

Install and Upgrade Guide for QuickBooks 2012/13 Tax Update

Version 1.0

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The matters covered in this Guide are not intended to be tax advice. You should not act on the basis of information in the Guide regarding your tax affairs without first seeking professional advice relating to your own particular circumstances as tax laws are very complex and subject to change from time to time.

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QuickBooks 2012/13 Tax Update Introduction

The purpose of this document, **Install and Upgrade Guide for QuickBooks 2012/13 Tax Update**, is to provide you with information on all the relevant changes which will occur as a result of you installing this Service Pack. It is important that you read it before installing the Service Pack.

The QuickBooks 2012/13 Tax Update Service Pack addresses the following:

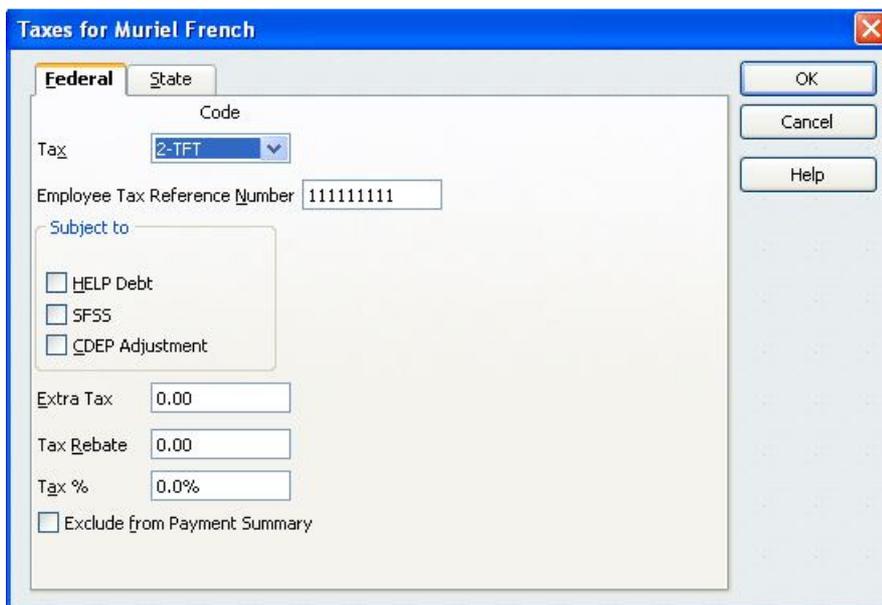
1. Removal of flood levy;
2. PAYG Tax Tables for 2012/13 financial year;
3. Print dates of super payments on pay slips and
4. Revised leave loading taxation arrangements.

These measures are detailed as below.

Removal of the Flood and Reconstruction Levy

The Temporary Flood and Cyclone Reconstruction Levy was introduced by the Federal Government in the last financial year and applied to income earned between 1st of July 2011 to 30th of June 2012. The Government promised it would only be implemented for a year and this is the case. As of July 1st of July 2012, the levy no longer applies. Service Pack 1 addresses this change by the removal of the levy.

The change in QuickBooks has been to remove the additional tax scales which related to the Flood Levy and to update the Employee Details Screen. Specifically this change is to the **Employee Payroll and Compensation Info, Taxes** screen. The **Flood Exempt** checkbox is no longer available for selection.



Taxes for Muriel French

Federal | State

Code

Tax: 2-TFT

Employee Tax Reference Number: 111111111

Subject to:

- HELP Debt
- SFSS
- CDEP Adjustment

Extra Tax: 0.00

Tax Rebate: 0.00

Tax %: 0.0%

Exclude from Payment Summary

OK | Cancel | Help

To access the above screen:

1. Click on an **Employee**;
2. Select **Payroll and Compensation Info** from the drop down menu;
3. Click on **Taxes**;

The **Flood Levy Exempt** flag is still available on select Employee reports for you to choose when querying the employee data for the 2011/12 financial year. Example of one such report is the **Employee Contact List**.

