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1 Introduction

1.1 Purpose

The purpose of this extension is to assist businesses in managing and settling excise duties that are calculated based on sales figures. It is specifically designed to streamline the process of handling complex tax calculations, providing tools to categorize, calculate, and report excise taxes accurately and efficiently.

Whether dealing with packaging taxes, wine duties, sugar levies, or any other type of sales-based excise tax, this extension offers a structured approach to ensure businesses can focus on their core activities without compromising on compliance. By automating repetitive tasks and minimizing errors in tax reporting, the extension enables users to save time and reduce the risks associated with manual calculations.

This tool is ideal for businesses across various industries that are obligated to report excise taxes, offering flexibility and precision to meet diverse requirements. By using this extension, companies can confidently handle their tax obligations while ensuring accuracy and alignment with their specific reporting needs.

1.2 Target audience

This extension is designed for businesses that need to report and manage taxes based on sales figures. It provides tools to streamline the calculation and reporting of various duties, ensuring efficiency and accuracy in meeting tax obligations.

Examples of applicable taxes include:

- **Packaging Tax:** For businesses dealing with goods subject to environmental duties on packaging materials.
- **Wine Tax:** For companies involved in the sale or distribution of wine.
- **Sugar Tax:** Applicable to manufacturers or distributors of products containing taxable levels of sugar.
- **Chocolate and Confectionery Tax:** For producers or sellers of chocolate and confectionery items.
- **Beverage Container Tax:** Relevant to businesses selling beverages in taxable containers.
- **Tobacco Tax:** For retailers or wholesalers handling tobacco products.



- **Spirit Tax:** For companies dealing with spirits and alcoholic beverages.
- **Coffee Tax:** Applicable to the sale of roasted or unroasted coffee beans.

This extension supports businesses across a wide range of industries in efficiently managing these and other sales-based taxes, providing the flexibility to adapt to diverse tax scenarios.

1.3 Disclaimer

Users of this extension are solely responsible for ensuring the accuracy and correctness of any reports or filings submitted to public authorities. While this extension provides tools to assist with tax calculations and reporting, it is ultimately the responsibility of the user to verify that all data, configurations, and outputs meet the requirements of applicable laws and regulations. We do not guarantee compliance or accuracy of reports generated through the extension.

All use of this extension is at the user's own risk. The extension is provided as-is, without any warranties, express or implied, regarding its functionality or suitability for specific legal or regulatory needs. We strongly recommend that users regularly review their tax configurations and consult with qualified professionals to ensure proper usage and compliance with all relevant guidelines.

1.4 Version

This document corresponds to version 1.0.0.0 of the SOAK Tax Extension.

1.5 Versionhistory

| Version number | Important features | Release date |
|----------------|---|-------------------|
| 1.0.0.0 | Core functionalities to calculate taxes based on sales. | 30. December 2024 |

