How to Prepare Your PCLaw® Software for the 2019 Manitoba RST Rate Decrease

The 2019 budget has slated a decrease of the retail sales tax (RST) from 8% to 7% effective July 1, 2019. For further details about these changes, please visit the Manitoba Finance website at https://www.gov.mb.ca/finance/taxation/

All Firms – Please consult with your PCLaw Certified Independent Consultant (CIC), your tax advisor or your accountant before implementing any of the following changes in PCLaw as tax implications may exist. Ensure that you make a backup of your PCLaw data prior to implementing the steps below.

How to Update your PCLaw Settings

Determine whether the **Charge sales tax on disbursements at a rate of** checkbox is activated (selected) under the **PCLaw System Settings > Tax** tab. (If you are unsure whether this setting applies to your firm, please consult with your PCLaw CIC, your tax advisor or your accountant.)

- If the above setting is **activated** (selected) in PCLaw, complete all the steps in **Section A** below.
- If the above setting **is NOT activated** (NOT selected) in PCLaw, skip to **Section B** below.

Section A

1. **Determine which of your matters DO NOT currently have a sales tax rate of 8%.**

   If you are running PCLaw version 12 or higher:

   a. Go to **Reports > Clients> List of Clients**.
   b. Click the **Layout** drop-down and select **Default - tax**.
   c. Generate, print and save this report for your records.

   If you are running PCLaw version 11 or lower:

   a. Go to **Reports > Clients> List of Clients**.
   b. Use the **Adv. Search** function to identify files where RST (PST in PCLaw) is not equal to 8 for **PST fees**. Generate, print and save this report for your records.

   c. Use the **Adv. Search** function to identify files where RST (PST) is not equal to 8 for **PST Disbs** (disbursements). Generate, print and save this report for your records.

2. **Before you perform your July billing, you must complete the following steps in PCLaw.**

   a. Back up of your PCLaw data.
   b. Bill all matters up to and including June 30, 2019.
   c. Go to **Options > System Settings > Tax**.
   d. Under the **Tax** tab, change the tax rate from **8** to **7** in the three rate boxes indicated in red below.

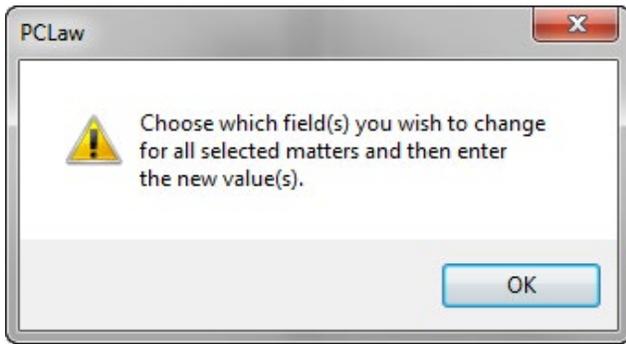System Settings dialog showing Tax tab with Sales Tax and Goods and Services Tax (GST) / Harmonized Sales Tax (HST) settings.

e. Change the **Charge items before** date to **01/7/2019** and set the **Sales tax rate** located underneath to **8** as highlighted in green above.
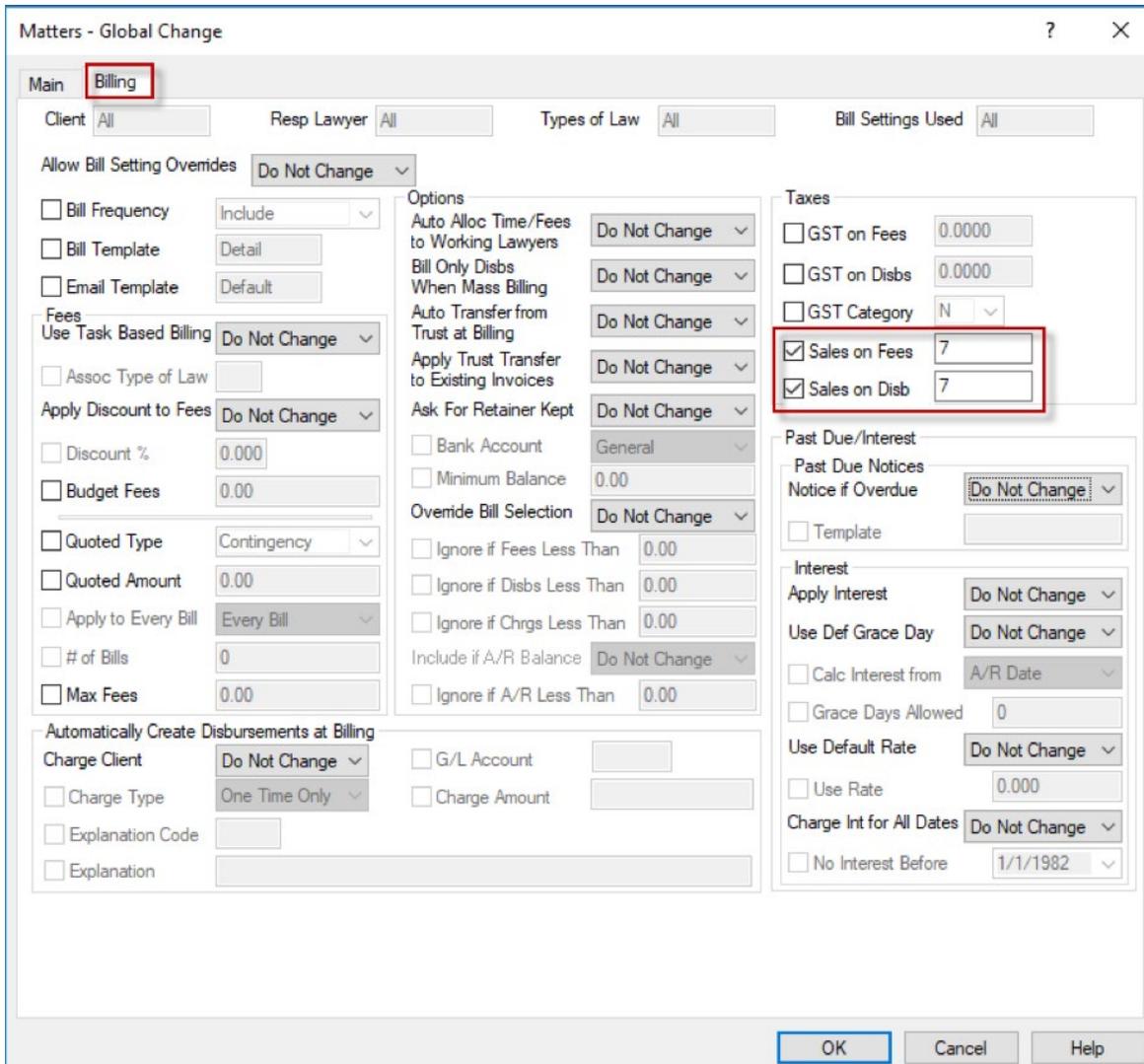
f. Click **OK** to save the changes.

