

The PQS guide to switching to the new VAT rate as at February 1st 2016

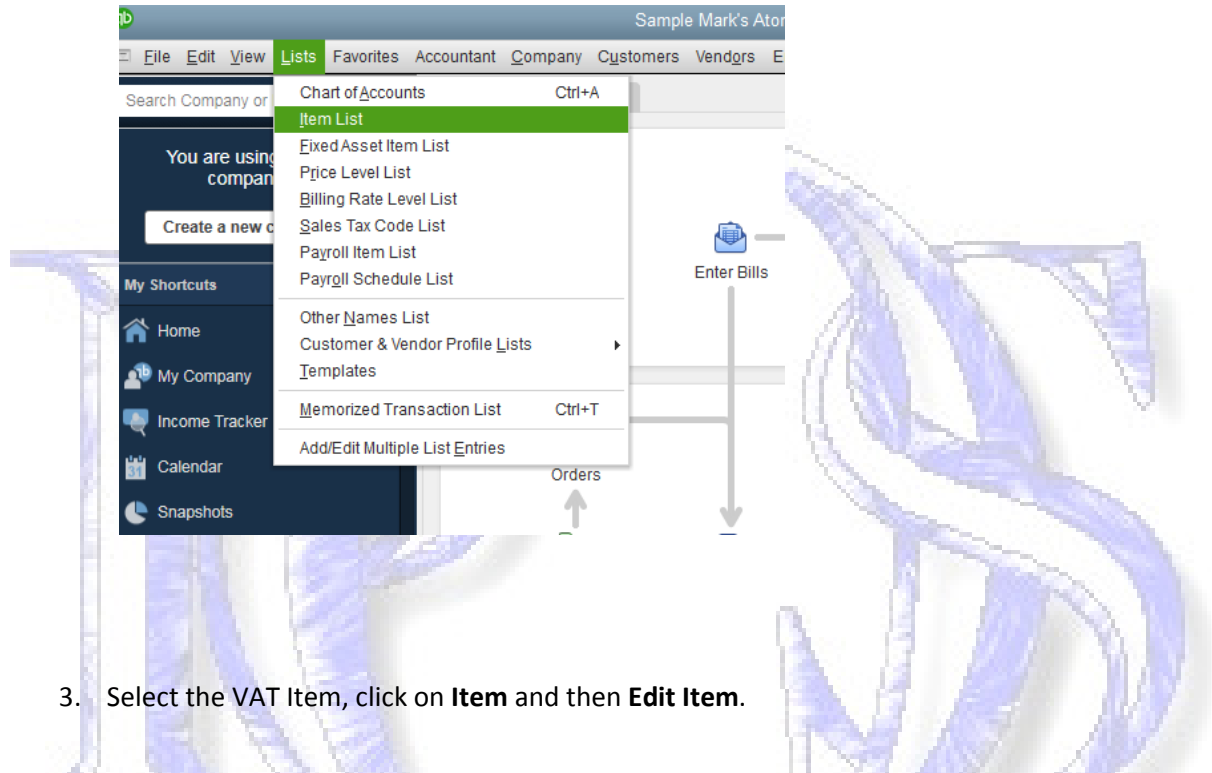
Overview

This document seeks to outline the process for switching the VAT rate from 15% to 12.5% for February 1st 2016. Since many companies will not be fully up to date as at February 1st 2016, simply changing the existing rate may not be feasible. Thus to cater for our customer's various data entry needs, we would like to propose the following process to deal with the issue:

