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Inland Revenue Department
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A Guide To **COMPLETING YOUR VAT RETURN**



GOVERNMENT OF SAINT LUCIA
INLAND REVENUE DEPARTMENT
VALUE ADDED TAX (VAT)

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Introduction

This guide is to assist you in preparing your Value Added Tax (VAT) return. Please follow the instructions given to avoid any mistakes. If you have any queries that may not have been mentioned in this guide, kindly contact the VAT Section of the Inland Revenue Department and we will be most willing to assist you. A sample of the VAT return is enclosed as a reference to completing your return.

Please note that this guide is not a substitute for the VAT Act and its Regulations and, in the case of an inadvertent conflict, the Legislation will prevail.

All references made to the Act refer to Value Added Tax Act No. 7 of 2012 and Amendments.

Remember to follow closely the instructions given and note that you may be charged a penalty and interest for late filing and late payment of VAT due.

The VAT Section of the Inland Revenue Department (IRD) is located in the:

**SLASPA Building
Manoel Street
Castries,
Saint Lucia**

Tel : 1 758 468 2800 Fax: 758 452-4984
Email: vatinfo@vat.gov.lc Website: www.vat.gov.lc

Section 1

Who is required to file a VAT return and make VAT payments?

The VAT Act stipulates that a registered person must account for and pay VAT for each period or part thereof during which the person is registered. A VAT return and payment is due within 21 days after the end of the tax period to which it relates. The VAT Act considers a registered person to be a taxable person.

At the end of each VAT period – usually every month (see below for more information on VAT period) a VAT return needs to be completed. The return informs the IRD:

- The amount of VAT charged to your customers. (Output VAT)
- The amount of VAT paid on your purchases (Input VAT)
- The Net amount of VAT you must pay or be refunded
- The total amount of supplies (Sales/Services) and purchases made

This Guide explains in detail how to complete your VAT return. Below are some common terms used as prescribed by the VAT Act.

Taxable person:

Is a person who is registered or is required to register.

Tax Period:

Refers to a calendar month (includes all taxable sales and taxable purchases that have taken place between the first of the month and the last day of the month).

Due Date:

Refers to when the actual VAT return and payment for a given tax period is “due”. For example, the VAT return for the tax period of October is “due” by November 21; October 1 to October 31 is the tax period -- November 21 is the “due date”.

SECTION 2**Compiling Data to complete the VAT return**

To complete the VAT return you must maintain the appropriate VAT records and accounts during the month.

Overview

For transactions during the tax period the VAT records consist of the following:

- tax invoices
- sales receipts
- debit and credit notes

After the end of the month, the totals for the month are inserted into relevant lines of the VAT return for submission to the IRD.

Section 3

Please do

- Complete all boxes. Write one amount in each box or put “NIL” where appropriate.
- **Submit your VAT return with all payments due to be received no later than the 21st day following the tax period for which you are preparing the return. All payments are to be made to the IRD in Castries, Vieux Fort or Soufriere. Please make cheques payable to “Accountant General”**
- Correct any mistakes by crossing the figure out; then write in the correct amount and initial the amendment.
- Enclose negative amounts in brackets.
- Complete all sections of your VAT return. The taxpayer’s receipt (the perforated section) will be returned to you as evidence of payment.

Please do not

- Alter the details already printed on the return, particularly the dates. If any of these are wrong or you have a query, contact the VAT Section by telephone or in writing.
- Write in any boxes or areas that are labeled “For Inland Revenue Use”

- Write anything else on the return
- Send cash with your return in the post. Remember that it is your responsibility to ensure the VAT return is received by the IRD by the due date. The Department will use the postmark as the date the VAT return and payment was made.
- Use staples to attach cheques, postal orders, bank drafts or managers cheques to your return.
- Complete boxes 200 and 215 unless you are an importer or have imported goods.
- ***Take your VAT return or payment to the VAT Section at the SLASPA Building, on Manoel Street, Castries.***

Section 4

Before you start

This part of the form contains pre-printed information. However you should check it carefully each taxable period. Some of your checks should include:

Your name and address

If your name or address on the form has changed or is incorrect in any way you should not make the corrections on the form. Request a “Change of Registration Details form” from the IRD. Submit the completed form within twenty one (21) calendar days of the change. (Subsection 13 (12) of the Act). This will ensure that subsequent returns and other correspondence are able to reach you without undue delay.

