Microsoft Dynamics® GP

Tax Administration Purchasing

Contents

Introduction

Tax Administration Purchasing allows you to calculate taxes based on the legal requirements for the Andean region. You can view, edit and apply the potential taxes or withholdings. You can view the credit notes and debit notes that are generated for the taxes you have edited.

Tax Administration Purchasing also integrates with Analytical Accounting to provide you with detailed analysis information for credit notes and debit notes that are generated for the taxes you have edited in Tax Administration Purchasing.

Check for current instructions

This information was current as of May 2010. The documentation may be updated as new information becomes available. Check the Microsoft Dynamics® GP online Web site (http://go.microsoft.com/fwlink/?LinkID=161199) for the most current documentation.

The introduction is divided into the following sections:

- *What's in this manual*
- *Symbols and conventions*
- *Resources available from the Help menu*
- *Send us your documentation comments*

What's in this manual

This manual is designed to give you an in-depth understanding of how to use the features of Tax Administration Purchasing, and how it integrates with the Microsoft Dynamics GP system.

To make best use of Tax Administration Purchasing, you should be familiar with systemwide features described in the System User's Guide, the System Setup Guide, and the System Administrator's Guide.

Some features described in the documentation are optional and can be purchased through your Microsoft Dynamics GP partner.

To view information about the release of Microsoft Dynamics GP that you're using and which modules or features you are registered to use, choose Help >> About Microsoft Dynamics GP.

This manual is divided into the following chapters:

- Chapter 1, "Setup," explains how to set up Tax Administration Purchasing for your company.

- Chapter 2, "Transactions," describes the process of calculating taxes and withholdings for purchasing transactions. You can view, edit and apply the potential taxes or withholdings.

- Chapter 3, "Inquiries and reports," explains how to view the information you have entered into the system and generate the reports.

Symbols and conventions

For definitions of unfamiliar terms, see the glossary in the manual or refer to the glossary in Help.

Symbol	Description
	The light bulb symbol indicates helpful tips, shortcuts and suggestions.
	The warning symbol indicates situations you should be especially aware of when completing tasks.

This manual uses the following conventions to refer to sections, navigation and other information.

Convention	Description
Creating a batch	Italicized type indicates the name of a section or procedure.
File >> Print or **File > Print**	The (>>) or (**>**) symbol indicates a sequence of actions, such as selecting items from a menu or toolbar, or pressing buttons in a window. This example directs you to go to the File menu and choose Print.
TAB or ENTER	All capital letters indicate a key or a key sequence.

Resources available from the Help menu

The Microsoft Dynamics GP Help menu gives you access to user assistance resources on your computer, as well as on the Web.

Contents

Opens the Help file for the active Microsoft Dynamics GP component, and displays the main "contents" topic. To browse a more detailed table of contents, click the Contents tab above the Help navigation pane. Items in the contents topic and tab are arranged by module. If the contents for the active component includes an "Additional Help files" topic, click the links to view separate Help files that describe additional components.

To find information in Help by using the index or full-text search, click the appropriate tab above the navigation pane, and type the keyword to find.

To save the link to a topic in the Help, select a topic and then select the Favorites tab. Click Add.

Index

Opens the Help file for the active Microsoft Dynamics GP component, with the Index tab active. To find information about a window that's not currently displayed, type the name of the window, and click Display.

About this window

Displays overview information about the current window. To view related topics and descriptions of the fields, buttons, and menus for the window, choose the appropriate link in the topic. You also can press F1 to display Help about the current window.

Lookup

Opens a lookup window, if a window that you are viewing has a lookup window. For example, if the Checkbook Maintenance window is open, you can choose this item to open the Checkbooks lookup window.

Show Required Fields

Highlights fields that are required to have entries. Required fields must contain information before you can save the record and close the window. You can change the font color and style used to highlight required fields. On the Microsoft Dynamics GP menu, choose User Preferences, and then choose Display.

Printable Manuals

Displays a list of manuals in Adobe Acrobat .pdf format, which you can print or view.

What's New

Provides information about enhancements that were added to Microsoft Dynamics GP since the last major release.