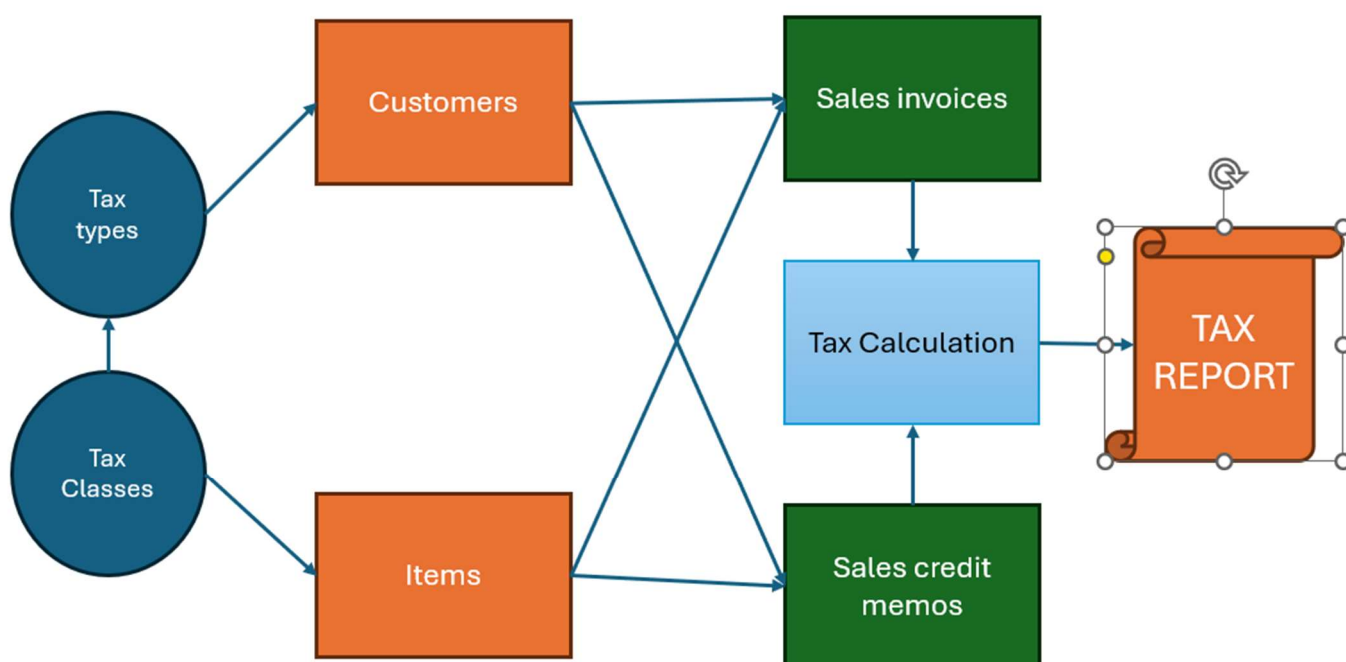
1.6 Planned functionalities

| Feature | Expected Quarter |
|---|------------------|
| Item card. Show total tax amount for an item | Q1 2025 |
| Item list. Show total tax amount for an item | Q1 2025 |
| Customer report that shows taxes per customer | Q1 2025 |
| Item report that shows taxes per item | Q1 2025 |
| Include stock reports | Q2 2025 |
| Put taxes into finances | Q2 2025 |



2 Setup the system

2.1 Overview



The idea with the system is to generate a tax calculation that can't be changed and that can be used for a tax report.

The tax calculation is based on Sales invoices and Sales credit memos and to figure out which sales lines that taxes must be paid from, then we need information from Items and Customers.

We also need to define what types of tax we want to calculate.

The process of setting it up is described in the next parts of the document, and it consists of three parts

- 1) General setup, where tax types and classes are setup.



- 2) Customer setup, where customers are marked if a sales to then of certain products will cause a tax payment.
- 3) Item setup, where products mared if they cause a tax payment.

2.2 General configuration

The system consists of two tables that must be configured:

- 1) Tax types
- 2) Tax Classes

Tax types are the general tax that you pay. It can be Wine tax, Sugar tax, packaging tax. And so on.

Within each type, there can be different classes, e.g. Wine class 1, Wine class 2 and so on. They can have different taxamounts per unit and so on.

Process is to setup Tax types first and then tax classes.

2.2.1 Setup Tax types

Tell me what you want to do



Go to Pages and Tasks

> Tax Types

Lists

Search for tax type and choose the list Tax Types:



← Tax Types
 🔖 📄 ↗

🔍 🔍 🔍 | + New Edit List Delete
🔗 🔍 ☰

| | Tax Type ↑ | | Description | Enabled |
|---|----------------------|--|-------------|--------------------------|
| → | <input type="text"/> | | | <input type="checkbox"/> |
| | | | | |

(If you cant enter anything, then click New.