PAYG Tax Tables for 2012/13 Financial Year

As part of the Carbon Tax measures, the Government announced that the Tax Free Threshold has tripled to \$18,200 per annum. The updated tax rates for the 2012/13 financial year and effective from 1st of July 2012 are as follows:

Taxable Income	Tax on this income
0- \$18,200	Nil
\$18,201 - \$37,000	19c for each \$1 over \$18,200
\$37,001 - \$80,000	\$3,572 plus 32.5c for each \$1 over \$37,000
\$80,001 - \$180,000	\$17,547 plus 37c for each \$1 over \$80,000
\$180,001 and over	\$54, 547 plus 45c for each \$1 over \$180,000

This results in a change to the tax tables in QuickBooks. Installing Service Pack 1 will ensure that the correct taxation is applied to salaries and wages in the new financial year from 1st of July 2012.

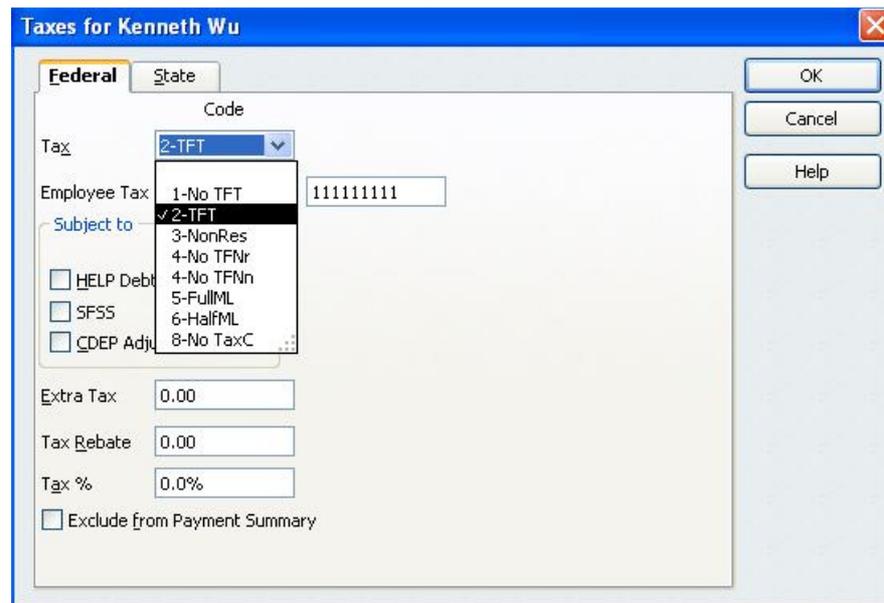
For more information on the new tax tables, go to the following ATO link:

<http://www.ato.gov.au/businesses/content.aspx?menuid=43176&doc=%2Fcontent%2F33283.htm&page=3&H3>

Changes to Leave Loading

From 1st of July 2012 there will be a change to the taxation treatment of employees who receive leave loading as part of their employment conditions. Those payees will no longer have higher withholding from every pay during their time at work. Instead they will now be taxed more accurately when the leave loading is paid. As a result, once you upgrade, you will notice the following changes in QuickBooks:

1. Tax Scale 7, tax code (7-No LL) will become Tax Scale 2, tax code (2-TFT), which means that all employees who are claiming the Tax Free Threshold whether they have leave loading available to them or not will be taxed the same each pay;
2. Tax Scale 7 is no longer applicable and is removed from the drop down list in the **Employee Payroll and Compensation Info, Taxes** screen;



Important!

All employees in your QuickBooks file who were previously on Tax Scale 7, tax code (7-No LL) will automatically be assigned to Tax Scale 2, tax code (2-TFT). Please review all employees' records to ensure that this tax rate still applies to them. If you have any questions, please see your accountant or get in touch with the ATO, Reckon cannot provide individual taxation advice.

