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Change of VAT Rate

to take effect from 4th January 2011

Sage Line 50

From 4th January 2011, the UK standard rate of VAT will increase from 17.5% to 20%. This factsheet explains how this change affects Sage Line 50 and what you need to do.

This factsheet only applies to the Standard VAT scheme.

NOTE: *The following are not affected by the change in VAT rate: Zero-rated goods, for example, basic foodstuffs, children's clothing and children's footwear. Goods and services subject to VAT at the reduced rate of 5%.*

To change the VAT rate in Sage Accounts

NOTE: *You should make this change on 4 January 2011 the first working day after.*

- Open the Settings menu, choose Configuration then click the Tax Codes tab. For Sage Accounts v9 and below – open the Settings menu then choose Tax Codes. The tax code information will then appear.
- Select T1 then click Edit. Note: If you use a different tax code for your standard rate of VAT, select the relevant tax code then click Edit. The Edit Tax Code window will appear.
- Enter 20 in the Rate box then click OK. The Edit Tax Code window closes.
- To apply the change, and return to the Sage Accounts desktop, click Apply then click Close. Tip: If you are prompted to save your changes, click No. For Sage Accounts v14 above - Click Save then click Close.

You have successfully changed the standard rate of VAT.

Sage Accounts applies the new rate of VAT to any new transactions that use this tax code. All existing transactions remain unchanged at the old rate of VAT.

For further detailed information and HMRC guidance about the change, please visit the HMRC Website.



Visit www.tsg.com/vatchange2011 for more details

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TSG 01654/12/10