

TAX ADMINISTRATION JAMAICA

National Compliance Plan

FINANCIAL YEAR 2025/26

"An educated taxpayer and one who receives the relevant assistance is a more compliant taxpayer"



Tax Administration **Jamaica**

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INTRODUCTION

Tax Administration Jamaica's (TAJ) National Compliance Plan (NCP) gives taxpayers; the Ministry of Finance; and other stakeholders insight into the Registration; Audit; Filing and Payment Compliance; as well as Taxpayer Services and Education activities that will be undertaken during Financial Year (FY) 2025/26. Outlining TAJ's priorities in advance will allow taxpayers the opportunity to review their operations to ensure compliance with the relevant revenue laws and to seek assistance from the Department, where necessary.

TAJ's continued commitment is to provide a customer-centric tax authority from which taxpayers can readily and easily obtain relevant taxpayer education and services, so that they can be properly enabled to carry out their statutory obligations – that is to say, ensure that they are registered for all tax types for which they have obligations; accurately complete and file all Returns/obligations by the stipulated due dates; and pay all amounts declared. Taxpayers' voluntary compliance is further fostered when one considers that all tax returns are required to be filed online; also, TAJ has put in place a myriad of digital platforms, to facilitate online payment of liabilities.

TAJ's audit and compliance activities for FY 2025/26 will be the usual risk-based approach. The programmes will be consistent, intelligence-led, and complemented with appropriate taxpayer education and assistance to allow for better interaction with the taxpayer population. The National Compliance Plan will be informed by pertinent data and compliance trends to encourage voluntary compliance and deter non-compliance.

The Authority will continue its stride to improve fairness and confidence in the Tax Administration. It will be open, transparent, and accountable for all its actions and that of its staff. The staff will conduct themselves with a high degree of competence, integrity and professionalism; thus promoting the Authority's reputation as a world class tax authority.

EXECUTIVE SUMMARY

For the upcoming Financial Year, Tax Administration Jamaica has designed a diverse range of registration; taxpayer services and education; audits and compliance activities to help the Authority better understand compliance behaviour; encourage and support voluntary compliance; deter non-compliance; and inform initiatives to support its compliance objectives.

Activities include:

- **Registrations:** These programmes are two-fold. On the one hand they seek to identify and pursue companies and individuals who ought to be registered for a particular tax type (and are not), for compliance purposes. Arising from the foregoing is that the compliance actions could result in a new taxpayer, (individual or company being brought to the tax roll for the first time); or a taxpayer with a new tax type obligation. *For compliance purposes, a taxpayer is the person who has the obligation to register, file returns and pay the tax directly to the Commissioner.*

This year's registration programmes will focus on bringing more "*high wealth taxpayers*" into the tax net (new taxpayers); as well as, registering existing taxpayers for additional tax type liabilities such as General Consumption Tax; and Contractor's Levy (*real estate developers*).

- **Taxpayer Services and Education:** There will be a strong focus on taxpayer education and services. Taxpayer education will be disseminated via various media – telephone; webinars; workshops; face- to-face seminars; advisory visits and other one-on-one engagements; web messages; printed materials; print, audio and visual public media; video tutorials and other materials placed on TAJ's website.

A set of new taxpayers will be selected for special intervention, where they will be educated on their rights and obligations as taxpayers. Additionally, taxpayer education programmes will be offered to the wider public in relation to General Consumption Tax (GCT); Pay As You Earn (P.A.Y.E.); Property Tax; and Employment Tax Credit (ETC). Taxpayers operating within the Special Economic Zones (SEZ) are also expected to benefit from taxpayer education engagements.

As it relates to taxpayer services, TAJ offers several internet kiosks and filing centres to assist taxpayers who do not have access to a computer to submit their Returns. Furthermore, the Special Taxpayer Assistance Programme (STAP) is dedicated to assisting taxpayers without any audit/accounts representation to file their annual (final) Returns. Additionally, there are a multitude of alternative electronic payment platforms of which taxpayers can avail themselves, to pay their liabilities, and avoid long lines in the Tax Offices. These facilities will be promoted continuously and taxpayers will be invited to utilize them, and will be given any assistance or guidance needed.

Taxpayers are able to communicate with the Authority via several channels: telephone; email; web messages; WhatsApp; Instagram; Facebook Messaging; Twitter.

- ***Audit and Investigations:*** The audit and investigation programmes are designed to improve the completeness and accuracy of Returns submitted. Inter alia, it is expected that these programmes will cause taxpayers to be better educated on tax matters, complete tax returns correctly, and accurately report their tax liabilities; the ultimate benefit being reduced tax losses and increased tax liabilities will be declared.

Audit and investigation interventions will involve a mixture of audit approaches in order to attain the desired audit coverage – single audits; integrated audits; and issue based (or limited-scope audits). The audit and investigation programmes will focus on Company Income Tax (CIT); Individual Income Tax (IIT); Pay As You Earn (P.A.Y.E./*payroll*); General Consumption Tax (GCT); and Special Consumption Tax (SCT). The programmes are also designed to identify and treat with tax cheats and

those taxpayers who continue to flout the revenue laws with impunity, by either refusing to comply, or by carrying out various offences. The various tax legislations empower the Commissioner to pursue criminal sanctions against persons who have breached a particular tax provision, or committed a stipulated offence, and where applicable, these persons will be prosecuted accordingly.

- ***Filing & Payment Compliance:*** Taxpayers are expected to file all returns/obligations and other required documents by the due dates stipulated, and to pay all amounts declared. To improve compliance, as it relates to on-time filing and payments, TAJ will utilize telephone calls and web messages to remind taxpayers to file and pay on-time, or remind them, if they have failed to do so. Demand Notices will be sent, where failure to comply is continuous and ultimately taxpayers will be issued with summonses for failure to file and/or failure to pay (taken to Court).

REVIEW – FY 2024/25

PART I: DOMESTIC REVENUE PERFORMANCE

Tax Administration Jamaica's (TAJ) revised net revenue target for FY 2024/25 was **\$590.4B**. This is in keeping with the 3rd Supplementary Estimates. For the FY, net collections totalled **\$590.8B**, which was 100.1% of target. Net collections from Company Tax, PAYE, SCT, Education Tax and GCT accounted for approximately **\$543.8B** or **92%** of total collections. Revenue collections for March amounted to **\$110.4B**; this was **83.7%** of the monthly target.

Domestic revenue performance continues to outpace the broader macroeconomic environment. Year-over-year growth of **9.8%** surpassed the combined outturn for GDP growth and inflation - two key determinants of revenue collections. This growth in domestic revenue has persisted despite contractions in other significant areas, such as remittances.

According to the Statistical Institute of Jamaica (STATIN), the point-to-point inflation rate from March 2024 to March 2025 was **5.0%**. Additionally, the Bank of Jamaica's (BOJ) Monetary Policy Committee, in its February 2025 decision, projected that the Jamaican economy will contract by between **0.5% and 1.5%**. For the period April 2024 to January 2025, the BOJ also reported an **11.8%** decline in total remittance inflows.

