable at the VAT rate of 14% up to 31 March 2018, and transactions as from 1 April 2018 are taxable at the VAT rate of 15%.

The screenshot displays a hierarchical list of VAT codes in TurboCASH. It is divided into two sections, each highlighted with a red border. The top section is for the 14% VAT rate, with a callout box stating: "All taxable transactions up to 31 March 2018 is based on the 14% VAT rate." The bottom section is for the 15% VAT rate, with a callout box stating: "All taxable transactions as from 1 April 2018 is based on the 15% VAT rate." The codes listed are:

- 14% VAT Control:** G850000 VAT - Control - 14%
 - T850010 output VAT - 14%
 - T850020 Input VAT - Standard rate - 14%
 - T850030 Input VAT - Capital goods - 14%
 - T850040 Zero-rated VAT - 0%
 - G850100 VAT - Payment - 14%
- 15% VAT Control:** G860000 VAT Control - 15%
 - T860010 output VAT - 15%
 - T860020 Input VAT - Standard rate - 15%
 - T860030 Input VAT - Capital goods - 15%
 - T860040 Zero-rated VAT - 0%
 - G860100 VAT Payment account - 15%

To Add a VAT accounts – Tax Sub account for 15%:

1. On the **Action** ribbon, select **Accounts**.
2. Select the Tax Control Account (as in this case, "G860-000 VAT Control Account") and click on the  (**Add:Account**) icon (or select the **Add** on the Context menu). An entry for the new ledger account is displayed as "G860 000 Account name" on the Account list. The reason for this is that we need to create a Tax code, which is a Sub-account for the Tax main account (i.e. "VAT Control – 15% account").

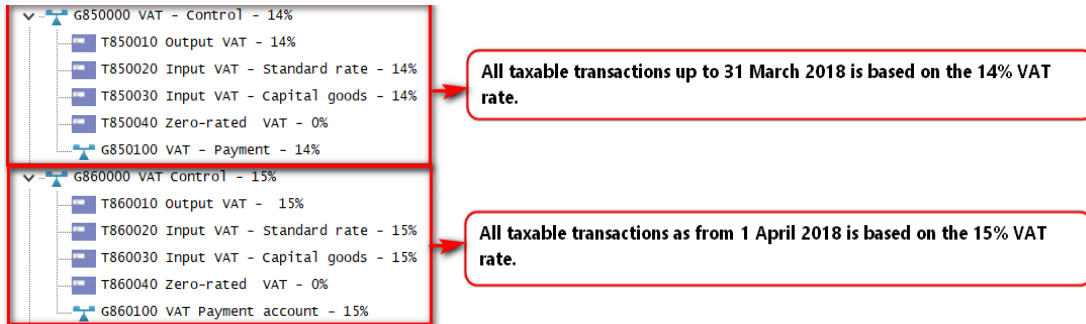


3. Enter or select the following:
 - a) **Account type** - Select "Tax (VAT/GST/Sales tax)".
 - b) **Account no.** - The Main account "860" is displayed and the sub accounts number field enter "010".
 - c) **Description** - Replace "Account name" with "Output VAT – 15%".
 - d) **Account group 1** - If you have set up "Account group 1", select your account group, e.g. "Current liabilities". This is the Account group which is linked to the main account.
 - e) **Account group 2** - If you have set up "Account group 2", select your account group, e.g. "Current liabilities2". This is the Account group which is linked to the main account.
 - f) **Type** - "Balance sheet" should be displayed. This field cannot be selected, since the main account is a Balance sheet type account.
 - g) **Sub-accounts** - This field cannot be selected, since this is a sub-account.

Add new Tax codes (Tax accounts) for Each Tax type at 15%.

- h) **Status** - "Enabled" (default) should be selected.
 - i) **Open item account** - "No" (default) should be selected.
 - j) **Link tax** - "Empty" (default) should be selected.
4. Click on the **Tax** tab.
- a) **Percentage** - Enter the percentage as "15".
 - b) **Use link tax** - Do not select this option.
 - c) **Show tax in documents** - Leave the option as "All" for the purpose of this tutorial.
5. Click on the **Save** button.
6. Add new Tax type accounts at 15% similar to the 14% tax type accounts, including the Zero-rated tax type accounts.

An example of the Tax accounts - 14% as well as the Tax accounts - 15%, in the Chart of accounts, is as follows:



Stock items


Each Stock item is linked to up to 5 accounts, i.e. the Input tax, Output tax, Sales, Cost of sales and Stock control accounts. The Output and Input Tax at the 15% Vat rate needs to be linked to each Stock item.

