

GST 300

The GST Guide



Table of Content

Chapter	Topic	Page
Chapter 1	Introduction	i
1.1	What is the General Sales Tax	1
1.2	How GST Works	1
1.3	How is GST Collected	3
Chapter 2	GST on Supply	5
2.1	Definition of Supply	5
2.2	Definition of Service	5
2.3	Deemed Taxable Supply	5
Chapter 3	Registration	7
3.1	Compulsory Registration	7
3.2	Authority to Recover Tax	7
3.3	Certificate of Registration & TIN	7
3.4	Notification of Changes	8
3.5	Cancellation of Registration	9
Chapter 4	Charging GST	11
4.1	Taxable Supply	11
4.2	Fourth Schedule - Exempt Supplies	11
4.3	Place of Supply	11
4.4	Rates of Tax	12
4.5	Zero-Rated Supplies	12
4.6	Value of Supplies	12
4.7	Time of Supply	12
Chapter 5	Accounting for GST	15
5.1	Tax Period	15
5.2	Output Tax	15
5.3	Calculation Sheet Showing GST	16
5.4	Input Tax	16

5.5	Adjustment to Output Tax	17
5.6	Bad Debts	17
5.7	Credit & Debit Notes	18
Chapter 6	GST Returns, Payment & Refunds	
6.1	Returns	21
6.2	Payments of Tax	21
6.3	Credit/ Refunds	21
Chapter 7	Assessments	23
7.1	Assessments of Registered Persons	23
7.2	Assessments to person Not Registered	23
Chapter 8	Amendment of an Assessment	25
8.1	Notices of Assessment	25
8.2	Time Limit for Assessments	25
8.3	Penalty Tax	25
Chapter 9	Books and Records	27
9.1	Introduction	27
9.2	Legal Requirements	27
9.3	What is a Tax Invoice	28
9.4	What is a Sales Receipt	29
9.5	Why are Tax Invoices Important	30
9.6	How Should Sales be Recorded	30
9.7	How Should Purchases be Recorded	31
9.8	How is the GST Account Kept	32
Chapter 10	Imports and Exports	
10.1	Imports	35
10.2	Exports	35

Chapter 11	Objections and Appeals	37
11.1	Objections	37
11.2	Appeals	37
Chapter 12	Obligations of a Registered Person	39
12.1	Charging GST	39
12.2	Tax Invoices	39
12.3	Accounting for GST	39
12.4	Returns	39
12.5	Payments	39
12.6	Change of Status	40
12.7	Displaying the Certificate	40
12.8	Returning Certificate of Registration	40
	Appendix I – Sample of Sales Book	41
	Appendix II – Sample of Purchase Book	43

INTRODUCTION

This Guide to the General Sales Tax (GST) is designed to give information on the main features and procedures of GST. In addition, it will give an understanding of accounting for the GST.

If you cannot find the answer to a particular question, or if you need assistance or advice, don't guess, call or write to us.

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CHAPTER 1

What IS GST?

1.1 What is General Sales Tax (GST)

General Sales Tax is a Tax on consumer spending collected in stages, at the point of importation and on business transactions when goods change hands or services are performed.

For GST purposes, “business” has a very wide meaning and can include activities on which no profit is made.

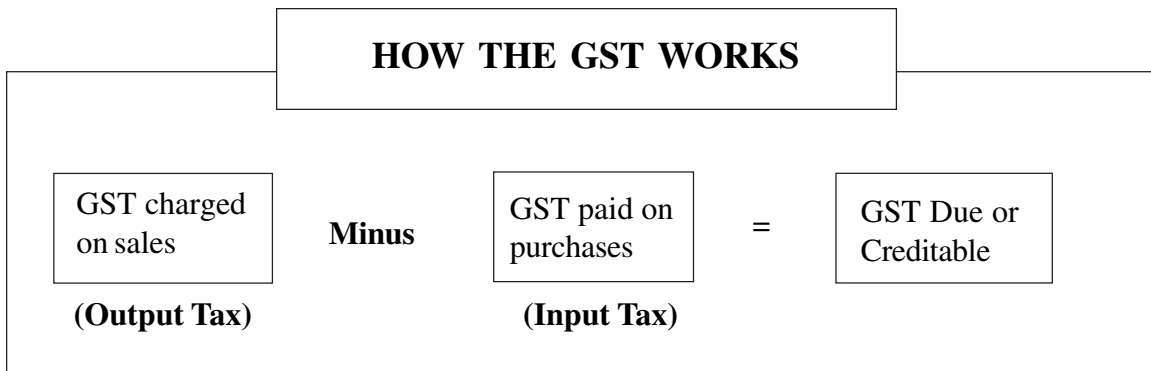
The GST Act Section 3 defines what constitute a business and the following are examples of business transactions

