

Managing Tax Rate Change in BUSY

As per recent GST Council meeting, there have been changes in tax rates of many products as per which a lot of Items have been moved from 5% to 12% or 18%.

In this document, we will discuss that how you can manage tax rate change of Items in BUSY with effect from a certain date.

Case 1: Tax rate for all the Items under a specific rate changed to another rate like 5% changed to 12%

If tax rate for all the Items under a specific rate is changed to another rate then you can simply modify the existing tax category for that tax rate and specify new rate with effect from specified date. For example if 5% slab changed to 12%, simply modify existing tax category for 5% and specify new rate as 12% as shown below. No need to modify any Item.

The screenshot shows the 'Tax Category Details' window in BUSY. The 'Name' field is 'GST 5% -> 12%'. The 'Type' is 'Goods'. The 'Tax Type' is 'GST'. The 'GST Rate Info' section shows: Tax Rate (IGST) 5.00, Tax Rate (CGST) 2.50, Tax Rate (SGST) 2.50, and Tax on MRP N. A callout box points to the existing rates with the text 'Don't modify existing tax rate'. The 'Change Tax Rate on the Basis of Price' is set to 'N'. A callout box points to the 'Change in Tax Rates' table with the text 'Specify changed tax rate with date here'. The table has columns: S.No, w.e.f., IGST-Tax %, CGST-Tax %, SGST-Tax %, Tax Type, Price Based Tax, and Basis. The first row shows a change effective from 01-07-2022, with IGST-Tax % 12.00, CGST-Tax % 6.00, and SGST-Tax % 6.00. The 'Price Based Tax' is 'N'. There are 'Save' and 'Quit' buttons at the bottom.

| S.No | w.e.f. | IGST-Tax % | CGST-Tax % | SGST-Tax % | Tax Type | Price Based Tax | Basis |
|------|------------|------------|------------|------------|----------|-----------------|-------|
| 1 | 01-07-2022 | 12.00 | 6.00 | 6.00 | | N | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |

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Case 2: Tax rate for some of the Items changed to another rate like some of the Items in 5% moved to 12% or 18%

Let us assume that you had 10 Items under 5% and out of them 3 have been moved to 12% and 2 moved to 18%.

In this case we cannot modify existing tax category of 5% because it will impact all Items tagged with it. So, we need to create new tax category masters with the names like GST 5 →12% & GST 5 →18% and specify new rate with effect from specified date. Given below is the screenshot of Tax Category Master for Tax Category GST 5 →18%.

Name: GST 5% → 18% **Type:** Goods **Tax Type:** GST

GST Rate Info

| | | |
|-----------------|------|-------------------------------|
| Tax Rate (IGST) | 5.00 | (For Inter-State) |
| Tax Rate (CGST) | 2.50 | (For Local Transactions) |
| Tax Rate (SGST) | 2.50 | (For Local Transactions) |
| Tax on MRP | N | (Only for Multi-Tax Vouchers) |

Change Tax Rate on the Basis of Price: N

Change in Tax Rates

| S.No | w.e.f. | IGST-Tax % | CGST-Tax % | SGST-Tax % | Tax Type | Price Based Tax | Basi |
|------|------------|------------|------------|------------|----------|-----------------|------|
| 1 | 01-07-2022 | 18.00 | 9.00 | 9.00 | | N | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |

Buttons: Save, Quit

Similarly, you should create new Tax Category master for changes in other tax rates like GST 5 →12%, GST 18 →12 %, GST 12 →5 % and so on.

After creating new Tax Category masters, next step will be to tag Tax Category master to the required Item masters. For example, Branded Flour such as Ashirwad Atta were earlier taxable at 5% and now they are taxable at 12%, so in Ashirwad Atta Item master, you will tag GST 5 →12% Tax Category master. Given below is the screenshot of Item master with new Tax Category tagged.

