



Guideline Tax

Version 1.0



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1 introduction

The Northern European Subset (NES) group was established to enable interoperability of procurement data between users of the Universal Business Language (UBL). UBL is a royalty-free library of XML documents addressing the requirements of electronic procurement and international trade and transportation. Its second version (UBL 2.0) was released as an OASIS standard in December 2006. NES members contributed extensively to the development of this version of the standard.

The focus of NES is to define the specific use of UBL 2.0 electronic procurement documents domestically and between the member countries. The definition covers semantic interoperability within and between all business sectors, public and private.

This guideline is one of a series of documents describing the purpose and use of the business documents that comprise the NES subset of UBL 2.0.

All cardinalities shown in this document represent elements and associations at NES library level; see 'NES Information Model Architecture' for further information.

1.1 purpose

The purpose of this guideline is to specify the use of classes and elements used to specify tax information.

1.2 summary

- 'Tax' refers to VAT (and other taxes) payable to the fiscal authorities
- Tax Scheme specifies, at the highest level, the type of tax payable e.g. VAT, GST, Excise
- Tax Category specifies a category of tax within a Tax Scheme e.g. Zero-rated, Standard-rated etc.
- Tax Category also contains the rate (Percent) used to calculate the tax amount for the Tax Category (within in the TaxScheme) e.g. 25% for Standard-rated VAT

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2 tax classes and elements

Tax information is described in the following classes:

1. Party Tax Scheme (Party, document, and line level)
2. Tax Scheme (document and line level)
3. Tax Category (document and line level)
4. Tax Total (document and line level)
5. Tax Subtotal (document and line level)
6. Jurisdiction Region Address (Tax Scheme)

As well as the above, the following elements are relevant for specifying tax currencies:

- Tax Currency Code (document and Tax Scheme)
- Tax Exchange Rate (document)

2.1 Party Tax Scheme

Taxes are settled between a tax registered organization and a country's fiscal authority e.g. in Denmark, the Danish Central Customs and Tax Administration (SKAT). A tax registered organization is assigned a registration identifier for each tax for which it is registered.

Organizations registered for more than one tax [scheme] i.e. with more than one registration identifier, must specify multiple Party Tax Schemes; one for each Tax Scheme for which the organization is registered.

In domestic trade scenarios, only the Supplier's registration identifier (or identifiers) must be specified on tax documents. However, foreign trade scenarios require additional Party Tax Scheme information for the Customer e.g. in case of 'reverse charge obligation' or 'purchase VAT' for intra-EU trade.

Note that, in NES, VAT registration identifiers are always prefixed by the ISO country code of the country in which the organization is registered for VAT.

2.1.1 Party Tax Scheme elements

name	definition	cardinality
RegistrationName	the official name of the Party as registered with the relevant fiscal authority	0..1
CompanyID	the identifier assigned for tax purposes to a party by the taxation authority (mandatory for VAT)	0..1

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ExemptionReasonCode	a reason for a party's exemption from tax, expressed as a code	0..1
ExemptionReason	a reason for a party's exemption from tax, expressed as text	0..1
<i>RegistrationAddress</i>	an association to Registered Address (for tax purposes)	0..1
<i>TaxScheme</i>	an association to Tax Scheme	1

2.2 Tax Scheme

Tax Scheme describes the overall 'type' of tax at the highest level.

A Tax Scheme may have many associated rates to apply in calculation, each described in its own associated Tax Category. It is also possible to specify a currency in which the tax should be settled using `TaxScheme.CurrencyCode`.

Special note on the use of Tax Type Code in NES

The NES use of Tax Type Code has been submitted to the UBL Technical Committee as a recommended usage.

In NES, the Tax Type Code is used specifically to indicate (for information) the category of VAT that applies to the tax described by the Tax Scheme e.g. in Denmark

- `TaxScheme.ID` = '66'
- `TaxScheme.Name` = 'REGISTRERINGSAFGIFT'
- `TaxScheme.TaxTypeCode` = 'ZERORATED'

indicates that Car Registration Tax attracts VAT at a zero rate (or does not attract VAT).

