

Managing Marginal VAT Schemes in MyBusiness

Introduction

In the Marginal VAT Scheme VAT is only payable on the margin, not on the total amount invoiced.

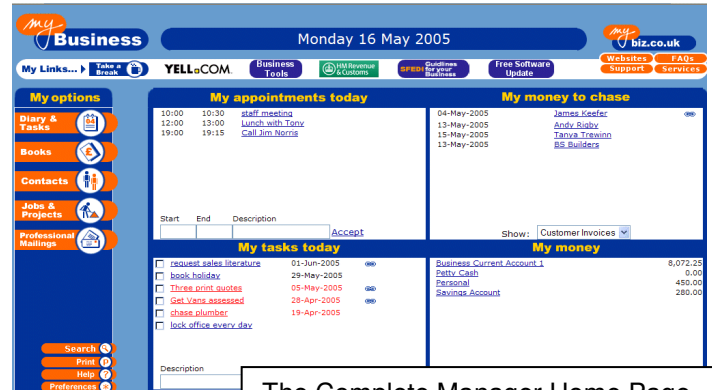
For Example – a second hand car:

Car Purchase Price: 10,000
Car Sales Price: 11,000

Margin: 1,000

VAT is only payable on the margin amount of £1000.

Therefore VAT = £1000 x VAT rate.



The Complete Manager Home Page

3 simple steps to handling Marginal VAT in MyBusiness

1. Set up a relevant VAT rate for your marginal VAT.

You VAT rate may not be a standard VAT rate and therefore you will need to set up a VAT rate. **If you are not sure what rate to use ask your accountant.**

Go to Accounts/VAT Codes/Add + (on the bottom right hand side of the screen).

2. Create an invoice template which does not show individual item lines.

(Alternatively, your version may have an existing invoice template called "Invoice Totals Only").

Go to Professional Mailings / Create Stationery, Books / Select the invoice template you want to amend and remove the individual item lines so only the total will show.

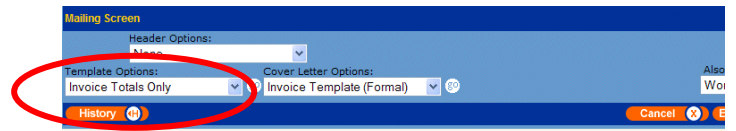
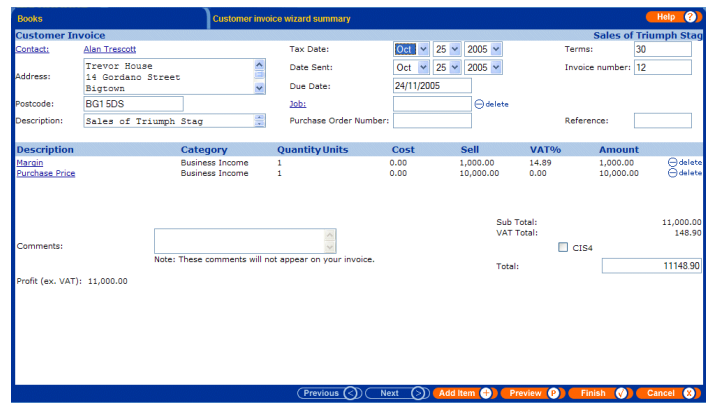
When you create an invoice you can create it from individual lines but when it is Previewed and Printed only the total will show.

3. Create your invoice

In the example above, create an invoice as follows:-

Item 1. Purchase Value: £10,000	VAT: None
Item 2. Margin: £ 1,000	VAT: Select relevant VAT Code

Select Preview to print and Select your new Invoice Template (or the existing Template "Invoice Totals Only").



INVOICE

Alan Trescott

Trevor House
14 Gordano Street
Bigtown
Bigtownshire
BG1 5DS

25 Oct 2005

Vat Reg No: 123 4567 82
Invoice No: 12
Tax Date: 25 Oct 2005
Terms: 30 days
Due Date: 24 Nov 2005

Job Description:
Purchase Order Number:
Description: Sales of Triumph Stag

Sub Total: 11,000.00
Vat Total: 148.90
Total: 11,148.90