



Sage 50/Instant VAT Increase from 1st January 2012

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sage

Business Partner



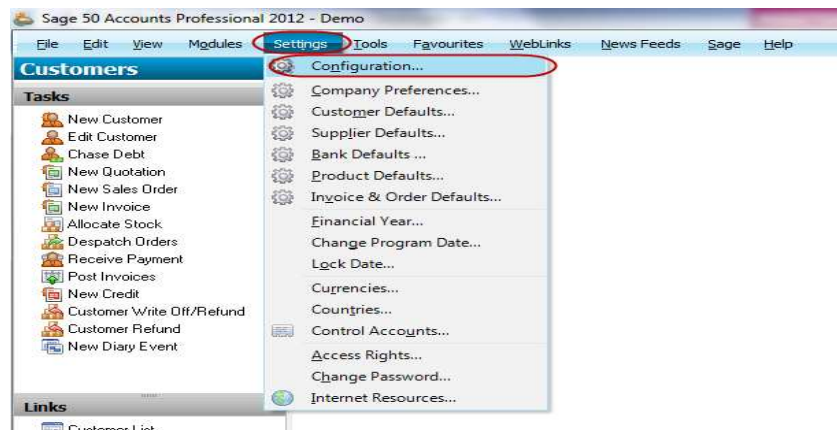
Changing the Tax Codes

The standard rate of VAT will be increased from 21% to 23% from 1st January 2012. This only affects goods which are already liable to the 21% rate.

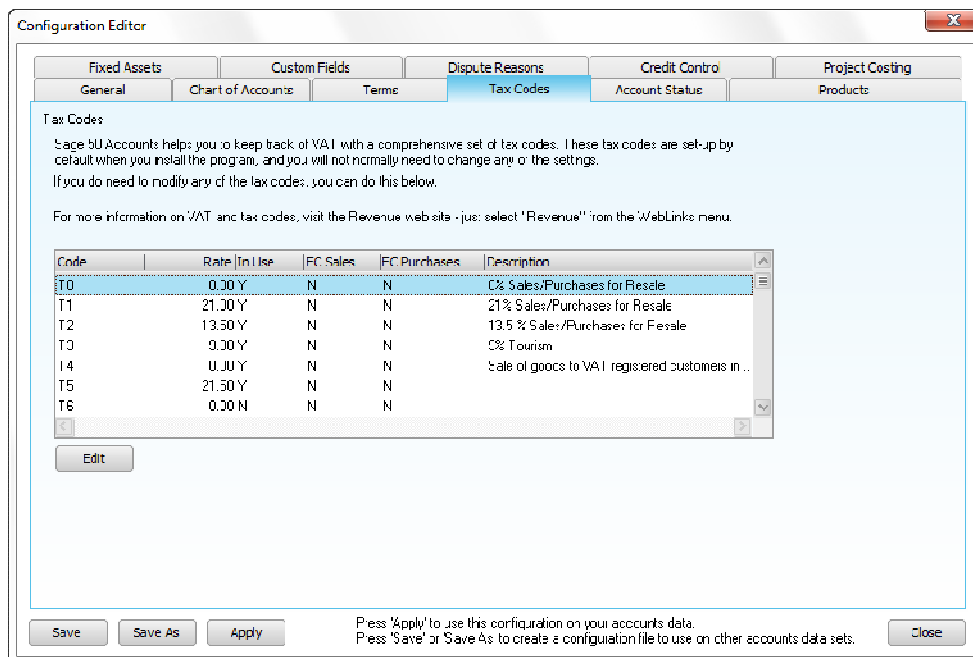
The rate of VAT will be reduced from 21% to 13.5% on district heating, for example, where heating is supplied from a central source to a number of business premises within a building. This brings this form of heading in line with other energy suppliers.

Open farms will be liable to charge VAT at 9% on admissions fees from 1st January 2012.

1. Take a Backup of your company
2. Log into your accounts, go to **Settings and Configuration**



3. Click on the Tab for **Tax Codes**





4. Highlight the tax code you are using for 21% and click on **Edit**

Configuration Editor

Fixed Assets | Custom Fields | Dispute Reasons | Credit Control | Project Costing

General | Chart of Accounts | Terms | **Tax Codes** | Account Status | Products

Tax Codes

Sage 50 Accounts helps you to keep track of VAT with a comprehensive set of tax codes. These tax codes are set-up by default when you install the program, and you will not normally need to change any of the settings.

If you do need to modify any of the tax codes, you can do this below.

For more information on VAT and tax codes, visit the Revenue web site - just select "Revenue" from the WebLinks menu.

