How to Record Withholding Tax in Transactions

Overview:

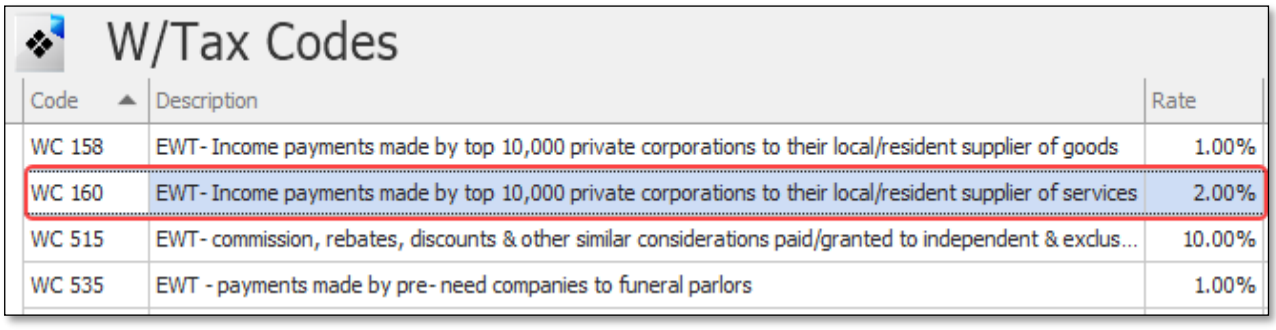
Recording withholding tax in QNE is easy. The system has predefined Withholding Codes in line with the BIR Alphanumeric Tax Codes (ATC) and their corresponding Rates. To withhold tax in the transaction, simply select the appropriate WTax Code and the system automatically computes the WTax amount.

Procedure:

Step 1: Enable the particular WTax Code(s) in the Withholding Tax Codes Maintenance

1. Navigate to **WTAX** > **W/Tax Codes**.

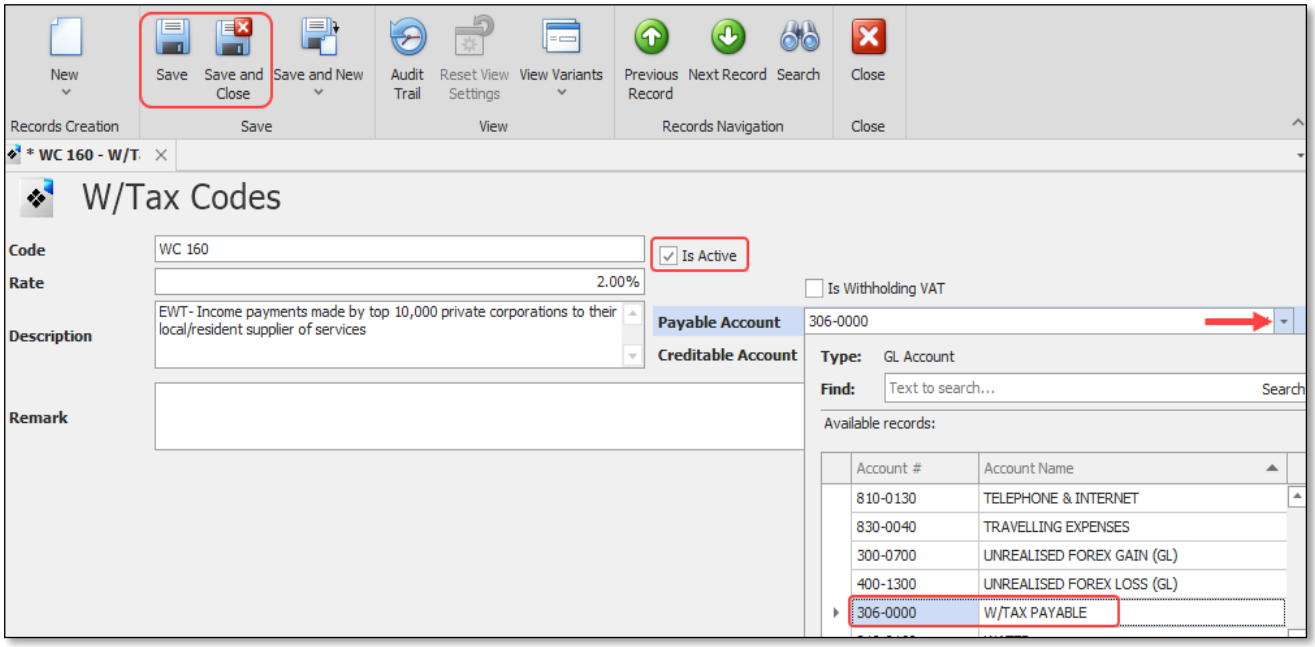
2. Look for the WTax Code to be enabled (e.g. **WC 160**) and double-click it.



