**Withholding Tax for PPH 23 Calculation from SD**

**Objective:**
- Posting withholding tax for PPh 23 automatic at billing creation from SD
- Example journal on billing posting:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. AR</td>
<td>1296</td>
</tr>
<tr>
<td>Dr. Prepaid PPh 23</td>
<td>24</td>
</tr>
<tr>
<td>Cr. Sales</td>
<td>1200</td>
</tr>
<tr>
<td>Cr. PPN Out</td>
<td>120</td>
</tr>
</tbody>
</table>

1. **SD - Create Condition Type**

(IMG > Sales and Distribution > Basic Functions > Pricing > Pricing Control > Define Condition Types), copy from withholding tax condition J1W1, J1W2, or J1W3.

Create new condition type that is copied from J1W1 or J1W2 or J1W3. Here I copied from J1W1.
Make sure that access sequence used is **J1AG**.

<table>
<thead>
<tr>
<th>CTyp</th>
<th>Condition Type</th>
<th>Condition class</th>
<th>Calculation type</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZW23</td>
<td><strong>Withholding Tax 23</strong></td>
<td>Wage Withholding Tax</td>
<td>Percentage</td>
</tr>
<tr>
<td>ZNA1</td>
<td>debit DP amount</td>
<td>Discount or surcharge</td>
<td>Fixed amount</td>
</tr>
<tr>
<td>ZNA2</td>
<td>debit DP %</td>
<td>Discount or surcharge</td>
<td>Percentage</td>
</tr>
</tbody>
</table>
Change View "Conditions: Condition Types": Details

Cond. type: Withholding Tax 2

Control data 1
Cond. class: Wage Withholding Tax
Calculat.type: Percentage
Cond. Category: Tax
Rounding rule: Commercial

Group condition
GrpCond. routine
RoundOffComp

Changes which can be made
Manual entries: No limitations
Header cond.: Amount/percent
Item condition: Qty relation
Delete: Value

Master data
Valid from: Today's date
Valid to: 31.12.9999
PricingProc
Delete fr. DB: Do not delete (set the delete)
RefConType
RefApplicatio
Condition index
Cond. index

Scales
Scale basis: None
Check value: Unit of meas.
Scale type: Can be maintained in cond.

Control data 2
Currency conv.
Accruals
InvLett cond.
Int-comBillCond
ServiceChgeSe
Variant cond.
Qty conversion
Rel.Acc.Assg
Relevant for account ass

Text determination
TextDei: Proc
Text ID
a. Create a new requirement formula for access sequence using transaction VOFM, menu path Requirements -> Pricing
b. Copy routine 83 and create the new one.
c. Apply the source code below to the form routine FORM KOBEV and KOBED.
d. Activate the requirement formula
FORM KOBED_984:

FORM KOBED_984.

    data: lv_subrc like sy-subrc, "needed as SY-SUBRC is modified"
    lv_konv like konv.
    lv_subrc = 4.

    * processing of information in table KNBW
    * read table T059P to find the relevant withholding type

        select single * from t059p
            where landl = komk-aland
            and kschl = komt1-kschl.
        * found?
            if sy-subrc eq 0.
        * read table KNBW for the customer to find out if customer is agent
        select single * from knbw where kunnr = komk-knrze
            and bukrs = komk-bukrs
            and witht = t059p-witht.
        * found and agent
            if sy-subrc eq 0 and knbw-wt_agent eq 'X'.
        * check if date is in the subjected interval and the
          refore valid
            if knbw-wt_agtdf le komk-prsdtd
                and knbw-wt_agtdt ge komk-prsdtd.
                komk-j_a1txrel = knbw-wt_withcd. "allow access to wt tax code"
            lv_subrc = 0. " via field j
            endif.
            endif.
            endif.
            sy-subrc = lv_subrc.

ENDFORM.
FORM KOBEV_984:

```
FORM KOBEV_984.

  data: lv_subrc like sy-subrc, "needed as SY-SUBRC is modified"
  lv_konv like konv.
  lv_subrc = 4.

  * processing of information in table KNBW
  * read table T059P to find the relevant withholding type
    select single * from t059p
    where landl = komk-aland
      and kschl = t683s-kschl.
  * found?
    if sy-subrc eq 0.
  * read table KNBW for the customer to find out if customer is agent
    select single * from knbw where kunnr = komk-knrze
      and bukrs = komk-bukrs
      and witht = t059p-witht.
  * found and agent
    if sy-subrc eq 0 and knbw-wt_agent eq 'X'.
  * check if date is in the subjected interval and the refore valid
    if knbw-wt_agtdf le komk-prsd and
      knbw-wt_agtdt ge komk-prsd.
      komk-j_altxrel = knbw-wt_withcd. " allow access to wt tax code"
      lv_subrc = 0. " via field j_altxrel"
    endif.
    endif.
  endif.
  sy-subrc = lv_subrc.

*>>> END OF INSERTION <<<<<

ENDFORM.
```
3 SD - Check Condition Table 397

(IMG > Sales and Distribution > Basic Functions > Pricing > Pricing Control > Define Condition Table), make sure that condition table 397 contains the key fields:

- Country [ALAND] (Flags: Key)
- Tax rel. classif. (J_1ATAXREL) (Flags: Key, Field, Text).