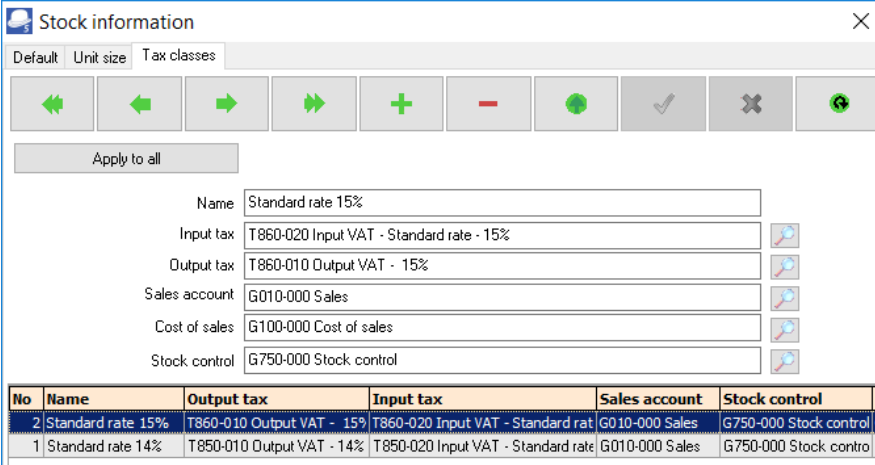
Tax classes in Stock - create a new Tax class

To save time to select up to 5 accounts, for each stock type, use Tax classes in Stock to link the Input tax, Output tax, Sales, Cost of sales and Stock control accounts.




To create a new Tax class:

1. On the **Setup** ribbon, select **Stock information**.
2. Click on the **Tax classes** tab.

 If "English" as the default language is used, Tax classes will be displayed.
If you have selected, "en-South-Africa" the Tax classes description, will reflect VAT classes.



No	Name	Output tax	Input tax	Sales account	Stock control
2	Standard rate 15%	T860-010 Output VAT - 15%	T860-020 Input VAT - Standard rate - 15%	G010-000 Sales	G750-000 Stock control
1	Standard rate 14%	T850-010 Output VAT - 14%	T850-020 Input VAT - Standard rate - 14%	G010-000 Sales	G750-000 Stock control

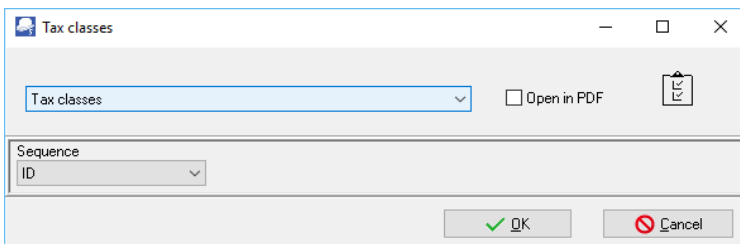
3. Select the existing Tax class and add 14% to the Name field, if not displayed as 14%.
4. Click  to save the changes.
5. Click  to add a new Tax class.
6. Enter the Name (description) e.g. "Standard rate 15%" for the tax class.
7. Select the following accounts:
 - a) **Input Tax** - Select the Input tax account, i.e. Input VAT – Standard rate – 15% (860-020).
 - b) **Output Tax** - Select the Output tax account, i.e. Output VAT – 15% (860-010).
 - c) **Sales account** - Select the Sales account (010-000).
 - d) **Cost of sales** - Select the Cost of sales account (100-000).
 - e) **Stock control** - Select the Stock control account (750-000).
8. Click  to save the changes.
9. Click on the **OK** button to close the "Stock information" screen.

Print a list of the Tax classes

When a stock item is linked to a tax class, it will disable the Lookup button on the **Ledger** tab of the **Action → Stock items** screen for a selected stock item. It will automatically set the Input tax and Output tax, Sales, Cost of sales and Stock control account fields without having to select them for each stock item.

To print Stock item listing - Tax classes reports:

1. On the **Reports** ribbon, select **Reports → Stock → Stock item listing**.
2. Select "Tax classes" report.



3. Select the **Sequence** (i.e. ID (record Id) or description) for the sequence to list the tax classes.
4. Click on the **OK** button.

An example of the Stock item listing - "Tax class - Listing" report, is as follows:

Tax class	Accounts	Code	Description
Standard rate 14%	Input tax:	T850020	Input VAT - Standard rate - 14%
	Output tax:	T850010	Output VAT - 14%
	Sales account:	G010000	Sales
	Cost of sales:	G100000	Cost of sales
	Stock control:	G750000	Stock control
Standard rate 15%	Input tax:	T860020	Input VAT - Standard rate - 15%
	Output tax:	T860010	Output VAT - 15%
	Sales account:	G010000	Sales
	Cost of sales:	G100000	Cost of sales
	Stock control:	G750000	Stock control

- ▼ G850000 VAT - Control - 14%
 - ▣ T850010 output VAT - 14%
 - ▣ T850020 Input VAT - Standard rate - 14%
 - ▣ T850030 Input VAT - Capital goods - 14%
 - ▣ T850040 Zero-rated VAT - 0%
 - ▣ G850100 VAT - Payment - 14%

All taxable transactions up to 31 March 2018 is based on the 14% VAT rate.

- ▼ G860000 VAT Control - 15%
 - ▣ T860010 output VAT - 15%
 - ▣ T860020 Input VAT - Standard rate - 15%
 - ▣ T860030 Input VAT - Capital goods - 15%
 - ▣ T860040 Zero-rated VAT - 0%
 - ▣ G860100 VAT Payment account - 15%

All taxable transactions as from 1 April 2018 is based on the 15% VAT rate.

The next step is to link the accounts to the stock items.


Link Tax classes to Stock items

To change Input and Output tax accounts from 14% to 15%:

1. On the **Action** ribbon, select **Stock items**.
2. Select a Stock item.
3. Click on the **Ledger** tab.

4. Tax class, select "Standard rate 15%".
5. Click on the **Save** button. The inclusive amount will automatically be updated with the new tax rate.