W/Tax Codes

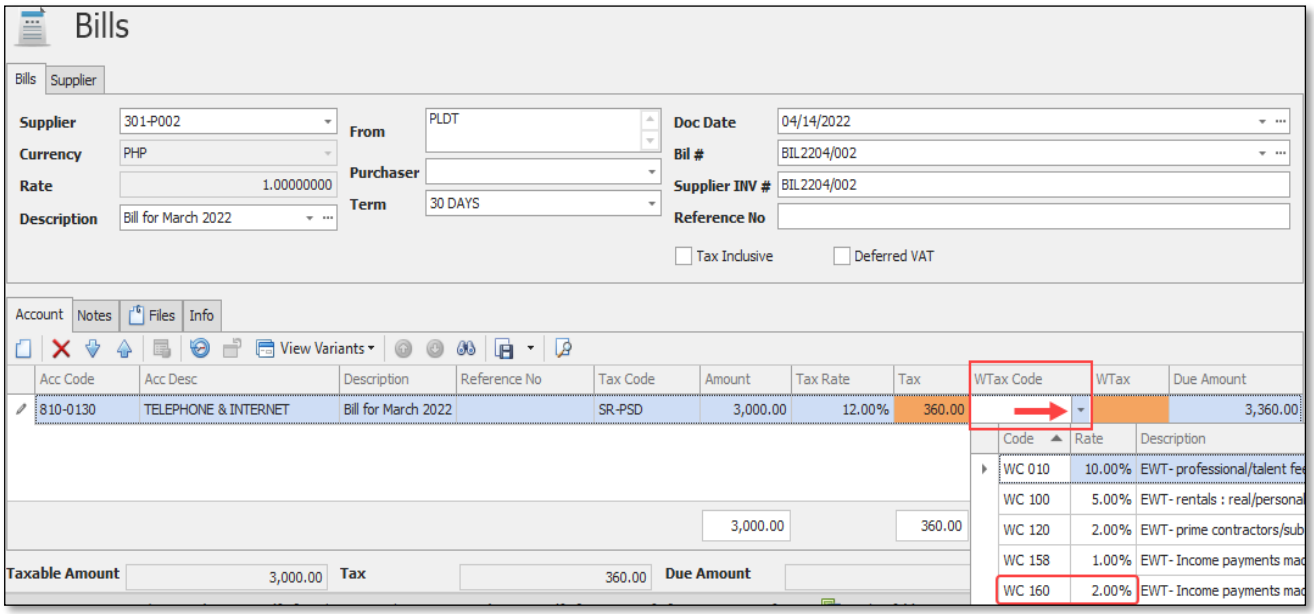
Code	Description	Rate
WC 158	EWT- Income payments made by top 10,000 private corporations to their local/resident supplier of goods	1.00%
WC 160	EWT- Income payments made by top 10,000 private corporations to their local/resident supplier of services	2.00%
WC 515	EWT- commission, rebates, discounts & other similar considerations paid/granted to independent & exclus...	10.00%
WC 535	EWT - payments made by pre- need companies to funeral parlors	1.00%

3. Tick the **Is Active** checkbox and select the **Withholding Tax Payable GL Account** (and/or **Creditable GL Account** as applicable) from the dropdown list. Click **Save**.

