

# Changing your Tax Rates in Shortcuts (New Zealand 01/10/2010)

This document explains how to change your tax rates in Shortcuts to comply with the change in GST (effective 1<sup>st</sup> October 2010). In addition, you will also need to ensure that your Services and Products are using the correct rate once it has been set up, and that your Product Buy Price (if they are entered in your system) and Services prices are adjusted accordingly. Finally, you will need to adjust every Expense and Sundry Item to use the correct tax rate.



**IMPORTANT NOTE: Before beginning this document, make a backup of your Shortcuts database! This is so if you make a mistake while changing your taxes/prices, you can go back to your backup.**

There are two steps involved in this process:

- Step 1: Changes to be made before 30<sup>th</sup> September 2010
- Step 2: Changes to be made after C.O.B. on 30<sup>th</sup> September 2010 and before opening on 1<sup>st</sup> October 2010

In addition, this document will also explain how this tax change will affect your product/service prices, and how to change your prices if necessary.

Each step will be covered in greater detail below.

## Step 1: Changes to be made before 30th September 2010

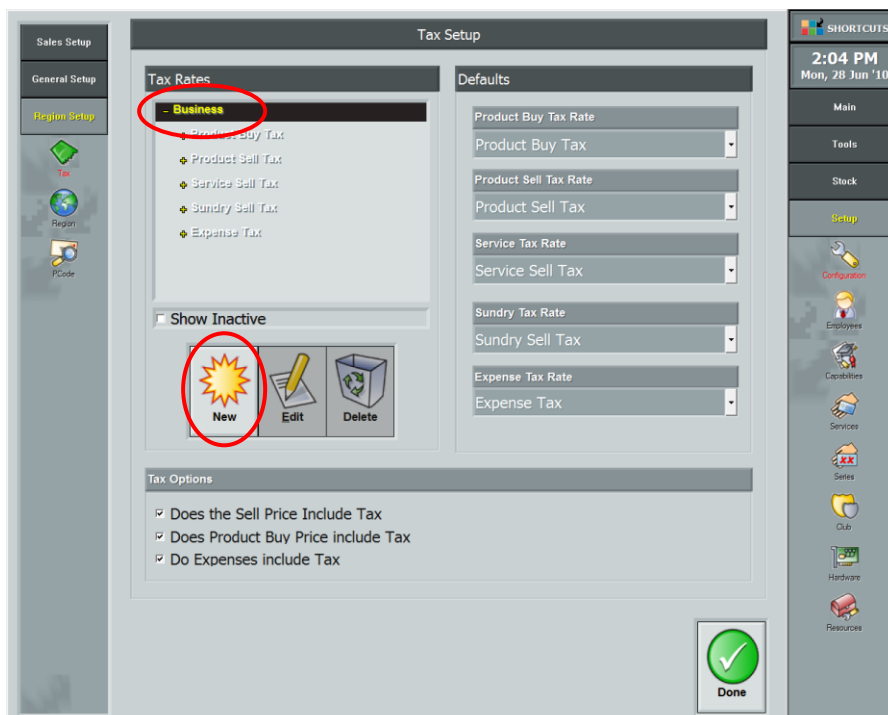
In this step, you will create the new tax schedules and tax rates to be applied from 1<sup>st</sup> October 2010. This can be done at any time prior to 1<sup>st</sup> October.

