

HAWAII EXCISE TAX SETUP

Please backup your data before performing any of these procedures and put it in a separate location. We suggest you perform these procedures on your practice data first to ensure you perform each step accurately.

To make your real data your practice data, in the RentPlus startup screen, right click on your actual data and make it your practice data.

First, you will need to set up a new tax by going to Tools | Setup | Taxes and add a new tax group named Tax 4.7025, next add a new tax also named Tax 4.7025 and assign it a 4.7025% tax rate. Make sure to set the new tax as the default for RENTALS and SALES and **exclude the old tax** from this group. This should be done now before your January 2007 billing notices are generated and before you receive any payments for January 2007 and beyond.

For **current customers**, use the *Rent Increase* wizard (Tools menu) to change the tax group from the current tax group to the "Tax 4.7025" tax group. Make the effective date January 1, 2007.

Also, after close of business on December 31, 2006 change the sales tax group to Tax 4.7025 on all your units using *Change Scheduled Rates* (Tools menu) so that all future move-ins will be charged the sales tax. Be sure to change all unit types and sizes to this new tax group.

Regarding prepaid rentals, we strongly suggest you first consult your accounting advisor to determine how these payments are treated on your company's books and how the new tax law should be applied to prepaid rents in RentPlus. If you determine that adjustments need to be made for prepaid rents, perform the following procedures.

Prepaid rents collected to date for rental periods beginning after December 31, 2006 have the old tax rate applied and RentPlus will **not** retroactively restate these prepayments to apply tax at the new rate. In order for the new sales tax rate to be applied to any prepayments, you will have to go into each prepaid customer's account, charge the additional sales tax owed by setting up a sales tax charge as a new service (this charge will have no tax associated with it) and then adding this charge for the amount of the additional tax based on the new rate versus the old rate that you will have to manually calculate. This charge will have to be done to each prepaid month showing on the ledger. Be sure you date the charge the same date as the rent charge. Once you have added the charge, you will then reallocate the payment to cover the tax and the rent.

Again, please be sure you **backup your data before you performing any of these procedures.**