



Smart Vendor 7 & 8 Only

Changing the HST Rate for BOOKS in NL

Instruction Guide

HST RATE CHANGE FOR BOOKS IN NEWFOUNDLAND – JAN 1, 2017

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PST TAX RELIEF ON BOOKS DISCONTINUED IN NEWFOUNDLAND AS OF JANUARY 1, 2017

As part of the Newfoundland government's budget, they announced that as of January 1st, 2017, the PST relief on the purchase of qualifying books will be discontinued.

In other words, Newfoundland will become the first region in Canada that will charge full tax on ALL Books.

Most Smart Vendor HST installations have an alternate tax code for Books in System Setup | Financial | Taxes.

Most GST/PST or GST only stores will also have an Alternate Tax for Books.

For most retailers, all that will be required if you are using this Alternate Tax Code, is to change the HST Rate for Newfoundland, whether your store is in Newfoundland, or using the Smart Vendor Taxes By Province feature.

Stores that sell books are strongly advised to be applying the GST/HST BOOK tax code on books, to ensure books sold into another province are charged the correct rate of tax. See below for a sample of the tax code that should be applied on a book in the stock file.

The screenshot shows the 'Smart Vendor 8.0 - Stock File: Jan-01-2017' window. The 'Taxes' tab is selected, and the 'HST' dropdown menu is open, showing 'HST 5% BOOK/NA' selected. The 'Information' tab shows the following details:

Information	Pricing
STOCK # 1001	Consignment \$ 0.00
Matrix #	Margin % 0.00
Status REGULAR	Consignment % 0.00
UPC No UPC 1	Selling Price 0.00
BRAND	Current Cost 0.00
ITEM	Sale Discount % 100.00
FEATURES	Sale Price 0.00
Description BOOK TITLE	Sale Starts / /
DESC2/MATRIX	Sale Ends / /
Department MISCELLANEOUS	
Supplier MISCELLANEOUS	
REORDER #	
YYYY SEASON	
Date Created 01/01/2017	

The 'Other' tab shows:

Other
Quantity On Hand 0.000
Committed QOH 0.000
Quantity On Order 0.000
Reorder Qty 0
Reorder Point 0

The 'Taxes' tab shows:

Taxes
HST HST 5% BOOK/NA
Food Type

The 'Switches' tab shows:

Switches
Automatic Quantity <input checked="" type="checkbox"/>
Automatic Pricing <input checked="" type="checkbox"/>

At the bottom, there are three buttons: PGDN Save, ESC Cancel, and F10 Lookup.

CHANGE HST TAX RATE FOR WALK-IN BOOK SALES (NEWFOUNDLAND)

Stores that reside in Newfoundland will need to change their “alternate” HST tax rate for Books. Any alternate tax options used on Books should be reviewed and updated from 5% to 15%. These instructions assume that TAX1 is the active tax for HST.

Smart Vendor Head Office Users

Smart Vendor Head Offices that control the tax configuration for stores in the same province, must remember to set this up on December 31st before the nightly polling runs.

Chains that poll during the day instead, must ensure this change is polled from Head Office to the stores before the stores open in the morning of January 1st or 2nd, so the store can run a polling update when they arrive to obtain the configuration change.

All Stores should verify the tax is calculating correctly before their first sale on January 1st or 2nd by scanning a book that normally would charge only 5% HST and ensure that the HST is now being calculated at 15%.

In case of emergency, ensure your store’s weekend shift supervisors have System Administrator access on their clerk # in addition to these instructions. This will ensure someone at the store will be able to apply these changes after having polled with Head Office, in the event the Head Office does NOT control that store’s tax configuration, or for some reason polling is not communicating the change successfully.

Edit Smart Vendor’s Alternate Tax Options

Critical: Have all other stations wait at the Windows Desktop while one station makes the following changes.