Tax Identification Number (TIN) Ensure that this is the number that was assigned to you.

Tax Period

This tells you which period (month) this return relates to.

Assessment Period

This tells you the length of your reporting period. It is very important that you only report transactions that took place within the time period stated.
(eg.1st - 31st October)

Due Date

If you file your return after the due date there is a late filing penalty of EC\$250.00 and 10% of the tax payable. If you pay the VAT payable after the due date, interest will be charged at 1.25% of the tax payable .

Nil Return

If you are a VAT registered business, and you have not traded in the period and have no VAT on purchases, including fixed assets (inputs) to recover or VAT on sales (outputs) to declare, you must complete all boxes on the return as “NIL”.

The return should then be submitted to the IRD by the due date.

First Return

You must include allowable goods, services and fixed assets with the time of supply falling after the date of registration.

Final Return

If this is your final return, contact the VAT Section for information on Cancellation of Registration.

On your final return you must account for VAT on stocks and assets on hand at the close of business on the effective date of cancellation of registration.

Errors on Earlier Returns

If you detect an error made in calculating your VAT payable or refundable for the VAT return previously filed, the law allows you to make the necessary alteration or amendments, within 3 years of the tax period in which the error was made. Do not make the adjustment in any subsequent VAT Return.

Contact the VAT Section, Inland Revenue Department (IRD) immediately and complete ***Form VAT 003a/2012 Disclosure of Errors Form*** with the relevant information.

This form can be used to disclose careless inaccuracies. It is advisable that you provide IRD with information about the circumstances that gave rise to an understatement or overstatement of tax. In determining the amount of any penalty that may be

levied, the IRD may take into account the completeness of your explanation and the extent to which you help us quantify the error.

Do not use this form for the following

- Claims for bad debt relief
- Adjustments for items taken for personal and employee use
- Adjustments arising from credit and debit notes

Please note:

The VAT return will be posted to you before the end of the tax period. However, if you do not receive, or have misplaced the VAT return; please contact the VAT Section, IRD immediately.

Section 5

COMPLETING YOUR RETURN (VAT Form 003)

(This section allows for reporting the VAT charged for the period)

Computation of Output Tax

100. Standard Rated Sales

Enter the total value of goods and services inclusive of VAT that you charged your customers

**105. Goods and Services (sales)
Provided by a Hotel**

Enter the total value of goods and services provided inclusive of VAT

110. Zero Rated Sales

Enter the total value of sales subject to the zero rate. Remember if you made exports you should retain the Customs and Excise Department documentation certifying that the goods were exported. A list of the goods subject to the zero rate is shown in the **First Schedule** in the VAT Act.

- 115. Exempt Sales** Enter the total amount of sales that are exempt from VAT. A list of goods that are exempt from VAT is shown in the **Second Schedule** in the VAT Act.
- 120 Total Sales** Add all the amounts entered in **Boxes 100 to 115** and enter the total in Box 120.
- 125. VAT payable on Standard rated Sales** Enter the total VAT collected on standard rated goods and services (use the tax fraction $15/115 \times$ Box 100 to arrive at the figure) in Box 125.
- 130. VAT payable on Goods And Services provided by Hotels (sales)** Enter the total VAT collected on Goods and Services provided (using the fraction $8/108 \times$ Box 105 to arrive at the figure) in Box 130.
- 135. VAT Adjustments** If you have issued a debit note to a registered taxpayer to collect additional VAT, or have been

issued a credit note from a registered taxpayer to repay VAT overpaid, or recovered a Bad Debt, enter the amounts of the VAT **only** in Box 135.

140. Total Output Tax

Add the amounts entered in Boxes 125, 130 and 135 to calculate the total for this box.

Note output tax is due on the following:

- Supplies to your staff
- Sales of business assets on which input VAT was allowed
- Gift of goods to related parties, approved charities
- Hire or Loan of goods to someone else
- The full value of goods sold in exchange for other goods or services
- Goods which you or your family have taken out of the business
- Commission received, but not financial or insurance commissions which are exempt.
- Any other taxable business income (including royalties or fees).
- Consideration and charges made on intercompany transactions.

