Tax Code — Edit

When configuring a tax code in Manager.io, several fields must be completed to ensure accurate accounting of taxes on your transactions. This guide explains each field and how to properly set up a tax code.

Name

Enter the name of the tax code in the **Name** field. This name will appear in dropdown menus within Manager.io and on printed documents, such as invoices and receipts.

Label

If you want the tax code to appear differently on printed documents than it does internally, enter an alternative name in the **Label** field. Generally, you can leave the Label field blank if the internal name is the same as what you want your customers and suppliers to see.

Tax rate

In the **Tax rate** drop-down box, you have three options:

- **Zero (0%)**: Select this for tax codes with a rate of 0%. These are the simplest tax codes and do not require a tax account or additional setup.

- **Pass-through (100%)**: Use this option when you need to allocate 100% of a transaction's amount to a tax account. This is typically utilized by importers who aren't directly charged tax by the seller but receive a separate invoice from the tax authority. The pass-through tax code ensures the full amount of a transaction is allocated to the tax code.

- **Custom %**: This option allows you to set a custom tax rate. You can choose between a single rate or multiple rates for more complex tax scenarios.

Type

In the **Type** drop-down box, select between:

- **Single rate**: Choose this if your tax code has a single percentage rate. Enter the rate in the **Rate** field.

- **Multiple rates**: Select this to create a more intricate tax code that includes two or more tax components, each with its own name and percentage rate.

Account

For both **Pass-through (100%)** and **Custom %** tax codes, you must select an account in the **Account** field. By default, the account is set to **Tax payable**, which functions as a temporary placeholder. It accumulates the balance from transactions using the tax code.

However, to settle the tax you owe or to claim a tax refund, you need to choose the appropriate account manually within a specific transaction. Since you cannot select the placeholder **Tax payable** account for these actions, you should create a personalized tax account in your **Chart of Accounts**. After creating it, select this new account in the **Account** field when editing your tax code.