

TECHNICAL BULLETIN FROM GLOBAL BUSINESS SYSTEMS

BULLETIN NUMBER GT963, 9 July 2020

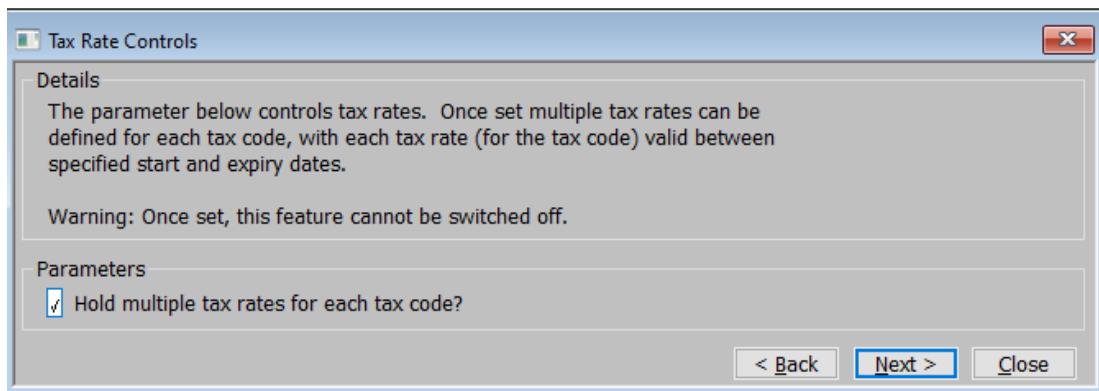
VAT cut on hospitality and tourism from 20% to 5%; from 15th July 2020 to 12th January 2021

The Chancellor of the Exchequer, Rishi Sunak, announced on 8th July that he is cutting the rate of Value Added Tax (VAT) on hospitality and tourism from 20% to 5% effective from 15 July 2020 to 12 January 2021.

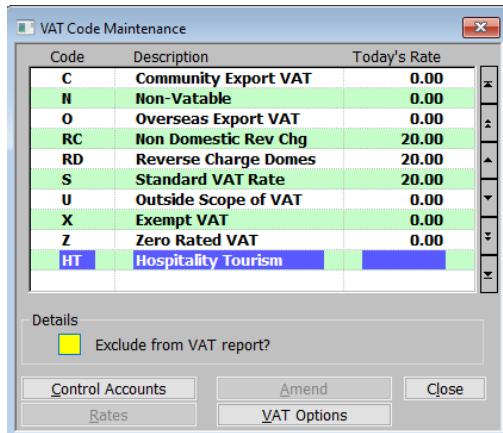
The VAT rate reduction applies to food and non-alcoholic drinks as well as accommodation and admission to attractions across the UK.

This bulletin describes how to configure Global 3000 V6.0 for this temporary change.

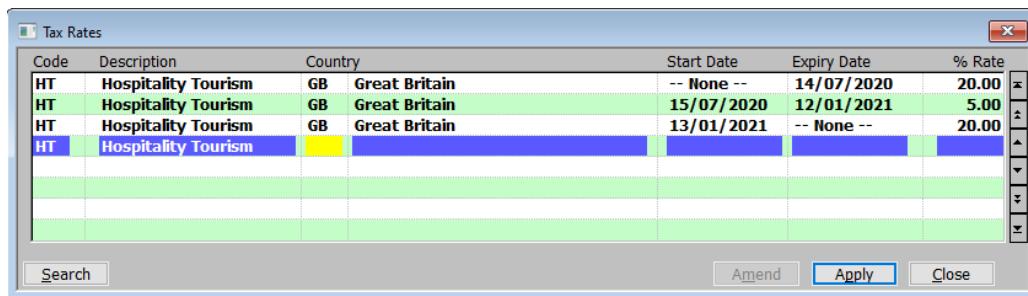
1. Ensure G-3000 is configured to “Hold multiple tax rates for each tax code?” in System Parameters - Administration – Operating Options.



2. Add a new Tax Code in “System Parameters - Administration – Operating Options – Tax Codes - VAT code maintenance”. For the purposes of this bulletin we are using HT for Hospitality and Tourism.



With the rates set up as follows.



This ensures that all transactions outside the period are processed at 20.00%.

Please take care to ensure that you use the appropriate tax code.

3. In addition, if you use Global 3000 Sales Order Processing you should, for products that qualify for the reduced rate, update Product Maintenance – Sales Details – VAT code to ensure that SOP transactions use the new code, when appropriate.

