



GST Rate Change

June 28, 2006

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GST RATE CHANGE

Effective July 1st, 2006, the GST rate changes from 7% to 6%. Navision calculates GST based on posting dates; by adding Tax Details with an effective date of July 1, 2006, the system will handle this change effortlessly. This first section of this document outlines how to make this change in the Tax Details.

Also, any credit memos you process that are to be applied against either sales or purchases invoices *that were created before July 1, 2006*, are to use the 7% GST rate. We strongly recommend that you do everything you can to get credit memos processed in June to avoid this tax complication.

There are three options for handling credit memos that apply to invoices dated before July 1, 2006. These are:

1. Use a Posting Date of June 30, 2006 for all credit memos dated July 1 or later that relate to invoices dated prior to July 1.
 - a. Requires no changes to setup or processing except that Posting Date has to be changed.
 - b. Will result in changes to June 2006 GL figures. Depending on materiality and whether June financials have been closed/released yet this option may not be viable. You could track all such credit memos and do an entry to move the related expenses to the proper period.
 - c. If inventory is involved, this option is not advisable as it will result in incorrect inventory availability information.
2. Manually adjust calculated Tax Amounts using Navision's Tax Difference capability or by entering an adjustment line on the credit memo itself.
 - a. Tax rate will still show as 6%, but the overridden tax amount will be correct.
 - b. Adjustment line will be more obvious to anyone reviewing the transaction later on.
3. Setup additional Tax Groups to differentiate between the two different rates.
 - a. This option may help reduce errors.
 - b. Results in additional special purpose tax groups in the system that will not be used in the future. Deleting these Tax Groups in the future will cause problems if you ever need to re-print one of these documents or run the related Tax Reports.

Here is a link to the CRA information sheet regarding credit memo processing:

<http://www.cra-arc.gc.ca/E/pub/gi/gi-018/gi-018-e.pdf>

CHANGING THE GST RATE

Version 4.0

Go to **Financial Management > Setup > Sales Tax > Details**

Choose the code that is used for the GST, in this example, there are two and they are FED and HST.

The screenshot shows a window titled "Tax Details" with a table of tax rates. The table has columns: Tax Jurisdiction Code, Tax Group Code, Tax Type, Effective Date, Tax Below Maximum, Maximum Amount/Qty., Tax Above Maximum, and Expense. The table contains several rows for FED and HST jurisdictions. Red boxes highlight the rows for FED and HST.

| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|---------|
| FED | NO TAX | Sales Tax | 09/01/03 | 0.00 | 0.00 | 0.00 | |
| FED | TAX | Sales Tax | 09/01/03 | 7.00 | 0.00 | 0.00 | |
| FED | TAX | Sales Tax | 07/01/06 | 6.00 | 0.00 | 0.00 | |
| HST | NO TAX | Sales Tax | 06/01/05 | 0.00 | 0.00 | 0.00 | |
| HST | TAX | Sales Tax | 06/01/05 | 15.00 | 0.00 | 0.00 | |
| HST | TAX | Sales Tax | 07/01/06 | 14.00 | 0.00 | 0.00 | |
| PQ | NO TAX | Sales Tax | 11/01/04 | 0.00 | 0.00 | 0.00 | |
| PQ | TAX | Sales Tax | 11/01/04 | 7.50 | 0.00 | 0.00 | |

Insert a new line or go to the next available line, and set this new Tax Detail up the same as the old GST rate, *except* change the rate to **6%** (14% for the HST in this example) and the Effective Date to **July 1, 2006**. The system will automatically know which rate to use based on the effective date. **Remember to update all of your GST related tax codes!**

Versions 2.6 – 3.70

Go to **General Ledger > Setup > Sales Tax > Details**

Choose the code that is used for the GST, in this example, there are two and they are GST and HST.

Tax Details

| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|
| BC | G | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 |
| BC | N | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 |
| BC | T | Sales Tax | 01/01/00 | 7.00 | 0.00 | 0.00 |
| GST | G | Sales Tax | 01/01/00 | 7.00 | 0.00 | 0.00 |
| GST | G | Sales Tax | 07/01/06 | 6.00 | 0.00 | 0.00 |
| GST | N | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 |
| GST | T | Sales Tax | 01/01/00 | 7.00 | 0.00 | 0.00 |
| HST | N | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 |
| HST | T | Sales Tax | 01/01/00 | 15.00 | 0.00 | 0.00 |
| HST | T | Sales Tax | 07/01/06 | 14.00 | 0.00 | 0.00 |
| MB | G | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 |
| MB | N | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 |
| MB | T | Sales Tax | 01/01/00 | 7.00 | 0.00 | 0.00 |
| ON | G | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 |
| ON | N | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 |
| ON | T | Sales Tax | 01/01/00 | 8.00 | 0.00 | 0.00 |
| PQ | G | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 |
| PQ | N | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 |
| PQ | T | Sales Tax | 01/01/00 | 7.50 | 0.00 | 0.00 |
| SK | G | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 |
| SK | N | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 |
| SK | T | Sales Tax | 01/01/00 | 6.00 | 0.00 | 0.00 |

Detail Help

Insert a new line or go to the next available line, and set this new Tax Detail up the same as the old GST rate, *except* change the rate to **6%** (14% for the HST in this example) and the Effective Date to **July 1, 2006**. The system will automatically know which rate to use based on the effective date. **Remember to update all of your GST related tax codes!**

School Divisions

Go to **Financial Management > Setup > Sales Tax > Details**

School Divisions have several Tax Jurisdiction Codes to manage the different ways they handle GST.

| | Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/Capitalize |
|---|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|--------------------|
| ▶ | FED-EXP | B | Sales Tax | | 0.00 | 0.00 | 0.00 | ✓ |
| | FED-EXP | GF | Sales Tax | | 0.00 | 0.00 | 0.00 | ✓ |
| | FED-EXP | GR | Sales Tax | | 2.24 | 0.00 | 0.00 | ✓ |
| | FED-EXP | GR | Sales Tax | 07/01/06 | 1.92 | 0.00 | 0.00 | ✓ |
| | FED-EXP | I | Sales Tax | | 0.00 | 0.00 | 0.00 | ✓ |
| | FED-EXP | IP | Sales Tax | | 0.00 | 0.00 | 0.00 | ✓ |
| | FED-EXP | N | Sales Tax | | 0.00 | 0.00 | 0.00 | ✓ |
| | FED-EXP | R | Sales Tax | | 2.24 | 0.00 | 0.00 | |
| | FED-EXP | R | Sales Tax | 07/01/06 | 1.92 | 0.00 | 0.00 | |
| | FED-GST | B | Sales Tax | | 7.00 | 0.00 | 0.00 | |
| | FED-GST | B | Sales Tax | 07/01/06 | 6.00 | 0.00 | 0.00 | |
| | FED-GST | GF | Sales Tax | | 7.00 | 0.00 | 0.00 | |
| | FED-GST | GF | Sales Tax | 07/01/06 | 6.00 | 0.00 | 0.00 | |
| | FED-GST | GR | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | FED-GST | I | Sales Tax | | 7.00 | 0.00 | 0.00 | |
| | FED-GST | I | Sales Tax | 07/01/06 | 6.00 | 0.00 | 0.00 | |
| | FED-GST | IP | Sales Tax | | 7.00 | 0.00 | 0.00 | |
| | FED-GST | IP | Sales Tax | 07/01/06 | 6.00 | 0.00 | 0.00 | |
| | FED-GST | N | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | FED-GST | R | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | FED-REB | B | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | FED-REB | GF | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | FED-REB | GR | Sales Tax | | 4.76 | 0.00 | 0.00 | |
| | FED-REB | GR | Sales Tax | 07/01/06 | 4.08 | 0.00 | 0.00 | |
| | FED-REB | I | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | FED-REB | IP | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | FED-REB | N | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | FED-REB | R | Sales Tax | | 4.76 | 0.00 | 0.00 | |
| | FED-REB | R | Sales Tax | 07/01/06 | 4.08 | 0.00 | 0.00 | |

In the Details window, insert a new line for each code, and set this new Tax Detail up the same as the other codes, *except* change the rates and the Effective Date to **July 1, 2006**. The system will automatically know which rate to use based on the effective date.

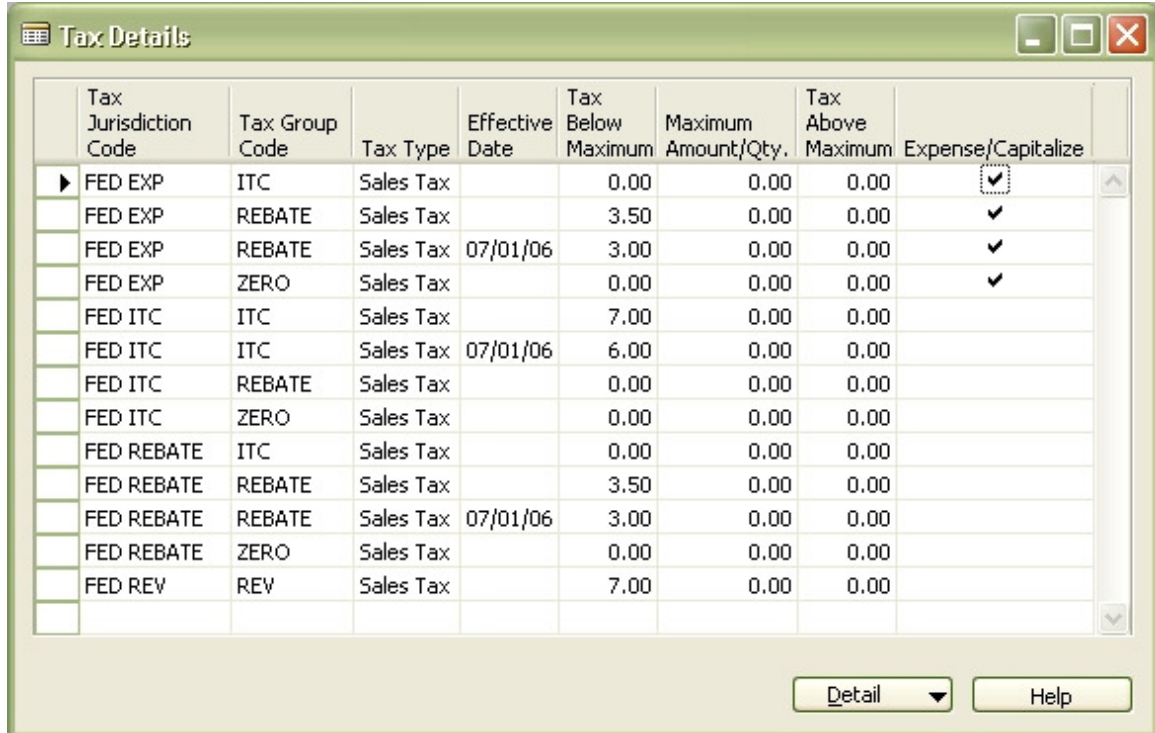
Navision handles the rebate (68%) and expense (32%) portions of GST using two percentages that add up to the total GST rate (currently it is $4.76 + 2.24 = 7\%$; starting July 1 it will be $4.08 + 1.92 = 6\%$). Be sure to check Expense/Capitalize Tax where appropriate as this is how the system knows to expense the tax rather than setup a rebate amount.

