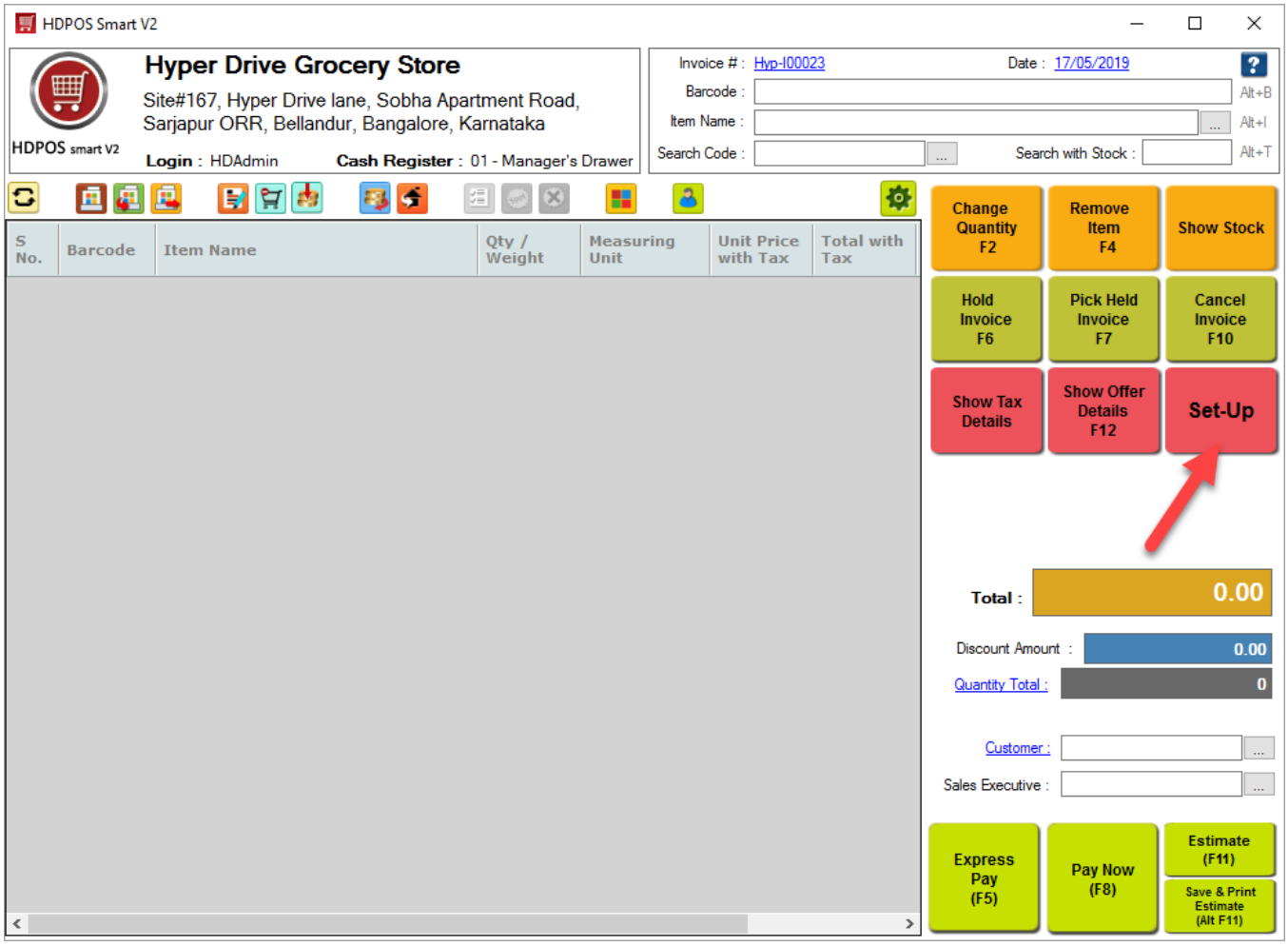
How to define tax structure using Basic Price after discount?

In certain business you may require to use multiple taxes that are applied on each item- like Service Tax, CST and VAT. To define tax structure using Basic Price after discount, follow the steps below.

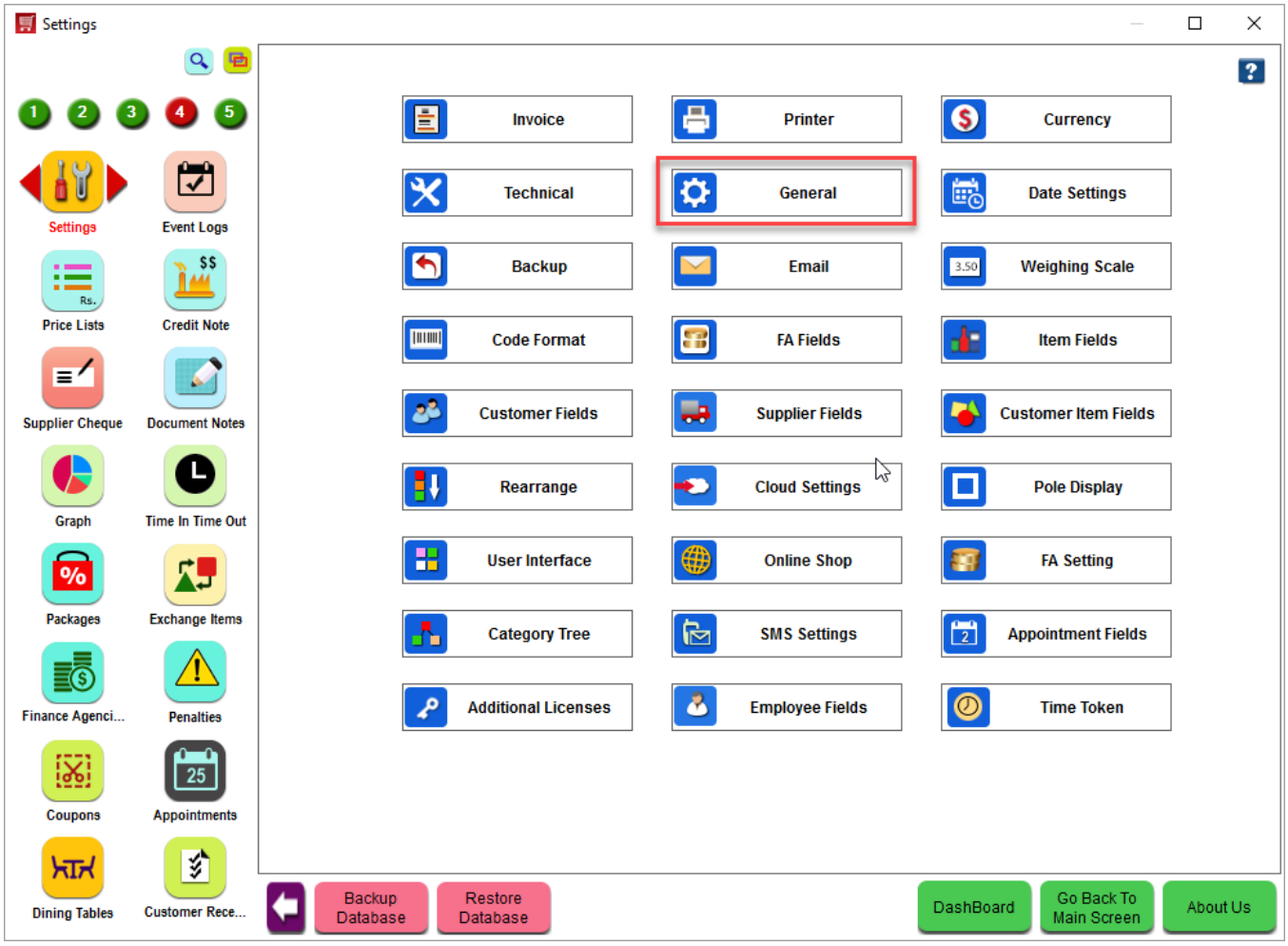
- **Step-1:** Enable Tax Structure Setting.
- **Step-2:** Define Simple Taxes.
- **Step-3:** Define Tax Structure and apply to items.
- **Step-4:** Make an invoice for the tax applied items.