### Adding the new Tax Rates

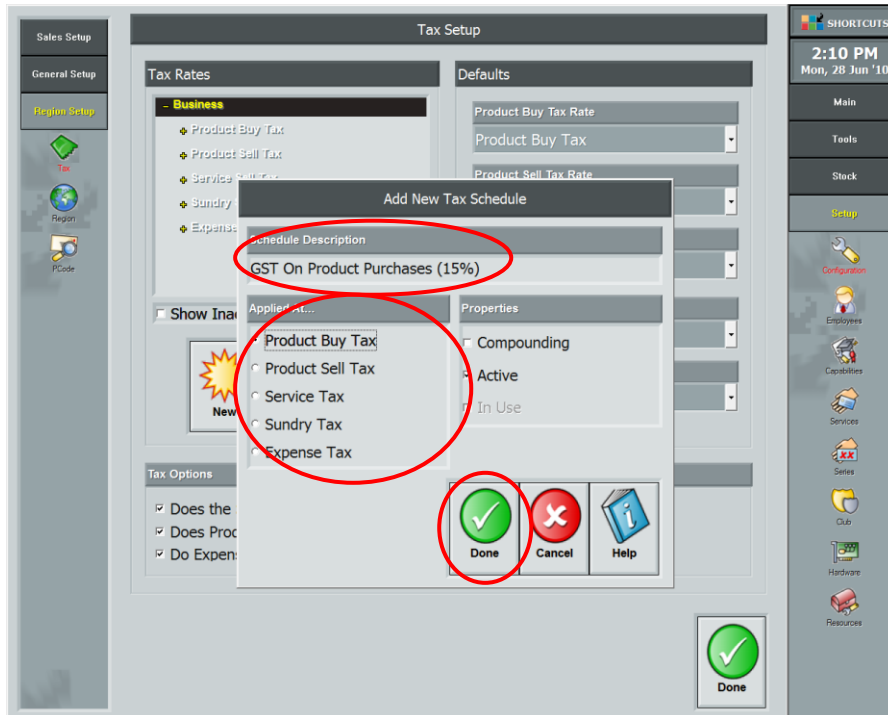
***It is extremely important that you create a NEW tax schedule for your new tax rates, not add new tax rates to an EXISTING schedule. Follow the steps below EXACTLY.***

***Setup Menu (Navigation Bar) → Configuration Icon → Region Setup (Configuration Bar) → Tax Icon***

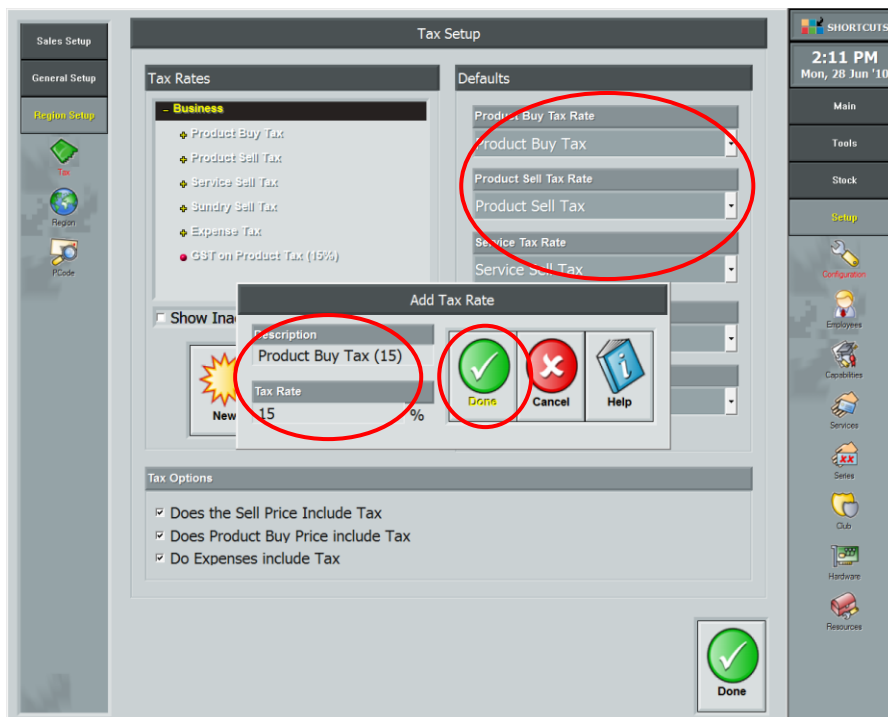
1. In the Tax Setup screen, click to select **Business** in the Tax Rates section, then click the **New** button.
- The Add New Tax Schedule window will appear.



- Type in the name of the Tax Schedule into the **Schedule Description** field (give each one by a recognisable name e.g. Product Buy Tax Rate) and add 15% to the end. An example might be 'GST On Product Purchases (15%)'.



