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.
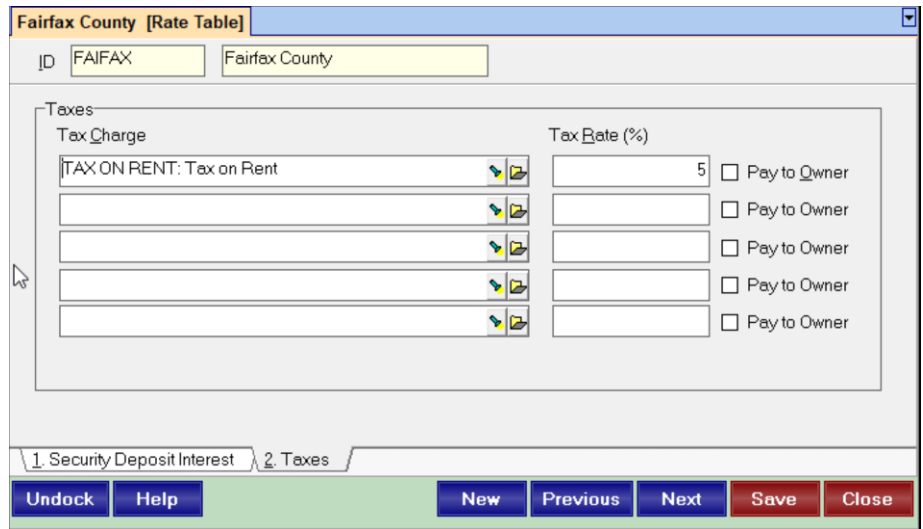
Setting up the Rate Table

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.

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

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>

<u>Assign to Tenants</u>
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
	Upload Manager

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
Lease Starts 12/1/2017
Lease Expires 11/30/2018
Move In 12/1/2017
Notice Given
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.

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

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

   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

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.