Step-1

1. Run **HDPOS smart**. From main invoice screen, click on **Set-Up**.



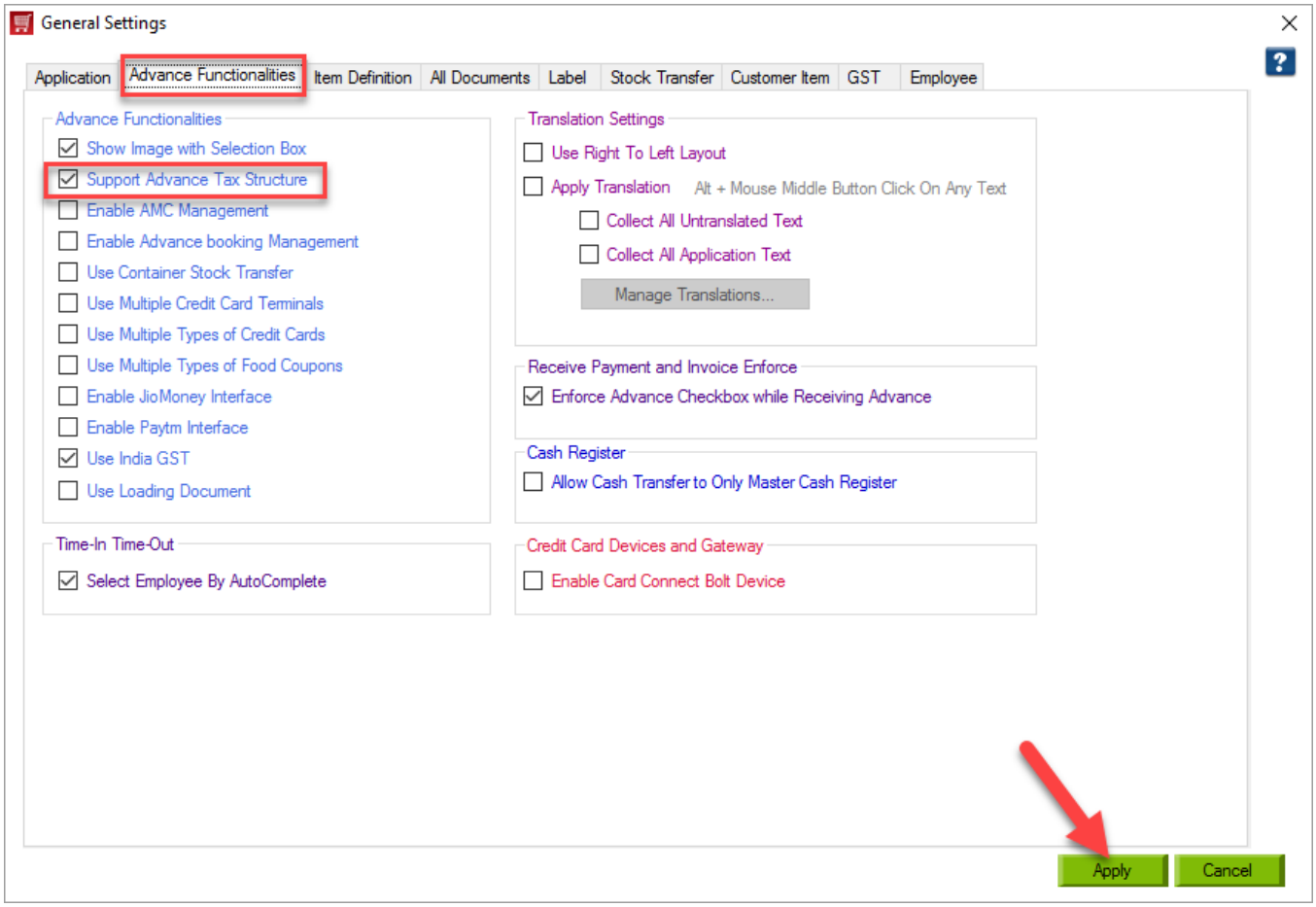
2. From 4th page, click on **Settings**. Click on **General**.



3. In **General Settings** screen, click on the **Advance Functionalities** tab.

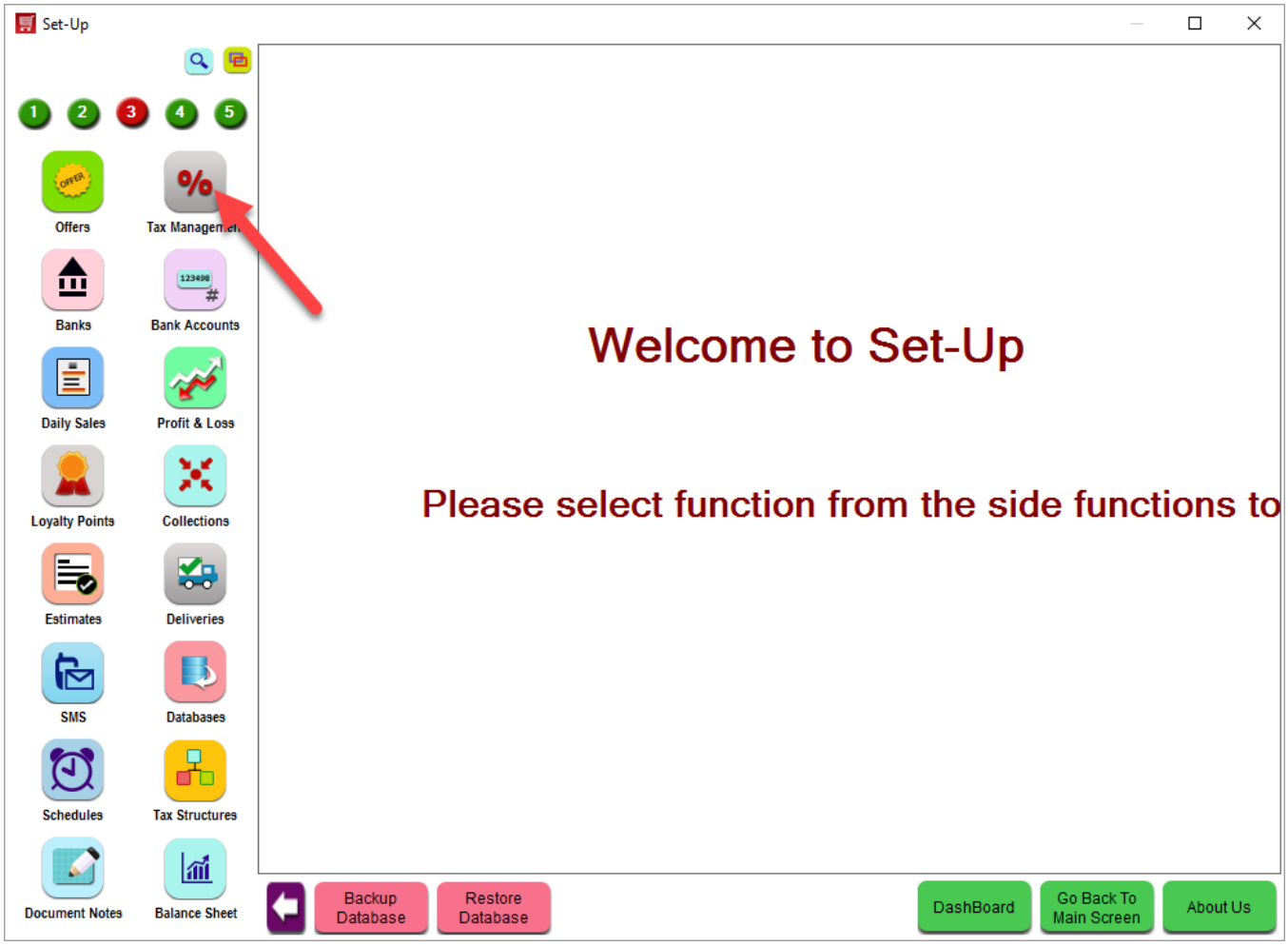
4. From **Advance Functionalities** section, check the **Support Advance Tax Structure** checkbox.