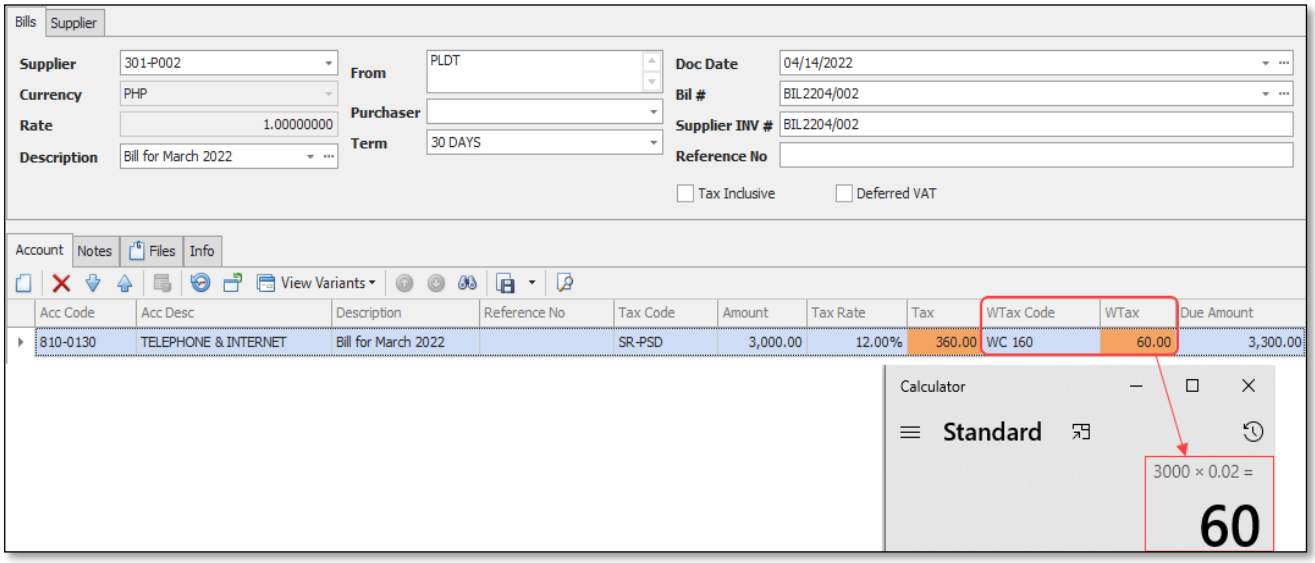


Step 2: Record WTax in the transaction (e.g. Bill)

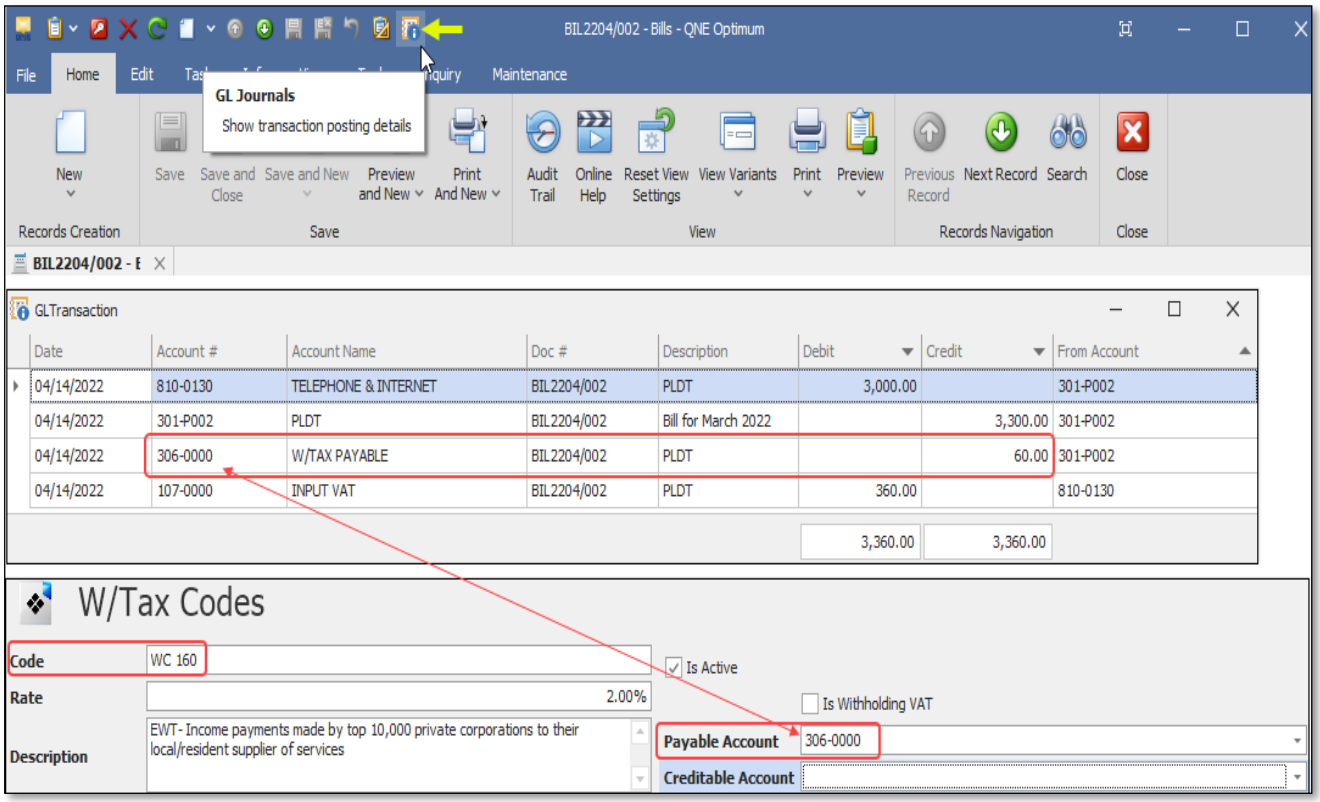
1. In the Bill transaction, simply select the **WTax Code** from the dropdown list.