3. **You must also complete a global change to match the current matters to the new tax defaults.**

Note: Completing the following steps will **change all matters to the new tax rate of 7%**, 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 and matters that are charged at a different sales tax rate so that you can make the necessary tax modifications on those files after completing the global change in PCLaw.

a. In PCLaw, go to **File > Matter > Global** Change and select **OK**.

b. In the dialog box that opens, select **OK**.

c. In the window that appears, select the **Billing** tab.

d. In the **Sales on Fees** and **Sales on Disb boxes**, enter the rate of **7.0**

e. Click **OK** to complete the tax change.

4. **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.**

   a. Go to **File > Matter Manager**.

   b. Select the matter you wish to change and go to the **Billing** tab.

   c. Select the tax button and change the sales tax rate on fees and disbursements from **7.0** to the desired rate, and then choose **OK**.

   d. Select **Save and Close** to complete the changes.

Section B

> **Note:** Perform the following steps only if the **Charge sales tax on disbursements at a rate of** checkbox is **NOT** selected in the PCLaw **System Settings**.

1. **Determine which of your matters DO NOT currently have a sales tax rate of 7%.**

   If you are running PCLaw version 12 or higher:

   a. *Go to* **Reports > Clients> List of Clients.**

   b. Click the **Layout** drop-down and select **Default - tax**.

   c. Generate, print and save this report for your records.

   If you are running PCLaw version 11 or lower:

   a. Go to **Reports > Clients> List of Clients**.

   b. Use the **Adv. Search** function to identify files where RST (PST in PCLaw) is not equal to 8 for **PST Fees**.

   c. Generate, print and save this report for your records.

Field	Comparison	Compare To
PST Fees	Is Not Equal To	8

2. **Before July billing, you must complete the following steps in PCLaw.**

   a. Back up of your PCLaw data.

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

   c. Under the **Tax** tab, change the tax rate from **8** to **7** in the two rate boxes indicated in red below.

   d. In the **Charge fees entered before** line, enter **01/7/2019** as the date and **8** as the rate as indicated in blue below.

e. Change the **Charge items before** date to **01/7/2019** and set the **Sales tax rate** to **8** as highlighted in green above.

f. Click **OK** to save the changes.

3. You must also complete a global change to match the current matters to the new tax defaults.

Note: Completing the following steps will **change all matters to the new tax rate of 7%**, 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 and matters that are charged at a different sales tax rate so that you can make the necessary tax modifications on those files after completing the global change in PCLaw.

a. In PCLaw, go to **File > Matter > Global Change** and select **OK**.

b. In the dialog box that opens, select **OK**.

c.	In the window that appears, select the **Billing** tab.

d.	Select **Sales on Fees** and enter the rate of **7.0**.

e.	Click **OK** to complete the tax change.

**4.	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.**

a.	Go to **File > Matter Manager**.

b.	Select the matter you wish to change and go to the **Billing** tab.

c.	Select the tax button and change the sales tax rate on fees from **7.0** to the desired rate, and then choose **OK**.

d.	Select **Save and Close** to complete the changes.

If you have any questions, please contact support at 1-800-387-9785.