Remember to update all of your GST related tax codes!

Not-for-Profit

Go to **Financial Management > Setup > Sales Tax > Details**

Not-for-Profit organizations have several Tax Jurisdiction Codes to manage the different ways they handle GST.



| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/Capitalize |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------------------------------|
| ▶ FED EXP | ITC | Sales Tax | | 0.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| FED EXP | REBATE | Sales Tax | | 3.50 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| FED EXP | REBATE | Sales Tax | 07/01/06 | 3.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| FED EXP | ZERO | Sales Tax | | 0.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| FED ITC | ITC | Sales Tax | | 7.00 | 0.00 | 0.00 | |
| FED ITC | ITC | Sales Tax | 07/01/06 | 6.00 | 0.00 | 0.00 | |
| FED ITC | REBATE | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| FED ITC | ZERO | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| FED REBATE | ITC | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| FED REBATE | REBATE | Sales Tax | | 3.50 | 0.00 | 0.00 | |
| FED REBATE | REBATE | Sales Tax | 07/01/06 | 3.00 | 0.00 | 0.00 | |
| FED REBATE | ZERO | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| FED REV | REV | Sales Tax | | 7.00 | 0.00 | 0.00 | |

Detail ▾ Help

In the Details window, insert a new line for each code, and set this new Tax Detail up the same as the other codes, *except* change the rates and the Effective Date to **July 1, 2006**. The system will automatically know which rate to use based on the effective date.

Navision handles the rebate (50%) and expense (50%) portions of GST using two percentages that add up to the total GST rate (currently it is $3.50 + 3.50 = 7\%$; starting July 1 it will be $3.00 + 3.00 = 6\%$). Be sure to check Expense/Capitalize Tax where appropriate as this is how the system knows to expense the tax rather than setup a rebate amount.

Remember to update all of your GST related tax codes!

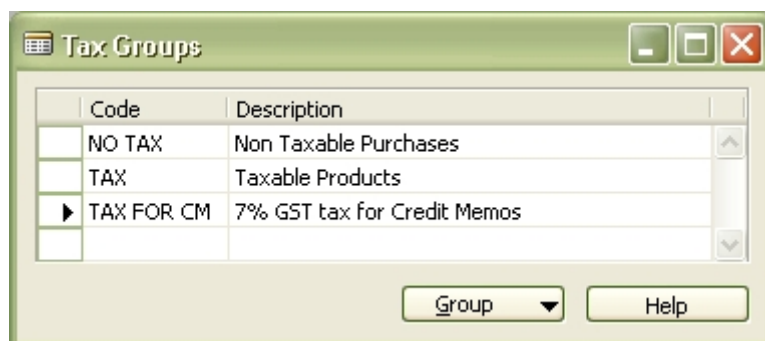
CHANGING THE GST RATE FOR CREDIT MEMOS

Version 4.0

Tax Groups

When entering credit memos against purchases or sales made prior to July 1st, 2006, you can use one of the three methods outlined on Page 1. This section outlines creating another Tax Group to process these transactions. The next section, Tax Details, outlines creating new Tax Details.

Go to **Financial Management > Setup > Sales Tax > Groups**



The screenshot shows the 'Tax Groups' window with a table containing three rows:

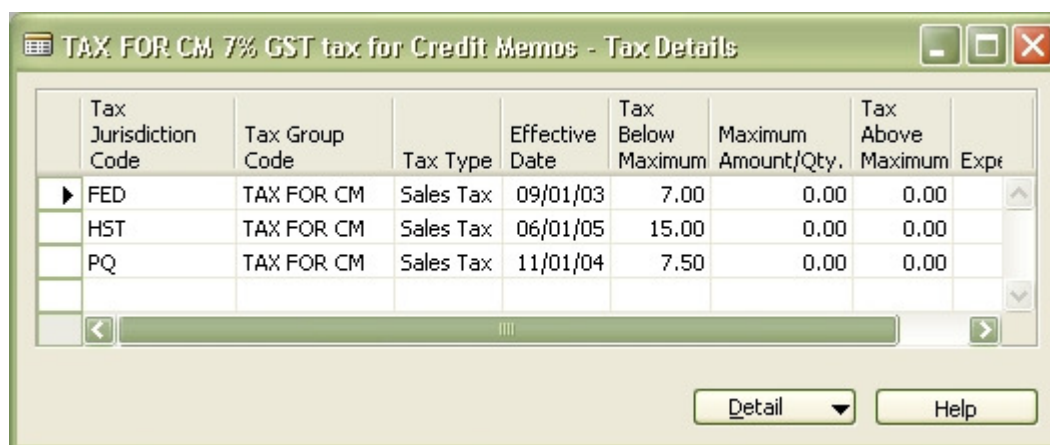
| Code | Description |
|------------|-----------------------------|
| NO TAX | Non Taxable Purchases |
| TAX | Taxable Products |
| TAX FOR CM | 7% GST tax for Credit Memos |

At the bottom of the window, there are two buttons: 'Group' and 'Help'.

