

How-To Guide Configuring Tax (UK VAT)

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Introduction

The purpose of this guide is to show how to configure the Enactor Estate Manager and POS to calculate Tax correctly. This guide will use UK VAT as the model, but other tax regimes could be equally well supported with the appropriate configuration.

Overview

The following steps are required to configure UK Tax:

- Tax Region Configuration
- Tax Scheme Configuration
- Tax Rate Configuration
- Tax Group Configuration
- Product Configuration
- Tax Group Tax Method Configuration
- Location/POS Terminal Configuration

Prerequisites

Resources

Before starting, you should have the following resources in place:

- Enactor Estate Manager
- Enactor POS (configured within the UK Region, connected to the Estate Manager)
- Standard Configuration, including:
 - Base Configuration
 - UK Retail (I have used UK in this example, but it could be other regional config packs. If you import the UK Retail config, the tax configuration described will already exist. Please note that in this guide we will go through the process of creating the configuration from scratch, as an example.)
- Examples of Data to be used as models, particularly product data

Prior Training/Experience

You should be familiar with the following:

- Estate Manager configuration
- Enactor configuration concepts, including Locations, POS Terminals, Products etc.
- Data broadcasting
- Standard POS Sales processes




Configuration Steps


Tax Region Configuration

The first step is to configure the Tax Region to which the Tax Scheme will be applied (a tax scheme is the container for all the tax rules applicable to a Sales Tax regime such as UK VAT). Tax Regions allow us to apply the same Tax Scheme in different Geographical regions, with applicable rates for each region. However, they are frequently used with a 1:1 relationship to Tax Schemes.

Tax Region is an example of a Group configuration, so it is accessed using Group Maintenance: *Configuration-Organisation-Groups*. Then select the Group Type of “Tax Region” from the drop-down.

The screenshot shows the 'Group Hierarchy Maintenance' interface. At the top, there's a green header bar with the title. Below it, there are two dropdown menus: 'Group Type' set to 'Tax Region' and 'Hierarchy ID' set to 'Starts With'. There are also 'Apply Filters' and 'Reset Filters' buttons. Below this is a table with columns: 'Hierarchy ID', 'Name', and 'Region'. The table contains one row with 'ALLREGIONS' in both the 'Hierarchy ID' and 'Name' columns, and 'All Regions' in the 'Region' column. To the left of the table, there are icons for eye, edit, and delete.

	Hierarchy ID	Name	Region
  	ALLREGIONS	ALLREGIONS	All Regions

A single Tax Region hierarchy is usually used for all regions. Click on the “Edit”  icon by the existing “ALLREGIONS” hierarchy.

This will then display the regions within the hierarchy:

The screenshot shows the 'Group Hierarchy Maintenance' interface in edit mode. At the top, there's a green header bar with the title. Below it, there are 'Save' and 'Cancel' buttons. Below this, there's a text line: 'You are editing Tax Region hierarchy ID: ALLREGIONS, for region: All Regions'. Below this is a tree view showing the hierarchy: 'ALLREGIONS - ALLREGIONS' with sub-items 'DE - Germany' and 'FR - France'. At the bottom, there are 'Add Tax Region' and 'Edit Tax Region' buttons.

Save Cancel

You are editing Tax Region hierarchy ID: ALLREGIONS, for region: All Regions

- ALLREGIONS - ALLREGIONS
 - DE - Germany
 - FR - France

Add Tax Region Edit Tax Region

We will now add a new region under the “ALLREGIONS” top-level group. Select ALLREGIONS (so it is bold) and then click on “Add Tax Region”:

The screenshot shows the 'Group Hierarchy Maintenance' interface in add mode. At the top, there's a green header bar with the title. Below it, there's a text line: 'Please enter an ID for the new Tax Region.' Below this are two input fields: 'Group ID' and 'Name'. At the bottom, there are 'Back' and 'Create' buttons.

