

Integrated Accounting, CRM and ERP System for Mac OS X, Windows, Linux, iOS, Android and AIX

Withholding Tax in the Purchase Ledger

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## Preface

The Enterprise by HansaWorld range of products contains a number of powerful accounting, CRM and ERP systems for the Windows, Mac OS X, Linux, iOS, Android and AIX environments.

The programs are designed to make administration and accounting as easy and fast as possible. They are similar in operation regardless of platform. In the specific areas where there are significant differences, these are described and illustrated in full. In all other cases illustrations are taken from the Windows 7 version.

Text in square brackets - [Save], [Cancel] - refers to buttons on screen.

Information in this document is subject to change without notice and does not represent a commitment on the part of HansaWorld. The Software described in this document is a sophisticated information management system. Features are liable to alteration without notice. This documentation is not intended as a *de facto* representation of the system, but as an overview of its facilities. It cannot be exhaustive in all respects. Whilst effort is made to ensure the accuracy of the information published concerning the features and use of HansaWorld software, it is still possible that certain functions mentioned may not be fully implemented, may not be available under certain circumstances, or may possibly relate to a future release of the software. Errors and omissions excepted. HansaWorld accepts no contingent liabilities. All HansaWorld software related transactions are subject to HansaWorld's Conditions of Sale and Software Licence Agreement. All rights reserved.

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## Withholding Tax

In some countries, it is necessary to calculate and apply a Withholding Tax when paying some or all Purchase Invoices. The Withholding Tax amount will be subtracted from the outstanding Purchase Invoice total and paid directly to the tax authority or other government institution.

Enterprise by HansaWorld offers three methods for calculating and accounting for Withholding Tax—

- 1. Withholding Tax can be calculated in and posted to the Nominal Ledger from Purchase Invoices. The calculation can be manual or automatic.
- 2. Withholding Tax can be calculated in and posted to the Nominal Ledger from Payments with manual intervention. If you use this method, after you list Purchase Invoices in a Payment, you will need to select 'Calculate Withholding Taxes' from the Operations menu. This will add extra rows to the Payment for the Withholding Tax payments. When you approve the Payment, records will be created in the Withholding Certificates setting. You will be able to print Withholding Certificates and send them to your Suppliers with payments. This method should be used in Argentina.
- 3. Withholding Tax can be calculated in and posted to a temporary Account in the Nominal Ledger from Purchase Invoices. When you approve Payments, Withholding Tax will be moved from the temporary Account to a final Account. This method can only be used in Mexico and is only briefly mentioned in this manual.

Follow these steps to configure the Withholding Tax feature in Enterprise by HansaWorld. All the settings mentioned can be found in the Purchase Ledger—

1. If you would like Withholding Tax to be calculated automatically in Purchase Invoices, specify a Withholding Tax Account in the Account Usage P/L setting, and choose the Calculate Withholding Tax option in the Purchase Invoice Settings setting.

Do not complete this step if you will be adding Withholding Tax manually to Purchase Invoices or if you will be posting it from Payments.

- 2. Use the Withholding Calculation Formulae setting to define the formulae that will be used to calculate Withholding Tax amounts. This setting is fully described below on page 5.
- 3. In the Withholding Taxes setting, configure the various Withholding Tax regimes that you will use. In a particular tax regime, you should specify a Calculation Formula, the Nominal Ledger Account to which the Withholding Tax amounts will be posted, the Form that will be used when you print a Withholding Certificate and various other attributes. This setting is fully described below on page 8.
- 4. In the Supplier Withholdings setting, connect each Supplier to one of the Withholding Tax regimes created in step 2. Please refer to page 12 below for details.

Below, steps 2-4 are described in detail. These descriptions are followed by illustrated examples beginning on page 15.

If you will be adding Withholding Tax manually to Purchase Invoices, you only need complete step 3.

### Withholding Calculation Formulae

The Withholding Calculation Formulae setting allows you to define the formulae that will be used to calculate Withholding Tax amounts.

To define a new Withholding Calculation Formula, first move into the Purchase Ledger using the [Module] button in the Master Control panel. Then click the [Settings] button, also in the Master Control panel, or use the Ctrl-S/ $\Re$ -S keyboard shortcut. Double-click 'Withholding Calculation Formulae' in the list. The 'Withholding Calculation Formulae: Browse' window will be opened, showing all Withholding Calculation Formulae records previously entered. Double-click a record in the list to edit it, or add a new record by clicking the [New] button in the Button Bar. When the record is complete, save it by clicking the [Save] button in the Button Bar or by clicking the close box and choosing to save changes. To close it without saving changes, click the close box.

👏 Withhold	Withholding Calculation Formula: Inspect							
File Edit	Rec	ord Window	Info					
< >					New	Duplicate	Cancel	Save
	Code	T101		Name	e <u>Test Withh</u>	. Tax Per Invoi	ice	0
Non Tax.	Base	1000	Min. With	h. Amoun	t	50		
Tax Calculation Base       Original Amount consist of         Monthly       Image: Constraint of the constraint of th								
		From	То	%	Add	Min. Wit	hh.	
	1	0	99999999999	10			*	
	2							
	3							
	4						Ψ.	

Code Enter the unique Code by which the record is to be identified from elsewhere in Enterprise by HansaWorld. The Code can consist of up to ten characters. Enter a descriptive name for the record. This will be shown Name in the 'Paste Special' list, so should be detailed enough to ensure the correct record is always chosen. Non Tax. Base If there is a minimum base value for Withholding Tax to be calculated, enter that value here. For example, in the illustration, the Non Tax. Base is 1000.00. In essence, Withholding Tax will not be payable on the first 1000.00 of any Payment. In detail, the Non Tax. Base will be handled differently, depending on the Tax Calculation Base, as follows-Monthly The Non Tax. Base will be applicable once per Supplier during a calendar month, regardless of the number of Invoices that are paid during that month. Per Payment The Non Tax. Base will be applicable once per Payment. Per Invoice The Non Tax. Base will be applicable to each Invoice. For example, if you pay three Invoices in the same Payment, the Non Tax. Base will be applied three times.

### Per Purchase Invoice

The Non Tax. Base field is not used with the Per Purchase Invoice option.

### Min. Withh. Amount

If the result of the Withholding Tax calculation must be larger than a specified minimum value in order for Withholding Tax to be posted, specify that minimum value here.

For example, in the illustration, the Min. Amount is 50.00. If the Withholding Tax in a Payment is calculated to be less than 50.00, no Withholding Tax will be posted.

This figure will be overridden if you have specified a Min. Withh. figure in the relevant row in the matrix.

This field is not used when the selected Tax Calculation Base option is Per Purchase Invoice.

### **Tax Calculation Base**

Withholding Tax can be calculated using the following methods. The first three will calculate Withholding Tax in Payments, the last will calculate it in Purchase Invoices—

Monthly During a particular calendar month, Withholding Tax will be calculated taking into account the Base figures (i.e. taxable amounts) and Withholding Tax in previous Payments made to the same Supplier during the month.

> For example, if the Non Tax. Base is 1000.00 and you pay an Invoice with a Base of 3000.00, Withholding Tax will be payable on 3000.00 -1000.00 = 2000.00. If you need to pay a second Invoice with a Base of 3000.00 in the same month, Withholding Tax will be payable on the full 3000.00, because the Non Tax. Base has already been used up by the first Payment.

> However, if you pay three Invoices to the same Supplier with Base figures 100.00, 100.00 and 2800.00 in the same month, no Tax will be payable on the first two Payments, which will take up 200.00 of the Non Tax. Base. When you pay the third Invoice, Tax will be payable on 2800.00 - 800.00 (the remaining Non Tax. Base) = 2000.00.

If you are using this option, only one Withholding Certificate will be created from each Payment record, so you should not pay different Suppliers in the same Payment.

Per Payment Withholding Taxes will be calculated based on the Base figures (i.e. taxable amounts) in each Payment. Withholding Taxes in previous Payments to the same Supplier will not be taken into account.

For example, if the Non Tax. Base is 1000.00 and you pay two Invoices with Base figures of 1000.00 and 3000.00 in the same Payment, Withholding Tax

will be payable on 1000.00 - 250.00 = 750.00 and 3000.00 - 750.00 = 2250.00 (i.e. the Non Tax. Base will be distributed to the Invoices proportionally). If you need to pay the same Supplier again later in the month, the Non Tax. Base of 1000.00 will once again be applied in that Payment.

As with the Monthly option, only one Withholding Certificate will be created from each Payment record, so again you should not pay different Suppliers in the same Payment.

**Per Invoice** Withholding Taxes will be calculated per Invoice within each Payment.

For example, if the Non Tax. Base is 1000.00 and you pay two Invoices with Base figures (i.e. taxable amounts) of 1000.00 and 3000.00 in the same Payment, Withholding Tax will be payable on 1000.00 - 1000.00 = 0.00 and 3000.00 - 1000.00 = 2000.00 (i.e. the Non Tax. Base will be applied to each Invoice separately). If you need to pay the same Supplier again later in the month, the Non Tax. Base of 1000.00 will once again be applied.

This option will cause separate Withholding Certificates to be created for each Invoice in a Payment record.

### Per Purchase Invoice

While the three options above will cause Withholding Tax to be calculated in Payments, this option will cause it to be calculated automatically in Purchase Invoices. To use this option, you must also use the Calculate Withholding Tax option in the Purchase Invoice Settings setting.

The Non Tax. Base and Min. Withh. Amount fields above are not used with this option, but the Original Amount options below and the Add and Min. Withh. fields in the matrix are used.

This option will not create Withholding Certificates.

### Original Amount consists of

Use these options to specify how the Base figure (i.e. the taxable amount, the figure to which the Tax percentage will be applied) for the calculation will be chosen. Note that the options are check boxes, so you can choose more than one—

Net Amount	The	Purchase	Invoice	value	excluding	VAT	and
	othe	r taxes will	be incluc	led in t	he Base fig	ure.	

VAT Amount The VAT value of the Purchase Invoice will be included in the Base figure.

### Extra Tax Amount

The Extra Tax value of the Purchase Invoice will be included in the Base figure.

Use the matrix to configure the Withholding Tax percentages. You can apply different percentages depending on the Base figure.