Remember:

- You cannot zero rate exports unless you hold satisfactory proof of export.

Computation of Input Tax

(This section allows for reporting the VAT paid/payable for the period)

Box 200 **Value of Taxable Imports** Enter the value of all imports cleared (excluding VAT).

Box 205 **Value of Domestic Purchases** Enter the value of local purchases made from other registered taxpayers for which you received a tax invoice or sales receipt for this period at 15%. Amount should be VAT exclusive.

Box 210 **Value of Domestic Purchases** Enter the value of local purchases made from other registered taxpayers for which you received a tax

invoice or sales receipt for this period at 8%. Amount should be VAT exclusive.

Box 215 **VAT paid on Imports** Enter the amount of VAT paid to the Comptroller of Customs for all imports (Can be obtained on your Customs Declaration)

Box 220 **VAT paid or payable on domestic purchases** Enter the total amount of VAT paid or payable to other registered taxpayers for which you received a tax invoice or a sales receipt at 15%, whether or not you have actually paid the amount on the invoice. **Only** include VAT that is allowable as input tax credit under the VAT Act.

Box 225 **VAT paid or payable on domestic purchases** Enter the total amount of VAT paid or payable to other registered taxpayers for which you received a tax invoice or a sales receipt at 8%, whether or not you have

actually paid the amount on the invoice. **Only** include VAT that is allowable as input tax credit under the VAT Act.

Box 230 **VAT Adjustments**

If you have received a debit note from a registered taxpayer for VAT short paid, or have issued a credit note to a registered taxpayer for VAT overpaid, or recognize a bad debt, enter the amount of the **VAT only** in Box 230.

Box 235 **Credit from a previous period**

Enter any credit from a previous tax period.

Box 240 **Total Input Tax**

Add the amounts entered in Boxes 215 to 235 to calculate the total for this box.

Computation of Tax Payable or Excess Input Tax

This section allows you to calculate your VAT payable for the period, and also allows you to compute any credit that can be carried forward to the next period.

Box 300 Tax payable

If the amount shown in Box 140 is greater than the amount shown in Box 240 enter the difference between the two amounts in **Box 300**. This is the tax payable for the period before calculating any penalties and interest applicable if paying after the due date.

Box 305 Penalty Due

If filing after the due date the penalty for late filing (**late Payment**) is **two hundred and fifty dollars (\$250.00) per month or part of the month for the period during penalty which the return remains unfiled and 10% of the amount of tax payable.** (eg. If a return is due on the 21st of November and you file the return on the 23rd of

November you will pay EC\$250.00 as you are two days late).

Box 310	Interest Payable	If filing after the due date, interest is charged at 1.25% per month or part of a month for the period during which it remains unpaid. Interest is calculated on the figure in Box 300.
Box 315	Total Due	Add amounts from Boxes 300, 305 and 310 and enter the total in Box 315.
Box 320	Amount paid on Filing	Enter the amount that you are paying when submitting your VAT Return in Box 320
Box 325	Excess Input Tax for the period	If the amount in Box 240 is greater than the amount in Box 140, then enter the difference in Box 325. This is your credit for the period.

POINTS TO REMEMBER

You cannot claim VAT on the following items:

- Business entertainment
- Purchases for non-business activities
- Motor vehicles for Private Use
- Subscriptions to a club, association or society of a sporting, social or recreational nature

REMEMBER

- To claim VAT on all major capital acquisitions and acquisitions of goods during the month;
- To include any VAT you are claiming on a bad debt expense;
- To include VAT on any VAT on credit notes received or debit notes issued by you as output VAT;
- Exclude any amounts paid on assessments;
- To include VAT on credit notes issued or debit notes received as input VAT;
- To include the range of tax invoices used for the tax period in which you are doing the return. These invoices should reflect the information that you have included on the VAT return;

- To complete all boxes in the **“Declaration”** section.