- Click to select the correct option in the **Applied at...** section.
- Click the **Done** button to continue. The Add Tax Rate window will appear.



- Type in a description for the tax rate into the **Description** field.
- Enter '15' into the **Tax Rate** field.
- Click the **Done** button to return to the Tax Setup screen.
- Repeat Steps 1 – 7 for each of your tax rates (Product Buy Tax, Product Sell Tax, Service Tax, Sundry Tax and Expense Tax).
- You've finished creating your new tax rates!

## Step 2: Changes to be made after C.O.B. on 30th September 2010 and before opening on 1st October 2010

In this step, you will change your default tax rates, and apply the new tax rates to your products, services, sundry items and expenses. Ideally this should be done after close of business on 30<sup>th</sup> September 2010.

### Changing your Default Tax Rates

**Setup Menu (Navigation Bar) → Configuration Icon → Region Setup (Configuration Bar) → Tax Icon**

1. You first need to change your default tax rates. In the Defaults section of the Tax Setup screen, click to select the new tax rates in each of the relevant drop-down lists (e.g. Product Buy Tax Rate, Service Tax Rate). Do this for ALL of your tax rates.

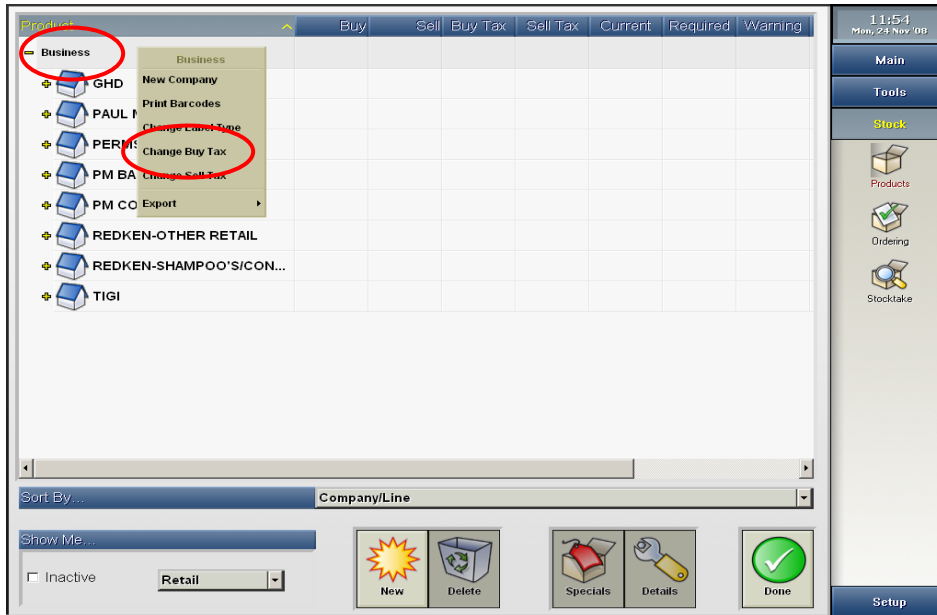


2. Click the **Done** button to save your changes.

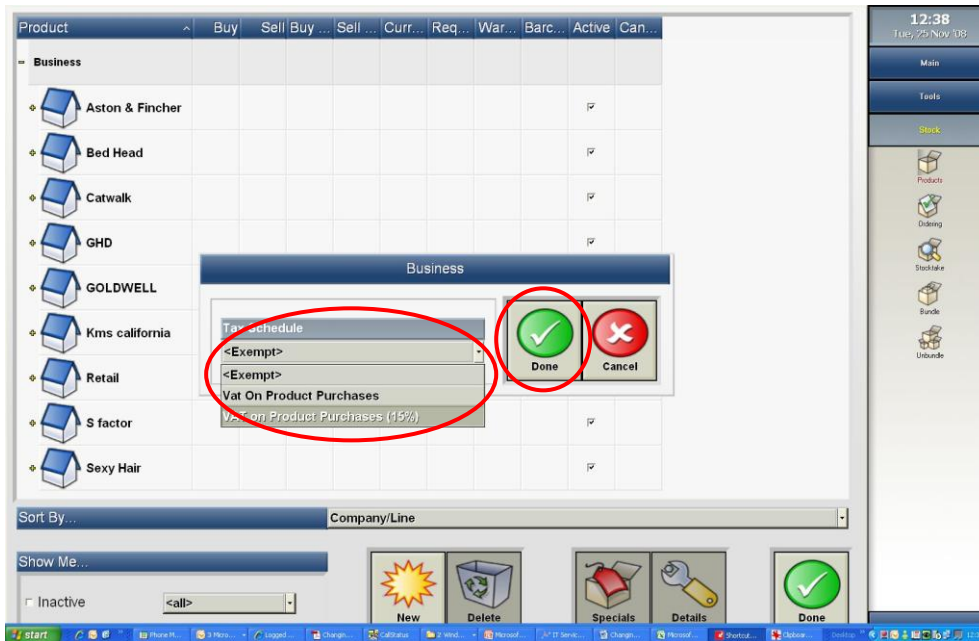
# Adjusting your Products to use the new Tax Rates

