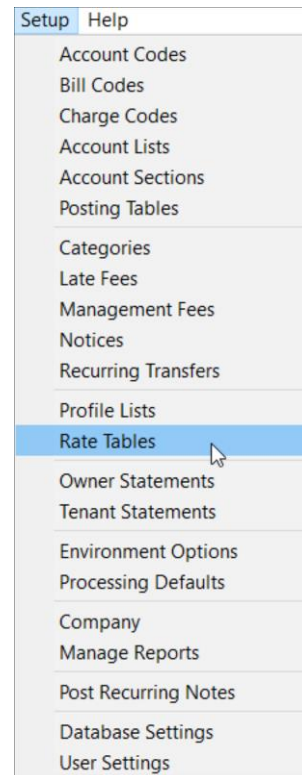


Overview

Rate tables are defined in <<Setup, Rate Tables>> and apply to tenant profiles. The rate tables set up [security deposit interest rates](#) and [tax rates](#). If you don't pay interest on security deposits or collect tax on rents, you do not have to create any rate tables nor assign a rate table to any tenant profile.

Each rate table defined must have a Record ID consisting of an ID field and a Long Description field which uniquely identifies that rate table.

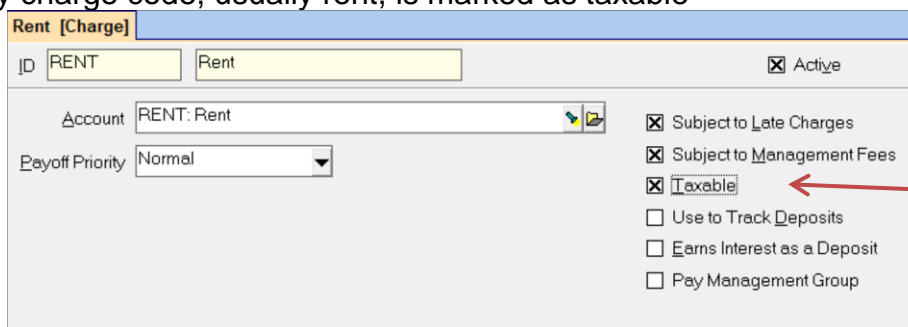
Each tenant profile may be assigned a rate table to be used in calculating interest or charging for taxes. When tenant security deposit refunds are processed, the interest is calculated based on the parameters in the rate table assigned. Similarly, when a taxable charge like rent is assessed, the rate table is used to charge up to three different taxes. Thus, in addition to the base charge posted, there can be one to three tax charges posted.



Taxes

Several states require that taxes be collected on rent. To accommodate this, when PROMAS posts a taxable charge the tax charge will also post if the following conditions are met:

- The primary charge code, usually rent, is marked as taxable



A screenshot of the 'Rent [Charge]' form. The form includes fields for ID (RENT), Description (Rent), and Account (RENT: Rent). It also has a dropdown for Payoff Priority (Normal) and a list of checkboxes: Subject to Late Charges (checked), Subject to Management Fees (checked), Taxable (checked), Use to Track Deposits (unchecked), Earns Interest as a Deposit (unchecked), and Pay Management Group (unchecked). A red arrow points to the 'Taxable' checkbox.

- A rate table containing a tax charge has been created and assigned to the tenant profile

Rate Table - Taxes

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 .

If you choose a tax charge that points to an account code with an account type of Current Liabilities it will not be part of the owner's Available Cash. When the check is written to the taxing authority, use the same account code.

Tax Charge	Tax Rate (%)	Pay to Owner
TAX ON RENT: Tax on Rent	5	<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

Tax Charge

Select the Charge Code from the Find List. A separate tax charge should be established for each tax you need to collect on behalf of the tax authority. The Charge Code normally references an account code whose account type is current liability or income. The money from charges that are paid is not part of the balance for the owner or management group if the account type is current liability.

Tax Rate (%)

Enter the tax rate percentage. For example, if rent is taxable and the rate is 6%, then \$24 would be charged on a \$400 rent at the time of assessment.

Pay to Owner

Mark the check box if the tax collected accumulates in the owner ledger rather than the management group.