Create a new Tax Group Code; be sure to give it a relevant description.

Next, select your other tax group code and click on the Group button, then select Details. This will open the Tax Details window. Select all the lines in this window and then click Edit > Copy. Close this window.

Now, select the tax group you just created and click Edit > Paste. All the tax details from the other tax group will now appear in the new tax group.



The screenshot shows the 'TAX FOR CM 7% GST tax for Credit Memos - Tax Details' window. It contains a table with the following data:

| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expt |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|------|
| FED | TAX FOR CM | Sales Tax | 09/01/03 | 7.00 | 0.00 | 0.00 | |
| HST | TAX FOR CM | Sales Tax | 06/01/05 | 15.00 | 0.00 | 0.00 | |
| PQ | TAX FOR CM | Sales Tax | 11/01/04 | 7.50 | 0.00 | 0.00 | |

At the bottom of the window, there are two buttons: 'Detail' and 'Help'.

Tax Details

Go to **Financial Management > Setup > Sales Tax > Groups > Group button > Details**

Choose the group that is used for the tax calculation, in this example, it is TAX, and click the Group button > Details. Choose the code that is used for the GST, in this example, there are two and they are FED and HST.

| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/... |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------|
| FED | TAX | Sales Tax | 09/01/03 | 7.00 | 0.00 | 0.00 | |
| HST | TAX | Sales Tax | 06/01/05 | 15.00 | 0.00 | 0.00 | |
| PQ | TAX | Sales Tax | 11/01/04 | 7.50 | 0.00 | 0.00 | |

Detail Help

| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/... |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------|
| FED | TAX | Sales Tax | 09/01/03 | 7.00 | 0.00 | 0.00 | |
| FED | TAX | Sales Tax | 07/01/06 | 6.00 | 0.00 | 0.00 | |
| HST | TAX | Sales Tax | 06/01/05 | 15.00 | 0.00 | 0.00 | |
| HST | TAX | Sales Tax | 07/01/06 | 14.00 | 0.00 | 0.00 | |
| PQ | TAX | Sales Tax | 11/01/04 | 7.50 | 0.00 | 0.00 | |

Detail Help

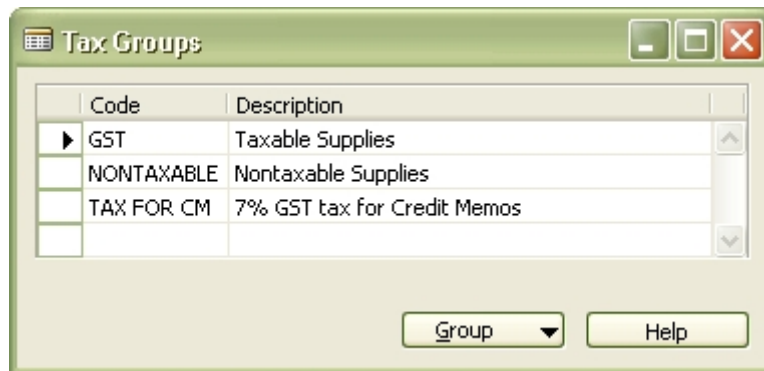
Insert a new line or go to the next available line, and set this new Tax Detail up the same as the old GST rate, *except* change the rate to **6%** (14% for the HST in this example) and the Effective Date to **July 1, 2006**. The system will automatically know which rate to use based on the effective date. **Remember to update all of your GST related tax codes!**

Versions 2.6 – 3.70

Tax Groups

When entering credit memos against purchases or sales made prior to July 1st, 2006, you can use one of the three methods outlined on Page 1. This section outlines creating another Tax Group to process these transactions. The next section, Tax Details, outlines creating new Tax Details.

Go to **General Ledger > Setup > Sales Tax > Groups**



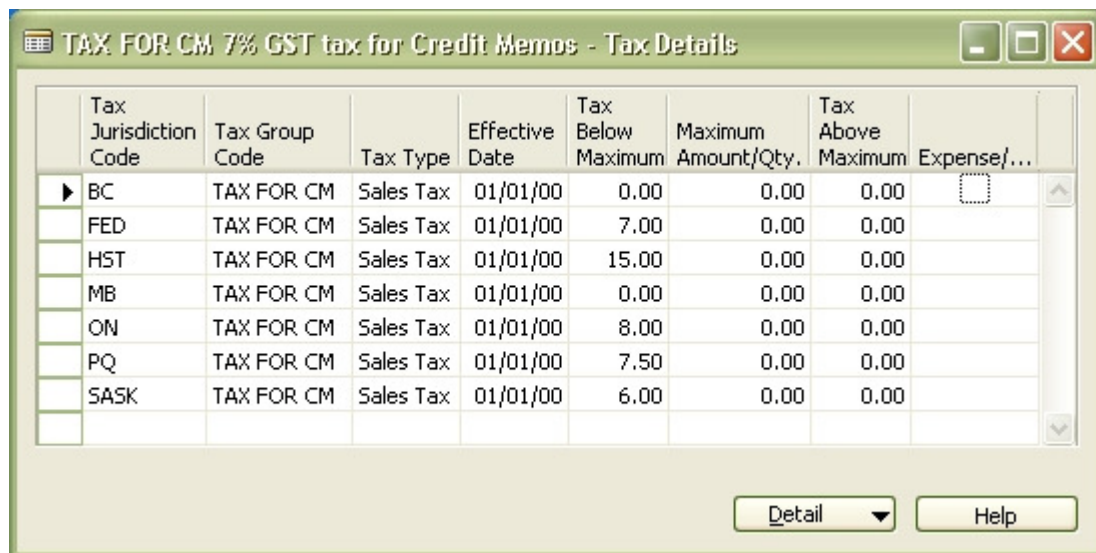
| Code | Description |
|------------|-----------------------------|
| ▶ GST | Taxable Supplies |
| NONTAXABLE | Nontaxable Supplies |
| TAX FOR CM | 7% GST tax for Credit Memos |
| | |

Group Help

Create a new Tax Group Code; be sure to give it a relevant description.