Microsoft Dynamics GP Online

Opens a Web page that provides links to a variety of Web-based user assistance resources. Access to some items requires registration for a paid support plan.

Current implementation and upgrade information The most recent revisions of upgrade and implementation documentation, plus documentation for service packs and payroll tax updates.

User documentation and resources The most recent user guides, how-to articles, and white papers for users.

Developer documentation and resources The most recent documentation and updated information for developers.

Product support information Information about the Microsoft Dynamics GP product support plans and options that are available, along with information about peer support and self-support resources.

Services information Information about Microsoft Dynamics GP support, training, and consulting services.

Microsoft Dynamics GP Community Access to newsgroups, where you can ask questions or share your expertise with other Microsoft Dynamics GP users.

CustomerSource home page A wide range of resources available to customers who are registered for a paid support plan. Includes access to Knowledge Base articles, software downloads, self-support, and much more.

Customer Feedback Options

Provides information about how you can join the Customer Experience Improvement Program to improve the quality, reliability, and performance of Microsoft® software and services.

Send us your documentation comments

We welcome comments regarding the usefulness of the Microsoft Dynamics GP documentation. If you have specific suggestions or find any errors in this manual, send your comments by e-mail to the following address: bizdoc@microsoft.com.

To send comments about specific topics from within Help, click the Documentation Feedback link, which is located at the bottom of each Help topic.

Note: By offering any suggestions to Microsoft, you give Microsoft full permission to use them freely.

Chapter 1: Setup

Use this information to set up your system to generate the purchasing tax reports for your company. You can calculate the taxes and the withholdings (negative taxes) for purchasing transactions.

When you set up Tax Administration Purchasing, you can open each setup window and enter information, or you can use the Setup Checklist window (Microsoft Dynamics GP menu >> Tools >> Setup >> Setup Checklist) to guide you through the setup process. See your System Setup Guide (Help >> Contents >> select Setting up the System) for more information about the Setup Checklist window.

- *Setting up the purchasing tax defaults*
- *Setting up the tax details*

Setting up the purchasing tax defaults

Use the Default Tax Setup - Purchasing window to specify the default tax settings for purchasing transactions. This setting will default in the Payables Tax Entry window (Transactions >> Purchasing >> Transaction Entry >> Tax expansion button). You can change this setting during transaction entry.

To set up the purchasing tax defaults:

1. Open the Default Tax Setup - Purchasing window.
   (Microsoft Dynamics GP menu >> Tools >> Setup >> Purchasing >> Purchasing Tax Setup)
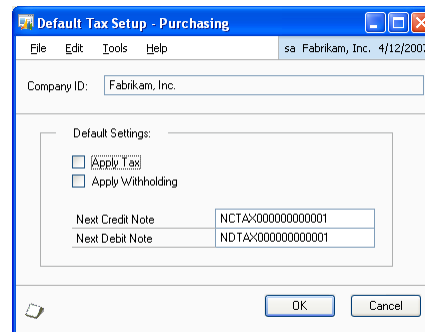
The Company ID field displays the company you are logged into.

2. Mark the Apply Tax checkbox to apply positive taxes by default to purchasing transactions.

3. Mark the Apply Withholding checkbox to apply withholding taxes by default to purchasing transactions.

4. Enter the next number to be used for credit notes that are generated when you cancel positive taxes or add withholding taxes.

5. Enter the next number to be used for debit notes that are generated when you add positive taxes or cancel withholding taxes.

6. Choose OK to save the settings, or choose Cancel to cancel the process and close the window.

Setting up the tax details

Use the Tax Detail Maintenance window (Microsoft Dynamics GP menu >> Tools >> Setup >> Company >> Tax Details) to set up the tax detail IDs for the positive and negative taxes to use when entering purchasing transactions. Refer to the System Setup documentation for more information.

Be sure to mark the Enable Reverse Charge Taxes checkbox in the Company Setup Options window (Microsoft Dynamics GP menu >> Tools >> Setup >> Company >> Company >> Choose Options) to calculate the withholdings.