Use access sequence J1AG or copy from JIAG if you want to define the new one. Make sure that field J_1ATXREL is an input/output field.

5 SD - Define pricing procedure and assign condition type
Set routine created on steps 2 in pricing procedure field requirement.

Cond. Type: ZW23, Statistic: ‘X’, Requirement: 984

6 FI - Define Withholding Tax Type for Invoice Posting

Set routine created on steps 2 in pricing procedure field requirement.

Cond. Type: ZW23, Statistic: ‘X’, Requirement: 984
Create *withholding tax type* for country “ID”.

![Diagram showing the process of defining withholding tax types for country ID.](image-url)
7 FI - Define Exchange Rate Type for Withholding Tax Type

Financial Accounting (New) > Financial Accounting Global Settings (New) > Extended Withholding Tax > Calculation > Withholding Tax Type > Define Exchange Rate Type for Withholding Tax Type

This setting is done due to requirement when doing withholding tax transaction. For taxation purpose, use exchange rate type T (Tax). This setting can be leaved blank if exchange rate T = M.
### FI - Assign Withholding Tax Type to Company Code

<table>
<thead>
<tr>
<th>Company Code</th>
<th>Vendor data</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td></td>
</tr>
</tbody>
</table>

- **Vendor data**
  - With/tax agent
  - Validity period
  - W/tax obligated frm
  - Oblig.to w/tax until
  - W/tax number

- **Customer data**
  - Subject to w/tax
  - Self-withd agent
  - Exemption
    - Exemption number
    - Exemption reason
    - Exemption rate
    - exempt from
  - Exempt To

### FI - Define Accounts for Withholding Tax to be Paid Over

- **Chart of Accounts**
  - Chart of accounts - international
  - Extended withholding tax

- **Account assignment**
  - Withholding Account
    - C4: 154850
    - CD: 151000
    - CP: 177000
    - EZ: 153000
    - GI: 181000
    - GR: 151000
    - GN: 177000
    - GP: 1000

- **Configuration Accounting Maintain : Automatic Posts - Accounts**
  - Posting Key: INT
  - Rules:
    - G/L account description in company code
    - G/L account with date

- **Long Text**
  - Proceeds PPR 23
  - Prepayment - Inventory
  - Proceeds from disposal/sale fixed assets

### FI - Define Withholding Tax Codes
FI – Assign Condition Type to Withholding Tax Type
FI – Maintain withholding tax in customer master data
13 SD - Maintain condition record for withholding tax

(T-code: VK11). Enter Tax Relevant Classification = Withholding Tax Code from Classification.
Test withholding tax using report ZWTCHECK

If this report already exist, you can directly use it by executing from tcode SE38. If no, ask your ABAPER to copy the source code I attached then generate.

If there is no error, your WT Type, WT Code, Condition will not appear in this report. Below is the example of error.

### Consistency check of note 178824

<table>
<thead>
<tr>
<th>Country</th>
<th>Validity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID</td>
<td>17.07.2013</td>
</tr>
</tbody>
</table>

### Consistency check of note 178824

<table>
<thead>
<tr>
<th>WT Type</th>
<th>WT Code</th>
<th>Condition</th>
<th>Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>9801</td>
<td>mwa2</td>
<td>error</td>
</tr>
</tbody>
</table>

No access in table A3P7 for condition 06801 at date: 17.07.2013
Testing:
Create Sales Order
Create Delivery Order

Create Billing

Screenshot not provided.
Accounting document:
### Display Document: Data Entry View

#### Data Entry View
- **Document Number**: 14000000074
- **Company Code**: 1000
- **Fiscal Year**: 2013
- **Document Date**: 24.07.2013
- **Posting Date**: 24.07.2013
- **Reference**: 019999150000019
- **Currency**: EUR
- **Accounting Period**: ?

#### Table
<table>
<thead>
<tr>
<th>CoCt</th>
<th>Item PK</th>
<th>Description</th>
<th>Amount Curr.</th>
<th>Tx</th>
<th>Amount in LC/LCurr</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1 01</td>
<td>PT. Avery Holding Comp.</td>
<td>1.080 EUR</td>
<td>A1</td>
<td>1.080 EUR</td>
</tr>
<tr>
<td>1000</td>
<td>2 50</td>
<td>Sales revenues - dem</td>
<td>1.000 EUR</td>
<td>A1</td>
<td>1.000 EUR</td>
</tr>
<tr>
<td>1000</td>
<td>3 50</td>
<td>Output tax</td>
<td>100 EUR</td>
<td>A1</td>
<td>100 EUR</td>
</tr>
<tr>
<td>1000</td>
<td>4 40</td>
<td>Prepaid Ph. 23</td>
<td>20 EUR</td>
<td>A1</td>
<td>20 EUR</td>
</tr>
</tbody>
</table>

* Total: 0 EUR

* * Total: 0 EUR

Source:

- SAP Notes OSS 178824