Tax Administration Jamaica

TAJ keeping you informed

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Oct - Dec 2015

TAX ADMINISTRATION JAMAICA (TAJ)

Changing the way we do business

Tax Measures Implemented Q3
WTSS
RAiS - Phase 2

From: *Commissioner General*
To: *Valued Stakeholders*

We are now more than six months into the 2015-16 financial year, during which we implemented and published our National Compliance Plan (NCP).

As outlined in the NCP, greater emphasis is being placed on our compliance model of SERVICE, EDUCATION and ENFORCEMENT, as a driver for voluntary compliance. Our team has used this to develop progammes and work plans.

Results so far show that we are currently on target with our revenue collections. We urge you to become and remain compliant and to let us know if you are experiencing a difficulty.

At this time TAJ is also focussed on modernising it's technology platform. We will shortly be rolling out phase 2 of our Revenue Administration Information System (RAiS). This will further enhance eServices, as well as aid the TAJ in its compliance activities. We will ensure that you are kept abreast of all developments.

We commit to continue building on the partnerships we have with you our valued stakeholders.

Ainsley Powell
Commissioner General

Recently Introduced
TAX MEASURES

The 2015/16 tax measures have varied implementation dates. During the quarter ending September 2015 several compliance and tax measures were implemented, aimed at strengthening our operations, widening the tax net and ultimately improving compliance.

The following legislative and/or policy amendments were implemented, after discussions with interest groups, led by MOFP Tax Policy and TAJ.

⇒ Environmental Protection Levy
⇒ Zero-Rating Online Processing
⇒ Withholding Tax on Specified Services

Environment Protection Levy

The Environmental Protection Levy (EPL) which took effect on July 1, 2015, required domestic manufacturers to remit returns not later than August 31, 2015. Arising out of a series of consultations with key stakeholders, GOJ has revised the filing of returns by manufacturers to the last working day of October, 2015. Consistent with the new Act, domestic manufacturers are being advised to pay careful attention to the conditionalities of the Income Tax Act:

- Pursuant to Part III of the First Schedule of the Income Tax Act:
- Persons who are engaged in the transformation of raw materials or intermediate goods into a new or distinct good are manufacturers and must charge the EPL (the EPL must be charged whether or not you are currently registered with Ministry of Industry, Investment and Commerce (MIIC). ·

All manufacturers are permitted to account for the EPL imposed effective July 1, 2015 on

Donna Newman, Technical Specialist updating stakeholders on the implementation of the WTSS

their September quarterly return due on the last working day of October 2015.

Manufacturers who incurred EPL at the ports on productive inputs, which have been used, or are to be used in the manufacturing process, will have the EPL paid, available as a credit when accounting for the tax on their return in October 2015.

Manufacturers who purchased goods from local manufacturers for use in their production process and paid the EPL are eligible for a credit when accounting for the tax.

Zero-rating Online Processing

As of September 1, 2015 entities qualified for zero-rating, such as schools, charities and embassies, are now required to request zero-rating approval letters online using the TAJ Eservice facility at www.jamaicatax.gov.jm. Invoices are therefore no longer stamped "zero-rated" at a tax office, but instead zero-rating approval/rejection letters are generated electronically as part of the online process.

Business persons and suppliers are also able to confirm the validity of transactions which have been approved for zero-rating, by logging on to TAJ's Enterprise Portal at www.jamaicatax.gov.jm and entering username and password. Once logged-in, a supplier can click on the link for "zero rating validation" and enter the letter ID, to confirm if it is valid.

TAX MEASURES (cont'd)

Withholding Tax on Specified Services

A Withholding Tax on Specified Services (WTSS) was introduced on September 1, 2015. This targets persons liable to income tax but are non-compliant.

The WTSS is imposed on specified services at a rate of 3%. However the taxpayer is entitled to claim as a tax credit, the amount withheld in the year of assessment. Any excess credit for that year of assessment may be claimed, as a refund or be carried forward to be utilised in a future year of assessment.