- **It is a serious offence to submit a false claim. A person who submits a false claim or makes a statement which is “misleading in a material particular; and the tax properly payable by the person exceeds the tax that would be payable if the person were assessed on the basis that the statement is true is liable on summary conviction to a fine not exceeding one hundred thousand dollars (\$100,000.00) or to imprisonment for a term not exceeding four years”.**

CHECK LIST

- Have you completed every box, writing **“Nil”** where applicable?
- Have you included your bad debt recovered or written off?
- Have you included any errors from previous periods?
- If all your outputs are standard rated, does the amount in Box 125 equals to 15% of Box 100?
- Have you signed and dated the return?
- If you are paying by cheque, ensure that the date, signature, and amounts are correct. Also ensure that the words and amount agree.
- Is it made payable to Accountant General? Have you put your Taxpayer Identification Number (TIN) on the back?
- Have you made the necessary adjustments in Boxes 135 and 230 for credit notes or debit notes received and issued?

SECTION 6

FILING RETURNS AND MAKING PAYMENT

All registered persons must submit a VAT return **each** month. The VAT return must be submitted no later than 21 days after the end of the tax period. For example, the VAT return for the tax period of October is “due” by the 21st of November: October 1st to 31st October is the tax period—November 21st is the “due date”. If the 21st of November falls on a weekend or holiday the due date is the next working day. (e.g if the 21st day after the tax period falls on a Saturday the due date would be Monday).

Any tax payable for the tax period must also be paid at the same time the VAT return is submitted. For example, if the amount of VAT collected from sales in October is greater than the amount of VAT paid on purchases during October, then the difference must be paid at the same time the VAT return is submitted.

The following are several important rules regarding the VAT return and payment:

- The amount of VAT that you calculate as payable should be paid in full by the due date.
- If you have made major capital acquisitions during the month, then please ensure that you keep your tax invoices in such a manner that they are easily retrievable for audit purposes.

There is no need to attach a copy of the VAT invoices or sales receipts when submitting the VAT return. However, **the records must be kept for 6 years.**

The amounts declared in the VAT return and the payment must be made in **Eastern Caribbean currency**.

WHAT HAPPENS WHEN MY VAT RETURN AND/OR PAYMENT ARE PROCESSED?

When your return and/or payment are processed, the officer will complete the boxes designated “For INLAND REVENUE USE” on your VAT return. A taxpayer’s receipt will be returned to you as proof of filing and payment. If you have mailed your return, your taxpayer’s receipt will be forwarded to you through the post.

When the IRD processes your VAT return, it may be determined that you have an additional amount of taxes, penalties, and/or interest to pay. If this is the case, the Notice of Assessment which will be sent to you, will indicate the additional amount that needs to be paid. If you disagree with this Notice of Assessment you have the right to submit an objection using Form VAT 006/2012.

The information that is declared on the VAT return is “self-assessed”. The information provided by you is accepted to be accurate and complete. However, the IRD reserves the right to audit or verify the information.

Section 7

Frequently Asked Questions

1. Can the VAT return cover more than one tax period?

No, each VAT return should cover only one calendar month. If for some reason, you have not filed a return for several months, then you will be required to submit one return for each month that you have missed.

2. I have to be away from my business for some time?

You must arrange for someone to complete and submit your VAT returns and make the payments for you.

3. I have lost my VAT Return?

Ask the IRD for a replacement immediately.

4. I made a mistake on my return?

Complete Form VAT 003a/2012 detailing the errors made.

5. If a sole proprietor or Company owns more than one branch, can one VAT return be submitted for each branch?

No. The sole proprietor or Company will be required to submit only **one** VAT return for all his businesses. However, where a separate legal entity exists a VAT return should be filed for each entity.

6. *I have received a “Notice of Assessment” to correct a mistake found by a VAT Auditor?*

You should **not** include any of the assessed amount on your next VAT return. Where VAT is due and payable, send your payment and the remittance advice provided. Where VAT is refundable, your account will be credited.

7. *I have not received my refund after I have submitted a claim?*

You should get your refund **10 days** after the audit is completed or by the end of the first calendar month. If you do not receive your refund after the stipulated period, the rate of interest payable is 4% per annum or part thereof and is calculated as simple interest.

8. *I do not have proof that the person providing service is registered for VAT?*

The person must provide you with a legitimate VAT registration number in order for you to claim any input VAT. If you are unsure, do log onto www.vat.gov.lc where you can verify the VAT status of the supplier or contact the VAT Section.

9. *I cannot make an accurate return by the due date?*

Contact the Inland Revenue Department -VAT Section for assistance at telephone number 468-2800.

