

# LITHUANIA DOMESTIC REVERSE CHARGE

## NEW AUTHORITY GUIDE

THOMSON REUTERS TAX RESEARCH  
SEPTEMBER 2020 CONTENT UPDATE #1

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### Introduction

The authority of Lithuania Domestic Reverse Charge has been added to ONESOURCE Determination, including rates, catch-all rules and cross-border logic. It has been created in accordance with the Lithuania VAT Act to account for Domestic Reverse Charge on the sale of some of the specific products listed in Article 96 of the referred legislation.

The reverse charge for the specific Goods will be driven by the establishment of the buyer in the Ship From location. Therefore, in order to trigger the Domestic Reverse Charge authority, it is necessary to set the establishment of the buyer in the Ship From location to "Yes".

As for the specific Services products, the Domestic Reverse Charge authority will require Physical Performance or Customer Location Services transaction type and will be triggered by the Tax Code of "DRC".

## PART I – UPDATES TO DETERMINATION

### Zone

The authority of Lithuania Domestic Reverse Charge has been attached to the country-level zone of Lithuania.

ZONE NAME	PARENT ZONE	ZONE LEVEL	3-CHAR CODE	DEFAULT PRODUCT GROUP
LITHUANIA	EUROPEAN UNION	Country	LTU	Harmonized

## Registration Mask

The following registration mask was added:

REGISTRATION MASK
<code>^LT\d{9}\$ ^LT\d{12}\$ ^LT\d{4}\s\d{3}\s\d{2}\$ ^EU</code>

## Authority Options

NAME	CONDITION	VALUE	START DATE
AT - Ancillary Transport Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
Chain transaction Transport	None	Either	01/01/1901
CL - Customer Location Reverse Charge	Both	Registration Required	01/01/1901
CR - Registration Required	Both	Registration Required	01/01/1901
DS - Default Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
ER - Establishment Required	None	Yes	01/01/1901
ES - Electronic Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
Filling Groups Goods	None	No	01/01/1901
Filling Groups Customer Location Service	None	No	01/01/1901
Filling Groups Physical Performance	None	No	01/01/1901
GS - Goods Reverse Charge	Domestic Transaction	Registration Required	01/01/1901

NAME	CONDITION	VALUE	START DATE
Intra-Company tax free sale - Goods	None	Yes	01/01/1901
Intra-Company tax free sale - Customer Location Service	None	Yes	01/01/1901
Intra-Company tax free sale - Physical Performance	None	Yes	01/01/1901
PP - Physical Performance Reverse Charge	Domestic Transaction	Registration Required	01/01/1901
PRL - Parent Registration Lookup	None	Yes	01/01/1901
SI - Supplied and Installed Reverse Charge	Not Applicable	Not Applicable	01/01/1901
Turn Off Authority	None	Yes	01/01/1901
Triangulation Simplification	None	Not Established in Ship To	01/01/1901
TS - Transport Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
UE - Used and Enjoyed	Both	None	01/01/1901
WG - Work on Goods Reverse Charge	Not Applicable	Not Applicable	01/01/1901

## Authority Specific Messages

The following messages have been adjusted in the authority of Lithuania Domestic Reverse Charge:

DPI	NEW MESSAGE
EUBG16	Atvirkštinio apmokestinimo - Art. 96 PVM
EUBG25	Atvirkštinio apmokestinimo - Art. 96 PVM
EUSG14	Atvirkštinio apmokestinimo - Art. 96 PVM
EUBPP1	Atvirkštinio apmokestinimo - Art. 96 PVM
EUBPP2	Atvirkštinio apmokestinimo - Art. 96 PVM
EUSPP1	Atvirkštinio apmokestinimo - Art. 96 PVM
EUBCL1	Atvirkštinio apmokestinimo - Art. 96 PVM
EUBCL2	Atvirkštinio apmokestinimo - Art. 96 PVM
EUSCL1	Atvirkštinio apmokestinimo - Art. 96 PVM

## Rate Updates

The following rates have been added in the authority of Lithuania Domestic Reverse Charge:

RATE CODE	RATE DESCRIPTION	RATE	START DATE
SR	Standard Rate	21%	01/01/2020
RR	Reduced Rate	9%	01/01/2020
J1	Farmers Rate	6%	01/01/2020
LR	Super Reduced Rate	5%	01/01/2020

RATE CODE	RATE DESCRIPTION	RATE	START DATE
NL	Not Liable	0%	01/01/2020
ZR	Zero Rate	0%	01/01/2020

