

These notes are for guidance only. They reflect the Law and the Department's position at the time of publication. They do not replace the Legislation or affect your Rights of Appeal about your tax position.

If in doubt, consult the Inland Revenue Department, VAT Section.

Each leaflet covers just one topic. Other leaflets you may find useful include:

What is VAT?

Should I be registered for VAT?

How to register for VAT?

After Registration

Basic Supply Rules

Mixed Supply Rules

Accounting for VAT

Reporting the VAT

Penalties and Offences under the VAT Act

VAT Legislative Overview

VAT and the Consumer

Filing VAT Returns

VAT Documents

Input Tax Deductions

VAT & Entertainment

Transitional Provisions

You can get further help and forms and information leaflets from the Inland Revenue Department in Castries, Vieux Fort and Soufriere or The VAT Section, Manoel Street, Castries.

Filing for VAT



For further information contact us at:

Tel: (758) 468 1420

Email: vatcoordinator@vat.gov.lc

vatinfo@vat.gov.lc

Website: www.vat.gov.lc

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The purpose of this leaflet is to provide taxpayers with basic information for filing VAT returns.

Persons Eligible For Filing VAT Returns

All registered taxpayers are required by law to file monthly VAT returns. You may decide to appoint a representative to deal with the Inland Revenue Department (IRD) on your behalf, concerning all your VAT affairs.

If you choose to appoint a representative to act on your behalf you must inform IRD in writing. If you already use a representative to deal with IRD on other tax matters, you may use that representative to deal with your VAT affairs, however you must notify IRD. You are still legally responsible for submitting your returns and liable for paying any VAT due on time.

Submission Of VAT Returns

VAT Returns must be filed by the 21st day of every month, following the tax period to which they relate, whether or not tax is payable. If the 21st falls on a weekend or public holiday, the return is due on the following working day. Any return received thereafter will be considered LATE and penalties will apply. Therefore, VAT returns for the month of September should be filed on or before October 21st.

Penalties And Interest Charges For Late Filing And Late Payments

If you file your return or make a payment after the due date, you are liable to the following:

• Late Filing

A penalty of two hundred and fifty dollars (\$250.00) per month or part of the month, for the period during which the return remains unfilled;

• Late Payment

Penalty: A late payment penalty of ten percent (10%) of the tax due where the payment is not made by the due date;

Interest: Interest at the rate of 1.25% per month or part thereof for the period during which it remains unpaid.

Extension For Filing

VAT taxpayers who wish to have an extension to file, should write to the Comptroller of IRD requesting permission before the deadline for filing, stating clearly the reasons for their request. If granted, the late filing penalty will be waived but the late payment penalty and interest charges would still apply. VAT taxpayers may consider paying a fraction of the amount that is due, since the late payment penalty and interest would only be calculated on the outstanding balance.

Failure To Submit VAT Returns

If you do not submit a VAT Return, the Inland Revenue Department (IRD) will conduct an audit to assess your tax liability and issue an assessment on that basis. If after the assessment is raised and you still do not comply, either by paying or filing the correct return, IRD will commence its collection and enforcement actions.

Submission Of An Incorrect Return

If you have filed a VAT Return with an error, you should contact the IRD immediately. You should complete and submit the Form VAT 003a "Disclosure of Errors in VAT Return Filed" as soon as possible to the IRD.

Your application should specify in detail the following:

- The reasons or circumstances that gave rise to the alteration or addition,
- The amount of the error and
- The overall tax unpaid, understated or refundable.

Penalty For Filing An Intentional Inaccurate VAT Return

A registered taxpayer who willfully evades or attempts to evade an assessment, payment or collection of tax commits an offence.

This person is liable on summary conviction to a fine not exceeding **one hundred thousand dollars** or imprisonment for a term not exceeding three years or to both.

The registered taxpayer must also pay the correct VAT due and any applicable interest, in addition to the penalty.

GENERAL DO'S AND DON'TS

DO!

- Submit your VAT return and payment, unless you are paying in person, in an addressed envelope to the Inland Revenue Department.

- Submit your VAT return with all payments due to be received no later than the 21st day following the tax period for which you are submitting the return. All payments are to be made to the Inland Revenue Department in Castries, Vieux Fort or Soufriere. Please make cheques payable to "Accountant General".

- Complete all boxes. Write an amount in each box or the word "NIL" where appropriate.

- Correct any mistakes by crossing the amount then insert the correct amount and initial the amendment.

- Enclose negative amounts in brackets.

- Complete all sections of your VAT return. The taxpayer receipt (the perforated section) will be returned to you as evidence of payment.

DON'T!

- Alter the details already printed on the return, particularly the dates. If any of these are wrong or you have a query, contact the VAT Section by telephone or in writing.

- Use any of the boxes or areas that are labeled "For Inland Revenue Use"

- Write anything else on the return

- Send cash with your return in the post. Remember that it is your responsibility to ensure the VAT return is received by the IRD by the due date. The Department will use the postmark as the date the VAT return and payment was made.

- Use staples to attach cheques, postal orders, bank drafts or managers cheques to your return.

- Complete boxes 10 and 12 unless you are an importer or have imported goods.

- Submit your return or payment to the VAT Section on Manoel Street in Castries.