Chapter 2: Transactions

Use this information to understand the process of calculating taxes and withholdings for a purchasing transaction. You can also view, apply, and edit the potential taxes or withholdings.

This information is divided into the following sections:

- *Modifying taxes*
- *Viewing potential taxes for Payables Management transactions*
- *Viewing potential taxes for purchase orders*
- *Viewing potential taxes for shipments and invoices*
- *Using the Purchasing Tax wizard*
- *Editing taxes*
- *Viewing the adjustment documents*

Modifying taxes

In the Purchasing Tax Entry window, if the Apply Taxes and Apply Withholding checkboxes are marked, you can view the default taxes and withholdings for the transaction. You can modify these taxes and add new ones if required. The taxes and withholdings displayed here are applied by default when you post the transaction. If the checkboxes are not marked, you can view the taxes and withholdings for the transaction in the Potential Purchasing Tax Entry window. Such taxes and withholdings are potential taxes. Potential taxes do not appear on the invoice, and can be applied to a document even after it has been posted. You can convert potential taxes to applied taxes by marking the relevant checkbox before posting the transaction.

The default status for these checkboxes depends on your settings in the Default Tax Setup - Purchasing window. Refer to *Setting up the purchasing tax defaults* on page 5 for more information. You can change the default settings at any time before you post the transaction.

The withholding taxes are identified by a minus sign, or as selected in the Negative Sign setup for the currency in the Currency Setup window (Microsoft Dynamics GP menu >> Tools >> Setup >> System >> Currency).

To modify taxes:

1. Open the Purchasing Tax Entry window.
    (Transactions >> Purchasing >> Transaction Entry >> Tax expansion button)
    (Transactions >> Purchasing >> Purchase Order Entry >> Tax expansion button)
    (Transactions >> Purchasing >> Receivings Transaction Entry >> Tax expansion button)
    (Transactions >> Purchasing >> Enter/Match Invoices >> Tax expansion button)
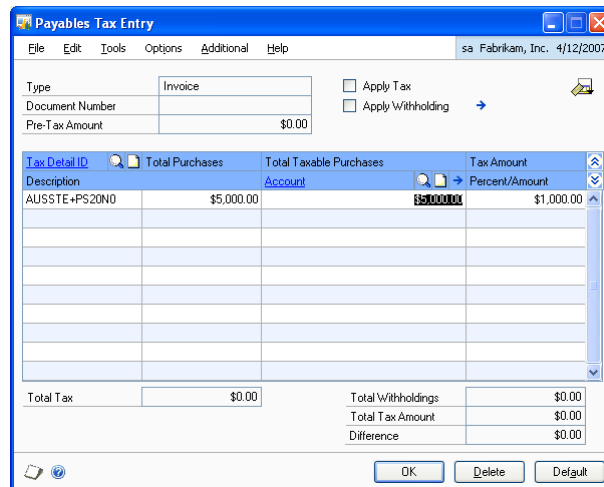
The Type, Document No. and Pre-Tax Amount fields display the values from the Purchasing Transaction Entry window.

2. Mark the Apply Taxes checkbox to view the default taxes for the transaction in the scrolling window. Unmark this checkbox to treat the taxes as potential taxes.

3. Mark the Apply Withholdings checkbox to view the default withholdings for the transaction in the scrolling window. Unmark this checkbox to treat the taxes as potential withholdings.

4. Enter or select a tax detail ID.

5. View or change the total purchases, the total taxable purchases, and the tax calculated on the purchases.

6. Enter or select a posting account for the tax. The tax amount for the detail is posted to the account.

7. To delete a tax detail, select the row containing the detail to delete and choose Edit >> Delete Row. To delete all the tax distributions, choose Delete.

8. To distribute taxes to multiple accounts, change the default amount in the scrolling window and enter another tax detail and tax amount in the next available line.

9. Click the Apply Withholding expansion button to open the Potential Payables Tax window where you can view the default potential taxes and withholdings. This button is available only if you have unmarked either the Apply Taxes or Apply Withholdings checkbox in the Purchasing Tax Entry window.

