

TAX ADMINISTRATION JAMAICA (TAJ)New Year
New Measures**Changing the way we do business****From:** Commissioner General TAJ
To: Our Valued Stakeholders

Tax Administration Jamaica (TAJ) in an effort to serve the Jamaican people has made a commitment to service and country. Over the past year we have displayed the new direction of TAJ in this fluid business economic environment. We have been more than equal to the tasks that came with this paradigm shift, as change has been a constant feature throughout our history.

As we continue to change the way we do business, through legislative changes and the continued transitioning of our organisation, TAJ has raised the bar to becoming a world class Tax Administration in so many ways.

Through focus and determination and steadfastness we will continue to serve as an administration which is more transparent, customer driven and consists of a team of professionals, skilled and equipped to making it easier to do business with us.

Team TAJ is here to serve and will continue to do so. These may be difficult times, but Tax Administration Jamaica stands ready to work together to serve your **EVEN** better.

We welcome the feedback of our stakeholders as we continue to change the way we do business.

A happy and productive 2013 to all!

Ainsley Powell
Commissioner General (Acting)

NEW YEAR, NEW MEASURES.

As announced by the Hon. Minister of Finance and Planning to Parliament during the 2012-13 Budget presentation and reiterated in the tabling of the White Paper on Tax Reform, several new measures take effect on **January 1, 2013**.

Taxpayers will see changes relating to:

- ⇒ **Income Tax Threshold**
- ⇒ **Corporate Tax Rate**
- ⇒ **Assets Tax structure**

Income Tax Threshold

The annual Personal Income Tax (PIT) threshold or tax-free income has increased from \$441,168 to **\$507,312**, with the rate being retained at 25%. The change in the threshold means that the corresponding threshold per periodic payment is as follows:

- ⇒ \$9,756 weekly
- ⇒ \$19,512 fortnightly
- ⇒ \$42,276 monthly

Corporate Income Tax (CIT)

The statutory Corporate Income Tax (CIT) rate is adjusted for consistency with the standard Personal Income Tax (PIT) rate, in keeping with international benchmarks. The CIT rate structure is modified as follows:

- ⇒ The rate is reduced to 25% for unregulated companies.
- ⇒ The rate is retained at 33½% for regulated companies, including those regulated by the:
 - ⇒ Financial Services Commission (FSC)
 - ⇒ Office of Utilities Regulation (OUR)
 - ⇒ Bank of Jamaica (BOJ)
 - ⇒ Ministry of Finance and Planning (MOFP)

Individuals and unregulated companies are advised that the new threshold and tax rate are not to be applied in computing their final income tax for assessment year 2012. However it should be used in computing the estimated income tax for assessment year 2013.



Dr. The Hon. Peter Phillips, Min. of Finance and Planning in his 2012-13 Budget presentation in Parliament, on

Assets Tax

The law has been amended to introduce new rates and bases for the computation of Assets Tax.

Specific Regulated Entities - a rate of 0.14% is to be applied to the taxable value of assets. This applies to deposit taking institutions, insurance companies and securities dealers regulated by the BOJ and FSC, respectively.

The bases for determining the value of assets will differ based on the type of entity, as per:

BOJ Regulated: Aggregate Value of Assets minus [IFRS and Prudential Loan Loss Provisions] minus Withholding Tax Receivables owed by GOJ minus Required Capital.

FSC Regulated - Security Dealers: Aggregate Value of Assets minus Regulatory Capital minus Withholding Tax Receivables owed by GOJ.

FSC Regulated - Insurance Companies: Total Asset minus Withholding Tax Receivables owed by GOJ minus Required Capital.

Other Entities - the tax is payable as follows:

- ⇒ Assets Value of Under \$50,000 \$ 5,000
- ⇒ Assets Value of \$50,000 but < \$500,000 \$ 25,000
- ⇒ Assets Value of \$500,000 but < \$5M \$ 50,000
- ⇒ Assets Value of \$5M but < \$50M \$ 75,000
- ⇒ Assets Value of at least \$50M \$100,000

Due date - Filing and payment of Assets Tax is now due March 15, based on assets in preceding year (2012).

Tax advisory bulletins are being finalised detailing these new tax measures.

Reaching Out to Our Customers



Customer Care Agent, Tatika Fisher speaks with a visitor to the TAJ Booth at the Civil Service Expo, November 2012.

