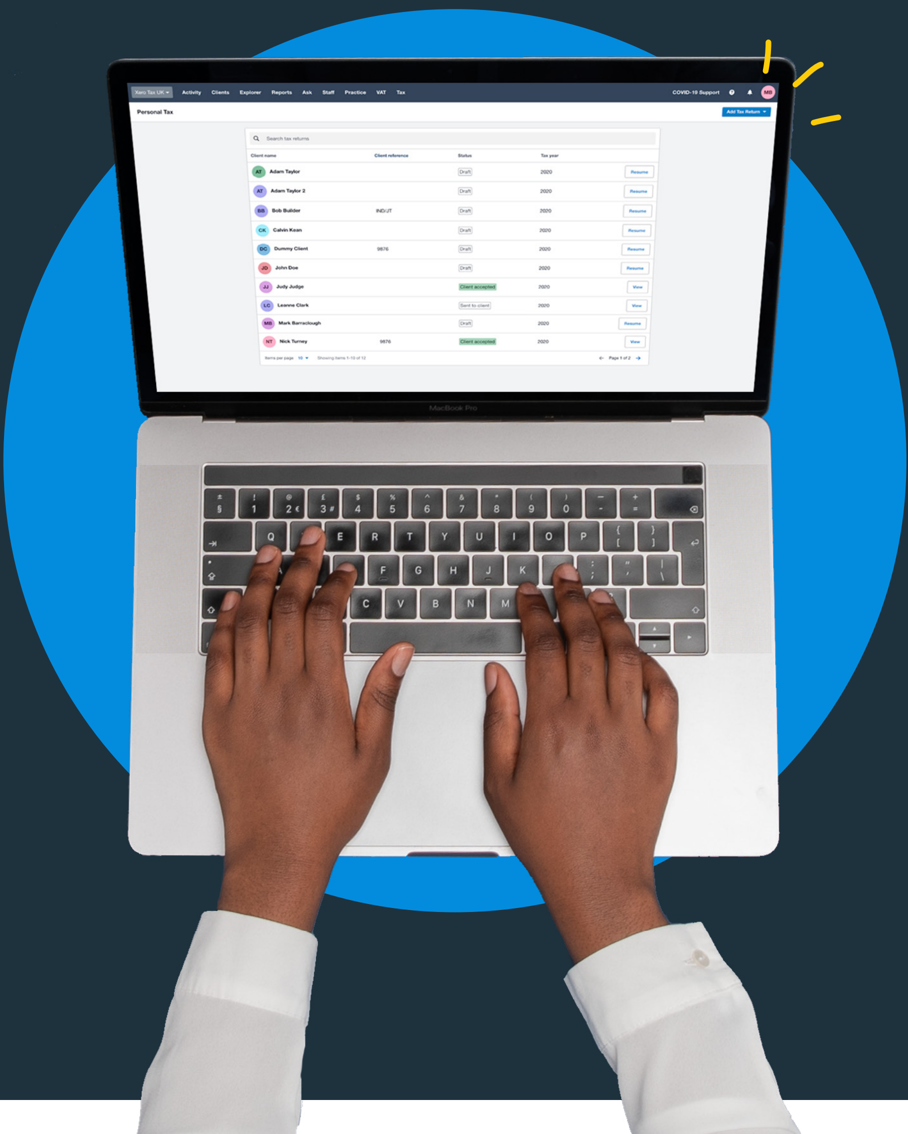
xero TAX

Take control of accounts and tax work

Streamline compliance by making it much easier to prepare and file accurate accounts and tax returns for corporation, partnership and personal tax



1

What is Xero Tax?

Xero Tax is efficient, accurate and easy to use

Fran Montgomerie - Accounts Repair

Built to save time, reduce errors and cut costs with a single platform workflow, Xero Tax is completely integrated with Xero. It is an end-to-end tax and accounts production solution – completely cloud based and built specifically for accountants and bookkeepers.

Xero Tax is available at **no extra cost** to you or your clients as an accountant or bookkeeper on the Xero partner programme. You can prepare accounts and file returns for corporation, partnership and personal tax. Make tax season less stressful and start using Xero Tax today!

