



How to prepare your PCLaw® software for the New Brunswick HST increase on July 1st, 2016

Document Last Updated:
May 24th, 2016

Effective July 1st, 2016 – The Harmonized Sales Tax (HST) rate will change.

The government of New Brunswick announced an increase to the HST rate from **13% to 15%** effective **July 1st, 2016**. Further details of these changes can be found on the Department of Finance's website at:

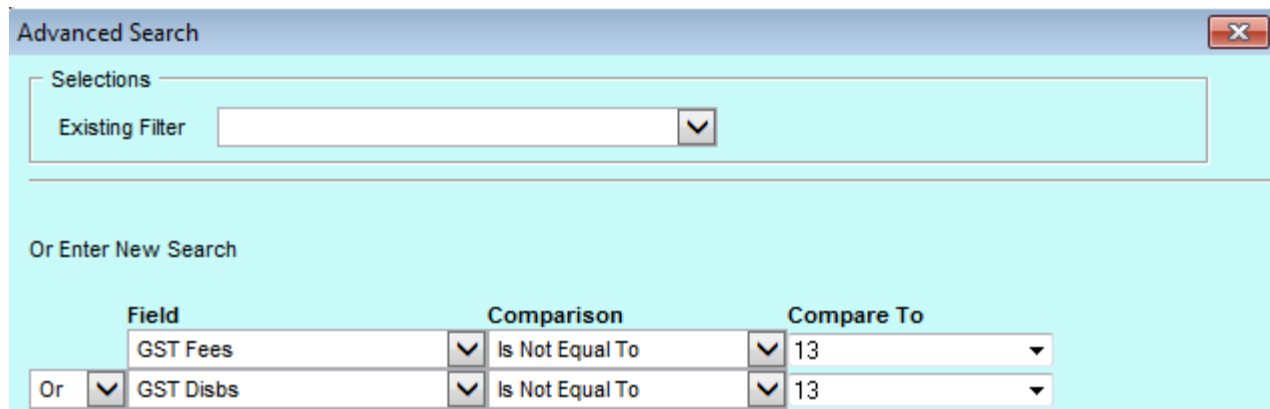
<http://www2.gnb.ca/content/dam/gnb/Departments/fin/pdf/Taxes-Impots/TransitionalRulesNBHST.pdf>

****All Firms – Consult with your PCLaw CIC, Tax Advisor or Accountant before implementing any of these changes as tax implications may exist. Ensure that you make a backup of your data prior to implementing the steps below**.**

How to Update your PCLaw Settings

1. Determine which of your matters DO NOT currently have a sales tax rate of 13%.

- a. Go to “**Reports > Clients> List of Clients.**”
- b. If you are running PCLaw 12 Service Pack 3 or higher, click the “Layout” drop-down and select “**Default - tax.**”
- c. Generate, print and save this report for your records (proceed to Step 2).
- d. If you are **not** running PCLaw 12 Service Pack 3 or higher, use the “Adv. Search” function on the List of Clients report window to identify files where HST (**GST**) is **not equal to 13** for **fees Or disbursements**.



Or Enter New Search		
Field	Comparison	Compare To
GST Fees	Is Not Equal To	13
Or	GST Disbs	Is Not Equal To
		13

- e. Generate, print and save this report for use later.

