

Managing Tax Rate Change in BUSY

Under GST regime there have been frequent changes related to reporting and tax rates and will continue for some more time. One such latest change is change in tax rate of many products. A lot of Items have been moved from 28% to 18% or 12%. Some other Items have been moved from 18% to 12% and so on.

In this document, we will discuss that how you can manage tax rate change of an Item 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 28% changed to 26%

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 28% slab changed to 26%, simply modify existing tax category for 28% and specify new rate as 26% as shown below. No need to modify any Item.

The screenshot shows the 'Tax Category Details' window in BUSY. The window title is 'Tax Category Details' and the 'Tax Type' is 'GST'. The 'Name' field is 'GST 28 -> 26%' and the 'Type' is 'Goods'. The 'Stock Account' is empty. The 'GST Rate Info' section shows: 'Tax Rate (IGST) 28.00 (For Inter-State Transactions)', 'Tax Rate (CGST) 14.00 (For Local Transactions)', 'Tax Rate (SGST) 14.00 (For Local Transactions)', and 'Tax on MRP N (Only for Multi-Tax Vouchers)'. The 'VAT Rate' is 12.50. The 'VAT Rate Info' section shows: 'VAT Type', 'Zero Tax Type', 'Central Tax Rate 0.00 %', and 'Tax on MRP N'. The 'Change Tax Rate on the Basis of Price' is 'N'. The 'Change in Tax Rates' table is circled in red and contains the following data:

S.No	w.e.f.	IGST-Tax %	CGST-Tax %	SGST-Tax %	Tax Type	Cess %
1	15-11-2017	26.00	13.00	13.00		---
2						---
3						---
4						---
5						---

Annotations in the screenshot include: 'Don't modify existing tax rate here' pointing to the 'Tax Rate (IGST) 28.00' field; 'Previous VAT rate for this Tax category appears here' pointing to the 'VAT Rate 12.50' field; and 'Specify the changed tax rate with date here' pointing to the 'w.e.f.' column in the 'Change in Tax Rates' table. The 'Save' and 'Quit' buttons are at the bottom, and the status bar shows 'Esc=>Quit F2=>Done'.

Case 2: Tax rate for some of the Items changed to another rate like some of the Items in 28% moved to 18% or 12%

Let us assume that you had 10 Items under 28% and out of them 3 have been moved to 18% and 2 moved to 12%.

In this case we cannot modify existing tax category of 28% because it will impact all Items tagged with it. So, we need to create new tax category masters with the name like *GST 28 -> 18%* & *GST 28 -> 12%* and specify new rate with effect from specified date. Given below is the screenshot of Tax Category Master for Tax Category *GST 28 -> 18%*.

The screenshot shows the 'Tax Category Details' window for 'GST 28 -> 18%' (Type: Goods, Tax Type: GST). The 'GST Rate Info' section includes: Tax Rate (IGST) 28.00, Tax Rate (CGST) 14.00, Tax Rate (SGST) 14.00, and Tax on MRP N. A 'VAT Rate' of 12.50 is also shown. A 'Change in Tax Rates' table is visible at the bottom.

Annotations in the screenshot include:

- A red circle around the name 'GST 28 -> 18%'.
- A red circle around the 'VAT Rate' field with the value '12.50'.
- A box pointing to the original tax rates (IGST, CGST, SGST) with the text 'Specify original tax rate here'.
- A box pointing to the 'VAT Rate' field with the text 'You can specify the previous VAT rate for this Tax category here'.
- A box pointing to the 'Change in Tax Rates' table with the text 'Specify the changed tax rate with date here'.
- A red oval around the 'Change in Tax Rates' table.

S.No	w.e.f.	IGST-Tax %	CGST-Tax %	SGST-Tax %	Tax Type	Cess %
1	15-11-2017	18.00	9.00	9.00		---
2						---
3						---
4						---
5						---

Similarly, you should create new Tax Category master for changes in other tax rates like *GST 28 -> 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, Shampoos were earlier taxable at 28% and now they are taxable at 18%, so in Shampoo Item master, you will tag *GST 28 -> 18%* 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 Head & Shoulders 200ml		Discount & Markup Det.	
Alias		Sale Discount 0.00	Purc. Discount 0.00
Print Name Head & Shoulders 200ml		Sale Compound Disc.	Purc. Compound Disc.
Group Shampoos		Specify Sales Disc.Structure N	Specify Purc. Disc.Structure N
Main Unit Details		Sale Markup	
Unit Pcs.		Sale Comp. Markup	Purc. Markup
Op. Stock (Qty.) 0.00		Specify Sales Markup Structure	Specify Purc.Markup Structure
Op. Stock (Value)		Item Description	
Item Price Info		Set Critical Level (Y/N) Y	
Sales Price applied on	Purc. Price applied on	Maintain RG-23D	Tariff Heading
Sales Price (Pcs.) 0.00		Serial No.-wise Details	Parameterized Details
Purc. Price (Pcs.) 0.00		MRP-wise Details	Batch-wise Details N
M.R.P. (Pcs.) 0.00		Exp./Mfg. Date Required	Expiry Days
Min. Sales Price (Pcs.) 0.00		Specify Sales Account N	
Self-Val. Price 0.00		Specify Purc Account N	
Packaging Unit Details		Specify Default MC	
Packaging Unit	Con. Factor	Freeze MC for Item	
Sales Price (Pcs.)	Purc. Price (Pcs.)	Total No. of Authors (Max. 10) Don't Maintain Stock Balance N	
Default Unit for Sales	Default Unit for Purc.	Pick Item Sizing Info. from Item Description	
Tax Category GST 28 -> 18%		Specify Default Vendor N	
HSN/Tax Code for GST			
Item Tax Details			
Type	Goods	Tax on MRP	N
Rate of Tax (CGST)	9.00		
Rate of Tax (SGST)	9.00		
Rate of Tax (IGST)	18.00		

Esc=>Quit F2=>Done

Please note that 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'.

Check/Update Item HSN/Tax Category

Specify Master Creation/Updation Basis
 Add New Master Modify Existing Master Key Field

S.No	Name	HSN Code	Tax Category
1	Dove Anit Rescue		GST 28 -> 18%
2	Gold Flakes Cigaratte		GST 28%
3	Head & Shoulders 200ml		GST 28 -> 18%
4	Marlboro Red		GST 28%
5	Rubber Bands		GST 28 -> 12%
6	Salt N Pepper Grinder		GST 28 -> 12%
7	Soap Dish		GST 28 -> 12%
8	Tops Custard Powder		GST 28 -> 18%

Specify Default Values For New Masters

Parent Group Unit Alt Unit Conversion Type
 Master Series Group Price on Date Packing Unit

F6=>Quit F2=>Done F9=>Del Line F7=>Filter

You can apply filter for a particular HSN Code by clicking on this button.

You can change Tax Category for all or some of the Items from here and save with a single click.

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 this option a screen will open as shown below:

Update Item Tax Category

Update
 Tax Category HSN Code

Tax Category to be updated for
 All Items Group of Items Selected Items

Item Group

Filter on HSN Code ? Y Specify HSN Code **00341**

Tax Category
 Specify Tax Category GST 28 -> 18%

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 in one go.

<<< 😊 Thank You 😊 >>>