2

Using Xero Tax Manager

Tax view in one place

Xero HQ's Tax manager feature provides you a view of your clients' active and filed tax obligations, including MTD connection errors. With the ability to customise the way you want to display, sort and filter the information, it will help to streamline your workflow and improve task prioritisation.

For more information see our help article: [Tax manager in Xero HQ](#).

3

Using Xero Tax for company accounts and tax returns

How to use Xero for company accounts and tax

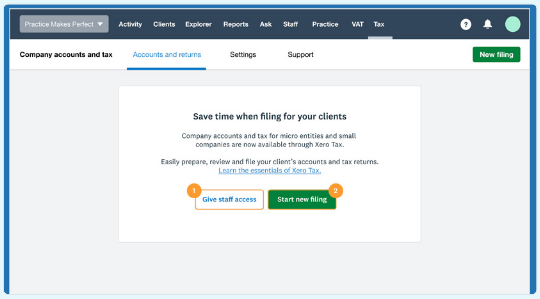
It's simple to get started with Xero Tax. Here's how:

1.

Get your staff set up:

As a master administrator, you can set up Xero Tax by simply clicking on the '**Tax**' header on the Xero HQ dashboard and select '**Company accounts and tax**'. You'll then get the options to explore Xero Tax and set up staff members. If you're not the master administrator, please speak with the main subscriber within your practice to get started.

Start by clicking New filing button on the top right:

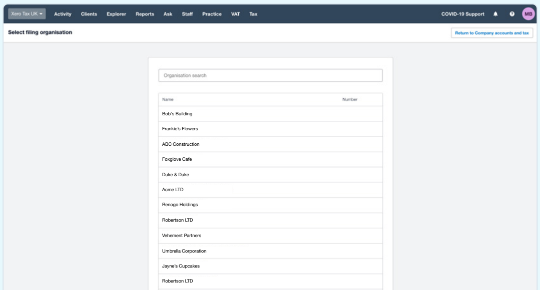


2.

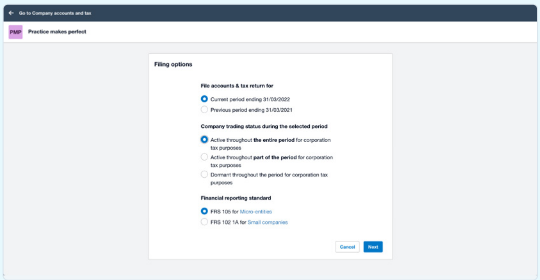
Preparing your clients:

When it comes to clients already on Xero, you can connect them to Xero Tax by selecting the **'New filing'** button at the top right hand side of the Xero Tax dashboard. Select the relevant client from the dropdown list of your existing Xero clients. Then simply work through the relevant sections in order to generate your first set of accounts and tax return. Start now.

Select the organisation you would like to make a filing for and allow access:



Choose from the filing options:



Then simply work through the relevant sections in order to generate your first set of accounts and tax return.

3.

Complete your first filing:

From setting up and connecting clients to preparing, reviewing and filing accounts and tax returns we recommend working through your first filing alongside our self paced course as we cover:

- Setting up Xero Tax
- Connecting your clients
- Preparing company accounts and corporation tax returns
- Preparing sole trader accounts and income tax returns
- Reviewing and filing

By completing the course to become a Xero Tax specialist, you'll also earn yourself the Xero Tax badge to display on your website and marketing material as well as assets to share across your social media channels.

> **The Xero Tax course is available in a self-paced format.**

Tips:

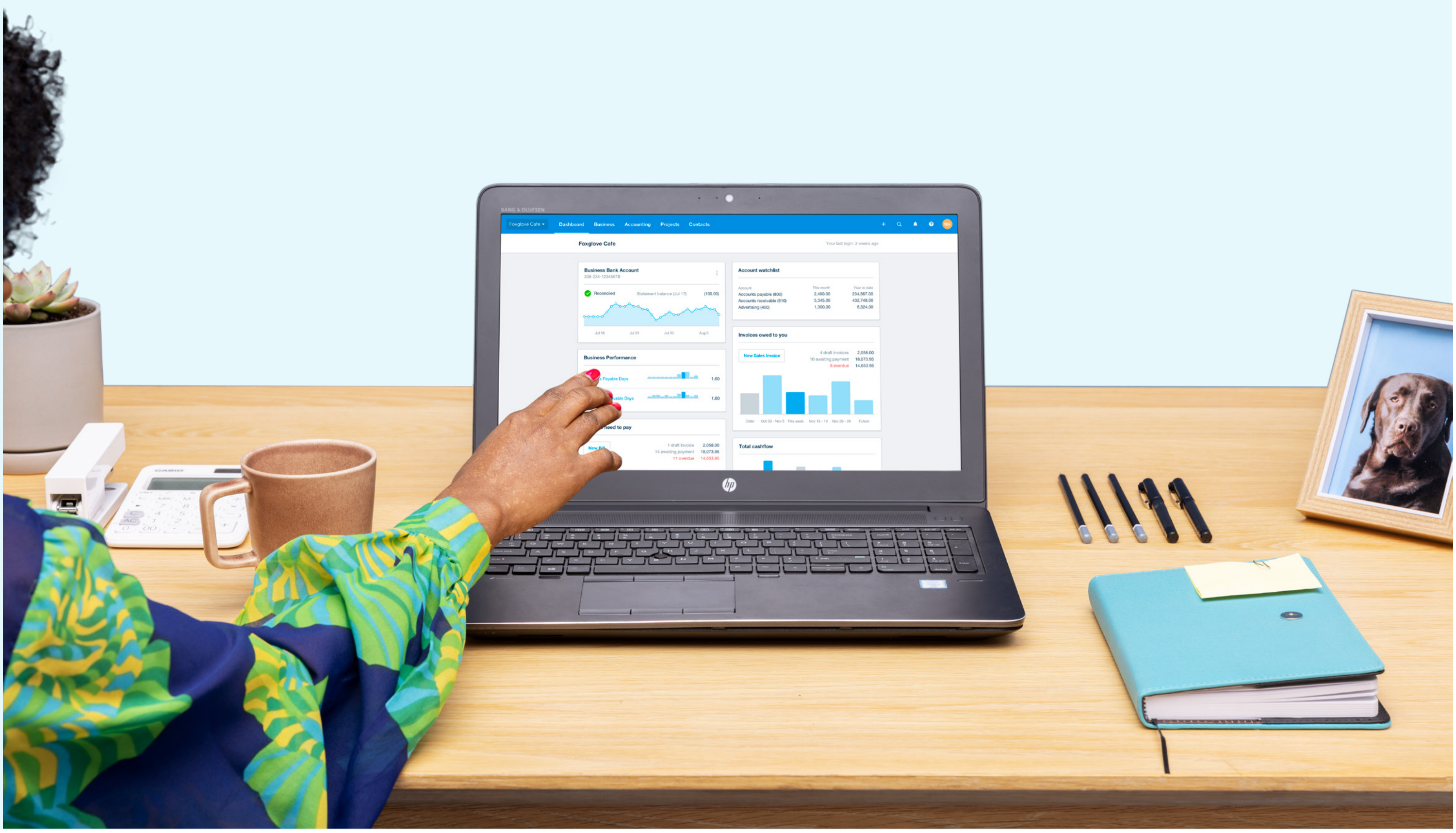
Try it first with a client you're familiar with

We recommend that you start by replicating a set of previously filed accounts and tax returns using Xero Tax – right up to the filing step without actually filing. This will help to build confidence with the system by giving you a clear target to work towards, leaving you with a set of opening balances for the following year in Xero Tax.

Alternatively, you could do the accounts in parallel with your existing system. This way you'll see the benefits of this new approach side by side.

Clients not using Xero

Xero Tax is designed to make it super easy to prepare accounts and tax where your clients are using Xero. However if a client is not using Xero then you can still use 'company accounts and tax' by adding their data to a Xero ledger and connecting to Xero Tax.



4

Using Xero Tax for Personal Tax

1.