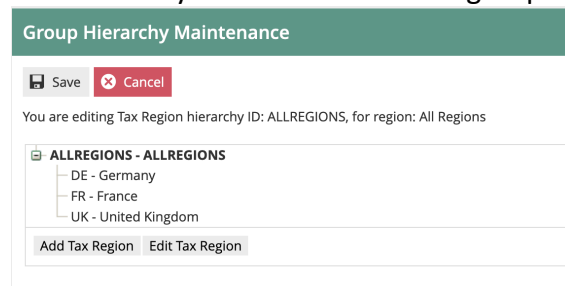
Please enter an ID for the new Tax Region.

Group ID

Name

Back Create

We will set the Group ID to “UK” and the Name to “United Kingdom”. Then Click Create. The hierarchy then shows the new group in the list:



The screenshot shows the 'Group Hierarchy Maintenance' interface. At the top, there are 'Save' and 'Cancel' buttons. Below them, a message states: 'You are editing Tax Region hierarchy ID: ALLREGIONS, for region: All Regions'. A tree view shows the hierarchy: 'ALLREGIONS - ALLREGIONS' with sub-items 'DE - Germany', 'FR - France', and 'UK - United Kingdom'. At the bottom, there are 'Add Tax Region' and 'Edit Tax Region' buttons.

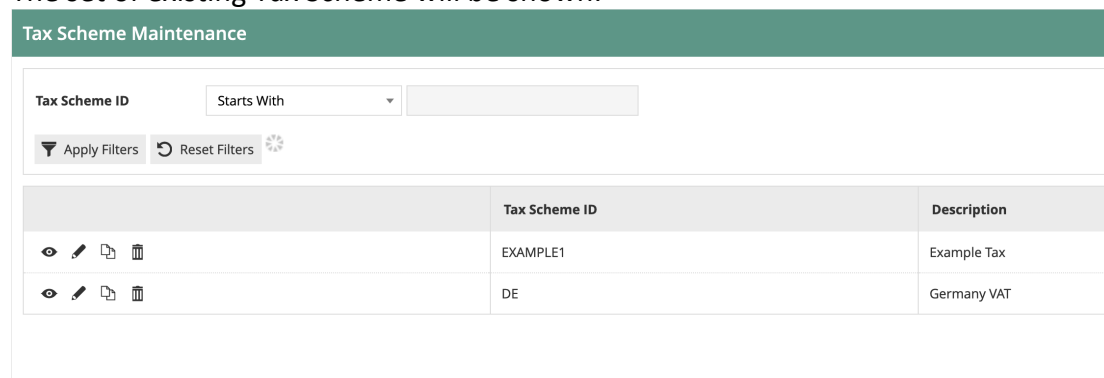
This concludes the Tax Region configuration.

Tax Scheme Configuration









The next step is to configure the Tax Scheme. The Tax Scheme is the “container” for all the configuration settings that relate to that scheme. Multiple tax schemes can be maintained in the same Enactor solution. Each Tax Scheme will be relevant for specific area(s) of the Enactor estate (e.g. geographic regions).

Go to Tax Scheme configuration using Search or the path *Configuration-Financial-Tax Schemes*.

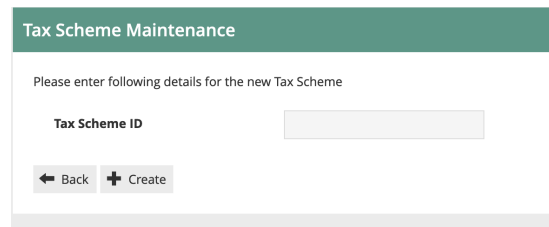
The set of existing Tax Scheme will be shown:



The screenshot shows the 'Tax Scheme Maintenance' interface. At the top, there is a 'Tax Scheme ID' field with a 'Starts With' dropdown and a search input. Below this are 'Apply Filters' and 'Reset Filters' buttons. A table lists existing tax schemes:

	Tax Scheme ID	Description
   	EXAMPLE1	Example Tax
   	DE	Germany VAT

Click on “Create a New Tax Scheme”. The Tax Scheme ID field is shown:



The screenshot shows the 'Tax Scheme Maintenance' interface for creating a new tax scheme. It prompts the user to 'Please enter following details for the new Tax Scheme'. There is a 'Tax Scheme ID' input field. At the bottom, there are 'Back' and 'Create' buttons.