Now start to create the tax type(s) you want, and it could look like the following (Example):

← Tax Types
 ✓ Saved
🔖 📄 ↗

🔍 🔍 🔍 | + New Edit List Delete
🔗 🔍 ☰

| | Tax Type ↑ | | Description | Enabled |
|---|-----------------|---|----------------------------|-------------------------------------|
| → | SUGAR TAXES | ⋮ | Sugar taxes in Denmark | <input checked="" type="checkbox"/> |
| | PACKAGING TAXES | | Packaging taxes in Denmark | <input checked="" type="checkbox"/> |
| | WINE TAXES | | Wine taxes in denmark | <input checked="" type="checkbox"/> |
| | | | | |

Now there are three different types of taxes, and we can continue to configure the Tax classes.

2.2.2 Setup Tax classes

Tell me what you want to do
 ↗ ✕

Go to Pages and Tasks

> Tax Classes
 Lists

Search for Tax Classes and choose Tax Classes. Click new to add you tax classes:



← Tax Classes 🔖 📄 ↗

🔍 📄 | + New Edit List Delete Rates | Automate Fewer options 📄 🔍 ☰

| Code ↑ | Description | Tax Type | Unit Type | Enabled |
|---------|--|-----------------|-----------|---------|
| WINE 1 | Wine tax 1 (low alcohol percentage) | WINE TAXES | L | ✓ |
| WINE 2 | Wine tax 2 (middle alcohol percentage) | WINE TAXES | L | ✓ |
| WINE 3 | Wine tax 1 (high alcohol percentage) | WINE TAXES | L | ✓ |
| PACK 1 | Plast packaging | PACKAGING TAXES | STK | ✓ |
| PACK 2 | paper packaging | PACKAGING TAXES | STK | ✓ |
| SUGAR 1 | White sugar | SUGAR TAXES | KG | ✓ |
| SUGAR 2 | Brown Sugar | SUGAR TAXES | KG | ✓ |
| SUGAR 3 | Pink sugar | SUGAR TAXES | KG | ✓ |

I have added 3 classes for wine, 2 for packaging and 3 for sugar (just as examples). If we focus on wine classes, then it is because that the law split wine into three different tax prices, depending on alcohol percentage.

For each of the classes I have added what Unit type we report in. So wine is reported in liters, Packaging in pieces and Sugar in Kilos.

IMPORTANT!!!!

Tax rates can change, so therefore we need to add the rate for each class. Highlight the class you want to add a rate for (WINE 1 as an example) and then click Rates:

← Tax Class Rates ✓ Saved 📄 ↗

🔍 📄 | + New Edit List Delete | 📄 🔍 ☰

| Tax Class ↑ ▼ | Start Date ↑ | End Date ↑ | Amount |
|---------------|--------------|------------|--------|
| → WINE 1 | 01-01-2024 | 31-12-2024 | 4,61 |
| | | | |
| | | | |

I have now added a rate of 4,61 in reporting currency and it is valid in 2024. If I try to calculate taxes for 2025, then it will return nothing, so I could have set end date to 31-12-2099, and then just change it if



new rates are given from the government.

(For testing purpose I have set tax rates for some of the other classes also).

2.3 Customer Configuration

If sales to a customer should cause some kind of tax payment, then we need to setup Items and customers. We start with customers. Find a customer where taxes must apply (If we sell anything to the customer):

Dynamics 365 Business Central

Customer Card

10000 · Kontorcentralen A/S

Home Request Approval New Document Prices & Discounts Customer Navigate Report Actions Related Reports Automate Fewer options

Tax Setup Contact Apply Template Merge With... Send Email

General

No. 10000 Balance (LCY) As Vendor 0.00 Blocked

Name Kontorcentralen A/S Balance Due (LCY) 0.00 Total Sales - Fiscal Year

Balance (LCY) 0.00 Credit Limit (LCY) 0.00 Costs (LCY)

Address & Contact

Address Phone No.

Address Post Box Code 7

Click on the Tax Setup in Home menu.

