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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

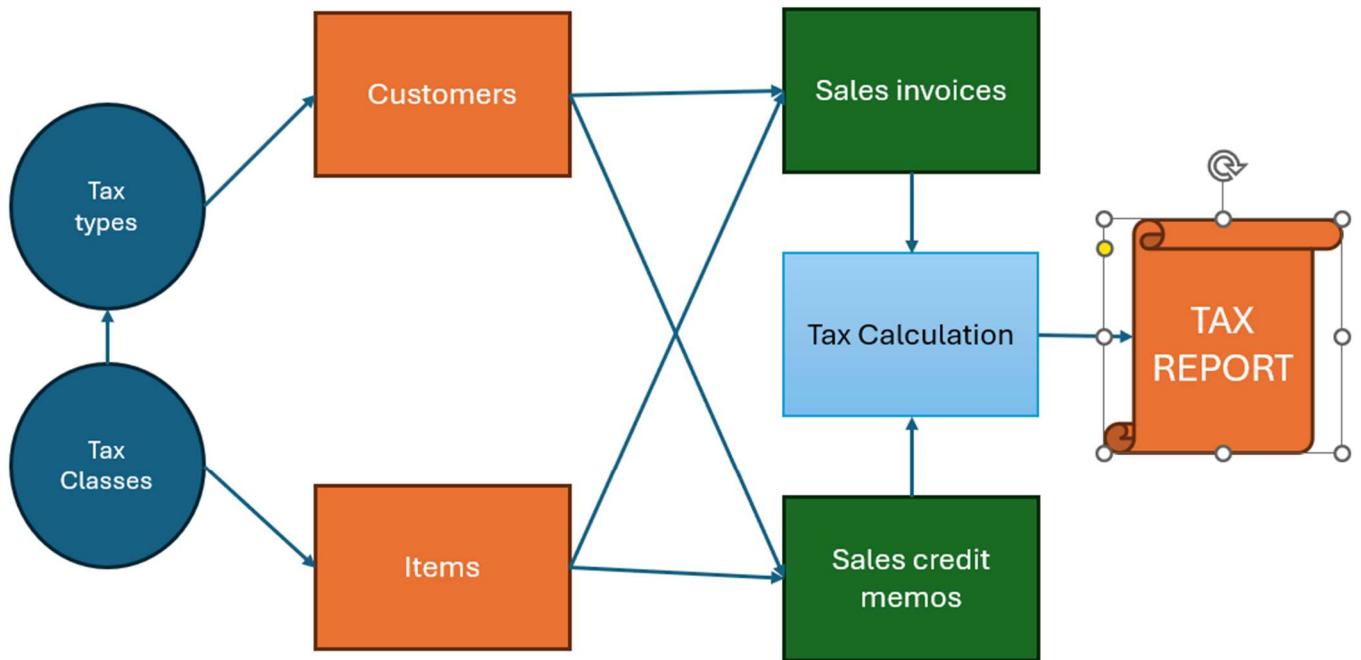
1.6 Planned functionalities

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 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 them of certain products will cause a tax payment.
- 3) Item setup, where products are marked 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 tax amounts 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](#)



[🔍](#) [✖](#) [➕ New](#) [Edit List](#) [Delete](#)

[✖](#) [✖](#) [✖](#)

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

(If you can't 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



Tax classes

Go to Pages and Tasks

[› Tax Classes](#)

Lists

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



Tax Classes

Save

Code ↑	Description		Tax Type	Unit Type	Enabled
WINE 1		Wine tax 1 (low alcohol percentage)	WINE TAXES	L	<input checked="" type="checkbox"/>
WINE 2		Wine tax 2 (middle alcohol percentage)	WINE TAXES	L	<input checked="" type="checkbox"/>
WINE 3		Wine tax 1 (high alcohol percentage)	WINE TAXES	L	<input checked="" type="checkbox"/>
PACK 1		Plast packaging	PACKAGING TAXES	STK	<input checked="" type="checkbox"/>
PACK 2		paper packaging	PACKAGING TAXES	STK	<input checked="" type="checkbox"/>
SUGAR 1		White sugar	SUGAR TAXES	KG	<input checked="" type="checkbox"/>
SUGAR 2		Brown Sugar	SUGAR TAXES	KG	<input checked="" type="checkbox"/>
SUGAR 3		Pink sugar	SUGAR TAXES	KG	<input checked="" type="checkbox"/>

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

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

Actions: Edit, Print, New, Delete

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.
---------	-----------

Click on the Tax Setup in Home menu.

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	<input checked="" type="checkbox"/>	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

VUF Item Taxes

+ New Edit List Delete Saved

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

X 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	Sell-to	Carl Blochs Gade 7	Your Reference	
Customer Name	Kontorcentralen A/S	Address		Document Date	01-04-2024
		Address 2		Posting Date	01-04-2024
		City	Nyborg	VAT Date	01-04-2024
		Post Code	5800	Due Date	01-05-2024
		Country/Region Code	DK	External Document No.	
		Contact No.	E000001	External Payment Reference	
		Contact Phone No.		Salesperson Code	LB
		Contact Fax No.		Campaign No.	
		Contact E-Mail	robert.townes@contoso.com	Responsibility Center	
		Contact Role		Assigned User ID	
		Phone No.		Status	Open
		Mobile Phone No.		Work Description	
		Email	kontorcentralen.as@contoso.com		
		Contact	Robert Townes		

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		

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

Code ↑	Description	Start Date	End Date	Tax Type	Created Time	Created By	Lines Generated...	Number of Lines
→ TEST WINE 1	WINE TEST 1	01-01-2024	31-12-2024	WINE TAXES	30-12-2024 22:19	SAE	0	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.

Code ↑	Description	Start Date	End Date	Tax Type
→ TEST WINE 1	WINE TEST 1	01-01-2024	31-12-2024	WINE TAXES

Click on Tax Actions → Generate Lines.



① Lines will be generated. Is this okay?

Yes

No

Choose YES.

② 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			
Code ↑		Description		Start Date	End Date	Tax Type	Created Time	Created By	Lines Generated	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.

The screenshot shows a software interface for 'Tax Calculation'. At the top, there is a toolbar with icons for New, Edit List, Delete, and Tax Actions. Below the toolbar, a sub-menu is open with three options: 'Show Lines' (selected and highlighted in blue), 'Generate Lines', and 'Print Tax List'. The background shows a table with data, but it is not clearly legible.

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

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	De
TEST.WINE.1	Invoice	103001	10000	01-04-2024	10000	Kontorcentralen A/S	1096-S	ATHEN Skrivebord	WINE.TAXES	WINE.1	Wine taxes in denmark		Wine tax 1 (low alcohol percen...	1	STK	1	

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

Print + New Edit List Delete Tax Actions N

Show Lines Generate Lines Print Tax List

VufTaxReport

Print

X

Printer

Report Layout

Filter: Company Information

Filter...

Filter: Tax Headers

X Code

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

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