Corporate tax rate

The **Corporate Tax Rate** represents the percentage of tax your organisation pays on the **interest earned** from your maintenance fund.

This setting ensures that your maintenance plan reflects the *net* growth of the fund after tax deductions, providing a more accurate closing balance projection.

How it works

Each year, the system calculates interest on your maintenance fund using the **Interest Rate on Funds**.
The **Corporate Tax Rate** is then applied to that interest amount to determine how much tax is deducted before it's added to your balance.

Example:

- Fund opening balance: **$50,000**
- Interest rate: **2%** → Interest earned: **$1,000**
- Corporate tax rate: **28%**
- Tax deducted: **$280**
- Net interest added to fund: **$720**

This ensures that the growth of your maintenance fund matches what you would actually expect after taxes are paid.

Updating the tax rate

You can update the corporate tax rate at any time to reflect your organisation's current tax obligations.
As with other financial settings, any change affects **future calculations only** — past years that have already been approved remain unchanged.

Keeping this rate accurate ensures that your plan's **closing balance** and **fund growth** projections remain realistic.

Summary

- The corporate tax rate is applied to **interest earned** from your maintenance fund.
- It ensures your **closing balance** reflects **net (after-tax)** growth.
- Updating the rate affects **future projections** only.
- This setting helps maintain an accurate and compliant financial forecast.

Revision #2
Created 14 October 2025 05:11:38 by Laurent Hautefeuille
Updated 14 October 2025 05:44:51 by Laurent Hautefeuille