- **From, To** Enter the range of Base figures that will be subject to the percentage specified in the next field.
- **%** Enter the Withholding Tax percentage.
- Add If a fixed amount is to be added to each Withholding Tax amount (i.e. after it has been calculated by applying the percentage to the Base figure), enter that fixed amount here. For example, if Withholding Tax should be 5% of Invoice value plus 40.00, enter 40.00 here.
- Min. Withh. If the result of the Withholding Tax calculation must be larger than a specified minimum value in order for Withholding Tax to be posted, specify that minimum value here.

If you specify a figure here, it will used instead of the Min. Withh. Amount in the header.

## Withholding Taxes

Once you have defined your Withholding Calculation Formulae as described above, you should configure your Withholding Tax regime or regimes. To do this, use the Withholding Taxes setting.

To work with Withholding Taxes, ensure you are in the Purchase Ledger and open the settings list by clicking the [Settings] button in the Master Control panel or using the Ctrl-S/#-S keyboard shortcut. Double-click 'Withholding Taxes' in the list. The 'Withholding Taxes: Inspect window will be opened, showing all Withholding Tax records previously entered. Each row in the matrix contains a separate Withholding Tax record or regime.

Record Wind	low Info					
						Sav
le Account	Formulae	Taxed Min.	Document	Certificate No.	Share No.	
809	T101			1000		
809	T101				T1	
809	T103			3000		
809	T104			4000		
	T105					
586						
587						
						-
	e Account 809 809 809 809 586 587 	e Account Formulae 809 T101 809 T101 809 T103 809 T104 T105 586 587 	e Account Formulae Taxed Min. 809 T101 809 T101 809 T103 809 T104 T105 586 587 	e Account Formulae Taxed Min. Document 809 T101 Document 809 T101 809 T103 809 T104 T105 586 587 Document 105 Document	e         Account         Formulae         Taxed Min.         Document         Certificate No.           809         T101         1000         1000           809         T101         3000           809         T103         3000           809         T104         4000           T105         -         -           586         -         -           587         -         -           -         -         -           -         -         -	e         Account         Formulae         Taxed Min.         Document         Certificate No.         Share No.           809         T101         1000         1000         T1           809         T101         1000         T1           809         T101         3000         T1           809         T103         3000         1000           809         T104         4000         1000           586         1000         1000         1000           587         1000         1000         1000           1000         1000         1000         1000         1000           1000         1000         1000         1000         1000           1000         1000         1000         1000         1000           1000         1000         1000         1000         1000           1000         1000         1000         1000         1000         1000           586         1000         1000         1000         1000         1000           1000         1000         1000         1000         1000         1000           1000         1000         1000         1000         1000 </td

To edit a Withholding Tax record, simply click in the field to be changed and overtype the existing entry. To add a new Withholding Tax record, scroll down to the first blank line. Click [Save] in the Button Bar to save changes. To close the window without saving changes, use the close box.

The information required for each Withholding Tax record is as follows-

### Flip A

### Code

Enter the unique Code by which the record is to be identified from elsewhere in Enterprise by HansaWorld. The Code should contain two characters.

Account	Paste Special	Account register, Nominal Ledger/System module		
	Specify the Account Tax amounts in Nomi Payments.	that will be credited with Withholding inal Ledger Transactions created from		
	If you are having With in Purchase Invoices Calculation Formula Calculate Withholding Settings setting is set Instead, the Withho Account Usage P, Withholding Tax amou	holding Tax calculated automatically s (i.e. the Tax Calculation Base in a a is Per Purchase Invoice and the g Tax option in the Purchase Invoice lected), this Account will not be used. Iding Tax Account specified in the /L setting will be credited with unts.		
Formula	Paste Special	Withholding Calculation Formulae setting, Purchase Ledger		
	Specify the Withhold used to calculate With	ling Calculation Formula that will be holding Tax.		
Taxed Min.	If there is a minimum can be calculated, sp	n Base figure before Withholding Tax ecify that value here.		
	This field is used w Payments. The effe depend on the Tax Formula, as follows—	when calculating Withholding Tax in the of specifying a Taxed Min. will Calculation Base in a Calculation		
Monthly	The total Base so far (i.e. valu be compared	e value for the Supplier for the month ue of all payments to the Supplier) will to the Taxed Min.		
	For example, has a Base va no Withholding a second Purc in the same ca both Invoices the total is les will be payabl Min., Tax will Invoices.	if the first Purchase Invoice you pay alue that is less than the Taxed Min., g Tax will be payable. If you then pay chase Invoice from the same Supplier alendar month, the total Base value of will be compared to the Taxed Min. If as than the Taxed Min., again no Tax e. If the total is more than the Taxed be payable on that total i.e. on both		
Per Paymer	If you pay seven Supplier in the of those Purch Taxed Min. If no Tax will be Taxed Min., Ta all Invoices in t	If you pay several Purchase Invoices from the same Supplier in the same Payment, the total Base value of those Purchase Invoices will be compared to the Taxed Min. If the total is less than the Taxed Min., no Tax will be payable. If the total is more than the Taxed Min., Tax will be payable on that total i.e. on all Invoices in the Payment		
Per Invoice	If you pay sev Supplier in th each Invoice individually. T Invoices whos Taxed Min.	eral Purchase Invoices from the same e same Payment, the Base value of will be compared to the Taxed Min. Fax will be only be payable on the se Base values are greater than the		
	In all cases, if you ha the Calculation Forr amount - Non Tax. Ba	ave also specified a Non Tax. Base in mula, Tax will be payable if (Base ase) > Taxed Min.		

Document	Paste Special	Form register, System module			
	Specify the Form that Withholding Certificates record. This Form will be specified using the 'De Withholding Certificate de	t is to be used when printing created using the Withholding Tax a used instead of the standard one efine Document' function for the ocument.			
Certificate No.	Specify the start of the numbering sequence that you want to be used for Withholding Certificates created using the Withholding Tax record.				
Share No.	Paste Special	Withholding Taxes setting			
	Use this field if you need different Withholding Tax records to share the same numbering sequence when creating Withholding Certificates.				
	In the illustration above, Tax record T1 has a numbering sequence beginning at 1000. This Code T1 is entered in the Share No. field for T2, so T2 will use the same				

### Flip B

۲	Withh	olding	Taxes: Inspe	ct				- • <b>×</b>
File	Ed	it Red	cord Windo	ow Info				
								Save
	(	Code	Account	Comment	N/L Trans	Tax Code	Apply	Δ
	1	Τ1	809	Test Withhold▶	-		200:585	A 🔒
	2 '	Т2	809	Test Withhold▶	-		811:822	
	3	T3	809	Test Withhold▶	-		200:585,811:822	- C
	4	T4	809	Test Withhold▶	-		200:585,811:822	
	5	T5		Test Withhold▶	-			
	6	T6	586	VAT Withholdi	-			
	7	T7	587	ISR Withholdir▶	-			
	8							
	9							
	10							
	11							-

numbering sequence.

Comment	Enter a descriptive name for each Withholding Tax regir This will be shown in the 'Paste Special' list, so should detailed enough to ensure the correct record is alwa chosen.			
	This comment will be contract the contract of	opied to the Tax Comment field in cate.		
N/L Trans	Paste Special	Choice of possible entries		
	Use this field to choose	between two options, as follows-		
-	Use this option methods and ex use this option.	in the majority of situations. All camples described in this manual		

### Post Payment Withholding Tax

This option can only be used in particular circumstances in Mexico. Please refer to your Enterprise by HansaWorld representative for details.

Tax CodeThis field is used in Argentina, where a Tax Code will<br/>usually consist of a Tax Code (usually three characters), a<br/>dash or stroke separator and an Article or Additional Code<br/>(again, usually three characters). This Tax Code will be<br/>included in files created by the 'Withholding Certificates<br/>(Argentina)' Export function in the Purchase Ledger (and in<br/>files created by the 'P/L Withholding and Perceptions<br/>(Argentina)' Export function if there is no Tax Code in<br/>relevant record in the Supplier Withholdings setting). It will<br/>also be printed in Withholding Certificates if you have<br/>included the fields "TAX Code" (initial characters) and "TAX<br/>Article" (final characters) in the Form design.

# Apply Paste Special Account register, Nominal Ledger/System module Ledger/System module

Specify here the Accounts that are liable for Withholding Tax. If you are calculating Withholding Tax in Payments, Withholding Tax will be calculated when you pay a Purchase Invoice in which one of these Accounts has been used.

As shown in the illustration, you can enter a range of Accounts separated by a colon (:) and/or several Accounts separated by commas.

If you specify different Formulae on flip A, you will be able to calculate Withholding Tax at different rates, depending on the Apply Account(s).

### Flip C

Withholding Taxes: Inspect							
le Edit Record Window Info							
							Save
	Code	Account	Tmp. Account	Pay. Mode	Tax Rules	Comment	Å
1	T1	809				Test Withholdings Per Invoice	
2	T2	809				Test Withholdings Per Invoice	
3	Т3	809				Test Withholdings Per Payment	
4	T4	809				Test Withholdings Monthly	
5	T5					Test Withholdings Purch Inv	
6	Т6	586	596		VAT_WITH	VAT Withholding	
7	T7	587	597		ISR_WITH	ISR Withholding	
8							
9							
10							
11							-
10 11							

### Tmp. Account

**Paste Special** 

Account register, Nominal Ledger/System module

This field is used when adding Withholding Tax to Purchase Invoices manually. In this situation, you will use the 'Add Withholding Tax' Operations menu function to add a Withholding Tax row to the Purchase Invoice. In this row you should specify a Withholding Tax regime and an Account to be credited with Withholding Tax. The Account specified here will be the default.

This field is also used when calculating Withholding Tax on the sales side. If you sell an Item that is subject to Withholding Tax, a Withholding Tax row will be added to the Invoice automatically. The Sales Account in this row (i.e. the Account to which the Withholding Tax will be posted) will be taken from the record in the Item Group Withholdings setting in the Sales Ledger for the Item Group to which the Item belongs (Tmp A/C field). If the Item Group Withholdings record does not have an A/C but has been connected to a row in this Withholding Taxes setting, this Tmp Account will be used. If the Invoice is a Cash Note, the Account on flip A will be used in place of this Tmp Account.