Taxes paid by tenant

Assign the appropriate rate table to the tenant. When the rent is charged, the tax will also be charged.

If the taxes are in addition to the rent, enter the full rent amount in the tenant profile.

If the taxes are included in the agreed upon rent amount, compute the rent amount to enter in the tenant profile using the following formula.

$$\text{Rent} = \text{agreed upon rent amount} \times 1000 / (\text{tax rate} \times 1000) + 1000$$

Example 1:

Agreed upon rent = 1995

Tax rate = .023

Rent to charge = 1950.15

When the tax is charged to the tenant it will be for \$44.85 (1950.15 x .023). Added to the rent it will equal 1995.

Example 2:

Agreed upon rent = 1600

Tax rate = .02

Rent to charge = 1568.63

When the tax is charged to the tenant it will be for 31.37 (1568.63 x .02). Added to the rent it will equal 1600.

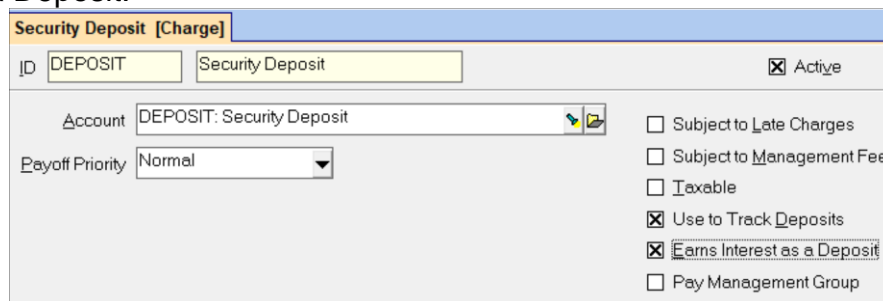
Rate Table - Security Deposit Interest

See also [Help PDF document #380](#) on Security Deposit Interest

Calculating Interest

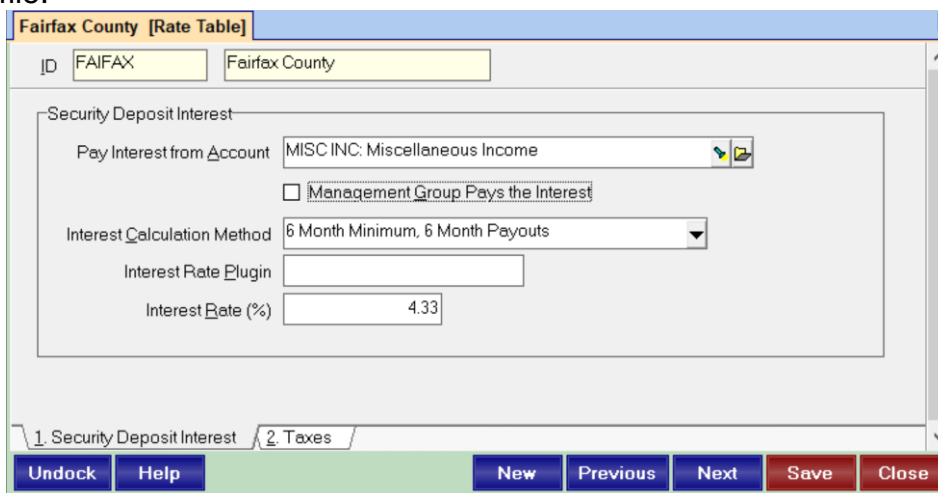
Interest calculation formulae are incorporated into the software. There is also an option to create an Interest Rate Plugin, which is used when interest rates vary from year to year. We can add the formula for your state to the list if an existing formula doesn't fit. Interest is calculated in the Tenant Move Out and Release Security Deposit functions if the following conditions are met:

- a security deposit charge has been posted and the payment received
- In Setup, Charges the charge code for the security deposit has been designated as Earns Interest as a Deposit.