6. Repeat the process for all the stock items.

 You may also change the tax classes on the grid view. In this example, the Tax class column was dragged from the Right to the Left.

Stock	Description	Date last a	Tax class	hand	Reorder	Avg. cost	Unit cost	Unit size	Discount	Selling pri	Selling pri	Selling pri	Barcode	Type
3	3COMP Compressor	2018/05/05	Standard rate 14%	3	10	1,000.00	1,000.00	Each	✓	1,500.00	1,600.00	1,700.00	3456789123	Default
	3DRILL Drill press	2018/05/06	Empty	5	10	500.00	500.00	Each	✓	1,000.00	1,100.00	1,200.00	1234567890	Default
	4L-INSTCU Install - Built in c	2018/05/05	Standard rate 14%	0	0	0.00	0.00	Hours	✓	500.00	550.00	600.00		Sales (no st
	4L-PAINT-E Paint - Exterior	2018/05/05	Standard rate 15%	0	0	0.00	0.00	Hours	✓	500.00	550.00	600.00		Sales (no st
	BOM BOM	2018/05/05	Standard rate 14%	0	0	1,500.00	0.00	@	✓	0.00	0.00	0.00		BOM
	BOMPRODI BOM (Productio	2018/05/05	Standard rate 14%	0	0	0.00	0.00	@	✓	0.00	0.00	0.00		BOM (Produ
	GL.CODE General ledger	2018/05/05	Standard rate 14%	0	0	0.00	0.00		✓	0.00	0.00	0.00		Financial en
	OPTIONITE Option item	2018/05/05	Standard rate 14%	0	0	0.00	0.00		✓	0.00	0.00	0.00		Option item
	OPTIONITE Option item (no	2018/05/05	Standard rate 14%	0	0	0.00	0.00		✓	0.00	0.00	0.00		Option item
	PURCHASE Purchases	2018/05/05	Standard rate 14%	0	0	0.00	0.00		✓	0.00	0.00	0.00		Purchases

Select the Stock item and Tax class Standard rate 15% and click on the Save button.
Repeat the process for all the stock items.

Disable / Block posting transactions at the 14% VAT rate

Once all the 14% taxable transactions is processed and finalised, you may:

- Disable the tax accounts to prevent any transactions being posted (updated) to the ledger, to the 14% tax accounts, or available for selection on lookup screens and lists, while entering transactions in Batches and Documents, and / or;
- Block the Period March 2018 in which the 14% tax rate is applicable. This will not allow you to post (update) any transactions to the ledger at at the 14% Tax rate.

Disable Tax accounts at 14%

If the "Status" field of a ledger account is set to "Disabled" for a ledger account (**Action** → **Accounts**), it will not allow you to post (update) the batch or document to the ledger.



Before you disable old tax accounts at 14%, make absolutely sure that the taxable transactions at 14%, is correct and posted (updated) to the ledger. All purchase documents (i.e. Purchases and Supplier returns), as well as sales documents (i.e. Invoices and Credit notes) is correct and posted (updated) to the ledger at the Tax rate of 14%.

To disable Input and Output tax accounts from 14%:

1. On the **Action** ribbon, select **Accounts**.
2. Select a Tax account.

The screenshot shows the 'Accounts' window with the following details:

- Account type:** Tax
- Account no.:** 850 010
- Description:** Output VAT - 14%
- Account group 1:** Current liabilities
- Account group 2:** Current liabilities2
- Account type:** Balance sheet
- Status:** Enabled
- Open item account:** No
- Posted:** 9
- Percentage:** 14
- Use link tax:**
- Show tax in documents:** All

3. In the "Status" field, select "Disabled".
4. Click the **Save** button to save the changes.

Print or view Disabled accounts

To Print or view Disabled accounts:

On the **Reports** ribbon, select **Reports** → **Ledger** → **Chart of accounts**.

