

US - 3384 - IFRIC 21 Property Tax / Recurring Entries

Tasks to be completed when documenting an operation (from creation to publication)

1. Enter the **Title of the operation / page**

2. Add the following Labels:

- Scope of applicability: ww, country_accounting
- Country or group of countries (if applicable): belux, china, france, italy, lam, nam,uk_ie, bulgaria, dach, netherlands, iberia, poland, latvia, australia, india, japan, south_korea, thailand, singapore, new_zealand, emea_transversal, apac_transversal
- Unit and Domain according to the [List of labels to be used in the Finance Service Line space](#)
 - E.g. 1: WW Operation in Financial Accounting under domain "Central Finance Processes & Compliance":
 - Labels to be used: **ww, financial_accounting, central_fin_proc_compliance**
 - E.g. 2: France Operation in Financial Accounting:
 - Labels to be used: **country_accounting, france, financial_accounting**
(for country operations, the Domain is always country_accounting)

3. Fill in all fields as described above

4. Name the title of each section using OPD methodology naming convention - **Infinitive verb without the "to", mainly action verb...something) -" I do something..."**

5. Once the description of the operation is completed, ensure it is approved and published by launching the [SBS-Finance approval workflow](#)

Domain: Country Accounting

Responsibility area:

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Scope

? Unknown Attachment

ERP



Frequency

? Unknown Attachment

References

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Tax / Recurring Entries >>

1. Objective and Scope

1.1. Objective of this Operation

The purpose of this document is to explain how to perform the property tax accounting for 3384 company code on PF1 system.

1.2. Scope

This procedure is applicable for 3384 company code in January every year.

2. Definitions

See [Finance Glossary](#):

- [ERP](#)
- [SAP](#)

3. Tasks description

3.1. I Check The Property Tax Value and Post It

3.1.1. I Check the Property Tax Value

This is done in every January.

The property tax value can be verified with the plant controller for Alorton site (AOO plant).

It is an yearly estimated value to be paid to the county treasury based in the previous years.

Once you get the estimated value, proceed with the journal entry (next step).

3.1.2. I Prepare and Post the Journal Entry

To prepare the journal entry, get the global posting file template and include as the following:

Entry type: S1 - G/L Account Posting

debit (40): 2700000020 - PREPAID TAX PROPERTY - IFRIC 21 - it hits heading A47810 Prepaid expenses - IFRIC 21

credit (50): 2450003302 - Tax on prop/land pay - it hits heading L44900 - State: Other taxes, Credit

Business area BA: 7330

Assignment: IFRIC 21

Amount Doc curr = value

Text: IL YYYY Annual Prop Tax Setup (where YYYY = current year)

For account 2450003302, make sure to include tax code I0 and tax jurisdiction 1416300401, otherwise it will not post;

Justification: get the plant controller's email confirming the accrual and make sure to include how it was calculated (previous years payments);

Posting Key	G/L account	Amount Doc cur	B.A.	Assignment	Text	Tax code	Tax Jurisdiction
40	2700000020	1,00	7330	IFRIC 21	IL 2022 Annual Prop Tax Setup		
50	2450003302	1,00	7330	IFRIC 21	IL 2022 Annual Prop Tax Setup	I0	1416300401

Send it through the applicable tool to be posted by the robot.

The idea is to hit A47810 (prepaid) as a debit and amortize it to P&L during the year with recurring entry (next step)

In addition, hit L44900 (short term payable) to pay it when applicable for next year (the payment always delay one year)

After that posting it, you can prepare the recurring entry (next step).

3.2. I Prepare the Recurring Entry Amortization

3.2.1. I Prepare the Recurring Entry Amortization

This is done in every January once and it is automatic monthly posted for the entire year.

To prepare the recurring amortization journal entry, get the global posting file template and include as the following:

Entry type = S5 - Recurring Engine

First Run = date of the first run (normally 2801YYYY)

Last Run = date of the last run (normally 2812YYYY)

debit (40): 6400103311- Property tax + Cost center ON32500001

credit (50): 2700000020 - PREPAID TAX PROPERTY - IFRIC 21

Business area BA: 7330

Assignment: IFRIC 21

Amount Doc curr = value of the property tax divided by 12 months to post the value per month.

Text: IFRIC 21 - IL YYYY Prop Tax Monthly Amort (where YYYY = current year)

For account 6400103311, make sure to include tax code I0 and tax jurisdiction 1416300401.

TEMPLATE

Scope
NAM

SID
PF1

Reverse Posting?
No

Entry Type
S5 - Recurring Engi

Company Code	Header Text	First Run	Last Run	Posting Key	G/L account	punt Doc	B.A.	Cost center	Assignment	Text	Tax code	Tax Jurisdiction
3384	IFRIC 21	28012022	28122022	40	6400103311	1,00	7330	ON32500001	IFRIC 21	IFRIC 21 - IL 2022 Prop Tax Monthly Amort	I0	4420114401
				50	2700000020	1,00	7330		IFRIC 21	IFRIC 21 - IL 2022 Prop Tax Monthly Amort		

Send it through the applicable tool to be posted (not by the robot).

After that, do not forget to check everything on ERP/SAP if posted correctly.

End of document.