Tax Withholding Agents (TWA) required to collect the WTSS, in this initial phase, are:

⇒ Financial Institutions regulated by the Bank of Jamaica (BOJ) and the Financial Services Commission (FSC),

⇒ Tourism operators, utility and cable companies with annual gross revenue exceeding five hundred million dollars ($500,000,000), including any entity with such revenue that is exempt from the payment of Income Tax.

⇒ Statutory Bodies/Authorities, Ministries, Executive Agencies or any Agency or Department of Government are also liable to withhold.

Service providers who are tax compliant will not have the 3% WTSS deducted from payments to them. Compliance means the Income Tax return for the previous year is filed; income tax is paid in full; or an arrangement is in place with TAJ to pay outstanding amount.

In an effort to ensure that stakeholders are kept abreast of these changes and to assist them in understanding their rights and obligations, several stakeholder engagements have been held to educate and inform the public. These efforts are complemented by communications activities in traditional and on social media, as well the publication of brochures and other material to guide taxpayers. It should be noted that all print material is available on the TAJ website at www.jamaicatax.gov.jm.

THINGS TO NOTE

Online Filing

On **December 7, 2015** taxpayers will be able to use the same platform to file ALL major tax types. This will make it easier to file all returns online. Remember Large Taxpayers are mandated to file ALL returns online; Employers are also mandated to submit annual Employers Return S02 online. TAJ is still on a drive to register persons to file online.

Garnishment & Liens

Garnishment and liens will be implemented **December 7, 2015**. As a result TAJ will garnish monies and register liens on taxpayer's properties for outstanding liabilities.

Demand Notices

As of **December 7, 2015**, one (1) Demand Notice will be generated for all tax types, including debts for NHT, NIS and HEART statutory deductions and contributions.

A Demand Notice will be generated twice monthly, to reflect multiple due dates, where there are outstanding balances. Taxpayers will be able to view Demand Notices online via e-Services.

Tax Arrear Write-Off Update

Taxpayers will be able to confirm their status via their e-Service account **as of December 7, 2015.**

Application of Interest & Penalties

As of **January 1, 2016** interest will be calculated on Education Tax, NHT, NIS and HEART. Interest will be computed on all outstanding tax upon the filing of the return. The agencies will no longer wait until taxpayers are brought before the court to charge interest on this tax type and these contributions.

These changes will be automatically applied with the implementation of the enhanced Revenue Administration Information System (RAiS).

SPECIFIED SERVICES

⇒ Accounting

⇒ Auditing

⇒ Catering

⇒ Consultancy - professional service by persons who are not acting in the capacity of an employee

⇒ Decorating

⇒ Engineering (e.g. Architectural, electrical, mechanical and structural)

⇒ Entertainment

⇒ Information technology

⇒ Janitorial

⇒ Laundry

⇒ Landscaping

⇒ Legal

⇒ Management -

⇒ Repairs and maintenance – e.g. to equipment and motor vehicles

⇒ The rental or leasing of motor vehicles or equipment

⇒ Transportation, haulage or tours

Any other service specified by the Minister by order published in the Gazette.

Mark your calendars!
Phase 2 of the implementation of TAJ's new Revenue Administration Information System (RAiS) is set for rollout on December 7, 2015.

RAiS Phase 2 (R2) will integrate other tax types and eServices, aimed at making it easier for persons to transact business with TAJ. The additional tax types are:

⇒ Income Tax - Individual & Corporate
⇒ Payroll Taxes & Contributions including:
- National Insurance Scheme (NIS)
- National Housing Trust (NHT)
- HEART (HRT)
- PAYE

⇒ Education Tax
⇒ Asset Tax
⇒ Minimum Business Tax

R2 will come with several other improvements and changes geared at enhancing taxpayer contact. These improvements will create efficiencies in the areas of refunds processing, collections, customer service interactions and the way in which transactions are processed.