- the facilities of a club, organization or association
- admission to premises
- provision of goods or services made for a consideration

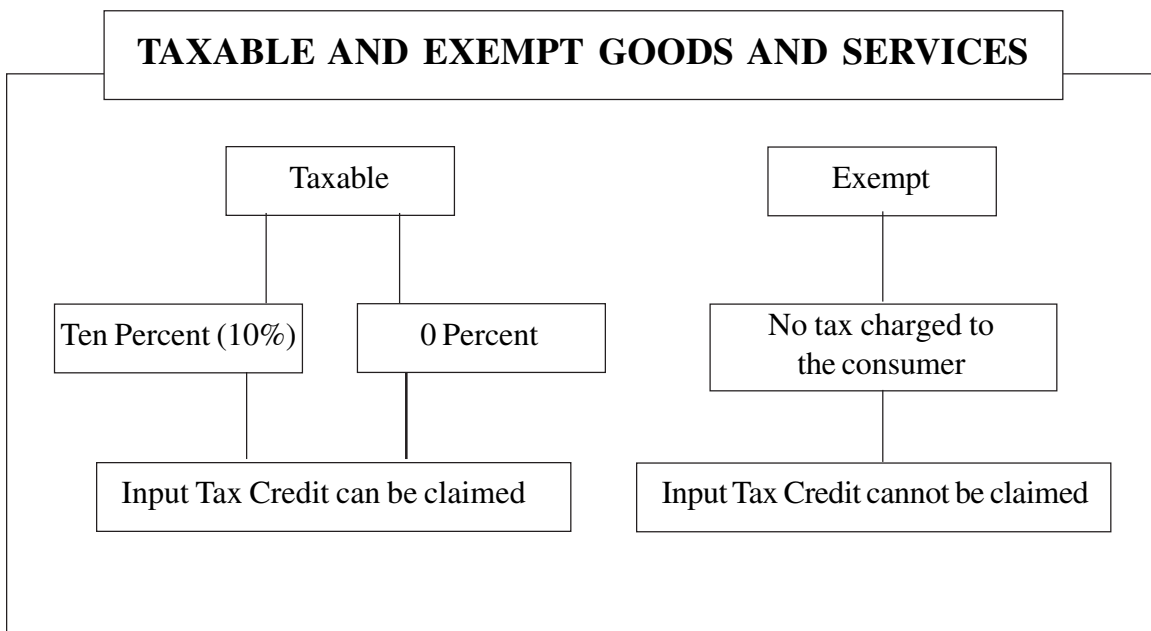
Business transactions, which are liable to GST, are called taxable supplies. Those that are not liable to GST are called exempt supplies.

1.2 How does GST Work?

Any registered person who makes taxable supplies of goods and services of \$75,000 per annum or more, or any person that has been carrying on a business for less than 12 months and the average monthly value of taxable supplies was \$6,200 monthly or more, is required to register for GST. Only registered persons can charge GST on their supplies as output tax and claim credit on their purchases of supplies as input tax.



The registered person will charge GST on the sale of his taxable goods and services and pay GST on his purchases. If the GST charged on the sales is more than the GST paid on his purchases, the difference is to be paid to the Department of GST. If it is less, the person will be entitled to carry forward the excess credit to the following tax period. If after three months, the excess for a given tax period is not used, then it will be refunded. Before the amount is refunded, the Department of GST will have the authority to verify the accuracy of the amount to be refunded.



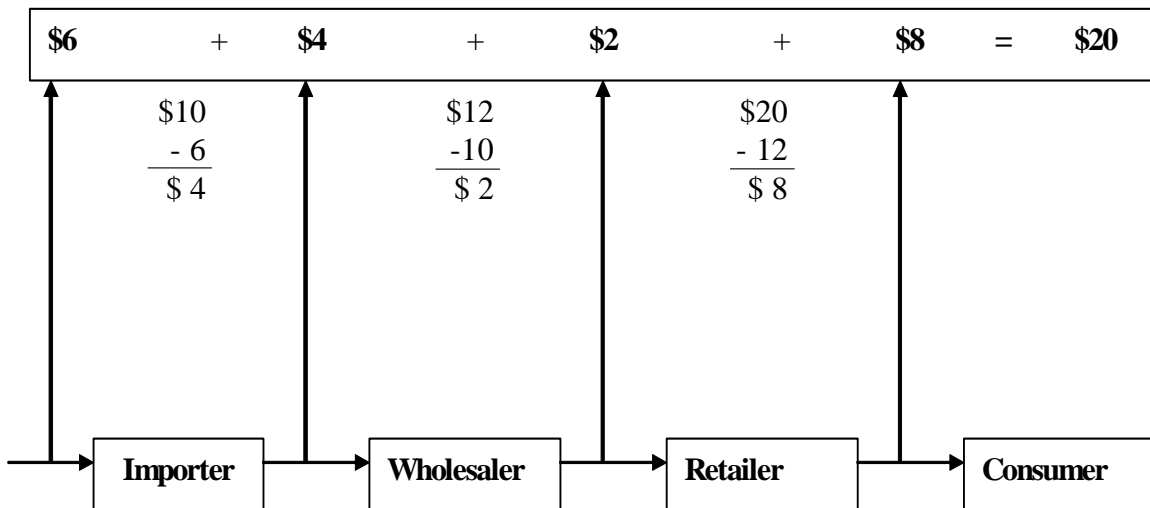
Taxable supplies are taxed at either the Standard rate of 10% or are Zero-rate (0%). Those supplies that are Zero-rated are listed in the First, Second and Third Schedules of the GST Act. Input tax paid can be claimed on all taxable supplies.