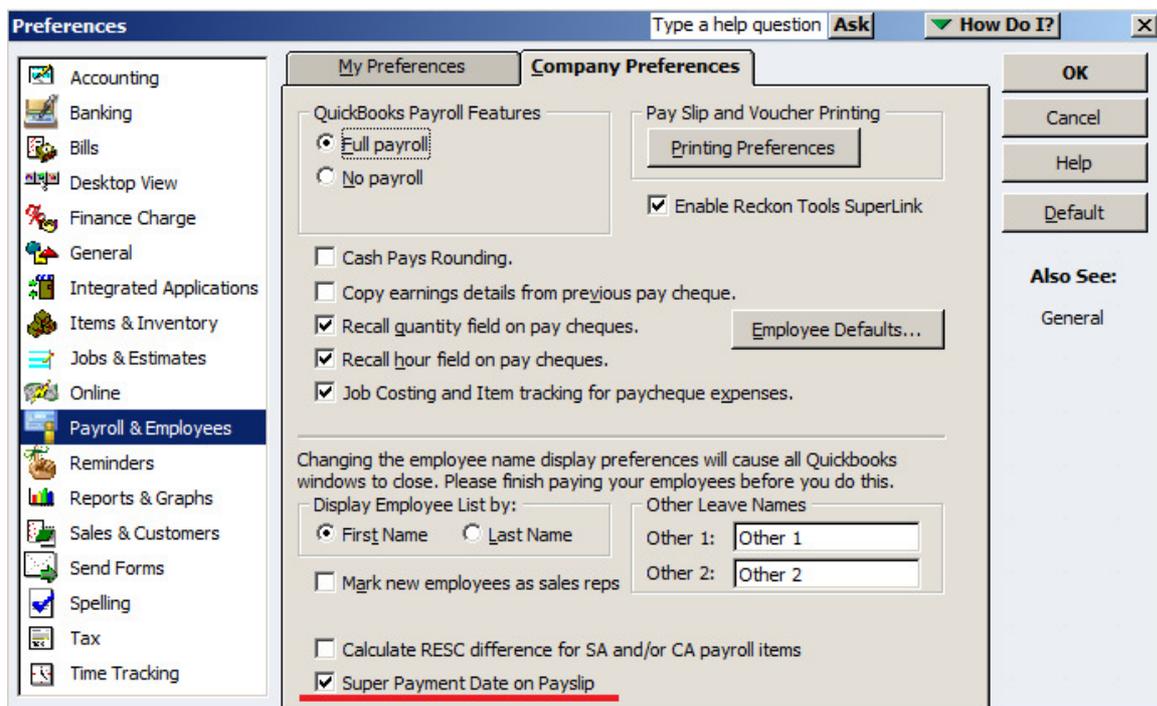
3. Prior to 1st of July 2012, if an employee was being paid leave loading along with his/her holiday pay, then the first \$320 in a year of income did not need to have any PAYG amounts withheld when the pay was conducted as it was already factored into the PAYG withholding tax tables. As part of the Leave Loading Scheme change, from 1st of July 2012, this threshold has been removed and tax is payable during the pay run on the entire leave loading amount. As a result in QuickBooks 2012/13 R3, after upgrading your file, the special payroll item **Holiday Loading (type Addition)** has been updated to have the threshold removed. As we hold tax tables in QB for the relevant financial year *only*, for any back pays you need to amend where there is leave loading, you will need to work out the tax manually, i.e. you cannot do 2011/12 pays within QuickBooks 2012/13 once you have installed the tax update.

Expected Superannuation Payment Date

In the 2011 Federal Budget the Government announced changes to payslips to give employees more information about when their Superannuation payments are made. This was part of the Stronger Super reform package in response to the Cooper review and it is to ensure that employers are meeting their obligations and that employees can act against employers that are not paying their superannuation payments in a more timely fashion.

