



Amending VAT rates in Dynamics AX

* Rates change to 20% *

With effect from 4th January 2011

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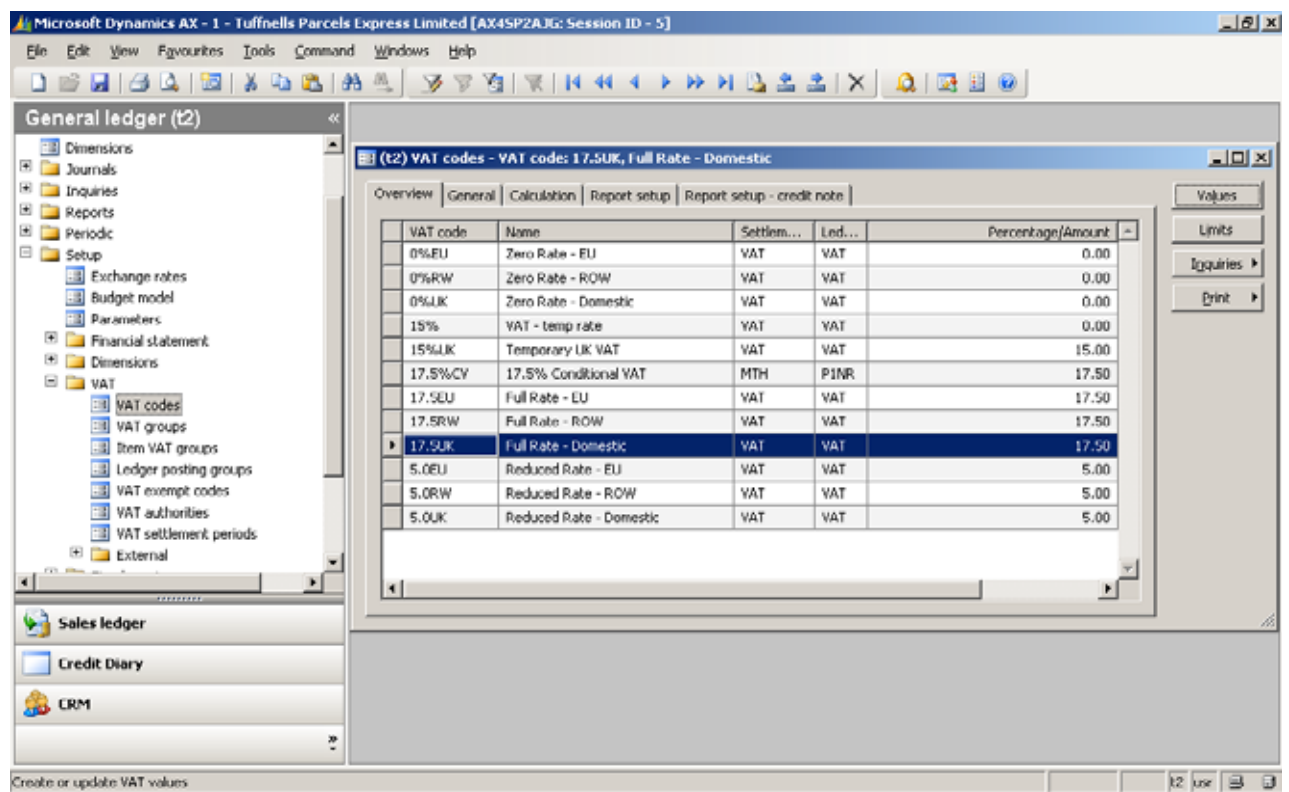
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Changing VAT Rates

The VAT Rate will be changing to 20% with effect from 1st January 2011. The change to the rate of VAT will require users to amend the VAT settings within Microsoft Dynamics AX such that, with immediate effect from 1st January 2011, the correct rate will be charged on all inbound and outbound transactions.