How to access personal tax:

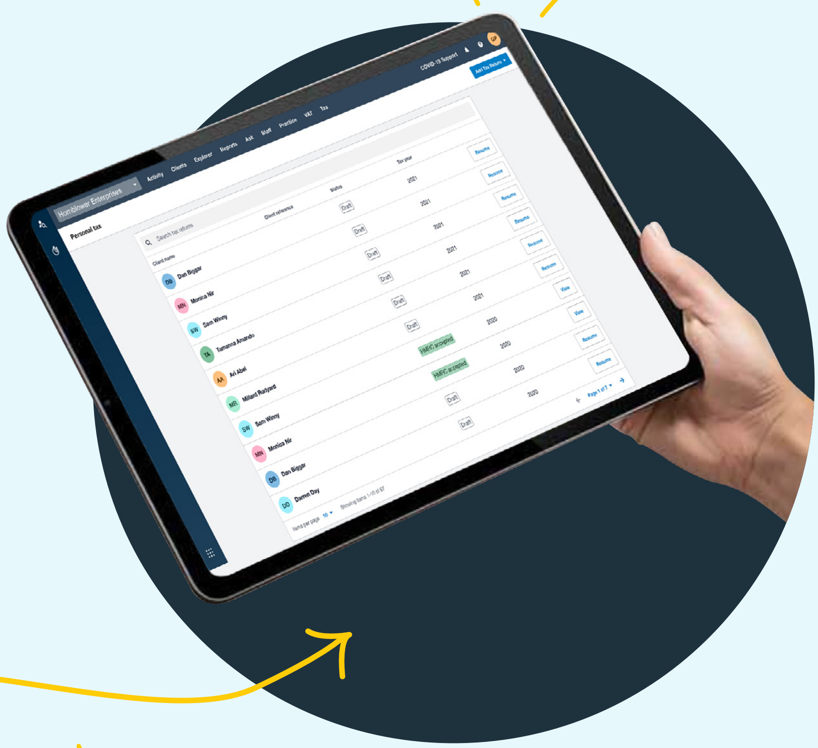
Accessing personal tax is the same as company accounts and tax – click on the **'Tax'** header on the Xero HQ dashboard where there's a drop down to select or **'Personal tax'**.

> ***Please note, if you haven't set up company accounts and tax first, the master admin for your practice will need to click on personal tax in the drop down options under the 'Tax' header on the Xero HQ dashboard to enable the tax feature in Xero HQ for your practice. Then, you will be able to add tax roles.***

The master admin/admin will also have to give practice staff access to personal tax. For all Xero Tax solutions, staff permissions are granted via the **'Staff'** tab within HQ, more information can be found in [this support article.]

Once you select **'personal tax'**, you'll see a dashboard, which will be blank at first. As you complete tax returns for more clients, this dashboard will populate with a list of your tax return clients for the current or selected previous years. A reference, the status of the tax return, the tax year, and the status based on the most recent action taken will also be shown.

> ***Please note for company accounts and tax there is extra onboarding involved and the master admin still needs to go to this solution to allow other practice users to access 'company accounts and tax', even if they have already started using 'personal tax'.***



Xero's personal tax is the easiest tax software I have used in my 15 year career. It has already saved us time, and has made it easier when training new members of staff.

The Focus Collection Ltd

Tip: If you want to add a new client:

- Navigate to the Xero HQ 'clients' tab and add the client there.
- In the business structure, make sure that they're set as an 'Individual' or 'Sole trader'.
- Add name, email address and phone number and click create. If you now click back, you'll see they've been added into the client list.
- Edit the client and navigate to the tax tab to enter their UTR and NINO.
- Most of the client details now need to be maintained via HQ. So once the client is set up, you'll need to go back into the client by clicking 'edit details'. Here you'll be able to enter client information that will be pulled through to personal tax.

2.

