

# ISLE OF MAN PLASTIC TAX

## NEW AUTHORITY GUIDE

THOMSON REUTERS TAX RESEARCH

2023 OCTOBER CONTENT UPDATE #1

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### Introduction

This guide provides an explanation of the most recent changes made to ONESOURCE Indirect Tax Determination, which are designed to implement the new Isle of Man Plastic Packaging Tax. This tax facilitates the calculation of the Plastic Packaging Tax within the Isle of Man.

The tax is applicable to the manufacturing and importation of plastic packaging that contains less than 30% recycled plastic. This applies whether the packaging is manufactured in or imported into the Isle of Man.

By default, the Isle of Man Plastic Tax authority is deactivated. To use it, you will need to activate it. This document outlines the system updates and provides instructions on how to utilize the Isle of Man Plastic Tax authority.

## PART I - UPDATES TO DETERMINATION

### Isle of Man Plastic Tax

#### Zones

The authority of Isle of Man Plastic Tax was created and attached to the zone of ISLE OF MAN.

Zones		Search	Edit	Alias	Authorities			
Selected Zone: ISLE OF MAN		Selected Authority: Isle of Man Plastic Tax			Submit			
Authority								
Isle of Man Plastic Tax								
Isle of Man								
Isle of Man Reverse Charge								

## Authority

The new authority was created with the following attributes:

ATTRIBUTE	VALUE
Authority Name	Isle of Man Plastic Tax
Product Group	Harmonized
Tax Administration Level	Country
Effective Tax Level	Country
Authority Type	FEE
Registration Mask	^(GB)?\d{9}\$ ^(GB)?\d{12}\$

## Authority Options

The following authority options were added in the new authority effective 01/01/1901:

AUTHORITY OPTION	CONDITION	VALUE
CR - Registration Requirement	Both	Not Applicable
Filing Groups Goods	None	Yes
GS - Goods Reverse Charge	Not Applicable	Not Applicable
Intra-Company tax free sale - Goods	None	Yes
PRL - Parent Registration Lookup	None	No
Turn Off Authority	None	Yes

## Logic Mapping

The following authority logic group was mapped in the new authority effective 01/01/1901:

AUTHORITY LOGIC GROUP	ORDER
WEE_PCL_Goods_JD	1

## Fee

The following fee was added in the new authority effective 10/01/2023:

RATE CODE	FEE DESCRIPTION	Fee	UNIT OF MEASUREMENT
PLT	Plastic Packaging Tax	GBP 210.82	TNE

## Rules

The following product rules with “End\_Use” rule qualifiers were added in the new authority effective 10/01/2023:

PRODUCT GROUP	RULE ORDER	RATE CODE	RULE QUALIFIERS		
			ELEMENT	OPERATOR	VALUE
Harmonized	6999.9998	PLT	LINE.END_USE	=	PLASTIC_TAX
Harmonized	6959.9999	PLT	LINE.END_USE	=	PLASTIC_TAX
Non-Harmonized	7999.9999	PLT	LINE.END_USE	=	PLASTIC_TAX

## Isle of Man

### Rules

All rules within the Isle of Man authority have been updated to reflect a change in the calculation method. i.e. 'Tax on Gross Amount' to 'Tax on Gross and Contributing Authorities'.

## PART II – USING THE AUTHORITY

### Turning On the Authority

By default, the Isle of Man Plastic Tax authority is turned off. To activate it, please navigate to the Advanced Configuration section

#### ONESOURCE™ INDIRECT TAX DETERMINATION

The screenshot shows the software's main menu and navigation structure. The 'Advanced Configuration' option is highlighted in the 'Authorities' section of the tree view. A tooltip provides a brief description: 'Configure data specific to a company processing transactions outside the United States.'

Search for and select the Isle of Man Plastic Tax authority.

The screenshot shows the 'Advanced Configuration' search interface. The 'Selected Authority' is set to 'Isle of Man Plastic Tax'. The search results list the authority with its name and product group (Harmonized). A legend indicates that the authority is a 'Regular Authority'.

Select the Options tab and then click the Actions button and select Add from the drop-down menu. Select the name of the option “Turn Off Authority” and set the condition to None, the value to No and the start date of 10/01/2023.

The screenshot shows the 'Advanced Configuration' options interface. The 'Custom Authority Options' table is displayed, showing a single row for 'Turn Off Authority' with a 'No' value and a start date of '01/01/1901'. Below this, the 'Tax Data Provider Authority Options' table is shown, listing various tax data providers with their respective conditions and values.

## Contributing Authority Configuration

Isle of Man authority may be attached as a contributing authority to the authority of Isle of Man. To add it, access the Extended Configuration section.

### ONESOURCE™ INDIRECT TAX DETERMINATION



Search for and select Isle of Man authority.

Authority Name	Product Group
Isle of Man	Harmonized
Isle of Man Plastic Tax	Harmonized
Isle of Man Reverse Charge	Harmonized

Select the Options tab, search Isle of Man Plastic Tax in the authority bar and set the start date of 10/01/2023 or later, then click submit button.