TCC Validation
At R2 rollout taxpayers will be able to submit their TCC applications online. ***A TCC letter will be given instead of a certificate***. The TCC details can be accessed and validated by visiting TAJ's website. To validate and access the details the user would enter the TRN and TCC #.

An individual or organization that needs to verify the authenticity of a TCC will also be able to visit TAJ's website to do so.

Note: All TCCs will be processed at the customer level, on the main TRN, therefore branches must be compliant for a TCC Letter to be issued. Tax Compliance letters will be printed on regular paper.

New e-Services Features
Once registered for eServices, R2 will allow taxpayers to access online services:

⇒ Apply for Income Tax Exemptions
⇒ Request approval for tax-free Travelling Allowance
⇒ Generate a Statement of Accounts
⇒ Creating a payment plan automatically
⇒ e-Filing and e-Payments

Other Changes
Other R2 changes to affect taxpayers include:

⇒ Taxpayers can request that their refund be used to offset a liability on a different account within RAiS.
⇒ One Demand Notice will be issued for all tax types including statutory deductions and contributions.

Non-Log-on e-Services
TRN eApplication: In an effort to fast track the TRN Application process, taxpayers will be able to initiate this process online. They will be able to complete the e-Application online and upload the supporting documentation in preparation for in office validation and TRN collection.

Zero-rating upgrade: Bulk upload of invoices for zero-rating can be done. Taxpayers will however be required to request access to this facility.

FAQs
ON THE NEW REVENUE ADMINISTRATION INFORMATION SYSTEM

Q. Will the system be available during the switchover?
A. During the lead up to the December 7 rollout of R2, TAJ will temporarily take several eServices offline to facilitate the upgrade. The processing of TRN, TCC and Zero-rating will also be suspended or be limited December 2-6, 2015. Persons are therefore advised to access these services prior to the "blackout" period or to delay these transactions.

Q. What are the eServices now available through RAiS?
A. R1 rolled out in February introduced enhanced web services related to GCT, SCT, GART & TCT, such as:
- *viewing filing and payment history*
- *requesting a refund*
- *objecting to an assessment*
- *ACH (Automatic Clearing House) Payments direct bank payments*

These services will also be expanded to the taxes to be rolled out in R2.

Q. Will TAJ be offering any assistance to guide taxpayers on RAiS?
A. Yes. As was done for R1, TAJ will be having stakeholder sensitisation sessions across the island. "How To" instructions will also be made available.

Exemption Certificate

News

INCOME TAX FORMS

Income Tax Forms used for year of Assessment 2014 will continue to be used for the year of Assessment 2015, due on March 15, 2016.

FATCA SUBMISSION

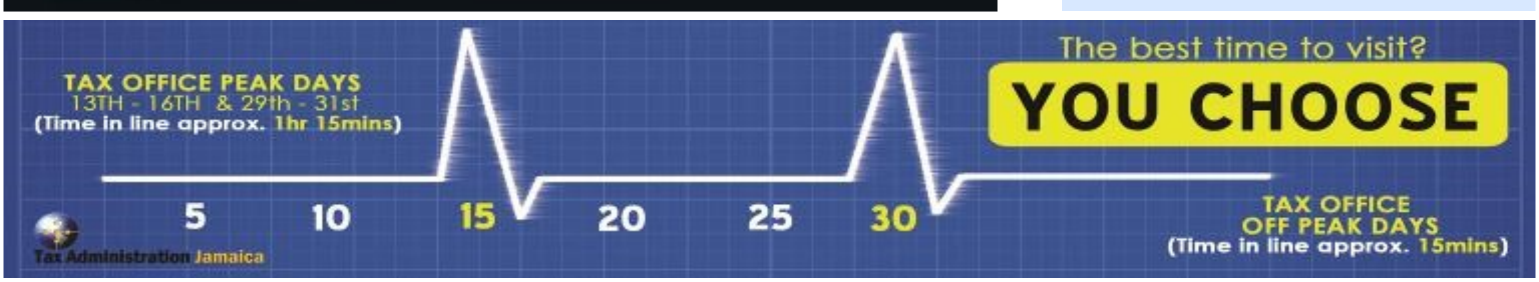
TAJ successfully transmitted reports electronically to the US-IRS by September 30, 2015, in compliance with the Inter-government Agreement under the Foreign Account Tax Compliance Act (FATCA). This followed months of preparations, including several critical legal changes, systems upgrades and sensitisation of stakeholders, which were undertaken as a prerequisite to facilitate the smooth exchange of information in the time and manner required .

