

Handling GST on Imported Goods in New Zealand Accounts Business

Handling the GST associated with imported goods is not a straightforward matter for two reasons:

- The deemed 'customs value' of the goods on which GST is levied may be different to the amount you actually paid;
- 2. The GST is levied separately from the purchase.

Generally, you enter the bill for your imported goods on the day of the transaction when the exact GST amount is not known. At a later date you receive a bill for the GST component, which because of the 'customs value' may not be 15% of your purchase price.

In this paper we will show you how to configure a tax code to handle this GST charge on your imported goods.

Step 1: enable "Edit tax amounts".

- 1. Go to Edit > Preferences > Tax > Company Preferences;
- 2. Click Yes to 'Do you want to edit tax amounts?'
- 3. Click OK and Yes to save.

references		
Accounting	My Preferences	ОК
🛃 Banking	Do you track tax?	Cancel
ফ্রি Bills শ্রুখ্য Desktop View	Do you want to edit tax amounts? r Yes C <u>N</u> o	Help
🇞 Finance Charge 🗖 🗖	Default Tax Agency Inland Revenue Depar 💌	Default
 Integrated Applications Items & Inventory Jobs & Estimates 	Tax reporting basis Sales figures Image: Accrual Basis (Standard Tax Accounting) Image: Accrual Basis (Standard Tax Accounting) Image: Cash Basis (Cash Accounting Scheme) Image: Cash Basis (Cash Accounting Scheme)	Also See: General
200 Online Payroll & Employees	Return due 0 day(s) after the reporting period ends	
uiii Reports & Graphs	Default Ta <u>x</u> Code	1.1.1.1
Send Forms	Allow tax inclusive (gross) prices and costs to be entered.	
Tax		
Time Tracking		2.2.1

Please Note: While we try to provide you with the solution you need, we cannot warrant that the information set out in this document is totally error free or will necessarily resolve any problem you may have."

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Step 2: Check that the "I " tax item is correctly set up.

- 1. Lists > Tax Item List > double click on " I ";
- 2. In the Tax Rate (%) or Amt, enter 100%,
- 3. Check that all other details match the required entries:

🏨 Edit Tax Item	×
Type Tax Item Use to calculate tax at a specific rate that you pay to a specific tax agency. Name	ок Cancel Spellin <u>q</u>
	☐ Item is inactive
Description Imported	
Iax Rate (%) or Amt Tax Agency (supplier that you collect for) 100% Inland Revenue Department	
C Use this item in sales transactions C Use this item in purchase transactions	
Assign this item to a line of the tax agency's tax return. Tax Return Line Import Taxed	

4. Click on OK to save:

Step 3: Create a Bill for the GST amount advised by NZ Customs.

Payee: NZ Customs Expense: Import GST Tax code: I Net Amount: Ieave blank Tax Amt: as advised by NZ Customs You can add any other charges payable to NZ Customs on this form.

) Enter Bills - Accounts I	Payable				Type a help question Ask	V How I	Do I?		×
🛿 Previous 🖙 Next 🛛	🗟 Find	ዊ _ስ History	Jour	nal					
● Bill	Account Acc	ounts Payabl	e	•	📝 Bill Received				
		8	Bill						
Supplier NZ Customs Address NZ Customs Terms				Date Ref. No. Amount Due Bill Due	14/09/2011 🔳 NZ\$ 200.00 24/09/2011 🗐				
Expenses NZ	\$200.00	Net Amt	Tax	Memo		Customer:	Billa	Class	
Import GST	I		200.00	Hemo		Customernin		0033	
Supplier Tax Code Exchange Rate 1 Clear Splits Recalcula	▼ □ /	Amounts inclu	de tax			Total Tax Net Amount	200	.00	•

Step 4: view information on the GST 101 Report, Box 13

🛅 GST 101 Repo	ort		- • ×					
Modify Report	Memorise Print Email ▼ Export Hi	ide He <u>a</u> der Refre <u>s</u> h I	Print GST101 Form					
Dates This Tax	Dates This Tax Year-to-date From 01/01/2011							
2:18 PM	2:18 PM QuickBooks Accredited Consultant File							
14/09/11	14/09/11 GST 101 Report							
Accrual Basis	Accrual Basis January 1 through September 14, 2011							
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	Goods and Services Tax							
	Total Sales and Income for the period							
	(incl. GST)(incl. Zero-rated supplies) (Box 5)		•					
	Zero-rated supplies (included in box 5) (Box 6)							
Total Sales (box 5 minus box 6)(Box 7)		6,069.60						
	Total GST collected on sales (Box 10)	791.68						
	If no adjustments in Boxes 8 and 9							
	Total Purchases and expenses (incl. GST)							
	excluding any imported goods (Box 11)	2,553.85						
	GST on purchases and Expenses (Box 12)	333.12						
	Credit adjustments (Box 13)	200.00						
· · · ·	Total GST Credit for Purchase & Expenses (Box 14)	533.12						
	Net GST to Pay (or reclaim if Negative) (Box 15)	258.56						
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