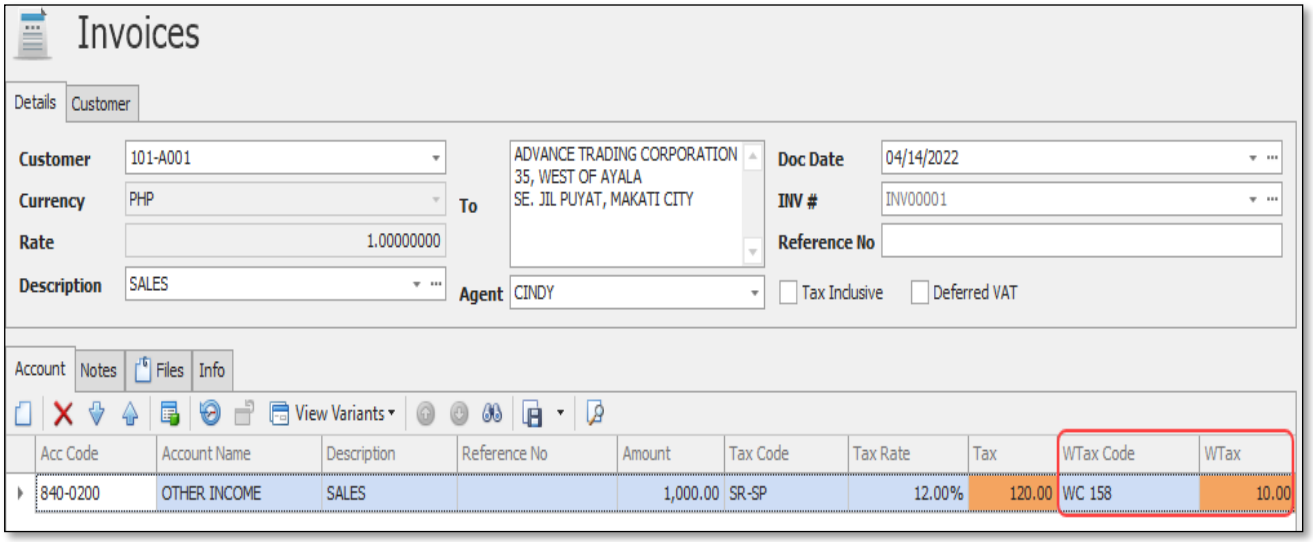
2. The system automatically computes the WTax Amount based on the WTax Rate. Click **Save**.



To verify the journal entry, click on the **GL Journals** icon. The WTax is posted correctly to the Payable Account set in the Withholding Codes Maintenance.



To record WTax in Invoice transaction, perform the same steps as with the Bill.



To record WTax upon payment, please refer to the KB article below (copy and paste the link to your browser):

https://support.qne.com.ph/en/support/solutions/articles/35000142401-kb101910how-to-recognize-wtax-upon-payment

To record WTax upon collection, please refer to the KB article below (copy and paste the link to your browser):

https://support.qne.com.ph/en/support/solutions/articles/35000142394-kb101909-how-to-recognize-wtax-upon-collection

For further concerns regarding this matter, please contact support to assist you or create ticket thru this link https://support.qne.com.ph