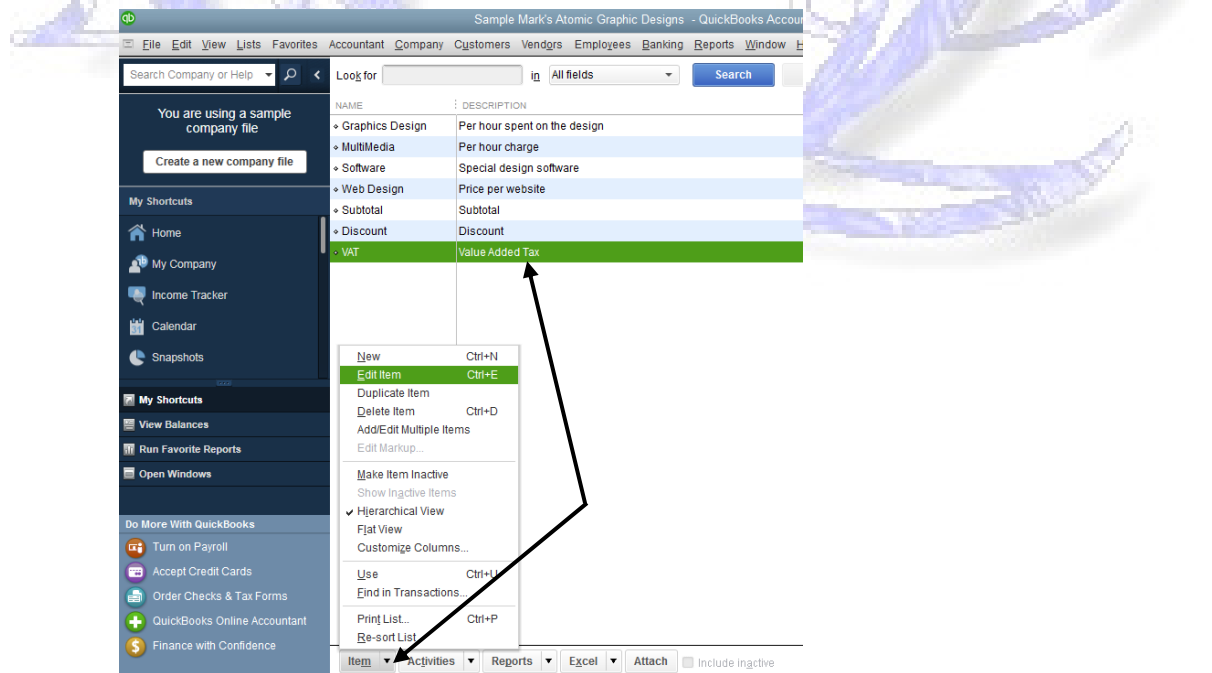
1. **Backup your data.** Before making any significant change to your data file you should make a backup of your data.
2. **Edit Tax Code.** Edit your current Value Added (VAT) Tax Code to reflect the new VAT percentage 12.5%. This is so that you will not have to edit all your customers to reflect the new tax code.
3. **Create new sales tax code for back log data entry.** If for any reason you were not able to complete all your data entry for the year ending 2015. A new tax code is needed to reflect the old VAT amount of 15%.
4. **Review Reports.** Use the List Reports to ensure that all defaults are properly set so that you get no surprises later on in the year.

Hope this helps all concerned. If you still require assistance, please feel free to contact us at info@pqsys.com or call us on (868) 638-0959.

