



# Tax on Rent Setup

Property Management Solutions for Over 30 Years

## Overview

The Rate Table lets you define up to three taxes that can be added to charges that are marked taxable. The taxes are charged to the tenant in addition to the charge itself at the time the charge is posted. The recipient when the charge is paid can be either the management group or the owner - this is selected in the Rate Table.

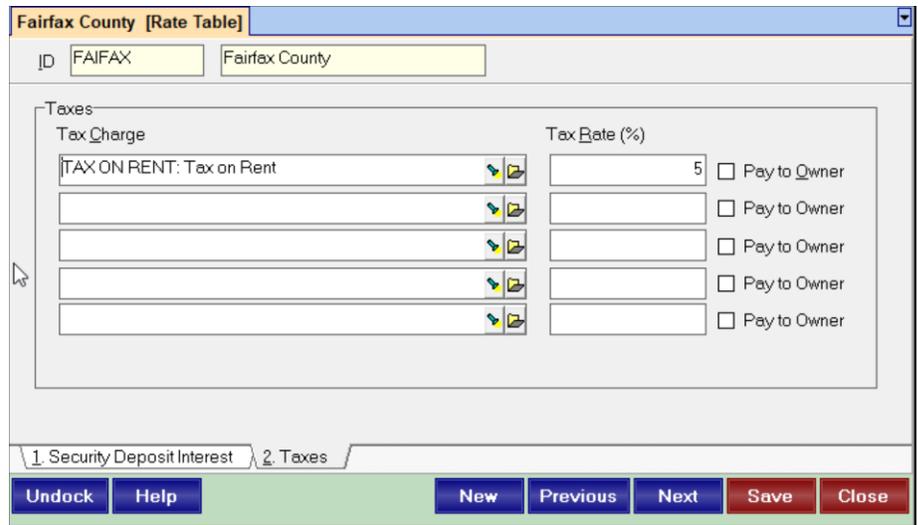
Normally the tax receipts are accumulated in a current liability account type so they are protected, i.e., not considered part of the management group or owner's available balance. The money will not show on a statement or Revenue & Expense report but can be seen on a Trial Balance report. The payment to the tax authority can be by a single check from the management group or a check that deducts from each owner.



## ONE TIME

Up to five tax charges with varying rates can be defined. The charge is calculated when a taxable charge code is selected in any of the charge functions. Most commonly the charges are applied when rent is charged but these added charges can apply to any charge code.

The charge, when paid off, is normally credited to the Management Group but can be credited to the owner if that check box is marked.



## Setting up the Rate Table

1. In <<Setup, Rate Table>> click the <New> button.
2. Click the Taxes tab.
3. Enter a [Record ID] and [Long Description] e.g. Fairfax; Fairfax County Tax
4. If you haven't already set up the tax [Charge Code] click its flashlight button and create one.

[Charge]

ID TAX ON RENT Tax on Rent  Active

Account TAX ON RENT: Tax on Rent

Payoff Priority Normal

Subject to Late Charges  
 Subject to Management Fee  
 Taxable  
 Use to Track Deposits  
 Earns Interest as a Deposit  
 Pay Management Group

5. Point it to an [Account code] for Taxes with an [Account Type] of Current Liability.

Find Bill Code Tax on Rent [Account]

ID TAX ON RENT Tax on Rent Ledger Code 9999  Active

Account Type Current Liabilities  Bank Account

Classification  Checking Account

Escrow Deposit Analysis

Impound Account

Account Sections

Balance Sheet LIAB CUR: Current Liabilities

Other Financial Statements LIAB CUR: Current Liabilities

6. Enter the [Tax Rate] for the charge. It can have up to 4 decimal places.
7. If you want the payoff of the charge to go to the owner rather than the management group, mark the checkbox for [Pay to Owner]
8. Click <Save>

## Assign to Tenants

1. Go to each TENANT Profile, Lease tab where the tax should be charged and select the [Rate Table] from the drop-down list.

Joseph P. Bruno [Tenant]

ID BRUNO Joseph P. Bruno  No Payments Status Current

Lease

Rent Charge RENT: Rent

Amount \$1,170.00  Per Square Foot

Memo

Rate Table FAIFAX: Fairfax County

Notices DL: Late notice

Late Fees 25: Fixed \$25

Grace Period 5 Additional Management Fee (%)

Rent Summary

Amount \$1,170.00

Schedule Monthly

Next Scheduled 7/1/2018

Schedule Expires

Review Date

Lease Dates

Lease Type Closed Move In 12/1/2017

Lease Starts 12/1/2017  Notice Given

Lease Expires 11/30/2018  Move Out

Short Term Rental

Guest ID

2.