Registered persons making exempt supplies cannot charge consumers any GST or reclaim any input tax relating to those supplies. The Fourth Schedule of the Act contains the list of exempt goods and services.

1.3 How GST is Collected On A Fully Taxable Item

To Customs

To the Department of GST



Cost:	\$60	Cost:	\$100	Cost:	\$120	Cost:	\$220
Mark-up:	\$40	Mark-up:	\$20	Mark-up:	\$80	Mark-up:	\$80
GST:	\$10	GST:	\$12	GST:	\$20	GST:	\$20
Taxed		Taxed		Taxed		Taxed	
Price:	\$110	Price:	\$132	Price:	\$220		(Includes \$20 tax)

Importer

At importation the importer pays \$6.00 to Customs which is 10% GST on the \$60.00 cost of the item. The importer marks up his product by \$40.00 and charges 10% on the \$100.00, which amounts to GST of \$10.00. Thus the total selling price of the item to the wholesaler is \$110.00.

What the importer will pay to the Department of GST on the 15th of the following month is \$4.00, which is the difference of the \$10.00 collected from the wholesaler and the \$6.00 paid to Customs.

Wholesaler

The wholesaler buys the item for \$110.00 but because he can claim the \$10.00 GST he paid to the importer as input tax, his markup should be on the \$100.00 rather than the \$110.00. If he marks up the item by \$20.00 his cost is \$120.00 upon selling to the retailer. The GST charged at 10% results in \$12.00 bringing the selling price to \$132.00.

The wholesaler's payment to the Department is \$2.00. The difference between the \$12.00 collected from the retailer and the \$10.00 he paid to the importer.

Retailer

The retailer's buys the item for \$132.00, but because he can claim input tax credit he will mark up the item on the \$120.00 only. The retailer marks up the item by \$80.00, the cost is now \$200.00 and 10% GST charged to the consumer is \$20.00. Thus the selling price to the consumer is \$220.00

The retailer pays in to the Department \$8.00, which is the difference between the \$20.00 collected from the consumer and the \$12.00 he paid to the wholesaler.

Consumer

The consumer is the person who bears the ultimate tax of \$20.00 since the final cost of the item is \$220.00.

Note at the end of the distribution chain the total GST collected by Government from importer to consumer stage is \$20.00

CHAPTER 2

GST ON SUPPLY

2.0 GST is chargeable on the taxable supply of goods and services within Belize, by a registered person. This is a supply in the course of, or furtherance of the Business.

2.1 Definition of Supply

The term “Supply” is widely defined in the ACT and refers to the goods and services provided which include the transfer, sale, lease, or other disposition of goods or the provision of services.

2.2 Definition of Service

Is anything that is not a supply of goods or money including without limitation:

- (a) the grant, assignment, termination, or surrender of a right;
- (b) the making available of a facility, opportunity, or advantage;
- (c) refraining from or tolerating an activity, a situation, or the doing of an act;
- (d) the issue of a license, permit, certificate, concession, authorization, or similar document;
- (e) the lease, hire, or rental of goods, or any other supply of a right to use goods;
- (f) the production of goods by applying a treatment or process to goods belonging to another person, which shall be regarded as a supply of services to another person;
- (g) the supply of water, other than water in a container, or the supply of natural gas or any form of power, refrigeration, or air conditioning; or
- (h) anything that is deemed to be a supply of services by this Act or by Regulations.

2.3 Deemed Taxable Supplies

In addition, certain transactions are deemed to be taxable supplies where:

- (a) the stock in trade is being disposed of in the course of a business being transferred as a going concern;
- (b) goods of a business are seized and sold to satisfy a debt;

- (c) goods of a business taken for private purposes;
- (d) a person ceases to be registered but continues to carry on business, the stock in trade is deemed to have been supplied;
- (e) an indemnity payment is made under a contract of insurance in respect of a loss incurred in the course of business, the payee is deemed to have made a taxable supply.

