



Create a 100% VAT (or VAT only) Bill

When you receive a VAT only invoice for example on an insurance garage repair you need to trick Xero to allow a VAT only bill to be added.

Steps to Follow

- In our example we need to end up with a **VAT only Invoice of £400.**
- First we need to calculate what the whole amount would have been to do this multiply the VAT amount x6 which gives us £2,400 now subtract the £400 VAT and you have a net of £2,000.
- Add this as your first line in the bill as below ensuring VAT amounts are **Tax Exclusive** (highlighted orange)
- Add a second line with the £2,000 net amount as a **minus figure** and code to **NO VAT**, this will remove the net amount of the insurance repair.
- You are now left with just the VAT element and a nil subtotal (highlighted yellow)

From	Date	Due Date	Reference	Total
A Local Garage	NEW 24 Apr 2025	24 May 2025	1234	400

Item	Description	Qty	Unit Price	Account	Tax Rate	Region	Amount GBP
	Insurance Repair	1.00	2,000.00	449 - Motor Vehicle Expenses	20% (VAT on Expenses)		2,000.00
	VAT Only payable	1.00	-2,000.00	449 - Motor Vehicle Expenses	No VAT		-2,000.00

Subtotal							0.00
Total VAT 20.00%							400.00
TOTAL							400.00