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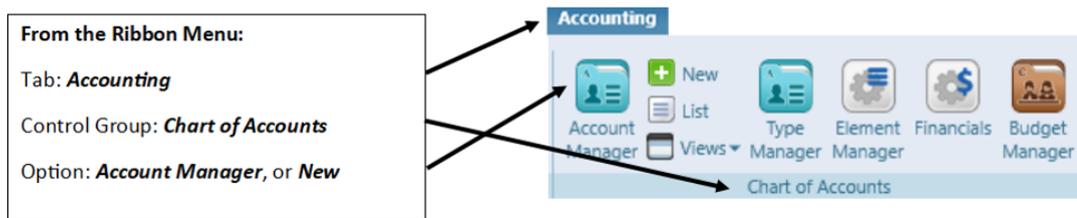
Portal > Knowledgebase > ASI SmartBooks Knowledgebase > Vendors > How Do You Record Sales Tax Discount?

How Do You Record Sales Tax Discount?

Tammy Mason - 2022-07-19 - in Vendors

How Do You Record Sales Tax Discount?

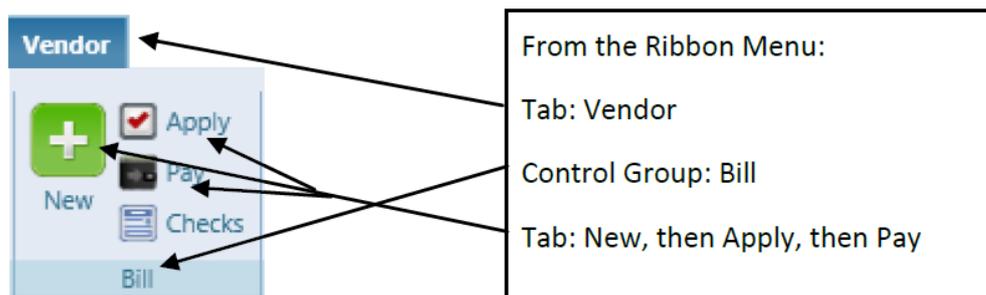
Explanation: If your Sales Tax Authority allows discounts (example: paying early), you will need to create a new bill for the negative amount. You will then have a history of discounts under each tax authority. If you do not already have a general ledger account set up for Sales Tax Discounts, do this step first:



Click **SAVE** when complete:

The image shows a 'New Account' dialog box. The title bar reads 'New Account*'. Below the title bar are buttons for 'New', 'Copy', 'Save', 'Delete', 'Cancel', and 'Close'. The 'Number' field contains '501' and the 'Description' field contains 'Sales Tax Discount'. The 'Status' is set to 'Active'. The 'Type' dropdown is set to 'Other Income'. The 'Subaccount Of' dropdown is set to '0 (Select)'.

Now record the discount:



In Bill -New:

Select the proper Sales Tax Authority.

In the Reference field, indicate this is a Discount.

Input the negative amount.

Click **Process**.

Bill - New x

Process Import Cancel Close

Type Vendor TaxVend Department of Iowa Revenue and Taxation Edit Posting Date 8/6/2015

Classification Invoice

Invoice Date 8/6/2015 Reference discount Amount (\$15.00)

Due Date 8/6/2015 Terms On Receipt

In Bill-Apply:

Select the proper Sales Tax Authority.

Expand "Non-Order".

Enter Sales Tax Discount Ledger.

Enter negative amount.

Click **Process**.

^ Non Order			
Ledger	Description	Memo	Applied
551	Iowa Sales tax	discount	(\$15.00)

In Bill Pay: When it comes time to pay the sales tax, you will simply check the discount amount along with the other invoices for this tax authority.

Method Check

Account 100 Cash in Bank Edit Handwritten Check Pay by Sales Tax Filing Date

ASI Computer Systems, Inc.
402 East 4th Street
Waterloo, IA 50703

****To Print****

Date 12/21/2018

Pay to the Order of Sales Tax Vendor \$121.95

One hundred twenty-one and 95/100 Dollars

Memo

<input checked="" type="checkbox"/>	Type	Reference	Date	Terms	Discount Date	Discount	Due Date	Amount	Discount Taken	Payment	Balance
<input checked="" type="checkbox"/>	Invoice	10000	11/28/2018	Net 30			11/28/2018	\$12.00	0.00	\$12.00	\$0.00
<input checked="" type="checkbox"/>	Invoice	10001	12/21/2018	Net 30			12/21/2018	\$41.65	0.00	\$41.65	\$0.00
<input checked="" type="checkbox"/>	Invoice	10002	12/21/2018	Net 30			12/21/2018	\$83.30	0.00	\$83.30	\$0.00
<input checked="" type="checkbox"/>	Invoice	December 2018 Dis	12/21/2018	Net 30			1/20/2019	(\$15.00)	0.00	(\$15.00)	\$0.00