

# 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 Days (DVRD) on the **December 15 and 16, 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 December 2023.**

Items eligible MUST also be available for sale and immediately available for issuance or delivery to the customer on DVR Days. 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 Days.

### Rules governing returns and exchanges.

If a customer buys a good at the special 5% rate during the DVR Days 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 December 16, 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 December 16, 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 Days.

If a customer buys an item before any of the DVR Days and returns the item during the DVR Days 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 Days?**

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 December 14, 2023.

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#### **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](mailto:inlandrevenue@ird.gov.kn)

Website: [www.sknird.com](http://www.sknird.com) or visit us at [www.facebook.com/sknird](https://www.facebook.com/sknird)

St. Kitts and Nevis Inland Revenue Department

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