For UK VAT we will use an ID of “UK”.

You will then be presented with the tax scheme details page:

Tax Scheme Maintenance

Save Cancel

You are editing Tax Scheme ID: 'UK'

General Applicable Tax Rates

Description* English (UK)

Tax Calculation Service Type -

Multiple Tax Rates Allowed ☐

Prices Include Tax ☐

Remove Tax On Sale ☐

Manufacturer Coupons Apply Before Tax ☐

* Denotes Mandatory

Set the values on the page as follows:

- Set the Description to “UK Tax”.
- For UK, we do not use a Tax Calculation Service. This should be left blank (which means Enactor will calculate the VAT itself).
- UK does not use multiple tax rates.
- Prices do include VAT, so check that box.
- Do not remove Tax on Sale.
- Manufacturer coupons are not relevant.

We will set the Applicable Tax Rates later. We have finished the Tax Scheme maintenance for now, so click on Save.

Tax Rate Configuration

Tax Rates are used for the various Percentage Rates of tax to be applied within the scheme. For example, for UK VAT there are three rates (as at 9 Oct 2020):

Rate ID	Rate Name	Percentage	Applies To
UKS	Standard Rate	20%	Most Products
UKR	Reduced Rate	5%	Takeaway food, Children’ Car Seats etc.
UKZ	Zero Rate	0%	Foods, Books, Children’s clothes etc.

So we will create three rates for the UK VAT Tax Scheme.

Go to Tax Rate configuration using Search or the path *Configuration-Financial-Tax Rates*.

The list of currently configured Tax Rates is shown:

Tax Rate Maintenance				
Tax Rate ID <input type="text"/> Starts With <input type="text"/>				Hide
<input type="button" value="Apply Filters"/> <input type="button" value="Reset Filters"/>				
	Tax Rate ID	Tax Rate Type	Description	Effective Date
	DE_VAT_RED	VAT	Germany Reduced VAT	01-Jan-2020
	DE_VAT_STD	VAT	Germany Standard VAT	01-Jan-2020
	DE_VAT_EXEMPT	VAT	Germany VAT Exempt	01-Jan-2020
	FRPC	VAT	Perfume - Cosmetics	06-May-2014
	FRR	VAT	Retail Tax (France)	11-Apr-2014

As you can see, each rate has an effective date. It is possible to set up one or more rates with the same ID (e.g. UKS for UK Standard VAT) with different effective dates. The application will use the applicable rate with the most recent past effective date.

Click on “Create a new Tax Rate”.

The initial Tax Rate Maintenance screen is then shown:

Tax Rate Maintenance

Please enter following details for the new Tax Rate

Tax Rate Type

VAT

Tax Rate ID

Effective Date

09

October

2020

...

← Back

+ Create

The Tax Rate Type defines how the tax will be calculated. Use VAT for simple schemes such as that for UK and EU countries. For countries with more complex rules where the rate is dependent on the value of the transaction, use Tax Value or Tax Percentage tables. Composite rates are used when multiple rates are applicable to each item. As we are configuring UK VAT, we will simply use the VAT type.

The Tax Rate ID can be any unique string. We will use UKS for UK Standard VAT. The effective date will be the date at which the 20% rate started in the UK (4 Jan 2011).

The Tax Rate Maintenance details page is then shown:

Tax Rate Maintenance

Save Cancel

You are editing Tax Rate : 'UKS' Tax Type 'VAT' with Effective Date '04/01/11'

General

Description*

English (UK)

Display Tax Code*

English (UK)

Percentage

0%

Tax Authority

-

Fiscal Tax Rate Reference

* Denotes Mandatory










Give the rate a meaningful description (e.g. UK Standard VAT).