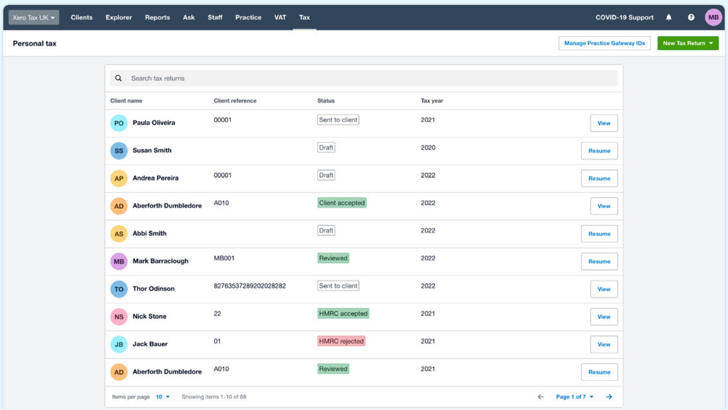
How to choose and prepare your first client

Start with one or two clients where you are already using Xero for bookkeeping purposes and straight forward tax returns. Xero Tax covers all the major supplementary forms for personal tax. For details of all the forms supported, please see our Xero Central article: Xero Tax explained.

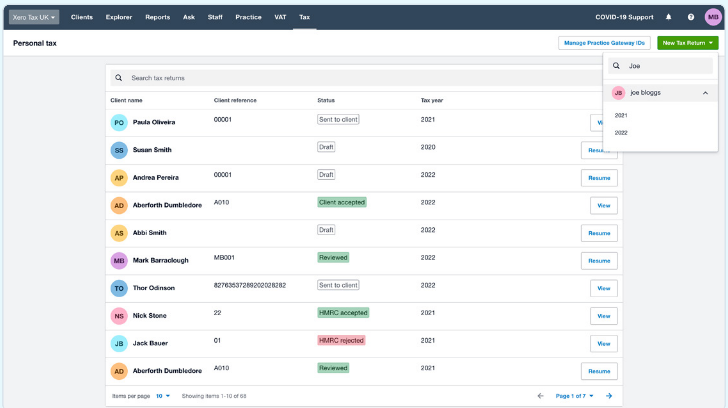
3.

How to prepare your client's self assessment

First, check that the client has been correctly set up in HQ, the user has the correct Xero Tax staff permission, and the client has been assigned to them.

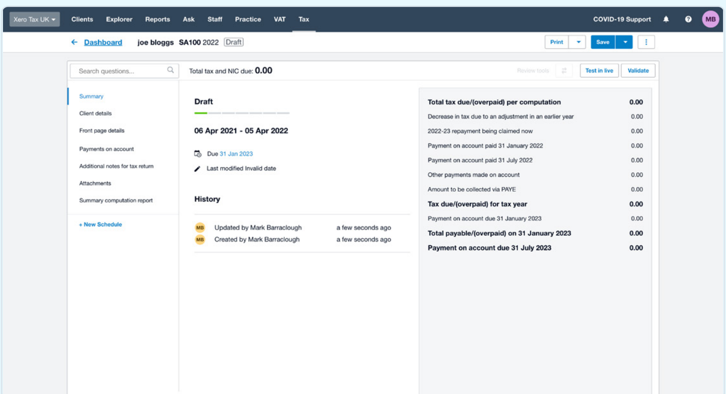


To create a new tax return for a client, click the **'New Tax Return'** button on the top right of the dashboard.

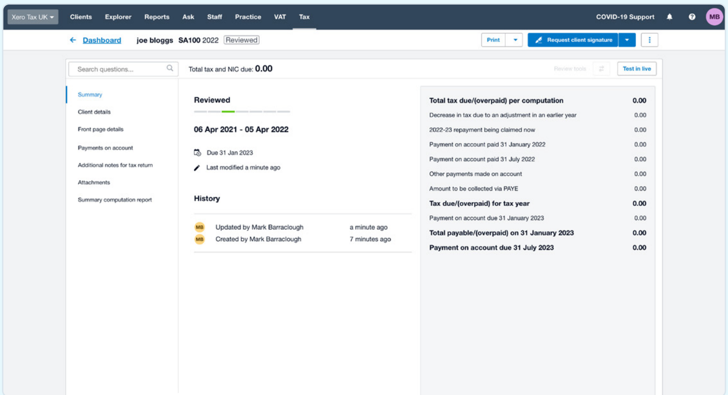


Start typing the name in the search bar and they will appear. At least three characters are needed for the search to commence.

You'll then need to select which tax year you want to prepare by clicking on the dropdown button.