Valid Tax Type Codes in NES are:

- STANDARDRATED
 - the tax specified by the Tax Scheme attracts VAT at standard rate
- ZERORATED
 - the tax specified by the Tax Scheme attracts VAT at zero rate or is VAT exempt

2.2.1 Tax Scheme elements

name	definition	cardinality
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ID	the identifier for the Tax Scheme	1
Name	the name of the Tax Scheme	0..1
TaxTypeCode	the category of VAT that applies to a non-VAT Tax Scheme note: not used where the TaxScheme.ID is VAT	0..1
CurrencyCode	the currency in which the tax is collected and reported, expressed as a code	0..1
<i>JurisdictionRegionAddress</i>	an association to Address (of taxation jurisdiction): only the ISO country code is used	0..1

2.3 Tax Category

Tax Category describes a subdivision of a Tax Scheme.

It may be the case that a tax has different rates for the same TaxCategory.ID e.g.. in Denmark:

- TaxScheme.ID = '16'
- TaxScheme.Name = 'CHOKOLADE - OG SUKKERAFGIFT'
- TaxCategory.ID = '3100'
- TaxCategory.Percent = '5' or '12'

Each rate for the Tax Scheme / Category combination must be calculated in a separate Tax Subtotal.

2.3.1 Tax Category elements

name	definition	cardinality
ID	the identifier for the Tax Category	1
Name	the name of the Tax Category	0..1
Percent	the tax rate for the category expressed as a percentage	0..1
BaseUnitMeasure	where a tax is applied at a certain rate per unit, the measure of units on which the tax calculation is based	0..1
PerUnitAmount	where a tax is applied at a certain	0..1

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	rate per unit, the rate per unit applied	
TaxExemptionReasonCode	the reason for Tax being exempted expressed as a code	0..1
TaxExemptionReason	the reason for Tax being exempted	0..1
<i>TaxScheme</i>	an association to Tax Scheme	1

3 calculating tax

3.1 Tax Subtotal

Any given tax is calculated in a TaxSubtotal by applying a specific formula. The formula can be either:

- a percentage of a TaxableAmount (TaxCategory.Percent), or
- a fixed amount where the tax is applied per unit of the Item on the Invoice Line (TaxCategory.BaseUnitMeasure and TaxCategory.PerUnitAmount)

If an invoice contains a number of taxes, the Calculation Sequence Numeric field in Tax Subtotal can be used to specify a calculation sequence for the total tax amount e.g.

- the Taxable Amount in a Tax Subtotal with Calculation Sequence Numeric '2' is the sum of Taxable Amount and Tax Amount from the Tax Subtotal with Calculation Sequence Numeric '1'
- the Taxable Amount in a Tax Subtotal with Calculation Sequence Numeric '3' is the sum of Taxable Amount and Tax Amount from the Tax Subtotal with Calculation Sequence Numeric '2'
- and so on.

If all taxes apply to the same taxable amount, Calculation Sequence Numeric will be '1' for all taxes.

3.1.1 Tax Subtotal elements

name	definition	cardinality
TaxableAmount	the net amount to which the tax percent (rate) is applied to calculate the tax amount	1
TaxAmount	the amount of tax stated explicitly	1
CalculationSequenceNumeric	the numerical order sequence in which taxes are applied	0..1

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	when multiple taxes are attracted. If all taxes apply to the same taxable amount, CalculationSequenceNumeric will be '1' for all taxes (see Tax Total below)	
TransactionCurrencyTaxAmount	the tax amount, expressed in the currency used for invoicing	0..1
<i>TaxCategory</i>	an association to Tax Category	1

3.2 Tax Total

Tax Total is used to specify the total tax amount for a given Tax Scheme. TaxTotal contains one or more instances of Tax Subtotal; a separate Tax Subtotal is required for each Tax Category / Percent combination within the Tax Scheme.

3.2.1 Tax Subtotal elements

name	definition	cardinality
TaxAmount	the total tax amount for particular tax scheme e.g. VAT; the sum of each of the tax subtotals for each tax category within the tax scheme	1
RoundingAmount	the rounding amount (positive or negative) added to the calculated tax total to produce the rounded Total Tax Amount	0..1
TaxEvidenceIndicator	indicates whether the amount is stated can be used for tax purposes	0..1
<i>TaxSubtotal</i>	an association to Tax Subtotal	0..n



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4 tax details at line level

In NES Tax at Line level can be specified in the same way as at Document level using Tax Total, Tax Subtotal, Tax Category, and Tax Scheme.

Alternatively, the Classified Tax Category in the Item on the Invoice Line can be used if all that is required is the tax percentage rather than the tax amount.

Line level tax details are informative i.e. the actual calculation of taxes is performed at Document level.