

The background of the entire page is a faded, light green image of a queue at a cashier counter. Several people are standing in line, separated by stanchions. A sign above the counter reads 'CASHIER'. The floor is tiled, and the overall scene is brightly lit.

# VAT

VALUE ADDED TAX

## ST. KITTS & NEVIS

**Introduction to VAT Guide**

# What must I do after successful registration?

## Display your VAT certificate.

You must display your VAT registration certificate prominently in your place of business. You are also required to display VAT inclusive prices.

## Collect VAT on all Standard Rated Sales

When registered, you must charge VAT to your customers on all standard-rated/taxable items.

## Issue VAT invoices and receipts

You must issue VAT invoices to other registered businesses and sales receipts to non-registered persons. Invoices and receipts should have the name of the business both issuer and recipient, the date issued, a proper description of goods or services purchased, the price, your Tax Identification Number (TIN) and the total VAT paid.

## File your VAT Return on the 15th of every month

You are required to file your VAT returns and pay any tax due to the Inland Revenue Department by the 15th day of every calendar month. If the 15th day falls on a weekend or a public holiday, the deadline for filing will be extended to the following working day.

Failure to file returns on time will attract a penalty of \$100 for late filing and failure to pay on time; will attract a penalty of 10% of the tax due plus 1.25% interest per month. If you foresee a reason that would prevent you from filing on time, you should write to the Inland Revenue Department before the deadline for filing and request permission to file your return late, stating the reason for your request.

If you have submitted a return with an error, you should submit, and Error on VAT Return form accompanied by a letter stating the reason for your error to avoid any penalties. And if you have challenges paying on time, you should contact the Tax Reform Unit to discuss your situation and arrange a payment plan.

## Retain your records in a safe place

You must retain records in English for a period of six years after the end of the tax period to which they relate. Records mean accounting records, accounts, books, computer-stored information, or any other relevant information.

## Cooperate & request advice from Tax Officers

Finally, as the Inland Revenue Department often undertakes audits to examine your financial affairs, check you have paid the correct amount of tax, and determine that you are complying with the tax laws, you would be required to be cooperative with staff to ensure that the audit goes smoothly.