The Display Tax Code will display on the POS receipt, a short code (e.g. “S” for Standard) is usually used.

Set the Percentage to 20%.

Tax Authority and Fiscal Reference are not relevant for UK tax.

Then save the rate. Repeat for the other two UK Rates. This will give you a set of three rates applicable for UK VAT:

Tax Rate Maintenance				
Tax Rate ID Starts With UK Hide				
Apply Filters Reset Filters				
	Tax Rate ID	Tax Rate Type	Description	Effective Date
  	UKR	VAT	UK Reduced Rate VAT	04-Jan-2011
  	UKS	VAT	UK Standard VAT	04-Jan-2011
  	UKZ	VAT	UK Zero Rate VAT	04-Jan-2011

If there is a new Percentage for the same rate (e.g. if the standard rate changed to 21%) then the additional rate should be created with the same Tax Rate ID (e.g. UKS) and a new Effective date. This new rate will then automatically take effect from that date.

Now the tax rates need to be assigned to the Tax Scheme. To do this, go to Tax Scheme Maintenance (*Configuration-Financial-Tax Schemes*) and edit the UK VAT Scheme. Then click on the “Applicable Tax Rates” tab:

Save

Cancel

You are editing Tax Scheme ID: 'UK'

General

Applicable Tax Rates

This shows the Tax Rates which are allowed for this Tax Scheme.

	Tax Rate ID	Description	Percentage
<div>+ Add</div>		<div><div>Germany VAT Exempt</div><div>Germany - Reduced VAT</div><div>Germany Standard VAT</div><div>Perfume - Cosmetics</div><div>Retail Tax (France)</div><div>UK Reduced Rate VAT</div><div>UK Standard VAT</div><div>UK Zero Rate VAT</div></div>	

You can now add each of the three rates to the scheme. Select the rate from the drop-down and click on Add.

You will finish up with three rates on the scheme:

Save




Cancel

You are editing Tax Scheme ID: 'UK'

General

Applicable Tax Rates

This shows the Tax Rates which are allowed for this Tax Scheme.

	Tax Rate ID	Description	Percentage
	UKS	UK Standard VAT	20%
	UKR	UK Reduced Rate VAT	5%
	UKZ	UK Zero Rate VAT	0%
<div>+ Add</div>		Germany VAT Exempt	

Then save the Tax Scheme.

This concludes the Tax Rates maintenance.

Tax Group Configuration

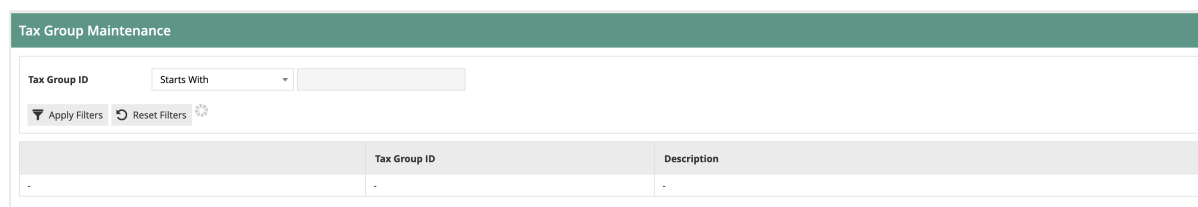
Tax Groups identify the products that categories that attract different levels of tax. For example, if a retailer operated just in the UK, they might have simply have groups comprising:

- General Merchandise
- Food
- Books
- Children's Clothes

This would allow them to set the correct rate to each product category. However, if the retailer operates in multiple territories, they may want to use more granular categories. This will allow them to set the applicable rates in each territory. Setting the correct tax groups for your organisation(s) will depend on the product categories and territories involved. For this example, we will set up tax groups comprising:

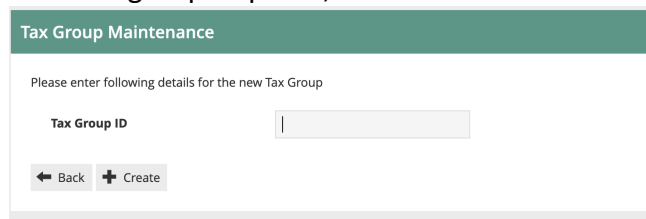
Tax Group ID	Tax Group Name	Applicable UK VAT Rate
Apparel	A	UKS (20%)
Food	F	UKZ (0%)
General Merchandise	G	UKS (20%)
Takeaway Food	T	UKR (5%)
Books	B	UKZ (0%)

Navigate to the tax groups maintenance app using search or the menu path *Configuration-Financial-Tax Groups*. Please note Tax Groups is a specific maintenance utility. It is not the same as the Groups maintenance utility.



The screenshot shows the 'Tax Group Maintenance' interface. At the top, there's a header 'Tax Group Maintenance'. Below it, there's a search bar with 'Tax Group ID' and a 'Starts With' dropdown. There are also 'Apply Filters' and 'Reset Filters' buttons. Below the search bar is a table with columns 'Tax Group ID' and 'Description'. The table is currently empty, showing only a header row.

For each group required, click on “Create a new Tax Group”.



The screenshot shows the 'Tax Group Maintenance' interface for creating a new tax group. It has a header 'Tax Group Maintenance'. Below it, there's a prompt 'Please enter following details for the new Tax Group'. There's a text input field for 'Tax Group ID'. At the bottom, there are two buttons: 'Back' and 'Create'.

The enter the ID and click “Create”.

Tax Group Maintenance

Save Cancel

You are editing Tax Group ID: 'A'

General

Description* English (UK)

External Tax Group

* Denotes Mandatory
















The only required data for the group is the description.
The External Tax Group field is for mapping to a 3rd party system if required.

Enter the description and save.
Then repeat for the other groups:

Tax Group Maintenance

Tax Group ID Starts With

Apply Filters Reset Filters

	Tax Group ID	Description
  	A	Apparel
  	B	Books
  	F	Food
  	G	General Merchandise
  	T	Takeaway Hot Food

This concludes the Tax Group configuration.

Product Configuration

Now that we have created the tax groups, we need to assign them to the relevant products.
Note: this will normally be carried out externally to Enactor, using the system of record for product data (usually an ERP or PIM), and then imported via an integration process. We will configure products manually within Enactor as examples:

Go to Product Maintenance (*Configuration-Merchandise-Products*) and edit an example product:

Product Maintenance

Save Cancel

You are editing Merchandise Product 174-10 : Blackberry Yoghurt.

General Selling Options Alternative Tenders Tax Merchandise Prices Location Supplier Attributes Product Media

General Label Information Product Group Selling Codes Product Lists

Product Description* Blackberry Yoghurt English (UK)

Blackberry Yoghurt

Click on the "Tax" tab:

Product Maintenance

Save

Cancel

You are editing Merchandise Product 174-10 : Blackberry Yoghurt.

General

Selling Options

Alternative

Tenders

Tax

Merchandise

Prices

Location

Supplier

Attributes

Product Media

Not For Export

Disallow Tax Exemption

Tax Group

Tax Groups by Region

Tax Rate Details

Tax Groups by Tax Region

	Tax Region	Tax Group
-	-	-
+ Add	ALLREGIONS	Alcoholic Drinks

The first two checkboxes are not relevant for this example. The key entry is the “Tax Group” dropdown. This should be set to the appropriate tax group for the product (as this is yoghurt, I will choose the Food Tax Group).

The table at the bottom is used when there are multiple tax regions in the organisation, and the tax group for this product is different in various regions. This is an additional complexity that should be avoided wherever possible, but if necessary it can be used to set an alternative tax group to the product for specific tax region(s).