10. Click the View icon to select whether to view all applied taxes, or only positive applied taxes, or only applied withholdings.

11. Choose OK to close the window.

Viewing potential taxes for Payables Management transactions

Use the Potential Payables Tax window to view the potential taxes or withholdings. This window is available only if the Apply Tax or the Apply Withholding checkbox in the Payables Tax Entry window is unmarked.

To view potential taxes for Payables Management transactions:

1. Open the Potential Payables Tax window.
    (Transactions >> Purchasing >> Transaction Entry >> Tax expansion button >> Apply Withholding expansion button)
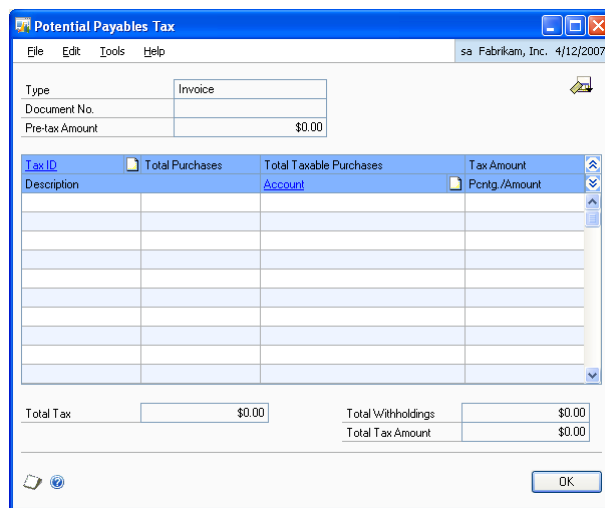
The Type, Document No. and Pre-tax Amount fields display the values from the Payables Transaction Entry window. The scrolling window displays the taxes and withholdings for the transaction that are payable at a future date.

2. Choose OK to close the window.

Viewing potential taxes for purchase orders

Use the Potential POP Tax window to view the potential taxes or withholdings for purchase orders. This window is available only if the Apply Tax or the Apply Withholding checkbox in the Purchase Order Tax Summary Entry window is unmarked.

To view potential taxes for purchase orders:

1. Open the Potential POP Tax window.
    (Transactions >> Purchasing >> Purchase Order Entry >> Tax expansion
    button >> Apply Withholding expansion button)

The Type, Document No. and Pre-Tax Amount fields display the values from
the Purchase Order Entry window. The scrolling window displays the taxes and
withholdings for the transaction that are payable at a future date.

2. Choose OK to close the window.

Viewing potential taxes for shipments and invoices

Use the Potential POP Tax - Receipts/Billing window to view the potential taxes or
withholdings for shipments and invoices. This window is available only if the
Apply Tax or Apply Withholding checkbox in the Receivings Tax Summary Entry or
Purchasing Invoice Tax Summary Entry windows is unmarked.

To view potential taxes for shipments and invoices:

