sales tax credits

It’s not uncommon for a customer to be charged sales tax when they shouldn’t have. One way to credit a customer for sales tax would be to create a credit memo for the original invoice that included the sale tax and then create a new non-taxable invoice. Or you could credit the customer for a non-tangible “SALES TAX” item with its unique GL account assignments, but this may confuse your customer and distort your required state sales tax reporting. There is a much simpler way. In the Accounts Receivable module, select **Create Sales Tax Credit from Invoice** from the Payments/Adjustments menu.



The initial prompt in this program is for the original invoice number. Once the invoice number has been entered, details related to the invoice will be recalled. None of these details can be edited, since this is a posted invoice.



Assuming the correct invoice has been entered and verified, simply click the Process button to create the credit. You will then have the option to select a different period and the date you would like the credit to post to.



After processing, the GL batch and the corresponding credits that were created will be displayed in a window beneath the invoice information. Note that the credit can be printed from the transaction created in order entry. An individual GL batch is created for the credit and noted here as well. You may want to make a note of the credit memo and batch number before clicking the Processing Complete OK button, which will close the screen.



The GL batch created can be found in the GL module, on the Entry menu in the Enter/Edit Batch program.



If you wish to view and/or print the credit in Order Entry, it can be found on the edit tab in the Edit Invoices/Orders/Quotes program.