INCREASED ENFORCEMENT

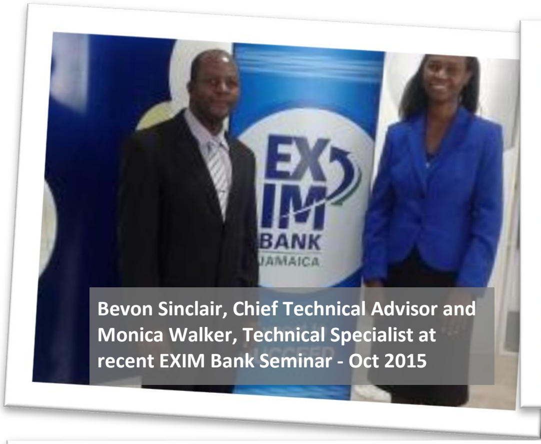
TAJ has stepped up enforcement actions against delinquent taxpayers. This includes arrests for warrants of disobedience. Such cases have been publicized. Persons with returns or payments outstanding are advised to get in touch with the nearest tax office to make suitable arrangements.

RELOCATION

The Falmouth Tax Office has been relocated to the William Knibb Baptist Church Educational Centre, 28 King Street, Falmouth, Trelawny. The contact numbers remain unchanged at Tel: 954-3218 or 617-5873 Fax: 617-5210.



TAJ Out & About


Bevon Sinclair, Chief Technical Advisor and Monica Walker, Technical Specialist at recent EXIM Bank Seminar - Oct 2015