Code	Description	Reporting group 1	Reporting group 2	Type	Open item	Disabled
*G010000	Sales	Income	Income2	Inc / Exp	No	No
*G100000	Cost of sales	Income	Income2	Inc / Exp	No	No
*G200000	Bank charges	Expenses	Expenses2	Inc / Exp	No	No
*G205000	Depreciation	Expenses	Expenses2	Inc / Exp	No	No
*G210000	Motor vehicle expenses	Expenses	Expenses2	Inc / Exp	No	No
*G210010	Fuel and oil	Expenses	Expenses2	Inc / Exp	No	No
*G210020	Maintenance	Expenses	Expenses2	Inc / Exp	No	No
*G210030	Repairs	Expenses	Expenses2	Inc / Exp	No	No
*G215000	Maintenance of tools	Expenses	Expenses2	Inc / Exp	No	No
*G220000	Rent	Expenses	Expenses2	Inc / Exp	No	No
*G225000	Salaries and wages	Expenses	Expenses2	Inc / Exp	No	No
*G230000	Stationary	Expenses	Expenses2	Inc / Exp	No	No
*G235000	Sundry expenses	Expenses	Expenses2	Inc / Exp	No	No
G505000	Capital	Capital	Capital2		No	No
G510000	Retained income	Capital	Capital2		No	No
G520000	Installment agreements	Longterm liabilities	Longterm liabilities2		No	No
G600000	Furniture & fittings - Net value	Fixed assets	Fixed assets2		No	No
G600010	Furniture fittings @ cost	Fixed assets	Fixed assets2		No	No
G600020	Furniture fittings -Acc. deprec.	Fixed assets	Fixed assets2		No	No
G610000	Motor vehicles - Net value	Fixed assets	Fixed assets2		No	No
G610010	Motor vehicles @ cost	Fixed assets	Fixed assets2		No	No
G610020	Motor vehicles -Accum. depreciation	Fixed assets	Fixed assets2		No	No
G700000	Debtors control	Current assets	Current assets2		No	No
G735000	POS - Trans fer	Current assets	Current assets2		No	No
G740000	POS - Till	Current assets	Current assets2		No	No
G745000	POS - Payment	Current assets	Current assets2		No	No
G750000	Stock control	Current assets	Current assets2		No	No
B810000	ABC - Bank	Current assets	Current assets2	Bank account	No	No
B820000	Refy cash	Current assets	Current assets2	Bank account	No	No
B830000	XYZ Bank	Current assets	Current assets2	Bank account	No	No
7850000	VAT - Control - 14%	Current liabilities	Current liabilities2		No	Yes
7850010	Output VAT - 14%	Current liabilities	Current liabilities2	Tax account	No	Yes
7850020	Input VAT - Standard rate - 14%	Current liabilities	Current liabilities2	Tax account	No	Yes
7850030	Input VAT - Capital goods - 14%	Current liabilities	Current liabilities2	Tax account	No	Yes
7850040	Zero-rated VAT - 0%	Current liabilities	Current liabilities2	Tax account	No	Yes
8850100	VAT - Payment - 14%	Current liabilities	Current liabilities2		No	Yes
8850000	VAT Control - 15%	Current liabilities	Current liabilities2		No	Yes
7850010	Output VAT - 15%	Current liabilities	Current liabilities2	Tax account	No	No
7850020	Input VAT - Standard rate - 15%	Current liabilities	Current liabilities2	Tax account	No	No

Disabled Tax accounts will not be listed on the Tax account lookup in Batches.

No	Reference	Date	Description	Debtor	Tax	Debit	Credit	Open item
1	INV001	2018/03/07	Paint - Exterior	D1ABGRE Mr. AB Gree	7850010 Output	1 140,00	0,00	
2	INV002	2018/03/09	Install - Built-in cupboard	D1MACDS MAC Shop				
3	INV003	2018/03/10	Paint - Exterior	D1ABGRE Mr. AB Gre				
4	INV004	2018/03/12	Install - Built-in cupboard	D1MDAVI Mr. Mike D:	860010	Output VAT - 15%		

Disabled Tax accounts will not be listed on the Tax account lookup in Documents.

The screenshot shows a document entry for 'Mr. Mike Davies' with 2.00 items on hand. A 'Tax accounts' window is open, displaying a list of tax codes and their descriptions. The list includes:

Code	Description
T	Empty
T860010	Output VAT - 15%
T860020	Input VAT - Standard rate - 15%
T860030	Input VAT - Capital goods - 15%
T860040	Zero-rated VAT - 0%

The main document entry shows a table with columns: Item no., Description, Order, Ship, Tax, Unit excl., Disc%, and Amount ex. The first row is: 3COMP, Compressor, 1, 1, 1500,00, % 0, 1500,00.

Disable posting to period March 2018

Block the Period March 2018 in which the 14% tax rate is applicable. This will not allow you to post (update) any transactions to the ledger at the 14% Tax rate.



All purchase documents (i.e. Purchases and Supplier returns), as well as sales documents (i.e. Invoices and Credit notes) is correct and posted (updated) to the ledger at the Tax rate of 14%.

Disable posting to period March 2018:

1. On the **Setup** ribbon, select **Reporting dates**.

The 'Reporting dates' window shows a table with columns: Number, Start date, Ends on, Open for posting, and Previous year. The 'March' row is highlighted with a red box, and the 'Open for posting' checkboxes for March are unchecked.

Number	Start date	Ends on	Open for posting	Previous year
12	2018/03/01	2018/03/31	<input type="checkbox"/>	<input type="checkbox"/>
April	2018/04/30	2018/04/30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
May	2018/05/31	2018/05/31	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
June	2018/06/30	2018/06/30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
July	2018/07/31	2018/07/31	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
August	2018/08/31	2018/08/31	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
September	2018/09/30	2018/09/30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
October	2018/10/31	2018/10/31	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
November	2018/11/30	2018/11/30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
December	2018/12/31	2018/12/31	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
January	2019/01/31	2019/01/31	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
February	2019/02/28	2019/02/28	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

2. Select "March 2018" period "Ends on" and remove the tick in the "Open for Posting" fields.
3. Click on the **OK** button to save the changes.

Processing Transactions

During the transition period, you may need to use both the tax rates, i.e. 14% or 15%, depending on whether the transaction(s) is taxable on or before 31 March 2018 at 14%; or from 1 April 2018 at 15%.


In TurboCASH, the VAT accounts need to accommodate two VAT rates. An invoice may even reflect a rate of 14% and 15% depending if the goods were supplied or services rendered on or before 31 March 2018 or from 1 April 2018.

An example would be where a service provider charges subscriptions in advance April 2018 at 15%, but usage (e.g. calls) are charged in arrears March 2018 at 14%.