5. Click on **Apply**.



Step-2

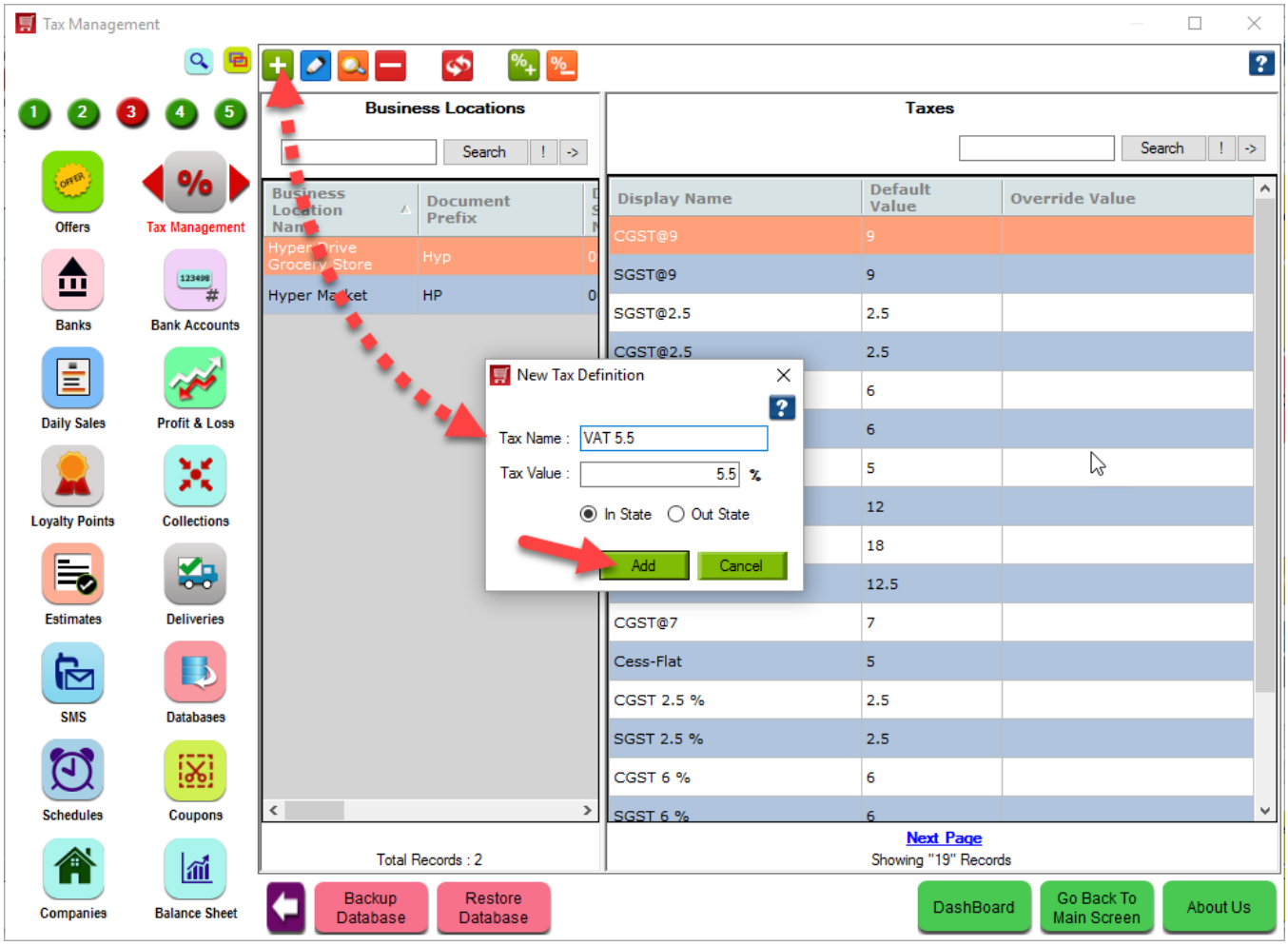
6. Go to 3rd page. Click on **Tax Management**.



7. From **Tax Management** screen, click on **Add Tax** to add all taxes that will be applied to item.

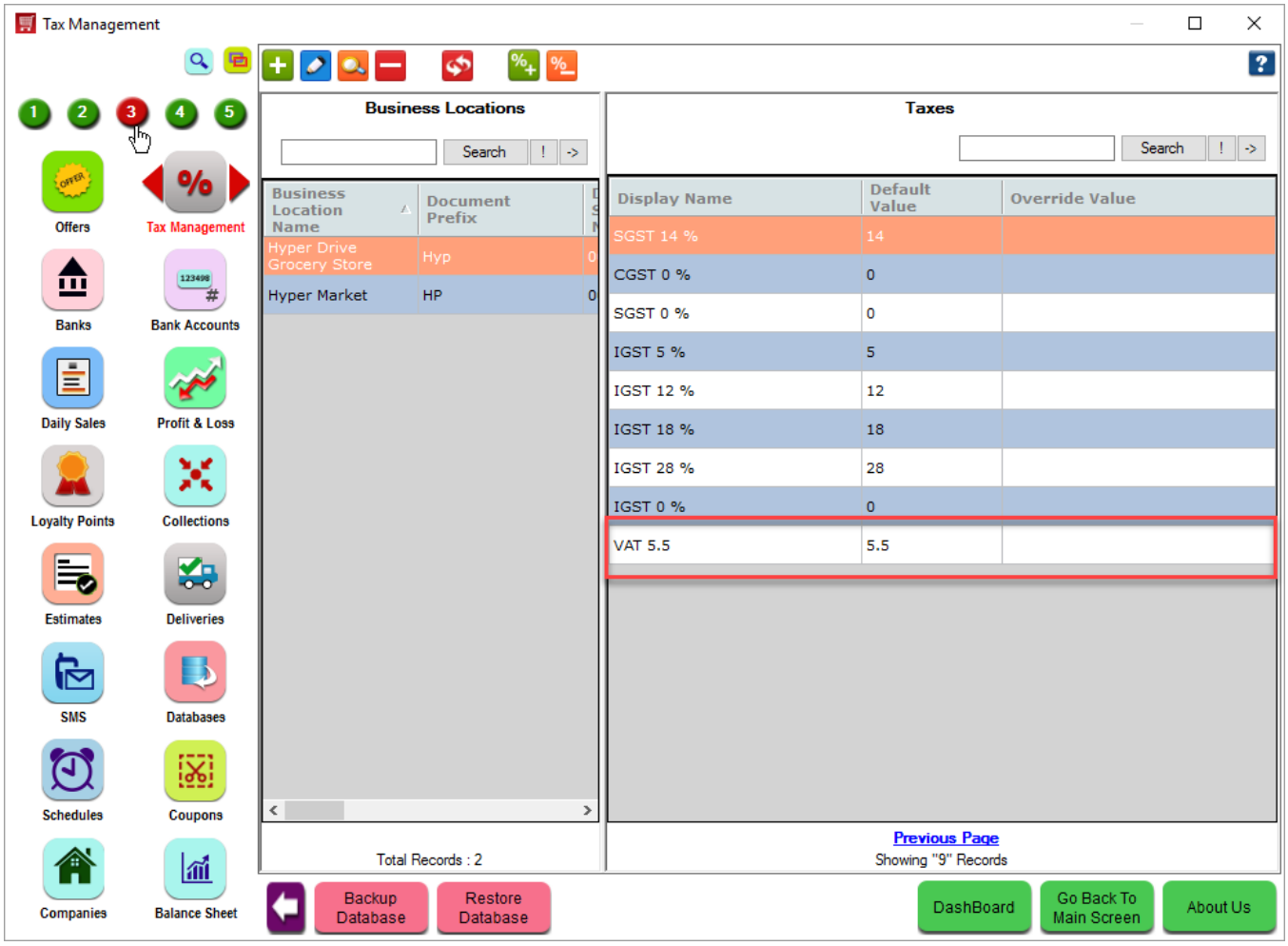
a. In the **New Tax Definition** that opens up, enter name and value for Tax as shown below.