At the time of development, the law was before Parliament and had not passed however in anticipation, QuickBooks was updated for the Tax Update to include the **Expected Superannuation Payment Date** on the payslips. As a result, once you upgrade, you will notice the following changes in QuickBooks:

1. New Company Preference is available called **Super Payment Date on Payslips** which can be accessed when you go to **Edit > Preferences > Payroll & Employees**:



2. When the preference is turned on, the Enter Payroll Information screen will be updated with a **Super Payment Date (expected on or before)** as follows:

This date defaults to the **Payment Date** and will appear on the Standard Payslip templates in QuickBooks.

For Custom Payslips, you can add this as a new data field. To do that, go to **Lists** and select the payslip template you would like to amend. Then go to **Layout Designer** followed by **Add > Data field**. The new data field is called **Super Payment Date**.

Important!

The **Expected Superannuation Payment Date** is not yet a legal requirement and hence you do not need to turn this preference on or provide this date at every pay run.

When an update on this matter becomes available and if it does become a legal requirement for payslip reporting, we will advise you.

State Payroll Thresholds

The State Payroll Tax rates have been updated and are correct as of 30/05/2012. They are as follows:

State	Rate
NSW	5.45%
QLD	4.75%
WA	5.50%
VIC	4.90%
NT	5.50%
TAS	6.10%
SA	4.95%

Other Tax Measures

Other important measures that you should be aware of are as follows:

- Taxable payments reporting for building and construction industry and
- Upcoming changes to the Employment Termination Payments

Taxable Payments Report for the Building and Construction Industry

If you are a business in the Building and Construction Industry, then from 1st of July 2012 you will need to report to the Australian Taxation Office the details of total yearly payments made to sub-contractors and contractor employees. These payments will be reported on the **Taxable Payments Annual Report** and will be sent to the ATO annually as part of your end of Financial Year procedures. Therefore, data will need to be captured from **1st of July 2012**, and in most circumstances, the first submission of this report will not be due until after **1st of July 2013**; however your business circumstances may be different.

For detailed information in regards to this new requirement, guidance with regard to whom you need to report on, please go to the following ATO web site:

<http://www.ato.gov.au/businesses/content.aspx?doc=/content/00313486.htm>

As you need to capture this data from 1st of July 2012, we recommend that you review your QuickBooks data, ensuring that you do have information in the fields listed below:

Your Company information

Company Information Type a help question **Ask** **How Do I?**

Contact Information

Company Name: Quick Enterprises Pty Ltd

Address: 65 Berry Street
North Sydney NSW 2060

Phone #: 95775000

Fax #:

Email: sam@mail.com

Country: Australia

Web Site:

Legal Information (Appears on payroll tax forms)

Legal Name: Quick Enterprises Pty Ltd

Legal Address: 65 Berry Street

City / State / Post Code: North Sydney NSW 2060

Legal Country: Australia

Company Identification

Tax Rego ID: 14 003 348 730 001

Report Information

First month in your: July

Financial Year: July Tax Year: July

Tax Form Used: Company Income Tax Return

Payroll Tax Form Information

Contact: Barry Dawson
(Name of person preparing and signing payroll tax forms)

Title: Directo

Phone #: 95775000

Buttons: OK, Cancel, Help, Ship To Address...

Company Information	Data Fields
Contact Information	Company Name (M)
	Address (M)
	Country
	Phone
	Fax
Legal Information	Email
	Legal Name (M)
	Legal Address (M)
	City/State/Post Code (M)
Company Identification	Legal Country
	Tax Rego ID (M)
Payroll Tax Form Information	Branch Code
	Contact (M)
	Phone # (M)

Note: (M) - mandatory

Your Supplier's Information

Supplier Name: Oz Doors
 Current Balance: 31,680.00 [How do I adjust the current balance?](#)

