

US - 7424 - CAT TAX Billing

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

Forms

[CAT TAX Q# YYYY - Month YYYY Template](#)

[7424 - Recharge of QQ YYYY CAT for Ohio and Oregon Template](#)

Attachments

[US - CAT TAX](#)

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1. Objective and Scope

1.1. Objective of this Operation

The purpose of this document is to explain how to perform the CAT TAX Billing and Journal Entry for 7424 on WP1 system.

The CAT is an annual tax imposed on the privilege of doing business in Ohio and Oregon, measured by taxable gross receipts from most business activities.

7424 pays it for entire US companies and recharge it between GBUs internally and to other US companies.

The contact with the details is tax team, nowadays Damian Cioni - damian.cioni@solvay.com - State and Local Tax Manager.

1.2. Scope

This procedure is applicable for 7424 company code on quarters.

The billing period is related to previous quarter, so one quarter delay.

Example: Q3 tax is paid and recharged on Q4. Q4 tax is paid and recharged on Q1 next year and so on.

It needs to be done until D-2 when it is the intercompany billings deadline for intercompany team.

2. Definitions

See [Finance Glossary](#):

- [Cost Center](#)
- [GBU](#)
- [GL](#)
- [SAP](#)
- [WBS](#)
- [WP1](#)

3. Tasks description

3.1. *I Receive the Files and Prepare the Journal Entry*

3.1.1. *I Receive the Files*

Tax team sends the report by email with both files, one for Oregon and other for Ohio. If not, check with Damian Cioni.

It is a file that shows the split by GBU and companies.

After receive it, put the compile the files in one file in different tabs.

3.1.2. *I Check the Value With SAP*

Check if the total value if it matches with account 44900700 in 7424. It needs to be the same. If not, check with the contact in tax team.

3.1.3. *I Prepare the Journal Entry to Cost Center*

Move the total value from account 44900700 to cost center 0249-5040 and account 98325210.

This is the best way to recharge costs, do not do it from balance sheet.

Do not forget the justification with the email received from tax team, it can be a screenshot only.

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

3.2. *I Prepare the Summary Tab, Journal Entry and Billing*

3.2.1. *I Prepare the Summary Tab*

In the template [CAT TAX Q# YYYY - Month YYYY Template](#), the summary tab contains the information for the journal entry and billing requests.

It can be found in Gdrive folder [US - CAT TAX](#).

The layout is:

Legal entity;

Name;

GBU;

sender information;

receiver information;

value in Oregon and Ohio and the total;

and comments.

LE	Name	GBU	Sender		Receiver		OREGON	OHIO	Total	COMMENTS
			Cost Center	Cost Element	Cost Center	Cost Element				
7424	SUSA	NOVE CARE	0249-5040	98325210	0249-6090	98325210			-	
7424	SUSA	AROMA	0249-5040	98325210	0249-6406	98325210			-	
7424	SUSA	SILICA	0249-5040	98325210	0249-6603	98325210			-	
7424	SUSA	SPEC CHEM	0249-5040	98325210	0249-6800	98325210			-	
7424	SUSA	OIL & GAS	0249-5040	98325210	0249-6067	98325210			-	
7424	SUSA	COATIS	0249-5040	98325210	0249-6662	98325210			-	
6401	ASD	SODA ASH	0249-5040	98325210	5518400000	6400100010			-	Combined Soda Ash and Soda Ash Derivatives together
4290	SCL	PEROXIDES	0249-5040	98325210	C018400005	6400100010			-	
5782	SSP	SSP	0249-5040	98325210	ND16300010	6400100010			-	
3384	SF	SPEC CHEM	0249-5040	98325210	NT18400001	6400100010			-	
7008	CI	TS	0249-5040	98325210	7008-6010	98325210			-	
7180	CEM	COMPOSITES	0249-5040	98325210	7180-6038	98325210			-	Combined all entities under CEM as others are very small
							-	-	-	
							#DIV/0!	#DIV/0!		
					check total		#DIV/0!	#DIV/0!		

This is to organize the information only.

If there is any new GBU, check with the controller where the value should be posted.

Basically:

CI = TS;
CEM = Composites materials;
4290 = Peroxides = Hydrogen+ Wet Chemicals;
Make a check in the totals to certify it is everything ok.

Use it to complete next steps.

3.2.2. I Transfer the 7424 Value to GBU Cost Centers

Transfer the 7424 part to other cost centers according to the previous step file inside the 7424 to allocate to each GBU.

It is basically from cost center 0249-5040 and account 98325210 to cost center (according to summary tab) and the same account 98325210.

Do not forget the justification with the screenshot of the tab summary.

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

Now, the 7424 value is split between the GBUs inside the company.

3.2.3. I Prepare the Billing Request

Use the template [7424 - Recharge of QQ YYYY CAT for Ohio and Oregon Template](#). Include the values for as it is in tab summary, but here there are Intercompany WBSs used by Intercompany team to create the invoices.

Just confirm if the LE is applicable, if there is no GBU change from one year to another, etc.

Then, send it to intercompany team by the applicable tool to be created the invoices to recharge the costs from 7424.

3.2.4. I Check the Cost Center

After the invoices issued, make sure the cost center 0249-5040 will be zero for the CAT values (not the entire cost center, as it may have other type of costs not included in this procedure).

It should have been invoiced or transferred to another cost center.

If it is not zero for the CAT values, or something was not done or the value in SAP was different from the report sent by tax team (step 3.1.2).

End of document.