Next, select your other tax group code and click on the Group button, then select Details. This will open the Tax Details window. Select all the lines in this window and then click Edit > Copy. Close this window.

Now, select the tax group you just created and click Edit > Paste. All the tax details from the other tax group will now appear in the new tax group.



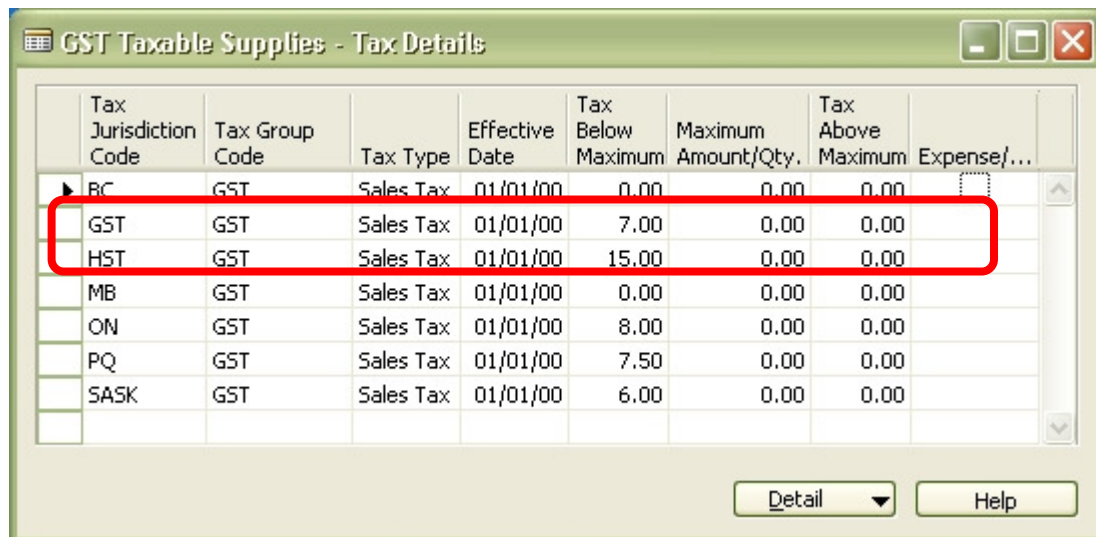
| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/... |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------|
| ▶ BC | TAX FOR CM | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 | |
| FED | TAX FOR CM | Sales Tax | 01/01/00 | 7.00 | 0.00 | 0.00 | |
| HST | TAX FOR CM | Sales Tax | 01/01/00 | 15.00 | 0.00 | 0.00 | |
| MB | TAX FOR CM | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 | |
| ON | TAX FOR CM | Sales Tax | 01/01/00 | 8.00 | 0.00 | 0.00 | |
| PQ | TAX FOR CM | Sales Tax | 01/01/00 | 7.50 | 0.00 | 0.00 | |
| SASK | TAX FOR CM | Sales Tax | 01/01/00 | 6.00 | 0.00 | 0.00 | |
| | | | | | | | |

Detail Help

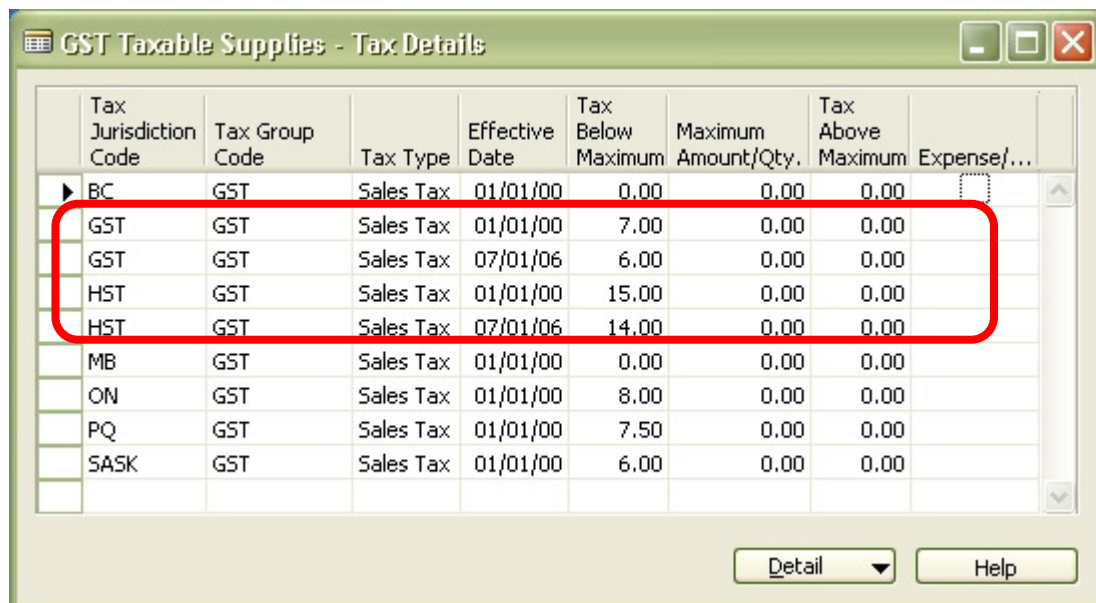
Tax Details

Go to **General Ledger > Setup > Sales Tax > Groups > Group button > Details**

Choose the group that is used for the tax calculation, in this example, it is GST, and click the Group button > Details. Choose the code that is used for the GST, in this example, there are two and they are GST and HST.



| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/... |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------|
| BC | GST | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 | |
| GST | GST | Sales Tax | 01/01/00 | 7.00 | 0.00 | 0.00 | |
| HST | GST | Sales Tax | 01/01/00 | 15.00 | 0.00 | 0.00 | |
| MB | GST | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 | |
| ON | GST | Sales Tax | 01/01/00 | 8.00 | 0.00 | 0.00 | |
| PQ | GST | Sales Tax | 01/01/00 | 7.50 | 0.00 | 0.00 | |
| SASK | GST | Sales Tax | 01/01/00 | 6.00 | 0.00 | 0.00 | |



| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/... |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------|
| BC | GST | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 | |
| GST | GST | Sales Tax | 01/01/00 | 7.00 | 0.00 | 0.00 | |
| GST | GST | Sales Tax | 07/01/06 | 6.00 | 0.00 | 0.00 | |
| HST | GST | Sales Tax | 01/01/00 | 15.00 | 0.00 | 0.00 | |
| HST | GST | Sales Tax | 07/01/06 | 14.00 | 0.00 | 0.00 | |
| MB | GST | Sales Tax | 01/01/00 | 0.00 | 0.00 | 0.00 | |
| ON | GST | Sales Tax | 01/01/00 | 8.00 | 0.00 | 0.00 | |
| PQ | GST | Sales Tax | 01/01/00 | 7.50 | 0.00 | 0.00 | |
| SASK | GST | Sales Tax | 01/01/00 | 6.00 | 0.00 | 0.00 | |

Insert a new line or go to the next available line, and set this new Tax Detail up the same as the old GST rate, *except* change the rate to **6%** (14% for the HST in this example) and the Effective Date to **July 1, 2006**. The system will automatically know which rate to use based on the effective date. ***Remember to update all of your GST related tax codes!***

School Divisions

Tax Groups

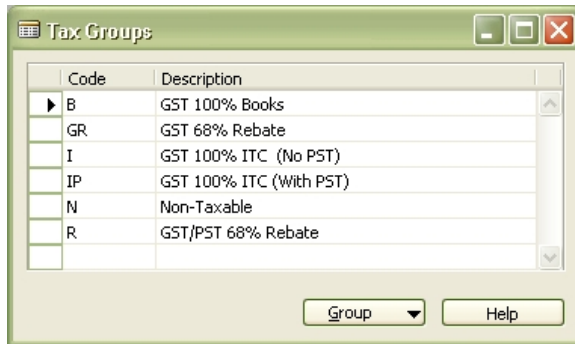
When entering credit memos against purchases or sales made prior to July 1st, 2006, you can use one of the three methods outlined on Page 1. This section outlines creating another Tax Group to process these transactions. The next section, Tax Details, outlines creating new Tax Details.

Please note, in Education Suite we have functionality that makes over-riding the tax amounts on payable credit memos very easy. It is not necessary that these additional Tax Groups be created, but this is at your discretion.

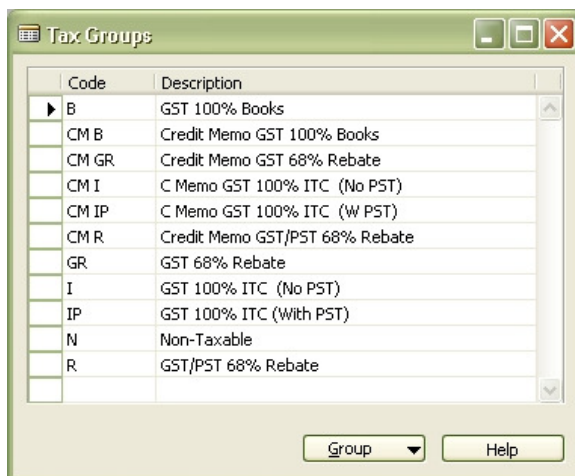
- Payables – override the GST amount as per the supplier credit memos.
- Receivables – setup a single Tax Group code “CM I” to handle the Sales credit memos that apply to pre-July 1 invoices.

As School Divisions have several tax groups set up to handle the various GST calculations, a new Credit Memo tax group is needed for each of these.

Go to **Financial Management > Setup > Sales Tax > Groups**



Create a new Tax Group Code for each of your tax groups, be sure assign relevant descriptions. For this example, all of the Credit Memo codes begin with CM, you can choose your own naming convention.



Next, select one of the non-CM tax group codes – we will start at the top and choose Tax Group Code B – and click on the Group button, then select Details. This will open the Tax Details window. Select all the lines in this window and then click Edit > Copy. Close this window.

Now, select the corresponding credit memo tax group you just created – CM B – and click Edit > Paste. All the tax details from the other tax group will now appear in the new tax group.

| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/Capitalize |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------------------------------|
| ▶ FED-EXP | CM B | Sales Tax | | 0.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| FED-GST | CM B | Sales Tax | | 7.00 | 0.00 | 0.00 | |
| FED-REB | CM B | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| PROV-SK | CM B | Sales Tax | | 0.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |

Detail Help

You will need to repeat this process for each tax group code.