Pay. Mode	Paste Special	Payment Modes setting, Sales/Purchase Ledger
	If you will pay Withh Mode, specify that F	nolding Tax using a particular Payment Payment Mode here.
	When you use t Operations menu f containing the Wit Mode will be copied	he 'Calculate Withholding Taxes' function to add a row to a Payment hholding Tax amount, this Payment to flip C of that row.
	In countries such calculated in Payme included in amounts Mode here reduce entering Payments v	as Argentina, Withholding Taxes ents are posted separately and are not paid to Suppliers. Entering a Payment tes the possibility of mistakes when with Withholding Taxes.
Tax Rules	Paste Special	Tax Rules setting, Nominal Ledger
	This field is used in I	Portugal and Mexico.
	In Mexico, use this f setting in which th	ield to refer to a record in the Tax Rules ie VAT Type is "Withholding" (if the

setting in which the VAT Type is "Withholding" (if the Withholding Tax is a VAT Withholding) or "ISR Withholding" (if the Withholding Tax is an ISR Withholding). This controls reporting to the tax authorities.

Please refer to your local Enterprise by HansaWorld representative for more information.

## Supplier Withholdings

Having configured your Withholding Tax regime or regimes as described in the previous section, you can now assign a Tax regime or regimes to each Supplier. To do this, use the Supplier Withholdings setting, in which you should enter separate records for each Supplier. If you do not enter a record for a particular Supplier, Withholding Tax will not be calculated in Payments when you pay Purchase Invoices from that Supplier.

To work with the Supplier Withholdings setting, first move into the Purchase Ledger using the [Module] button in the Master Control panel. Then click the [Settings] button, also in the Master Control panel, or use the Ctrl-S/ $\Re$ -S keyboard shortcut. Double-click 'Supplier Withholdings' in the list. The 'Supplier Withholdings: Browse' window will be opened, showing all Supplier Withholding records previously entered. Double-click a record in the list to edit it, or add a new record by clicking the [New] button in the Button Bar. When the record is complete, save it by clicking the [Save] button in the Button Bar or by clicking the close box and choosing to save changes. To close it without saving changes, click the close box.

In Argentina, Supplier Withholding specifications will be updated periodically (usually annually) by the tax authorities. You can import these specifications to the Supplier Withholdings setting using the 'Regional Perceptions & Withholdings (Argentina)' Import function in the Sales and Purchase Ledgers.

S Supplier Withholding: Inspect 📃 💼 📧						
File Edit Record Window	Info					
< >			New	Duplicate	Cancel	Save
Supplier 515		Closed				0
Name Test Supplier With. 1	Tax per Invoice					
Start Date <u>1/1/2013</u>	End Date	31/12/201	3			
Region	Withh. Tax Tax %	Disc. %	Tax Code	Calculate Tax	Comment	
1	T1 15.00	)		Calculate		
2	T2 12.00	)		Calculate		
3						
4						
5						
6						
7						<b>T</b>

Supplier	Paste Special	Suppliers in Contact register
	Specify the Supplier for Withholding Taxes. After using the 'Paste Special' Supplier's name will be e	or whom you need to calculate entering the Supplier Number or function and pressing Return, the ntered into the Name field below.
Name	The Supplier's Name will Supplier Number.	be brought in when you enter the
Closed	You can mark a Suppli when it is no longer to be	er Withholding record as Closed

### Start Date, End Date

### Paste Special Choose date

Use these fields to specify the period of validity of the Supplier Withholding record.

You must enter a Start Date before you can save the record, but you don't need to enter an End Date.

Use the matrix to list the different Withholding Tax regimes that are applicable to the Supplier.

If you will have Withholding Taxes calculated automatically in Purchase Invoices, you only need use the first row of the matrix. The calculation will refer to the Withholding Tax regime specified in that first row and calculate Tax using the Calculation Formula specified in that regime.

If you will calculate Withholding Taxes in Payments, you can use more than one row. This allows different Withholding Tax regimes to be used, depending on the Account in the Purchase Invoice being paid.

When you enter a Payment and calculate Withholding Taxes, the calculation will first check the Withholding Tax regimes listed for the Supplier. In the example illustrated above, these are T1 and T2. The calculation will then check the Purchase Invoice being paid to see if any of the Apply Accounts specified for T1 and T2 are used in the Purchase Invoice. If so, it will calculate Withholding Tax on the relevant Purchase Invoice rows.

In the example illustrated above, Tax T1 will apply when Accounts 200:585 are used in a Purchase Invoice (Accounts 200:585) are the Apply Accounts in Withholding Tax T1), and Tax T2 will apply when Accounts 811:822 are used in a Purchase Invoice. In this example, Taxes T1 and T2 have the same Calculation Formula and will post to the same Account, but in both cases in the Supplier Withholding record, a special Tax percentage has been entered for Supplier 515.

Region	Paste Special	Regions setting, Sales Ledger
	This field is only used w Payments. If you specify Perceptions box is tick Supplier, then Withholdin	when calculating Withholding Tax in y a Region here and the No Region ked in the Contact record for the ng Tax will not be calculated.
Withh. Tax	Paste Special	Withholding Taxes setting, Purchase Ledger
	Specify the Withholding the Supplier's Purchase	Tax regime that is to be applied to Invoices.
Tax %	Use this field if you need a different percentag Calculation Formula a regime. All other rules Amount) will still apply.	to calculate Withholding Tax using the to the one specified in the attached to the Withholding Tax (e.g. Non Tax. Base, Min. Withh.
	This field is only used w Payments.	when calculating Withholding Tax in
Disc %	If the Supplier has a dis tax authorities, you sho field.	count percentage approved by the ould enter that percentage in this
Tax Code	This field is used in A usually consist of a Tax dash or stroke separato (again, usually three c included in files creat Perceptions (Argentina) Ledger.	Argentina, where a Tax Code will Code (usually three characters), a or and an Article or Additional Code haracters). This Tax Code will be ed by the 'P/L Withholding and of Export function in the Purchase
Calculate Tax	Paste Special	Choice of possible entries
	Use this field to specify calculated for the S "Calculate". Choose "D calculated (for example, an exemption by the tax	whether Withholding Tax should be supplier. The default option is on't Calculate" if Tax is not to be a Supplier may have been granted authorities).
Comment	If you enter a tax descr Comment field in each would enter a Comm percentage in the Tax %	iption here, it will be copied to the Withholding Certificate. Usually you ent here if you have entered a field above.

## Withholding Certificates

Whenever you approve a Payment in which a Withholding Tax row has been added by the 'Calculate Withholding Tax' Operations menu function, at least one record will be created in the Withholding Certificates setting. You can print Withholding Certificates for sending to Suppliers together with payment, and Certificates also provide the Withholding Tax information that will be sent to the tax authorities. Various localised export functions are available in the Sales and Purchase Ledgers for this purpose. You cannot enter or modify records to the Withholding Certificates setting yourself: you can only view them. To do this, ensure you are in the Purchase Ledger and open the settings list by clicking the [Settings] button in the Master Control panel or using the Ctrl-S/**#**-S keyboard shortcut. Double-click 'Withholding Certificates' in the list. The 'Withholding Certificates: Browse' window will be opened, listing all existing Withholding Certificates. Double-click a record in the list to edit it.

w	ithholding C	ertif	icate: Inspect	t					
ile	Edit Reco	rd	Window I	nfo					
<	>		م⊟		New	Duplic	ate Ca	ncel	Sa
	Withh. Tax	тз		No.	3000	Ca	lc. Formulae	T103	
	Supplier	516		Supplier Name	Test Supplier Wit	h. Tax p	er Payment		
	User	FF		User Name	Francoise French	n			
	Comment								
	Pay. No.	960	070	Pay. Date	29/11/2013		Language		
Pay	. Reference			Pay. Comment					
	Currency	GBP		Base	2800.00		Amount		180.00
P	ayment Row			Form			Tax %		10.00
т	ax Comment	Tes	t Withholdings	Monthly					
	Payment Ro	N	Invoice No.		Base Amour	nt	Amount	6.40	
1	3		516001			100.00		6.43	- <b>^</b>
2	4		516002		1	200.00		//.14	
3	5		516003		1	500.00		96.43	Ŧ

### Workflow and Examples

### Withholding Tax from Purchase Invoices - Automatic Calculation

This example describes Withholding Tax posted from Purchase Invoices, where the Tax is calculated automatically. Steps 1-5 describe the configuration and subsequent steps the workflow.

1. Ensure you have selected the Calculate Withholding Tax option in the Purchase Invoice Settings setting—

👏 P	urchase	e Invoice S	ettings: Ins	pect		
File	Edit	Record	Window	Info		
						Save
	■ Sigr V Wa	ner Require rn On Unus	ed sual Amount			
	Rec	quire Receiv allow Invoid	ving Date te Date afte	r Transacti	ion Date	
	Purchas Con Con Trar	se Order It solidate Ite solidate by nsfer Each I	em Transfer ems to Suppl Items and F Row Separa	Control ier's Cost A Project tely	Account	_
	📃 Alw	ays use Fu	ll Qty from F	Purch.Ord.		
	📃 Inv	oice Based	on Goods R	eceipts		
	Enter 8 V Skip Skip	Return os Object os Descripti	on			
	VAT Cal VAT	culate VAT Rate <u>16.</u> culate With	66667 holding Tax			
	Purchas Fror Fror Calc Fror	se Invoice I n Purchase n Exchange culated From n Prepayme	Rate Order e Rates on P m Prepayme ent	urchase In nt and Inv	ivoice Date oice	2

Note: this option should not be selected if you will be using the other methods to post Withholding Tax.

2. Specify a Withholding Tax Account in the Account Usage P/L setting-

🜔 Account Usage P/L: Inspect			- • ×
File Edit Record Window	Info		
			Save
Creditors VAT Rate			
Creditors Prel. Creditors Cash Dom. Settl. Discount Inside EU Settl. Discount Export Settl. Discount On Account A/C Bank Fee Withholding Tax	800           805           720           196           755           500           808	<ul> <li>Objects on Creditors A/C</li> <li>Sub-ledger Checking</li> <li>Supp. Info on Trans.</li> <li>Objects on On Account A/C</li> <li>Supplier Object on Stock A/C</li> <li>Update Base Currency when Invoicing</li> <li>Update Foreign Currency when Invoicing</li> <li>Force Unique Prepayment Numbers</li> <li>Separate Row per Payment Row on Bank A/C</li> <li>Objects on Bank A/C</li> <li>Objects on Bank A/C</li> <li>Skip Header A/C Objects On Cost A/C</li> <li>Disallow over-pay Invoice</li> <li>Create Sales Invoice from Credit Note</li> <li>Disallow Invoices with Same Supp. Invoice No.</li> </ul>	

3. Create a record in the Withholding Calculation Formulae setting containing the Calculation Formula. The Non Tax. Base and Min. Withh. Amount fields in the header are not used in this context, but the Original Amount options and the Add and Min. Withh. fields in the matrix are used.