CHAPTER 3

REGISTRATION

3.1 Compulsory Registration

A taxable person is an individual, partnership, company etc that is required to be registered for GST. A person who makes or expects to make taxable supplies of \$75,000 or more per year must register for GST. Where the business has been in operation for less than a 12-month period and the average monthly taxable turnover is \$6,200 or more, the person is deemed a taxable person and must register for GST. This person must obtain from the local GST office an Application for Registration Form. Any person, who fails to register, will be liable to a penalty.

Those persons below the turnover limit may apply for voluntary registration if they:

1. make more than 80% of their taxable supplies to registered persons
2. keep adequate books and records

3.2 Authority to Recover Tax

A registered person must charge the tax on taxable supplies made. Unregistered persons who charge or seek to charge the tax on supplies made, commit an offence. (Section 36 (6) of the GST Act)

3.3 Certificate of Registration and TIN

After the application for registration has been approved, the Department will issue a Tax Identification Number (TIN) and a Certificate of Registration.

The Certificate of Registration must be displayed prominently at the place of business. The Department of GST must be informed if the business is operated from more than one location. A Certificate of Registration will be provided for each location.

3.4 Notifications of Changes in Registration Particulars

A Registered person must notify the Commissioner in writing within 7 days of:

- (a)* any changes in the particulars provided on the application for registration; or
- (b)* the closure of the business.

Examples of changes in the particulars provided on registration include:

- (a)* change of name or trade name;
- (b)* change of address;
- (c)* change of telephone number;
- (d)* change of status of business;
- (e)* change of main business activity;
- (g)* change of name or other particulars of partnership, joint ventures, etc.

Failure to do so, may result in the person committing an offence.

The registered person or persons responsible for the affairs of that person, must give notice to the Commissioner within 21 days of these occurrences.

- (a)* the registered person dies;
- (b)* becomes bankrupt;
- (c)* goes into liquidation or receivership;
- (d)* becomes a party to an amalgamation; or
- (e)* changes the members of an unincorporated body;

The status of the registered person remains unaltered unless notice of changes is given to the Commissioner, i.e. the legal liability of the registered person is not affected by the changes, until the Commissioner is notified of those changes.

3.5 Cancellation of Registration

A business that is no longer eligible for registration can apply for de-registration. Once the registration is cancelled the person will be notified of the effective date of deregistration. The GST Certificate should be returned to the Department of GST within 15 days of the notification.

The Commissioner may cancel the registration of a person if it appears that the person will not be required to be or should not continue to be registered.

The Commissioner must give notice of cancellation either personally or by registered post. However, the notice would not be effective until the person is notified or 15 days has elapsed since the notice was posted.

CHAPTER 4

CHARGING GST

A registered person is liable for GST on the taxable supplies made within Belize. Therefore, to ensure that GST is correctly charged, the registered person must be aware of the following:

- (a) what is a taxable supply;
- (b) the time and place a supply is considered to have been made;
- (c) the rate of tax to be applied to each supply;
- (d) the value of a supply on which GST is to be calculated;

4.1 Taxable Supply

A taxable supply is a supply of goods and/or services made in the course of, or furtherance of, any business. Therefore, where a supply is not exempted under Schedule Four it will be a taxable supply.

4.2 Fourth Schedule - Exempt Supplies

The goods and services in this Schedule are exempt and no GST is charged on the supply.

4.3 Place of Supply

The place of supply is important as only supplies made in Belize are taxable. A supply is considered to take place within Belize if:

- a) the supplier is resident in Belize; or
- b) the goods are in Belize at the time of the supply; or
- c) the services are performed by a person who is in Belize at the time the services are performed.

Generally a supply is not regarded as taking place in Belize if the supplier is not resident in Belize.

4.4 Rate of Tax

There are two rates: a standard rate of 10% and a zero (0%) percent rate.

4.5 Zero-Rated Supplies

Zero rated supplies are listed under the First, Second and Third Schedules. Any GST paid on purchases made in producing zero rated supplies may be reclaimed, resulting in a totally tax free supply.

4.6 Value of Supply

The GST charged on a supply (output tax) is calculated by multiplying the value of the supply by the rate of tax charged.

Where the consideration is not paid in money or paid partly in money, or where the transaction is between associated persons (not dealing at arm's length) the value of the supply is the fair market value.

In respect to imports, the value for GST is the value of the goods determined by the Customs and Excise Act and any duties, taxes (other than GST charged under this Act), and other charges that are charged, paid, or payable upon the entry of imported good.

4.7 Time of Supply

The time of supply identifies the tax period in which a transaction is to be taxed. The tax period is the period of one calendar month for which a registered person is to account for the tax.

The general rule is that a supply takes place at the earliest of the following:

- (a) the date the invoice is issued

- (b)** the date of payment or
- (c)** the date when the goods are made available or in the case of services, when the services are supplied.