b. Click on **Add**.



c. In the same way add all the taxes that you want to apply.

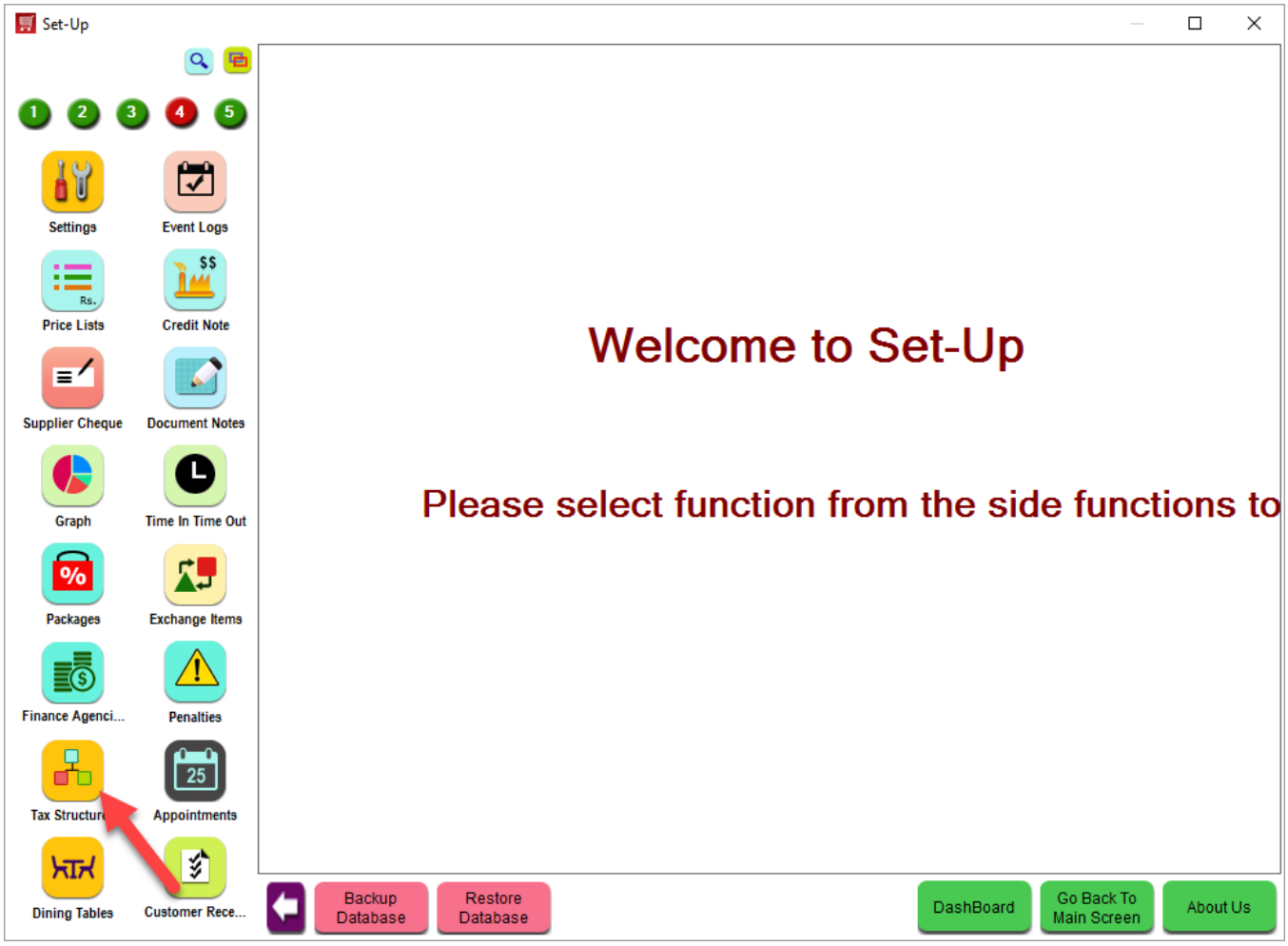
d. You can see the added taxes as below.