👏 Withhold	ling	Calculation For	mula: Inspect					• 🔀
File Edit	Rec	ord Window	Info					
< >					New	Duplicate	Cancel	Save
	Code	T105		Nam	e <u>Test Withh</u>	. Tax Per Purch	ase Invoice	0
Non Tax.	Base		Min. With	nh. Amour	nt			
		Tax Calculation Monthly Per Paymen Per Invoice On Purchas	Baseit e Invoice		Original Amo Vet Amo VAT Am Excludir	ount consist of ount ount ng Tax Amount		
		From	То	%	Add	Min. With	nh.	
	1		1000	10			*	
	2	100.01	99999	20			100	
	3							
	4						Ψ.	

4. Create a Withholding Tax regime in the Withholding Taxes setting. In this context, the purpose of this regime is to connect the Supplier to the Calculation Formula. So you only need specify a Code and a Calculation Formula. For this example, Tax T5 will be used—

)	Witł	holding	g Taxes: Inspe	ect						2
ile	e E	Edit Re	cord Wind	ow Info						
									Sav	re
1		Code	Account	Formulae	Taxed Min.	Document	Certificate No.	Share No.		A
	1	T1	809	T101			1000			B
	2	T2	809	T101				T1		0
	3	Т3	809	T103			3000			C
	4	T4	809	T104			4000			
	5	T5		T105						
	6									
	7									
	8									
	9									
	10									
	11								-	

As there is no need to specify Apply Accounts on flip B, Withholding Tax will always be calculated in Purchase Invoices, irrespective of the Accounts in those Purchase Invoices.

5. Create a record in the Supplier Withholdings setting for the Supplier. Only the first row in the matrix will be used: any entries in other rows will be ignored. If you enter a Region or a Tax %, this will also be ignored, but any Disc. % will be included in the calculation—

👏 Supplie	r Withholding: Ins	pect						
File Edit	Record Windo	w Info						
< >					New	Duplicate	Cancel	Save
Supplie	518			Closed				0
Name	Test Supplier With	. Tax from Pu	rch Inv					
Start Date	<u>1/1/2013</u>		End Date					
Regi	on	Withh. Tax	Tax %	Disc. %	Tax Code	Calculate Tax	Comment	
1		T5		10		Calculate		A
2								
3								
4								
5								
6								
7								-

When you enter a Purchase Invoice, the first row in the relevant Supplier Withholding record will provide the Withholding Tax regime (T5 in this example). T5 will provide the Calculation Formula (T105).

 Enter Purchase Invoices in the usual way. As you add Amounts in each row, Withholding Tax will be calculated automatically and shown in the Withh. Tax field in the footer—

No.       960107       Name       Test Supplier With. Tax from Purch Inv       OK         Supplier       518       Hold Amount       OK       OK         TOTAL       1800.00       VAT       OK       OK         Terms       Costs       Currency       Comment       Accounts       Inv. Address         Invoice Date       31/10/2013       Supp. Inv. No.       518001       Receiving Date       On Hold         Payment Terms       30       Signers       Discount Date       Prel. Booking         Transaction Date       31/10/2013       Objects       Sett. Discount       On         Due Date       30/11/2013       Reference       Credit of Invoice       C         A/C       Objects       Short.       Description       Amount       V-Cd       A         3       Advertising       1500.00       1       B       C       C         4       Interview       Interview       Interview       Interview       Interview       Interview         5       Interview       Interview       Interview       Interview       Interview       Interview         8       Interview       Interview       Interview       Interview       Interview       Interv	Purch File Ec	hase Invoice dit Record	: New Window Inf	0						•		<b>-</b> ×
No.         960107         Name         Test Supplier With. Tax from Purch Inv           Supplier         518         Hold Amount         OK           TOTAL         1800.00         VAT         OK           Terms         Costs         Currency         Comment         Accounts         Inv. Address           Invoice Date         31/10/2013         Supp. Inv. No.         518001         Receiving Date         On Hold           Payment Terms         30         Signers         Discount Date         Prel. Booking           Transaction Date         31/10/2013         Objects         Sett. Discount         Prel. Booking           Due Date         30/11/2013         Reference         Credit of Invoice         Discount         C           3         Advertising         1500.00         1         B         C         D           4         Advertising         1500.00         1         C         C         D           4         Advertising         Invoice         Invoic	< >	Q-	<b>₽</b> ₽ <sub>2</sub>				New	Duplicate	Cancel		Sa	ve
Invoice Date       31/10/2013       Supp. Inv. No.       518001       Receiving Date       On Hold         Payment Terms       30       Signers       Discount Date       Prel. Booking         Transaction Date       31/10/2013       Objects       Sett. Discount       Prel. Booking         Due Date       30/11/2013       Reference       Credit of Invoice       Credit of Invoice         4       1       355       Advertising       1500.00       1       B         5       1       1       1       1       1       1       1       0       1       0         4       1       1       1       1       1       1       1       0       1       0	Su Terms	No. <u>960:</u> upplier <u>518</u> TOTAL Costs Cu	107 1800.00	Nam Hold Amour VA t Accounts	e <u>Test Supplier With. 1</u> It T Inv. Address	Tax from Purch Ir	IV			ОК	_	0
A/C         Objects         Short.         Description         Amount         V-Cd         A           1         355         Advertising         1500.00         1         B           2            C         C           3             C         D           4             C         D         E           5               C         D           6                E           7                   8                   9	Pa Trai	Invoice Date ayment Term nsaction Date Due Date	<ul> <li>31/10/2013</li> <li>30</li> <li>31/10/2013</li> <li>30/11/2013</li> </ul>	_ Supp. I	nv. No. 518001 Signers Objects ference		Receiving Dat Discount Dat Sett. Discour Credit of Invoic	te te nt te		On Ho Prel. E	ld Iooki	ng
1       355       Advertising       1500.00       1       B         2       -       -       -       -       C       C         3       -       -       -       -       -       C       D         4       -       -       -       -       -       D<		A/C	Objects	Short.	Description			Amount	:	V-Cd		А
2     0     0     C       3     0     0     D       4     0     0     D       5     0     0     D       6     0     0     D       7     0     0     0       8     0     0     0	1	355			Advertising				1500.00	1	*	в
3     - <td>2</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>_</td> <td></td> <td>С</td>	2									_		С
4     - <td>3</td> <td></td> <td>D</td>	3											D
5     -     -     -     -       6     -     -     -     -       7     -     -     -     -       8     -     -     -     -       9     -     -     -     -	4											F
7        8        9	5											-
8 9	7											
9	8											
	9											
10	10											
11	11											
12	12											
13	13											
14	14										Ŧ	

The Calculation Formula states that the Base amount for the calculation is to be the Net Amount i.e. the Purchase Invoice value excluding VAT and other taxes. The calculation is as follows—

- a. The Base value is 1500.00.
- b. 1500.00 is in the range specified in the second row in the Calculation Formula, so Tax is to be calculated at 20%. 1500 \* 20% = 300.00.
- c. The Supplier Withholding record specifies that a Discount of 10% is to be applied. 300.00 10% = 270.00.
- d. 270.00 is more than the Min. Withh. specified in the second row in the Calculation Formula (100.00), so the Withholding Tax is payable.

If the result of the Withholding Tax calculation is not correct (i.e. does not match what is shown on the Supplier's Invoice), you can overwrite the figure in the Withh. Tax field in the footer. In fact you can use this field on a purely manual basis: if you turn off the Calculate Withholding Tax option in the Purchase Invoice Settings setting, any figure that you enter in the Withh. Tax field yourself will be treated as Withholding Tax as described in this example.

Do not include the Withholding Tax amount in the TOTAL field in the header. This field should contain the sum of the Amounts from the rows and the VAT, as this is what is payable to the Supplier.

7. Approve the Purchase Invoice by marking it as OK and saving it. In the Nominal Ledger Transaction, the Withholding Tax will be credited to the

Withholding Tax Account specified in the Account Usage P/L setting, and subtracted from the posting to the Creditor Account—

👏 Tr	ansaction:	Inspect					. • •
<	> <b>A</b>				New Duplica	te Cancel	Save
	- ¥				New Dupilee	ite cancer	5470
	No. <u>9</u> Text 5	60107 Trans. 18 Test Supplier With. Ta	Date <u>31/10/2013</u> Reference ax from Purch Inv, GBP				Ű
	Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	V-Cd A
1	800		Creditors			1530.00	^ B
2	355		Advertising		1500.00		1
3	831		VAT Inputs Receivable		300.00		C
4	808		Withholding Tax (Account Usage)			270.00	D
5							E
6							F
7							G
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							-
D	ifference Ba ifference Ba	ase 1 0.00 ase 2 0.00		Total Total	<u>1800.00</u> 2857.14	<u>1800.00</u> 2857.14	

8. The open amount of the Purchase Invoice in the Invoice Status report and in statements will be the TOTAL less Withholding Tax. This will also be the amount offered as a default when you specify the Invoice in a Payment—

) Payı ile E	ment: New Edit Record	Window Info							
< >	<b>0</b> -	م 🖶 🖴			New Du	plicate	Cancel	S	ave
Pa	No. ayment Mode Reference Comment	960075 Q	Payment Date         30/11/2013           Own Bank A/C         11223344           Image: Supp. Info on Trans.	Trar So La	ns. Date <u>30/11/2</u> ort Code anguage	013	Crden	ed	
Paym	ents Bank								
	Invoice No.	Supplier	Text	B. Cur.	Bank Amount	S. Cur.	Sent Value		A
1	960107	518	Test Supplier With. Tax from Purch Inv	GBP	1530.00	GBP	1530.00	*	В
2									С
3									D
4									-
5									E
6									F
7									G
8									н
9									T
10									-
11									J
12									
13									
14									
15									
16									
								-	

### Withholding Tax from Purchase Invoices - Manual Calculation

This example describes Withholding Tax posted from Purchase Invoices, where the Tax is added manually.

Note: in Mexico, this method is used to post Withholding Tax from Purchase Invoices to a temporary Account. When a Purchase Invoice is paid, the Tax is moved from the temporary Account to a final one automatically. Outside Mexico (i.e. if the VAT Law in the Company Info setting is not "Mexican"), it is possible to post the Tax from Purchase Invoices in the same way, but Payments will not move the Tax to the final Account. Therefore, outside Mexico, configuration should be such that Purchase Invoices post to the final Account.