Exceptions to the above are as follows:

- (a)** Where supplies are made under an agreement for hire purchase or with an option to purchase, or with an option to return, the supply is made when the goods are made available to the recipient:
- (b)** Where services are supplied continuously as in the case of telephone, the time of supply is the invoice date;
- (c)** Where services are supplied under an agreement that requires periodic payments, the time of supply is when an invoice is given, or where no invoice is given, the earlier of when payment is made or becomes due;
- (d)** Where goods are supplied periodically in a situation where payment becomes due, at the time of the issue of an invoice, the time of supply is the earliest of:
 - (i)** the date an invoice is given
 - (ii)** the payment date; or
 - (iii)** the date when payment is due;
- (e)** With respect to construction projects, where the agreement states that payment will be made at various stages of construction e.g. a deposit, a payment on completion of foundation etc., the supply at each stage takes place at the earliest of:
 - (i)** the date the invoice is given for that stage;
 - (ii)** the date payment for that stage becomes due, or
 - (iii)** the date payment for that stage is made.
- (f)** With respect to imports, the time of supply is the time the goods are entered by the Customs Department i.e. when the customs entry is made.

- (g) In the case of a self supply, the time of supply is when the goods are taken into use.

In conclusion then, a registered person should, before charging GST, do the following:

- (a) ensure that the supply is within Belize;
- (b) ensure that the supply is a taxable supply;
- (c) establish the correct rate of GST on the supply;
- (d) determine the value of the supply;
- (e) determine the time of the supply.

A registered person's liability to GST is not affected by his business practice or by non-collection of payment for supplies made during the tax period.

For example, a registered person may sell an item on credit on July 1st, 2006 (invoice and delivery date) and not receive payment until say October 1st, 2006. The liability of the supply to GST hinges on identifying time of supply, which in this situation are the invoice and date. That registered person's first tax period ends 31st July, 2006, he is liable for GST on that supply in that first period even though payment will be received until his fourth tax period.

CHAPTER 5

ACCOUNTING FOR GST

For a supply to fall within the scope of the GST it must be made within Belize, if it is made outside of Belize it does not attract any GST.

The registered person must account to the Department of GST for the difference between the GST charged on his sales and other supplies (output tax) and the GST paid on his purchases and imports (input tax). This must be done monthly.

5.1 Tax Period

The Tax Period will be one calendar month. This is the period in respect of which a registered person must account for and pay the tax over to the Department.

5.2 Output Tax

Output tax is calculated by multiplying the value of the taxable supplies by the rate of tax. The total of this amount within a calendar month should be the output tax for the period.

5.3 Calculation sheet showing GST Content on Suppliers at 10%

Amt \$ including GST	GST Content	Amt \$ including GST	GST \$ Content	Amt \$ including GST	GST \$ content	Amt \$ including GST	GST \$ content	Amt \$ including GST	GST content \$	Amt \$ including GST	GST content \$	Amt \$ including GST	GST content \$
		30	2.73	60	5.45	90	8.18						
1	0.09	31	2.82	61	5.55	91	8.27	100	9.09	1000	90.91	10000	909.09
2	0.18	32	2.91	62	5.64	92	8.36	200	18.18	2000	181.82	20000	1818.18
3	0.27	33	3.00	63	5.73	93	8.45	300	27.27	3000	272.73	30000	2727.27
4	0.36	34	3.09	64	5.82	94	8.55	400	36.36	4000	363.64	40000	3636.36
5	0.45	35	3.18	65	5.91	95	8.64	500	45.45	5000	454.55	50000	4545.45
6	0.55	36	3.27	66	6.00	96	8.73	600	54.55	6000	545.45	60000	5454.54
7	0.64	37	3.36	67	6.09	97	8.82	700	63.64	7000	636.36	70000	6363.63
8	0.73	38	3.45	68	6.18	98	8.91	800	72.73	8000	727.27	80000	7272.72
9	0.82	39	3.55	69	6.27	99	9.00	900	81.82	9000	818.18	90000	8181.81
10	0.91	40	3.64	70	6.36								
11	1.00	41	3.73	71	6.45								
12	1.09	42	3.82	72	6.55								
13	1.18	43	3.91	73	6.64								
15	1.36	44	4.00	74	6.73								
15	1.36	45	4.09	75	6.82								
16	1.45	46	4.18	76	6.91								
17	1.55	47	4.27	77	7.00								
18	1.64	48	4.36	78	7.09								
19	1.72	49	4.45	79	7.18								
20	1.81	50	4.55	80	7.27								
21	1.90	51	4.64	81	7.36								
22	2.00	52	4.73	82	7.45								
23	2.09	53	4.82	83	7.55								
24	2.18	54	4.91	84	7.64								
25	2.27	55	5.00	85	7.73								
26	2.36	56	5.09	86	7.82								
27	2.45	57	5.18	87	7.91								
28	2.54	58	5.27	88	8.00								
29	2.63	5	5.36	89	8.09								