From the **Smart Vendor Main Menu**:

1. Select **Setup**
2. Select **System Setup**
3. Login with your Clerk # and password
4. Select **Financial**
5. Select **Tax**
6. Select **Edit**
7. Look at the **TAXES BY PROVINCE** checkbox in the Tax Options section at the top of the screen
 - if it is **NOT TAGGED**, proceed with these instructions
 - if it **IS TAGGED**, proceed instead to the next section in this guide for **Change HST Tax Rate for Smart Vendor When TAXES BY PROVINCE Is Enabled** on page 6

Highlight Primary Tax

8. Arrow down to highlight HST in the **Tax Levels** section

Smart Vendor 8.0 - System Setup: Jan-01-2017

Tax

Tax Options

Use taxes by province Display Province **NEWFOUNDLAND AND**

Charge Tax #2 on Tax #1 Use Food Tax Type

Tax Levels

Tax #	Active	Code	Short Form	Description	Tax Rate	Registration #
1	<input checked="" type="checkbox"/>	H	HST	HST	15.00	(GST # HERE)
2	<input type="checkbox"/>				0.00	
3	<input type="checkbox"/>				0.00	
4	<input type="checkbox"/>				0.00	
5	<input type="checkbox"/>				0.00	

Alternate Tax Rates

Tax #	Rate #	Active	Code	Short Form	Description	Tax Rate
1	1	<input checked="" type="checkbox"/>	H	HST	HST 5% BOOK/NATIVE	5.00
1	2	<input checked="" type="checkbox"/>	H	HST	HST KIDS CLTH/FTWR	5.00
1	3	<input checked="" type="checkbox"/>	H	HST	HST ON CAR SEATS	5.00
1	4	<input checked="" type="checkbox"/>	H	HST	HST DIAPERS	14.00
1	5	<input type="checkbox"/>				0.00
1	6	<input type="checkbox"/>				0.00
1	7	<input type="checkbox"/>				0.00
1	8	<input type="checkbox"/>				0.00
1	9	<input type="checkbox"/>				0.00

F3 Edit F4 Delete PGDN Save ESC Cancel F10 Lookup

Update Alternate Taxes

9. Click on the **Alternate Tax** below where the Description contains the word BOOK and the Active box is tagged
(If your Alternate Tax Descriptions do not contain the word Book, but you recognize the Description that you have been applying on Books, highlight that one.)
10. Select **Edit**
11. If the current tax rate is 5%, then change it to 15%
12. Select **Apply** to accept the rate change
13. Select **Save** to accept all changes to the TAX topic
14. Select **Yes to Save Changes**
15. Select **Exit**
16. Select **Exit** again to return to the **Smart Vendor Main Menu**
17. Other stations may now open the program and will pick up the changed settings

CHANGE HST TAX RATE FOR SMART VENDOR WHEN TAXES BY PROVINCE IS ENABLED

The Smart Vendor Taxes by Province feature is used by stores that process web orders, phone orders, and mail orders, that are shipped out of province.

When a Canadian region outside of Newfoundland has **Taxes by Province** enabled these stores will also need to update their Tax Configuration from 5 to 15% on Books for Newfoundland specifically.

Stores with Taxes By Province enabled that reside in Newfoundland will need to change their “alternate” HST Book tax rate. In some instances, the first tab viewed when Edit is selected on the tax rate may not be the store’s own province. These instructions will assist all stores with “Taxes By Province” enabled, to update their tax configuration appropriately.

As in the previous section, these instructions assume that TAX1 is the active tax for HST.

Smart Vendor Head Office Users

Smart Vendor Head Office’s that control the tax configuration for stores in the same province, must remember to set this up on December 31st before the nightly polling runs.

Chains that poll during the day instead, must ensure this change is polled from Head Office to the stores before the stores open in the morning of January 1st or 2nd, so the store can run a polling update when they arrive to obtain the configuration change.

All Stores should verify the tax is calculating correctly before their first sale on January 1st or 2nd by scanning a Book item with the Book Tax code applied to it in the Stock File, and ensure that the HST is being calculated at 15%.

Stores outside of Newfoundland should select a customer profile with the Province of Newfoundland applied in order to test the correct “Taxes By Province” tax rate on Books is being applied.