Customer Taxes

✓ Saved

+ New Edit List Delete

| Customer No. ↑ | Tax Type Code ↑ | Start Date ↑ | End Date |
|----------------|-----------------|--------------|------------|
| 10000 | WINE TAXES | 01-01-2024 | 31-12-2024 |
| → 10000 | SUGAR TAXES | 01-01-2024 | 31-12-2024 |
| | | | |
| | | | |

I have setup this customer to cause a tax calculation on wine and/or sugar taxes if a sales on a taxed item are sold to that customer.



2.4 Item Configuration

Now find all products that are taxed (Example below):

← Item Card

1896-S · ATHEN Skrivebord

Home Request Approval Item Prices & Discounts More options

⚙️ Tax Setup 📄 Copy Item 📦 Adjust Inventory 🏠 Create Stockkeeping Unit 🔄 Apply Template

Item

No. 1896-S ... Type Inventory

Description ATHEN Skrivebord Base Unit of Measure STK

Blocked ☐ Item Category Code BORD

Inventory

Shelf No. Qty. on Sales Order

Inventory 184 ... Stockout Warning Default (Yes)

Qty. on Purch. Order 7 Unit Volume

Costs & Posting

Click on Tax Setup, and fill in information:

Dynamics 365 Business Central Environment: devenv

← VUF Item Taxes ✓ Saved

🔍 + New 📄 Edit List 🗑️ Delete

| Item No. ↑ | Tax Type Code ↑ | Tax Class | Start Date ↑ | End Date | Unit of Measure | Sales Unit of Measure | Quantity |
|------------|-----------------|-----------|--------------|------------|-----------------|-----------------------|----------|
| → 1896-S | ⋮ WINE TAXES | WINE 1 | 01-01-2024 | 31-12-2024 | L | STK | 0,75 |
| 1896-S | SUGAR TAXES | SUGAR 1 | 01-01-2024 | 31-12-2024 | KG | STK | 125 |



This product is now taxes as Tax class WINE 1 when we look at wine taxes, and SUGAR 1 when we look at SUGAR Taxes. That means:

IF A CUSTOMER THAT CAUSES WINE OR SUGAR TAXES Buys this product, then a tax will be calculated.

There is a start and end period, and that can also be used if e.g. size (Quantity) is changed. I would imagine it could be set to 01-01-2001 for start date and 31-12-2099 for end date for many products.

Unit of measure is the reporting unit, and it is basically you so that we knows it.

Sales unit of measure is critical together with Quantity. We sell ONE Bottle and the taxed volume/quantity is 0,75 per bottle.

So if I sell 1 bottle then I can find the rate for the tax class and multiply it with 0,75 then I have the tax.

Issue is that if I sell a box with 6 bottles, then the calculation should be $6 \times 0,75 \times \text{rate}$, so Sales unit of Measure is used to tell the system that 0,75 is for that sales unit. Then we can calculate the volume/Quantity for other sales units based on configuration in Business Central.



3 Reporting

Before we do a calculation then we will create a sales invoice for a taxed product to a taxed customer.

I have created an ordinary Sales invoice to a taxed customer:

102222 · Kontorcentralen A/S

Start validating data in documents and journals while you work. Messages are shown in the Document Check FactBox. Enable this for me | Don't show again

Home Prepare Print/Send Request Approval Invoice More options

Post Release

General

Customer No. 10000
Customer Name Kontorcentralen A/S

Sell-to
Address Carl Blochs Gade 7
Address 2
City Nyborg
Post Code 5800
Country/Region Code DK
Contact No. E000001
Contact Phone No.
Contact Fax No.
Contact E-Mail robert.townes@contoso.com
Contact Role
Phone No.
Mobile Phone No.
Email kontorcentralen.as@contoso.com
Contact Robert Townes

Your Reference
Document Date 01-04-2024
Posting Date 01-04-2024
VAT Date 01-04-2024
Due Date 01-05-2024
External Document No.
External Payment Reference
Salesperson Code LB
Campaign No.
Responsibility Center
Assigned User ID
Status Open
Work Description