The screenshot shows the 'Security Deposit [Charge]' form. The 'ID' field contains 'DEPOSIT' and the name is 'Security Deposit'. The 'Account' is 'DEPOSIT: Security Deposit' and the 'Payoff Priority' is 'Normal'. On the right side, there are several checkboxes: 'Subject to Late Charges', 'Subject to Management Fees', 'Taxable', 'Use to Track Deposits' (checked), 'Earns Interest as a Deposit' (checked and highlighted with a red arrow), and 'Pay Management Group'.

- A rate table with an Interest Calculation Method and Interest Rate has been assigned to the tenant profile.



The screenshot shows the 'Fairfax County [Rate Table]' form. The 'ID' is 'FAIFAX' and the name is 'Fairfax County'. Under the 'Security Deposit Interest' section, 'Pay Interest from Account' is 'MISC INC: Miscellaneous Income'. There is an unchecked checkbox for 'Management Group Pays the Interest'. The 'Interest Calculation Method' is '6 Month Minimum, 6 Month Payouts'. The 'Interest Rate Plugin' field is empty, and the 'Interest Rate (%)' is '4.33'. At the bottom, there are tabs for '1. Security Deposit Interest' and '2. Taxes', and buttons for 'Undock', 'Help', 'New', 'Previous', 'Next', 'Save', and 'Close'.

When the deposit is released, the interest will be taken from the bank account where the refund check is written.

Interest Rate Plugin

When you choose this selection in the Interest Calculation Method, you must then enter the name of the Interest Calculation Plugin in that field. We can provide sample plugins for Maryland, Virginia, and DC, which you would have to update to match state requirements. You can create your own. [Create your own plugin.](#)

Pay Interest from Account

Either select the account code from the Find List or create a new account code by clicking the Folder button. The account code selected here is an expense account used for the security deposit interest paid on tenant security deposits at the time of refund, for example SD INT/Security Deposit Interest.

Management Group pays the Interest

If this checkbox is not marked, the owner will be charged the interest amount when a Tenant Move Out or Security Deposit Release involving interest is processed.

Interest Calculation Method

Select the method you want to use to calculate interest from the Find List.

Fairfax County [Rate Table]

ID FAIFAX Fairfax County

Security Deposit Interest

Pay Interest from Account MISC INC. Miscellaneous Income

Management Group Pays the Interest

Interest Calculation Method 6 Month Minimum, 6 Month Payouts

Interest Rate Plugin Simple Interest

Interest Rate (%) 6 Month Minimum, Simple Interest

6 Month Minimum, 6 Month Payouts

12 Month Minimum, Simple Interest

12 Month Minimum, 6 Month Payouts

12 Month Minimum, 12 Month Payouts

13 Month Minimum, Simple Interest

Interest Rate Plugin

1. Security Deposit Interest 2. Taxes

Note: If your jurisdiction has a different method than any listed you can provide the particulars to Technical Support so it can be added to the list of methods.

Interest Rate

Enter the effective interest rate. This rate is used to calculate the interest if the Interest Calculation Method doesn't include the rate. It is also used to calculate the simple interest amount on reports.

Formula for Interest Rate Plugin

The file should have the format:

```
"Expires","Description","Minimum Months","Period" CR/LF
"Rate","Date Rate Ends"CR/LF
"Rate","Date Rate Ends"CR/LF
etc as long as needed
```

- rate is in the format x.xx
- the text CR/LF represents the ASCII single byte characters 13 and 10 respectively for carriage return, line feed
- include the commas and quotes

The file name should be xxx.int where xxx represents any name. It must be placed in the RPRMAS/REF folder on the machine from which the program is being executed.

EXAMPLE: Virginia.int

```
"2018-12-31","Virginia Interest Rate","13","12"
"0.00","1974-07-01"
"3.00","1980-06-30"
"4.00","1982-06-30"
"4.75","1985-06-30"
"5.00","1994-12-31"
"3.75","1995-12-31"
"4.25","1996-12-31"
"4.00","1998-12-31"
"4.00","2000-12-31"
"5.00","2001-12-31"
"0.25","2002-12-31"
"0.00","2003-12-31"
"1.00","2004-12-31"
"2.25","2005-12-31"
"4.25","2006-12-31"
"5.25","2007-12-31"
".75","2008-12-31"
"0.00","2009-12-31"
"0.00","2018-12-31"
```