In case of emergency, ensure your store’s weekend shift supervisors have System Administrator access on their clerk # in addition to these instructions. This will ensure someone at the store will be able to apply these changes after having polled with Head Office, in the event the Head Office does NOT control that store’s tax configuration, or for some reason polling is not communicating the change successfully.

Edit Smart Vendor’s Primary & Alternate Tax Options

If you missed our memo sent out at the end of June 2016, New Brunswick and Newfoundland changed their primary tax to 15%. If you have not updated your Taxes By Province for the primary tax rate change, please do so now.

Critical: *Have all other stations wait at the Windows Desktop while one station makes the following changes.*

From the **Smart Vendor Main Menu**:

1. Select **Setup**
2. Select **System Setup**
3. Login with your Clerk # and password

4. Select **Financial**
5. Select **Tax**
6. Select **Edit**
7. Look at the **TAXES BY PROVINCE** option at the top of the tax setup screen
 - if it is **NOT TAGGED**, return to the previous section and follow those instructions
 - if it is **IS TAGGED**, proceed with the instructions below

Display Province

8. Leave the Display Province as is for the moment to ensure the instructions below can be followed easily – changing it now may change how you see the Alternate Taxes for the second portion of the editing exercise

Update Primary Tax

9. Arrow down to highlight HST in the **Tax Levels** section

Smart Vendor 8.0 - System Setup: Jan-01-2017

Tax

Tax Options

Use taxes by province Display Province **ONTARIO**

Charge Tax #2 on Tax #1 Use Food Tax Type

Tax Levels

Tax #	Active	Code	Short Form	Description	Tax Rate	Registration #
1	<input checked="" type="checkbox"/>	H	HST	HST	13.00	(GST # HERE)
2	<input type="checkbox"/>				0.00	
3	<input type="checkbox"/>				0.00	
4	<input type="checkbox"/>				0.00	
5	<input type="checkbox"/>				0.00	

Alternate Tax Rates

Tax #	Rate #	Active	Code	Short Form	Description	Tax Rate
1	1	<input checked="" type="checkbox"/>	H	HST	HST 5% BOOK/NATIVE	5.00
1	2	<input checked="" type="checkbox"/>	H	HST	HST KIDS CLTH/FTWR	5.00
1	3	<input checked="" type="checkbox"/>	H	HST	HST ON CAR SEATS	5.00
1	4	<input checked="" type="checkbox"/>	H	HST	HST DIAPERS	5.00
1	5	<input type="checkbox"/>				0.00
1	6	<input type="checkbox"/>				0.00
1	7	<input type="checkbox"/>				0.00
1	8	<input type="checkbox"/>				0.00
1	9	<input type="checkbox"/>				0.00

F3 Edit F4 Delete PGDN Save ESC Cancel F10 Lookup

10. Select **Edit**

You may find one of a few patterns:

- The Province 1 tab is selected as your province and could be defined as HST (ON, NB, NS, PE, NL)
- The Province 1 tab is selected as your province and could be defined as GST (BC, AB, SK, MB, QC, YT, NT, NU)
- The Province 1 tab may still be defaulted as the installation default Ontario and your installation is in a different province

11. Click on the Province tabs across the top one by one, or click on the right and left arrow symbols to make your way through each

- Ensure each province has the correct primary tax rate according to the Taxes By Province Chart found in this guide
- Ensure that all provinces other than your own have the **Use for out of province sales** checkbox tagged

12. Select Apply to accept the changes made on primary TAX1 after reviewing all provinces

Update Alternate Taxes For Books

Important: Some of our Smart Vendor Retailers have slightly different configuration needs. Please be sure to highlight each active PRIMARY tax in the Tax Level section to determine if there are any Alternate taxes in the lower half related to GST or HST that may need to be updated.