1. Open the Potential POP Tax - Receipts/Billing window.
   (Transactions >> Purchasing >> Receivings Transaction Entry >> Tax expansion button >> Apply Withholding expansion button)
   (Transactions >> Purchasing >> Enter/Match Invoices >> Tax expansion button >> Apply Withholding expansion button)
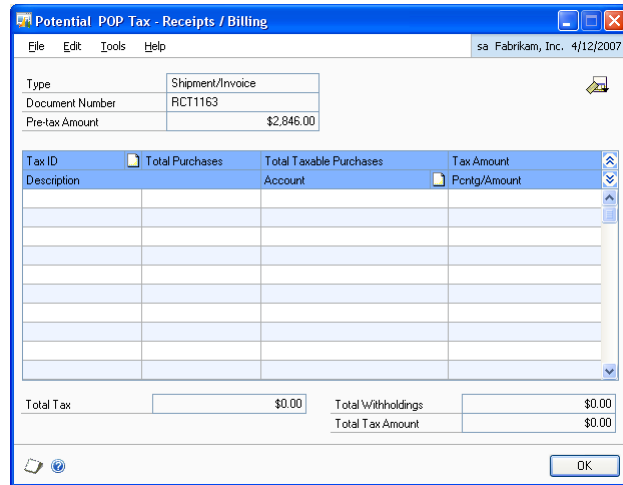
The Type, Document No. and Pre-Tax Amount fields display the values from the Receivings Transaction Entry or Purchasing Invoice Entry windows. The scrolling window displays the taxes and withholdings for the transaction that are payable at a future date.
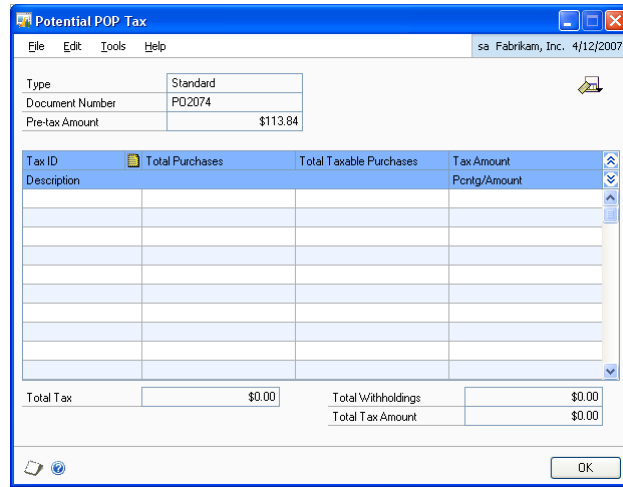
2. Choose OK to close the window.

Using the Purchasing Tax wizard

Use the Purchasing Tax wizard to modify taxes and withholdings. You can add the potential taxes and apply them to the documents. These potential taxes will be transferred to the General Ledger tax account. You can also generate the credit notes and debit notes for the taxes that are edited.

To use the Purchasing Tax wizard:

1. Open the Purchasing Tax wizard.
   (Transactions >> Purchasing >> Taxes Wizard)
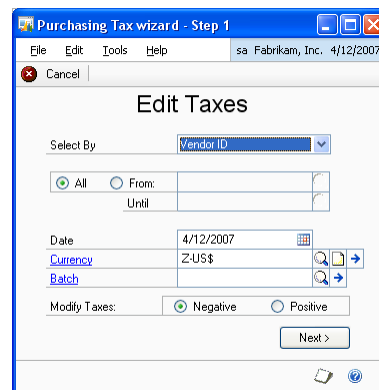
2. In the Select By field, select whether to edit taxes based on the Vendor ID, Vendor Name, Class ID, or Payment Priority.

3. Select All or enter the range for the selected criterion in the From and Until fields.

4. Enter the date to generate the debit and credit notes for the taxes that are edited.

5. Enter or select the currency in the Currency field.

6. Enter or select a batch in the Batch ID field.

7. Select whether to edit positive taxes or withholdings in the Modify Taxes group.

8. Choose Next to open the Purchasing Tax wizard - Step 2.
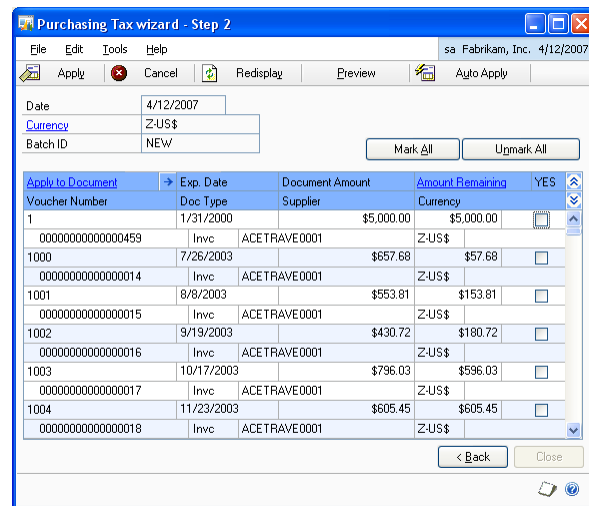
The Date, Currency, and Batch ID fields display the values you selected in the first window of the Purchasing Tax wizard. The scrolling window displays the details for all the documents that fall within the selected criteria.