Code	Rate	In Use	EC Sales	EC Purchases	Description
T0	0.00	Y	N	N	0% Sales/Purchases for Resale
T1	21.00	Y	N	N	21% Sales/Purchases for Resale
T2	13.50	Y	N	N	13.5% Sales/Purchases for Resale
T3	9.00	Y	N	N	9% Tourism
T4	0.00	Y	N	N	Sale of goods to VAT registered customers in ...
T5	21.50	Y	N	N	21.5% Sales/Purchases for Resale
T6	0.00	N	N	N	

Edit

Save | Save As | Apply | Close

Press 'Apply' to use this configuration on your accounts data.
Press 'Save' or 'Save As' to create a configuration file to use on other accounts data sets.

5. Change the **Vat Rate** and **Description** from 21% to 23%.

Old

New

Please tick the resale box if applicable.
This option is only available in Sage 50 Version 18



6. Click on **OK** to close

Edit Tax Code

Settings

Code: T1

Rate: 23.00

Include in VAT return

Reverse Charge

Resale

Non EC Transactions

EC Code

Enable EC Code

EC Purchases: [dropdown]

Services: [dropdown]

Link To: TO 0.00 [dropdown]

Rate

[dropdown]

Description

23% Sales/Purchases for Resale

OK Cancel

7. Scroll down to T11 21% Purchases Not for Resale

Configuration Editor

Fixed Assets | Custom Fields | Dispute Reasons | Credit Control | Project Costing

General | Chart of Accounts | Terms | **Tax Codes** | Account Status | Products

Tax Codes

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Code	Rate	In Use	EC Sales	EC Purchases	Description
T3	0.00	Y	N	Y	Standard rated purchases of goods from supp...
T9	0.00	N	N	N	Non-Volatile Tax Code
T10	0.00	Y	N	N	0% Purchases Not for Resale
T11	21.00	Y	N	N	21% Purchases Not for Resale
T12	10.50	Y	N	N	10.5% Purchases Not for Resale
T13	0.00	N	N	N	
T14	0.00	N	N	N	

Edit

Save Save As Apply Close

Press 'Apply' to use this configuration on your accounts data.
Press 'Save' or 'Save As' to create a configuration file to use on other accounts data sets.



8. Change the **Vat Rate** and **Description** from 21% to 23%.

Old

New

9. Click **OK** to close.



9. Select the next free tax or if you have an old 12.5% Rate and click on **Edit**.

Configuration Editor

Fixed Assets Custom Fields Dispute Reasons Credit Control Project Costing
General Chart of Accounts Terms Tax Codes Account Status Products

Tax Codes

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If you do need to modify any of the tax codes, you can do this below.

For more information on VAT and tax codes, visit the Revenue web site - just select "Revenue" from the WebLinks menu.

Code	Rate	In Use	EC Sales	EC Purchases	Description
T0	0.00	Y	N	N	0% Sales/Purchases for Resale
T1	23.00	Y	N	N	23% Sales/Purchases for Resale
T2	13.50	Y	N	N	13.5% Sales/Purchases for Resale
T3	9.00	Y	N	N	9% Tourism
T4	0.00	Y	N	N	Sale of goods to VAT registered customers in ...
T5	21.50	Y	N	N	21.5% Sales/Purchases for Resale
T6	0.00	N	N	N	

Edit

Save Save As Apply Press 'Apply' to use this configuration on your accounts data. Press 'Save' or 'Save As' to create a configuration file to use on other accounts data sets. Close

8. Enter in the old Tax details 21% and give the description of OLD VAT RATE then click **OK**.

Settings

Code: T5

Rate: 21.00

Include in VAT return
 Reverse Charge
 Resale
 Non EC Transactions

EC Code

Enable EC Code

EC Purchases: [dropdown]
Services: [dropdown]
Link To: T0 0.00 [dropdown]

Rate: [dropdown]

Description

21% OLD VAT RATE

OK Cancel



9. Click on **Apply** and **Close** when you have finished editing the Tax Codes.

Configuration Editor

Fixed Assets | Custom Fields | **Dispute Reasons** | Credit Control | Project Costing
General | Chart of Accounts | Terms | **Tax Codes** | Account Status | Products

Tax Codes

Sage EC Accounts helps you to keep track of VAT with a comprehensive set of tax codes. These tax codes are set up by default when you install the program, and you will not normally need to change any of the settings.

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For more information on VAT and tax codes, visit the Revenue website - just select "Revenue" from the WebLinks menu.

Code	Rate	In Use	EC Sales	EC Purchases	Description
T0	0.00	Y	N	N	0% Sales/Purchases for Resale
T1	20.00	Y	N	N	20% Sales/Purchases for Resale
T2	13.5L	Y	N	N	13.5% Sales/Purchases for Resale
T3	9.00	Y	N	N	9% Tourism
T4	0.00	Y	N	N	Sale of goods to VAT registered customers in ...
TE	21.00	Y	N	N	21% OLD VAT RATE
TE	0.00	N	N	N	

Edit

Save Save As **Apply** Press 'Apply' to use this configuration on your accounts data.
Press 'Save' or 'Save As' to create a configuration file to use on other accounts data sets. **Close**