Lines Manage Line

Select items... Billing Lines Usage Data New Line Delete Line

| Type | No. | Item Reference No. | Description | Location Code | Quantity | Unit of Measure Code | Unit Price Excl. VAT | Line Discount % | Line Amount Excl. VAT | Qty. to Assign | App. For Serv. Decl. | Department Code |
|--------|--------|--------------------|------------------|---------------|----------|----------------------|----------------------|-----------------|-----------------------|----------------|--------------------------|-----------------|
| → Item | 1896-S | | ATHEN Skrivebord | | 10 | Stk | 5.560,00 | | 55.600,00 | 0 | <input type="checkbox"/> | |

After posting it I make sure it is in Posted sales invoices:

Soak Demo virksomhed | Finance Cash Management Sales Purchasing ForNAV All Reports

Posted Sales Invoices: All Delete Home Print/Send Invoice Correct More options

| No. | Customer No. | Customer Name | Currency Code | Due Date | Amount | Amount Including VAT | Remaining Amount | Location Code |
|--------|--------------|---------------------|---------------|------------|-----------|----------------------|------------------|---------------|
| 103001 | 10000 | Kontorcentralen A/S | | 01-05-2024 | 55.600,00 | 69.500,00 | 69.500,00 | |



3.1 How to calculate taxes

Search for Tax Calculation

Dynamics 365 Business Central

Environment: devenv

Tax Calculation

✓ Saved

+ New Edit List Delete Tax Actions More options

| Code ↑ | Description | Start Date | End Date | Tax Type | Created Time | Created By | Lines Gener... | Number of Lines |
|---------------|-------------|------------|------------|------------|------------------|------------|--------------------------|-----------------|
| → TEST WINE 1 | WINE TEST 1 | 01-01-2024 | 31-12-2024 | WINE TAXES | 30-12-2024 22:19 | SAE | <input type="checkbox"/> | 0 |

Fill in a new line with

- 1) Code and description (free for you to decide)
- 2) Start date and end date (period the tax calculation covers).
- 3) Tax Type (Choose the tax type you want to see).

That's it. Now you have a new Tax Calculation.

However, before it turns Read only and usable, then Lines generated must be checked and Number of lines hopefully be different from 0.

Dynamics 365 Business Central

Tax Calculation

+ New Edit List Delete Tax Actions More c

⚡ Show Lines ⚡ Generate Lines ⚡ Print Tax List

| | | | | |
|---------------|-------------|------------|------------|----------|
| → TEST WINE 1 | WINE TEST 1 | 01-01-2024 | 31-12-2024 | WINE TAX |
|---------------|-------------|------------|------------|----------|

Click on Tax Actions → Generate Lines.



Lines will be generated. Is this okay?

Yes

No

Choose YES.



The lines have been generated.

OK

Choose OK.

Now the two fields are change, and you have a read only tax calculation.

Tax Calculation

✓ Saved



| <div> </div> <div> + New Edit List Delete Tax Actions More options </div> <div> </div> | | | | | | | | | |
|---|---------------|------------|------------|------------|------------------|------------|-------------------------------------|-----------------|--|
| Code ↑ | Description | Start Date | End Date | Tax Type | Created Time | Created By | Lines Gener... | Number of Lines | |
| → TEST WINE 1 | ⋮ WINE TEST 1 | 01-01-2024 | 31-12-2024 | WINE TAXES | 30-12-2024 22:19 | SAF | <input checked="" type="checkbox"/> | 1 | |

You can run as many tax calculations for the same period for the same type as you want, but when Lines generated are checked, then this one is read only.

Why would you run multiple? Because if you find out that there are basedata errors (e.g. customers missing) then you can fix them and then create a new tax calculation for the same period.