Step 1 describes the configuration and subsequent steps the workflow.

 The only configuration step necessary is to create a Withholding Tax regime or regimes in the Withholding Taxes setting. In this example, Taxes T6 and T7 will be used—

E	idit Re	cord Wind	low Info					
								Sav
	Code	Account	Formulae	Taxed Min.	Document	Certificate No.	Share No.	
1	T1	809	T101			1000		
2	T2	809	T101				T1	
3	Т3	809	T103			3000		
4	T4	809	T104			4000		
5	T5		T105					
6	T6	586						
7	T7	587						
8								
9								
10								
11								-

In Mexico, enter the final Withholding Tax Account in the Account field on flip A. Outside Mexico, the Account field can be left blank.

On flip C, in Mexico enter the temporary Withholding Tax Account in the Tmp. Account field. Outside Mexico, enter the final Withholding Tax Account in this field. The Tax Rules field is used in Mexico for reporting to the tax authorities and can be left blank elsewhere—

E	dit Re	cord Wind	ow Info				
							Sa
	Code	Account	Tmp. Account	Pay. Mode	Tax Rules	Comment	
1	Т1	809				Test Withholdings Per Invoice	
2	Т2	809				Test Withholdings Per Invoice	
3	Т3	809				Test Withholdings Per Payment	
4	T4	809				Test Withholdings Monthly	
5	T5					Test Withholdings Purch Inv	
6	Т6	586	596		VAT_WITH	VAT Withholding	
7	T7	587	597		ISR_WITH	ISR Withholding	
8							
9							
10							
11							-

 Enter Purchase Invoices in the usual way. When the time comes to add Withholding Tax, choose 'Add Withholding Tax' from the Operations menu. The 'Add Withholding Tax' window opens—

le Ed	dit Recor	d Window	Info					-
	No. 96	0108	Nam	ne Test Supplier With, Tax f	C Add Withholding Row			X
5	upplier 51		Hold Amour	nt	File Edit Record Win	dow Info		
		<u> </u>		тт		Cancel	Sav	е
					und to the me			
Terms	Costs (	Currency Comm	ent Accounts	Inv. Address	Withholding Tax			
	Invoice Da	te 31/10/2013	Supp. 1	Inv. No.	Receiving Date		On Ho	ld
Pa	avment Ten	ms 30		Signers	Discount Date		Prel. E	ooking
Tra	, nsaction Da	te 31/10/2013		Objects	Sett. Discount			
	Due Da	te 30/11/2013		ference	Credit of Invoice			
	500 50							
	A/C	Objects	Short.	Description		Amount	V-Cd	A
1	355			Advertising		1000.00	1	≜ B
2								c
3								D
4								F
5								
- 7								
- 8								
9								
10								
11								
12								
13								
								-

3. Choose the Withholding Tax regime that you need using 'Paste Special' and click [Save]. A new row will be added to the Purchase Invoice, containing the Withholding Tax Code and the Tmp. Account—

File Edit Record Window Info		l		
< > 🔅 - 🖨 🖶	New Dup	licate Cancel		Save
No.         960108         Name         Test Supplier With. Tax from Purch In           Supplier         519         Hold Amount	IV 2		] ОК	(
Invoice Date         31/10/2013         Supp. Inv. No.           Payment Terms         30         Signers           Transaction Date         31/10/2013         Objects           Due Date         30/11/2013         Reference	Receiving Date _ Discount Date _ Sett. Discount _ Credit of Invoice _		On Hol Prel. Bo	d ooking
A/C Objects Short. Description		Amount	V-Cd	Α
1 355 Advertising		1000.00	1	^ B
2 Withholding Tax T6 596				c
3				D
4				-
5				-
8				
9				
10				
11				
12				
13				
14				*

- 4. Copying from the Supplier's Invoice, enter the Withholding Tax amount in the field to the right of the Tmp. Account.
- 5. Repeat steps 2-4 if more than one Withholding Tax is involved. As you add Withholding Tax rows, Withholding Tax will be calculated automatically and shown in the Withh. Tax field in the footer—

e E	dit Record	Wind	dow Ir	nfo									۵	
>	<b>0</b> -	-	e					Nev	v Du	plicate	Cancel		Sa	ave
	No. 960	108		Na	me Test S	Supplier Wit	h. Tax from Pu	rch Inv 2						
s	upplier 519			Hold Amo	unt							ОК		
	TOTAL	12	00.00	1	/AT									
							_							
Terms	Costs C	urrency	Comme	ent Accoun	ts Inv. Ad	Idress								
	Invoice Dat	e 31/1	0/2013	Supp	Inv. No.	519001		Recei	ving Date			On Ho	bld	
P	ayment Term	s 30			Signers			Disc	ount Date			Prel. E	Book	ing
Tra	insaction Dat	e 31/1	0/2013		Objects			Sett	Discount					
	Due Dat	e 30/1	1/2013	R	eference			Credit	of Invoice					
	A/C	Objects		Short.	Descript	ion				Amoun	t	V-Cd		A
2	355 Withhold	ng Tay	т6	596	Advert	sing	400.00				1000.00	1	Â	В
3	Withhold	ng Tax	T7	597			250.00							C
4							200000							D
5														E
6														
7														
8												_		
9														
10														
12														
13					_									
14													Ŧ	
			000		-				-					

Do not include the Withholding Tax amount in the TOTAL field in the header. This field should contain the sum of the Amounts from the rows and the VAT, as this is what is payable to the Supplier. 6. Approve the Purchase Invoice by marking it as OK and saving it. In the Nominal Ledger Transaction, the Withholding Tax will be credited to the Tmp. Accounts specified in the Withholding Tax rows—

e	Edit Reco	ord Window Info						
2	> 🗘	→  →  → → → → → → → → → → → → → → → →			New Duplica	te Cancel	Sa	ave
	No. <u>96</u>	0108 Trans. Date	a <u>31/10/2013</u> Reference					
	Text 51 Account	9 Test Supplier With. Tax fro Objects	om Purch Inv 2, GBP Description	Additional Description	Base 1 Debit	Base 1 Credit	V-Cd	-
1	800		Creditors			550.00		
2	355		Advertising		1000.00		1	
3	831		VAT Inputs Receivable		200.00			
4	596		Temporary Withh. Tax T6			400.00		
5	597		Temporary Withh. Tax T7			250.00		
6	468		Base Currency Round Off		0.00			
7								
8								1
9								
10								
11								
12								
13								
14								
15								
16								
1/								
10								
19								
20								
22							<u> </u>	-
~~								
D	ifference Bas	se 1 0.00		Total	1200.00	1200.00		
-		- 2 0.00		Tatal	1004 77	1004 77		

7. The open amount of the Purchase Invoice in the Invoice Status report and in statements will be the TOTAL less Withholding Tax. This will also be the amount offered as a default when you specify the Invoice in a Payment—

>	• <b>Q</b> -	🖨 🖶			New Du	plicate	Cancel	Save
	No.	960076	Payment Date <u>30/11/2013</u>	Trar	ns. Date <u>30/11/2</u>	013	Ordere	ed
Pa	ayment Mode	Q	Own Bank A/C 11223344	Sc	ort Code		OK OK	
	Reference		Supp. Info on Trans.	La	anguage			
	Comment							
aym	ents Bank							
	Invoice No.	Supplier	Text	B. Cur.	Bank Amount	S. Cur.	Sent Value	A
1	960108	519	519001, Test Supplier With. Tax from Pι▶	GBP	550.00	GBP	550.00	^ B
2								c 🗌
3								D
4								F
5								-
7								-
8								G
9								н
10								I
11								J
12								
13								
14								
15								
16								
1/								+

Outside Mexico (i.e. if the VAT Law in the Company Info setting is not "Mexican"), the Nominal Ledger Transaction from this Payment will simply debit the Creditor Account and credit the Payment Mode Account as normal. In Mexico, additional postings will be added, moving the Withholding Tax from the Tmp. Account to the final one—

👏 Tr	ansaction: Ir	spect					, • <b>×</b>
File	Edit Reco	ord Window Info					
<	> <b>Ö</b>				New Duplica	ate Cancel	Save
	No. 960	0076 Trans. Date	30/11/2013 Reference				D
	Text						
	Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	V-Cd A
1	800		519001 519 Test Supplier With. 1	>	550.00		A B
2	700	3	Cheque			550.00	
3	596		Temporary Withh. Tax T6		400.00		C
4	586		Withh. Tax T6			400.00	D
5	597		Temporary Withh. Tax T7		250.00		E
6	587		Withh. Tax T7			250.00	F
7							G
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							Ŧ
D	ifference Bas	e10.00_		Tota	1200.00	1200.00	
D	lifference Bas	e 2 0.00		Tota	1904.77	1904.77	

### Withholding Tax from Payments - Per Invoice Basis

This example describes Withholding Tax posted from Payments and calculated on a Per Month basis. Illustrated below are the Withholding Calculation Formula, the Withholding Tax and the Supplier Withholding record—

ne cait	Rec	ord Windo	w Info					
< >					New	Duplicate	Cancel	Save
	Code	T101		Name	Test Withh	. Tax Per Invoic	e	6
Non Tax	Base	1	000 Min. W	ithh. Amount		50		
		<ul> <li>Per Paym</li> <li>Per Invoi</li> <li>On Purch</li> </ul>	ient ce ase Invoice		VAT Am	ount ng Tax Amount		
		From	То	%	Add	Min. With	h.	
	1		0 999999999	9 10				
	2							
	2							
	3							

) Wit le	hholo Edit	ling Rec	Taxes: Ins ord Wi	pect ndow	Info										
													Save		
1	Cod T1	e	Account 809		Formulae T101		Taxe	d Min.	Document	Certificat 1000	te No.	Share No.	A		
2	T2		809		T101							T1	в		
3	Т3		809		T103					3000			- C		
4	T4		809		T104					4000					
5 6	٩	Witł	nholding	Taxes	: Inspect				1			1			3
7	Fil	e E	dit Red	ord	Window	Info									
8														Save	
9														0010	
10			Code	Accou	int	Comment		N/L Tra	ns	Tax Code	Apply			٨	e.
11		1	T1	809		Test With	hold►	-			200:5	85			
		2	Т2	809		Test With	hold⊳	-			811:8	22		В	
		3	Т3	809		Test With	hold⊳	-			200:5	85,811:822		c	
		4	T4	809		Test With	hold⊳	-			200:5	85,811:822			
		5													
		6													
		7													
		8													
		9													
		10													
		11													