1. Start and log into QuickBooks
2. Go to **List**, then **Item List**.



3. Select the VAT Item, click on **Item** and then **Edit Item**.

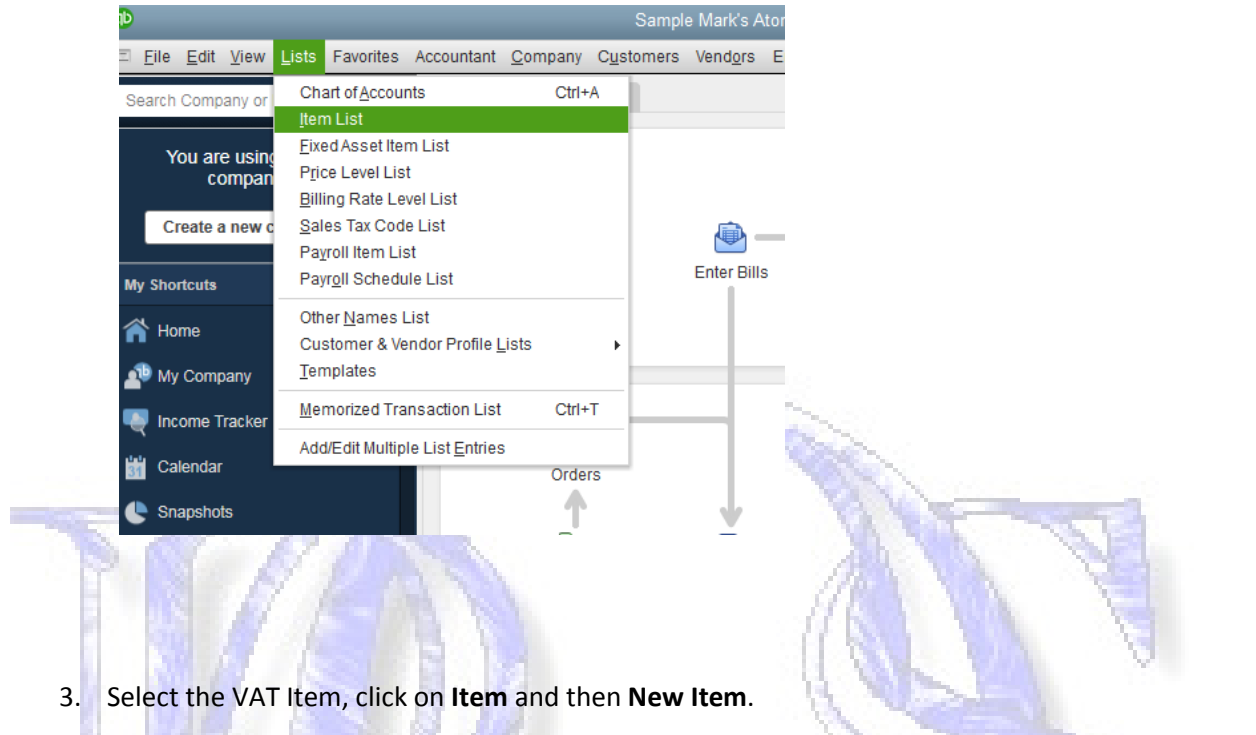


4. In the following window enter the 12.5% as the rate you will be charging.

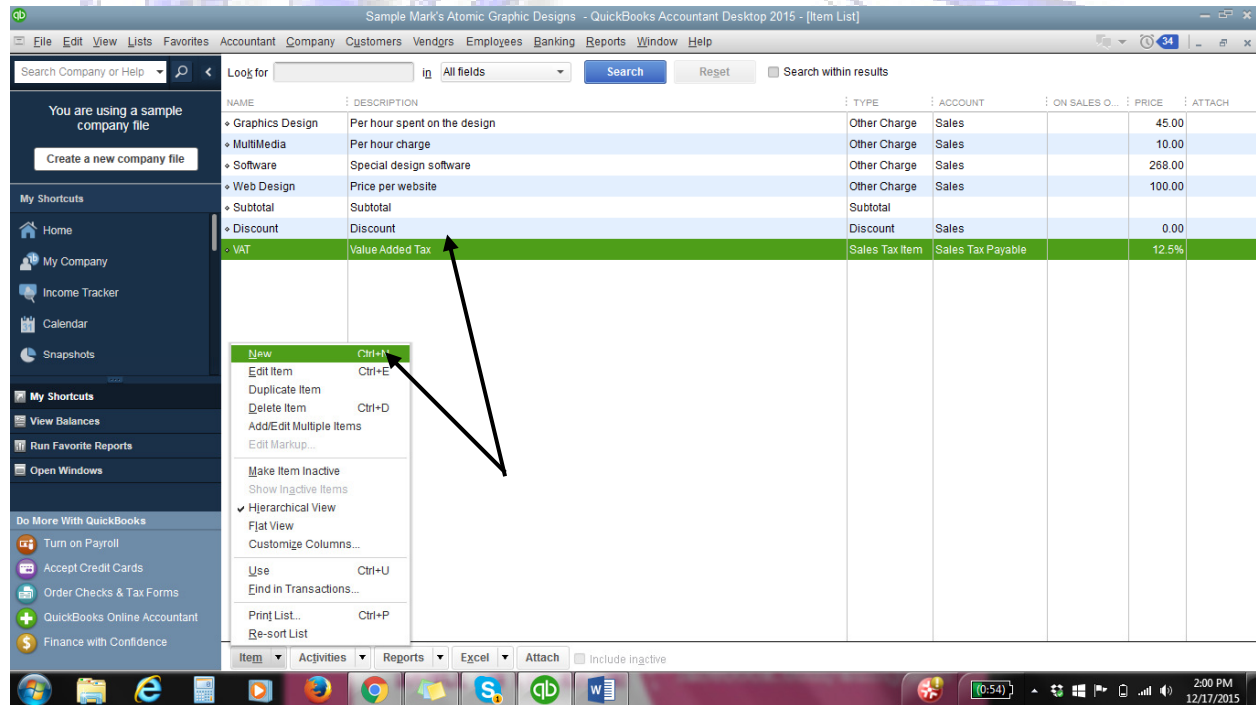