## Stock Menu (Navigation Bar) → Products Icon

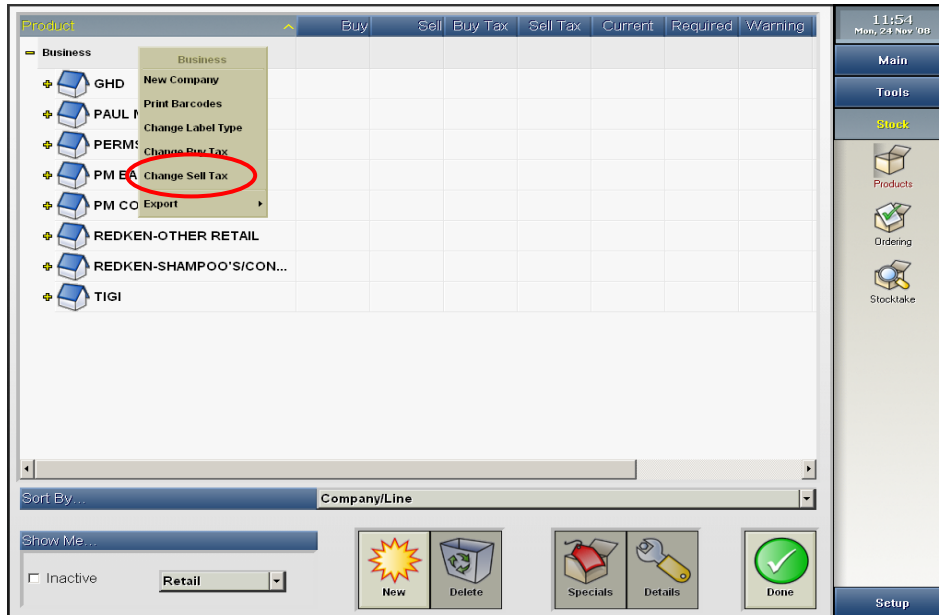
1. In the Products screen, right-click on **Business** at the top of the screen, and select the **Change Buy Tax** option from the pop-up menu that appears. The Business window will appear.



2. Click to select the new tax rate from the **Tax Schedule** drop-down list, then click the **Done** button to return to the Products screen.