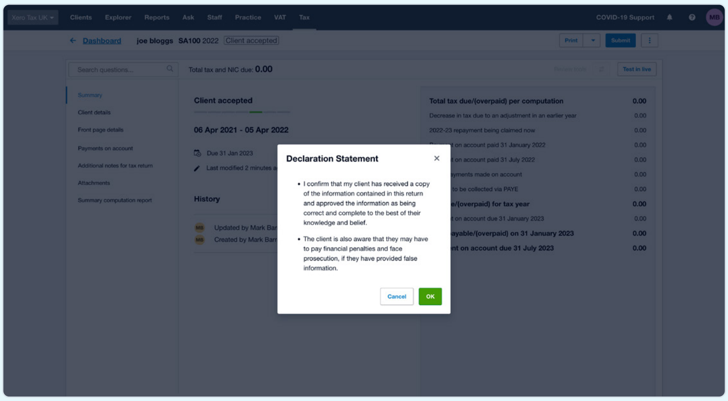


Once you've clicked **'Add Tax Return'** the area to complete the tax return for a client will open. You'll then be able to enter data.



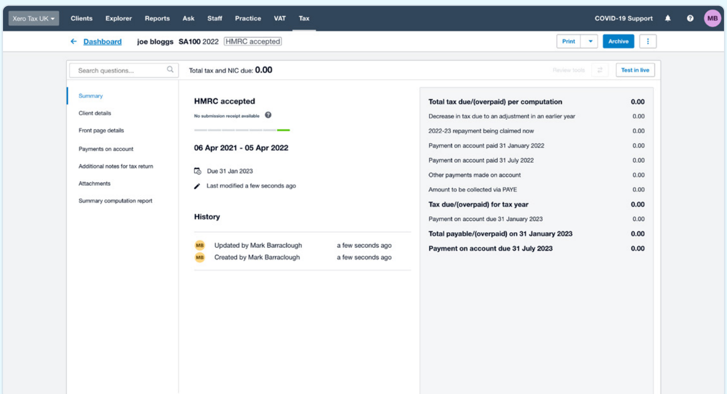
The overflow menu (three dotted menu) on the top right will allow you to download and view the tax return at any point.

The status button (also at the top right) allows you to move through the different tax return states.



Clicking **'Submit'** will submit the tax return to HMRC's live service (so do be careful).

The 'Test in live' button is available throughout the filing process and will send a tax return to be checked, but not filed.



On submission, the status will change to **'Submitted'**. The tax return will then be sent to HMRC in the background. Once a submission is complete a notification will appear in the bottom left of your screen.

Clicking on the notification will take you to the summary page of the relevant tax return. The success and failure messages for both the **'test in live'** and **'live filing'** are shown in the history log.

5

Using Xero Tax for Partnership Tax

Partnership Tax preparation in Xero

Xero's Partnership Tax solution streamlines tax preparation by integrating tax returns directly into the bookkeeping workflow. You can access tax returns from the Accounting menu in Xero, and once a return is created, it can also be accessed from Tax Manager in Xero HQ. Pre-populated information reduces the amount of manual data entry and updates required.

The solution also includes features like automated calculations, data validation, and direct HMRC submission, making the entire process efficient and error-free.

Here's a step-by-step breakdown of how it works:

1. **Set up Partnership Tax:** Click into the organisation settings and select Partnership as the organisation type. Then click Save.
2. **Access Tax Returns:** Directly access relevant tax returns from Tax Manager or from the Accounting menu.
3. **Pre-populated Data:** Benefit from pre-populated information, such as business details and ledger data, saving significant time on manual data entry.
4. **Seamless Data Flow:** Leverage the direct connection between the chart of accounts and the tax return, minimising mapping efforts.
5. **Review and Adjust:** Review the pre-populated data and make necessary adjustments, such as claiming capital allowances.
6. **Allocate Profits:** Easily allocate taxable profits across partners to complete the tax return.
7. **Validate and Secure:** Use the check data feature to validate the return and ensure accuracy. Lock the return to prevent unauthorised changes and download a PDF for client approval.
8. **Submit to HMRC:** Once approved, initiate the submission process, declare the information's completeness, and enter government gateway credentials.
9. **Monitor Submission:** Track the submission status and receive confirmation of successful filing.

