

How Do You Do a Tax Code Adjustment in Cash Receipts? - Accrual

Tammy Mason - 2017-09-18 - in Customer

How Do You Do a Tax Code Adjustment in Cash Receipts? - Accrual

Customer Does Not Pay Sales Tax Originally Billed in Error

1. Highlight the invoice being paid and click Inv edit. In the Amt paid field enter the entire payment. This is less than the Amt due.
2. Enter the underpayment as positive adjustment and use the G/L # 228, Sales Tax Payable. This will clear the invoice from the open invoices.
3. After you click Ok, the Tax Code Adjustment window will appear.
4. Edit the tax code showing in the window, if it is the tax code that was on the original invoice. If not, click add and enter or lookup the tax code number used when originally billing the order.
5. Enter negative amounts in the Sales, Freight and Taxable sales fields. Click Ok.
6. If there were two tax codes on the original invoice, enter the second tax code and the same negative amounts in the respective fields. Click Ok.
7. Add your exempt sales tax code and enter positive Sales and Freight amounts. Click Ok. When finished, click Cancel to close the Tax Code Adjustments window. Click Ok. If you do not do this step while in cash receipts, a tax code adjustment will need to be entered in the menu option Tax Code Adjustments.

A tax code adjustment moves the sales from the taxable sales tax codes to the exempt sales tax code on your Sales Tax Report, but does not affect the Monthly Billed Orders Report.

Customer Pays Sales Tax Not Originally Billed

1. Highlight the invoice being paid and click Inv edit. In the Amt paid field enter the entire payment amount. This is more than the Amt due. Enter the overpayment as a negative adjustment and use the G/L # 228, Sales Tax Payable. This will clear the invoice from the open invoices.
2. After you click Ok, the Tax Code Adjustment window will appear.
3. Edit the tax code showing in the window, if it is the tax code that was on the original invoice. (this should be the exempt tax code.) If not, click add and enter or lookup the tax code number used when originally billing the order.
4. Click add and enter or look up the tax code that should of been on the order (this will be the taxable code) and enter positive Sales and Freight amounts. Click Ok.
5. When finished, click Cancel to close the Tax Code Adjustments window. Click Ok. If you do not do this step while in cash receipts, a tax code adjustment will need to be entered in the menu option Tax Code Adjustments.

This tax code adjustment moves the sales from the exempt sales tax codes to the taxable sales tax code on your Sales Tax Report, but does not affect the Monthly Billed Orders Report.