Tax Code

Module Guide: Tax Code

Module Location

Settings > Tax > Tax Code

Module Purpose

The **Tax Code** module serves as a master data hub for defining all tax types applicable to the company's transactions. Here, users can create, manage, and configure various tax codes (such as VAT, PPh 23), including their rates, calculation methods, and, most importantly, their accounting integration by linking them to the appropriate accounts in the Chart of Accounts.

1. Main View (List of Tax Codes)

The main page displays all tax codes registered in the system, providing a concise overview of the existing tax types and rates.

View Explanation

- **Tax Code Table**:
  - **Code**: A unique code for each tax type (e.g., PPH23, PPN11).
  - **Description**: A brief explanation of the tax (e.g., VAT 11%).

- **Tax Operator**: A symbol indicating how the tax is applied (e.g., `+` to add the tax to the total).
- **Value**: The percentage rate of the tax.

- **Action Buttons**:
  - **New**: A button to open the form page and create a new tax code.
  - **Edit/Delete Icons**: (Usually on the right side) to edit or delete an existing tax code.

2. Add New Tax Page

This page is the detailed form for creating or editing a tax code, including its accounting settings.

View Explanation

- **Basic Tax Information**:
  - **Tax Code & Tax Name**: A unique identifier and a descriptive name for the tax.
  - **Tax Type**: The category of the tax (e.g., Sales Tax, Purchase Tax).
  - **Tax Operator**: The calculation method.
  - **Tax Value**: The rate in percentage.

- **Is Included**: A checkbox to define whether the tax is already included in the price (inclusive) or not (exclusive).
- **Tax Credit / PPN BM (Luxury Goods Sales Tax)**: Specific options for certain tax types according to regulations.

- **Accounting Integration (Accounts)**:
  - This is the most critical section, linking the tax code to automatic journal entries.
  - **Account for Sales Tax**: The account to record Output VAT.
  - **Account for Tax Receivable**: The account to record withholding tax receivables (e.g., tax deducted by customers).
  - **Account for Purchase Tax**: The account to record Input VAT.
  - **Account for Tax Payable**: The account to record withholding tax liabilities that must be paid to the state.

- **Action Buttons**:
  - **Apply**: Saves the new tax code configuration.
  - **Cancel**: Cancels the changes.

3. Steps to Create a New Tax Code

- From the main page, click the **New** button.
- Fill in the **Tax Code**, **Tax Name**, **Tax Type**, and **Tax Value**.
- Define whether the tax is inclusive by checking the **Is Included** box.
- In the **Accounts** section, select the appropriate accounts (from the Chart of Accounts) for each transaction type (Sales Tax, Purchase Tax, etc.) from the available dropdowns.
- Click **Apply** to save.

4. Integrated Workflow & Business Process

The tax codes created here will appear as options when a user creates a transaction in other modules, such as a Sales Invoice or a Purchase Invoice.

When a tax code is selected in a transaction, the system will automatically:

- Calculate the tax amount based on the predefined rate and method.
- Create an accounting journal entry automatically by debiting or crediting the accounts mapped in the **Accounts** section. This eliminates the need for manual journal entries for taxes and ensures recording compliance.

5. Tips & Important Notes

- The account mapping (**Accounts**) must be done with extreme accuracy. A mapping error will lead to errors in the financial statements.

- When government tax regulations change (e.g., a change in the VAT rate), it is recommended to create a **new tax code** rather than editing an old one if the old code has already been used in historical transactions. This maintains the integrity of past data.

- This is a fundamental module that must be set up correctly during the initial system implementation and is generally managed by the accounting or finance department.

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