Withholding Tax

Initial Setup

Withholding Tax Account

Menu : GL | Maintain Account...

GL Account	Description	Remark
460-XXX	WITHHOLDING TAX PAYABLE	Under Current Liabilities
990-XXX	WITHHOLDING TAX EXPENSE	Under Expenses

NOTE:
GL Account not compulsory to follow.

Maintain Withholding Tax

Menu : Tools | Maintain Withholding Tax...

1. Click **New**.
2. Input the following data:

Field Name	Explanation	Remark
Code	Set a code	WTH-TAX15
Description	Describe the meaning/usage of this code	Withholding Tax 15%
Tax Rate	Withholding Tax Rate	15%
Tax Account (DR)	Set to **Withholding Tax Exepense** account	At GL\Maintain Account, create the Withholding Tax Expense account under Expenses
Tax Account (CR)	Set to **Withholding Tax Payable** account	At GL\Maintain Account, create the Withholding Tax Payable account under Current Liabilities

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3. Click on **Save**.

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Withholding Tax Purchase Entry

Available in:

Menu : [Purchase | Purchase Invoice...] or [Supplier | Supplier Invoice...]

Menu : [Purchase | Cash Purchase...] or [Supplier | Supplier Invoice...]

Menu : [Purchase | Purchase Debit Note...] or [Supplier | Supplier Debit Note...]

Menu : [Purchase | Purchase Returned ...] or [Supplier | Supplier Credit Note...]

1. In **Purchase Invoice**, insert the following columns:

- WH Local Tax Amt
- WH Tax
- WH Tax Rate

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2. Select the Withholding Tax Code in **WH Tax** column.

3. System will auto post the withholding tax double entry. Press **CTRL + O** to check the double entry.

GL Description	Local DR	Local CR
Withholding Tax Expense	XXX	
Withholding Tax Payable		XXX

NOTE:
Withholding tax amount will not add into the purchase invoice amount.

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Payment of Withholding Tax

[GL | Cash Book Entry..]

1. Create new PV.
2. Enter Payee name.
3. Select bank account to pay.
4. In detail grid, select the GL Account **(Withholding Tax Payable)**.
5. Enter the withholding tax amount to be paid. Save it.

6. You can check the ledger report for **Withholding Tax Payable outstanding balance**.