In light of these economic contractions, the continued growth in domestic revenue collections is most likely attributable to increased compliance amongst taxpayers.

Table 1 shows an overview of revenue performance for the Financial Year. Year to date (YTD) collections of **\$590.8B** were **\$389.3M** above target and **\$52.6B** or **9.8%** above the comparative period last FY.

Property Tax collections for the period totaled **\$9.9B**, which was **\$539.8M** above the corresponding period last year.

Table 1: Overview of Domestic Revenue Performance

	FY 2024/25				FY 2023/24	Change - FY 2024/25 vs FY 2023/24	
	Actual	Target	Difference - Actual vs Target		Actual		
Domestic Revenue (\$m)							
Qtr. 1	133,623.2	133,687.6	(64.4)	0.0%	118,141.5	15,481.7	13.1%
Qtr. 2	127,399.0	127,437.3	(38.3)	0.0%	123,553.1	3,845.9	3.1%
Qtr. 3	126,449.5	120,620.5	5,829.0	4.8%	119,574.3	6,875.2	5.7%
Qtr. 4	203,367.0	208,704.0	(5,337.0)	-2.6%	176,932.8	26,434.2	14.9%
FY	590,838.7	590,449.4	389.3	0.1%	538,201.7	52,636.9	9.8%
Refunds Paid (\$m)							
Qtr. 1	4,868.1	4,500.0	368.1	8.2%	5,635.1	(767.0)	-13.6%
Qtr. 2	4,396.0	4,500.0	(104.0)	-2.3%	3,965.0	431.0	10.9%
Qtr. 3	4,900.4	4,500.0	400.4	8.9%	4,382.1	518.3	11.8%
Qtr. 4	2,540.3	4,500.0	(1,959.7)	-43.5%	2,961.8	(421.5)	-14.2%
FY	16,704.8	18,000.0	(1,295.2)	-7.2%	16,944.0	(239.2)	-1.4%
Property Tax (\$m)							
Qtr. 1	4,746.3	4,454.8	291.5	6.5%	4,352.0	394.3	9.1%
Qtr. 2	1,601.6	2,023.2	(421.7)	-20.8%	1,667.5	(65.9)	-4.0%
Qtr. 3	1,465.4	1,685.1	(219.7)	-13.0%	1,285.3	180.1	14.0%
Qtr. 4	2,111.9	2,268.5	(156.5)	-6.9%	2,080.6	31.3	1.5%
FY	9,925.2	10,431.6	(506.3)	-4.9%	9,385.5	539.8	5.8%

Sources: TAJ - Revenue Account, FMDU, MoFPS

Chart 1: Net Collections vs Net Targets – (\$M)

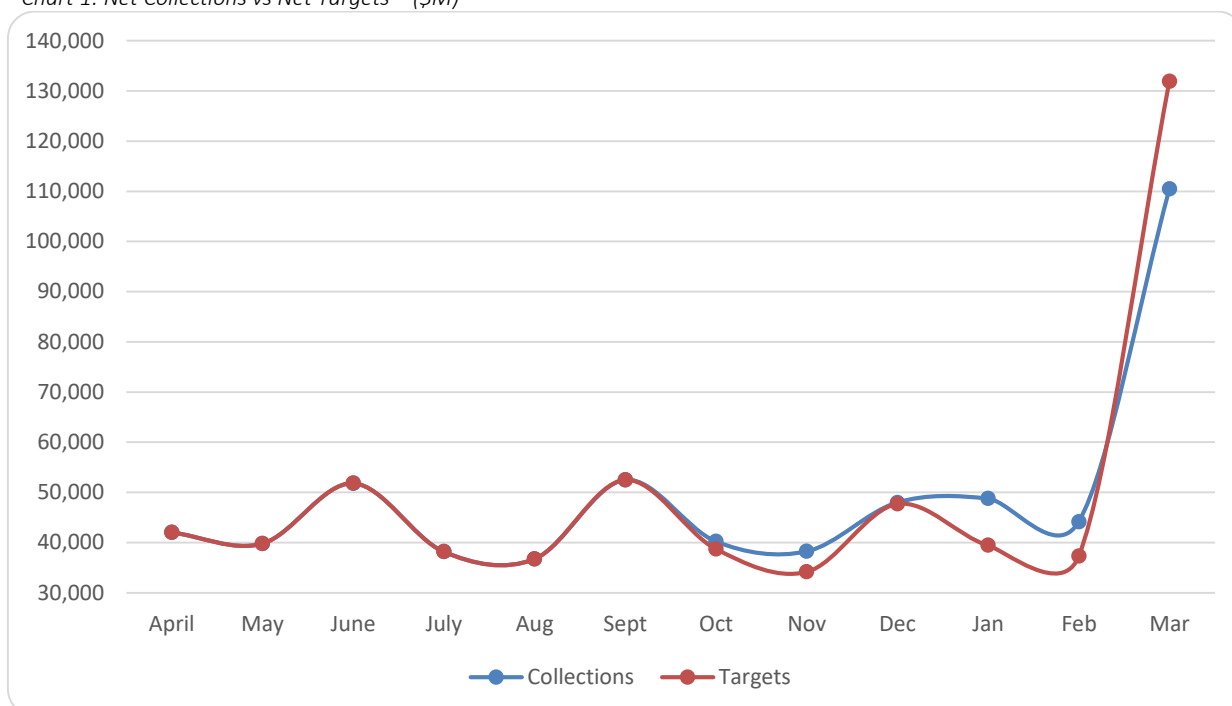


Table 2 shows the monthly performance against targets for seven (7) years. The highlighted areas indicate the times collections exceeded targets.

Table 2: Performance against Targets¹

	FY	FY	FY	FY	FY	FY	FY
	24/25	23/24	22/23	21/22	20/21	19/20	18/19
Apr	99.9%	99.9%	98.0%	99.9%	100.0%	99.9%	99.9%
May	100.0%	100.0%	100.3%	100.0%	99.9%	100.0%	100.0%
June	100.0%	100.0%	101.5%	99.7%	99.3%	100.0%	100.0%
Qtr. 1	100.0%	100.0%	100.1%	99.8%	99.7%	100.0%	99.9%
July	100.0%	100.0%	104.8%	100.0%	100.0%	100.0%	100.0%
Aug	100.0%	99.9%	95.5%	99.9%	100.0%	100.0%	100.0%
Sept	100.0%	100.0%	93.8%	100.0%	100.1%	100.0%	100.0%
Qtr. 2	100.0%	99.9%	97.7%	100.0%	100.0%	100.0%	100.0%
Oct	100.0%	100.0%	96.0%	99.9%	100.0%	100.0%	100.0%
Nov	100.0%	100.0%	91.7%	96.9%	100.1%	99.9%	100.0%
Dec	98.4%	100.0%	96.6%	100.0%	100.1%	100.9%	100.0%
Qtr. 3	105.1%	100.0%	95.1%	99.0%	100.0%	100.3%	100.0%
Jan	123.4%	119.0%	96.4%	106.7%	106.3%	103.7%	100.0%
Feb	118.3%	93.6%	96.9%	110.9%	92.9%	105.5%	111.9%
Mar	83.7%	78.0%	98.0%	108.5%	93.6%	97.0%	92.2%
Qtr. 4	95.9%	90.1%	97.4%	108.6%	96.4%	100.7%	98.4%

¹ FY 2023/24 performance adjusted in accordance with revised Net Revenue Targets from 3rd Supplementary Budget (Revised)

FY	100.1%	96.5%	97.5%	102.6%	98.7%	100.3%	99.5%
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Sources: TAJ - Revenue Accounts, MoFP.