## Catch-all Rules

The following catch-all rules have been added in the authority of Lithuania Domestic Reverse Charge:

RULE ORDER	RATE CODE	TAX TYPE	TAX TREATMENT	START DATE
5000	None	Acquisition	No Tax	01/01/2020
5001	None	Import	No Tax	01/01/2020
5002	None	Zero Rate Export	No Tax	01/01/2020
5003	None	Zero Rate	No Tax	01/01/2020
5004	None	European Community Dispatch	No Tax	01/01/2020
5005	None	Triangulation	No Tax	01/01/2020
5006	None	EC Sales List Services	No Tax	01/01/2020
5007	None	Taxable Export	No Tax	01/01/2020
5008	None	Distance Sale	No Tax	01/01/2020
5009	None	Intra-EU Reverse Charge	No Tax	01/01/2020
5010	None	Intra-Company	No Tax	01/01/2020
5011	None	VAT Groups	No Tax	01/01/2020

RULE ORDER	RATE CODE	TAX TYPE	TAX TREATMENT	START DATE
10000	None	Any	No Tax	01/01/2020

Also, a new no tax rule with an authority rule qualifier has been added in the authority of Lithuania to prevent the system returning two tax blocks when the rules contained in the authority of Lithuania Domestic Reverse Charge are applied.

The rule added to the authority of Lithuania is the following:

RULE ORDER	RATE CODE	TAX TYPE	TAX TREATMENT	START DATE
5000.0001	None	Any	No Tax	01/01/2020

The authority rule qualifier added to the above-mentioned rule is the following:

CONDITION EXPRESSION	OPERATOR	VALUE	START DATE
Lithuania Domestic Reverse Charge	NOT_APPLIED_TAX_TYPE	S	01/01/2020

## PART II – USING THE AUTHORITIES

### Turning On the authority

The Lithuania Domestic Reverse Charge authority is turned off by default. To turn it on, access Tax Data > Authorities > Advanced Configuration menu section.



Search for the respective authority and select it.

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 01/01/2020.

## PART III – TAX RESULT EXAMPLES

### Test 1: Shipment of goods subject to Domestic Reverse Charge from Lithuania to Lithuania

WORKBENCH ELEMENTS	VALUES
Transaction Type	Goods
Ship From	Lithuania
Ship To	Lithuania
Seller Registration	LT123456789
Buyer Registration	LT123456788
Buyer Establishment in Ship From	Yes

#### Company Role: Buyer example

Tax Calculation Results							
Scenario 2020 September 1st Update - Lithuania DRC (New authority):							
View Results:	<input checked="" type="checkbox"/>	Gross Amount:	100.00	Eff%:	0%		
Zone	Authority	Invoice Desc					
Country: LITHUANIA	Lithuania Domestic Reverse Charge	Domestic Reverse Charge 2012.851712 -- Telephones for cellular networks or for other wiArt.96.4 VAT				Type	Dir
Country: LITHUANIA	Lithuania Domestic Reverse Charge	Domestic Reverse Charge 2012.851712 -- Telephones for cellular networks or for other wiArt.96.4 VAT				O	Fee
						21%	21.00
						I	21%
						21.00	0.00 USD
<input type="checkbox"/> Authority Messages:							
Authority	RuleOrder	Message					
Lithuania Domestic Reverse Charge	6595.5635	EUBG16: Atvirkštinių apmokestinimo - Art. 96 PVM					
Lithuania Domestic Reverse Charge	6595.5635	EUBG25: Atvirkštinių apmokestinimo - Art. 96 PVM					

#### Company Role: Seller example

Tax Calculation Results							
Scenario 2020 September 1st Update - Lithuania DRC (New authority):							
View Results:	<input checked="" type="checkbox"/>	Gross Amount:	100.00	Eff%:	0%		
Zone	Authority	Invoice Desc					
Country: LITHUANIA	Lithuania Domestic Reverse Charge	Domestic Reverse Charge 2012.851712 -- Telephones for cellular networks or for other wiArt.96.4 VAT				Type	Dir
Country: LITHUANIA	Lithuania Domestic Reverse Charge	Domestic Reverse Charge 2012.851712 -- Telephones for cellular networks or for other wiArt.96.4 VAT				O	Fee
						0%	0.00
						0.00 USD	
<input type="checkbox"/> Authority Messages:							
Authority	RuleOrder	Message					
Lithuania Domestic Reverse Charge	6595.5636	EUSG14: Atvirkštinių apmokestinimo - Art. 96 PVM					