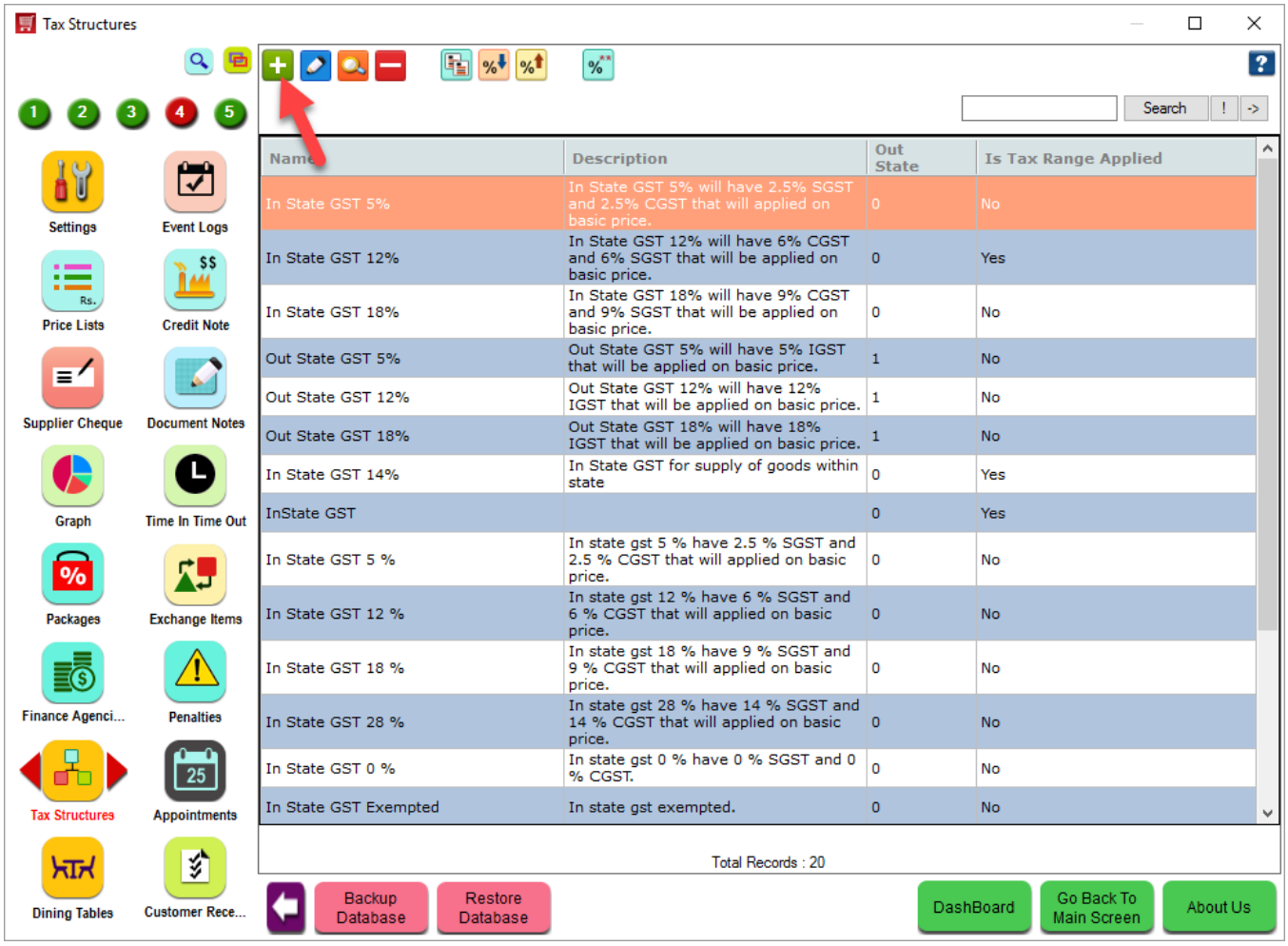
Step-3

8. With **Tax Structure** you can define a combination of simple taxes that are applied on item. These simple taxes can be applied on basic price amount or combined amount of basic price and other simple taxes.

9. From the 4th page, click on **Tax Structure**.



10. From **Tax Structures** screen that got opened, click on **Add Tax Structure** tool strip button.

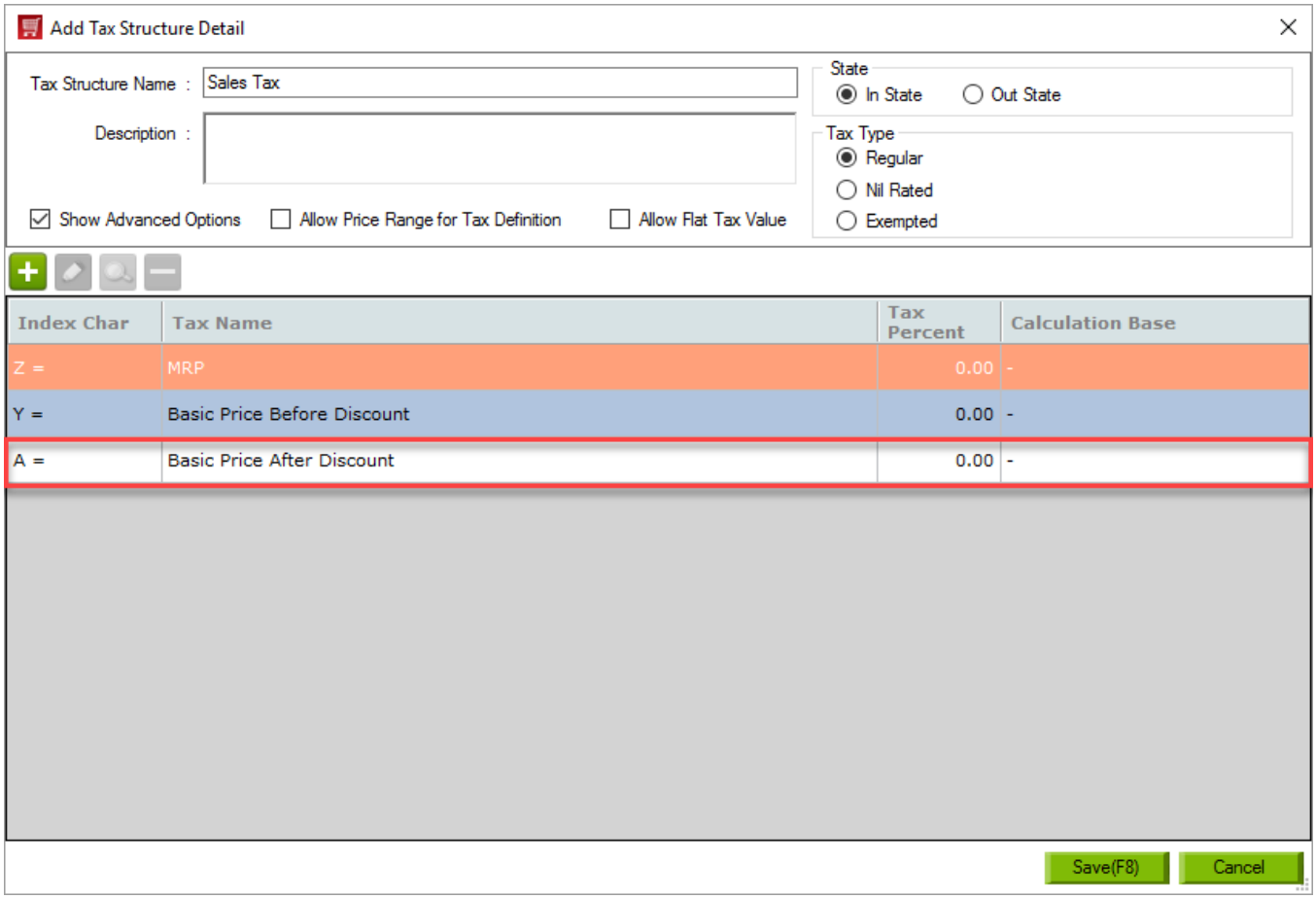


11. You will see **Add Tax Structure Detail** screen as shown below :

a. Enter a name for **Tax Structure**. You can also enter description.

b. Here you have three options to define a tax structure that can be used for your sales and purchases.

- **Index Char - Z** which is the **MRP** of an item on which all taxes can be applied.
- **Index Char- Y** which is the **Basic Price** of an item **before discount** on which all taxes can be applied.
- **Index Char - A** which is the **Basic Price** of an item **after discount** on which all taxes can be applied.



Create Tax Structure using Basic Price after Discount -

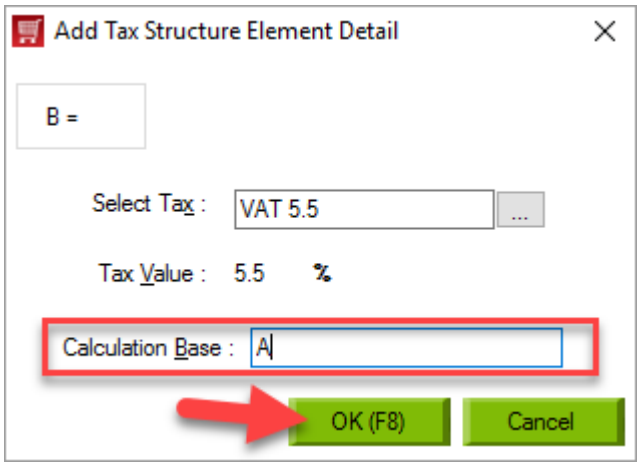
12. Click on **Add Tax Structure Element** button. You will see the **Tax Structure Element Detail** screen.

a. Select the tax that you want to apply from **Select Tax** field.