9. Choose the Apply to Documents expansion button to open the Edit Taxes window or the Generated Documents windows. You can edit the taxes for a selected document in the Edit Taxes window before applying. The Generated Documents window displays the debit or credit notes generated for edited taxes. Refer to *Editing taxes* on page 13 and *Viewing the adjustment documents* on page 14 for more information.

10. Choose Mark All to select all the documents that are displayed in the scrolling window for applying.

11. Choose Unmark All to clear the selection for all the documents that are displayed in the scrolling window.

12. Choose Apply to apply the taxes to the documents marked in the scrolling window.

13. Choose Preview to view a report of the edited tax amounts before applying them.

14. Choose Auto-Apply to apply the potential taxes to as many documents as the tax amount being applied permits.

15. Choose Redisplay to refresh the scrolling window with any information entered since you last saved.

16. Select a document and choose Cancel to revert any changes you made to the tax information for the document. You cannot revert the changes once you have applied the document.

Editing taxes

Use the Edit Taxes window to view the applied and potential taxes and withholdings for a selected document. You can void an applied tax or add a new tax detail ID to the document in this window. You can edit the tax amount for taxes that are not yet applied. You can apply the potential taxes displayed in this window to the selected document in the Purchasing Tax wizard - Step 2.

To edit taxes:

1. Open the Edit Taxes window.
   (Transactions >> Purchasing >> Taxes Wizard >> Purchasing Tax Wizard - Step 2 >> Choose the Apply to Document expansion button >> Select Edit Taxes)
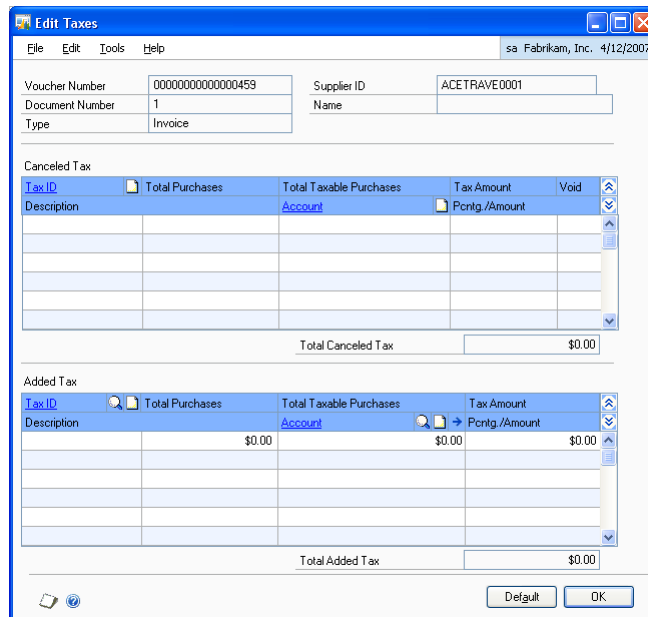
The Voucher Number, Document Number, Type, Supplier ID and Name fields display the values from the Payables Transaction Entry window. The Canceled Tax scrolling window displays the tax details and tax amount for applied taxes or withholdings.

2. In the Canceled Tax scrolling window, mark the Void checkbox for an applied tax to void it.

You cannot change the tax amount for an applied tax in the Canceled Tax scrolling window. To do this, you must first void the tax. You can then re-add the tax detail ID in the Added Tax scrolling window, and enter the required amount.

3. Choose Default to display the potential taxes or withholdings for the document in the Added Tax scrolling window. You can change the tax amount for the tax detail IDs displayed and add new tax details IDs if required in this scrolling window.

4. Choose OK to save the changes and close the window.

Viewing the adjustment documents

Adjustment documents such as the debit notes and credit notes are generated when you cancel or add taxes and withholdings. These debit notes and credit notes are generated after applying the taxes to the documents displayed in the scrolling window in the Purchasing Tax wizard - Step 2. A debit note is generated when you add a tax or cancel a withholding. A credit note is generated when you cancel a tax or add a withholding in the Edit Taxes window. Refer to *Editing taxes* on page 13 for more information.