PART II: TAXPAYER SERVICES AND EDUCATION ACTIVITIES

TAJ continued its thrust to provide quality taxpayer education and services to its customers to facilitate voluntary compliance. Special attention was given to the following areas of tax compliance as it was determined that taxpayers were having difficulties, or were likely to have difficulties, complying with the tax laws efficiently.

- **New Taxpayers** – approximately 5% of new taxpayers registered in FY2023/24 were engaged in one way or another, providing them with taxpayer services and education to assist them to know their rights as taxpayers and provide the necessary resources needed for them to carry out their taxpayer obligations and voluntarily comply with the tax laws. These engagements were carried out through registration verifications, telephone calls, and/or advisory visits.
- **Zero Rated Supplies** – The General Consumption Tax Act provides for input tax to be charged at a rate of zero percent in specified instances. Zero Rating allows approved entities to obtain goods and services, which normally attract GCT at a positive rate, at a rate of zero percent (0%). In other words, when a supply is zero-rated the GCT payable on that supply is in effect nil, thereby, reducing the cost of those goods and services to those approved persons.

The process allows for approved taxpayers to complete an application online with the submission of a Purchase Order (which may also be in the form of a letter, accompanied by a Pro Forma Invoice), via TAJ's Tax Portal. The entry is expected to include the name and correct TRN of the supplier, the stamp of the organization seeking approval, and a description of the cost of the items to be purchased.

Several common issues have been identified, which frequently lead to rejected applications. Rejected applications represent additional wait time and frustration to taxpayers, as the applications usually have to be resubmitted for approval after corrections.

TAJ engaged approximately 300 taxpayers with respect to this issue, with a view to reduce the gap in taxpayer knowledge and seeks to address the most common issues identified by assisting approved entities submitting zero rated requests to better understand the process and requirements, thereby reducing the instances of rejected applications.

- **On-Time Filing of Tax Returns** – The Department continued its drive to move more taxpayers toward timely compliance as it relates to the prompt submission of tax Returns and obligations by the due dates stipulated. Taxpayers found to be habitual late filers (submitting multiple Returns late for the previous Financial Year) were engaged to ascertain the reason(s) for their tardy compliance and to offer relevant taxpayer education and services, to facilitate improved timely compliance.

The overall on-time filing rate for the different tax types and taxpayer segments for FY 2024/25 are set out below.

Table 3: Filing Rates for Tax Types and Segments

	FILING RATES FOR TAX TYPES AND SEGMENTS					
	TAX TYPES					
	CIT	IIT	PAYE	GCT	SCT	GART
Large	86.95%	40.00%	80.95%	80.40%	90.64%	91.01%
Upper Medium	73.22%	36.76%	71.99%	72.97%	100.00%	86.03%
Medium	65.39%	30.00%	62.73%	66.73%	52.14%	72.34%
Small	60.30%	30.23%	51.57%	60.75%	69.33%	68.08%

Micro	50.65%	10.47%	28.14%	34.41%	40.63%	68.34%
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E-Services

TAJ continued to strengthen its eService facilities. This year's emphasis was placed on the filing of Trade and Business Licences, as well as, the expansion of available online payment channels. Over 24,000 additional taxpayers were registered to file Returns electronically.

The volume and value of e-payment transactions facilitated by TAJ is set out below. The different digital payment channels and the taxes or services, which can be paid using them are also depicted below.

TAJ's Quest Towards Full Digital Payments

Table 4: Payment Methods Utilized by Taxpayers 2024-2025

PAYMENT METHODS UTILIZED BY TAXPAYERS 2024-2025				
Payment Type	Count	% of Total	Value \$	% of Total
Cash	2,517,378	46	16,810,186,425.19	2
Other Inline	1,445,550	27	69,508,256,147.76	9
eFunds Transfer	12,716	0	6,676,214,890.89	1
DFT	193,655	4	471,124,642,771.71	62
Other Online	1,232,026	23	202,271,955,411.09	26
Total	5,433,663	100%	\$787,120,241,734.82	100%

TAJ's DIGITAL PAYMENT OPTIONS

 Tax Administration Jamaica Working together to serve you EVEN better Online Payment Options  			
Account (Tax) Type	TAJ Online Portal	Scotiabank	NATIONAL COMMERCIAL BANK JAMAICA LIMITED
Assets Tax	✓		✓
Composition Stamp Duty	✓		
Consumption Lic. - (S.C.M)		✓	
Contractors Levy	✓	✓	✓
Corporate Income Tax	✓	✓	
Dishonoured Payment Fee	✓		
Education Tax	✓	✓	
Elec. Lighting Law (Issue/Ren)			
Environmental Protection Levy	✓		✓
Factory Reg Fee	✓		
Gaming	✓	✓	✓
Gaming Machine - Annual Levy	✓		
Gaming Premises Levy	✓		
GCT Withholding	✓	✓	✓
General Consumption Tax	✓	✓	✓
General Drivers Licence	✓		
Guest Accommodation Room Tax	✓	✓	✓
HEART	✓	✓	✓
Individual Income Tax	✓	✓	✓
Lottery	✓		✓
Lottery Premises Fee	✓		
Minimum Business Tax	✓		✓
Motor Cycle Fitness Cert Fee	✓		✓
MV Fitness Cert (Truck)	✓		
MV Fitness Cert Fee	✓		
MV Licence Duty	✓		
National Housing Trust	✓	✓	✓
National Insurance Scheme	✓	✓	✓
Partnership Income Tax	✓		✓
Pay As You Earn	✓	✓	✓
Private Drivers Licence	✓		
Property Tax	✓	✓	✓
Racing	✓		
Special Consumption Tax	✓	✓	✓
Sports Betting	✓		
Stamp Duty	✓	✓	✓
Telephone Calls Tax	✓	✓	✓
Trade and Business Licence	✓	✓	✓
Traffic Ticket	✓		
Trailer & Tractor Cert. of Fitness Fee	✓		
Transfer Tax	✓	✓	✓
Travel Agencies Fee	✓		
Unclaimed Lottery Winnings	✓		
Withholding Miscellaneous	✓	✓	✓
Withholding Tax on Dividends	✓	✓	✓
Withholding Tax on Interest	✓	✓	✓
Withholding Tax on Specified Services	✓	✓	✓

Table 5: TAJ's Digital Payment Options

Special Taxpayer Assistance Programme (STAP)

The Special Taxpayer Assistance Programme (STAP) is an annual initiative conducted by TAJ during the last quarter of the financial year (January to March). The programme seeks to provide crucial taxpayer education and compliance support to taxpayers, primarily those in the

micro, small, and medium-sized sectors, to assist them in meeting their Income Tax filing and payment obligations by the stipulated 15th March due date.