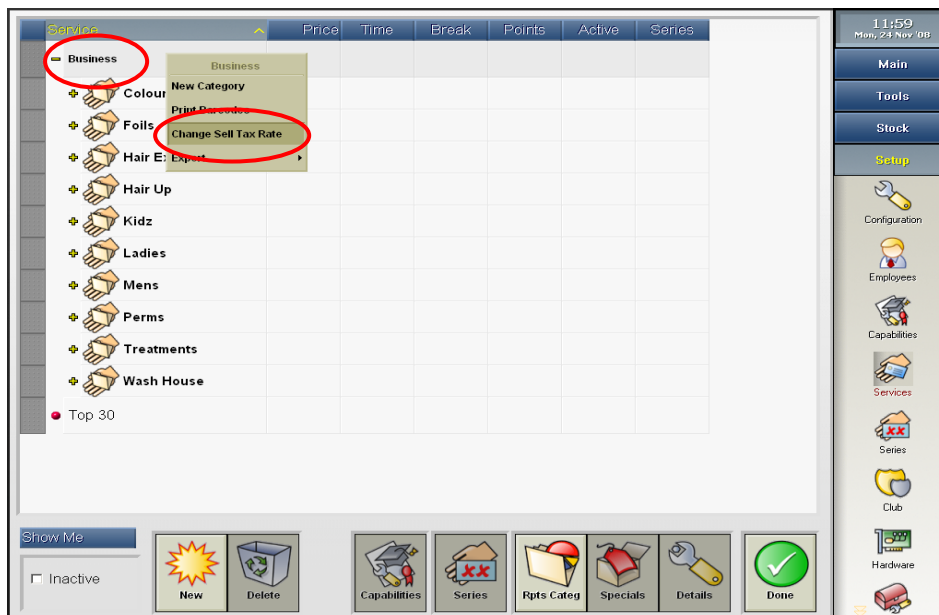
- Repeat Steps 1 – 2 for your Product Sell Tax, but choosing the **Change Sell Tax** option instead from the pop-up menu.



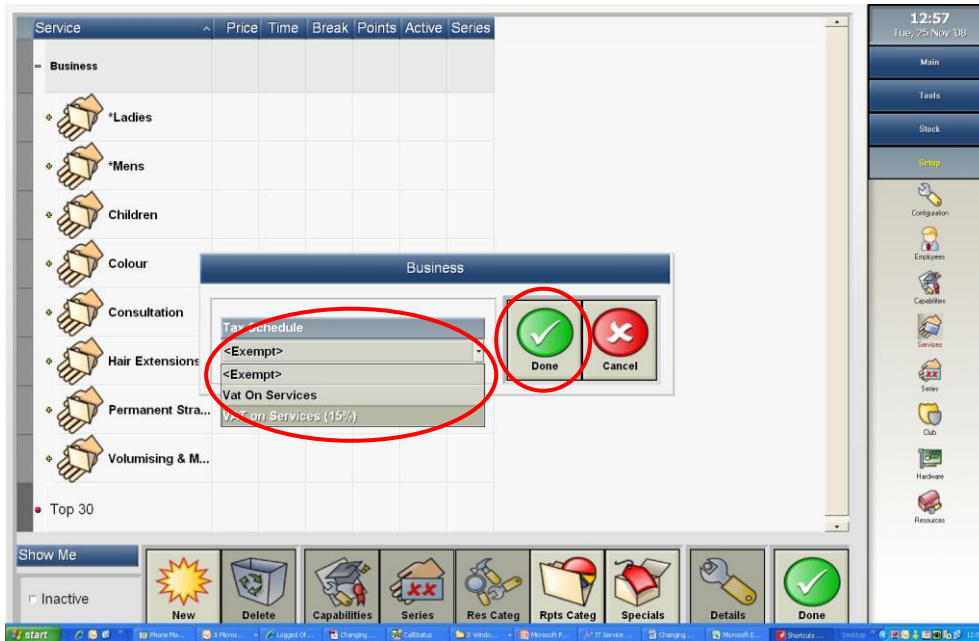
## Adjusting your Services to use the new Tax Rates

### Setup Menu (Navigation Bar) → Services Icon

- To update your service taxes, in the Service Setup screen, right-click on **Business** and choose the **Change Sell Tax Rate** option from the pop-up menu that appears.