Next - PgDn | Prev - PgUp | List

Modify Item Master

| | | | |
|---|--|--|--|
| Name Ashirwad Atta | | Discount & Markup Det. | |
| Alias | | Sale Discount 0.00 | Purc. Discount 0.00 |
| Print Name Ashirwad Atta | | Sale Compound Disc. | Purc. Compound Disc. |
| Group Branded Flour | | Specify Sales Disc. Structure N | Specify Purc. Disc. Structure N |
| Main Unit Details | | Alternate Unit Details | |
| Unit Bags | Alternate Unit Bags | Sale Markup | |
| Op. Stock (Qty.) 0.00 | Con. Factor | Purc. Markup | |
| Op. Stock (Value) | Con. Type | Sale Comp. Markup | |
| | Op. Stock (Qty.) | Specify Sales Markup Structure | |
| | | Specify Purc. Markup Structure | |
| Tax Category GST 5% → 12% | | Item Description | |
| HSN/SAC Code for GST 1101 ... Validate | | Set Critical Level (Y/N) Y ... | |
| Item Price Info | | Maintain RG-23D | |
| Sales Price applied on | Purc. Price applied on | Serial No.-wise Details Y | |
| Sales Price (Bags) 0.00 | | Parameterized Details | |
| Purc. Price (Bags) 0.00 | | MRP-wise Details | |
| M.R.P. (Bags) 0.00 | | Exp./Mfg. Date Required | |
| Min. Sales Price (Bags) 0.00 (Exclusive of Taxes) | | Specify Default MC | |
| Self-Val. Price 0.00 | | Freeze MC for Item | |
| Packaging Unit Details | | Total No. of Authors (Max. 10) Don't Maintain Stock Balance N | |
| Packaging Unit | Con. Factor | Pick Item Sizing Info. from Item Description | |
| Sales Price (Bags) | Purc. Price (Bags) | Specify Default Vendor N | |
| Default Unit for Sales Not Req. | Default Unit for Purc. Not Req. | Skip In GST Reports N | |
| Tax Inclusive Sale Price N | Tax Inclusive Purchase N | | |
| Specify Sales Acc Not Reqd. | | | |
| Specify Purc Acc Not Reqd. | | | |

Notes | Opt. Fields | Multiple Alias | ITEM IMAGE | Save | Quit

Please Note: You are only required to change the Tax Category for items whose tax rates have been changed. For items whose tax rates have not been changed there is no need to make any changes.

You can also change Item's Tax Category for multiple Items in single screen using Administration → Masters → Bulk Updation → Check/Update Item HSN/Tax Category option. On clicking Check/Update Item HSN/Tax Category option, a Select Range window appears where you can select the Item Range. Given below is the screenshot of Check/Update Item HSN/Tax Category window when Item Range is selected as 'All'.

| S.No | Name | HSN Code | Tax Category |
|------|-----------------------------------|----------|----------------|
| 1 | Amul Butter - 100 Gm | 9876 | GST 12% |
| 2 | Amul Butter - 500 Gm. | 9876 | GST 12% |
| 3 | Ashirwad Atta | 1101 | GST 5% --> 12% |
| 4 | Bambino Vermicilli - 500 Gm | 0987 | GST 5% --> 12% |
| 5 | Britannia Bourbon | 9876 | GST 12% |
| 6 | Britannia Jim Jam | 9876 | GST 12% |
| 7 | California Almonds - 100gm | 0987 | GST 12% |
| 8 | Everest Sambhar Masala | 0906 | GST 5% --> 12% |
| 9 | Head & Shoulders Shampoo - 340 ml | 9876 | GST 18% |
| 10 | Maggi Noodles- 70 Gm | 4651 | GST 12% |
| 11 | Mc Can French Fries | 9876 | GST 18% |
| 12 | Mc Can Veggie Burger Patties | 9876 | GST 18% |
| 13 | MDH Deggi Mirch | 9876 | GST 5% --> 12% |

Change Tax Category for All Items under a particular HSN Code

To change Tax Category for all Items under a particular HSN Code you can use the above screen and filter Items on the basis of HSN Code. Alternatively, you can use *Administration* → *Bulk Updations* → *Update Item Tax Category/HSN Code*. On clicking *Update Item Tax Category/HSN Code*, an *Update Item Tax Category* window will appear. Given below is the screenshot of *Update Item Tax Category* window.

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Here specify 'Y' under '*Filter on HSN Code*' option and specify the HSN Code for which you want to change the Tax Category. After that specify the new Tax Category that you want to update for above mentioned HSN Code.

With the help of above option you can update Tax Category for all Items for a particular HSN Code.

<<< 😊 **Thank You** 😊 >>>