



TAXES

Presented By

The St. Kitts-Nevis Inland Revenue Department

Introduction

- ▶ The Inland Revenue Department was established in 1967 to collect taxes on behalf of the Government of St. Kitts & Nevis.
- ▶ Where is the Inland Revenue Department (IRD) located?
 - ▶ The IRD is located on the Bay Road in Basseterre, upstairs the General Post Office.



What Are Taxes?

- ▶ Taxes are monies charged on goods and services, that are paid by individuals or businesses.

Some taxes that the Inland Revenue Department administer are;

1. Corporate Income Tax (CIT)
2. Property Tax
3. Value Added Tax (VAT)
4. Unincorporated Business Tax (UBT)

Corporate Income Tax (CIT)

- ▶ CIT is a tax charged on a company's profit at a rate of 33%.
- ▶ CIT is paid annually, and it is due 3.5 months after the company's year end.
- ▶ Corporate Income Tax filings are submitted with supporting financial statements which should follow International Accounting Standards.



Property Tax

- ▶ Property Tax is charged on the market value of your land and property (Buildings or Houses).
- ▶ Property Tax is paid by businesses or individuals who own land or property in St. Kitts and Nevis.
- ▶ Property Tax is due by June 30th, of each year.
- ▶ Property Tax is paid at the following rates;

Residential / Home	2%
Commercial/ Business	3%
Accommodations/ Hotel	3%
Schools & Churches (Exempted)	0%
Agriculture (Exempted)	0%



Value Added Tax (VAT)

- ▶ Value Added Tax is charged on goods and services consumed within the Federation.
- ▶ Exempt Supplies
 - There are some goods and services that are not subjected to VAT.
 - Examples of exempted goods and services are;
 - Educational Services
 - Medical Services
 - Medicine for chronic diseases
 - Agricultural products from local farmers
- ▶ VAT is paid by individuals and businesses.
- ▶ VAT is charged at three rates;
 - Zero rated (0%) Eg: Milk, Sugar, Flour, Bread, Pampers
 - Ten percent (10%) Eg: Hotel Accommodations, Restaurants and Tours
 - Seventeen percent (17%) Eg: Cars, Beds, Food, Clothes, Lawyer fees.



Unincorporated Business Tax (UBT)

- ▶ Unincorporated Business Tax is charged on the total earnings of individuals and partnerships.
- ▶ UBT is charged at a rate of 4% and it is paid quarterly.
- ▶ Businesses engaged in the sale of goods, are given a deduction amount of \$37,500.00.
- ▶ Businesses engaged in the sales of services are given a deduction amount of \$6,000.00.
- ▶ Examples of Unincorporated Businesses;
 - Doctors
 - Lawyers
 - Accountants
 - Small Businesses



What Are Taxes Used For?

- ▶ When taxes are paid, it goes into a fund, where the government distributes it to pay for many different projects that can benefit the citizens of St. Kitts and Nevis.

Examples:

- ▶ Student Education Learning Fund: SELF Program (Textbooks)
- ▶ Salaries of the Fire and Police Officers and Teachers
- ▶ Construction of Community Centres
- ▶ Providing school meals daily
- ▶ Providing medication for the elderly citizens
- ▶ Road and sidewalks construction



ACTIVITY

- ▶ Place the following steps in order by creating a flow-chart:
- ▶ Tax is charged
- ▶ Government pays people to build and maintain roads
- ▶ Government decides how to spend the tax money
- ▶ People buy food
- ▶ Government collects taxes



FLOW CHART ANSWERS



People buy food



Tax is charged



Government collects taxes

Government decides how to spend the tax money



Government pays people to build and maintain roads



Thank you for reading