How to use this Calculation Sheet
Calculate the GST content of an amount as in the example below

Example: Total Taxable Supplies
Including GST at standard rate \$13,375

	Amount Including GST	GST Content
Ten of Thousands	\$ 7000	636.36
Thousands	6000	545.45
Hundreds	300	27.27
Balance	75	6.82
Total GST Content		\$ 1215.90

5.4 Input Tax

Input tax is paid by a registered person on purchases and at the point of importation. To claim input tax the amount must be supported by a tax invoice or Customs authenticated Single Administrative Document clearly showing the amount of GST paid.

Input tax is deducted from output tax to arrive at the GST liability. The input tax which a person may deduct in any tax period, depends on the taxable (zero and standard-rated) supplies. Input tax paid on making exempt supplies cannot be deducted.

When the supplies during the period consist of both taxable and exempt supplies, the input tax which that person may deduct is as follows:

- (a) all input tax charged on supplies required solely for producing taxable supplies;
- (b) none of the input tax charged on supplies required solely for producing exempt supplies;
- (c) where the input tax was charged for supplies used for producing both taxable and exempt supplies e.g. rental of both Residential and Taxable Property, only that portion of the input tax as relates to his taxable (rent of taxable property) supplies arrived at by way of using the “Partial Exempt Method”.

A person may deduct all his input tax if the value of exempt supplies during the period is not more than \$2,000.

5.5 Adjustments to Output Tax

There are some circumstances in which the registered person may need to adjust the amounts arrived at for output tax. Such circumstances are as follows:

- (a) when he has written off or recovered a bad debt; or
- (b) when he has issued or received a credit or debit note.

5.6 Bad Debts

It must be remembered that a registered person accounts for GST on the basis of time of supply which, for the normal case, is the earliest of:

- (a) date of issue of invoice;

- (b) date of payment; or
- (c) date that goods were made available or services performed.

If a person grants supplies on credit the GST is still due on these supplies. The GST liability is not affected by non collection of payment for the supplies made during the tax period. The Act makes provision for relief to be granted where the tax was paid on a supply that has proven to be uncollectible.

A registered person may be allowed to claim for bad debt relief if he satisfies the following criteria.

- (a) he must have already accounted for GST on the supply in respect of which the amount is outstanding;
- (b) all or part of the consideration must be outstanding despite reasonable efforts made to collect it;
- (c) twelve months have elapsed since the time that the amount in question became due and payable; and
- (d) the amount must have been written off in his books as a bad debt.

Where the registered person can satisfy the Commissioner that these criteria are met, he can claim relief for this bad debt up to the amount of tax included in the amount written off. This can be done in the first tax return immediately following the end of the 12 months mentioned above.

If, subsequently, the registered person recovers the amount written off, or any part of it, he must add the tax content of the amount recovered to this tax liability in the tax period that it is recovered.

5.7 Credit and Debit Notes

A credit or debit note will be issued if a tax invoice has been changed after it has been issued. The credit or debit note has to show the following:

- (1) The words 'Credit Note' or 'Debit Note'.
- (2) The name, address and TIN of the supplier and the recipient.
- (3) The date on which the note was given.
- (4) The identifying serial number of the tax invoice to which it relates and the date on which it was given.
- (5) The amount shown on the tax invoice as tax, the adjusted tax, and the amount of the debit or credit to make the adjustment.
- (6) A brief explanation of the circumstances giving rise to the note being given.

CHAPTER SIX

GST RETURNS, PAYMENTS AND REFUNDS

6.1 Returns

A return form must be completed at the end of each tax period (one month), and submitted to the Department of GST, with any tax due, by the fifteenth day following the end of the tax period.

If no taxable supplies were made during the entire month a “NIL” return must be submitted. Note, the registered person is held responsible for the payment and submission of returns if away from the place of business.

Clear guidelines can be found on the back of the form for easy completion of the Return.

If unsure of the procedures to complete the return form, or anticipate some difficulty in doing so, get in touch with the local GST office or visit the Department’s website at www.gst.gov.bz.

6.2 Payment of tax

The GST liability can be paid by cash, cheque, postal money order, or online through designated banks. Cheques and money orders should be crossed and made payable to the Government of Belize. When a cheque or money order is sent, be sure to quote the tax identification number on the back of the cheque. **It is not advisable to send money through the post.**

6.3 Credit/Refunds

Refunds of GST cannot be made unless all the GST returns due have been submitted. If there are any outstanding tax liabilities these will be offset against the amount of refund due. The oldest outstanding liability will be cleared first.