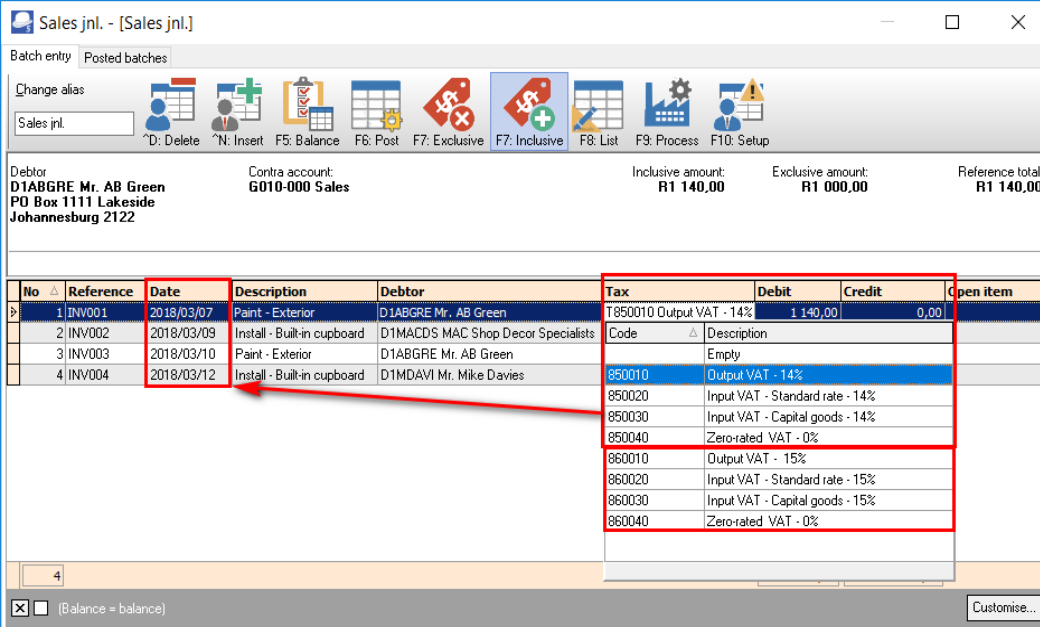
Processing transactions in Batches

When processing transactions in **Batch entry** on the **Action** tab, you need to make absolutely sure that the correct Tax / VAT code is selected.

By default, all accounts is "Enabled". All Tax / VAT codes are listed in the Tax lookup in the "Tax" column. Once the transitional period where all the transactions up to 31 March 2018 at 14% is posted (updated) to the ledger, you may disable the 14% Tax / VAT accounts (**Accounts** on the **Action** tab). The 14% rate Tax / VAT accounts will not be listed on the Tax lookup screens.

 If you have a Zero-rated VAT – 0% Tax account, in the 14% structure (e.g. "850040 Zero-rated VAT – 0%"), you also need to disable Zero-rated VAT – 0% Tax account.

The 14% VAT rate (e.g. "850000" account range) are normally applicable to transactions up to 31 March 2018, in the "Date" column.



The screenshot shows the 'Sales jnl.' window in TurboCASH. The main table contains the following transactions:

No	Reference	Date	Description	Debtor	Tax	Debit	Credit	Open item
1	INV001	2018/03/07	Paint - Exterior	D1ABGRE Mr. AB Green	T850010 Output VAT - 14%	1 140,00	0,00	
2	INV002	2018/03/09	Install - Built-in cupboard	D1MACDS MAC Shop Decor Specialists	Code			
3	INV003	2018/03/10	Paint - Exterior	D1ABGRE Mr. AB Green	Empty			
4	INV004	2018/03/12	Install - Built-in cupboard	D1MDAVI Mr. Mike Davies	850010 Output VAT - 14%			

The tax lookup dropdown menu is open, showing the following options:


Code	Description
850010	Output VAT - 14%
850020	Input VAT - Standard rate - 14%
850030	Input VAT - Capital goods - 14%
850040	Zero-rated VAT - 0%
860010	Output VAT - 15%
860020	Input VAT - Standard rate - 15%
860030	Input VAT - Capital goods - 15%
860040	Zero-rated VAT - 0%

The 15% VAT rate (e.g. "860000" account range) is normally applicable to transactions as from 1 April 2018, in the "Date" column.

Processing transactions in Documents

When processing transactions in **Documents** on the **Action** tab in purchase documents (i.e. Purchases and Supplier returns), as well as sales documents (i.e. Invoices and Credit notes), you need to make absolutely sure that the correct Tax / VAT code is selected.

By default, all accounts is "Enabled". All Tax / VAT codes are listed in the Tax lookup in the "Tax" column. Once the transitional period where all the transactions up to 31 March 2018 at 14% is posted (updated) to the ledger, you may disable the 14% Tax / VAT accounts (**Accounts** on the **Action** tab). The 14% rate Tax / VAT accounts will not be listed on the Tax lookup screens.

 If you have a Zero-rated VAT – 0% Tax account, in the 14% structure (e.g. "850040 Zero-rated VAT – 0%"), you also need to disable Zero-rated VAT – 0% Tax account.

The 14% VAT rate (e.g. "850000" account range) are normally applicable to transactions up to 31 March 2018, in the "Date" column.