To Amend your VAT Code

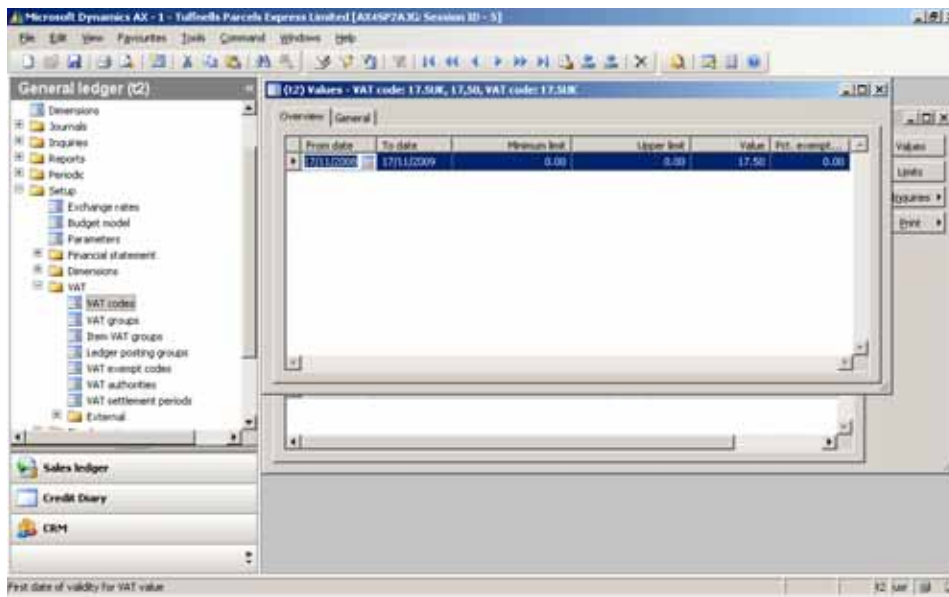
- General Ledger
- Setup
- VAT
- VAT Codes
- Select the VAT Code in question, and highlight the line



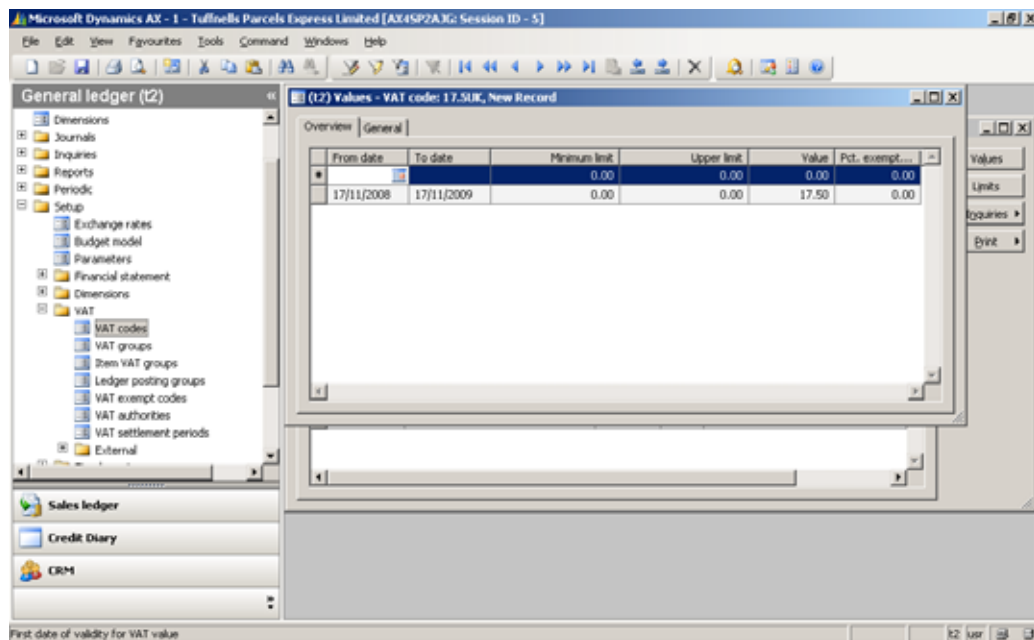
The screenshot shows the Microsoft Dynamics AX interface for 'Tuffnells Parcels Express Limited'. The 'General ledger (t2)' window is open, displaying the 'VAT codes' table. The table has columns for 'VAT code', 'Name', 'Settlem...', 'Lnd...', and 'Percentage(Amount)'. The '17.5UK' code is highlighted in blue.

