

Discounted VAT Rate Day

Consumer Information Notes



INTRODUCTION

Consumers in St. Kitts & Nevis can purchase goods at a lower VAT rate on Discounted VAT Rate Day (DVRD) on the **August 25 and 26, 2023**. Only approved participating businesses will be allowed to charge VAT at a rate of 5% (See approved list on our website).

Eligible Item

Tangible items that are presently subject to 17% VAT will qualify for the discounted VAT Rate on the DVR Days. **In relation to vehicle purchases, VAT will be exempt on the first \$50,000.00. Any cost in excess of the \$50,000 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 Days in August 2023.**

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.

Non-Eligible Items

- Professional services (Eg. Legal fees)
- Rent & Tickets for game of chance (Eg. Lottery/Raffles)
- Top-ups & Phone cards
- Guns, Ammunition & Cigarettes
- Alcoholic Beverages

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. Goods and Services imported on the DVRD do not qualify for the reduced rate.

Are Items sold on Credit and Hire Purchase eligible for the reduced rate?

YES! Eligible goods sold under a credit or hire purchase agreement will qualify for the reduced rate of 5% if the sale is concluded on the DVR Day.

Rules governing returns and exchanges.

If a customer buys a good at the special 5% rate during the DVR Day and exchanges it on the same day for another good, the 5% rate will still apply. The special rate will **NOT** apply if the exchange is done after August 26, 2023.

Rules governing returns and exchanges (Cont'd).

If a customer buys a good on any of the DVR Days and returns the item after the August 26, 2023, for a credit on the purchase of a different item, the 17% VAT Rate would apply to the sale of the newly purchased item, even if it would have been eligible for the 5% Rate during DVR Day.

If a customer buys an item before the DVR Day but returns the item during the DVR Day and receives credit on the purchase of a different item, the reduced rate shall NOT apply on the sale of the new items.

Be Vigilant:

Consumers should check their receipts to ensure that the reduced VAT rate of 5% was charged only after any applicable discount given by the business. Ensure that you collect your receipt and review your purchases.

Need additional information on DVR Day?

See the Contact Information listed below.

Also, kindly refer to the list of approved businesses authorized to take part in the Discounted VAT Rate Days available on our web site by August 24, 2023.

Contact Information

St. Kitts

Inland Revenue Department
P.O.Box 34, Bay Road, Basseterre , St. Kitts
Tel: +1-869-465-8485

Nevis

Inland Revenue Department
Main Street, Charlestown, Nevis
Tel: +1-869-469-5856

Email: inlandrevenue@ird.gov.kn

Website: www.skknird.com or visit us at www.facebook.com/sknknird
St. Kitts and Nevis Inland Revenue Department

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