Authority	Basis Percent	Start Date	End Date
Isle of Man Plastic Tax	100%	10/01/2023	

Once submitted, Isle of Man Plastic Tax will be shown as a contributing authority.

Authority	Basis Percent	Start Date	End Date
Isle of Man Plastic Tax	100%	10/01/2023	

**Isle of Man Plastic Tax**

Authority: Isle of Man Plastic Tax

Basis Percent: 100%

Start Date: 10/01/2023

End Date: 31

## PART III – TAX RESULTS EXAMPLES

### Test 1: Domestic supply of the goods in the Isle of Man

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Goods
Point of Title Transfer	In transit
Ship From Country	Isle of Man
Ship To Country	Isle of Man
Seller's Registration	GB123456789
End_Use qualifier (line level)	PLASTIC_TAX

## Tax results when contributing authority is not configured:

### Scenario 2023 October 1st Update - Isle of Man Plastic Tax (domestic transactions):

View Results: 1		Gross Amount: 100.00	Eff%: 230.82%	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Zone	Authority	Invoice Desc								
Country: ISLE OF MAN	Isle of Man	VAT		S	O		20%	20.00		
Country: ISLE OF MAN	Isle of Man Plastic Tax	Isle of Man Plastic Packaging Tax		CA		210.82		210.82		
<b>230.82 USD</b>										
<input checked="" type="checkbox"/> Authority Messages:										
Authority	RuleOrder	Message								
Isle of Man	10000	GCSG1: Standard output VAT in Ship To Location.								
Isle of Man Plastic Tax	6999.9998	CUSTAUTHSST1: Plastic Tax in Ship To location								

## Tax results when contributing authority is configured:

### Scenario 2023 October 1st Update - Isle of Man Plastic Tax (domestic transactions):

View Results: 1		Gross Amount: 100.00	Eff%: 272.98%	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Zone	Authority	Invoice Desc								
Country: ISLE OF MAN	Isle of Man Plastic Tax	Isle of Man Plastic Packaging Tax		CA		210.82		210.82		
Country: ISLE OF MAN	Isle of Man	VAT		S	O		20%	62.16		
<b>272.98 USD</b>										
<input checked="" type="checkbox"/> Authority Messages:										
Authority	RuleOrder	Message								
Isle of Man Plastic Tax	6999.9998	CUSTAUTHSST1: Plastic Tax in Ship To location								
Isle of Man	10000	GCSG1: Standard output VAT in Ship To Location.								

## Test 2: Importation of the goods into the Isle of Man

WORKBENCH ELEMENTS	VALUES
Company Role	Buyer
Transaction Type	Goods
Point of Title Transfer	In transit
Ship From Country	Germany
Ship To Country	Isle of Man
Buyer's Registration	GB123456789
End_Use qualifier (line level)	PLASTIC_TAX

## Tax results when contributing authority is not configured:

### Scenario 2023 October 1st Update - Isle of Man Plastic Tax (crossborder transactions):

View Results: <input type="button" value="2"/>		Gross Amount: 100.00		Eff%: 210.82%		Type	Dir	Fee	Rate	Tax Amt	TT IT
Zone	Authority	Invoice Desc	IM	O							
Country: ISLE OF MAN	Isle of Man	VAT				IM	O		20%	20.00	
Country: ISLE OF MAN	Isle of Man	VAT				IM	I		20%	20.00	
Country: ISLE OF MAN	Isle of Man Plastic Tax	Isle of Man Plastic Packaging Tax				CA		210.82		210.82	<b>210.82 USD</b>

### Authority Messages:

Authority	RuleOrder	Message
Isle of Man	10000	GCBG2: Import VAT in Ship To Location.
Isle of Man	10000	GCBG3: Recovery of import VAT in Ship To Location.
Isle of Man Plastic Tax	6999.9998	CUSTAUTHB1: Plastic Tax in Ship To location

## Tax results when contributing authority is configured:

### Scenario 2023 October 1st Update - Isle of Man Plastic Tax (crossborder transactions):

View Results: <input type="button" value="2"/>		Gross Amount: 100.00		Eff%: 210.82%		Type	Dir	Fee	Rate	Tax Amt	TT IT
Zone	Authority	Invoice Desc	CA	O							
Country: ISLE OF MAN	Isle of Man Plastic Tax	Isle of Man Plastic Packaging Tax				CA		210.82		210.82	
Country: ISLE OF MAN	Isle of Man	VAT				IM	O		20%	62.16	
Country: ISLE OF MAN	Isle of Man	VAT				IM	I		20%	62.16	<b>210.82 USD</b>

### Authority Messages:

Authority	RuleOrder	Message
Isle of Man Plastic Tax	6999.9998	CUSTAUTHB1: Plastic Tax in Ship To location
Isle of Man	10000	GCBG2: Import VAT in Ship To Location.
Isle of Man	10000	GCBG3: Recovery of import VAT in Ship To Location.