As part of our commitment to **changing the way we do business**, TAJ recently embarked on an increased drive to educate the public on the wide range of services it offers and new tax measures introduced. This effort focuses on engaging taxpayers through a series of customer service activities, all geared towards sensitizing and maintaining contact with customers.

The outreach sessions are being delivered to taxpayers through the media of small information fairs to larger expositions, as well as through seminars and workshops. Also, in a novel move, over the holiday period the TAJ took to the streets with its message, handing out flyers in the busy business districts across the island, encouraging voluntary compliance.

Taxpayer Education Teams have delivered sessions which have focused on:

- ⇒ E-Filing
- ⇒ GCT
- ⇒ Income Tax
- ⇒ Property Tax
- ⇒ TRN Registration
- ⇒ Motor Vehicle Information
- ⇒ General Tax information.

The ongoing island wide drive, which started mid-year 2012, goes into communities, business places, schools and homes to talk tax with the citizenry.

The new Tax Administration Jamaica has realigned operations to better service the needs of our clients in this changing economic environment.

Taxpayer Education Activities

This area has been enhanced and teams assigned in each Revenue Service Centre to:

- ⇒ Visit businesses and associations
- ⇒ Visit educational institutions, under our Schools' Tax Education Programme (STEP)
- ⇒ Market services, particularly e-services
- ⇒ Conduct Advisory Visits
- ⇒ Conduct Registration Audits
- ⇒ Conduct workshops, seminars, expos

As we begin the start of the new calendar year, more emphasis will be placed on reaching out to our customers.



Flyer Distribution



JBDC Expo



May Pen Expo



SPECIAL TAXPAYER ASSISTANCE PROGRAMME

January - March 2013
INCOME TAX FILING PROGRAMME

January to March is usually a very busy time on the Tax Calendar and this year is no different. During this period Tax Administration Jamaica (TAJ) will host its annual Special Taxpayer Assistance Programme.

This service offers free preparation of income tax returns and guidance to small business operators earning under \$3,000,000. Business persons and individuals, such as shopkeepers, landlords, taxi and bus operators, dressmakers, hairdressers, electricians, plumbers and farmers are invited to visit any of the over 200 planned "tax help" sessions to take advantage of the service to meet the March 15 Income Tax due date.

The sessions will be held at several locations across the island, such as:

- ⇒ Tax Offices
- ⇒ Community Centres
- ⇒ Church Halls
- ⇒ School Auditoriums
- ⇒ Branch Libraries
- ⇒ Court Houses

Representatives from TAJ will be available to sit with individuals and small business operators to help them prepare their tax returns.

Self-employed persons and operators of small businesses who wish to use the service should take along the following:

- ⇒ Taxpayer Registration Number (TRN);
- ⇒ Bank statements;
- ⇒ Purchase invoices;
- ⇒ Expense receipts/bills;
- ⇒ Sales records;
- ⇒ Utility bills; and
- ⇒ Any other relevant information to verify income and expenses.

Details of all venues, dates and times for the sessions will be communicated, once they are finalized, via www.jamaicatax.gov.jm or by contacting the Tax Administration Customer Care Centre at 1-888-TAX-HELP (1-888-829-4357) or any Tax Office.

Announcements You May have Missed in 2012



Merrick Sadler (left) - Technical Specialist - TAJ and Jennifer Smith - General Manager Montego Bay Revenue Service Center share a light moment with Joe Hylton, Immediate Past President of the Hospitality Financial & Technology professionals) at a presentation to the group in Montego Bay, to introduce Guest Accommodation Room Tax (GART)

TRN Requirement for Overseas Transactions

In December it was announced that effective **January 1, 2013** the requirement for persons residing or operating from overseas to have a Taxpayer Registration Number (TRN) to transact business with the tax authority in Jamaica will be fully enforced. This will particularly impact persons processing transactions, such as land transfers and mortgages, through the Stamp Duty and Transfer Tax Section of TAJ.

Guest Accommodation Room Tax

The Guest Accommodation Room Tax (GART) came into effect on **September 1, 2012**. This means that operators of guest accommodations falling in any of the following categories, are now required to collect and remit the tax on a new prescribed form, whether or not they are licensed under the Tourist Board Act:

- ⇒ Bed & Breakfast
- ⇒ Villas & Apartments
- ⇒ Motels
- ⇒ Guest Houses
- ⇒ Resort Cottages
- ⇒ Time-shares

Operators of guest accommodations must pay over the tax on any room (furnished for sleeping) occupied per night or shorter duration, on or before the end of the following month as follows:

- ⇒ US\$1 for accommodations between 1 and 50 rooms.
- ⇒ US\$2 for accommodations between 51 and 100 rooms.
- ⇒ US\$4 for accommodations exceeding 100 rooms.