To view the adjustment documents:

1. Open the Generated Documents window.
    (Transactions >> Purchasing >> Taxes Wizard >> Purchasing Tax Wizard - Step 2 >> Choose the Apply to Document expansion button >> Select Generated Documents)
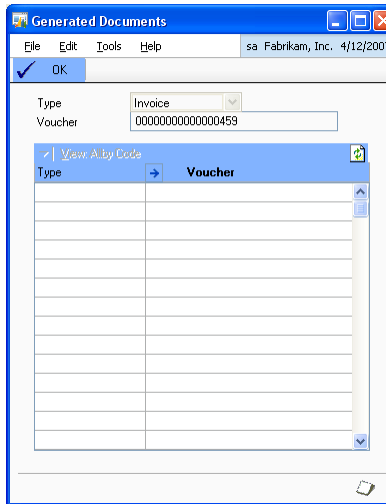
The Type and Voucher fields display the type of document and the voucher number.

2. In the scrolling window, the Type column displays the type of adjustment document generated, whether debit note or credit note. The Voucher column displays the voucher number for the adjustment document generated.

3. Choose OK to close the window.

Chapter 3: Inquiries and reports

You can use inquiries to view the information you have entered into the system. You can analyze the transaction information, and display the information on the computer screen.

Tax Administration Purchasing reports are available in the report list. You can select a report in the report list and add it to My Reports for easy access. Refer to the Microsoft Dynamics GP documentation for more information.

This information is divided into the following sections:

- *Viewing the applied taxes*
- *Viewing potential taxes for posted payables transactions*
- *Viewing the potential taxes for posted purchase orders*
- *Viewing the potential taxes for posted shipments and invoices*
- *Viewing the edited taxes*
- *Printing the purchasing tax reports*

Viewing the applied taxes

Use the Purchasing Tax Inquiry windows to view the tax information for the posted purchasing transactions. You can also view the default tax settings for the debit notes and credit notes that are generated for the applied taxes and withholdings. Refer to the Payables Management documentation for more information on viewing transaction information.

Viewing potential taxes for posted payables transactions

Use the Potential Payables Tax Inquiry window to view the potential taxes for posted payables transactions.

To view the potential taxes for posted payables transactions:

1. Open the Potential Payables Tax Inquiry window.
    (Inquiry >> Purchasing >> Transaction by Vendor / Transaction by Document >> Select a Vendor ID or Document Number >> Select a document in the scrolling window >> Click the Document Number link >> Tax expansion button >> Apply Withholding expansion button)

The Type, Document No. and Pre-tax Amount fields display the values from the Payables Tax Inquiry window. The scrolling window displays the potential taxes for the document you have selected in the Payables Transaction Inquiry - Vendor/Payables Transaction Inquiry - Document windows.

2. Choose the View icon to view the potential positive taxes or withholdings.

3. Choose OK to close the window.

Viewing the potential taxes for posted purchase orders

Use the Potential POP Tax Inquiry window to view the potential taxes for purchase orders.

To view the potential taxes for posted purchase orders:

1. Open the Potential POP Tax Inquiry window.
    (Inquiry >> Purchasing >> Purchase Order Documents >> Select a Vendor ID or
    Document Number >> Select a document in the scrolling window >> Click the
    PO Number link >> Tax expansion button >> Apply Withholding expansion
    button)

The Type, Document No. and Pre-tax Amount fields display the values from the
Purchase Order Inquiry Zoom window. The scrolling window displays the
potential taxes for the document you have selected in the Purchase Order
Processing Document Inquiry window.

2. Choose the View icon to view the potential positive taxes or withholdings.

3. Choose OK to close the window.

Viewing the potential taxes for posted shipments and invoices

Use the Potential POP Tax - Receipts/Billing Inquiry window to view the potential
taxes for posted shipments and invoices.