Excess credit for a given tax period, will not normally be paid until the credit has been carried forward for three months.

CHAPTER SEVEN

ASSESSMENTS

7.1 Assessment of registered persons

GST is a self-assessing system of taxation. A person's GST return may be the final indication of his GST liability. However, the Commissioner may assess the GST liability of a registered person in any of the following circumstances:

- (a)* where the registered person fails to submit a return;
- (b)* where the registered person requests the Commissioner in writing to amend his return; or
- (c)* where the Department is not satisfied with the registered person's return.

In each of these cases, the Commissioner will use the information at his disposal to either determine the liability, or adjust the declared liability upward or downward. Where the registered person's liability is increased or determined, as in the case of a non-submission of a return, the Commissioner may impose a penalty on the increased liability as the case may be. Interest shall also be applicable to that effect.

7.2 Assessment of non-registered persons

The Commissioner may assess a person who is not registered in certain cases, that is:

- (a)* where that person is over the threshold but has not applied for registration and has made a taxable supply; or
- (b)* where a person who makes a supply:
 - (i)* falsely represents that GST is charged on that supply;
 - (ii)* falsely represents the amount of tax charged; or

(iii) wrongfully received or seeks to recover an amount of GST.

The output tax of an unregistered person will be determined on the basis of all the information available to the Commissioner. The Person is entitled to his allowable input tax, but only to the extent that he can substantiate a claim for that input tax.

A registered person may also be assessed under clause *(b) above*.

CHAPTER EIGHT

AMMENDMENT OF AN ASSESSMENT

If at some time after the Commissioner has made an assessment, new facts are discovered, the assessment may be amended.

8.1 Notices of Assessment

The Commissioner must inform the person assessed in writing of the assessment, or of any amendment of the assessment.

8.2 Time Limit for Assessments

The Commissioner cannot make, amend or vacate an assessment after six years from the end of the relevant tax period unless there is evidence of fraud, willful default or gross neglect.

8.3 Penalty

Where an offence is committed under the GST Act and results in an assessment being made or amended, the Commissioner may charge the offender penalty of up to three times the amount of the tax assessed.

Other examples of offenses that may lead to the imposition of penalty are:

- (1) Failure to file a return; and
- (2) Wrongfully seeking to recover GST.

CHAPTER NINE

BOOKS AND RECORDS

9.1 Introduction

The aim of this section is to familiarize you with the legal obligations on what records to keep. Remember, there are penalties for failing to keep GST records.

A registered person must keep records of all supplies made and purchases acquired during a tax period. Additionally, keep a GST Account which is a summary of the GST liability shown on the monthly return.

9.2 Legal Requirements

A registered person shall keep books and records:

- (a)* expressed in the English Language and in Belize currency;
- (b)* to enable the Commissioner to arrive at the tax;
- (c)* at the principal place of business in Belize or such other place as the Commissioner may approve; and
- (b)* for not less than six years after the end of the last tax period to which they relate.

The actual books and records kept by a registered person would depend on a number of factors including the type of business activity undertaken. However, the books and records are those that would enable a registered person to ascertain his tax liability and to provide all the information required by the GST Act.

Examples of the books and records include:

- Annual accounts
- Bank statements any paying-in slips

- Cash books and other account books
- Credit or debit notes you issue or receive
- Import and Export documentation
- Order and delivery books
- Purchase and sales books
- Purchase invoices and copy sales invoices
- A record of daily gross takings (retailers)
- Any relevant business correspondence
- GST account
- Cash register tills

9.3 What is a Tax Invoice?

A tax invoice is a document that shows certain information about what is being transacted, whenever goods or services are supplied by a **registered person to another registered person**. A tax invoice, which should be pre-numbered, must show the:-

- (i) the words '**TAX INVOICE**'
- (ii) an identifying serial number and the date
- (iii) the name, address and tax identification number of the supplier and the recipient.
- (iv) the description of the items supplied and the quantity
- (v) the consideration for the supply, not including tax
- (vi) the rate of GST charged and GST payable
- (vii) the total value of the supply including GST

The tax invoice should be in three copies (one for the purchaser, one for the supplier, and one to be made available to the Department of the GST when requested).

Sample of a Tax Invoice

TAX INVOICE		
From:	ABC Furniture Company.	Invoice No: 001
Address:	2 Flower St., Belize City	TIN: 000987
Date:	April 1, 2006	
To:	XYZ Company	TIN: 000002
Address:	49 Sunnyside Sr., Belize City	
Quantity	Description and Price	Amount exclusive of GST
30	Stools at \$15.00 ea.	\$450.00
100	Chairs at \$70.00 ea.	\$7000.00
20	Tables at \$180.00 ea.	\$3600.00
20	Chairs at \$90.00 ea.	\$1400.00
		\$12,450.00
	GST 10%	1245.00
	TOTAL	\$13,695.00

9.4 What is a Sales Receipt?

The sales receipt is **used to record sales to unregistered persons**. The sales receipt should include at least the following information:

- (i) an identifying serial number and the date

- (ii) TIN and name of the supplier.
- (iii) the description of the items supplied and the quantity
- (iv) the GST inclusive price
- (v) the rate of GST charged and GST payable

9.5 Why are tax invoices important?

Registered persons can only claim a tax credit for the GST charged if a tax invoice supports the claim. All tax invoices received from suppliers and copies of all tax invoices issued should be kept.