STAP is integral to TAJ's outreach efforts to encourage voluntary compliance amongst these taxpayer segments. It offers practical support and simplifies the filing and payment processes, thus reducing the barriers to compliance and increasing taxpayers' engagement.

OBJECTIVES

- Enhance voluntary compliance by equipping MSME taxpayers with the necessary tax information to fulfil their obligations during the critical Income Tax Filing period in the last quarter.
- Educate taxpayers on their rights and obligations to foster voluntary compliance and awareness.
- Provide guidance on proper returns completion to ensure accuracy and compliance.
- Assist taxpayers in accurately calculating their statutory deductions.
- Inform taxpayers about the legal requirement to maintain accurate and complete business records for a minimum of six years in English.
- Deliver tailored taxpayer education, services and assistance to individual taxpayers to assist in the filing of the following documents:
 - ✓ Income Tax Returns
 - ✓ Estimated Income Tax Returns
 - ✓ Employers' Annual Returns
 - ✓ Self-Employed Persons' Annual Returns
- Taxpayers were also introduced to TAJ's e-portal, where they became registered for e-services, to facilitate the filing of returns; and where the taxpayers are so inclined, online payment of liabilities.

Taxpayers recently registered with the Companies Office of Jamaica (COJ) who now have a filing obligation were the primary targets for the first phase of STAP. The programme was carried out virtually predominantly; however, sessions were conducted face-to-face at various

Tax Offices, and other public spaces on an appointment basis. Several webinars were also presented, focusing on pensioners, individuals and companies. Additionally, the following tutorials are made available on TAJ's social media platforms for assistance:

- Introduction to Income Tax
- Keeping Proper Books and Records
- How to Complete S04, S04A, S02

PART III: REGISTRATION

This year's programmes included the registration of new taxpayers and additional tax types; deregistration of taxpayers and defunct tax accounts, as well as registration verification. As a result of the varied activities undertaken in the year, the taxpayer population at March 31, 2025, showed an increase of 4.19% and stood at **307,033** taxpayers, with **18%** or **53,733** being organizations and **82%** or **253,300** individuals.

Table 6: Taxpayer Population

TAXPAYER POPULATION	
	Taxpayers
Opening Balance @ April 1st	294,694
# New Taxpayers Registered	17,447
# Taxpayers Deregistered	5,108
Closing Balance	307,033
% Change	4.19%

Table 7: Registered Taxpayers by Tax Types

	CIT	IIT	GCT	PAYE
Opening Balance	36,964	257,183	7,900	35,234
# Accounts Registered	5,904	12,793	1,168	1,584
# Accounts Deregistered	492	531	635	1,415
TOTAL	42,376	269,445	8,433	35,403
	14.6%	4.8%	6.7%	0.5%

PART IV: AUDIT & INVESTIGATIONS

Audit and Investigation verification exercises are carried out to ascertain the correctness of Returns that taxpayers submitted, as it relates to the Income Tax/GCT Payable declared. TAJ conducted nine (9) different audit programmes over the Financial Year for various issues of tax consequences. These audit programmes were executed using a mixture of single audits, integrated audits, and issue-based audits, and spanned all taxpayer segments for the core tax types: Income Tax, GCT and P.A.Y.E. At the crux of the GCT Audit programme was the objective to eliminate huge amounts of tax credits that several taxpayers had suspiciously accumulated annually; some taxpayers have even requested tax refunds.

For the Financial Year the Department achieved an audit coverage of **5.5%** of its large taxpayer segment, and **3.7%** of the medium taxpayer segment. **Two Thousand Eight Hundred and Fifty-Eight (2,864)** audits were completed for the core tax types: Company Income Tax (CIT), Individual Income Tax (IIT), General Consumption Tax (GCT), and Pay As You Earn (P.A.Y.E.), resulting in additional audit assessments, totalling **\$12,388.01B**. The value of audit assessments raised for the core tax types are set out below:

Table 8: Completed Audits by Taxpayer Segments

COMPLETED AUDITS BY TAXPAYER SEGMENTS		
Taxpayer Segments	# of Audits	Amounts Assessed (\$M)
Large	63	8,256.76
Medium	222	2,224.82
Small	304	1,157.73
Micro	1356	631.28
Other	939	117.42
Total	2,884	12,388.01

Table 9: Completed Audits by TAJ's Core Tax Types

COMPLETED AUDITS BY TAJ'S CORE TAX TYPES		
Tax Types	# of Audits	Amounts Assessed (\$M)
Company Income Tax	217	1,685.85
Individual Income Tax	2301	1,101.65
General Consumption Tax	239	8,977.11
Pay As You Earn	101	262.29
Total	2,858	12,026.9

- **Two Hundred Seventeen (217)** taxpayers were audited for Company Income Tax, resulting in additional audit assessments of **\$1,685.85B**. The sectors contributing the greatest audit yield were the Wholesale & Retail Sector, **\$627.9M (37%)**, followed by Real Estate, Renting, and Business Activities, **\$600.5M (35%)**, and the Health and Social Work **\$160.8M (10%)**.
- **Two Hundred Thirty-Nine (239)** taxpayers were audited for General Consumption Tax, resulting in additional GCT assessments totalling **\$8,977.11B**. The Wholesale and Retail Sector again contributed the greatest audit yield, **\$8,092.3B (90%)**.

The majority of taxpayers assessed for GCT this Financial Year were Used Car Dealers who consistently submit inaccurate GCT Returns. They either failed to report on all the motor vehicles they imported and sold and/or failed to properly account for the related output tax. On the other hand, they claimed the related input tax on Imports, and some of them have even applied for GCT refunds.

- **Two Thousand Three Hundred One (2,301)** Individual Income Tax assessments were carried out, amounting to **\$1,101.6B**. The Professional Sector yielded the greatest

audit yield, **\$383.7M (35%)**, followed by Technicians & Associate Professionals, **\$197.1M (18%)**, and Elementary Occupations, **\$189.9 (17.2%)**.

- Pay As You Earn assessments were assessed against **One Hundred One (101)** taxpayers, amounting to **\$262.29M**. Wholesale and Retail Trade Real Estate, **\$89.9M (32%)**, Renting Business Activity, **\$61.6M (23%)**; and Transport & Storage, **\$33M (13%)**.

