



GOODS AND SERVICES TAX  
"Growing Sustainably Together"



# Goods & Services Tax Guide

**COMPLETING THE  
GST RETURN**

**DECEMBER  
2022**

# TABLE OF CONTENTS

<b>1.0 INTRODUCTION</b>	<b>1</b>
<b>2.0 INSTRUCTIONS FOR COMPLETING THE RETURN</b>	<b>2</b>
<b>3.0 PENALTIES AND INTEREST</b>	<b>7</b>
<b>4.0 GST INPUT TAX APPORTIONMENT CALCULATION</b>	<b>8</b>
<b>5.0 SAMPLE GST RETURN FORM</b>	<b>9</b>

## **DISCLAIMER**

These notes are for guidance only. They reflect the law and the tax position at the time of publication. They do not replace the legislation or affect your right to object and appeal.

If in doubt, you should consult the Inland Revenue Department.

You may find the following documents useful for further explanation on specific issues:

GST Act 2021

GST Regulations 2022

GST Guide

Specific Sector Guides

## 1.0 INTRODUCTION

This Guide is intended to provide step-by-step instructions on completing the GST Return Form on-line or hard copy.

- All amounts declared on the return must be in Eastern Caribbean Dollars (XCD).
- Taxable persons are required to submit a nil return if no transactions were conducted during a tax period.
- The GST return is due on or before the 20th of every month or on the next working day if the 20th falls on a weekend or public holiday.
- File and pay on time to avoid penalties and interest.
- Register on the IRD web portal at **services.gov.ai** to manage accounts and file and pay GST online.

## 2.0 INSTRUCTIONS FOR COMPLETING THE RETURN

### 2.1 Section A - Taxable Person Information

**TIN:** Enter the Tax Identification Number (TIN) assigned on your GST certificate

**Taxable Person:** Enter the name of the person (individual or non-individual) registered for GST as indicated on your GST certificate

**Trade Name:** Enter trade name, if any

**Tax Period:** Enter the calendar month to which the return relates

**Due Date:** Enter the date the return is due

### 2.2 Section B - OUTPUT TAX (Supply/Sale of Goods and Services)

#### **Line 1: Exempt Supplies**

Enter the amount of exempt sales made during the period. Refer to Schedule 2 of the GST Act and Regulations for more information on what types of supplies are exempt.

#### **Line 2: Zero-Rated Supplies**

Enter the total amount of zero-rated sales made during the period. Refer to Schedule 1 of the GST Act and Regulations for more information on what types of supplies are zero-rated.

#### **Line 3: Standard Rated Taxable Supplies (13%) – Inclusive of GST**

Enter the total amount of standard-rated taxable sales inclusive of GST charged or chargeable on those sales during the period.

**Line 4: GST Chargeable**

Enter the amount derived using the tax fraction  $R/100 + R$  ie 13/113. This line is calculated automatically if completing the form online.

**Line 5: GST Reversed Charge on Imported Services**

If you paid for imported services during the period (foreign based contractors, consultants, accountants, IT specialists who provided services on site or remotely, etc.), enter the amount of GST payable by you on the services by multiplying the amount paid to the supplier by the GST rate i.e. 13 %.

**Line 6: Adjustment for the Period**

Enter the sum of any adjustments pertaining to previous period(s). For example, if a debit note was issued or a credit note was received in the period, enter the GST amount on the debit and/or credit note on the adjustment line.

**NOTE ON ADJUSTMENTS**

If there were adjustments made during the current period, corresponding to sales/purchases that were reported in a previous period for which a debit note or a credit note was issued to other GST registrants, then use the adjustments lines in the form to account for the adjustments. Otherwise, if both the sale/purchase as well as the corresponding adjustment occurred in the current period, incorporate the adjustment into the lines reserved for sales and purchases.

**Line 7: Taxable Supplies (Exclusive of GST)**

Enter the sum of lines 2 and 3 minus line 4. If completing the form online, this figure will be calculated automatically.

**Line 8: Total Supplies (Exclusive of GST)**

Enter the sum of lines 1 and 7. This line is calculated automatically if completing the form online.

**Line 9: Total Output Tax**

Enter the sum of lines 4, 5 and 6. This line is calculated automatically if completing the form online.

## 2.3 Section C – INPUT TAX (Imports and Purchases)

**Line 10: Value of Domestic Purchases of goods and services including capital goods (exclusive of GST)**

Enter the total value, excluding GST, of all domestic purchases of goods and services during this period. Include all purchases such as zero-rated and exempt supplies, regardless of whether GST has been charged on the supplies. Also include the value of any services related to capital expenditure; for example, the cost associated with the installation and servicing of machinery; overheads for utility services such as electricity, water, telecommunications etc.