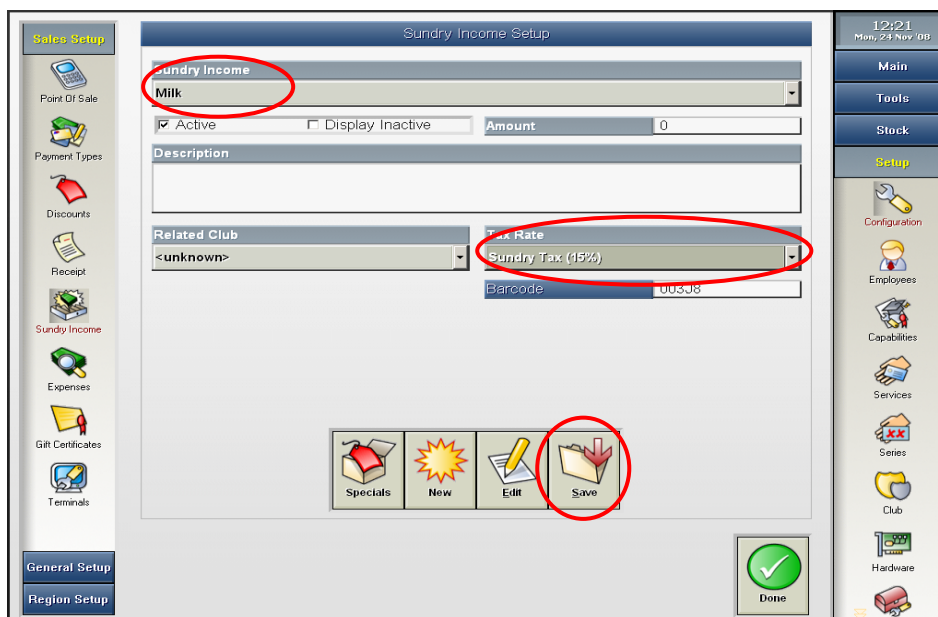
- Click to select the new tax rate from the **Tax Schedule** drop-down list, then click the **Done** button to return to the Service Setup screen.



## Adjusting your Sundry Items to use the new Tax Rates

**Setup Menu (Navigation Bar) → Configuration Icon → Sales Setup (Configuration Bar) → Expenses Icon**

- In the Sundry Income Setup screen, select each Sundry Item in turn using the **Sundry Income** drop-down list and change the tax rate in the **Tax Rate** drop-down list.

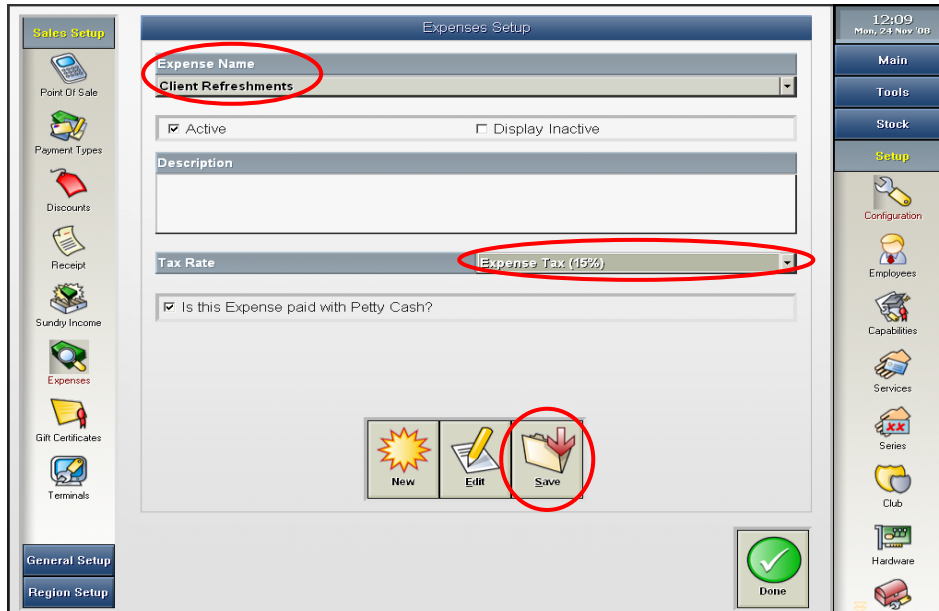


- Click the **Save** button to save your changes.

## Adjusting your Expenses to use the new Tax Rates

**Setup Menu (Navigation Bar) → Configuration Icon → Sales Setup (Configuration Bar) → Expenses Icon**

- In the Expenses screen, select each expense in turn using the **Expense Name** drop-down list and change the tax rate in the **Tax Rate** drop-down list.