5. Click **OK** to save.
 - a. NB: Previous transaction will not be affected.

New Tax Code for previous year transactions

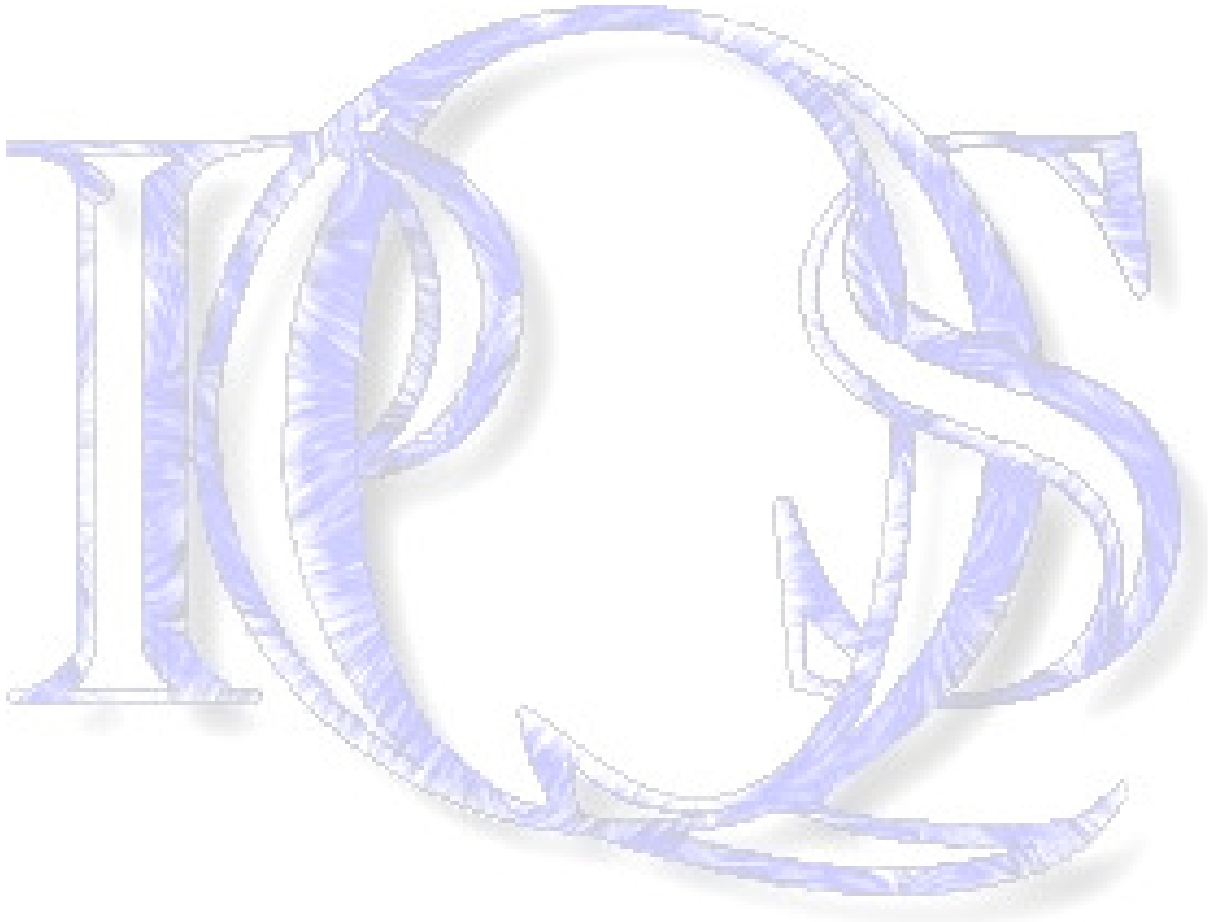
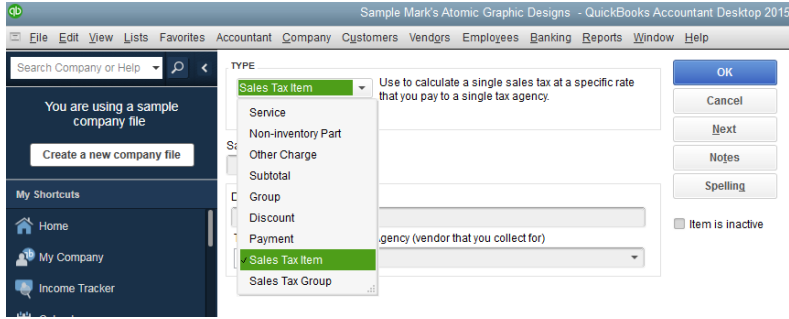
1. Start and log into QuickBooks
2. Go to **List**, then **Item List**.