👏 Supplier	Withholding: Insp	ect						
File Edit	Record Window	v Info						
< >					New	Duplicate	Cancel	Save
Supplier	515	_		Closed				0
Name	Test Supplier With.	Tax per Invo	pice					
Start Date	1/1/2013		End Date	31/12/201	3			
Regio	n	Withh. Tax	Tax %	Disc. %	Tax Code	Calculate Tax	Comment	
1		T1	15.00			Calculate		
2		T2	12.00			Calculate		
3								
4								
5								
6								
7								-

Follow these steps—

1. In this example, we will pay the following Purchase Invoices. Withholding Tax will be payable on the Invoice values excluding VAT i.e. the values in the Excl. VAT column—

👏 Purchas	se Invoice Journal						•	×
File Edit	Record Windo	w Info						
<b>0</b> -							Search	
Purchase Radio Imp	Invoice Journal port/Export Limite	ed	Enterpri	se by HansaW Invoice	forld, Print date: Period 1/1/2 Period 1/1/2 Both O s and Cash Notes All Cont	19/11/2013 2013 : 31/12 2013 : 31/12 2013 : 31/12 Supplie Ked and not s and Credit act Classific	12:10 /2013 /2013 r:515 OKed Notes ations	
Ser. No	Inv Date	Sup. Inv No	Supplier	VAT	Exd VAT	Ind VAT		-
960095	31/10/2013	515001	Test Supplier With. Tax per Invoice	20.00	100.00	120.00	GBP	
960096	31/10/2013	515002	Test Supplier With. Tax per Invoice	240.00	1,200.00	1,440.00	GBP	
960097	31/10/2013	515003	Test Supplier With. Tax per Invoice	300.00	1,500.00	1,800.00	GBP	
960098	31/10/2013	515004	Test Supplier With. Tax per Invoice	300.00	1,500.00	1,800.00	GBP	
			GBP	VAT 860.00	Excl VAT 4,300.00	Ind VAT 5,160.00		•

This is one of the Purchase Invoices-

Durc	hase Invoice	:: Inspect Window Int								
< >	Q	⊕	0			New	Duplicate	Cancel		Save
S	No. <u>960</u> upplier <u>515</u> TOTAL	120.00	Nam Hold Amour VA	e <u>Test Supplier With.</u> nt	Tax per Invoice			V	OK	(
Pi	Invoice Dat ayment Term insaction Dat Due Dat	e <u>31/10/2013</u> s <u>30</u> e <u>31/10/2013</u> e <u>30/11/2013</u>	L Accounts	inv. No. <u>515001</u> Signers Objects ference		Receiving Da Discount Da Sett. Discour Credit of Invoid	te te nt ce		On Hold Prel. Bo	d ooking
	A/C	Objects	Short.	Description			Amoun	t	V-Cd	Α
1	355			Advertising				100.00	1	^ B
2										C
- 3										D
										Е
6										
7										
8										
9										
10										
11										
12										
13										_
14										
	C	urrency <u>GBP</u>	Withh.	Tax	Ext. Tax		Calculated VA	т	20.00	

The Purchase Invoice was entered as normal, with no reference to Withholding Tax.

The Account is included in the range in the Apply field for Withholding Tax T1 (flip B), and Tax T1 is listed in the Supplier Withholding record for Supplier 515. So, Withholding Tax will be calculated on that basis (using the Formula T101 specified in Tax T1).

2. When you enter the Purchase Invoice in a Payment, a message will inform you that a Withholding Tax calculation is needed—

🜔 Pa	aymeni Edit	: New	Window Info									8
<	>	Ö-					New	Dup	olicate	Cancel	Sa	ive
	Paymer Re C	No. nt Mode ference omment	960069 Q	Payment Date Own Bank A/C	29/11/2013 11223344 Supp. Info on Trans.	Trar So La	ns. Date ort Code anguage	29/11/20	013	Corde	red	0
Pay	ments	Bank										
	Inve	vice No.	Supplier	Text		B. Cur.	Bank Am	ount	S. Cur.	Sent Value		А
	1 960	095	515	515001, Test S	upplier With. Tax per Inv	GBP		120.00	GBP	120.00		в
1	2											C
1	3						_					-
4	4			Enterprise by	HansaWorld			×				D
1	5											E
(	6											F
1	7			💽 💽 V	/ithholding Taxes calcula	ation ne	eded.					G
8	В			$\mathbf{\nabla}$	-							н
9	9											-
10	0											1
1	1						ОК					1
12	2					l						
13	3											
14	4											
1	5											
16	6											
1	7										-	
					Currency	/ <u>GBP</u>			Withdrav	vn <u>120</u> .	.00	

This message will appear because there is a record in the Supplier Withholdings setting for the Supplier in which it has been specified that Tax is to be calculated. The message is there to remind you to carry out a Withholding Tax calculation (step 3 below), but it does not necessarily mean that Tax will be payable (for example, the result of the calculation might be less than the Min. Amount).

3. Add the remaining Purchase Invoices to the Payment-

No.         960069           Payment Mode         Q           Reference            Comment            Payments         Bank           Invoice No.         Supplier           1         960095         515           2         960096         515	Payment Date 29/11/2013 Own Bank A/C 11223344 Supp. Info on Trans.	Tran So La	ns. Date <u>29/11/20</u> ort Code inguage	)13	Ordere	ed	
Payments         Bank           Invoice No.         Supplier           1         960095         515           2         960096         515	Text	B. Our					
Invoice No.         Supplier           1         960095         515           2         960096         515	Text	B. Cur					
1 960095 515 2 960096 515	FARMAN THE REAL PROPERTY AND A	D. Cur.	Bank Amount	S. Cur.	Sent Value		A
2 960096 515	515001, Test Supplier With. Tax per Inve	GBP	120.00	GBP	120.00		в
	515002, Test Supplier With. Tax per Inv>	GBP	1440.00	GBP	1440.00		-
3 960097 515	515003, Test Supplier With. Tax per Inv>	GBP	1800.00	GBP	1800.00		-
4 960098 515	515004, Test Supplier With. Tax per Inv>	GBP	1800.00	GBP	1800.00		D
5							Е
6							F
7							G
8							н
9							-
10							1
11							J
12							
13							
14							
15							
16							
17						Ŧ	

4. Choose 'Calculate Withholding Taxes' from the Operations menu. New rows will be added to the Payment containing the result of the Withholding Tax calculation. In this case, Withholding Tax is payable on Invoices 960097 and 960098, and the Withholding Tax amounts were subtracted from the Bank Amounts and Sent Values for those Invoices (third and fourth rows)—

ie c	>	Record		Into				New	Du	plicate	Cancel	Sav
		¥		·				TACAA	Du	plicate		541
		No.	960069		Payment Date	29/11/2013	Tra	ns. Date	29/11/2	013	Order	ed
P	aymen	nt Mode	Q		Own Bank A/C	11223344	So	ort Code			CK	
	Ref	ference				Supp. Info on Trans.	La	anguage				
	Co	omment										
aym	nents	Bank										
	Invo	ice No.	Supplier		Text		B. Cur.	Bank Ar	nount	S. Cur.	Sent Value	
1	960	095	515		515001, Test S	upplier With. Tax per Inv	GBP		120.00	GBP	120.00	
2	960	096	515		515002, Test S	upplier With. Tax per Inv	GBP		1440.00	GBP	1440.00	
3	960	097	515		515003, Test S	upplier With. Tax per Inv	GBP		1725.00	GBP	1725.00	
4	960	098	515		515004, Test S	upplier With. Tax per Inv	GBP		1725.00	GBP	1725.00	
5	960	097	515		515003, Test S	upplier With. Tax per Inv	GBP		75.00	GBP	75.00	
6	960	098	515		515004, Test S	upplier With. Tax per Inv	GBP		75.00	GBP	75.00	
7												
8												
9												
10												
11	_											
12	_											
10												
15												
16								-				
17												-
			1		1	Curren	cy <u>GBP</u>			Withdrav	vn 5160.0	0

On flip G of the Payment, the Withholding Tax regime ("T1" in this case) and the Base amount (i.e. the amount on which Withholding Tax was calculated) will be placed in the relevant fields in the rows containing the Withholding Tax—

۲	Payr	ment: New								• <b>×</b>
Fil	e E	dit Record	Window Info							
<	>	<b>Q</b> -	🖨 🖶				New	Duplicate	Cancel	Save
	Pa	No. yment Mode Reference Comment	960069 Q	Payment Date Own Bank A/C	29/11/2013 11223344 Supp. Info on	Trans.	Frans. Date Sort Code Language	29/11/2013	_ Ordere	ed 🥔
F	ayme	ents Bank								
		Invoice No.	Supplier	Round Off A/C	Round Off	Instalment	W. Tax	W. Tax Base	Reference Number	Α
	1	960095	515							^ B
	2	960096	515							<u> </u>
	3	960097	515							-
	4	960098	515							D
	5	960097	515				T1	1500.00		E
	6	960098	515				T1	1500.00		F
	7									G
	8									н
	9									
	10									1
	11									J
	12									
	13									
	14									
	15									
	16									
	17									-
						Currency <u>G</u>	3P	Withdr	awn5160.0	0

If you specified a Payment Mode on flip C of the Withholding Tax regime, this will be copied to flip C of the Payment rows containing the Withholding Tax as well.

As the Tax Calculation Base in the Calculation Formula is Per Invoice, the Non Tax. Base is applied separately to each Invoice being paid. The Calculation Formula also states that the Base amount for the calculation is to be the Net Amount i.e. the Purchase Invoice value excluding VAT and other taxes. The calculations are as follows—

- a. The Base value for Invoice 960095 is 100.00.
- b. The Non Tax. Base in the Calculation Formula is 1000.00, so Withholding Tax will be calculated on 100.00 1000.00 = -900.00. As this is less than zero, Invoice 960095 is not liable for Withholding Tax.
- c. The Base Value for Invoice 960096 is 1200.00. The Non Tax. Base is again applied to this amount. Withholding Tax will be calculated on 1200.00 1000.00 = 200.00.
- d. The Supplier Withholding record specifies that Withholding Tax is 15%. This overrules the 10% specified in the Calculation Formula.
- e. 200 \* 15% = 30.00. 30.00 is less than the Min. Withh. Amount (50.00), so Invoice 960096 is not liable for Withholding Tax.
- f. For Invoice 960097, the Base value is 1500.00. After subtracting the Non Tax. Base, the calculation is 500 \* 15% = 75.00. 75.00 is more

than the minimum, so this is the Withholding Tax Amount that is payable.