Table 9 below shows inter alia, the following issues were noted from the Audit and Investigation Reports prepared. Taxpayers continue to: -

- Under-report Taxable Supplies (GCT) and Turnover (CIT/IIT).
- Overstate or improperly claim items for Input Tax (GCT) and Expenses (CIT/IIT).
- Maintain insufficient books and records, especially, as it relates to substantiating claims for Input Tax and Expenses.

Taxpayers are reminded that having proper books and records mitigate against excessive audit assessments and unnecessary dispute resolution. Further, it is actually an offence stipulated under both the Income Tax and General Consumption Tax Acts for which they may be prosecuted in Court. Taxpayers may also be prosecuted for failure to produce books and records when requested by agents of the Commissioner.

The following issues were identified from the PAYE audits completed during the year under review:

- Over and understatement of gross emoluments
- Incorrect tax threshold applied
- Unapproved travel allowances not reported
- Uniform and meal allowances not subjected to tax

TABLE 9: ECONOMIC SECTORS AUDITED

SECTOR	CIT		GCT		IIT		PAYE		GRAND TOTAL	
	# of Audits	Amount Assessed	# of Audits	Amount Assessed	# of Audits	Amount Assessed	# of Audits	Amount Assessed	# of Audits	Amount Assessed
Agriculture, Hunting and Forestry	3	6,066,977	3	24,646,283			2	1,857,267	8	32,570,527
Clerks					219	82,887,560			219	82,887,560
Construction	22	110,096,146	7	47,913,184			7	11,140,019	38	169,149,349
Craft And Related Trades Workers					58	48,222,934			58	48,222,934
Education	1	5,334,032					4	1,882,023	5	7,216,054
Electricity, Gas and Water Supply	1	3,099,382	1	2,694,072					2	5,793,454
Elementary Occupations					356	189,881,335			356	189,881,335
Financial Intermediation	4	52,123,801	1	491,806			8	9,275,981	13	61,891,589
Health and Social Work	9	160,845,678	1	292,406			6	9,824,176	16	170,962,260
Hotels and Restaurants	7	37,374,395	4	36,743,634			4	31,773,769	15	105,891,798
Legislators, Senior Officials And Managers					198	135,239,423			198	135,239,423
Manufacturing	14	36,350,807	15	117,709,480			10	2,076,216	39	156,136,502
none			1	4,414,566	16	19,962,294			17	24,376,860

SECTOR	CIT		GCT		IIT		PAYE		GRAND TOTAL	
	# of Audits	Amount Assessed	# of Audits	Amount Assessed	# of Audits	Amount Assessed	# of Audits	Amount Assessed	# of Audits	Amount Assessed
Other Community, Social and Personal Service Activities	9	18,130,967	2	-35,540,460			10	15,854,066	21	-1,565,427
Plant And Machine Operators And Assemblers					52	11,974,729			52	11,974,729
Professionals					921	383,735,531			921	383,735,531
Public Administration and Defence; Compulsory Social Security	3	6,961,503					1	1,060,045	4	8,021,548
Real Estate, Renting and Business Activities	76	600,478,670	35	555,008,552			28	61,628,027	139	1,217,115,249
Service Workers And Shop And Market Sales Work					105	17,406,922			105	17,406,922
Skilled Agricultural And Fishery Worker					30	15,265,256			30	15,265,256
Technicians And Associate Professionals					246	197,072,917			246	197,072,917
Transport, Storage and Communications	8	21,062,948	8	130,478,577			6	33,016,789	14	184,558,314
Wholesale & Retail; Repair of Vehicle; Prsnl Goods	60	627,928,159	161	8,092,263,990			15	82,906,614	236	8,803,098,762
GRAND TOTALS	217	1,685,853,465	239	8,977,106,090	2,201	1,101,648,903	101	262,294,992	2,752	12,026,903,450

PART V: PAYMENT COMPLIANCE

The top five (5) economic sectors contributing the greatest revenue collections for the core tax types (P.A.Y.E, CIT, ITT, GCT, and SCT) during the Financial Year were Financial Intermediation, Manufacturing, Real Estate, Renting & Business Activities, Wholesale & Retail Trade, and Transport, Storage & Communications, in respective order. Cumulatively, they contributed approximately **67.3%** of the total revenues collected from these tax types.

Domestic Tax Payments by Economic Sector

ECONOMIC SECTOR	COLLECTED REVENUE (\$M)	% OF TOTAL
Financial Intermediation	105,445.26	20.55%
Manufacturing	76,347.01	14.88%
Real Estate, Renting & Business Activities	68,472.51	13.35%
Wholesale & Retail Trade	52,860.03	10.30%
Transport, Storage & Communications	41,922.18	8.17%
Public Administration & Defence	41,434.97	8.08%
Hotels & Restaurants	31,708.35	6.18%
Education	18,754.38	3.66%
Electricity, Gas & Water Supply	16,929.99	3.30%
Health & Social Work	14,323.55	2.79%
Other Community, Social & Personal Services	14,283.46	2.78%
Personal Services	14,129.07	2.75%
Construction	5,906.58	1.15%
Agriculture, Hunting & Forestry	4,765.52	0.93%
Mining & Quarrying	3,741.44M	0.73%
	1,509.05M	0.29%
	474.81M	0.09%
Extra-Territorial Organization & Bodies	16.06M	0.00%
Private Households with Employed Persons	13.93M	0.00%
Fishing	10.29M	0.00%
TOTAL REVENUE COLLECTIONS	513,048.43	100%

Table 10: Domestic Tax Payments

Arrears Management

TAJ utilize a typical collection cycle where the Customer Care Centre officers call taxpayers within the first thirty (30) days of their accounts falling into arrears. If the arrears are still existing thereafter, the matter falls to the attention of compliance officers in the respective Revenue Service Centres who pursue collections using moral suasion, and in the extreme instances, enforcement measures, such as Court proceedings, Garnishment and attachments of liens.

Tax Administration Jamaica

Settle Your Principal Tax Arrears

Special opportunity
ENDING MARCH 31, 2025

DON'T MISS THIS CHANCE!

Pay outstanding principal amount owed through the Special Arrears Settlement Programme and get Interest, Penalties and Surcharges waived for:

- ☐ Corporate & Individual Income Tax
- ☐ Education Tax
- ☐ Pay As You Earn (PAYE)
- ☐ General Consumption Tax (GCT)
- ☐ Special Consumption Tax
- ☐ Asset Tax
- ☐ Partnership Income Tax

Take action now to:

- Resolve your tax obligation
- Prevent enforcement measures

#StayCompliant
#FreshFinancialStart

FOR MORE INFORMATION
www.jamaicatax.gov.jm
888-829-4357

During the last quarter of the Financial Year the Administration introduced a special arrears collection programme, **Special Arrears Settlement Programme, (SASP)** designed to waive/remit Interest, Penalty and Surcharge (IPS) accrued, once outstanding principal taxes were paid by March 31, 2025.

This programme provided an opportunity for all persons and businesses, whether self-employed, company or organisations, to clear their debts, without the additional costs typically associated with late filing and payments related to several tax types and become compliant.

