Management Summary The assertion of claims for deduction of input tax is a complex issue for companies and organizations that have mixed revenues&#65533;consisting of some sales tax free and some taxable revenues. These companies and organizations are usually <ul> Savings banks, banks, other credit institues&#65533;and financial service providers, Hospitals, Insurance companies, Companies in the real estate industry This&#65533;becomes even more problematic the greater the amount grows of posting data to deal with, because the assertion of the right of VAT deduction shall not, of course, lead to increasing process costs. Using SAP provides solutions for this problem: By selective use of the SAP standard and SAP extensions and by very few, well defined modifications you will be able to cope with this challenge successfully. Emphetaion&#65533;has relevant experience in this field and is capable of optimzing your SAP system accordingly. Tax and business basics According to&#65533;Section 15 of the German Value Added Tax Act there is a claim for&#65533;deduction of&#65533;the legally owed tax on goods and services. But this right is excluded in Section &#65533; 15 para.&#65533;2 amongst others&#65533;in the event that the delivery or service&#65533;is used to achieve tax-free revenues. This is particularly important in the following cases: <ul> Tax-free revenues of credit institutes according to section 4 para. 8 of Values Added Tax Act   Revenues of hospitals according to section

4 para. 16&#65533; of Values Added Tax Act   Tax-free rental of real estate   &#65533;