

Odoo 'Making Tax Digital' enhanced by Smart IT



Making Tax Digital (MTD) is changing the way UK businesses, accountants and bookkeepers do their taxes.

MTD is a government plan to end the annual tax return for millions and is designed to make sure the UK tax system is effective, efficient and easier for taxpayers 'to get their tax right and keep on top of their affairs.'

Following the introduction of MTD, it is now mandatory for every VAT-registered business above the £85k threshold to keep records and submit VAT returns digitally using HMRC approved software, like Odoo.

Become compliant with Odoo & Smart IT's 'Making Tax Digital' for VAT software.

Enhanced new features

The standard Odoo MTD module has been enhanced by Smart IT to provide meaningful feedback to the user following VAT submission. Upon submission to HMRC positive confirmation is relayed back in the form of a viewable and printable report.

Redesign of HMRC VAT report

A substantial redesign with improvements to the UK HMRC VAT report has been implemented with a visual representation displaying the 9 box numbers present on a VAT return form in sequence.

Enhanced drill down functionality

It is now possible to drill down into the line for each box number of the report so the user can see the transactions that are used to make up the line totals in the report in a more logical way. This allows for clear auditing of each box on the return.

New tick boxes and tags on tax codes setup

To add flexibility two new fields have been created on the Tax Code setup form. A tick box "Include in VAT Return" and MTD tags. These enhancements mean that a user with the correct permissions can create a new tax code and set the MTD tags for it to appear on the VAT report in a specific "box". It is envisaged that this will cater for users with non-standard VAT reporting requirements.

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Date submitted field on invoices

One of the major deficiencies in the way that Odoo handles VAT as standard, is that it does not date-stamp or mark as submitted items that have been included in a VAT return that has previously been submitted to HMRC. This can create problems when dealing with anomalies such as identifying invoices that have not been included in a previous return when they should have been. To resolve this issue a date submitted flag has been added so that items submitted on specific VAT returns are date stamped with the end date of the submission period quarter.

Bad debt relief

Odoo does not currently provide a straightforward way to deal with bad debt write off. The Smart IT VAT module provides new functionality so that when an invoice has been outstanding for payment for over six months a "Bad Debt" button becomes visible on the outstanding invoice. This enables the user to write off the invoice and claim back the VAT amount that has been invoiced by clicking the "Bad Debt" button.

Reverse charge VAT

Odoo does not currently handle reverse charge VAT correctly or report reverse charge transactions to the correct boxes on the HMRC VAT report. Installation of the Smart IT VAT module rectifies this deficiency. A new tax code for reverse charge VAT has been created and will be automatically created by the module installation.

Fuel scale charge wizard

Upon installation of the module a new nominal account called "Fuel Scale Charge" with a code 888888 will be created. Also, a new tax code called "Fuel Scale Tax" (20%) is available.

Import VAT

Import VAT is usually payable at the point of import to HMRC as a lump sum. A short time later HMRC will provide an import VAT certificate for the amount paid over to them. Essentially this is a supplier invoice but with no net cost of goods, only a VAT amount. Upon installation of the module a new Import VAT Tax code and an Import VAT Product will be created. The tax code will be configured to report to Box 4 of the VAT Report.

The Smart IT module is suitable for:

- Self-hosted or SaaS options
- Enterprise or community editions
- Versions 10-12
- Agents, accountants or businesses
- Organisations with multi-company configuration

For professional installation and configuration services, speak to us about Smart Packs.