2. Before you perform July 2016 billing, you must complete the following steps in PCLaw:

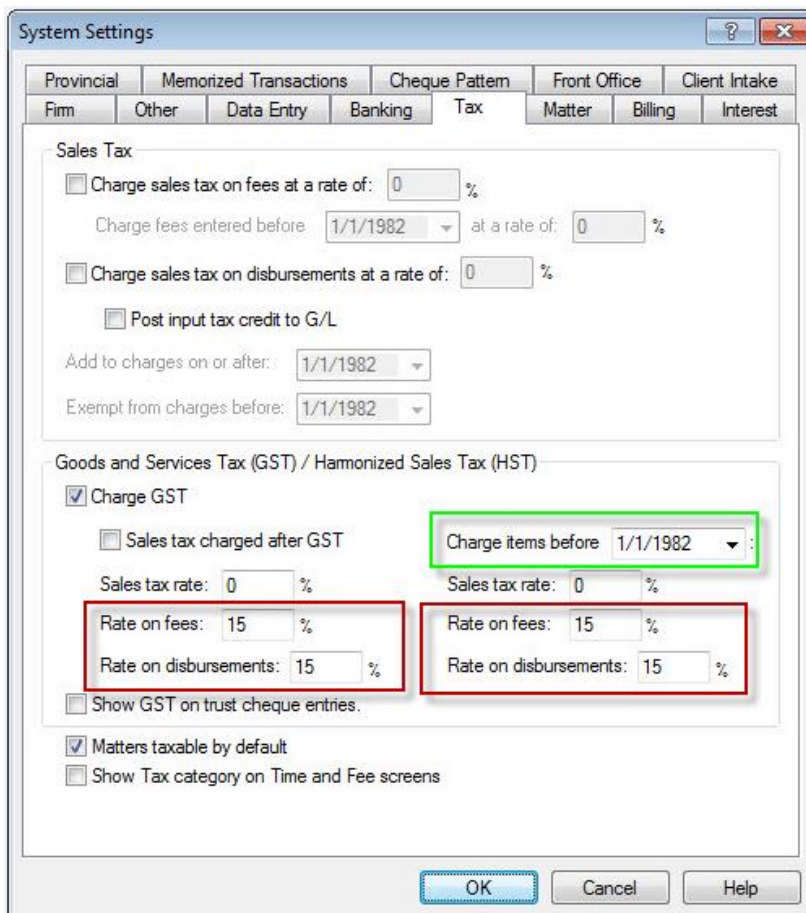
- Make a backup of your PCLaw data
- Bill all matters up to and including June 30th, 2016 (optional).**

Note 1: If you are running PCLaw 12 Service Pack 3 or higher, completing the following steps will **change all matters to the new tax rate of 15%**, including all Zero Rated matters as well as files with special tax rates. The results from step #1 above provided you with a list of matters that are non-taxable, including those that are charged at a different sales tax rate so that you can make the necessary tax adjustments on those files after completing the changes in System Settings. Proceed to step C below.

If you are **not** running PCLaw 12 Service Pack 3 or higher, you must complete steps C & D below and select **“OK”** on the System Settings window to save the changes. Once that is complete, proceed to the steps in **“Note 2”** below.

c. Go to **Options > System Settings > Tax**

- Under the **Tax** tab, change the tax rate from **13** to **15** in the four rate boxes indicated in red below.



System Settings

Provincial | Memorized Transactions | Cheque Pattern | Front Office | Client Intake
 Firm | Other | Data Entry | Banking | **Tax** | Matter | Billing | Interest

Sales Tax

☐ Charge sales tax on fees at a rate of: 0 %
 Charge fees entered before 1/1/1982 at a rate of: 0 %

☐ Charge sales tax on disbursements at a rate of: 0 %

☐ Post input tax credit to G/L

Add to charges on or after: 1/1/1982

Exempt from charges before: 1/1/1982

Goods and Services Tax (GST) / Harmonized Sales Tax (HST)

☒ Charge GST

☐ Sales tax charged after GST

Charge items before 1/1/1982

Sales tax rate: 0 %

Rate on fees: 15 %

Rate on disbursements: 15 %

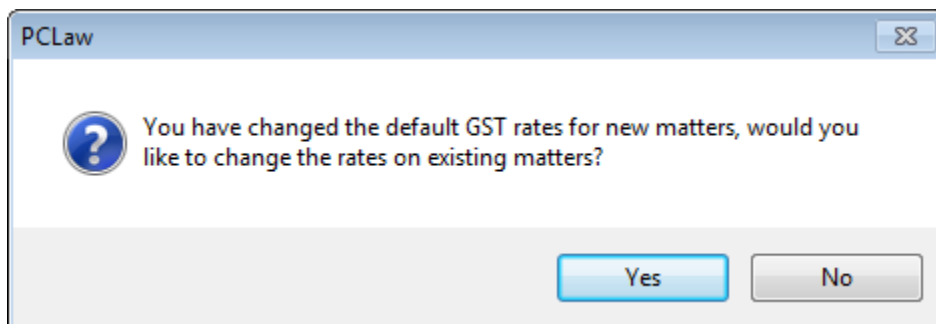
☐ Show GST on trust cheque entries.