Tax Details

Go to **General Ledger > Setup > Sales Tax > Groups > Group button > Details**

Using the B Tax Group Code from the previous example, we will now update the details. Choose the B Tax Group Code and click the Group button > Details.

School Divisions have several Tax Jurisdiction Codes to manage the different ways they handle GST.

| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/Capitalize |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------------------------------|
| ► FED-EXP | B | Sales Tax | | 0.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| FED-GST | B | Sales Tax | | 7.00 | 0.00 | 0.00 | |
| FED-GST | B | Sales Tax | 07/01/06 | 6.00 | 0.00 | 0.00 | |
| FED-REB | B | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| PROV-SK | B | Sales Tax | | 0.00 | 0.00 | 0.00 | <input type="checkbox"/> |

In the Details window, insert a new line for each code, and set this new Tax Detail up the same as the other codes, *except* change the rates and the Effective Date to **July 1, 2006**. The system will automatically know which rate to use based on the effective date.

Navision handles the rebate (68%) and expense (32%) portions of GST using two percentages that add up to the total GST rate (currently it is $4.76 + 2.24 = 7\%$; starting July 1 it will be $4.08 + 1.92 = 6\%$). Be sure to check Expense/Capitalize Tax where appropriate as this is how the system knows to expense the tax rather than setup a rebate amount.

Remember to update all of your GST related tax codes!

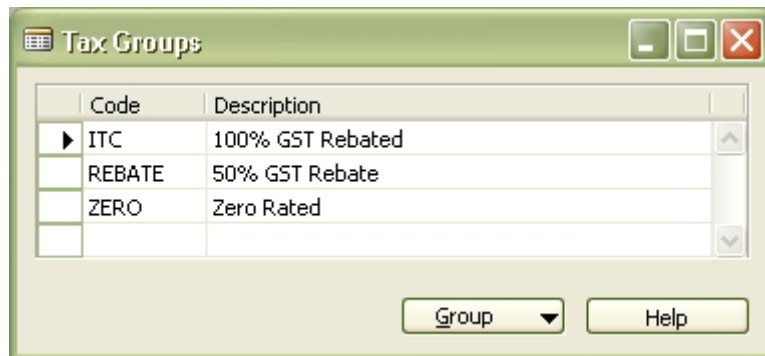
Not-for-Profit

Tax Groups

When entering credit memos against purchases or sales made prior to July 1st, 2006, you can use one of the three methods outlined on Page 1. This section outlines creating another Tax Group to process these transactions. The next section, Tax Details, outlines creating new Tax Details.

As Not-for-Profit Societies have several tax groups set up to handle the various GST calculations, a new Credit Memo tax group is needed for each of these.

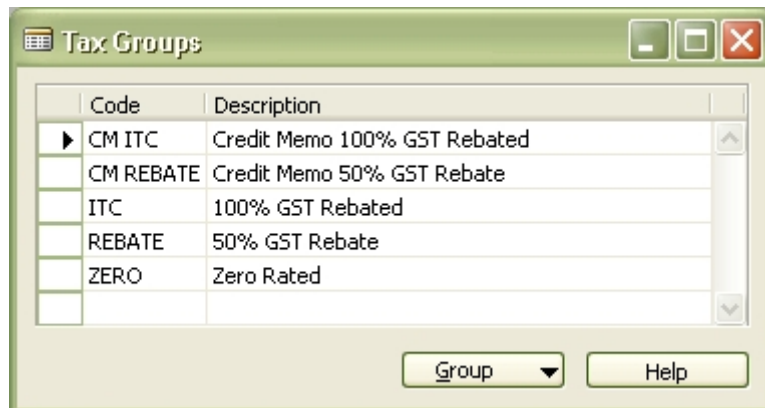
Go to **Financial Management > Setup > Sales Tax > Groups**



The screenshot shows a window titled "Tax Groups" with a table containing three rows of tax groups. The first row is selected with a mouse cursor. The table has columns for "Code" and "Description". Below the table are two buttons: "Group" and "Help".

| Code | Description |
|--------|------------------|
| ITC | 100% GST Rebated |
| REBATE | 50% GST Rebate |
| ZERO | Zero Rated |

Create a new Tax Group Code for each of your tax groups, be sure assign relevant descriptions. For this example, all of the Credit Memo codes begin with CM, you can choose your own naming convention.



The screenshot shows a window titled "Tax Groups" with a table containing six rows of tax groups. The first row is selected with a mouse cursor. The table has columns for "Code" and "Description". Below the table are two buttons: "Group" and "Help".

| Code | Description |
|-----------|------------------------------|
| CM ITC | Credit Memo 100% GST Rebated |
| CM REBATE | Credit Memo 50% GST Rebate |
| ITC | 100% GST Rebated |
| REBATE | 50% GST Rebate |
| ZERO | Zero Rated |

Next, select one of the non-CM tax group codes – we will start at the top and choose Tax Group Code REBATE – and click on the Group button, then select Details. This will open the Tax Details window. Select all the lines in this window and then click Edit > Copy. Close this window.

Now, select the corresponding credit memo tax group you just created – CM B – and click Edit > Paste. All the tax details from the other tax group will now appear in the new tax group.

| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/Capitalize |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------------------------------|
| FED EXP | CM REBATE | Sales Tax | | 3.50 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| FED ITC | CM REBATE | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| FED REBATE | CM REBATE | Sales Tax | | 3.50 | 0.00 | 0.00 | |

You will need to repeat this process for each tax group code.

