

## Working with CIS Tax in Quick Books

### **As A Subcontractor Billing a Contractor.**

1. Create an expense account in the Chart of Accounts called **CIS Expense**.
2. In the items list (on the top toolbar) create a **Service item** and name it **CIS TAX**. Assign this service to your CIS expense account.
3. create an invoice for the entire amount of the job, **inclusive of all tax**.
4. Use the Customer message box to highlight the amount of tax to be deducted on payment.
5. Select **Customers** in the file menu that runs along the top of your screen and **Create credit note / refund**
6. Create a credit memo for the contractor you will be billing for 18% of the total amount you will charge on the invoice. Use the description column to reference the credit memo against the correct invoice number.
7. Apply the 18% credit to the invoice in the receive payments screen by pressing the 'Credits...' button at the bottom right of the screen.
8. Deposit the received funds to your Bank Account.

You will be able to monitor your CIS tax deducted by double clicking on your [CIS expense account](#) within your chart of accounts.