

# Tax Administration

## Adjustments for HS-122's

**IMPORTANT!!** If you have already transferred your Tax Bills from Grand List to Tax Administration this year and you have changes to Tax Bills that need to be changed in Tax Administration, as of July 2007 you may transfer current tax year billing adjustments from the Grand List to Tax Administration. If you have made manual adjustments as described below then this will result in additional adjustments to the Tax Administration that may not be needed. If you have not utilized the automated adjustment process consistently then any adjustments will have to be made manually in Tax Administration by following these steps:

### Typical Scenario:

You have just been given or printed a revised bill for a taxpayer. There are several reasons that they would be getting a new bill, example: they did not file the HS-122 on time, or they filed on time but you just found out about it, or they filed but really shouldn't have. All of these scenarios will result in a new amount of Tax being billed for this taxpayer.

### Adjustments for Error & Omissions:

1. From the Reports Menu print a "2. Status Report" and a "3. Detail Transaction" report on the Parcel that you will be adjusting. These reports will be kept as an audit trail of the account prior to making the adjustments.
2. From the Main Menu select "3. Adjusting Entries."
3. From Adjustment Maintenance select "2. Adjust Amounts Billed."
4. Select the Parcel ID and the Tax Year that you are making the adjustment on.
5. Enter a reason for the adjustment.
6. You will see the Current Amounts Billed for each payment and a Change Values to. In the Change Values To field, enter the amount of the new Tax Bill. Then the Penalty for late filing is treated as Principal. These amounts are not reduced by state payments.
7. Click "Perform adjustment" to complete this adjustment.
8. If a payment has already been made on this account you may get message: This entry will be generating a credit! Is this ok? Yes or No. You will want to answer this Yes. If you answer No then the adjustment will not be made. If you answer Yes this account will now have a credit on it and you must decide what you want to do with that credit.

### Credits and options:

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9. Apply credit to any Tax that is still due on the account. Most taxpayers will want you to use this option.
10. Refund the credit. Select “8. Refund Credit” from Main Menu. This will print you a debit memo showing you the account and amount of credit being refunded. You will then write a check from Accounts Payable to the taxpayer for the amount of the credit. What do you use for reference account? Usually it is a liability account such as Tax Overpayment. If you are not sure please call NEMRC Support and we will help you figure out what account to use.
11. Leave the credit on the account for now. You will do nothing at this time. Eventually you will have to decide what to do with this credit so we suggest you take care of it using option 10 or 11 at this time.

### Adjustments for State Payments:

1. Process the payment directly in Tax Administration using a unique deposit number. Be sure to apply the payment according to the decision made to record the amount up front or spread it across multiple payments. This needs to remain consistent with the application setting in the Grand List during bill printing.
2. Perform a journal entry to adjust the State Payment Liability account with a debit and the cash account with a credit equal to the total of the deposit recorded.