New GCT standard rate and other GCT measures

On **June 1, 2012** the standard rate for GCT was reduced to 16.5%, down from 17.5%. Adjustments were also made to GCT on electricity, as well as goods now attracting GCT. The zero-rated and exemptions lists are available on

TAJ's website
www.jamaicatax.gov.jm

Consolidated Employer's Annual Return (S02) Introduced

TAJ partnered with NHT and NIS to introduce ONE FORM, ONE PLACE and ONE DATE for the filing of annual payroll returns by March 31. The new **Employer's Annual Return (S02)** replaces:

1. C4 – Employer's Annual Return: Declaration and Certificate (NIS/NHT)
2. IT06 – Employer's Annual Return PAYE (Income Tax)
3. IT06 – PAYE Employer's Annual Return Schedule 5 & 6
4. ET02 – EDTAX Self-Employed Annual Return with employees)
5. ET03 – EDTAX Organisation Annual Return
6. Deduction Cards

Employers, particularly those with many employees, are encouraged to use the online option to file.

STARS OF THE EAST

In the wake of Hurricane Sandy and subsequent flood rains, the tax offices in the eastern end of the island encountered serious challenges.



Annotto Bay

Due to roof damage, flooding and mud the Port Maria, Annotto Bay, Buff Bay, Port Antonio, Morant Bay and Port Maria Tax Offices had to close for several days.



Buff Bay

The staff of the affected tax offices must be commended for their efforts of effecting repairs and assisting in the clean up exercises. Team leaders and staff literally rolled up their sleeves to get the offices back in order in record time to cater to customers.



Port Maria

The many customers of these locations must also be thanked for their patience and understanding, for any inconvenience experienced during the period.



e-SERVICES

POINT, CLICK, IT'S THAT QUICK!



Tax Administration Jamaica
Working together to serve you **EVEN** better

Contact our Customer Care Centre 1-888-TAX-HELP (829-4357)
www.jamaicatax.gov.jm / www.jamaicatax-online.gov.jm



Tax Administration Jamaica

DO YOU REMEMBER JANUARY 14?

EMPLOYERS!

Remember to pay and file your monthly
payroll deductions for December
(S01).

SELF-EMPLOYED PERSONS!

Remember to pay and file your annual
Education Tax returns (ET01).

FILE AND PAY ONLINE THE EASY WAY



Tax Administration Jamaica

ARE YOU READY FOR MARCH 15?

**COMPANIES, SELF-EMPLOYED PERSONS,
ORGANISATIONS AND EMPLOYED PERSONS
(WITH OTHER SOURCES OF INCOME)!**

**Remember to pay and file your Final Income Tax
and Estimated Income Tax returns by March 15.**

REGISTER TODAY AND FILE ONLINE THE EASY WAY.



14th DAY OF EACH MONTH

Pay & file EMPLOYER'S MONTHLY
STATUTORY REMITTANCE OF
PAYROLL DEDUCTIONS (S01)

LAST DAY OF EACH MONTH

Pay & file GENERAL CONSUMP-
TION TAX (GCT) RETURN

MARCH 15th

Pay and file FINAL INCOME TAX
RETURN for previous year.

File ESTIMATED INCOME TAX
RETURN for current year.

File ASSETS TAX RETURN
(companies)

MARCH 15th, JUNE 15th, SEPTEMBER 15th & DECEMBER 15th

Pay estimated Income Tax quarter-
ly payments

MARCH 31ST

File EMPLOYER'S ANNUAL RETURN
(S02)

APRIL 1ST

Pay PROPERTY TAX

FOR MORE INFORMATION

Tax Administration Jamaica (TAJ) would be pleased to provide you with more information about our programmes, projects, time lines, plans and contract opportunities. If you are interested, please contact:

Communications Unit

PCJ Building (4th Floor), 36 Trafalgar Road,
Kingston 10, Jamaica, W.I.,

CUG: 577-9417, Tel.: 754-6700 or 908-3404, Fax: 754-9593, email: communications@taj.gov.jm

We will continue to engage our stakeholders in discussions and provide regular updates.