

Making corrections to electronically filed tax returns for self-assessed taxes and to VAT EU Recapitulative Statements

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Version information

Date	Version	Description
14 July 2021	1.0	First release in English
30 March 2022	2.0	Updates were made to several passages (concerning sub-accounting units, and concerning the reporting to the Incomes Register by payors of wage income and payors of pension income and benefits).

1 HOW TO MAKE CORRECTIONS – GENERAL REMARKS

The method of making corrections to tax returns has changed. The new method means that you must send a new file to replace the previous one.

The replacement that you send must contain all the tax-return information regarding the sub-type of tax or regarding the other information that must be put right on your original report. The content of the replacement must be correct. It replaces the original, i.e. the original return will no longer be in effect.

In general, the replacement must be filed for the tax period when the mistake was made. However, for mistakes involving small amounts of money, it is acceptable to put things right more simply. You do not have to indicate the tax period when the mistake was made if you apply the simplified scheme of making corrections: it is enough if you just subtract or

add the sum to one of the next periods. However, for tax returns related to payroll-related and pension-related contribution payments, you cannot always use the simplified scheme.

The new methods are used as of 1 January 2017 and are also applied on any corrections to older tax periods that have ended before 2017. Wage payments as of 1 January 2019 and later, and pensions and benefits paid as of 1 January 2021 and later, are reported to the Incomes Register, not to the Tax Administration. Accordingly, if you make any corrections, you also have to send the corrections Incomes Register, not to the Tax Administration.

For more information on making corrections, including the simplified scheme, see the detailed guide for submitting tax returns for self-assessed taxes on [Tax.fi](#).

2 MAKING CORRECTIONS TO ELECTRONICALLY SUBMITTED RETURNS

When you replace a tax return with a new one, you must enter the corrected information as it should be, and in addition, also re-enter the data elements that had been right all the time.

You are expected to make the corrections the same way, regardless of whether the original return contained too much tax to pay and a too low refund – or too little tax to pay and too much tax to be refunded.

The replacement erases and revises the amounts for a certain tax (such as VAT). For this reason, you must re-submit both the amounts that were inaccurate and those that were accurate, too. All employer's contributions are treated as a single sub-type of tax. For this reason, you must re-submit your withholding, health insurance and tax-at-source. From 1 January 2019 on, whenever you need to make corrections to earnings payment reports and other reports submitted to the Incomes Register, send your corrections to the Incomes Register. In case of any changes to the amount of the employer's health insurance contribution, you also have to make a correction to the "employer's separate report".

Note: when making corrections to tax returns where both the tax payable and the base of the tax are indicated, you must give the amounts consistently for the same tax period. An example of those are the "Purchases of goods from EU" and "Tax on purchases from EU" fields. Another similar example: the "Purchases of construction services and metal scrap" and "Tax on purchases of construction services and scrap". These must be inside the same period.

Example: VAT return, October 2016 – taxpayer does not notice the mistake until May 2017:

The company's VAT period is the month, and its accounting year began 1 July 2016 and ended 30 June 2017. In October 2016, it has had €2,000 of VAT to pay. However, in May 2017, it is detected that the VAT return for October has indicated €2,500 of VAT – i.e. €500 too much.

The company files a replacement return for October 2016 to remedy the mistake. Because the time when the company noticed the mistake was after 1 January 2017, the company was no longer able to send a new VAT return with negative values denoted by minus signs. The company cannot use the simplified scheme for small errors because the tax period when the mistake was made had ended prior to 1 January 2017. This means that the company is unable to simply deduct the extra amount from the taxes reported on the next period's tax return. In the same way, it is not possible for the company in this example to ask for the VAT to be refunded after the accounting year is over.

<u>Original tax return</u>	<u>Replacement return</u>
000:VSRALVKV	000:VSRALVKV
014:6606611-7_AP	014:6606611-7_AP
048:TestiAccounting Pro	048:TestiAccounting Pro
010:6612663-4	010:6612663-4
050:K	050:K
052:10	052:10
053:2016	053:2016
301:4500,00	301:4000,00
307:2000,00	307:2000,00
308:2500,00	308:2000,00
042:09-1234567	042:09-1234567
999:1	332:1
	999:1

2.1 The reason for correction

From 1 January 2017, all corrections to VAT returns and employer's contributions, relating to periods before 1 Jan 2017, and from 1 Jan 2017 up to 31 december 2018, must contain an indication of the reason for making the correction.

The reason codes are as follows. Enter "1" as the value of the reason you select:

- 332 Miscalculation/entry error
- 333 Guidance received during tax audit
- 334 Change in legal praxis
- 335 Error in interpretation of the law

To give the reasons as above is voluntary. You can select several reasons as necessary.

2.2 How does the new method affect software programs?

When you start using the updated tax return format, make sure that your software has been developed in such a way that it creates one tax return per one tax period. That return must contain all the information for the period.

If your IT system migrates from one software to another, it is important that the new software is capable of creating a replacement return as necessary, and it should also be able to retrieve the previous tax periods' tax returns. It is not acceptable to have a software program that only produces the "net" amounts when you need to make corrections, in other words, it is not enough if you just send amounts preceded by + and – characters.

The lines below represent an unsuccessful attempt to make corrections. Compare it with the above example in section 2 above.