☒ Matters taxable by default

☐ Show Tax category on Time and Fee screens

OK Cancel Help

- e. Change the “Charge items before” date to **1/1/1982** and Click “**Ok**” to save the changes
f. Select “**Yes**” to apply the change to existing matters.



- g. Verify that the “New Rate” is set to 15 and click “**OK**” to continue



- h. Click “OK” on the System Settings window to save the changes. Proceed to Step 3.

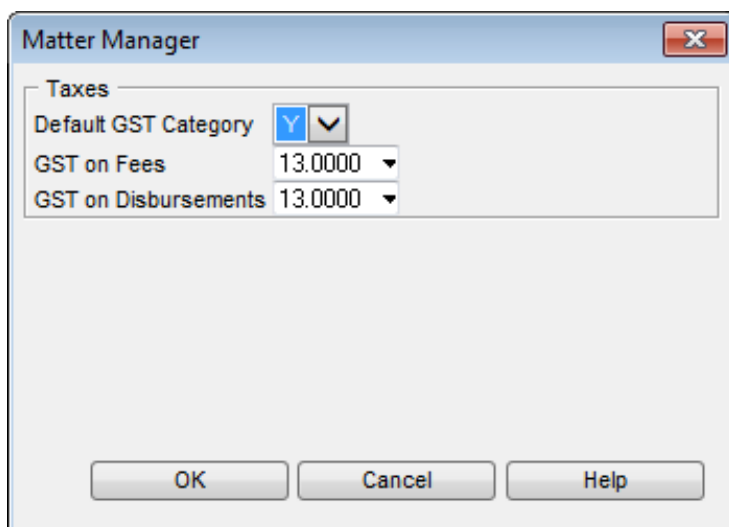
Note 2: If you are running a version of PCLaw that is less than PCLaw 12 Service Pack 3, you will not see steps E through G as shown above.

Please perform these additional steps after making the Tax changes to system settings from steps C & D (above).

1. File >Matter > Global Change
2. Select OK on the first 2 screens and choose the Billing Tab
3. Select GST on Fees and GST on Disbursements and enter the new HST rate for both (15)
4. Click OK to complete the process and proceed to Step 3 below

3. Any matters that are non-taxable or those that have special tax rates must be changed through the Matter Manager in PCLaw on a matter by matter basis. This list was obtained from step 1 that you completed above.

- a. Go to **File > Matter Manager**.
- b. Select the matter you wish to change and go to the **Billing** tab
- c. Select the **"Taxes"** button and change the sales tax rate on fees from **15.00** to the desired rate, and then choose **"OK"**.



The screenshot shows a window titled "Matter Manager" with a close button (X) in the top right corner. Inside the window, there is a section labeled "Taxes". Below this label, there are three items: "Default GST Category" with a dropdown arrow, "GST on Fees" with a value of "13.0000" and a dropdown arrow, and "GST on Disbursements" with a value of "13.0000" and a dropdown arrow. At the bottom of the window, there are three buttons: "OK", "Cancel", and "Help".

- d. Select **Save and Close** to complete the changes.
- e. Repeat steps A through D for each affected matter.

4. Update memorized transactions in PCLaw (If Applicable).

If the memorized transaction function is activated, you will notice that whenever you enter a payee's name into a cheque screen and hit tab key, PCLaw will pre-populate the amount, taxes, explanation and G/L account. This is because it memorized the details of the last cheque that you wrote of this payee. With the HST increase, cheques that were once subject to 13% HST may now be now subject to 15% HST.

Going forward, if you enter a payee's name on a cheque screen, hit the tab key and notice the pre-populated tax amount needs to reflect 15%, simply remove the amount displayed and re-enter the correct amount. This action will force PCLaw to memorize the new value going forth.

If you have questions regarding these instructions, please contact PCLaw® support at 1-800-387-9785