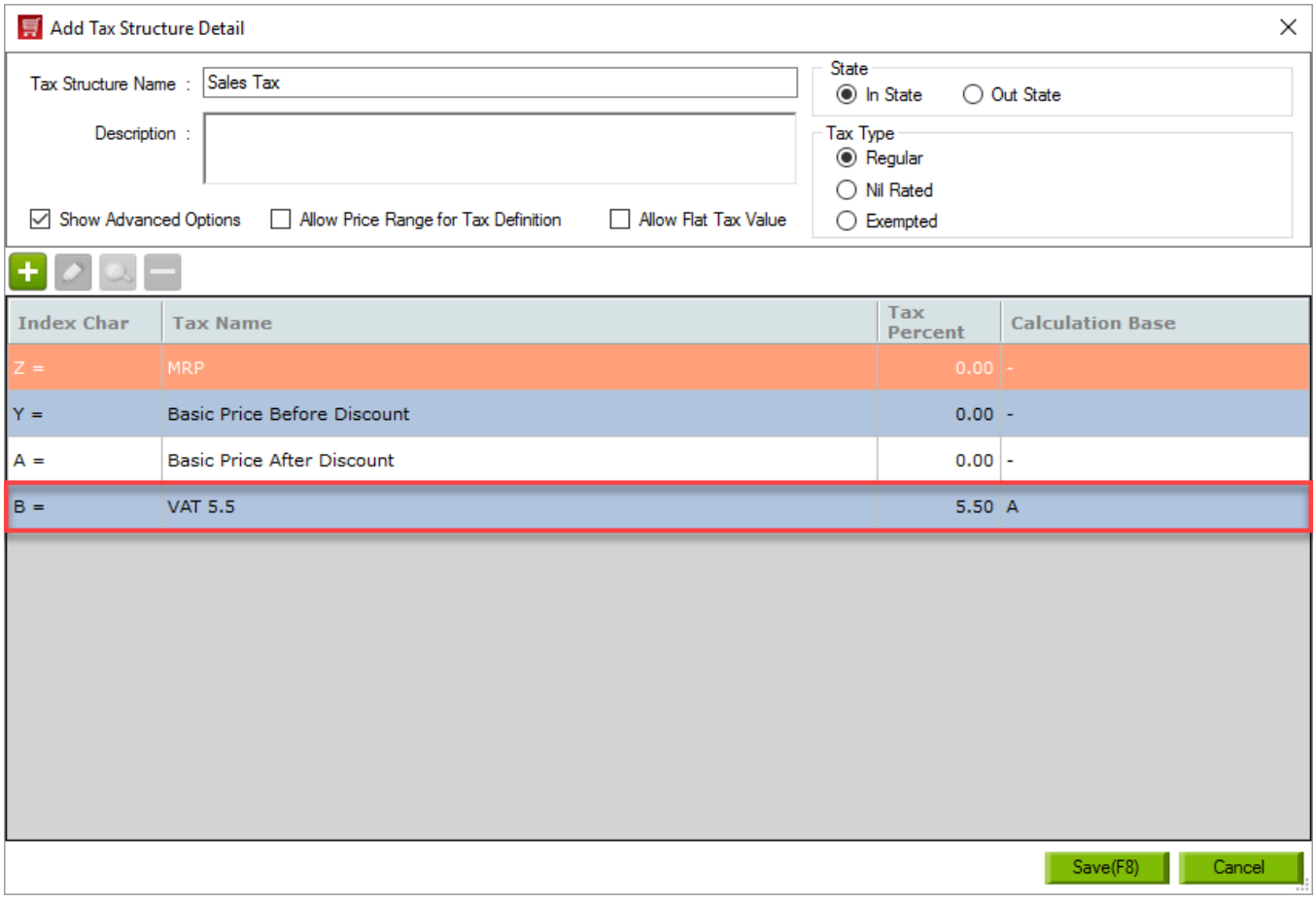
b. The selected tax's percentage value will be displayed in **Tax Value** field.

c. Enter the **Index Char A** on which the tax should be applied in **Calculation Base** field. In this case **VAT 5.5%** gets applied on **Basic Price after Discount**, which is shown as **Index Char-A**.

d. So the tax gets calculated as **A** x **VAT 5.5%**= **A** x **5.5/100** which is copied to **B**. Click on **OK**.



13. Now you can see the tax that got added into Tax Structure as shown below.



14. Click on **Add Tax Structure Element** and select another tax that should be applied.

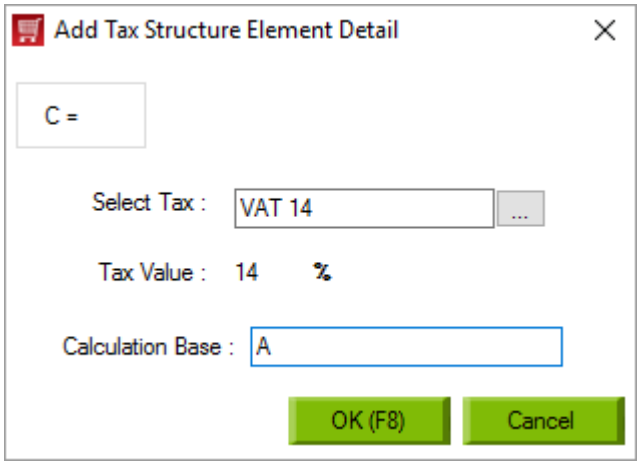
a. Select the Tax that you want to apply.

b. In the **Calculation Base**, you can enter **A** or **B** or **A+B**.

i. If you enter **A**, the selected tax will be applied on **Basic Price after Discount** of an item.

ii. If you enter **B**, the selected tax will be applied on **A = Basic Price after Discount + VAT 5.5% amount on A**.

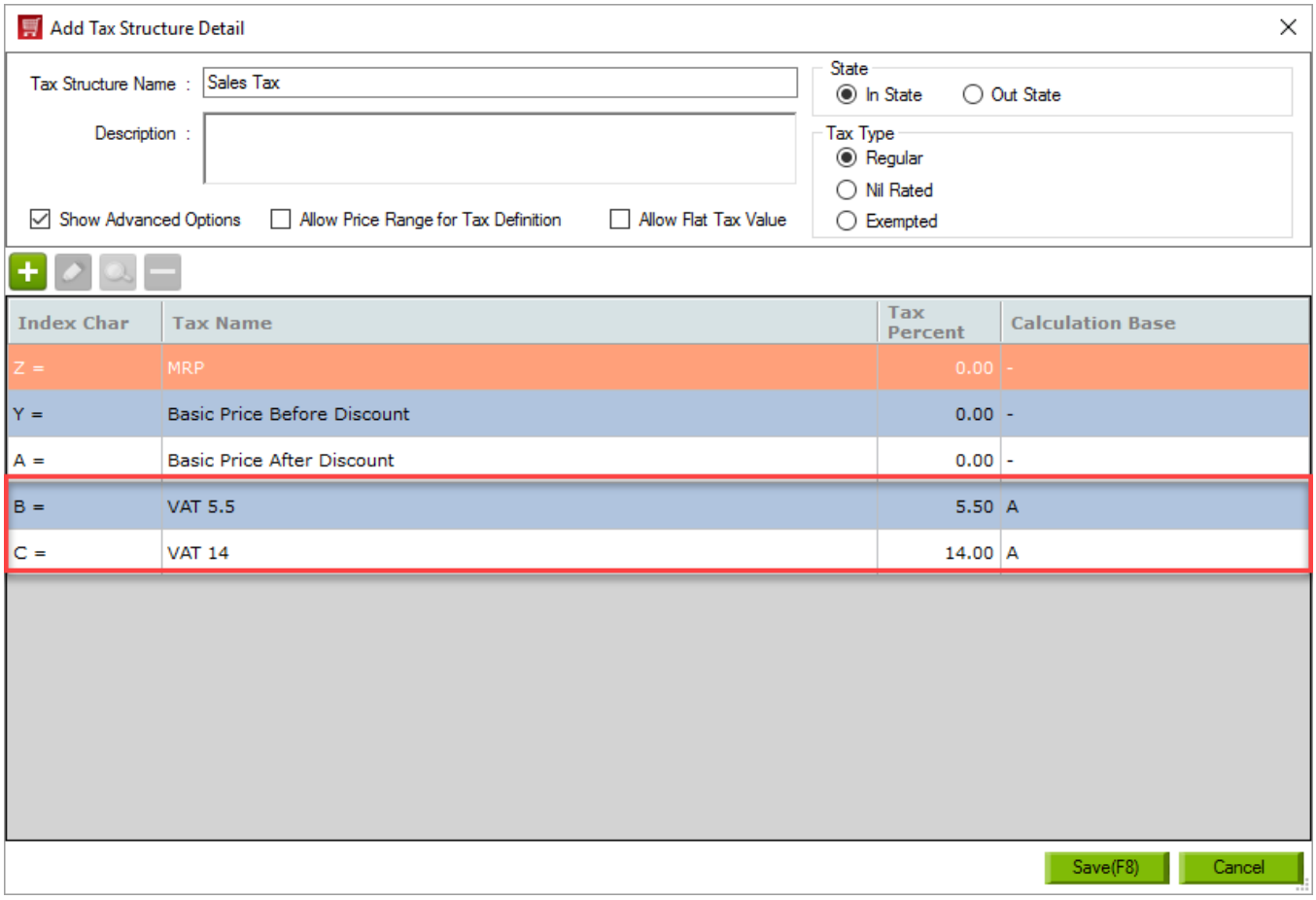
iii. If you enter **A+B**, the selected tax will be applied on **A** (**Basic Price after Discount**) + **B** (**Basic Price after Discount + VAT 5.5% amount on A**).