13. Click on the first tax in the **Alternate Tax** section below where the Active box is tagged

Smart Vendor 8.0 - System Setup: Jan-01-2017

Tax

Tax Options

Use taxes by province Display Province

Charge Tax #2 on Tax #1 Use Food Tax Type

Tax Levels

Tax #	Active	Code	Short Form	Description	Tax Rate	Registration #
1	<input checked="" type="checkbox"/>	H	HST	HST	13.00	(GST # HERE)
2	<input type="checkbox"/>				0.00	
3	<input type="checkbox"/>				0.00	
4	<input type="checkbox"/>				0.00	
5	<input type="checkbox"/>				0.00	

Alternate Tax Rates

Tax #	Rate #	Active	Code	Short Form	Description	Tax Rate
1	1	<input checked="" type="checkbox"/>	H	HST	HST 5% BOOK/NATIVE	5.00
1	2	<input checked="" type="checkbox"/>	H	HST	HST KIDS CLTH/FTWR	5.00
1	3	<input checked="" type="checkbox"/>	H	HST	HST ON CAR SEATS	5.00
1	4	<input checked="" type="checkbox"/>	H	HST	HST DIAPERS	5.00
1	5	<input type="checkbox"/>				0.00
1	6	<input type="checkbox"/>				0.00
1	7	<input type="checkbox"/>				0.00
1	8	<input type="checkbox"/>				0.00
1	9	<input type="checkbox"/>				0.00

F3 Edit F4 Delete PGDN Save ESC Cancel F10 Lookup

14. Select **Edit**

15. Click on the Province tabs across the top one by one, or click on the right and left arrow symbols to make your way through each tab

- Ensure each province has the correct tax rate according to the Taxes By Province Chart found in this guide
- Ensure that all provinces other than your own have the **Use for out of province sales** checkbox tagged

16. Select **Apply** to accept the rate change

17. Select Apply to accept the changes made on the Alternate Tax level for TAX1 after reviewing all provinces

18. Check each of the active **Alternate Tax** rates to ensure any with a full tax rate are updated

19. Select **Save** to accept all changes to the TAX topic
20. Select **Yes** to **Save Changes**
21. Select **Exit**
22. Select **Exit** again to return to the **Smart Vendor Main Menu**
23. Other stations may now open the program and will pick up the changed settings

TAXES BY PROVINCE CHART

This chart is provided to assist our Smart Vendor Retailers with understanding the taxation rate requirements for certain popular product categories that our Retailers sell. There may be other categories that have special HST tax handling rules – Stores are responsible for ensuring their systems are configured for the correct rate of tax in all circumstances. While we endeavor to stay informed of tax rule changes and keep our clients informed, we are not the authority on this topic – please consult the official Canada Revenue Agency site for HST Tax Information sheets as well as your local province’s tax site to confirm the taxability of product in your province/region.

Tax #	Tax Description	ON	BC	AB	SK	MB	QC	NB	NS	NL	PE	YT	NT	NU
Primary	GST/HST(Full Tax)	13	5	5	5	5	5	15	15	15	14	5	5	5
Alternate	HST 5% BOOKS/NATIVE	5	5	5	5	5	5	5	5	15	5	5	5	5
Alternate	HST KIDS CLOTHES/FW	5	5	5	5	5	5	15	5	15	5	5	5	5
Alternate	HST CAR SEATS	5	5	5	5	5	5	15	15	15	5	5	5	5
Alternate	HST DIAPERS	5	5	5	5	5	5	15	5	15	14	5	5	5
Alternate	HST FEMININE HYGIENE	0	0	0	0	0	0	0	0	0	0	0	0	0
Alternate	HST NEWSPAPERS	5	5	5	5	5	5	15	15	5	14	5	5	5

CHANGE HST TAX RATE FOR SHOPIFY TAXES BY PROVINCE FEATURE

Reminder: The tax rates must also be edited in your Shopify Admin Settings area immediately as well.

1. Open your Shopify **Admin**
2. Select **Settings**
3. Select **Taxes**
4. In the **Tax Rates** section, click on **Canada**
5. Ensure that the **Base Taxes** section has the correct full rates for each of the **HST** provinces
6. Click on **Save**
7. Scroll down further to determine if you have any other special Tax Override sections enabled – update them according to the Taxes By Province Chart appropriately
8. Click on **Save**

EDIT YOUR E-COMMERCE WEBSITE TAXES

For clients with ecommerce on their websites, ensure that you and/or your web developer have updated the tax rates for Newfoundland on January 1st.