The tax types considered for debt relief were Corporate Income Tax, Individual Income Tax, Education Tax, Pay As You Earn, General Consumption Tax, Special Consumption Tax, Asset Tax, and Partnership Income Tax.

It was expected that the arrears settlement programme would yield **\$10B** in outstanding tax collections, thereby significantly reducing the stock of arrears by March 31, 2025. The programme actually yielded approximately **\$12.2B** as at the end of the Financial Year.

Owing to the overwhelming requests from taxpayers, TAJ extended the deadline of the programme to 31st May 2025.

TAJ's Arrears Collection FYs 2017 – 2025

Financial Years	Arrears Collected (\$M)
FY 17-18	16,062
FY 18-19	15,878
FY 19-20	18,472
FY 20-21	15,081
FY 21-22	14,384
FY 22-23	19,320
FY 23-24	23,501
FY 24-25	35,051

Table 11: Arrears Collected

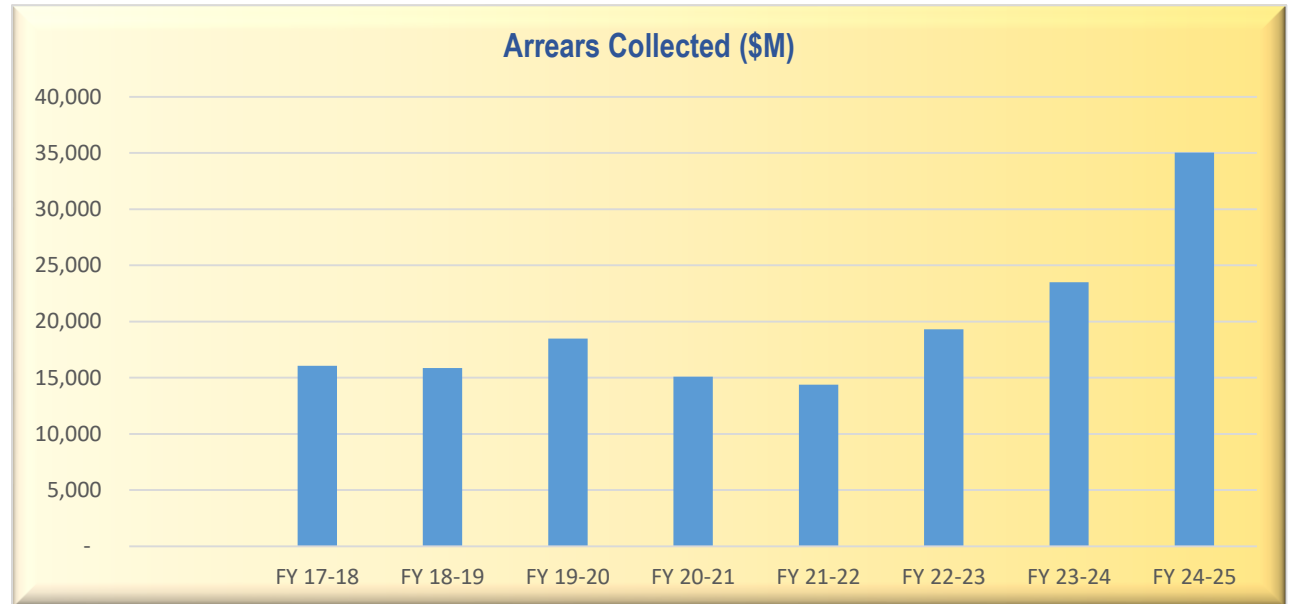


Chart 2: Arrears Collected

Chapter 1: PLANNED ACTIVITIES FY 2025/26

REGISTRATION

A registered taxpayer is defined as that person who has the obligation to register (*where explicitly required*), submit Returns and pay outstanding liabilities as they fall due. Ideally, it is desired that all taxpayers are registered for all the tax types for which they have obligations.

Traditionally, TAJ focuses on five (5) tax types, as its core taxes:

- General Consumption Tax – GCT
- Special Consumption Tax – SCT
- Corporate Income Tax – CIT
- Individual Income Tax – IIT
- Payroll Taxes – P.A.Y.E & Ed. Tax

	AREAS FOR PLANNED REGISTRATION ACTIVITIES	DESCRIPTION OF ACTIVITIES
1.1	New Taxpayers	TAJ will utilize several approaches to identify potential new taxpayers for them to be brought into the tax net. • There will be the usual reliance on Third Party data, to identify individuals and organizations that ought to be registered. • Continued attention will be given to individuals who the TRN database shows applied for TRNs as students, in or before 2013, as well as those identified from the various professional registries, who are not seen on any Employers' Annual Return (S02s) nor have submitted any Individual Income Tax Return, for the last three (3) Years of Assessment. The Department pursues new taxpayers (IIT and/or CIT) either by serving them with Requests to Make a Return or by

	AREAS FOR PLANNED REGISTRATION ACTIVITIES	DESCRIPTION OF ACTIVITIES
		carrying out Estimated Assessments, using available information to make Best Judgment assessments. As it relates to GCT, potential taxpayers will first be invited to voluntarily register, and where they fail to do so, they are “forced registered” by the Commissioner and assessed retroactively, for all the periods the Commissioner can prove they were trading. These potential taxpayers will be selected where there is empirical evidence that they are involved in taxable activities and their gross revenue exceeds Fifteen Million Dollars (\$15,000,000.00) in the previous calendar year.
1.2	High Wealth Taxpayers	Attempts will be made to identify more “high wealth” taxpayers so that they can be included in the tax net. These taxpayers will be identified based on the estimated cost of assets (motor vehicles and/or properties) registered in their names. Assistance will also be sought from TAJ’s tax treaty partners, to identify assets and investments held in foreign jurisdictions, as well as income earned therein (Exchange of Information). For these purposes, <i>high wealth taxpayers</i> are defined as those individuals whose accumulated net worth for the past three (3) Financial Years are estimated to be at least Fifty Million Dollars (\$50,000,000.00).
1.3	Additional Tax Types	Ideally, all taxpayers ought to be registered for all tax types for which they have an obligation to file Returns and make payments. However, review of TAJ’s records and/or third party sources have revealed a number of taxpayers with potential additional tax type obligations. GCT Registrations – The GCT Act requires any person carrying on a commercial activity in Jamaica to register for GCT purposes where his or her annual taxable supplies are more than \$15,000,000.00. A person whose Total Supplies is less than the

