

## How Do You Handle if a Customer Does Not Pay Sales Tax Originally Billed In Error? - Cash Basis

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### **How Do You Handle if a Customer Does Not Pay Sales Tax Originally Billed In Error? - Cash Basis**

1. In cash receipts enter the customer number and click add customer check. Do not enter a check number or check amount.
- 2 Highlight the invoice being paid and click Inv edit.
3. In the Amt Paid field enter the amount paid against this invoice. Enter the sales tax amount as a positive figure in the Cr/adj amt field and CHANGE the Tax code fields to the non-taxable tax code for this invoice.
4. Correct the Paid amounts for Sales, Freight and Insurance back to the original invoice amounts showing in the Beg balance fields. The Tax amt fields under the Paid and Adjustment columns both need to be corrected. Be sure to enter Zero in the Paid field and the tax amount is entered in the Adjustment field.
5. The Tax Code Adjustment Screen appears automatically when OK is clicked. Select Cancel, as no adjustment is needed in this case A Tax Code Adjustment is needed when you have previously applied a partial payment to this invoice and now need to adjust off the tax. The system will update the correct amounts for taxable and nontaxable sales and tax due when the tax codes are changed in the above steps.