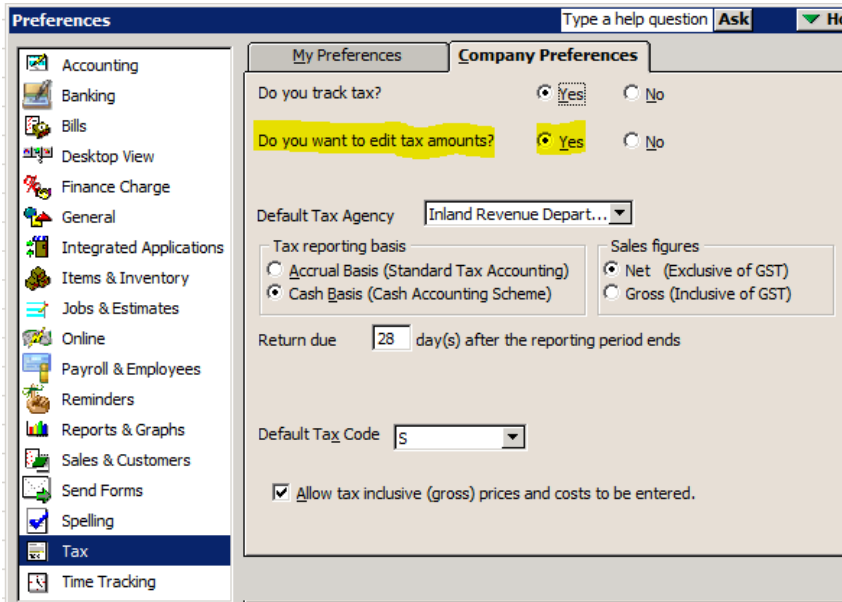
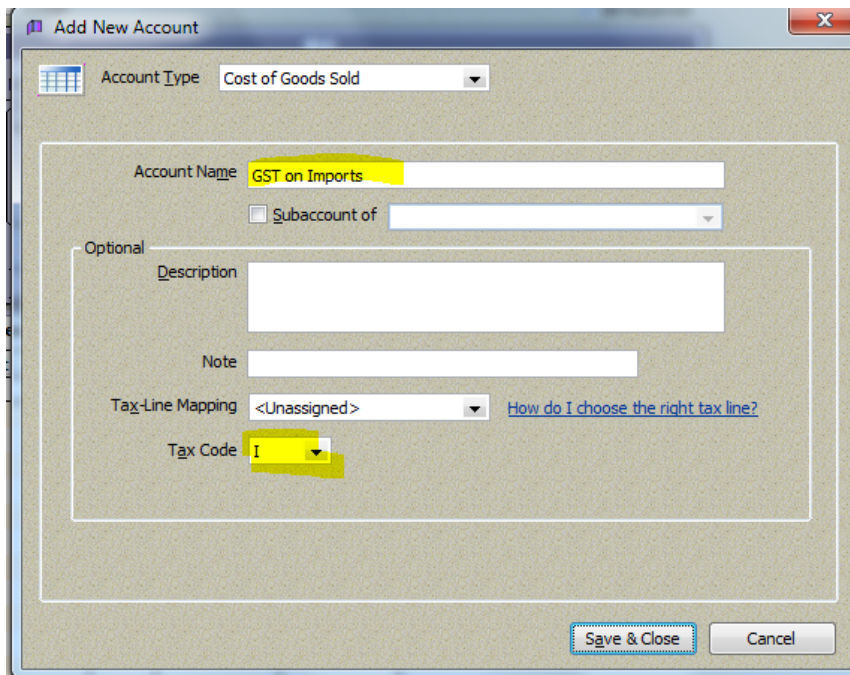


Businesses who import goods receive an invoice, either from NZ Customs or through their freight forwarding company, for GST on those imported goods. The following is the correct way to process these transactions.

- ✓ Firstly you need to make sure that you are able to edit tax amounts. Go to Edit -> Preferences. Select Tax and then click on the Company Preferences Tab. Click on Yes, we do want to edit tax amounts.



- ✓ Secondly we need an account to code the Import GST. Add a new Cost of Goods Sold account called GST on Imports and assign it an I tax code.



- ✓ Enter the bill as you would do any other bill. The Amounts Include Tax box should be unticked. Ensure the following:
  - Account code is GST on Imports
  - Tax code is I
  - Net amount is zero
  - Tax amount is the full amount of the GST on Imports

Expenses	\$1,560.00	Items	\$0.00	
Account	Tax	Net Amt	Tax Amt	Memo
GST on Imports	I	0.00	1,560.00	

Amounts include tax

- ✓ Enter the bill payment under Pay Bills as normal once it has been paid.

By following these steps this figure will now show up in Box 13 of the GST 101 report in the month in which it is paid. This is correct.

Total Purchases and expenses (incl. GST) excluding any imported goods (Box 11)	5,212.11
GST on purchases and Expenses (Box 12)	677.00
Credit adjustments (Box 13)	1,560.00
Total GST Credit for Purchase & Expenses (Box 14)	2,237.00
Net GST to Pay (or reclaim if Negative) (Box 15)	-1,235.53

**!!!** The account GST on Imports should never actually have a balance in it as the net amount will always be zero. If you see the account on a Profit and Loss report with an amount in it that is a red flag that you have keyed something incorrectly. Double click into the account and into the transaction(s) that are showing with balances and amend the coding so that the net amount is zero and the tax amount has the GST on Imports value.