10. *My Business is Bankrupt?*

You must inform the VAT Section of the position immediately. Keep all records for examination by the IRD, who will take the

necessary actions for the recovery of any VAT due from or refundable to you.

11. My records were lost or destroyed?

You must immediately inform the Comptroller in writing giving full details of your circumstance.

12. My business circumstances change?

You must complete an Change of Registration Details form.

For Additional Assistance or Advice:

Please contact the VAT Section at the following address:

**SLASPA Building
Manoel Street
CASTRIES
Or**

**Telephone No. (758) 468–2800
Email: vatinfo@vat.gov.lc**

Always quote your TIN when you contact us.

VAT Leaflets and guides are also available on the website www.vat.gov.lc



TAXPAYER'S RECEIPT
SAINT LUCIA
Inland Revenue Department

Document No:	Due Date:
--------------	-----------

V.A.T. Taxpayer Account No:	Tax Period:	Assessment Period Date:	FOR INLAND REVENUE USE		
			Amount	DUE	PAID
			Tax		
			Penalty		
			Interest		
			Total		
			Signature of Revenue Officer		

VALUE ADDED TAX RETURN			Document No:	Due Date:
V.A.T. Taxpayer Account No:	Tax Period:	Assessment Period Date:		

COMPUTATION OF OUTPUT TAX

100	Standard Rated Sales – VAT Inclusive (15%)	100	<input type="text"/>	
105	Goods and Services provided by a Hotel(sales) –VAT Inclusive (8%)	105	<input type="text"/>	
110	Zero-rated Sales	110	<input type="text"/>	
115	Exempt Sales	115	<input type="text"/>	
120	TOTAL SALES (Add boxes 100 to 115)	120	<input type="text"/>	
125	VAT payable on Standard Rated Sales Box 100 x (15/115)	125	<input type="text"/>	
130	VAT payable on Goods and Services provided by a Hotel (sales) Box 105 x (8/108)	130	<input type="text"/>	
135	V.A.T. adjustments (e.g. debit notes issued / credit notes received, Bad debts recovered)	135	<input type="text"/>	
140	TOTAL OUTPUT TAX (Add boxes 125,130 and 135)	140	<input type="text"/>	

COMPUTATION OF INPUT TAX DEDUCTIONS

200	Value of Taxable Imports	200	<input type="text"/>	
205	Value of Domestic purchases on which V.A.T. was paid or payable 15%	205	<input type="text"/>	
210	Value of Domestic purchases on which V.A.T. was paid or payable 8%	210	<input type="text"/>	
215	VAT paid on imports	215	<input type="text"/>	
220	VAT paid or payable on domestic purchases	15%	<input type="text"/>	
225	VAT paid or payable on domestic purchases	8%	<input type="text"/>	
230	V.A.T. adjustments (e.g. debit notes received / credit notes issued, Bad debts expense)	230	<input type="text"/>	
235	Credit from a previous tax period	235	<input type="text"/>	
240	TOTAL INPUT TAX (add boxes 215 to 235)	240	<input type="text"/>	

COMPUTATION OF TAX PAYABLE OR EXCESS INPUT TAX

300	Tax payable (if box 140 is greater than box 240, enter the difference here)	300	<input type="text"/>	
305	If paying after the due date, calculate the penalty due and enter here (\$250.00 for late filing and 10% of tax payable from line 300 for late payment)	305	<input type="text"/>	
310	If filing after the due date, calculate interest payable for this period (1.25% per month of tax payable from Box 300)	310	<input type="text"/>	
315	TOTAL DUE (add Boxes 300, 305 and 310 and show the total here)	315	<input type="text"/>	
320	AMOUNT PAID ON FILING	320	<input type="text"/>	
325	Excess Input Tax as calculated by the taxpayer (if box 240 is greater than box 140, enter the difference here)	325	<input type="text"/>	

Range of **tax invoices** issued this period: from to

<p align="center">DECLARATION</p> <p>I hereby certify that the information given in this return is true, correct and complete in every respect and I further declare that I have the legal authority to submit this return</p>	FOR INLAND REVENUE USE		
	Amount	DUE	PAID
Name <input type="text"/>	Signature <input type="text"/>	Tax	
		Penalty	
		Interest	
		Total	
Position <input type="text"/>	Date <input type="text"/>	Signature of Revenue Officer	
	Day Month Year		



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