Address Info | Additional Info | Bank Details

Company Name: Oz Doors | Contact: Con Kronoski
 Mr./Ms./...: Mr | Phone:
 First Name: Con | M.I.: | FAX:
 Last Name: Kronoski | Alt. Phone:
 Name and Address: Oz Doors, Mr Con Kronoski, PO Box 68, Warwick QLD 4215 | Alt. Contact:
 Email:
 Cc:
 Print on Cheque as: Oz Doors

Buttons: OK, Cancel, Notes, Help

Options: Supplier is inactive, Supplier is a Tax Agency

Supplier Information	Data Fields
Address Info	Company Name (M)
	First Name
	Last Name
	Name and Address (M)
	Phone(M)

Note: (M) - mandatory

Supplier Name: Oz Doors
 Current Balance: 31,680.00 [How do I adjust the current balance?](#)

Buttons: OK, Cancel, Notes, Help

Supplier is inactive
 Supplier is a Tax Agency

Address Info | **Additional Info** | Bank Details

Account No. [] Billing Rate Level [v]

Categorising and Defaults
 Type [v]
 Terms [v]

Credit Limit []

Tax Information
 Tax Code [v]
 Country [Austr... v] Tax Reg. ID []

Custom Fields [] Define Fields

Supplier Information	Data Fields
Additional Info	Tax Reg. ID (M)

Note: (M) - mandatory

Supplier Name: Oz Doors
 Current Balance: 31,680.00 [How do I adjust the current balance?](#)

Buttons: OK, Cancel, Notes, Help

Supplier is inactive
 Supplier is a Tax Agency

Address Info | Additional Info | **Bank Details**

Account Information
 Account Name []
 Account Number []

Bank Details
 Bank Name []
 Branch Code []

ABA File
 Lodgement Ref []

Supplier Information	Data Fields
Bank Details	Account Name
	Branch Code

Your Employees' Information

Information for: Greg Driver Status: Terminated as of 30/03/2020

Change tabs: Personal Info

Personal Address and Contact Additional Info

Mr./Ms./...

Legal Name
 First Name M.I.
 Last Name

Disability
 Disabled
 Description

Print as

Gender

Date of Birth

Marital Status

Employee is inactive

OK
Cancel
Notes
Help

Employees' Information	Data Fields
Personal	First Name (M)
	Last Name (M)

Note: (M) – mandatory

Information for: Greg Driver Status: Terminated as of 30/03/2020

Change tabs: Personal Info

Personal **Address and Contact** Additional Info

Home Address
 Address
 City
 State
 Post Code
 Phone
 Mobile
 Alt. Phone
 Fax
 Email

Emergency Contact Info
 Primary
 Name
 Phone
 Relation
 Secondary
 Name
 Phone
 Relation

Preferred Send Form Method

Employee is inactive

OK
Cancel
Notes
Help

Employees' Information	Data Fields
Address and Contact	Address (M)
	City (M)
	State (M)

Employees' Information	Data Fields
	Post Code(M)
	Phone

Note: (M) - mandatory

Employees' Information	Data Fields
Direct Deposit	Branch Code
	Account No.

In addition to the data fields above, **Gross amount paid (dollars)** and **Total GST (dollars)** will be reportable for Suppliers and **Total Tax withheld (dollars)** will be reportable for Contractor Employees.

To help you comply with this requirement, Reckon is planning to provide an electronic format of this report *before* 1st of July 2013.

Changes to Employment Termination Payments

In the May budget it was announced, that from 1st of July 2012, there will be a significant change to Employment Termination Payments where the payment is not related to 'genuine hardship'. Those who are made redundant or lose their job through illness or injury will not have this apply to them but for everyone else there is a new 'Whole of Income' calculation. That is the gross income you have earned for the year plus the ETP payment will be added together. If that amount exceeds \$180,000, the excess amount will be taxed at the employee's marginal rate.