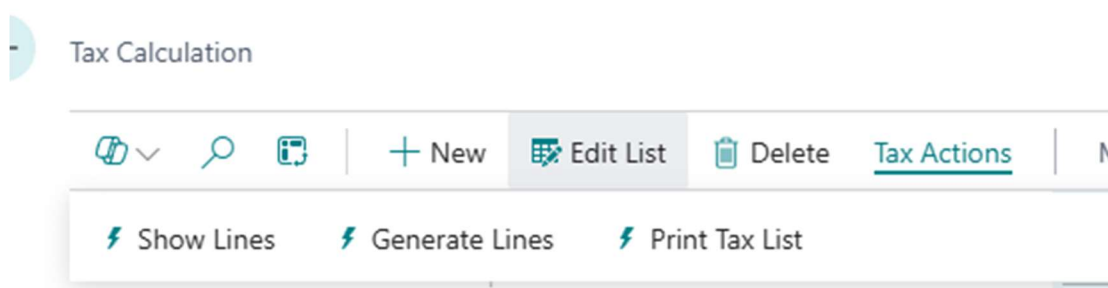


That will increase the quality of your tax reporting 😊.

Now you can either see the details or Print a tax report.

3.2 View details

If you want to see all the stored data in the tax calculation, then click TAX ACTIONS → SHOW LINES.



This will give you a read only list of all the lines in this tax calculation:

| Tax Calculation Lines | | | | | | | | | | | | | | | | |
|-----------------------|---------------|--------------|----------|--------------|--------------|---------------------|----------|------------------|---------------|---------------|------------|-----------|-----------------------|-----------------------------------|-----------------|-----------------------------|
| Header Code | Document Type | Document No. | Line No. | Posting Date | Customer No. | Customer Name | Item No. | Item Name | Location Code | Location Name | Tax Type | Tax Class | Tax Type Text | Tax Class Text | Unit of Measure | Transaction Unit of Measure |
| TEST.WINE.1 | Invoice | 103001 | 10000 | 01-04-2024 | 10000 | Kontorcentralen A/S | 1025-S | ATHEN Skrivebord | | | WINE.TAXES | WINE.1 | Wine taxes in denmark | Wine tax 1 (low alcohol percen... | L | SIX |

3.3 Print report

Printing a tax report is easy.

Highlight the tax calculation you want to see a report about, and then click Tax actions → Print Tax List:



Tax Calculation

| [+ New](#) [Edit List](#) [Delete](#) [Tax Actions](#) | M

[⚡ Show Lines](#) [⚡ Generate Lines](#) [⚡ Print Tax List](#)

VufTaxReport

Printer (Handled by the browser) ▾

Report Layout Tax Report per type /Class ...

Filter: Company Information

[+ Filter...](#)

Filter: Tax Headers

× Code TEST WINE 1 ▾

[+ Filter...](#)

Filter: Tax Lines

[+ Filter...](#)

Advanced >

[Send to...](#) [Print](#) [Preview & Close](#) [Cancel](#)

Just click Preview & Close (or whatever you want to click).

You now have a tax report!



| | | |
|-----------------------------------|----------|---------------------|
| Afgiftsopgørelse | Version | WINE TEST 1 |
| Soak Demo virksomhed | Lavet af | SAF |
| Periode 01-01-2024 til 31-12-2024 | Lavet | 2024-12-30 10:19:04 |

Afgift Wine taxes in denmark
Klasse Wine tax 1 (low alcohol percentage)

| Bilagstype | Bogf. dato | Varenr | Kundenr. | Bilagsnr. | Salgs-enhed | Antal | Salgs-Faktor | Afgifts-antal | Indhold /enhed | Afgifts-mængde | Afgift sats | Afgift |
|--|------------|--------|----------|-----------|-------------|-------|--------------|---------------|----------------|----------------|-------------|--------|
| Invoice | 01-04-2024 | 1896-S | 10000 | 103001 | STK | 10,00 | 1,00 | 10,00 | 0,75 | 7,50 | 4,61 | 34,58 |
| Total for: Wine tax 1 (low alcohol percentage) | | | | | | | | | | 7,50 | | 34,58 |
| Total for: Wine taxes in denmark | | | | | | | | | | 7,50 | | 34,58 |