

## What is Corporate Income Tax?

A tax imposed on the net income of any company registered or incorporated under the Companies Act No.22 of 1996.

- As at January 31st 2013 Corporate Income Tax is levied at 33%.

### INCOME TAX IS LEVIED ON:

- Gains or profits from any trade, profession or vocation
- Dividends, interest or discounts

### Filing Corporate Income Tax returns:

Companies are required to file 3 1/2 months after the end of their fiscal year. Companies must report the Income Tax due on their total chargeable income for every fiscal year, that the company is in operation.

Returns must be accompanied by the company's **Financial Statements:**

- Statement of Financial Position (Balance Sheet)
- Statement of Comprehensive Income (Profit and Loss)
- Cash Flow Statement
- Statement of Retained Earnings
- Notes and Disclosures to Financial Statement



As of April, 2012, amounts payable to a related person for; administration fees, management fees or expenses, head office charges and allocations, technical fees shared costs and other similar charges are limited to 5% of the gross sales or revenue of the tax payer.

Filing is based on the calendar year. Companies desirous of using a different reporting period commencing any month outside of January and concluding 12 months after, must request permission from the Comptroller of Inland Revenue.

### What is an installment and when is it due?

Installment payable is an amount equal to one quarter of the tax as estimated by the customer at the rate of 33% on their annual income.

Installment Payments shall be made on or before the following dates:

- 15th March
- 15th June
- 15th September
- 15th December

The estimated chargeable income and revised tax amount payable may be revised by the Comptroller in the event no tax was payable in the immediate preceding year of income or a company fails to make the return.

A company may apply in writing to the Comptroller to revise an installment amount if they believe the income for that year deviate from the original estimate.

### What are the interest and penalties ?

Any person who fails to file returns on or before the date by which filing is required is liable:

- To a penalty of 10% of the amount of tax owing.
- \$100 per month or part thereof during which failure to file continues.
- \$1000 per month or part thereof during which the failure to file continues by a person who is exempted from the payment of any tax.

Underpayment of tax as a result of an incorrect statement or material omission in the taxpayers return attracts a penalty of 25% of the sum under reported.

Person/company who knowingly makes any false statement or false representations, concerning income in which tax is payable commits an offence and is liable to a fine not exceeding \$50,000 or imprisonment with or without hard labor for a term not exceeding 12 months.

### Who is exempt from Corporate Income Tax?

- Income of any local authority, trade union or friendly society.
- Income of charitable or educational institutions.
- Wound and disability pensions granted to members of Her Majesty's Forces.
- Income of any Electrical Authority.
- Income of ministers of Religion derived from their occupation.
- Income of approved Pension fund.
- Income of any fund or body approved by the Minister.

## What are the rights and obligation for this tax?

If any person disputes the assessment made by the Comptroller he or she should:

1. Complete the Notice of Objection Form within one month from the date of the issued assessment.
2. Ensure the Notice of Objection Form states precisely the grounds of objection.
3. Submit source documents with the objection form.

*For additional information on the objection process, see brochure entitled "Objections".*

## Where can I find more information on Corporate Income Tax?

Additional information is accessible on our website [www.skknird.com](http://www.skknird.com).

The Income Tax Act Cap. 20.22 is available for purchase from the Government Information Services located at Government Headquarters, Church Street, Basseterre.



**SAINT CHRISTOPHER AND NEVIS  
INLAND REVENUE DEPARTMENT**

## **INCOME TAX (CORPORATIONS)**

*This brochure has been prepared by the Saint Christopher and Nevis Inland Revenue Department. If after reading you require additional information, see contact details on back panel.*

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St. Kitts and Nevis Inland Revenue Department



**Building Our Nation  
Through Responsible  
Tax Administration**