GST-10 Inclusive GST- Cents

10.1 Tax Inclusive

Refer picture attached, this Invoice had selected the **_same_** item code, they also have same quantity and unit price but have different value of sub sales total. Why?

Item 1, have regular tax calculation. Refer the formula for tax NOT inclusive:

$$Unitprice \times Tax(6\%)$$

Item 2, RM100 is the net sales value, which is included tax. Refer the formula for TAX INCLUSIVE:

Tax Inclusive is a situation where customer is still required to pay tax, but business owners basically reduce the sales value to absorb the tax amount for the customer.

$$\frac{Unitprice \times Tax(6\%)}{106}$$

Let's have a look on Tax Invoice Format!

Tax Invoice

Billing Address
AB ENTERPRISE SDN BHD
48 FLOOR MENARA ARNOT
NO 98 JALAN TANGJUNG
49587 PETALING JAYA
SELANGOR

Attn	MR ALF
Tel	03-49380578
Fax	03-49380590

Delivery Address

48 FLOOR MENARA ARNOT
NO 98 JALAN TANGJUNG
49587 PETALING JAYA
SELANGOR

Attn	MR ALF
Tel	03-49380578
Fax	03-49380590

Customer Account	Sales Executive	Currency Rate		Name	Page No	Doc No.	Date
300-A0003	NF	1.0000		ADMIN	1 of 1	IV-00099	01/04/2015

No	Description	Qty		Price/Unit	Discount	Sub Total	Total Excl. GST (RM)	GST Amt @ 6% (RM)	Total Incl. GST (RM)	Tax
1	DIGI PREPAID-RM100	1.00	UNIT	100.00		100.00	100.00	6.00	106.00	SR
2	DIGI PREPAID-RM100	1.00	UNIT	100.00		94.34	94.34	5.66	100.00	SR

Why is item no.2 unit price show as RM100? *This is because if unit price show price after reduce, the customer could return in future to request tax inclusive again based on the lower price, then your sales price will lower and lower.*

If you have many item which need the tax inclusive option, then you may tick directly under GST | Maintain Tax | Edit the ' SR ' tax code | Ticked / Checked the tax inclusive option :

May refer to picture as below :

You can tick/check on this option so that all the transaction with SR will be automatic with tax inclusive options.

10.2 Rounding Cents Issue
Why is manual billing so difficult after GST? Look at the scenario below.

Item No.3, Tax will be RM1.65, after sum all item tax, you will founds a lot of cents behind, but this is not a CASH SALES, you are not required to round up.

Tax Invoice **DOES NOT require rounding because it is not a cash bill.