3. Select the VAT Item, click on **Item** and then **New Item**.



4. Select Item type **Sales Tax Item**.



5. Enter **Sales Tax Name (VAT 15%), Description, Tax Rate 15% and Tax Agency (Board of inland Revenue).**

Sample Mark's Atomic Graphic Designs - QuickBooks Accountant Desktop 2015 - [New]

TYPE: Sales Tax Item (Use to calculate a single sales tax at a specific rate that you pay to a single tax agency.)

Sales Tax Name: VAT 15%

Description: Value Added tax 15%

Tax Rate (%): 15.0% Tax Agency (vendor that you collect for): Board Of In Land Revenue

Buttons: OK, Cancel, Next, Notes, Spelling, Item is inactive

6. Click OK to save

7. When entering a sales transaction for 2015 be sure to change the tax code. I.e. on **invoice or receipts**

Sample Mark's Atomic Graphic Designs - QuickBooks Accountant Desktop 2015 - [Create Invoices]

Customer: Andres, Cristina

Invoice Title: Invoice

DATE: 12/15/2019

INVOICE #: 45

BILL TO: Cristina Andres, 4242 Cypress Hill Rd, Bayshore CA 94326

ITEM	DESCRIPTION	QTY	PRICE	AMOUNT	TAX
Graphics Design	Per hour spent on the design		45.00	45.00	Tax
Software	Special design software		268.00	268.00	Tax
				TOTAL	46.95
				TOTAL	359.95
				PAYMENTS APPLIED	0.00
				BALANCE DUE	359.95

Tax: VAT 15% (15.0%)

Buttons: Save & Close, Save & New, Clear