CHAPTER
10 Summary

Output Tax – Input Tax = amount payable/refundable to/by SARS

Terminology	Description
Output Tax	VAT charged by a vendor
Input Tax	VAT paid by a vendor
VAT Input	VAT paid on items purchased
VAT Output	VAT on sales or income received from services rendered
VAT control	A summary of the VAT Input and VAT Output showing if the VAT vendor owes SARS money or whether SARS owes the VAT vendor money. A debit balance means a refund from SARS. A credit balance means an amount payable to SARS.

Examples of Ledger accounts

GENERAL LEDGER OF XXX
BALANCE SHEET ACCOUNTS SECTION

Dr — VAT INPUT — B9 — Cr

20.4					20.4				
Feb	1	Balance	b/d	xxxx	Feb	29	Bank	CPJ2	xxxx
	29	Bank	CPJ	xxxx			Creditors control	CAJ2	xxxx
		Creditors control	CJ	xxx			Drawings	GJ	xxxx
							VAT control	GJ	xxxx
				xxxx					xxxx

VAT OUTPUT — B10

20.4					20.4				
Feb	29	Debtors control	DAJ	xxxx	Feb	1	Balance	b/d	xxxx
		Bank	CRJ	xxxx		29	Bank	CRJ	xxxx
		Bad debts	GJ	xxxx			Debtors control	DJ	xxxx
		VAT control	GJ2	xxxx			Discount allowed	GJ	xxxx
				xxxx					xxxx

VAT CONTROL — B11

20.4					20.4				
Feb	29	VAT input	GJ	xxxx	Feb	29	VAT output	GJ	xxxx
							Balance	c/d	xxxx
				xxxx					xxxx
20.4									
Mar	1	Balance	b/d	xxxx					

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