VAT code	Name	Settlem...	Lnd...	Percentage(Amount)
0%EU	Zero Rate - EU	VAT	VAT	0.00
0%RW	Zero Rate - ROW	VAT	VAT	0.00
0%UK	Zero Rate - Domestic	VAT	VAT	0.00
15%	VAT - temp rate	VAT	VAT	0.00
15%UK	Temporary UK VAT	VAT	VAT	15.00
17.5%CY	17.5% Conditional VAT	MTH	P1NR	17.50
17.5EU	Full Rate - EU	VAT	VAT	17.50
17.5RW	Full Rate - ROW	VAT	VAT	17.50
17.5UK	Full Rate - Domestic	VAT	VAT	17.50
5.0EU	Reduced Rate - EU	VAT	VAT	5.00
5.0RW	Reduced Rate - ROW	VAT	VAT	5.00
5.0UK	Reduced Rate - Domestic	VAT	VAT	5.00

- Select Values



- Enter the "From date" and "To date". For the current rate of 17.5 the end date should be 31/12/2010. These may be blank, but to add a new value, you must enter these dates (the end date is the day before the new rate of VAT will come into effect)
- To add a new VAT value
- Control + n for a new line



- Enter the "From date" that the new rate will take effect, and you need to enter a "To date" some time into the future, after which amend the "Value" to the new VAT rate of 20%.

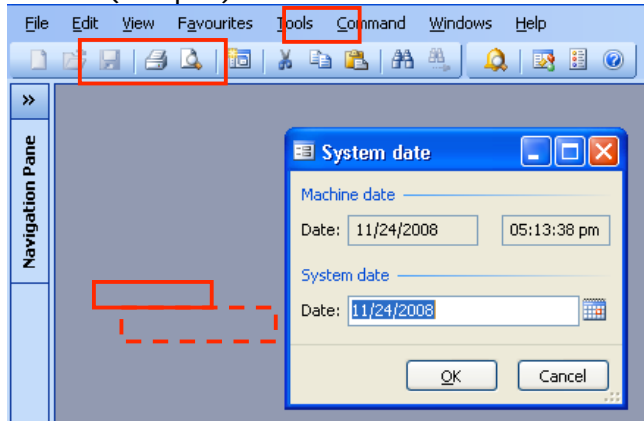
Transaction Dates-

Users should note that the new rate entered into Dynamics AX will take effect on any transactions dated 1st January 2011 onwards.

Users should be particularly vigilant when processing prior period, December, transactions as, unless the posting date is changed, these will be processed with the incorrect lower rate of VAT.

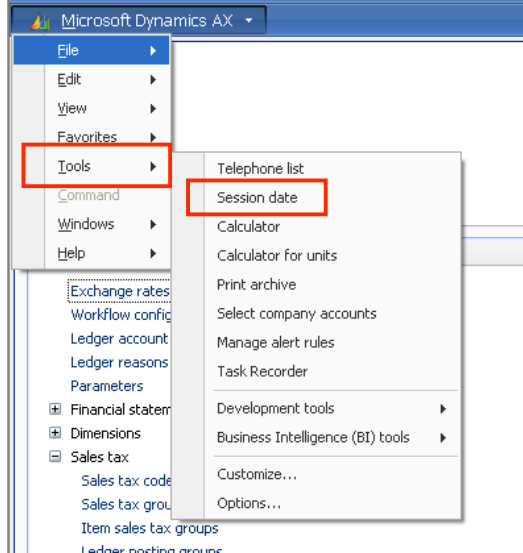
Option 1

Reset the User system date to the 31st December 2010 or Prior AX3.0 (Axapta) or AX4.0



Enter a new date for the 'System Date' – this will default as the posting date – remember to set this back when finished.

AX 2009



Enter a new date for the 'Session Date' – this will default as the posting date – remember to set this back when finished.

Option 2

Change the posting date in Journals to be the 31st December or earlier
Applies to all versions of Axapta / Dynamics AX

The screenshot shows the SAP Journal Voucher entry screen for Vendor Invoice recording. The window title is "(demo) Journal voucher - Journal: Vend_1, journal number: 000168_003, Posted: No, Journal type: Vendor invoice recording". The interface includes fields for Balance, Total debit, and Total credit, all showing 0.00. There are also fields for Journal and Per voucher. The main table has columns: Date, Voucher, Account type, Account, Invoice, Transaction text, Debit, Credit, Offset acco..., and Offset account. The first row is highlighted in blue and contains the date 17/12/2020, voucher 0005_VIR, account type Vendor, and offset account Ledger. The date field is highlighted with a red box. At the bottom, there are fields for Terms of payment, VAT group, and Document.

Date	Voucher	Account type	Account	Invoice	Transaction text	Debit	Credit	Offset acco...	Offset account
17/12/2020	0005_VIR	Vendor						Ledger	

This process should be identical to current month-end procedures but special care should be taken when the date change also involves a tax rate change.

Pay particular attention to automatic / periodic processes such as Sales Invoices.