The screenshot shows a software interface for processing a document. The main window displays document details for '1MDAVI Invoice IN000009 Mr. Mike Davies, 5,00 items on hand..'. The 'Date' field is set to 2018/04/13. A 'Tax accounts' lookup window is open, showing a list of tax codes and descriptions. A red box highlights the 'Date' field in the main window, and a red arrow points to the 'Tax accounts' window. In the 'Tax accounts' window, a red box highlights the 'T860010' code, which is 'Output VAT - 15%'. Other codes include T850010 (Output VAT - 14%), T850020 (Input VAT - Standard rate - 14%), T850030 (Input VAT - Capital goods - 14%), T850040 (Zero-rated VAT - 0%), T860020 (Input VAT - Standard rate - 15%), T860030 (Input VAT - Capital goods - 15%), and T860040 (Zero-rated VAT - 0%).

Code	Description
T	Empty
T850010	Output VAT - 14%
T850020	Input VAT - Standard rate - 14%
T850030	Input VAT - Capital goods - 14%
T850040	Zero-rated VAT - 0%
T860010	Output VAT - 15%
T860020	Input VAT - Standard rate - 15%
T860030	Input VAT - Capital goods - 15%
T860040	Zero-rated VAT - 0%

The 15% VAT rate (e.g. "860000" account range) is normally applicable to transactions as from 1 April 2018, in the "Date" column.

Tax reports



Before you print tax reports to submit your Tax (VAT/GST/Sales tax) returns, you need to post (update) all batch transactions and documents (i.e. invoices, credit notes, purchase and supplier return documents) for the tax period.

The following tax reports are available:

1. **Tax per period report** – This report is used to complete the Tax (VAT/GST/Sales tax) returns. It will list a summary of the Output tax less the Input tax and the total tax payable / refundable.
2. **Tax report - Reference / Document no.** - This report will list the details of accounts and transactions of all posted (updated) batch and document transactions, on which Tax (VAT/GST/Sales tax) is applicable. It will display the Tax code and description as well as the contra accounts for each transaction.
3. **Tax list debtor with tax id** - This report will list a total exclusive of tax, tax amount and inclusive amount of tax) for the Invoices less Credit notes for debtor (customer) accounts for selected period(s) or date(s). It will also display the Company and Tax registration numbers for each for debtor (customer) accounts.
4. **Tax list creditor with tax id** - This report will list a total exclusive of tax, tax amount and inclusive amount of tax) for the Purchase documents less Supplier returns for creditor (supplier) accounts for selected period(s) or date(s). It will also display the Company and Tax registration numbers for each for creditor (supplier) accounts.



*The **Tax excluded** and **Tax amount** in the **Report total** of the **Tax report - Reference / Document no.** report, should balance with the **Total - Output tax – Input tax** of the **Tax per period report**, if the same periods are selected.*



It is recommended that these tax reports are printed and archived (PDF) for record and audit purposes.

Tax per period report

This report is used to complete the Tax (VAT/GST/Sales tax) returns. It will list a summary of the Output tax less the Input tax and the total tax payable / refundable.

An option is available to list all transactions and documents including the account code, account description, country and tax reference of the debtor (customer) or creditor (supplier) account (if applicable).

To print tax per period reports:

1. On the **Reports** ribbon, select **Reports** → **Tax**.
2. Select the **Tax per period** report. The "Tax list debtor with tax id" report is the default report.
3. Select the "Tax per period" report.

4. Select the following:
 - a) **Per period** - Tick on "2 Months" and select "2018/03/01 / 2018/04/30".
 - b) **Show details** - Leave blank. By default, this option is not selected. It will only list the totals exclusive of Tax (VAT/GST/Sales Tax) for each tax code.
 If this option is selected, it will list all transactions and documents including the account code, account description, country and tax reference of the debtor or creditor account (if applicable).
 - c) **Show tax separately** - Leave blank. By default, this option is not selected. If this option is selected, each tax code will print on a new page. It is recommended, that this option should only be selected, when the "Show details" option is selected.



For the purpose of this tutorial, we assume that our tax registration certificate indicates that we need to pay Tax (VAT/GST/Sales Tax) every 2 months.

5. Click on the **OK** button.

Tax reports

An example of the "Tax per period" (no details) report, is as follows:

Tax per period			
Periods:		Show details: No	
2018/03/01 - 2018/04/30		Show tax separately: No	
T850010	Output VAT - 14%		
	Output VAT - 14% T850010	10 000,00	1 400,00
T850020	Input VAT - Standard rate - 14%		
	Input VAT - Standard rate - 14% T850020	-5 800,00	-812,00
T850030	Input VAT - Capital goods - 14%		
	Input VAT - Capital goods - 14% T850030	-800,00	-112,00
T860010	Output VAT - 15%		
	Output VAT - 15% T860010	7 500,00	1 125,00
T860020	Input VAT - Standard rate - 15%		
	Input VAT - Standard rate - 15% T860020	-3 500,00	-525,00
Total: Output tax - Input tax		7 400,00	1 076,00

! It is recommended that the details should also be printed and saved for record purposes.

! It is important to print the details to check the details of your transactions.

