

What is Unincorporated Business Tax?

Unincorporated Business Tax (UBT) is a tax levied at four percent (4%) of sales of goods and services, after granted exemption.

It applies to every person or group of persons carrying on business in the Federation of St. Christopher and Nevis, who is not registered under the Companies Act, who are classified as "unincorporated taxpayers".

What are my obligations as an unincorporated taxpayer?

As a person carrying out business in the Federation of St. Kitts and Nevis you are required by law to:

- Keep proper books and records of daily business transactions.
- File quarterly returns by the 15th day of the prescribed month.
- Make payments for taxes on or before the prescribed filing date.

Why do I need to file and pay?

- It keeps your business in good standing with the Inland Revenue Department (IRD), since banks and other lending organisations may request a "Tax Clearance Certificate" from the IRD
- It enables your business to avoid penalties and interest
- It increases your chances of approval for concessions



What are the filing and payment dates?

The filing and payment dates are:

- March 15th for the period December, January and February.
- June 15th for the period March, April and May.
- September 15th for the period June, July and August.
- December 15th for the period September, October and November.

If the due date for filing and payment falls on a Saturday, Sunday or public holiday, filing and payment should be made earlier, or on the next working day.

What are the charges and penalties for failing to file and pay on time?

- \$100 late filing penalty per month
- 10% late payment penalty on outstanding tax
- Interest of 1% per month on outstanding tax.

Can I file and pay the Unincorporated Business Tax online?

Yes, Unincorporated Business Tax is one of the taxes that can be filed and paid electronically. You will first have to register to use the IRD's e-services. An application form can be downloaded from the IRD's website. However, you will be required to visit the IRD office to complete the application process and present the following:

- A completed application form
- Two valid photo IDs
- An e-mail address
- A completed authorisation form (applicable where another person is acting on your behalf).

Additional information about e-services can be found in the IRD's public information brochure entitled "E-Services."

How do I calculate the Unincorporated Business Tax?

Businesses involved in the sale of goods are permitted to make a \$37,500.00 exemption from their gross revenue each quarter before calculating the amount of tax that is due.

For example: -

Gross Revenue from Sales of Goods	\$100,000
Less Exemption Amount for Goods	<u>\$ 37,500</u>
Taxable Total from Sale of Goods	\$ 62,500
Gross Taxable Revenue	x 4%
Total Tax Payable	<u><u>\$ 2,500</u></u>

Businesses involved in the rendering of services are permitted to make a \$6,000.00 deduction from their gross revenue each quarter before calculating the amount of tax that is due.

For example: -

Gross Sales of Services	\$ 60,000
Less Exemption Amount for Services	<u>\$ 6,000</u>
Taxable Total from Services	\$ 54,000
Gross Taxable Revenue	x 4%
Total Tax Payable	<u><u>\$ 2,160</u></u>

I have more than one branch for my business, can I claim an exemption for each branch?

Each taxpayer is allowed one exemption amount. For example, if the business has two retail establishments, the exemption amount of \$37,500 is divided between both establishments.

My business is involved in the sale of goods and services. What exemptions do I apply?

In such a case, both exemptions are granted.

If I do not make any sales during an accounting period, do I still have to file?

Yes, once you are registered, you are required by law to file on time, even if you are making a nil return.

If my sales are below the exempt amount, do I still have to file?

Yes, your obligation to file is not dependent on your total gross revenue.

What can I do if I disagree with the amount of tax assessed against my business?

You have the right to appeal an assessment to the Comptroller within one month of the date of issue of the notice of assessment.

If you are not satisfied with the Comptroller's response, you have the right to take your case to the Tax Commission.

If you are still not in agreement with the Tax Commission's decision you may appeal within 14 days of the issue of the decision, to the High Court.

Where can I find more information about Business and Occupation Licences?

For further information regarding the filing and payment of Unincorporated Business Tax, visit the Unincorporated Business Tax Act No. 5 of 2010 on our website, www.skknird.com.



**SAINT CHRISTOPHER AND NEVIS
INLAND REVENUE DEPARTMENT**

**UNINCORPORATED
BUSINESS
TAX**

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**