- g. Step (f) is repeated for Invoice 960098.
- 5. Approve the Payment in the usual way by checking the OK box and saving. The following Transaction will be created in the Nominal Ledger—

👏 Tr	ansaction: In	spect				_	. •	×
File	Edit Reco	rd Window Info						
<	> Ö-	- 🖨 🖶			New Duplica	te Cancel	Sa	ve
	No. 960	069 Trans. Date 29/11/2	013 Reference					0
	Text							
	Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	V-Cd	A
1	800		515001 515 Test Supplier With. T		120.00			B
2	700	3	Cheque			5010.00		) –
3	800		515002 515 Test Supplier With. া		1440.00			C
4	800		515003 515 Test Supplier With. া		1725.00			D
5	800		515004 515 Test Supplier With. া		1725.00			Е
6	800		515003 515 Test Supplier With. া		75.00			F
7	809		Test Withholdings Per Invoice			75.00		G
8	800		515004 515 Test Supplier With. া		75.00			
9	809		Test Withholdings Per Invoice			75.00		
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								-
D	ifference Base	1 0.00		Tota	5160.00	5160.00		
n	ifference Base	2 0.00		Tota	8190 49	8190.49		
	merence base			1018	0150.45	3150.45		

The full payment amount including Withholding Tax is debited to the Creditor Account, as the Invoice is fully paid, and the Withholding Tax Amounts are credited to the Account specified on flip A of the relevant rows in the Withholding Taxes setting (Account 809 in both cases in this example).

Approving the Payment also causes Withholding Certificates to be created in the Withholding Certificates setting. As the Tax Calculation Base in the Calculation Formula is Per Invoice, separate records will be created for each Invoice liable for Withholding Tax—

File       Edit       Record       Window       Info          >       Image: Concel       Save         Withh. Tax       T1       No.       1000       Calc. Formulae       T101         Supplier       515       Supplier Name       Test Supplier With. Tax per Invoice       Image: Comment         User       FF       User Name       Francoise French       Image: Comment         Pay. No.       960069       Pay. Date       29/11/2013       Language         Pay. Reference       Pay. Comment       Image: Comment       Image: Comment	
Image: Supplier S15     New     Duplicate     Cancel     Save       Withh. Tax     T1     No.     1000     Calc. Formulae     T101     Image: Supplier S15       Supplier     515     Supplier Name     Test Supplier With. Tax per Invoice     Image: Supplier S15     Image: Supplier S15       User     FF     User Name     Francoise French     Image: Supplier S15       Comment     Pay. No.     960069     Pay. Date     29/11/2013     Language       Pay. Reference     Pay. Comment     Image: Supplier S15     Image: Supplier S15	
Withh. Tax       T1       No.       1000       Calc. Formulae       T101       Image: Constraint of the state of th	
Supplier     515     Supplier Name     Test Supplier With. Tax per Invoice       User     FF     User Name     Francoise French       Comment	
User         FF         User Name         Francoise French           Comment	
Comment	
Pay. No.         960069         Pay. Date         29/11/2013         Language           Pay. Reference         Pay. Comment	
Pay. Reference Pay. Comment	
Currency         GBP         Base         1500.00         Amount         75.00	
Payment Row         4         Form         Tax %         15.00	
Tax Comment Test Withholdings Per Invoice	
Payme Withholding Certificate: Inspect	• ×
2 3 < > → → → New Duplicate Cancel	Save
Withh. Tax T1 No. 1001 Calc. Formulae T101	pP .
Supplier 515 Supplier Name Test Supplier With. Tax per Invoice	
User FF User Name Francoise French	
Comment	_
Pay. No. 960069 Pay. Date 29/11/2013 Language	
Pay. Reference Pay. Comment	
Currency GBP Base 1500.00 Amount 75.	00
Payment Row 5 Form Tax % 15.	00
Tax Comment Test Withholdings Per Invoice	_
Devenant Devening Marcola Provide Automatic	
Payment Row Invoice No. Base Amount Amount	
3	

The Nos. (1000 and 1001 in the illustration) follows the numbering sequence specified in the Certificate No. field on flip A of the row for the T1 Tax in the Withholding Taxes setting, and the Tax Comment comes from the Comment field in the same setting.

The Payment and the Withholding Certificates will be connected to each other through the Attachments facility. This allows you to open the Certificates quickly and easily when reviewing the Payment, or to open the Payment from one of the Certificates. When viewing the Payment or Certificate, click the button with the paper clip image to open a list of attachments. Then double-click an item in this list to open it.

6. In Argentina, it is normal practice to print Withholding Certificates and send them to Suppliers with payments. You can print a Withholding Certificate in the usual ways: by opening it in a record window and clicking the Printer icon; or by opening the list of documents in the Purchase Ledger and selecting 'Withholding Certificates'.

### Withholding Tax from Payments - Per Payment Basis

This example describes Withholding Tax posted from Payments and calculated on a Per Payment basis. Illustrated below are the Withholding Calculation Formula, the Withholding Tax and the Supplier Withholding record—

Withhold	ding Calculati	on Formula: Inspec	t				
File Edit	Record Wi	ndow Info					
< >				New	Duplicate	Cancel	Save
	Code <u>T103</u>		Name	Test Withh	. Tax Per Paym	ient	0
Non Tax.	Base	1000 Min. W	/ithh. Amount	t	50		
	Mont  Per P  Per I  Con P	hly 'ayment 'nvoice urchase Invoice		VAT Am	ount ount Ig Tax Amount		
	OUP						
	From	То	%	Add	Min. Wit	hh.	
	From 1	To 0 999999999	% 9 10	Add	Min. Wit	hh.	
	From 1 2	To 0 999999999	% 9 10	Add	Min. Wit	hh.	
	From 1 2 3	To 0 999999999	% 9 10	Add	Min. Wit	hh.	

( ا	Nith	nhold	ling	Taxes: Ir	spect											
File	E	dit	Rec	ord W	indow	Info										
														Save		
		Code	2	Account		Formulae		Taxe	d Min.	Document	Certifica	te No.	Share No.	A		
	1	Τ1		809		T101					1000			^ B		
	2	T2		809		T101							T1			
	3	Т3		809		T103					3000			C		
	4	T4		809		T104					4000					
	5 6	٢	Witł	nholding	g Taxes	: Inspect									•	×
	7	Fil	e E	idit Re	cord	Window	Info									
	8														C-1	
	9														381	e
	10			Code	Accou	unt	Comment		N/L Tra	ns	Tax Code	Apply				Δ
			1	T1	809		Test With	hold►	-			200:5	85			
			2	T2	809		Test With	hold⊳	-			811:8	22			
	_		3	Т3	809		Test With	hold⊳	-			200:5	85,811:822			C
			4	T4	809		Test With	hold⊳	-			200:5	85,811:822			
			5													
			6													
			7													
			8													
			9													
			10													
			11												-	

👏 Suppli	er Withhold	ling: Inspec	t						, • 💌
File Edi	t Record	Window	Info						
< >						New	Duplicate	Cancel	Save
Suppli	er <u>516</u>			[	Closed				0
Nam	e Test Sup	plier With. Ta	ax per Pay	ment					
Start Da	te <u>1/1/2013</u>	3		End Date	31/12/201	13			
Reg	ion	V	Vithh. Tax	Tax %	Disc. %	Tax Code	Calculate Tax	Comment	
1		Т	13				Calculate		*
2									
3									
4									
5									
6									
7									Ψ.

1. In this example, we will pay three Purchase Invoices from the same Supplier in the same Payment. As in the previous examples, the Base values are 100.00, 1200.00 and 1500.00—

Payme	ent: New								×
File Edi	it Record	Window Info							
< >	<b>0</b> -	🖨 🖶			New Du	iplicate	Cancel	Sar	ve
Payr	No. ment Mode Reference Comment	960070 Q	Payment Date         29/11/2013           Own Bank A/C         11223344           Supp. Info on Trans.	Trar So La	ns. Date <u>29/11/2</u> ort Code anguage	013	Ordere	ed	0
Faymen	ts Bank								
I	nvoice No.	Supplier	Text	B. Cur.	Bank Amount	S. Cur.	Sent Value		А
1 9	960099	516	516001, Test Supplier With. Tax per Pay	GBP	120.00	GBP	120.00	<b>_</b>	в
2 9	960100	516	516002, Test Supplier With. Tax per Pay	GBP	1440.00	GBP	1440.00		С
3 9	960101	516	516003, Test Supplier With. Tax per Pay	GBP	1800.00	GBP	1800.00		D
4									-
5									E
6									F
7									G
8									н
9									т
10									-
11									1
12									
13									
14									
15									
16									
17								Ŧ	

 When selecting the 'Calculate Withholding Taxes' Operations menu function, three new rows containing Withholding Tax will be added to the Payment, one for each Invoice. The Bank Amounts and Sent Values for each Invoice will be reduced accordingly—

Payn	nent: New								
ile E	dit Record	Window Info							
< >	<b>0</b> -	🖨 🔤 p			New Dup	olicate	Cancel	Sa	ave
	No.	960070	Payment Date 29/11/2013	Tra	ns. Date <u>29/11/20</u>	)13	Ordere	ed	U
Pay	yment Mode	Q	Own Bank A/C 11223344	So	ort Code		CK OK		
	Reference		Supp. Info on Trans.	La	anguage				
	Comment								
Payme	nts Bank								
	Invoice No.	Supplier	Text	B. Cur.	Bank Amount	S. Cur.	Sent Value		А
1	960099	516	516001, Test Supplier With. Tax per Pay	GBP	113.57	GBP	113.57	*	в
2	960100	516	516002, Test Supplier With. Tax per Pay	GBP	1362.86	GBP	1362.86		C
3	960101	516	516003, Test Supplier With. Tax per Pay	GBP	1703.57	GBP	1703.57		2
4	960099	516	516001, Test Supplier With. Tax per Pay	GBP	6.43	GBP	6.43		U
5	960100	516	516002, Test Supplier With. Tax per Pay	GBP	77.14	GBP	77.14		E
6	960101	516	516003, Test Supplier With. Tax per Pay	GBP	96.43	GBP	96.43		F
7									G
8									н
9									T
10									-
11									-
12									
13									
14									
15									
15									