**Line 11: GST Paid on Domestic Purchases**

Enter the amount of GST paid or payable to local suppliers on domestic purchases of goods and services for business use during this period. All claims for GST paid or payable on local purchases must be evidenced by a proper tax invoice.

**Line 12: Value of Imports of Goods and Services including Capital Goods (Exclusive of GST)**

Enter the total value, excluding GST, of imported goods and services, whether capital or consumables during this period. Include all imports that have been cleared, including exempt imports, regardless of whether duties and GST have been charged on the imports. Also include the value of all services imported whether physically or remotely.

**Line 13: GST paid on Imported Goods and Services**

Enter the amount of GST paid at Customs on imported goods and the reverse charge GST on imported services declared at Line 5. Please note that all claims for GST paid on imported goods **must** be evidenced by a Customs Declaration (Entry). GST reversed charge may be evidenced by a signed contract between the importer and service provider or a bank statement showing payment made to the service provider. Reverse charge GST must be apportioned if mixed supplies are provided.

**Line 14: Total Amount of Claimable Input Tax**

Enter the sums of lines 11 and 13. This line is calculated automatically if completing the form online.

**Line 15: Adjustment for the Period**

Enter any adjustments pertaining to previous periods. For example, if the Output Tax in the previous periods was overstated (credit note issued), or if the Input Tax in the period was understated (debit note received), enter the amounts on this line.

**Line 16: Total Input Tax**

Enter the sum of lines 14 and 15. This line is calculated automatically if completing the form online.

**NOTE ON INPUT TAX**

If you provide mixed supplies (taxable and exempt supplies), calculate and include the amount of claimable input tax after apportionment at lines 11, 13 and 15. Please refer to the Input Tax Apportionment Calculation at section 4.0 of this guide to calculate input tax claimable on mixed supplies. Make sure to exclude any input tax directly relating to the provision of exempt supplies/sales or that is not reclaimable under Section 24 of the GST Act.

## 2.4 Section D: GST Liability or Excess Credit

### **Line 17: GST Payable or Excess Credit**

Enter the amount of GST payable or excess credit for the period (line 9 minus line 16). You may enter a negative figure for this line indicating an excess credit. If completing the form online, this line is calculated automatically.

### **Line 18: GST Credit Carried Over from Prior Taxable Period**

Enter the amount of the excess credit carried over from previous periods that is available for use in this period. This line is calculated automatically if completing the form online.

### **Line 19: Net GST Payable or Excess Credit**

Enter the net GST payable or excess credit available (line 17 minus line 18). You must remit GST payable by the due date to avoid penalties and interest. Excess credit is carried forward to the next three (3) tax periods, and you may apply for a refund if the remaining excess credit is EC\$1,000 or more at the end of the third tax period. If you are completing this form online, the system will automatically carry forward the excess credit.



## 3.0 PENALTIES AND INTEREST

Late filing and payment (after the 20th of the month or the next working day if the 20th falls on a weekend or public holiday), are subject to penalties and interest as follows:

### Late filing Penalty

- a) \$500 per day for each day or part thereof that the return remains outstanding; or 10% of tax payable for each month or part thereof that the return remains outstanding; whichever is greater.
- b) The penalty imposed at (a) must not exceed the amount of tax payable in respect of the return.
- c) Provisions at (a) apply if the late return filed is nil or a credit return.

### Late Payment Penalty and Interest

- a) Late payment penalty is 20% of amount due; and
- b) Interest is 1% of amount due for each month or part thereof that the amount remains outstanding.

**A Notice of Assessment indicating the total amount of tax, penalties and interest will be issued to taxable persons at the time of filing. Taxable persons are encouraged to file and pay on time to avoid accrual of penalties and interests.**

# 4.0 GST INPUT TAX APPORTIONMENT CALCULATION (PARTIAL EXEMPTION METHOD)

## 4.1 How to use the Apportionment Formula?

Section 25(3)(c) of the GST Act provides for the apportionment of input tax credit, where the purchases are used to provide mixed supplies, that is, both taxable and exempt supplies.

For example, DEF Store is a bookstore that sells both exempt and taxable supplies. DEF Store receives an electricity bill with input tax payable of EC\$2,500. Given that electricity is used throughout the store, DEF cannot claim the full amount of input tax payable on the bill. The GST Act provides for the use of the apportionment formula to determine the amount of input tax reclaimable by DEF in this instance.

