

Inland Revenue Department

Technical Note

VAT Guidelines - Treatment of Approved Charitable Organisations

Overview This Technical Note gives guidance on Treatment of Approved Charitable Organisations under the *VAT Act No.7 of 2012*.

Disclaimer 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.

Section 59 (3) of the VAT Act states that "The Minister, may by Regulations authorise the grant of a refund of tax paid on a supply of an unconditional gift of goods or services to an approved charitable or organisation for use in connection with the organisation's charitable purposes other than for resale."

In the VAT Regulations, "approved charitable organisation" means the following organisations:

- (a) Upton Garden Girls' Centre
- (b) St. Lucia Ex-Servicemen League
- (c) St. Lucia Association for Retarded Children
- (d) Marian Home
- (e) St. Lucy's Home
- (f) Adelaide/Frances Memorial Home
- (g) St. Lucia Blind Welfare Association
- (h) Deaf Association
- (i) National Council for the Disabled
- (j) Villa St. Joseph
- (k) St. Lucia Red Cross
- (l) Home for Abandoned Children/Foster Care
- (m) Council for Elderly
- (n) Children's Home at Ciceron
- (o) Cornerstone Humanitarian Society
- (p) St. Lucia Cancer Society
- (q) St. Lucia Sickle Cell Association

- (r) Kiwanis Club
- (s) Rotary Club
- (t) Rotaract Club
- (u) Lions Club
- (v) Leo Club
- (w) St. Vincent de Paul Society
- (x) St. John's Ambulance Brigade
- (y) Friends of the Mentally Challenged
- (z) Saint Lucia Scouts Association
- (aa) Saint Lucia Girl Guides Association
- (bb) Saint Lucia Cadet Corps

In the instance where Food, Clothing, and Medication are **donated** to the approved charitable organisations, it will be treated as being made for no consideration, and therefore the value of the supply is nil (Section 20(5) of the VAT Act). Further, the person that donated these items to the approved charitable organisation will not be denied the input tax credit for this supply.

However, in the instance where a vehicle, or item of significant value, is supplied to the approved charitable organisation as an unconditional gift of goods or services, then the VAT must be paid, and will be refunded in accordance with Section 59(3) of the VAT Act.

FOR FURTHER INFORMATION

For further information please contact the VAT Section at the following address:

The VAT Section
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