This requirement will result in a change to QuickBooks in regards to how ETP payments are calculated and may also result in the Employment Termination Payment self-print payment summary form requiring a change.

At the time of development, the bill in relation to this announcement was before Parliament, and it had not passed as law. Now the bill has passed and as soon as specifications and clear guidelines on the requirements are published by the ATO, Reckon will provide an update to your QuickBooks 2012/13 application.

Installation Guide

QuickBooks 2012/13 Tax Table Update is an update for QuickBooks 2012/13 customers. It includes changes as detailed above in this document, as well as tax tables for the 2012/13 Financial Year.

Who needs to install this Update?

This update is for all versions of QuickBooks 2012/13. If you currently use QuickBooks 2012/13 Plus, Pro, Premier and Enterprise Payroll Functionality, you must install this update to be compliant for the 2012/13 Financial Year.

Products Affected

The following QuickBooks products are affected:

1. QuickBooks Enterprise 2012/13
2. QuickBooks Premier 2012/13
3. QuickBooks Pro 2012/13
4. QuickBooks Plus 2012/13

Countries Applicable

Australia

Size / Name of download

14.5 MB

QuickBooks_2012-13_TaxUpdate.exe

Installing QuickBooks 2012-13 Tax Table Update

WARNING!

This product contains tax tables for 2012/13 Financial Year that take effect from 1st July 2012.

You must process employee pays for the 2011/12 Financial Year prior to installing this update. Otherwise your 2011/12 pay calculations will not be correct.

Once you have installed this update, QuickBooks will use the 2012/13 tax tables to calculate pays.

1. Process all pays for the 2011/12 financial year;
2. Rebuild your QuickBooks 2012/13 Company file(s);

3. Create a backup of your QuickBooks 2012/13 company file(s);
4. Exit from QuickBooks 2012/13;
5. Download the **QuickBooks_2012-13_TaxUpdate.EXE** file and save it to a location on your hard drive (For example, C:\[temp] or the Desktop);
6. You must reboot your PC and ensure that QuickBooks remains closed during the update process;
7. After rebooting the PC you may need to stop the following QuickBooks services:
 - a) QBCFMonitorService or QuickBooks Database Manager Service &
 - b) QuickBooksDB21;

To do this:

- a) Click on Start then enter services.msc in the search programs... or Run box;
 - b) Find QuickBooks Database Server Manager or QBCF Monitor Service, right-click and select Properties;
 - c) Click on the Stop button.
8. Use Windows Explorer to locate **QuickBooks_2012-13_TaxUpdate.EXE**, the file you just saved, and double-click it to run the setup program.
[Windows 7 and Windows Vista users only] Prior to installing the update ensure that you have UAC turned on and you are logged in as an Administrator;

Note: UAC is User Account Control. Go to the Control Panel, click User Accounts.

For all Windows Server installations, the installation must be started via the Add/Remove feature with the Control Panels Add or Remove programs.

9. Follow the on-screen instructions to install QuickBooks 2012-13 Tax Table Update. After installing the update successfully, you can delete the **QuickBooks_2012-13_TaxUpdate.EXE** file. Alternatively, save it to a safe location in case you need to re-install QuickBooks and this update at a later date;
10. To check that QuickBooks 2012/13 Tax Table Update has been installed correctly, press Ctrl+1 on your keyboard. Your QuickBooks product information should be **QuickBooks 2012-13 Release R3P**. QuickBooks 2012/13 Plus, Pro, Premier and Enterprise customers can also verify by checking the tax table version. To do this, go to the Employees Menu and select Tax Table Information. If your tax table version matches **1213213**, it indicates that you have installed the update successfully;

11. **Note:** If you are using QuickBooks 2012/13 in a multi-user environment, you need to install this update on all workstations accessing your company file. You cannot use a company file in a multi-user environment unless all installations are updated to the same version. Please note that in network environments where you are using the QuickBooks Database Manager on a standalone server, the database manager DOES NOT require this upgrade.