Contents

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

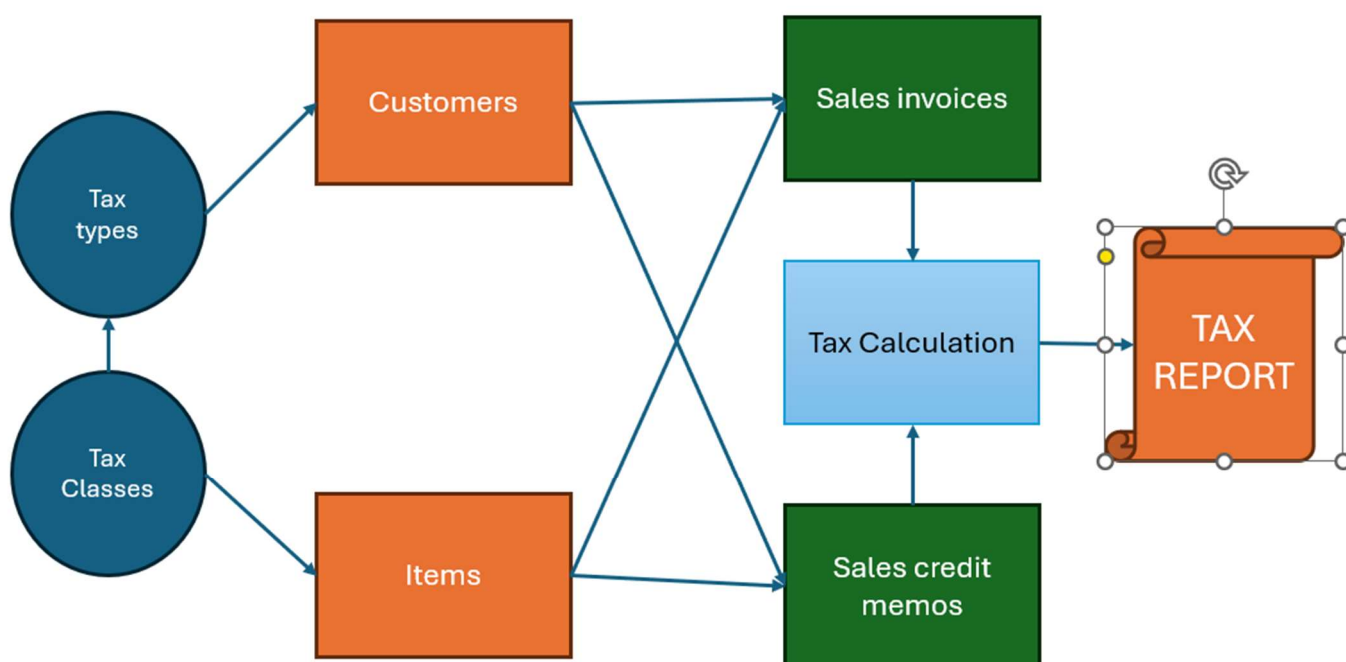## 1.6 Planned functionalities

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 creditmemos 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   ↗ ✕

```
tax type
```

Go to Pages and Tasks

> Tax Types   Lists

Search for tax type and choose the list Tax Types:

Tax Types

Tax Type ↑	Description	Enabled
→		☐

(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

Tax Type ↑	Description	Enabled
→ SUGAR TAXES	Sugar taxes in Denmark	☑
PACKAGING TAXES	Packaging taxes in Denmark	☑
WINE TAXES	Wine taxes in denmark	☑

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

Tax classes

Go to Pages and Tasks

> Tax Classes   Lists

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

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:

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):

Click on the Tax Setup in Home menu.

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):

Click on Tax Setup, and fill in information:

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 x 0,75 x 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:

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

3.1 How to calculate taxes

Search for Tax Calculation

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.

Click on Tax Actions → Generate Lines.

? Lines will be generated. Is this okay?

Yes　　　No

Choose YES.

(i) 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

🔍　+ 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	SAF	☑	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.
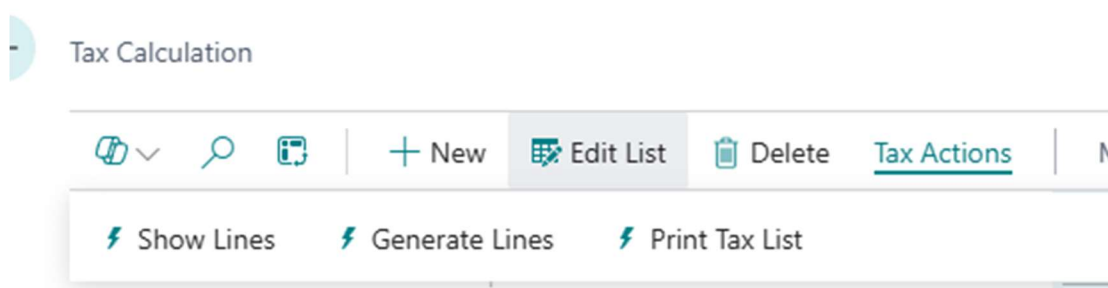
That will increase the quality of your tax reporting 😊 .

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 tac calculation, then clik TAX ACTIONS → SHOW LINES.

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

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

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

You now have a tax report!

Afgiftsopgørelse

Soak Demo virksomhed

Periode	01-01-2024 til 31-12-2024		

Version	WINE TEST 1
Lavet af	SAF
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**