

Article topic: Business Services

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Changing VAT rate – accounting software

On 1 January 2010 the standard rate of VAT will revert back to 17.5%, following a temporary reduction introduced by Government 13 months ago to ease the burden on taxpayers during the recession.

Below are the steps you need to take to amend your accounting software, depending on the type of system you use. We list the three most popular accounting packages, but if the software used by your business is not covered, please call your main Target contact and they will put you in touch with someone who can help.

Sage Line 50

- Perform a back-up of current data;
- Go to: Settings/Configuration;
- Select the tab: "Tax Codes";
- Select code: "T1";
- Select: "Edit";
- Within the edit tax code box, change the rate from 15.00 to 17.50;
- Select: "OK";
- Select: "Apply";
- Select: "Close";
- The program asks "Save changes?" – select "No" (already applied).

Xero

- Go to: Settings/Chart of Accounts;
- Click 'Tax Rate' to re-sort the list;
- Tick all the '15% (VAT on Income)' items;
- Click 'Change Tax Rate' and change to '17.5% (VAT on Income)';
- Now repeat the process for '15% (VAT on Expenses)', changing it to '17.5% (VAT on Expenses)';
- This changes the default tax code when entering invoices/bank activity. From the drop down list in each of these screens '15% (VAT on Income/Expenses)' will still be available to use if needed.

QuickBooks

- Perform a back-up of current data;
- Select: VAT - VAT code list - VAT code;
- Check that you have both the 17.5% & 15% VAT codes set up;
- Select: Customers;
- Select: Item List;
- Double click on the items you want to change;
- Change the Sales VAT Code to 17.5%;
- Repeat with all other items;
- Select: Suppliers;
- Select: Item List;
- Repeat the Customer Items process for the Supplier items that need changing.

For more information on changing your accounting software, please speak to our Business Services team.

Your contacts

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