Once the tax group is assigned to the product, save it. Amend any other example products you wish to use.

Tax Group Tax Method Configuration

Now that we have maintained Tax Regions, Schemes, Rates and Groups, we need to bring them all together so that the application can apply the rules in the right way. To do this, we use the Tax Group Tax Method mapping configuration.

Go to the Tax Group Tax Method maintenance utility using search or the menu path *Configuration-Financial-Tax Group Tax Methods*.

Tax Group Tax Method Maintenance













Tax Group

Tax Region

Tax Scheme

Apply Filters

Reset Filters

	Tax Group	Tax Region	Tax Scheme	Description
 	Alcoholic Drinks	France	FR	France
 	Books & Magazines	Germany	Germany VAT	Germany Reduced VAT
 	General Food	Germany	Germany VAT	Germany Reduced VAT
 	Takeaway Hot Food	Germany	Germany VAT	Germany Reduced VAT
 	Health	Germany	Germany VAT	Germany Reduced VAT
 	Clothing	Germany	Germany VAT	Germany Standard VAT

First, we will filter the list to the Tax Region we are interested in (United Kingdom). Then we can create the set of mapping records for each Tax Group: Click on “Create a new Tax Group Tax Method”.

Tax Group Tax Method Maintenance

Please enter following details for the new Tax Group Tax Method

Tax Group

Food

Tax Region

United Kingdom

Tax Scheme

UK VAT

← Back

+ Create

Select the appropriate values for each of the three dropdowns. Choose each Tax Group in turn. The Tax Region should be United Kingdom. The tax scheme should be UK VAT. Then click “Create”.

Tax Group Tax Method Maintenance

Save

Cancel

You are editing the Tax Group Tax Method for Tax Group 'F', Tax Region 'UK', and Tax Scheme 'UK'

General

Description*

English (UK)

Tax Rate

UK Standard VAT

* Denotes Mandatory

Enter a description, e.g. “Food – zero rate”. Choose the applicable tax rate from the dropdown. Then click Save:

Tax Group Tax Method Maintenance

Tax Group

-

Tax Region

United Kingdom

Tax Scheme

-

Apply Filters

Reset Filters

	Tax Group	Tax Region	Tax Scheme	Description
<div><div>👁</div><div>✎</div><div>🗑</div><div>📄</div></div>	Food	United Kingdom	UK VAT	Food - Zero Rate

Repeat for each of the Tax Groups in the region. Apply the appropriate rate for each group.

Tax Group Tax Method Maintenance

Tax Group

-

Tax Region

United Kingdom

Tax Scheme

-

Apply Filters

Reset Filters

	Tax Group	Tax Region	Tax Scheme	Description
<div><div>👁</div><div>✎</div><div>🗑</div><div>📄</div></div>	Clothing	United Kingdom	UK VAT	UK Standard VAT
<div><div>👁</div><div>✎</div><div>🗑</div><div>📄</div></div>	Health	United Kingdom	UK VAT	UK Standard VAT
<div><div>👁</div><div>✎</div><div>🗑</div><div>📄</div></div>	Beauty	United Kingdom	UK VAT	UK Standard VAT
<div><div>👁</div><div>✎</div><div>🗑</div><div>📄</div></div>	General Merchandise	United Kingdom	UK VAT	UK Standard VAT
<div><div>👁</div><div>✎</div><div>🗑</div><div>📄</div></div>	Alcoholic Drinks	United Kingdom	UK VAT	UK Standard VAT
<div><div>👁</div><div>✎</div><div>🗑</div><div>📄</div></div>	Non taxable	United Kingdom	UK VAT	UK Zero Rate VAT
<div><div>👁</div><div>✎</div><div>🗑</div><div>📄</div></div>	Takeaway Hot Food	United Kingdom	UK VAT	UK Zero Rate VAT
<div><div>👁</div><div>✎</div><div>🗑</div><div>📄</div></div>	Food	United Kingdom	UK VAT	UK Zero Rate VAT

This concludes the configuration of Tax Group Tax Methods.