CUSTOMER RETURNS THAT WERE PURCHASED BEFORE HST INCREASE

Given that the Newfoundland government has implemented this change after an extremely high sales volume period (Christmas, Boxing Day, etc.), Option #2 below is recommend for handling the return of Books that were purchased before January 1st, 2017.

Option 1

If a customer needs to return an item that has been purchased before the HST rate was increased, you may change the tax rate for each return in System Setup, but this will require you to the change the tax rate back before making another sale on any station.

This would also require System Administrator access on the clerk # in order to change the HST percentage.

Option 2

Another alternative is to waive the normal HST on the return item, and use a stock item called HST to handle refunding the correct HST amount. This concept can be used by any level of staff at the Sales Register screen .

The first step is to create a stock item for HST that is non-taxable, that is attached to a unique Department for HST.

You would waive the tax on the line item being returned using the TAXES option at the Register, then select your special HST stock #, and price it with the appropriate HST value to refund. This approach will waive all normal HST calculations on the TOTAL window, hence new purchases should not be made at the same time. Issue the refund to Credit Note or Cash, and if the customer is making a new purchase, apply the credit note or cash towards it.

The HST from the special stock # will show up in a unique department at the end of the day for your accounting purposes.

If you decide that this route is better for you, please follow the instructions on the subsequent pages to set up for this routine, and for handling returns as needed on/after January 1st.

Create Department for HST

From the ***Smart Vendor Main Menu***:

1. Select ***Files***
2. Select ***Stock File***
3. Login with your Clerk # and password
4. Select ***Filter***
5. Arrow down to ***Department***
6. Select ***Lookup***
7. Select ***Add***
8. Arrow down to ***Department Name***
9. Type ***HST***
10. Select ***Save***
11. Select ***YES*** to ***Save Changes***

12. Press ESC to return to the Stock Search

Create Stock # for HST

Have all other stations wait at the Windows Desktop while one station makes the following change.

From the **Stock File – Stock Search**:

1. Select **Add**
2. Select **Non-Taxable** (if offered)
3. Select **Lookup** on **Status**
4. Select **Non-Stock**
5. Arrow down to **Description**
6. Type description "**HST**"
7. Select **Department** as **HST**
8. Select Misc. Supplier
9. Un-tag taxes if still tagged
10. Un-tag **Automatic Pricing**
11. Select **Save**
12. Select **Yes** to **Add New Item**

SMART VENDOR RETURNS AT REGISTER

If you need to process a return for a customer that was purchased prior to January 1st, ensure your cashiers are comfortable with how to follow this process otherwise, you will be refunding more tax than the customer originally paid.

From the **Smart Vendor Main Menu**:

1. Select **Register**
2. Enter on **Sales Register**
3. Login with your Clerk # and password
4. Select F4 **Return**
5. Select **Customer**
6. Select **Stock**
7. Select **By Item**
8. Select item being returned
9. Type original invoice #
10. Select a **Reason for Return**
11. Use your mouse to **untag HST** or to click on the bullet to open the **Lookup** and select **None**
12. Select **Apply**
13. Select **Return**
14. Select **By Item**
15. Type in your **special HST stock #**
16. Type the original invoice # as HST
17. When prompted that this invoice # is not found, select **Yes** to **Continue Anyway**
18. Select a **Reason for Return**
19. Beside SELL PRICE, type in the appropriate amount of HST to refund at the old rate
20. Select **Apply** to accept the HST Return
21. With the above approach, you will be safe to sell any items being purchased on the same transactions
22. Select **Total**
23. Select '**Yes**' to **A Refund Is Due – Continue?**, if prompted
24. Select **Return Payment Method** if issuing a refund
25. Select **Apply**
26. Select **Yes** to **Complete Invoice**