2. Click the **Save** button to save your changes.

## Optional: Changing your Product/Service/Sundry Income Prices

When a new tax rate is applied to your products/services/sundry items, the current price for the product/service/sundry item does not change. For example, if you had a Ladies Cut service for \$80 with a 10% tax rate, \$8 of the price is tax (the actual service price is \$72). If you changed the tax rate to 15%, that means \$12 of the price is now tax (the actual service price is \$68). However, your clients will still only be paying \$80.

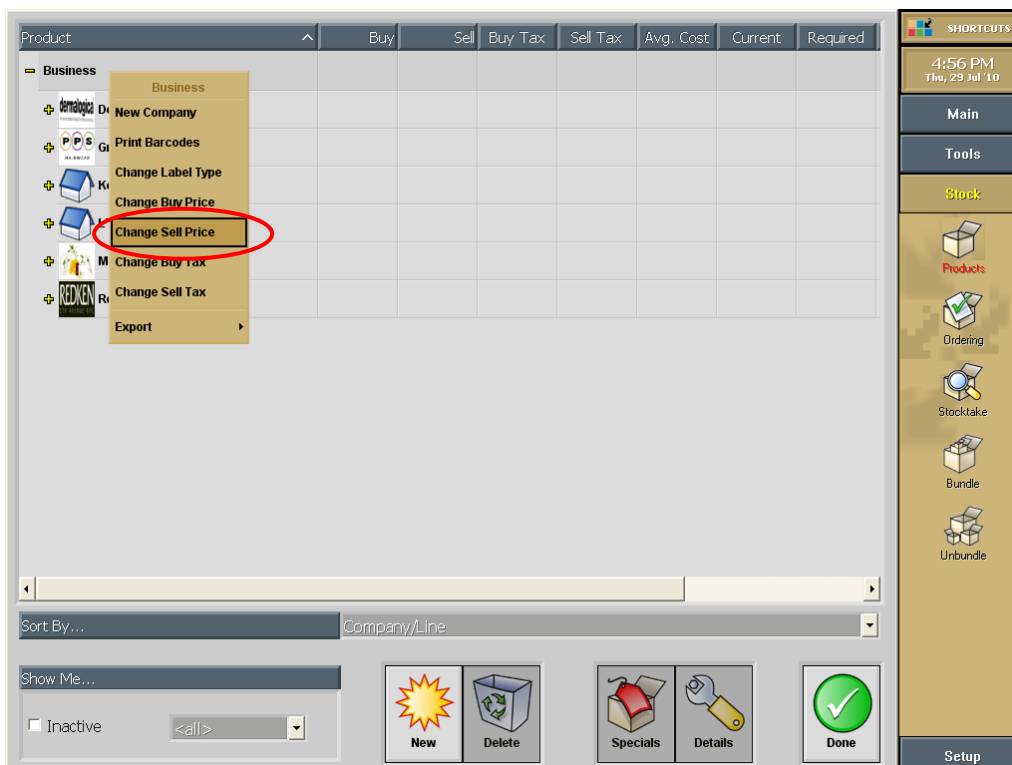
**This step is completely optional.** If you wish to change the price of your service to account for the increased tax rate, you will need to do so manually via the following procedures.

### Changing your Product Prices

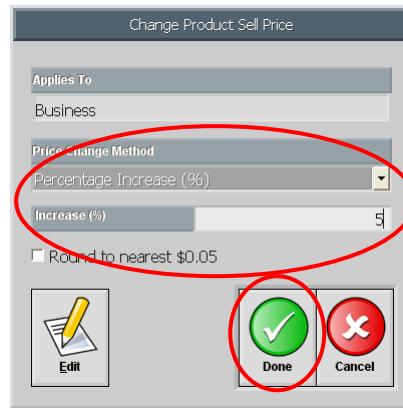
The quickest way to update all of your product prices is by using the Change Sell Price function.

#### **Stock Menu (Navigation Bar) → Products Icon**

1. In the Products screen, right-click on the **Business** category and select the **Change Sell Price** option from the popup menu that appears. The Change Product Sell Price window will appear.



- Click to select the relevant price change method from the **Price Change Method** drop-down list (e.g. Percentage Increase).