To view the potential taxes for posted shipments and invoices:

1. Open the Potential POP Tax - Receipts/Billing Inquiry window.
    (Inquiry >> Purchasing >> Transaction by Vendor/Transaction by
    Document >> Select a Vendor ID or Document Number >> Select a document in
    the scrolling window >> Click the Document Number link >> Tax expansion
    button >> Apply Withholding expansion button)
    (Inquiry >> Purchasing >> Purchase Order Documents >> Select a Vendor ID or
    Document Number >> Select a document with a receipt number in the scrolling
    window >> Click the Receipt No. link >> Tax expansion button >> Apply
    Withholding expansion button)
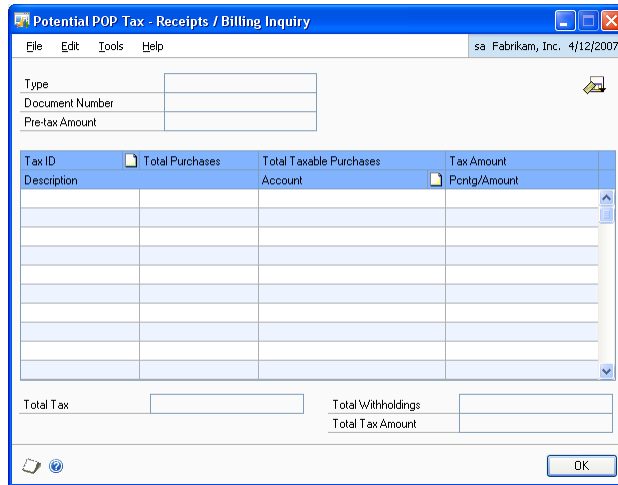
The Type, Document No. and Pre-tax Amount fields display the values from the
Receivings Transaction Inquiry Zoom window. The scrolling window displays
the potential taxes for the document you have selected in the Payables
Transaction Inquiry - Vendor/Payables Transaction Inquiry - Document /
Purchase Order Processing Document Inquiry windows.

2. Choose the View icon to view the potential positive taxes or withholdings.

3. Choose OK to close the window.

Viewing the edited taxes

Use the Added/Canceled Payables Tax Inquiry window to view the taxes that you
edited or voided in the Edit Taxes window. Refer to *Editing taxes* on page 13 for
more information.

To view the edited taxes:

1. Open the Added/Canceled Payables Tax Inquiry window.
(Inquiry >> Purchasing >> Transaction by Vendor/Transaction by document >>
Select a document in the scrolling window >> Click the document number
link >> Apply button >> Net Change expansion button)

The Voucher Number, Document Number, Type, Supplier ID and Name fields
display values from the Payables Apply Zoom window. The Added Tax
scrolling window displays the tax details and tax amount for the taxes you have
edited and applied.

2. The Canceled Tax scrolling window displays the taxes that you have voided in
the Edit Taxes window.

3. Choose OK to close the window.

Printing the purchasing tax reports

You can print the Historical Aged Trial Balance report to view the taxes and
withholdings for purchasing transactions.

To print the purchasing tax reports:

1. Open the Payables Trial Balance Reports window.
    (Reports >> Purchasing >> Trial Balance)
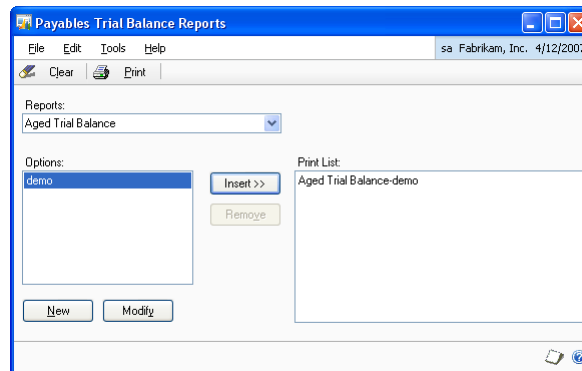
2. In the Reports field, select Historical Aged Trial Balance. Refer to the Payables Management documentation for more information.

3. Choose Print to print the detailed and summary purchasing tax reports.

Glossary

Applied tax

The tax applied to a purchasing document.

Potential tax

The tax or withholding that is payable at a future date.

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