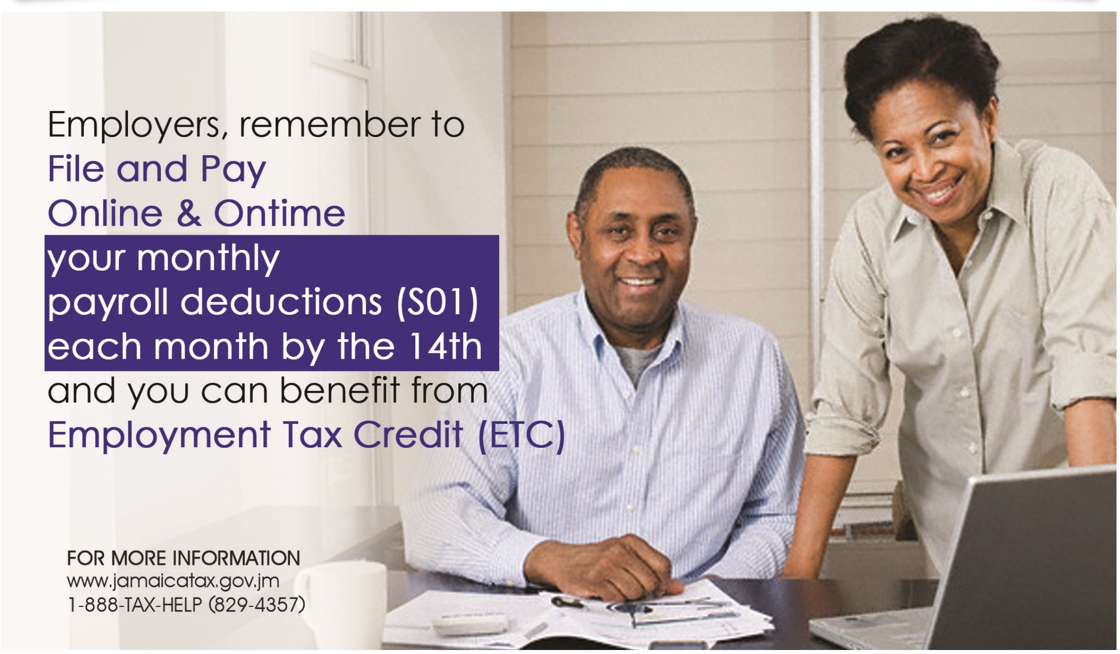

Adrian Nelson, Senior Legal Officer TAJ at a Workshop on FATCA - Aug 2015


TAJ Taxpayer Education Officers meet with Dennis Chung, Past President of ICAJ at 50th Anniversary Expo - Jul 2015


#TeamTAJ reps explain how the Environmental Levy will operate at a workshop for Stakeholders in Aug 2015


Ainsley Powell CG addressing questions at ICAJ Taxation Seminar - Sep 2015


Meris Haughton, Director Communications participates in Hotline interview at Public Sector Customer Service Awards Ceremony - Oct 2015.



our passion

TAXPAYER EDUCATION


Taxpayer Education Officers assisting customers at an information session.

Taxpayer Education is a critical component of our compliance model. As a result, focus is placed on the work carried out by the Taxpayer Educations Teams assigned to the various Revenue Service Centres, as well as the support provided by the Technical Specialist and Communications Units to inform and educate our diverse stakeholders.


The JBDC Mobile Business Clinic mobile unit rolls into communities across the island & TAJ is always on board.

TAJ has expanded its Taxpayer Education Programme by partnering with the Jamaica Business Development Corporation (JBDC) in its Mobile Business Clinic initiative. This allows us to engage with small and medium existing and potential business persons identified by the JBDC.

Persons may contact the Communications Unit via email at communications@taj.gov.jm or by phone at 922-8742 to request TAJ's participation in seminars, expos or workshops.

Tax Administration Jamaica

RAiS

Pardon us

as we upgrade to Phase 2 of our Revenue Administration Information System to serve you EVEN better

* Balances will not be updated on web view until December 7
* Traffic Ticket and Property Tax options will still be available online

DATE	TRANSACTION/ SERVICES	ACCESS	NOTE
Dec. 2	TRN, TCC, E-Services, Zero-rating	No Service	Service not available online or at tax offices
Dec. 3 - 4	TRN, TCC	Limited Service	
	E-services	8am - 6pm	
	Zero-rating	No Service	
Dec. 5 - 6	E-Services	No Service	

Portmore Tax Office CLOSED Saturday, December 5

#ExperienceTheUpgrade

WWW.JAMAICATAX.GOV.JM
1-888-TAX-HELP (829-4357)
Working together to serve you EVEN better

November
AGENDA

The TAJ team will be kept very busy during the month of November as we continue our thrust to increase taxpayer education, through stakeholder engagements.

Some activities on the calendar are:

Nov 4
Incorporated Master Builders of Jamaica Expo at the Jamaica Conference Centre

Nov 13
Young Entrepreneurs Association Expo at the Jamaica Pegasus - Gardens

Nov 16 - 21
Jamaica Business Development Corporation Global Entrepreneurship Week at various locations (see ad opposite)

Nov 17
Civil Service Week Expo at Emancipation Park.

Nov 17
Hospital Financial & Technology Professionals (HFTP) Quarterly Meeting – at Round Hill Hotel

Nov 22
Pharmacy Council of Jamaica Seminar at Medallion Hall Hotel.

Nov 23
Jamaica Chamber of Commerce Board Meeting.

Nov 26
Development Options Ltd - Introduction to Enterprise Workshop presentation at the ICAJ

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: 839-9417, Tel.: 922-8742, Fax: 754-9593, email: communications@taj.gov.jm

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