Thereafter when you post any charge to a tenant for a Charge Code that has the [Taxable] checkbox marked the tax will also be charged.

Rent [Charge]

ID RENT Rent  Active

Account RENT: Rent

Payoff Priority Normal

Subject to Late Charges

Subject to Management Fees

Taxable

Use to Track Deposits

Earns Interest as a Deposit

Pay Management Group

## Create Bill Code

1. In <<Setup, Bill Codes>> add a [Bill Code] for Tax Payment.
2. Point it to the [Account] of Taxes created in setting up the Rate Table or click the [Account] flashlight and add an [Account Code] for Tax Payment. Choose an [Account Type] of Current Liability.

[Bill Code]    Active

Account

Charge

## EACH TIME - Money accumulated in management group

### Determine the Amount to Pay

1. Go to <<Reports, GL Reports>>.
2. Limit the report to the Management Group
3. To get details as well as a total amount:
  - a. Choose the Detailed Trial Balance Report

Ledger Reports

Select One or More Reports

- Ledger Charge Activity
- Ledger Disbursements
- Ledger Disbursements by Check
- Ledger Disbursements For Bills
- Ledger Invoices (By Date)
- Ledger Invoices (By Ledger)
- Ledger Receipt Activity
- Ledger Unpaid Invoices
- Operating Statement
- Retained Earnings Statement
- Trial Balance
- Trial Balance Details**
- Trial Balance Summary
- [Old] Cash Flow Audit
- [Old] General Ledger Activity (By Account)
- [Old] General Ledger Activity (By Date)
- [Old] General Ledger Activity (By Ledger)

Description of Highlighted Report

Report Name: Trial Balance Details

Column Fields:

1. Date from Ledger Register
2. Description from Ledger Register
3. Debit from Ledger Register
4. Credit from Ledger Register
5. Balance from Ledger Register

Filters: Table: "Ledger"  
((Status = Active) OR (Status = No Posting))

Group Fields:

1. Ledger from Ledger Register (ascending)
2. Transaction Code from Ledger Register (ascending)

Run Selected Reports | Manage Reports | Run Highlighted Report | Modify | Filter | **Options**

- b. Click the Options button to limit the report to the [Account Code] for Taxes that you created in Setting Up the Rate Table.

Report Options

Ledger | Description | Summary | Report | Aggregates | Contacts

Activity Kind: All Debits and Credits

Balance Kind: Account Balances

Accounting Method: Default

Accounting Year End: Default

Limit to Account:

Limit to Account List:

Limit to Account Kind: All Accounts

Other Options  Show Ledger Codes

- c. Enter the Date Range
  - d. The report will give a beginning and ending balance as well as each tax amount by unit.
4. To get just a total: use the Trial Balance report limited to the [Account] Taxes and the appropriate Date Range

## Write the Check

1. Go to <<AP, Single Check>>
2. Enter the amount of the check and the Tax Authority as the vendor.
3. Choose the Management Group as the [Bill To]. Use [Bill Code] of Tax Payment.

**Write Check**

Posting Date: 12/12/2018  Hand Written

Invoice #: DECEMBER 12, 2018

Payee: STATE: Department of Revenues [Vendor] Vendor

Bank: CHECKING: Bank Account Checking

One Time:

Memo:

Work Order:

Check Number:

Discount (%):

Discount (\$):

1. Invoice / 2. Payee Address & Comments

Bill To: PM LEDGER: Property Management [Management Group] Management Group

Bill Code: TAX ON RENT: Tax on Rent

Amount: \$435.75  Split Charge with Owner

Undiscounted Total	\$435.75	Total Discount		Discounted Total	\$435.75
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**OR**

## EACH TIME - Money accumulated in owner ledgers

### Determine the Amount to Pay

1. Go to <<Reports, GL Reports>>
2. Run a General Ledger Activity (By Account) report limited to the [Account] Taxes for the appropriate date range. That will give you a detailed list of tax transactions.

## Write the Check

1. Go to <<AP, Single Check>>
2. Enter the amount of the check and the Tax Authority as the vendor.
3. Enter a line item for each owner or unit. Use [Bill Code] of Tax on Rent or Tax Payment.