	AREAS FOR PLANNED REGISTRATION ACTIVITIES	DESCRIPTION OF ACTIVITIES
		stipulated threshold is not required to register but may do so voluntarily. GCT registrants are required to charge their customers tax on the taxable goods and services supplied to them and collect the tax in trust for the Government of Jamaica. GCT taxpayers are also entitled to claim input tax credits to recover the GCT amounts incurred for goods or services acquired or imported for use, consumption, or supply in the course of their commercial activities. • Payroll Taxes – Companies and/or individuals treating persons as independent contractors, when all the tests suggest that the employed persons are indeed <i>employees</i>. There are also instances where the employers just intentionally ignore their statutory obligations as employers – that is to say: a) deduct the (payroll) taxes payable; b) match these amounts with the employers' portions; c) remit to TAJ within fourteen (14) days of the month ending; d) file the Employers' Annual Returns. • Contractors Levy – TAJ has also observed that a number of developers and other players in the construction industry are not registered for this tax type and will be seeking to rectify this during the Financial Year.
1.4	De-registration	The integrity of the registered taxpayer database ought to be accurate and contain reliable information. The taxpayer database is periodically cleansed to remove inactive, invalid or duplicate records. The database needs to be cleaned periodically because inactive and erroneous records contribute to wasted time

	AREAS FOR PLANNED REGISTRATION ACTIVITIES	DESCRIPTION OF ACTIVITIES
		and other resources in pursuing fruitless enforcement action, as well as, distort compliance statistics. It could also be a catalyst for antagonism between the Department and taxpayers, as a taxpayer who ought to have been de-registered and is still active in the system could still face possible compliance actions. GCT De-Registration – During her presentation of the National Budget, the Minister of Finance and the Public Service announced that effective 1st April, 2025, the required threshold for a person to be obligated to register for General Consumption Tax will be increased from \$10M to \$15M. Taxpayers currently registered, whose Total Supplies fall below \$15M will be contacted via web messages to determine if they wish to remain on the tax roll as voluntary taxpayers. They will be de-registered, unless they expressly request to remain. Taxpayers and/or accounts are de-registered consequent to any of the following reasons: • Amended legislation – e.g. GCT • Companies struck by the Registrar of Companies; • Taxpayer submitted a request to say s/he is no longer trading; or no longer has this tax type of obligation; • Individual is deceased.

Chapter 2: PLANNED ACTIVITIES FY 2025/26

TAXPAYER SERVICES & EDUCATION

TAJ will continue its quest to fashion and engender a customer-centric organization that will promote tax morale and cause taxpayers to voluntarily file accurate Returns and pay declared amounts by the due dates stipulated. TAJ will pursue this strategic objective through the following approaches:

2.1 Digitalization

- The ease of compliance – all Returns must be filed electronically, therefore, taxpayers have the luxury of complying in their own environment and convenience. Additionally, there are a multitude of electronic platforms, of which taxpayers may partake, to pay their liabilities, thus avoiding the inconvenience of attending on the Tax Offices to pay inline. The Department will continue to promote the available eServices to assist taxpayers to make compliance easier, cheaper and more convenient for them.
- As it relates to individuals who opt to attend the Tax Offices, Automated Queue Management Systems are being implemented at several of the larger Tax Offices to aid in efficiency. TAJ will utilize information from these systems to study taxpayers' compliance behaviour for further improvements as it relates to the ease of doing business in the Tax Offices.
- Technology will also play a role in the delivery of taxpayer education. Videos, tutorials, and other educational materials geared towards enlightening taxpayers on core tax administration issues/functions will be updated/created and placed on the Department's website so that taxpayers can avail themselves of the information at their leisure and on a needs basis.
- TAJ will be increasing its "e-campaign" where taxpayers will receive more frequent communication via SMS messages, web messages, and emails. Taxpayers will

receive timely reminders, information, and educational materials to stimulate on-time filing and payment, proper/complete tax-type registrations, and accurate reporting.

- A Customer Feedback Management System is to be implemented to accept, monitor, respond to, and analyse questions, comments, concerns, and complaints from taxpayers.

2.2 Taxpayer Education

The Department readily recognizes that an educated taxpayer is much more likely to comply and therefore, a number of taxpayer education activities will be carried out and materials disseminated to aid in this objective. Education activities will be completed via different media: seminars, workshops, virtual sessions, one-on-one in the Tax Offices; or advisory visits.

	Planned Taxpayer Education Activities	Description of Activities
2.2.1	New Taxpayers	Every individual and company that carries out registration at the Companies Office is provided with a “<i>Welcome Letter</i>” from TAJ; this letter is intended to educate new taxpayers as it relates to their rights, roles and obligations as taxpayers, as well as advise them of the opportunities for ease of voluntary compliance. Additionally, a sample of new taxpayers is selected for further taxpayer education engagements, so that they can be properly oriented as it relates to their rights and obligations as taxpayers. They will also be introduced to TAJ’s eServices platform, where they will be able to file their Returns electronically and make payments, once they have registered.
2.2.2	Employment Tax Credit	The Employment Tax Credit (ETC) is an Income Tax Incentive. It seeks to foster voluntary compliance by incentivizing those taxpayers who consistently file and pay their statutory deductions by the due dates stipulated. The taxpayer education sessions are expected to clarify: • Factors giving rise to the tax incentive/credit.

	Planned Taxpayer Education Activities	Description of Activities
		• Persons who are eligible to claim the tax incentive. • Persons ineligible to claim the incentive. • Types of income against which the incentive can be applied. • How to accurately compute the incentive.
2.2.3	Pay As You Earn	These activities are contemplated to assist employers, where it is observed that they are completing and/or computing the Employers Annual Returns (S02) incorrectly, either by using incorrect tax rates; treating non-taxable allowances as taxable; applying incorrect tax threshold figures; etc.
2.2.4	Withholding Tax	TAJ has implemented a number of withholding tax regimes that require one party to deduct the relevant tax from a party with whom commercial activity is being conducted and remit same to TAJ. The Large Taxpayers Office undertakes to offer taxpayer education around these various regimes so that taxpayers can be better informed as to their roles and responsibilities. • <i>Withholding Tax On Dividends</i> • <i>Withholding Tax On Interest</i> • <i>Withholding Tax On Specified Activities</i> • <i>Withholding GCT (Government Departments)</i>
2.2.5	Special Taxpayer Assistance Programme (STAP)	The Special Taxpayer Assistance Programme (STAP) forms a vital aspect of the taxpayer support feature during tax season, where Income Tax filers will get assistance by TAJ's staff to prepare their business documentation for filing, as well as getting registered to electronically file their Returns. TAJ provides support to thousands of Income Tax filers, annually, as the March 15 Income Tax filing due date approaches. This support is offered in an expanded way with a particular focus to assist micro, small and medium enterprises with their filing obligations. The Tax Authority is encouraging taxpayers to take advantage of the programme, which will be held island wide, to begin preparations to file their Annual Income Tax Returns for the Year of Assessment year 2024, and declare their Estimated Income and Tax Payable for the Financial Year 2025/26.

2.3 Taxpayer Services

TAJ gives its undertaking that the following taxpayer services will be conducted within the stipulated standard times set out in TAJ's Citizens Charter for the respective tasks.

- Completion of GCT Zero Rating Applications.
- Applications for Tax Compliance Certificates
- Applications for Deferment Certificates
- TRN Applications
- Customer Care Centre will answer calls promptly respond to calls and emails.