Done!

For more information see our help article: Generate a partnership tax return

> ***The way Xero has structured it is brilliant. It's clean, it's simple, it works. The amount of time it's saved me is phenomenal.***
>
> Andy Housley, Square 1 Accounting

6

How to move clients to Xero

> ***We transitioned more than 150 clients from Sage to Xero in a short space of time and Movemybooks made it seamless. The turnaround time, quality of data and support was fantastic.***
>
> Mark Newman, CLC Accountants

How to move clients to Xero

We know that moving accounts and tax data can be time consuming and we want to make that easier for you. We can import all your client historical trial balance data into a Xero subscription from your existing accounts production system. We'll then connect these Xero subscriptions to Xero Tax on your behalf. We can also import your clients' personal tax data as well, ready for when you start using personal tax or partnership tax.

Depending on your needs, there are a few options when it comes to moving your clients to Xero.

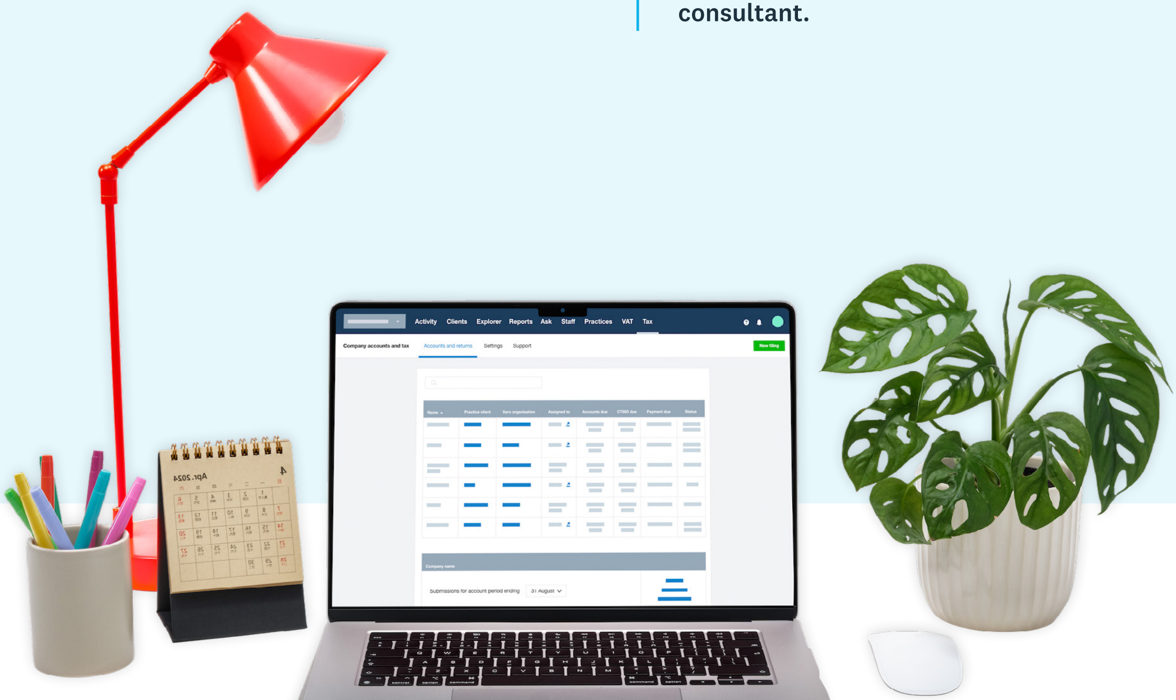
Clients not yet on Xero

You can use our [Conversion Toolbox] which lets you set up your clients' new Xero organisations. You can import a range of data including your clients' chart of accounts, conversion balances, contacts and even invoices from systems such as IRIS, CCH and Digita. If your clients use Sage, Quickbooks, Kashflow or FreeAgent you can use Movemybooks (and we'll cover the cost).

Moving a larger group of clients

If you're moving a larger group of clients to Xero, our Global Migration Team can do the heavy lifting.