As the Tax Calculation Base in the Calculation Formula is Per Payment, the Non Tax. Base is applied to the Payment as a whole (per Supplier if there is more than one). The Calculation Formula also states that the Base amount for the calculation is to be the Net Amount i.e. the Purchase Invoice value excluding VAT and other taxes. The calculations are as follows—

- a. The Base amount is taken to be the total for the Payment i.e. 100.00 + 1200.00 + 1500.00 = 2800.00.
- b. The Non Tax. Base in the Calculation Formula is 1000.00, so Withholding Tax will be calculated on 2800.00 1000.00 = 1800.00.
- c. The Min. Withh. Amount in the Calculation Formula is 50.00.
- d. The Calculation Formula specifies that Withholding Tax is 10%.
- e. 1800 \* 10% = 180.00. 180.00 is more than the minimum, so this is the Withholding Tax Amount that is payable.
- f. The Withholding Tax Amount is distributed to the Purchase Invoices proportionally—

180.00 \* 100.00 / 2800.00 = 6.43

- 180.00 \* 1200.00 / 2800.00 = 77.14
- 180.00 \* 1500.00 / 42800.00 = 96.43

4. Approve the Payment in the usual way by checking the OK box and saving. Approving the Payment also causes a Withholding Certificate to be created in the Withholding Certificates setting—

e	Edit Reco	ord Windo	ow Info					
	>	<b>⊟</b> , <b>⊟</b> ,		New	Duplicate	Cano	el	Save
	Withh. Tax	Т3	No.	3000	Calc. I	Formulae <u>T</u>	103	
	Supplier	516	Supplier Name	Test Supplier With	n. Tax per F	ayment		
	User	FF	User Name	Francoise French				
	Comment							
	Pay. No.	960070	Pay. Date	29/11/2013	L	anguage _		
Pay	y. Reference		Pay. Comment					
	Currency	GBP	Base	2800.00		Amount _	18	0.00
Ρ	ayment Row		Form			Tax %	1	0.00
Т	ax Comment	Test Withh	oldings Monthly					
	Payment Ro	w Invoic	e No.	Base Amoun	t Am	ount		
1	3	51600	01	1	100.00	e	5.43 🔺	
2	4	51600	)2	12	200.00	77	7.14	
3	5	51600	)3	15	500.00	96	5.43 🔻	

As the Tax Calculation Base in the Calculation Formula is Per Payment, a single Withholding Certificate is created from the Payment, with the individual Withholding Tax amounts listed in the matrix.

 When you pay the next Invoice from the same Supplier, the Non Tax. Base will once again become applicable (in this example to a Base value of 1500.00)—

Pay ile E	ment: N Edit Re	lew ecord	Window	Info									
< >	. (	¢-	🖨 🗛					New	Duj	plicate	Cancel	5	Save
Pa	ayment N Refer Comr	No. Mode ence ment	960072 Q		Payment Date Own Bank A/C	30/11/2013 11223344 Supp. Info on Trans	Trai So La	ns. Date ort Code anguage	30/11/20	013	Orde	ered	6
Paym	ents E	Bank											
	Invoice	e No.	Supplier		Text		B. Cur.	Bank Am	nount	S. Cur.	Sent Value		Α
1	96010	2	516		516004, Test S	upplier With. Tax per Pa	GBP		1750.00	GBP	1750.0	) -	В
2	96010	2	516		516004, Test S	upplier With. Tax per Pa	GBP		50.00	GBP	50.00		С
3													-
4													-
5													E
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7													G
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15													
16													
17												-	-
						Currer	icy <u>GBP</u>			Withdrav	vn <u>1800</u>	.00	

(1500 - 1000) \* 10% = 50.00

### Withholding Tax from Payments - Per Month Basis

This example describes Withholding Tax posted from Payments and calculated on a Per Month basis. Illustrated below are the Withholding Calculation Formula, the Withholding Tax and the Supplier Withholding record—

ile Edit	Reco	ord Window	/ Info					
< >					New	Duplicate	Cancel	Save
	Code	T104		Name	Test Withh	. Tax Monthly		
Non Tax	Base	100	00 Min. With	nh. Amount	t	50		
		<ul> <li>Monthly</li> <li>Per Payme</li> <li>Per Invoice</li> <li>On Purcha</li> </ul>	nt e se Invoice		Vet Am VAT Am Excludir	ount ount ng Tax Amount		
		From	То	%	Add	Min. With	h.	
	1	0	99999999999	10				
	2							
	3							

( ا	With	nhold	ling	Taxes: In	spect									•	۲	
File	E	dit	Rec	ord W	indow	Info										
														Save		
		Code	e	Account		Formulae		Taxe	d Min.	Document	Certifica	te No.	Share No.	A		
	1	Τ1		809		T101					1000			^ B		
	2	Т2		809		T101							T1			
	3	Т3		809		T103					3000			C		
	4	T4		809		T104					4000					
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			1	11	809		Test with		-			200:5	85			в
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s	Supplier	517				Closed				0
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1				Т4				Calculate		~
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 In this example, we will first pay two Purchase Invoices from the same Supplier in the same Payment. The Base values are 100.00 and 1200.00. The 'Calculate Withholding Taxes' function does not add any Withholding Tax rows to the Payment—

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Fil	e E	dit Record	Window Info						
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		No.	960071	Payment Date 29/11/2013	Trar	ns. Date <u>29/11/2</u>	013	Ordere	ed 🖉
	Pa	yment Mode	Q	Own Bank A/C 11223344	So	ort Code		OK	
		Reference		Supp. Info on Trans.	La	inguage			
		Comment							
F	ayme	ents Bank							
		Invoice No.	Supplier	Text	B. Cur.	Bank Amount	S. Cur.	Sent Value	А
	1	960103	517	517001, Test Supplier With. Tax Monthly	GBP	120.00	GBP	120.00	^ в
	2	960104	517	517002, Test Supplier With. Tax Monthly	GBP	1440.00	GBP	1440.00	C
	3								D
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As the Tax Calculation Base in the Calculation Formula is Per Month, the Non Tax. Base is applied to the Payment as a whole (per Supplier if there is more than one). The Calculation Formula also states that the Base amount for the calculation is to be the Net Amount i.e. the Purchase Invoice value excluding VAT and other taxes. The calculations are as follows—

- a. The Base amount is taken to be the total for the Payment i.e. 100.00 + 1200.00 = 1300.00.
- b. The Non Tax. Base in the Calculation Formula is 1000.00, so Withholding Tax will be calculated on 1300.00 1000.00 = 300.00.
- c. The Min. Withh. Amount in the Calculation Formula is 50.00.
- d. The Calculation Formula specifies that Withholding Tax is 10%.
- e. 300 \* 10% = 30.00. 30.00 is less than the minimum, so no Withholding Tax is payable.

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Га	ymen	is Bank								
	I	nvoice No.	Supplier	Text	B. Cur.	Bank Amount	S. Cur.	Sent Value		А
	1 9	60105	517	517003, Test Supplier With. Tax Monthly	GBP	1750.00	GBP	1750.00	*	в
	2 9	960105	517	517003, Test Supplier With. Tax Monthly	GBP	50.00	GBP	50.00		C
	3									-
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2. Later in the same month, we will pay a third Invoice from the same Supplier. The Base value of this Invoice is 1500.00.

As the Tax Calculation Base is Per Month, previous Invoices and Withholding Tax payments are taken into account when calculating the Withholding Tax.

- a. The Base amount is taken to be the total for the month so far i.e. 100.00 + 1200.00 + 1500.00 = 2800.00.
- b. The Non Tax. Base in the Calculation Formula is 1000.00, so Withholding Tax will be calculated on 2800.00 1000.00 = 1800.00.
- c. 1800.00 \* 10% = 180.00. 180.00 is more than the minimum, so is the Withholding Tax payable.

 On approving the Payment, a single Withholding Certificate will be created from the Payment, with the individual Withholding Tax amounts listed in the matrix—

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Supplier	517	Supplier Name	Test Supplier Wit	h. Tax Monthly		
User	FF	User Name	Francoise French			
Comment						
Pay. No.	960073	Pay. Date	30/11/2013	Langu	iage	
Pay. Reference		Pay. Comment				
Currency	GBP	Base	1500.00	Amo	ount	180.00
Payment Row		Form		Та	x %	10.00
Tax Comment	Test Withholdin	igs Monthly				
Payment Ro	w Invoice No	o.	Base Amour	it Amount	t	
1 1	517003		1	500.00	180.00	
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3						-

4. When you pay the next Invoice from the same Supplier in the same month, Withholding Tax is calculated as follows—

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	Pa Payme	No. nyment Mode Reference Comment ents Bank	960074 Q	Payment Date         30/11/2013           Own Bank A/C         11223344             Supp. Info on Trans.	Trar So La	ns. Date <u>30/11</u> ort Code anguage	/2013	Ordere	ed 🖉
		Invoice No	Supplier	Tevt	B. Our	Bank Amount	S Cur	Sent Value	٨
	1	960106	517	517004 Test Supplier With Tax Monthly	CRD.	1650 I	0 CBP	1650.00	A
	2	960106	517	517004, Test Supplier With, Tax Monthly	GBP	150	0 GBP	150.00	с в
	3	300100	517	517004, rescouppier with tax Honorary	GDP	150.0		130.00	C
	4								D
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				Current	y <u>GBP</u>	·	Withdra	wn1800.0	0

Again, previous Invoices and Withholding Tax payments are taken into account when calculating the Withholding Tax in this instance.

- a. The Base amount is taken to be the total for the month so far i.e. 100.00 + 1200.00 + 1500.00 + 1500.00 = 4300.00.
- b. The Non Tax. Base in the Calculation Formula is 1000.00, so Withholding Tax will be calculated on 4300.00 1000.00 = 3300.00.

- c. 3300.00 \* 10% = 330.00.
- d. 180.00 has already been paid, leaving 330.00 180.00 = 150.00 to be paid in this instance.
- 5. If you specify a Taxed Min. on flip A of the Withholding Taxes setting, the Base amount (total for the month so far in this example, total for the Payment if the Tax Calculation Base is Per Payment) will be compared to the Taxed Min. If the Base amount is greater than the Taxed Min, the Non Tax. Base will be subtracted and the calculation will take place.