The formula is as follows:-

$A \times B/C$  where:

A = Input tax

B = Value of taxable sales (zero rated and standard rated sales exclusive of GST)

C = Value of total sales (taxable and exempt sales exclusive of GST)

## 4.2 Example - Calculation of Apportionment of Input Tax

Calculation - Apportionment of Input Tax		
Copy Line 7 from the GST Return Form (Total amount of taxable supplies)	B	106,194.69
Copy Line 8 from the GST Return Form (Total amount of all supplies)	C	126,194.69
Divide Line B by Line C. If Line X is 0, enter 0 here	X	0.84
If Line X is more than 0.90, enter 1, otherwise enter the figure from Line X on Line Y	Y	0.84
Enter the total input tax used in providing mixed (taxable and exempt) supplies on Line A	A	2,500.00
Multiply Line Y by Line A to derive portion of input tax reclaimable – Line F		
Include this amount in calculating the total amount on Line 11 (or on Line 13 if input tax relates to imports) of the GST Return Form	F	2,100.00

Based on the example, DEF Store can only claim \$2,100.00 of the \$2,500.00 in input tax paid on the electricity bill, since 84% of the items sold in the store are taxable items.

# 5.0 SAMPLE GST RETURN FORM

## GST Return Form

### Section A - Taxable Person Information

TIN:

Taxable Person:

Trade Name:

Tax Period:

Due Date:

**Note:** Enter all amounts in Eastern Caribbean Dollars (XCD)

### Section B - OUTPUT TAX (Supply/Sale of Goods and Services)

Exempt Supplies	1	0.00		
Zero-rated Supplies	2	0.00		
<b>Taxable Supplies at Standard Rate (13%)</b>				
Value inclusive of GST	3	0.00		
GST (L3 X (R/100+R ie 13/113))			4	0.00
Reverse Charge GST on imported Services			5	0.00
Adjustment for the period			6	0.00
<b>Supplies, excluding GST</b>				
Taxable Supplies (L2 + L3 - L4)	7	0.00		
Total Supplies (L1+ L7)	8	0.00		
<b>TOTAL OUTPUT TAX (L4 + L5 + L6)</b>			<b>9</b>	<b>0.00</b>

### Section C - INPUT TAX (Imports and Purchases)

#### Domestic Purchases

Value of Domestic Purchases of consumer goods and services including capital goods (exclusive of GST)	10	0.00		
GST paid on Domestic Purchases			11	0.00

#### Imports

Value of Imports of consumer goods and services including capital goods (exclusive of GST)	12	0.00		
GST paid on Imported Goods and Services			13	0.00
<b>Total Amount of Claimable Input Tax (L11+L13)</b>			<b>14</b>	<b>0.00</b>
Adjustment for the period			15	0.00
<b>TOTAL INPUT TAX ( L14+L15)</b>			<b>16</b>	<b>0.00</b>

### Section D - GST Liability or Excess Credit

<b>GST Payable or Excess Credit (L9 - L16, can be negative)</b>			<b>17</b>	0.00
<b>Excess Credit carried over from prior taxable period</b>			18	0.00
<b>Net GST Payable or Excess Credit (L17- L18)</b>			<b>19</b>	<b>0.00</b>

### Section E - Penalties and Interest

Late filing and payment are subject to penalties and interest as follows:

- 1) *Late Filing:* a) \$500 per day for each day or part thereof that the return remains outstanding; or 10% of tax payable for each month or part thereof that the return remains outstanding; whichever is greater. b) The penalty imposed at (a) must not exceed the amount of tax payable in respect of the return. c) Provisions at (a) apply if the late return filed is nil or a credit return. 2) *Late Payment:* a) Penalty - 20% of amount due b) Interest - 1% of amount due for each month or part thereof that the amount remains outstanding.

A Notice of Assessment indicating the total amount of tax, penalties and interest will be issued to taxable persons at the time of filing. Taxable persons are encouraged to file and pay on time to avoid accrual of penalties and interests.

### Section F - DECLARATION

I \_\_\_\_\_, hereby certify that the information submitted is true, accurate and complete in every respect and I further declare that I have the legal authority to submit this return.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



## **CONTACT US**

For more information, feel free to contact the Inland Revenue Department at [gst@gov.ai](mailto:gst@gov.ai) or [inlandrevenue@gov.ai](mailto:inlandrevenue@gov.ai).

Please visit our website at [ird.gov.ai](http://ird.gov.ai) for the most current publications on GST.

Website: [ird.gov.ai](http://ird.gov.ai)

Email: [inlandrevenue@gov.ai](mailto:inlandrevenue@gov.ai)

Telephone: (264) 497-8334

Address: Inland Revenue Department

Former NBA Building

P.O. Box 60

The Valley

Anguilla, AI-2640