<u>Original tax return</u>	<u>"Corrections", not accepted</u>
000:VSRALVKV	000:VSRALVKV
014:6606611-7_AP	014:6606611-7_AP
048:TestiAccounting Pro	048:TestiAccounting Pro
010:6612663-4	010:6612663-4
050:K	050:K
052:10	052:10
053:2016	053:2016
301:4500,00	301:-500,00
307:2000,00	307:0,00
308:2500,00	308:-500,00
042:09-1234567	042:09-1234567
999:1	332:1
	999:1

While negative values are permitted in all of the four information returns (VSRALVKV, VSRATASKV, VSRMUUKV, VSRALVYV) the automatic check routine of TaMo makes the following message appear on the screen whenever a negative value is entered: *"Your input contains a minus sign. Are you sure you want to enter a negative value? If you are making corrections to an earlier tax return, please re-submit the tax period's complete information at right amounts."*

In tax returns for self-assessment and VAT Recapitulative Statements, the 014 data element that identifies the software application *is not part of the identifier details of the return*. If you have more than one software applications and they generate several corrections to be made, you must consolidate them into a single replacement file before you send the corrections. However, employer's contributions are an exception from the above rule because the various software applications can be separated by sub-accounting unit identifiers.

2.3 Sub-accounting unit IDs and employer's contributions (VSRTASKV)

Typically, payroll accounting software have been developed for a specific business operation, for a company sub-unit or a local office, etc. This way, there may be as many as 5 different software programs from where the VSRTASKV information flow must be generated if the company is a large enterprise with 5 factories or offices in various regions of Finland. For many years already, authorities have issued specific ID codes known as sub-accounting unit IDs enterprises with many locations. This makes for a separation of payroll accounting between the locations. There are probably quite a few taxpayer companies that have been issued sub-accounting unit IDs that they no longer use. Now they can start using them again.

When making corrections and sending various replacement reports, it is important to note that if the replacement contains a sub-accounting unit ID, it will not replace the main office's previously submitted information flow. Correspondingly, if the main office sends a replacement in order to make corrections, such a replacement will not replace the previously submitted reports that came from company sub-accounting units. This means that one tax period can be covered by several tax returns when the company has divided its activities into several sub-accounting units.

There may be many sub-accounting units. The ID code is formed by adding three extra digits after the main office's Business ID. To obtain sub-accounting unit IDs, the taxpayer companies needing them must file an application form designed for the purpose.

Since 2019, sub-accounting unit IDs are no longer in use for payroll reporting, because payroll information must be reported to the Incomes Register, not to the Tax Administration. Starting 2021, not only wages but also payments of pensions and social benefits are reported to the Incomes Register. However, if the year of payment of the pensions and benefits has been 2019 and 2020, it is possible to identify the payor by the payor's sub-accounting unit ID. For prior years, sub-accounting

units have been used. Accordingly, if you need to make any corrections, sub-accounting unit IDs are necessary. Some payments of pensions and benefits are reported on tax returns for self-assessed taxes. In this reporting, sub-accounting unit IDs continue to be in use.

2.4 The replacement's identifiers help find the original tax return that you are correcting

After you have sent a replacement, it replaces the previous tax return that contains the matching identifying details.

Every return has its own identifier details and they are encoded with 'T' in the 'T' column of the data file.

VAT returns – VSRALVKV

- 010 Business ID or personal identity code of the taxpayer company
- 052 Tax period
- 053 The year of the tax period

Tax returns on employer contributions – VSRTASKV

- 010 Employer-taxpayer's personal identity code, Business ID or sub-accounting ID
- 011 Return ID
- 052 Tax period
- 053 The year of the tax period

Tax returns for other self-assessed taxes – VSRMUUKV

- 010 Business ID or personal identity code of the taxpayer company
- 080 The account operator's Business ID
- 060 Code for the tax sub-type
- 052 Tax period
- 053 The year of the tax period

Note: In tax returns for self-assessment and in VAT Recapitulative Statements, the data element that identifies the software application (014) *is not* part of the identifier details of the return. If you have more than one software applications and they generate several corrections to be made, you must consolidate them into a single replacement file before you send the corrections. However, employer's contributions are an exception from the above rule because the various software applications can be separated by sub-accounting unit identifiers (for more information, see 2.3 above).). As of 1 January 2019, payors have no longer been identified by their sub-accounting unit IDs on earnings payment reports

2.4.1 Making corrections to identifier details – VSRALVKV, VSRTASKV, VSRMUUKV

In case of an error in the "tax period" field on the return (this in an identifier), the way to put things right is to first submit a replacement return for the wrong tax period, containing the content information as it should be. After you have submitted the replacement for the wrong period, you must submit a new return for the right tax period, also containing the information as it should be.

If your company had had no activity during the tax period for which you had sent the incorrect information, you must send a "056 no activity/no wage payment" report to erase the record for that period.

The report indicating no activity/no wage payment must contain the following:

- Identifying details
- 056=1
- Your reason for correcting, which you indicate with codes 332-335

Note: If your tax return is of the VSRMUUKV type, you can send a no-activity report only if the taxpayer is a Party liable to pay tax on insurance premiums or a Party liable to pay pharmacy tax.

2.5 VAT EU Recapitulative Statement – submittal, identifiers, corrections

Starting 2017, the submittal of the VAT Recapitulative Statement (VSRALVYV) is simpler than before, because all the sales to one purchaser is reported as one single value, without indicating the code(s) for various trade types.

The purchaser's VAT number is entered only once, and all the three values (supply of goods, supply of services, triangulation) are entered in one partial data set.

The identifier details of VAT Recapitulative Statements are:

- 010 Seller's Business ID
- 052 Reporting month
- 053 Reporting year
- 102 Country code
- 103 The purchaser's VAT number

If the amount sold to a purchaser is wrong, the way to remedy the error is to re-file the period's all sales to that purchaser as they should be.

The new VAT Recapitulative Statement replaces the old one.

If you had reported some values for a wrong month, you must file a replacement Statement where the values are as they should be (entering zeroes if there were no sales).

If you had reported some values for a wrong purchaser, you must file a replacement Statement where the information for that purchaser is as it should be (entering zeroes if there were no sales).