If you'd like support with your migration project, please contact your account manager or partner consultant.



We love using Xero Tax for corporate accounts and tax, the workflow and compare features made the process flow with ease and speed. I can't wait to put more and more returns on!

CBA Services Ltd

What are the features of Xero Tax?

What makes Xero Tax so special is its integration and data flow with other Xero products. This creates efficiencies and leads to time-saving workflows. Check out some of the features:

Streamlined workflow

Data flows seamlessly between your client's books, accounts and then to their tax return, helping to streamline your workflow.

- **Xero hotlinks:** Surface account transactions from within the accounts production workflow with a single click to easily identify where corrections are required.
- **Session storage:** Work on multiple filings at the same time across different tabs and browsers.
- **Custom document styling:** Customise the documents you share with your clients with your own branding and preferred style for accounts production and company tax.

Company accounts and tax

Xero connects with Companies House, so you can retrieve data and file accounts for FRS 102 1a abridged and full accounts as well as FRS 105. Also prepare and file CT600 returns directly to HMRC.

- **Automatic iXBRL tagging:** Applies the necessary iXBRL tags to your client's accounts, in accordance with regulatory requirements, reducing manual effort and errors.
- **Custom document styling:** Customise the documents you share with your clients with your own branding and preferred style.
- **E-signing for your clients:** Your clients can approve their filings from anywhere, anytime with our e-signing capability.
- **Fixed asset integration:** Generate capital allowance calculations directly using Xero's Fixed Asset Register.
- **Tax post-back to Xero:** Post tax adjustment to Xero and the journal is populated automatically.
- **Session storage:** Work on multiple filings at the same time across different tabs and browsers.
- **Multi-user review:** Collaborate in the preparation and reviewing of filings and easily pass the work between users.

Personal tax

Prepare and file personal tax returns (SA100 tax return form, and all main supplementary pages).

- **Integrate with Xero client record:** Use the integration with Xero HQ to retrieve client data and tax information and populate into the personal tax return.
- **Auto-populate returns with business income:** Returns are populated using data from Xero accounts (for sole trade businesses).
- **HMRC download report:** Download the data held by HMRC for your client, in order to aid the completion of the tax return.
- **Government gateway id tool:** Use Xero Tax's government gateway id tool within HQ to store your ids and easily submit returns to HMRC.
- **Comparatives:** Personal Tax has a neat comparative tool, where the user can see the previous year entries underneath the current year's data, simply by clicking a button.
- **Warnings and validation:** Personal Tax has a sophisticated validation process where any known errors/potential issues – i.e. warnings which could result in rejections/enquiries from HMRC (via a traffic light system) – are highlighted to the user.
- **E-signing:** Personal Tax is integrated with document packs in HQ allowing for e-signing of the tax return by your client.
- **Reports:** Our summary computation and schedule of data reports break down all the data entry and calculations made for the tax return.
- **Test in live:** The 'Test in live' functionality allows users to submit files to the Live Gateway using Live credentials but no HMRC systems are updated.

Partnership tax and accounts

- **Chart of accounts connection:** There's a direct connection between the chart of accounts and the tax return.
- **Profit allocation:** Profits are allocated across partners to complete the tax return.
- **Check data feature:** So you validate the return and ensure accuracy.
- **Lock feature:** This prevents unauthorised changes and allows you to download a PDF for client approval.

Get the most out of Xero Tax with these resources

We're committed to helping you get the most out of Xero Tax – that's why we've created world-class education courses and insightful support articles.

- **Become a Xero Tax specialist course**

  From setting up and connecting clients to preparing, reviewing and filing accounts and tax returns, our education course will ensure you're up to speed with the workings of Xero Tax. Get Started now

- **Xero Tax support articles**

  Learn how Xero Tax works with step by step instructions on setting up as well as preparing and filing returns. Read more

> ***Xero Tax is all set up, I prepped my first set of accounts last night – Xero to Xero Workpapers to Xero Tax. The Xero Tax element took 24 minutes. DONE! (Yeah, I timed myself)***

Andy Sullivan - Director at Complete HQ

xero.com/uk/xero-tax