



Grupo **MAS**

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*Localization for Republic of Chile*

*Tax Setup*

*V2020.05.01*

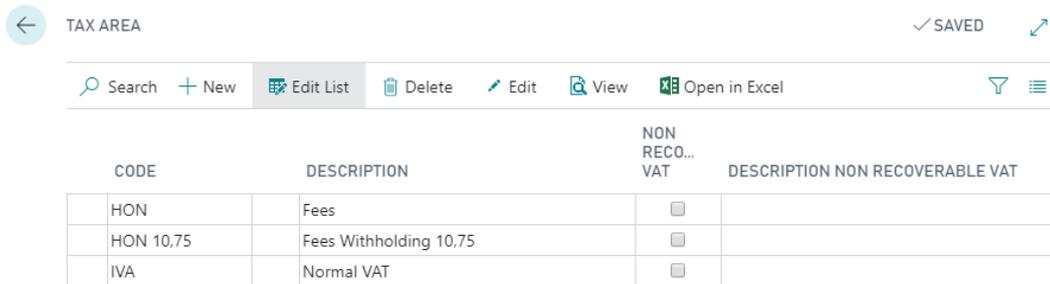
## Tax Setup

Value Added Tax (VAT) is a consumption tax added to a product's sales price. It represents a tax on the "value added" to the product throughout its production process.

Regular VAT for Chile is 19%, although there are products and services with an exempt condition.

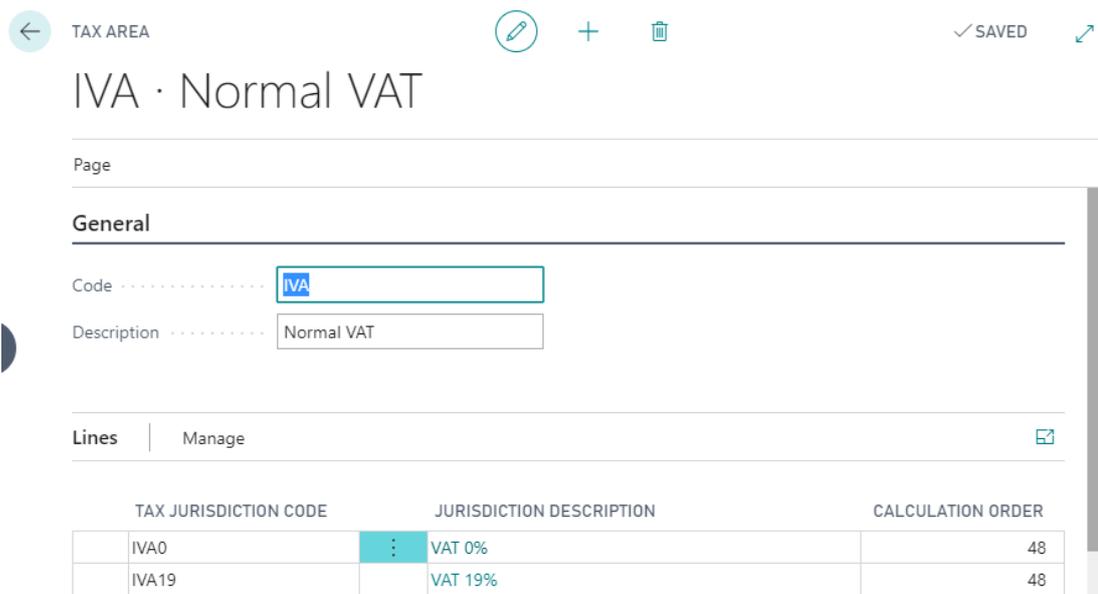
In order to calculate this tax, it is required the definition of Tax Jurisdictions, Tax Areas and Tax Group Codes.

- Tax Areas identify tax profiles for customers and vendors:



CODE	DESCRIPTION	NON RECO... VAT	DESCRIPTION NON RECOVERABLE VAT
HON	Fees	<input type="checkbox"/>	
HON 10,75	Fees Withholding 10,75	<input type="checkbox"/>	
IVA	Normal VAT	<input type="checkbox"/>	

- Tax Jurisdictions are the universe of applicable taxes. Each Tax Area is built from a list of tax jurisdictions:



IVA · Normal VAT

Code .....

Description .....

Lines | Manage 

TAX JURISDICTION CODE	JURISDICTION DESCRIPTION	CALCULATION ORDER
IVA0	VAT 0%	48
IVA19	VAT 19%	48

Every tax jurisdiction must be related to the proper G/L account:

CODE	DESCRIPTION	DEFAULT SALES AND USE TAX	TAX ACCOUNT (SALES)	TAX ACCOUNT (PURCHAS...)	REVERSE CHARGE (PURCHAS...)	REPORT-TO JURISDICTI...	TYPE OF TAX
HON 10,75	Fees Withholding 10,75%	0		2-1-12-0002			IVA
IVA0	VAT 0%	0	2-1-12-0008	1-1-09-0001			IVA
IVA19	VAT 19%	0	2-1-12-0008	1-1-09-0001			IVA

Note: G/L accounts are not real.

## Withholding Fees

In some transactions, withholding calculation is needed. In order to perform this operation, a tax jurisdiction must be setup according to the legal regulations.

← TAX AREA ✎ + 🗑️ ✓ SAVED ↗️

### IVA · Normal VAT

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**General**

Code .....

Description .....

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**Lines** | Manage 📄

TAX JURISDICTION CODE	JURISDICTION DESCRIPTION	CALCULATION ORDER
IVA0	VAT 0%	48
IVA19	VAT 19%	48
RET-HON	Fees Withholding 10%	48

Tax groups identify the tax condition of a line in a sales or purchase operation:

CODE	DESCRIPTION	IVA 0 / EXENTO
IVA0	IVA 0%	<input checked="" type="checkbox"/>
IVA19	IVA 19%	<input type="checkbox"/>
RET-HON	Retencion honorarios	<input type="checkbox"/>

Tax Details shows the combination of Tax Jurisdictions (assigned to a Tax Area) and the Tax Group. Through this section, the tax detail lines for calculations are configured:

← IVA0 · IVA 0% ✓ SAVED ↗

## Tax Details

🔍 Search + New ✎ Edit List 🗑 Delete 📄 Open in Excel More options 🔍 ☰

TAX JURISDICTION CODE	TAX GROUP CODE ▼	TAX TYPE	EFFECTIVE DATE	TAX BELOW MAXIMUM	MAXIMUM AMOUNT/QTY.	TAX ABOVE MAXIMUM
IVA19ANT  ▼	IVA0	Sales Tax		0.0	0.00	0.0
IVA19	IVA0	Sales Tax		0.0	0.00	0.0
RET-HON	IVA0	Sales Tax		0.0	0.00	0.0