The detailed tax report ("Show details" and "Show tax separately" options selected) for the same period, is as follows:

Page 1 – Output tax - 14%

Handyman Hardware Store
 27 Olifants Road
 Emmarentia
 Johannesburg
 2195

Company reg. no.: 336012345
 Tax reg. no.: 446010111

Phone: (011) 310-1390
 Fax: (011) 310-2000
 E-mail: mymail@myisp.net
 Website:

Tax per period						
Periods:		Show details: Yes				
2018/03/01 - 2018/04/30		Show tax separately: Yes				
T850010	Output VAT - 14%					
G010000	Sales					
Date	Reference	Batch no.	Code / Description / Country / Tax reference	Amount excl.	Tax amount	
2018/03/07	----	10028	D1ABGRE Mr. AB Green 111111111	1 000,00	140,00	
2018/03/09	----	10028	D1MACDS MAC Shop Decor Specialists 000000000	1 500,00	210,00	
2018/03/10	----	10028	D1ABGRE Mr. AB Green 111111111	1 000,00	140,00	
2018/03/12	----	10028	D1MDAVI Mr. Mike Davies 336012345	1 500,00	210,00	
2018/03/13	N000001	10040	D1ABGRE Mr. AB Green 111111111	1 000,00	140,00	
2018/03/14	N000002	10041	D1MACDS MAC Shop Decor Specialists 000000000	1 500,00	210,00	
2018/03/15	N000003	10042	D1ABGRE Mr. AB Green 111111111	1 000,00	140,00	
2018/03/16	N000004	10043	D1MDAVI Mr. Mike Davies 336012345	1 500,00	210,00	
Total: G010000 - Sales				10 000,00	1 400,00	
				Output VAT - 14% T850010	10 000,00	1 400,00

Tax per period						
Periods			Show details: Yes			
2018/03/01 - 2018/04/30			Show tax separately: Yes			
T850020 Input VAT - Standard rate - 14%						
G210020 Maintenance						
Date	Reference	Batch no.	Code / Description / Country / Tax reference	Amount excl.	Tax amount	
2018/03/05	-----	10030	C2ABCSC ABC-Service-Centre 3333333333	-400,00	-56,00	
2018/03/14	PU000001	10038	C2ABCSC ABC-Service-Centre 3333333333	-400,00	-56,00	
Total: G210020 - Maintenance				-800,00	-112,00	
G210030 Repairs						
Date	Reference	Batch no.	Code / Description / Country / Tax reference	Amount excl.	Tax amount	
2018/03/05	-----	10030	C2ABCSC ABC-Service-Centre 3333333333	-600,00	-84,00	
2018/03/14	PU000001	10038	C2ABCSC ABC-Service-Centre 3333333333	-600,00	-84,00	
Total: G210030 - Repairs				-1 200,00	-168,00	
G220000 Rent						
Date	Reference	Batch no.	Code / Description / Country / Tax reference	Amount excl.	Tax amount	
2018/03/30	107	10031	G220000 Rent	-500,00	-70,00	
Total: G220000 - Rent				-500,00	-70,00	
G230000 Stationery						
Date	Reference	Batch no.	Code / Description / Country / Tax reference	Amount excl.	Tax amount	
2018/03/30	110	10031	G230000 Stationery	-250,00	-35,00	
2018/03/31	PCV001	10033	G230000 Stationery	-50,00	-7,00	
Total: G230000 - Stationery				-300,00	-42,00	
G600010 Furniture fittings @ cost						
Date	Reference	Batch no.	Code / Description / Country / Tax reference	Amount excl.	Tax amount	
2018/03/08	-----	10030	C2ABCOS ABC-Office-Supplies 4444444444	-1 500,00	-210,00	
2018/03/15	PU000002	10039	C2ABCOS ABC-Office-Supplies 4444444444	-1 500,00	-210,00	
Total: G600010 - Furniture fittings @ cost				-3 000,00	-420,00	
Input VAT - Standard rate - 14% T850020				-5 800,00	-812,00	

Tax per period						
Periods			Show details: Yes			
2018/03/01 - 2018/04/30			Show tax separately: Yes			
T850030 Input VAT - Capital goods - 14%						
G600010 Furniture fittings @ cost						
Date	Reference	Batch no.	Code / Description / Country / Tax reference	Amount excl.	Tax amount	
2018/03/01	105	10031	G600010 Furniture fittings @ cost	-500,00	-70,00	
2018/03/01	108	10031	G600010 Furniture fittings @ cost	-300,00	-42,00	
Total: G600010 - Furniture fittings @ cost				-800,00	-112,00	
Input VAT - Capital goods - 14% T850030				-800,00	-112,00	

Tax reports

Page 4 – Output tax – 15%

The screenshot shows a software window titled 'Tax per period'. The period is 2018/03/01 - 2018/04/30. The report title is 'T860010 Output VAT - 15%'. It details sales transactions with columns for Date, Reference, Batch no., Code / Description / Country / Tax reference, Amount excl., and Tax amount. The total sales amount is 7,500.00, resulting in a total tax amount of 1,125.00.