Chapter 3: PLANNED ACTIVITIES FY 2025/26

AUDIT & INVESTIGATION

TAJ's tax audit programme is prepared on a risk management approach, driven by various factors. The programme was specifically scoped to identify inaccurate or fraudulent reporting (tax declarations) of the information used to determine taxpayers' liabilities or refund claimed. The programme spans CIT, IIT, PAYE and GCT, and will be completed using single audits as well as integrated audits.

	ISSUE OF TAX CONSEQUENCES	DESCRIPTION OF AUDIT RISKS	TAJ'S INTERVENTIONS CONTEMPLATED
3.1	Transfer Pricing	TAJ continues its verification of audits to ascertain whether connected parties are trading at arm's length transactions, as required by the legislation.	The audits will now be carried out against all taxpayers and not just those who are assigned to the LTO.
3.2	Income Tax Risk Scores	The Department uses Audit Risk Models, as part of its risk assessment approach for audit case selections. The Income Tax Risk Model has identified a number of Tax Returns that are deemed inaccurate, based on scores generated by algorithms stored within the Model.	These taxpayers are generally expected to be subjected only to single audits. However, where the same taxpayers are identified for selection by the GCT Audit Risk Model, or other issues of tax consequences affecting another tax type, then comprehensive audits will be pursued.
3.3	Income Tax Third Party	TAJ uses its authority under the Revenue Administration Act (RAA) to request and receive Third Party data from large taxpayers, Government Ministries and Departments (MDAs) et al, as it relates to their financial activities	These taxpayers are generally expected to be subjected only to single audits.

	ISSUE OF TAX CONSEQUENCES	DESCRIPTION OF AUDIT RISKS	TAJ'S INTERVENTIONS CONTEMPLATED
		with other companies and/or individuals. Analyses carried out reveal that Third Party data reflect higher income levels for some taxpayers, when compared to amounts declared in their Income Tax Returns.	
3.4	High Wealth Taxpayers	Risk analysis has revealed that a number of taxpayers have gathered assets over the years, the value of which are not in keeping with the level of income they have declared on the Individual Income Tax Returns; or that their employers declare on the Annual Employers Returns (SO2s).	These taxpayers will be engaged and they will be required to disclose whether the source of their asset accretion fall outside the definition of Income per s5 of the Income Tax Act, or the funds have already been subjected to tax otherwise.
3.5	GCT Risk Score	Similar to the Income Tax Risk Model discussed above, TAJ uses a GCT Risk Model to assess the risks of all Returns submitted for the calendar year. A number of taxpayers' Returns were deemed inaccurate based on scores generated by algorithms stored within the Model.	These taxpayers are generally expected to be subjected only to single audits.
3.6	Motor Vehicle Dealers	A number of motor vehicle dealers have accumulated a significant amount of GCT Tax Credit over 3-5 calendar years; this is inconsistent with the norms of the industry. Consequently, they have been incorporated in the audit programme to ascertain their true liabilities.	These taxpayers are generally expected to be subjected to single audits and taxpayer education.
3.7	Modified Refund Audits	Taxpayers seeking Income Tax refunds and a particular item	These taxpayers are generally expected to be

	ISSUE OF TAX CONSEQUENCES	DESCRIPTION OF AUDIT RISKS	TAJ'S INTERVENTIONS CONTEMPLATED
		pertaining to the return may need to be clarified or examined.	subjected only to limited scope audits.
3.8	Taxpayers committing various breaches of the revenue acts.	• Failure to keep proper books and records. • Failure to produce books and records for inspection or audit when requested to do so. • Collecting GCT without being a registered taxpayer. • Failure to deduct and/or pay over payroll taxes.	Civil and criminal prosecutions, where applicable.
3.9	Taxpayers submitting "Nil Gross Income or Total Supplies" returns, as if to suggest they are not trading.	Taxpayers are reminded that where they file "Nil" Returns as if they are not trading, and there is information from Third Party sources, Jamaica Customs Agency, or other MDAs to show that they were in fact trading for that filing period, they would have committed a breach of section 99 of the Income Tax Act; and section 56 of the General Consumption Tax Act, making a false declaration.	Criminal Prosecution.

Chapter 4: PLANNED ACTIVITIES FY 2025/26

FILING & PAYMENT

	PLANNED FILING & PAYMENT COMPLIANCE ACTIVITIES	DESCRIPTION OF ACTIVITIES
4.1	On-Time Filing	- Income Tax (CIT/IIT) taxpayers are required to file their Final Returns on or before the 15th March; and their quarterly Estimated Returns for the following Year of Assessment on the 15th March; 15th June; 15th September; and 15th December. - PAYE – Employers are required to deduct employees' Statutory Deductions and remit to TAJ using the S01s (Obligations), on a monthly basis, by the 14th day following the end of the previous month; and the Employers' Annual Return (S02) is due on the 31st March. - GCT taxpayers are required to file their Returns on a monthly basis by the last working day of the month following the month in which the tax was collected. - TAJ will continue to engage with taxpayers who have shown the propensity to submit returns after the stipulated due dates (over the last three years of assessment), to determine if there are issues affecting prompt compliance, with which TAJ could offer taxpayer education, assistance, or guidance. - In addition to the Customer Care Centre making the usual courtesy calls to taxpayers to remind them of the filing due dates, the Authority has now included the use of SMS messaging to send timely reminders to taxpayers to remind them of upcoming filing and payment dates.

	PLANNED FILING & PAYMENT COMPLIANCE ACTIVITIES	DESCRIPTION OF ACTIVITIES
4.2	Stop Filers	Stop Filers are individuals and companies who usually submit Returns, but have ceased doing so, despite actively trading. • As it relates to CIT and IIT tax Returns, compliance actions will be taken against those taxpayers who have failed to submit Returns for the last three (3) Years of Assessment. • GCT Returns – Estimated Assessments are automatically generated by TAJ's computerized system, (RAiS) each time taxpayers fail to submit Returns by the stipulated due dates. These assessments also attract additional charges, and are collectable just as if the taxpayer had filed and declared a liability. • It is also contemplated that employers who fail to deduct and/or remit the monthly obligations (S01s) will be criminally prosecuted, pursuant to Section 41 of the Income Tax Act.
4.3	Arrears Management	This Financial Year TAJ will embark on an ultra-aggressive drive as it relates to collecting outstanding tax arrears. • Emphasis will be placed directly on taxpayers with Returned Tax Liabilities greater than or equal to Five Hundred Thousand Dollars (\$500,000.00), as well as, those with outstanding GCT and PAYE (trust funds) liabilities. • It is also contemplated that employers with P.A.Y.E. liabilities will be criminally prosecuted, pursuant to Section 41 of the Income Tax Act. • Greater enforcement activities will also be undertaken where enforcement mechanisms such as <i>garnishment; levy and liens</i> will be utilized with more frequency, to resolve outstanding liabilities.