## Test 2: Supply of customer location services subject to Domestic Reverse Charge from Lithuania to Lithuania

WORKBENCH ELEMENTS	VALUES
Transaction Type	Customer Location Services
Seller Primary	Lithuania
Buyer Primary	Lithuania
Seller Registration	LT123456789
Buyer Registration	LT123456788
Tax Code	DRC

### Company Role: Buyer example

Tax Calculation Results								
Scenario 2020 September 1st Update - Lithuania DRC (New authority):								
View Results:		Gross Amount: 100.00	Eff%: 0%	Invoice Desc	Type	Dir	Fee	Rate
Zone	Authority	Country: LITHUANIA	Lithuania Domestic Reverse Charge	Domestic Reverse Charge CONSTRUCTION (Art. 96.3 VAT)	RC	O	21%	21.00
		Country: LITHUANIA	Lithuania Domestic Reverse Charge	Domestic Reverse Charge CONSTRUCTION (Art. 96.3 VAT)	RC	I	21%	21.00
								0.00 USD
Authority Messages:								
Authority	RuleOrder	Message						
Lithuania Domestic Reverse Charge	6959.9855	EUBCL1: Atvirkštinio apmokestinimo - Art. 96 PVM						
Lithuania Domestic Reverse Charge	6959.9855	EUBCL2: Atvirkštinio apmokestinimo - Art. 96 PVM						

### Company Role: Seller example

Tax Calculation Results								
Scenario 2020 September 1st Update - Lithuania DRC (New authority):								
View Results:		Gross Amount: 100.00	Eff%: 0%	Invoice Desc	Type	Dir	Fee	Rate
Zone	Authority	Country: LITHUANIA	Lithuania Domestic Reverse Charge	Domestic Reverse Charge CONSTRUCTION (Art. 96.3 VAT)	NL	O	0%	0.00
								0.00 USD
Authority Messages:								
Authority	RuleOrder	Message						
Lithuania Domestic Reverse Charge	6959.9856	EUSCL1: Atvirkštinio apmokestinimo - Art. 96 PVM						

## Test 3: Supply of physical performance services subject to Domestic Reverse Charge in Lithuania

WORKBENCH ELEMENTS	VALUES
Transaction Type	Physical Performance
Supply	Lithuania
Seller Registration	LT123456789
Buyer Registration	LT123456788
Tax Code	DRC

### Company Role: Buyer example

Tax Calculation Results									
Scenario 2020 September 1st Update - Lithuania DRC (New authority):									
View Results:	2	Zone	Gross Amount: 100.00	Eff%: 0%	Invoice Desc	Type	Dir	Fee	Rate
Authority		Country: LITHUANIA	Lithuania Domestic Reverse Charge		Domestic Reverse Charge CONSTRUCTION (Art. 96.3 VAT)	RC	O		21%
		Country: LITHUANIA	Lithuania Domestic Reverse Charge		Domestic Reverse Charge CONSTRUCTION (Art. 96.3 VAT)	RC	I		21%
									21.00
									21.00
									<b>0.00 USD</b>
<b>Authority Messages:</b>									
Authority		RuleOrder		Message					
Lithuania Domestic Reverse Charge		6959.9855		EUBP1: Atvirkštinių apmokestinimo - Art. 96 PVM					
Lithuania Domestic Reverse Charge		6959.9855		EUBP2: Atvirkštinių apmokestinimo - Art. 96 PVM					

### Company Role: Seller example

Tax Calculation Results									
Scenario 2020 September 1st Update - Lithuania DRC (New authority):									
View Results:	2	Zone	Gross Amount: 100.00	Eff%: 0%	Invoice Desc	Type	Dir	Fee	Rate
Authority		Country: LITHUANIA	Lithuania Domestic Reverse Charge		Domestic Reverse Charge CONSTRUCTION (Art. 96.3 VAT)	NL	O		0%
									0.00
									<b>0.00 USD</b>
<b>Authority Messages:</b>									
Authority		RuleOrder		Message					
Lithuania Domestic Reverse Charge		6959.9856		EUSPP1: Atvirkštinių apmokestinimo - Art. 96 PVM					

## CONCLUSION

This guide explains changes made in ONESOURCE Indirect Tax Determination in connection with the authority of Lithuania Domestic Reverse Charge. Please contact Customer Support with any additional questions.