Date	Reference	Batch no.	Code / Description / Country / Tax reference	Amount excl.	Tax amount
2018/04/07	N000005	10046	D1MDAVI Mr. Mike Davies 338012345	1 000,00	150,00
2018/04/09	N000008	10048	D1ROGSM Mr. Roger Smith 342023456	3 000,00	450,00
2018/04/10	N000007	10050	D1MDAVI Mr. Mike Davies 338012345	1 500,00	225,00
2018/04/11	N000008	10052	D1ROGSM Mr. Roger Smith 342023456	2 000,00	300,00
Total: G010000 - Sales				7 500,00	1 125,00
Output VAT - 15% T860010				7 500,00	1 125,00

Page 5 – Input tax – Standard rate -15%

The screenshot shows a software window titled 'Tax per period'. The period is 2018/03/01 - 2018/04/30. The report title is 'T860020 Input VAT - Standard rate -15%'. It details stock control transactions with columns for Date, Reference, Batch no., Code / Description / Country / Tax reference, Amount excl., and Tax amount. The total stock control amount is -3,500.00, resulting in a total tax amount of -525.00. The overall total for Output tax - Input tax is 7,400.00 and 1,076.00.

Date	Reference	Batch no.	Code / Description / Country / Tax reference	Amount excl.	Tax amount
2018/04/05	PU000003	10044	C2AONES A-ONE Suppliers 908012345	-1 500,00	-225,00
2018/04/08	PU000004	10045	C2BESTS BEST Suppliers 1234567892	-2 000,00	-300,00
Total: G750000 - Stock control				-3 500,00	-525,00
Input VAT - Standard rate -15% T860020				-3 500,00	-525,00
Total: Output tax - Input tax				7 400,00	1 076,00



The **Tax excluded** and **Tax amount** in the **Report total** of the **Tax report - Reference / Document no.** report, should balance with the **Total - Output tax – Input tax** of the **Tax per period report**, if the same periods are selected.

Tax report - Reference / Document no.

This report will list the details of accounts and transactions of all posted (updated) batch and document transactions, on which Tax (VAT/GST/Sales tax is applicable. It will display the Tax code and description as well as the contra accounts for each transaction. If the same periods is selected as on the Tax per period report, the Exclusive and Tax amount totals should balance.

To print tax list debtor with tax id reports:

1. On the **Reports** ribbon, select **Reports** → **Tax**.
2. Select the **Tax per period** report. The "Tax list debtor with tax id" report is the default report.
3. Select the "Tax report – Reference / Document no." report.

4. Select the following on "2 Months" and select "2018/03/01 / 2018/04/30".

For the purpose of this tutorial, we assume that our tax registration certificate indicates that we need to pay Tax (VAT/GST/Sales Tax) every 2 months.

5. Click on the **OK** button.

An example of the "Tax report – Reference / Document no." report, is as follows:

Page 1 -

Tax report - Reference / Document no.						
Periods: 2018/03/01 - 2018/04/30						
Reference	Code	Description	Country	Tax reference		
*****	D1ABGRE	Mr. AB Green		111111111		
Date	Batch no.	Description (Tax code)	Tax excluded	Tax amount Code / Description		
2018/03/07	10028	Output VAT - 14% (850010)	1 000,00	140,00	G010000	Sales
2018/03/09	10028	Output VAT - 14% (850010)	1 500,00	210,00	G010000	Sales
2018/03/10	10028	Output VAT - 14% (850010)	1 000,00	140,00	G010000	Sales
2018/03/12	10028	Output VAT - 14% (850010)	1 500,00	210,00	G010000	Sales
Reference total:			5 000,00	700,00		
Reference	Code	Description	Country	Tax reference		
IN000001	D1ABGRE	Mr. AB Green		111111111		
Date	Batch no.	Description (Tax code)	Tax excluded	Tax amount Code / Description		
2018/03/13	10040	Output VAT - 14% (850010)	1 000,00	140,00	G010000	Sales
Reference total:			1 000,00	140,00		
Reference	Code	Description	Country	Tax reference		
IN000002	D1MACDS	MAC Shop Decor Specialists		666666666		
Date	Batch no.	Description (Tax code)	Tax excluded	Tax amount Code / Description		
2018/03/14	10041	Output VAT - 14% (850010)	1 500,00	210,00	G010000	Sales
Reference total:			1 500,00	210,00		
Reference	Code	Description	Country	Tax reference		
IN000003	D1ABGRE	Mr. AB Green		111111111		
Date	Batch no.	Description (Tax code)	Tax excluded	Tax amount Code / Description		
2018/03/15	10042	Output VAT - 14% (850010)	1 000,00	140,00	G010000	Sales
Reference total:			1 000,00	140,00		
Reference	Code	Description	Country	Tax reference		
IN000004	D1MDAV	Mr. Mike Davies		336012345		
Date	Batch no.	Description (Tax code)	Tax excluded	Tax amount Code / Description		
2018/03/16	10043	Output VAT - 14% (850010)	1 500,00	210,00	G010000	Sales

Tax reports

Page 5 – (Last page) Totals

Tax report - Reference / Document no.								
Periods: 2018/03/01 - 2018/04/30								
Reference Code	Description	Country	Tax reference					
PU000004	C2BE STS // BEST Suppliers		1234567892					
Date	Batch no.	Description (Tax code)	Tax excluded	Tax amount	Code / Description			
2018/04/08	10045	Input VAT - Standard rate - 15% (860020)	-2 000,00	-300,00	G750000 Stock control			
Reference total:			-2 000,00	-300,00				
Report total:			7 400,00	1 076,00				



Once again, the **Tax excluded** and **Tax amount** in the **Report total** of the **Tax report - Reference / Document no.** report, should balance with the **Total - Output tax - Input tax** of the **Tax per period report**, if the same periods are selected.