Tax Details

Go to **General Ledger > Setup > Sales Tax > Groups > Group button > Details**

Using the REBATE Tax Group Code from the previous example, we will now update the details. Choose the REBATE Tax Group Code and click the Group button > Details.

Not-for-Profit Societies have several Tax Jurisdiction Codes to manage the different ways they handle GST.

| Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/Capitalize |
|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------------------------------|
| FED EXP | REBATE | Sales Tax | | 3.50 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| FED EXP | REBATE | Sales Tax | 07/01/06 | 3.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| FED ITC | REBATE | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| FED REBATE | REBATE | Sales Tax | | 3.50 | 0.00 | 0.00 | |
| FED REBATE | REBATE | Sales Tax | 07/01/06 | 3.00 | 0.00 | 0.00 | |
| | | | | | | | |

Detail Help

In the Details window, insert a new line for each code, and set this new Tax Detail up the same as the other codes, *except* change the rates and the Effective Date to **July 1, 2006**. The system will automatically know which rate to use based on the effective date.

Navision handles the rebate (50%) and expense (50%) portions of GST using two percentages that add up to the total GST rate (currently it is $3.50 + 3.50 = 7\%$; starting July 1 it will be $3.00 + 3.00 = 6\%$). Be sure to check Expense/Capitalize Tax where appropriate as this is how the system knows to expense the tax rather than setup a rebate amount.

Remember to update all of your GST related tax codes!

ADDITIONAL EXAMPLES

CM TAX Credit Memo Taxable - Tax Details

| | Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/.. |
|---|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|--------------------------|
| ▶ | GST | CM TAX | Sales Tax | | 7.00 | 0.00 | 0.00 | <input type="checkbox"/> |

[Detail](#) [Help](#)

TAX Taxable - Tax Details

| | Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/.. |
|---|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|--------------------------|
| ▶ | GST | TAX | Sales Tax | | 7.00 | 0.00 | 0.00 | <input type="checkbox"/> |
| | GST | TAX | Sales Tax | 07/01/06 | 6.00 | 0.00 | 0.00 | <input type="checkbox"/> |

[Detail](#) [Help](#)

CM GR Credit Memo GST 68% Rebate - Tax Details

| | Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/Capitalize |
|---|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------------------------------|
| ▶ | FED-EXP | CM GR | Sales Tax | | 2.24 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| | FED-GST | CM GR | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | FED-REB | CM GR | Sales Tax | | 4.76 | 0.00 | 0.00 | |
| | PROV-SK | CM GR | Sales Tax | | 0.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |

Detail ▾ Help

GR GST 68% Rebate - Tax Details

| | Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/Capitalize |
|---|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------------------------------|
| ▶ | FED-EXP | GR | Sales Tax | | 2.24 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| | FED-EXP | GR | Sales Tax | 07/01/06 | 1.92 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| | FED-GST | GR | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | FED-REB | GR | Sales Tax | | 4.76 | 0.00 | 0.00 | |
| | FED-REB | GR | Sales Tax | 07/01/06 | 4.08 | 0.00 | 0.00 | |
| | PROV-SK | GR | Sales Tax | | 0.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |

Detail ▾ Help

CM R Credit Memo GST/PST 68% Rebate - Tax Details

| | Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/Capitalize |
|---|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------------------------------|
| ▶ | FED-EXP | CM R | Sales Tax | | 2.24 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| | FED-GST | CM R | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | FED-REB | CM R | Sales Tax | | 4.76 | 0.00 | 0.00 | |
| | PROV-SK | CM R | Sales Tax | | 7.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |

Detail ▾ Help

R GST/PST 68% Rebate - Tax Details

| | Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/Capitalize |
|---|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------------------------------|
| ▶ | FED-EXP | R | Sales Tax | | 2.24 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| | FED-EXP | R | Sales Tax | 07/01/06 | 1.92 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| | FED-GST | R | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | FED-REB | R | Sales Tax | | 4.76 | 0.00 | 0.00 | |
| | FED-REB | R | Sales Tax | 07/01/06 | 4.08 | 0.00 | 0.00 | |
| | PROV-SK | R | Sales Tax | | 7.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |

Detail ▾ Help

CM ITC Credit Memo 100% GST Rebated - Tax Details

| | Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/Capitalize |
|---|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------------------------------|
| ▶ | FED EXP | CM ITC | Sales Tax | | 0.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| | FED ITC | CM ITC | Sales Tax | | 7.00 | 0.00 | 0.00 | |
| | FED REBATE | CM ITC | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | | | | | | | | |

Detail ▾ Help

ITC 100% GST Rebated - Tax Details

| | Tax Jurisdiction Code | Tax Group Code | Tax Type | Effective Date | Tax Below Maximum | Maximum Amount/Qty. | Tax Above Maximum | Expense/Capitalize |
|---|-----------------------|----------------|-----------|----------------|-------------------|---------------------|-------------------|-------------------------------------|
| ▶ | FED EXP | ITC | Sales Tax | | 0.00 | 0.00 | 0.00 | <input checked="" type="checkbox"/> |
| | FED ITC | ITC | Sales Tax | | 7.00 | 0.00 | 0.00 | |
| | FED ITC | ITC | Sales Tax | 07/01/06 | 6.00 | 0.00 | 0.00 | |
| | FED REBATE | ITC | Sales Tax | | 0.00 | 0.00 | 0.00 | |
| | | | | | | | | |

Detail ▾ Help