

Discounted VAT Rate Day

Business Guidance



INTRODUCTION

This information provides guidance on the conditions for participation and the reporting requirement for the Discounted VAT Rate Days (DVRDs) 25th November, 16th and 17th December, 2022. Approved businesses will be allowed to charge VAT at the rate of 5% on the sale of goods with the exception of vehicles.

Which Businesses are Eligible?

All VAT Registered businesses that have filed ALL Returns and have NO outstanding fees, licences, tax liabilities, penalties or interest due to the IRD or CED prior to DVR Day, may qualify to participate in the DVR Day. If you do not have any outstanding Returns or liability, you may complete the Application Form and submit it to the Inland Revenue Department by 3:00 pm on or before 24th November, 2022. The Department will indicate the status of your application in writing. If a business filed a VAT objection, eligibility is dependent on satisfying the conditions of that objection which includes submitting 50% of the tax in dispute.

Items Eligible

Tangible items that are presently subject to 17% VAT will qualify for the discounted VAT Rate on DVR Day. **However, in relation to vehicle purchases on 16th and 17th December 2022, VAT will be exempt on the first \$50,000.00. Any cost in excess of the \$50,000.00 will attract the standard 17% VAT. Persons receiving Duty Free concession on vehicle will NOT be eligible for the DVR Day VAT exemption on the first \$50,000.00.** Hence, persons receiving Duty Free concession on vehicle will be required to pay the standard rate of 17% VAT upon purchasing a vehicle at Duty Free on DVR Day 2022.

Non-tangible items such as the supply of professional services will continue to be subject to the 17% VAT rate. Services such as legal fees, restaurant supplies, rent, tickets for the game of chance (lottery/raffles), top-ups and phone cards are NOT eligible for the reduced rate. Items eligible MUST also be available for sale and immediately available for issuance or delivery to the customer on DVR Day. Orders for items not in stock DO NOT qualify.

Guns, Ammunition, Cigarettes and alcoholic beverages are **NOT** eligible.

Alcoholic Beverages **NOT** eligible include but are not limited to Wine, Brandy, Vodka, Whiskey, Gin, Rum, Liqueurs, cordials, Beer, Guinness, Royal Stout, Shandy Carib and Smirnoff Ice.

Filing Requirements

Businesses approved to participate in the DVR Day on the 25th November, 16th and 17th December, 2022, will be required to complete and submit a separate 'Discounted VAT Day Sales Report' to the Inland Revenue Department for each DVRD by the Friday following the DVRD.