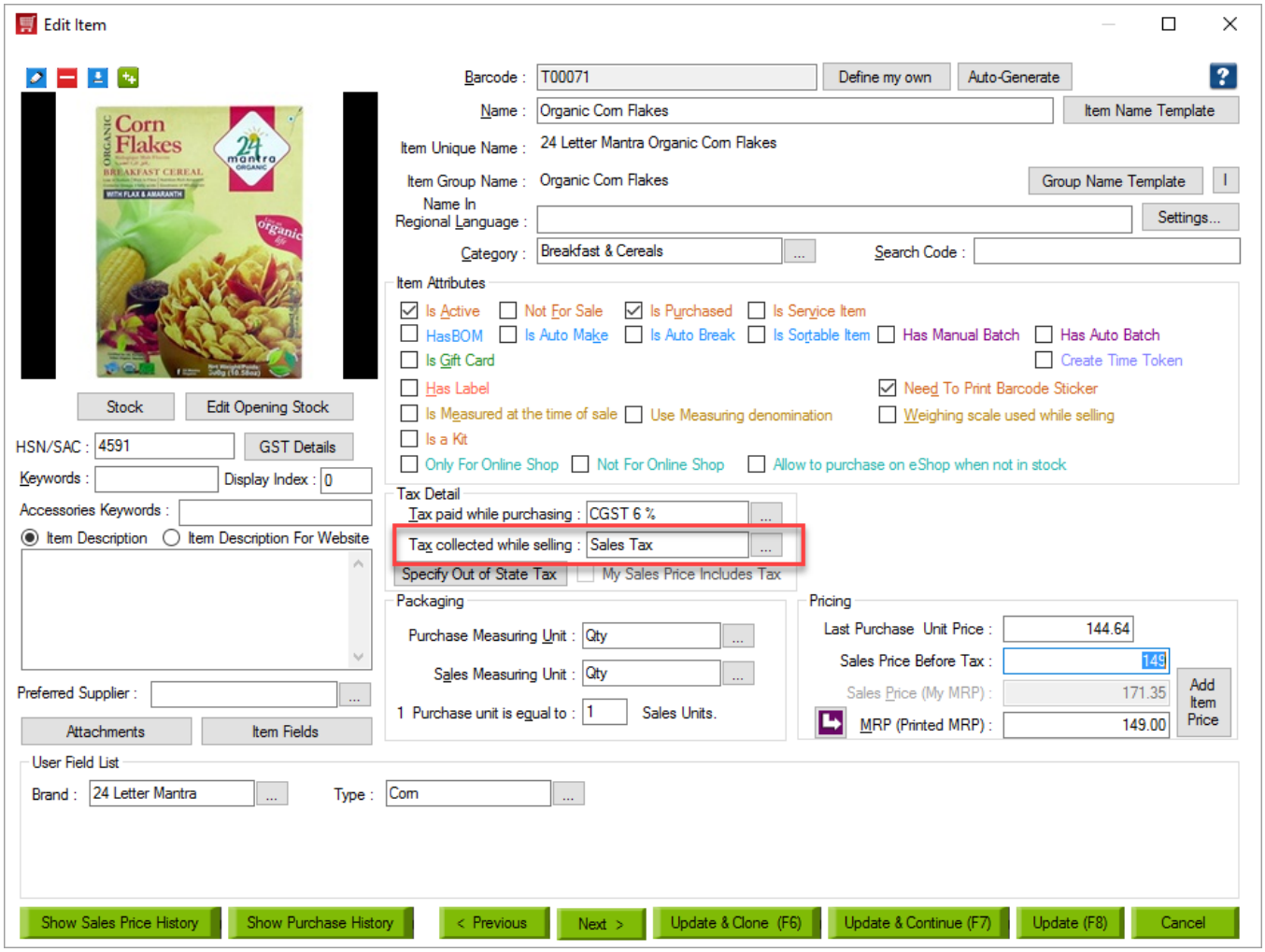
c. Here I have entered **A** in calculation Base field which means, the selected tax [**VAT 14%**] gets applied on the **Basic Price after Discount** which is denoted by **Index Char A**.

15. You can repeat the above step (step-14) to create tax structure elements if you want add more taxes. After entering all tax elements, click on **save**.

16. You can see from the following screen that I have added 2 taxes that are getting applied on **Basic Price after Discount** of the item.



17. From 1st page, click on **Items**. Click on **Add Item** or **Edit Item**. In the Tax Details Section, select the tax structure that you have created for your sales and purchase.