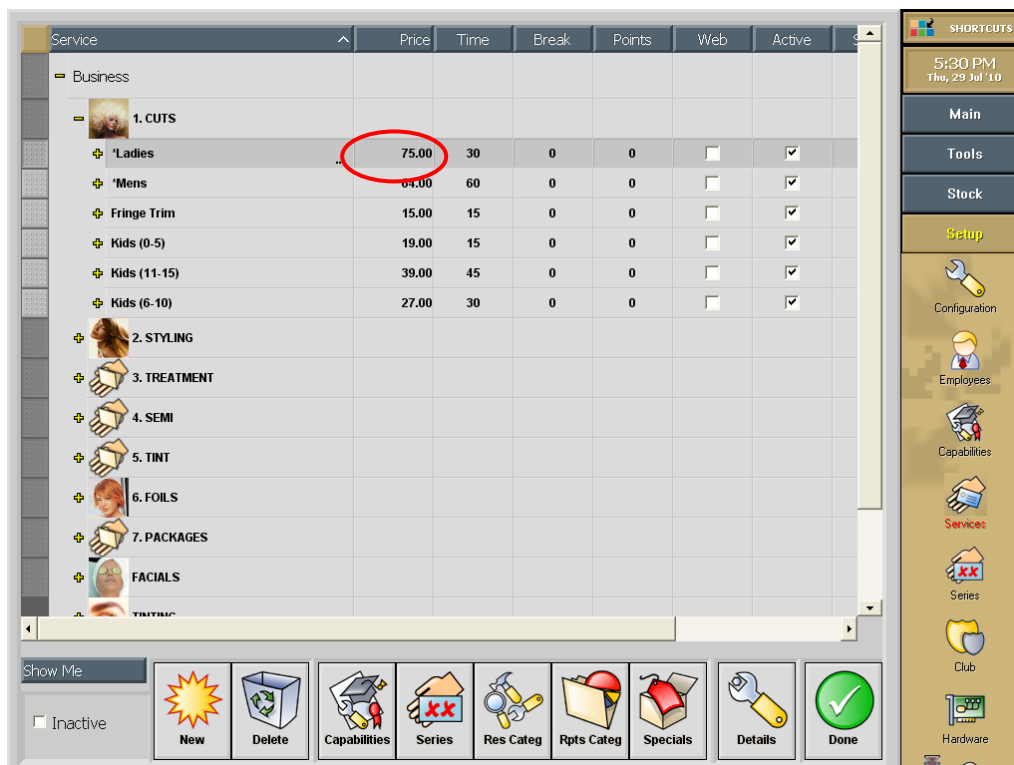


- Enter the amount you want to increase the sell price by in the **Increase** field.
- If you want to round the increased price to the nearest 5 cents (usually the case if you have increased the prices by a percentage), place a tick in the **Round to nearest \$0.05** option.
- Click the **Done** button to change the product prices.

## Changing your Service Prices

### Setup Menu (Navigation Bar) → Services Icon

- In the Service Setup screen, expand each of the service categories and click on the **Price** column for the service. Adjust the service price to suit the increased tax rate. Repeat this for each of your services.



## Changing your Sundry Prices

### Setup Menu (Navigation Bar) → Configuration Icon → Sales Setup (Configuration Bar) → Expenses Icon

- In the Sundry Income Setup screen, select each expense in turn using the **Sundry Income** drop-down list and adjust the price of the sundry item in the **Amount** drop-down list.
- Click the **Save** button to save your changes.
- Once you are finished adjusting the prices of all your sundry items, click the **Done** button to exit the Sundry Income Setup screen.

Sundry Income Setup

Sundry Income

Nail table rental

Active  Display Inactive Amount 150

Description

Related Club <unknown> Tax Rate GST on Sundry

Barcode 0033N

Specials New Edit Save

Done

SHORTCUTS

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Thu, 29 Jul '10

Main

Tools

Stock

Setup

Configuration

Employees

Capabilities

Services

Series

Club

Hardware

General Setup

Region Setup

Point Of Sale

Payment Types

Discounts

Receipt

Sundry Income

Expenses

Gift Certificates

Terminals