
Government Tax as separate Vendor for Use Tax/VAT

- **Product:** Alma
-

Question

When a vendor is liable for VAT and an invoice is created, how to create a separate Invoice for "Use Tax", or "Government VAT Tax" for it?

Answer

The outline is explained in the Online Help regarding "[Creating an Invoice From a PO or Manually](#)":

"If VAT is entered for this invoice, and the vendor is noted as liable for VAT, and the institution has an associated governmental vendor, a separate invoice is created for this tax and linked to this invoice. The linked invoice includes only the VAT. For details on configuring liability for tax and a governmental vendor, see step 2 and step 5 in [To add a vendor and vendor account](#). See also [How Alma Handles VAT Payments](#).

After this invoice is paid/exported, the governmental invoice is also paid/exported and appears on the Find Invoices page with the name <invoice number>_RT, where <invoice number> is this invoice's number and _RT stands for Report Tax (the governmental invoice)."

The steps are:

1. Have in Alma one Vendor who has Vendor Type: Governmental. The vendor is "Liable for VAT". Indicate "Tax Percentage", e.g. 9.5
2. Ensure that the Vendor who issues the invoice (e.g. GOBI, Harrassowitz, ProQuest) is "Liable for VAT", too
3. An invoice is created as usual
4. In the Invoice, for VAT, click:
 1. Report tax
 2. VAT is zero
 3. VAT Type will be "Exclusive", or, "Line Exclusive" (see below or click here for "[VAT Calculation - Example](#)").
5. Process the invoice as usual.
6. Depending on your regular workflows, after export to ERP or manual payment, another invoice will automatically be created, with _RT. (The determining factor is "handle_invoice_payment". When "false", the _RT invoice is created automatically upon export to ERP; otherwise, edit the invoice, add payment information, and the _RT invoice is created).

Additional Information

Detailed new presentation found here: [Invoicing – How to pay Use Tax \(Reporting Tax\) to a governmental vendor when paying invoice](#)

Find the Online Help regarding "[VAT Calculation – Example](#)"

Learn more about "[How Alma Handles VAT Payments](#)".

Images and steps exist in the June 2014 Release Notes under "Support for Separate Vendor for Use Tax/VAT": https://knowledge.exlibrisgroup.com/Alma/Release_Notes/050_2014/07_June_2014

Regarding EDI:

In order for the **Report TAX** to be checked in an invoice created from EDI the following need to be set:

- Institution should have one Governmental vendor
- The vendor used need to be Liable for VAT
- Invoice need to have VAT amount > 0

In order for the "VAT per invoice line" will be set to "NO" there shouldn't be VAT in invoice line level in the incoming EDI Invoice (if the invoice has VAT in **ANY** of the invoice lines the VAT Per invoice line is set automatically to YES .

-
- **Article last edited:** 11-AUG-2022