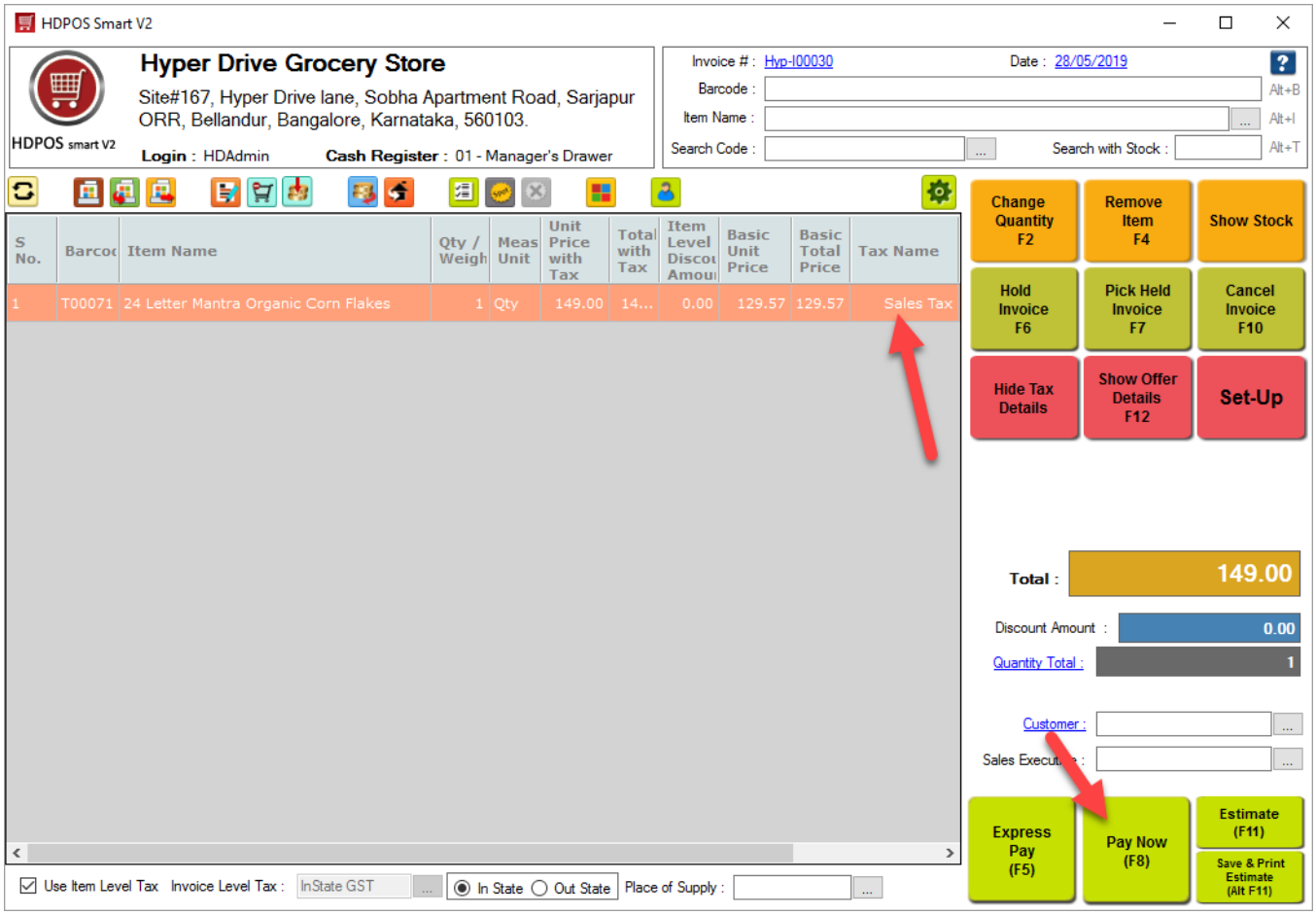
Step-4

18. Go back to main screen, select the items for invoice.

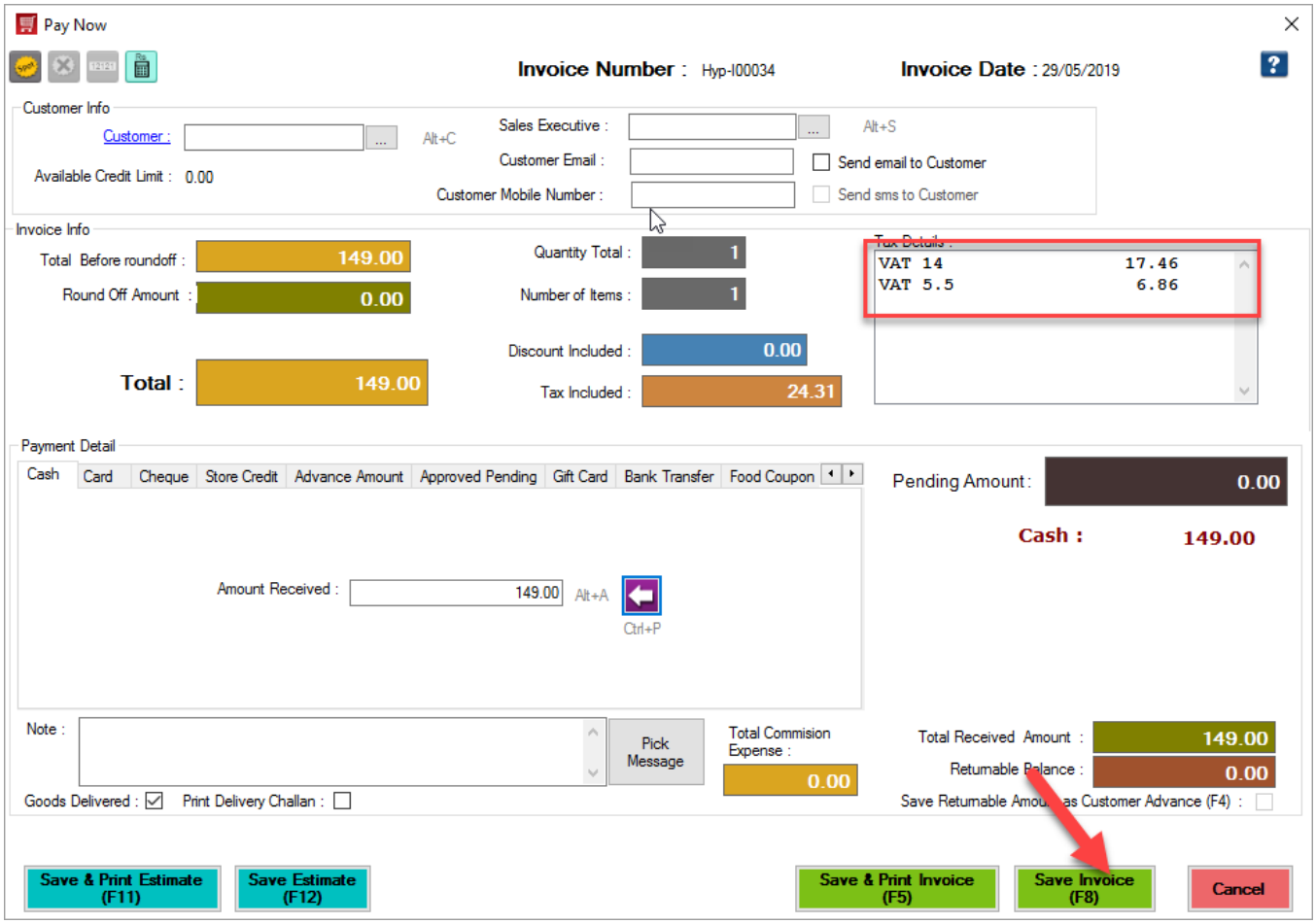
a. For the item for which you have applied tax structure, you can see the detail in the Tax Name, Tax Percent and Total Tax columns.

b. Enter the Customer name and Sales Executive name if required.

c. Click on **Express Pay** or **Pay Now** to enter the payment details.



19. Click on **Save Invoice** button to complete the sales invoice.


Pay Now
Invoice Number : Hyp-I00034
Invoice Date : 29/05/2019
Customer Info
Customer :
Alt+C
Available Credit Limit : 0.00
Sales Executive :
Alt+S
Customer Email :
Send email to Customer
Customer Mobile Number :
Send sms to Customer
Invoice Info
Total Before roundoff : 149.00
Round Off Amount : 0.00
Total : 149.00
Quantity Total : 1
Number of Items : 1
Discount Included : 0.00
Tax Included : 24.31
Tax Details :
VAT 14 17.46
VAT 5.5 6.86
Payment Detail
Cash
Card
Cheque
Store Credit
Advance Amount
Approved Pending
Gift Card
Bank Transfer
Food Coupon
Pending Amount : 0.00
Cash : 149.00
Amount Received : 149.00
Alt+A
Ctrl+P
Note :
Pick Message
Total Commision Expense : 0.00
Total Received Amount : 149.00
Returnable Balance : 0.00
Goods Delivered :
Print Delivery Challan :
Save & Print Estimate (F11)
Save Estimate (F12)
Save & Print Invoice (F5)
Save Invoice (F8)
Cancel