Location Configuration

The final configuration step is to apply the tax region and tax scheme to each applicable location. This tells the application what tax rules to apply at each store.

Note that as well as configuring tax directly using Location Maintenance, it is possible to use Location Templates (e.g. a UK Location template may be used to set UK VAT rules for all UK Stores).

Go to the Location maintenance utility using search or the menu path *Configuration-Organisation-Locations*.

Edit a UK Store location and choose the General-Tax Tab:

The screenshot shows the 'Location Maintenance' interface. At the top, there's a green header bar with the text 'Location Maintenance'. Below it, there are 'Save' and 'Cancel' buttons. A message states 'You are editing store ID: G001'. A horizontal menu bar contains various tabs: General, Address, Purging, Day End, Email, Nearest Stores, Cash Management, Receipt, Display, MM Groups, MM Group Price, and Attributes. The 'General' tab is selected, and within it, the 'Tax' sub-tab is active. The 'Tax' sub-tab has a secondary menu with 'General', 'Ordering', 'Tax', 'Currency', and 'Security'. The 'Tax' sub-tab is selected, showing two dropdown menus: 'Tax Region' and 'Tax Scheme', both currently set to '-'. The 'Tax Region' dropdown is open, showing a list of regions.

Set the Tax Region to United Kingdom and the Tax Scheme to UK VAT:

Note: it is also possible to configure the VAT rules at POS Terminal level. This would normally only be used where there are “Special” POS Terminals within a store, which have non-standard tax rules. Generally the tax settings on the POS Terminal would be left blank, which would cause the POS to fall back to the store location-level settings.

This concludes the Location Configuration for tax.

Broadcasting and Testing the Configuration

At this stage all the tax rules that have been configured should be broadcast to the applicable stores/devices. The “Retail Static Data” Predefined Broadcast configuration could be used for this.

Once all the rules have been broadcast, the till should be restarted to ensure it has applied the latest settings to all applicable entities.

Then transactions may be processed to confirm the configuration is working as expected.

If the POS is configured to display the Tax breakdown on the receipt (in the POS Terminals Printing-Flags configuration) this can be immediately checked.

Example of Receipt with Tax Details included:

enactor

Enactor House
1 Bluecoats
Hertford
Hertfordshire
SG14 1PB
Tel: 01992 500881

Sale

Polo Shirt Long Blue	£11.00
Style: 5844	
Colour: Blue	
Size: XXXL	
Chardonnay Gran Reserva	£6.99
Water Slide	£7.99
Cabbage	£0.52
Lemon Bun	
8 @ £0.55	£4.40

TOTAL **£30.90**

Cash UK -£30.90

	Tax Breakdown		
	Net	Tax	Gross
S	£21.65	£4.33	£25.98
Z	£4.92	£0.00	£4.92

20010002000242010220923015

Thankyou for shopping at Enactor
22/10/20 09:24 George Lion 2001 0002 0024

If the tax breakdown is not required on the receipt, the XML Transaction basket may be reviewed to check the tax calculation details.

About This Document

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The amendment history of this document can be found in the table below.

Current Document Version information

Document Version 1.0

Product Version 2.6

Document Context

This document is part of the Enactor Product Documentation Series. All Enactor products include a comprehensive documentation set designed to improve understanding of the product and facilitate ease of use.

Document Inquiries

At Enactor we aspire to producing the highest quality documentation to reflect and enhance the quality of our product. If you find that the document is inaccurate or deficient in any way, please assist us in improving our standard by letting us know.

For matters of document quality or any other inquiries regarding this document please contact:

By Email: documentation@enactor.co.uk

Document History

The following versions of the document have been produced:

VERSION	STATUS	ISSUE DATE	AUTHOR	REASON FOR ISSUE
1.0	Initial Draft		Peter Rush	Initial version
1.1	Released		Peter Rush	Added receipt example.