9.6 How Should Sales be recorded?

Registered taxpayers must issue tax invoices for sales made to each other. Where the sale is to an unregistered person a sales receipt may be issued. The entry of each invoice in the sales book should show:

- The date of the transaction,
- The invoice number;
- TIN and name of the purchaser;
- The value of supplies including GST
- Value of any zero rated sales
- Value of any exempt sales
- Value of supplies excluding GST
- GST on sales

Value of supplies excluding GST and GST on sales could be broken down for sales between registered taxpayers and sales to unregistered taxpayers.

The information on the daily sales book will be used for preparing the monthly GST return. Appendix 1 contains a sample format of the Sales Book that the Department of General Sales Tax endorses

Additionally, businesses using cash registers with till rolls and who also issue tax invoices e.g. supermarkets, need to retain their tax invoices and till rolls as part of their records. Also records generated by a computer including Tax Invoices must provide the same type of information as that of a manual system that shows clearly the tax on both purchases and sales.

The total GST on all the records for the monthly taxable period should be added, and recorded in the GST Account as output tax.

The issuing of credit notes will reduce the amount of GST due; debit notes on the contrary increases the GST due.

Note, if goods are given away and taken from stock for personal use or for tax-exempt activity, a record must be kept of:

- the description of the goods;
- the date they were taken from the stock;
- the cost including GST; and
- the rate and amount of tax to be submitted

9.7 How Should Purchases be recorded?

The purchases book should reflect all the invoices received from suppliers for the month. They should be kept and recorded in the book in this same order so that each invoice can be easily identified. The entry of each invoice in the book should show:

- The date of the transaction,
- The invoice number;
- TIN and name of the supplier;
- Total purchase price including GST;
- Value of any zero-rated purchases;
- Value of any exempt purchases;
- Value of imports;
- GST paid on imports;
- Value of local purchases excluding GST
- GST paid on local purchases

Credit/debit notes should also be maintained

The information on the daily purchases book will be used for preparing the monthly GST return.

Appendix 2 contains a sample format of the Purchase Book that the Department of General Sales Tax endorses

Remember to be able to deduct GST, it is necessary to have proper tax invoices and the purchases must be for the business.

9.8 How Is The GST Account Kept?

This is done for each monthly taxable period. It summarizes the input tax paid on all goods, services as well as tax on credit notes for the tax period. Also it shows the output tax due and payable including tax on any goods taken for own use.

To arrive at the total tax due or creditable the input tax is deducted from the output tax. The difference is used to complete the GST return which should be remitted along with any payment due no later than 15 days after the end of the accounting period. See example of a GST Account on following page.

CBS FURNITURE LTD. GST ACCOUNT

July 1 – July 31, 2006

GST INPUT TAX	\$	GST Output Tax	\$
GST on purchases	3000.00	GST on sales	6000.00
GST on services used	300.00	GST on goods used for own use	200.00
GST paid on imports	500.00	GST on bad debts recovered	75.00
GST on bad debts written off	200.00	GST on credit notes Received from suppliers	150.00
GST on credit notes given to customers	100.00	Total Output Tax	\$6,425.00
Total Input Tax	4,100.00	Net GST Payable	2,325.00

Pays to the Department of GST **\$2,325.00** (\$6,425.00 - \$4,100).
If Input Tax is greater than the Output Tax a credit/refund is due.

CHAPTER TEN

IMPORTS AND EXPORTS

10.1 Imports

GST is a tax on supplies, and on imports.

When goods are imported into Belize, GST is due at the same rate as the supply of locally produced goods. GST on imports must be paid at the same time that the customs duty is paid. GST will be calculated on the duty inclusive value of the goods plus any other taxes other than GST charged under this Act. The Single Administrative Document (SAD) will be used in place of the tax invoice, to account for GST.

10.2 Exports

Exports will be zero-rated. Any claim for a GST refund will only be paid after it has been verified that the goods or services have been exported. It is the registered person's responsibility to ensure that there is adequate evidence of exportation before making a claim that the goods and services are zero-rated.

CHAPTER ELEVEN

OBJECTIONS AND APPEALS

11.1 Objections

If a person is not satisfied with an assessment or amended assessment, he may object to that assessment.

The objection is to be made in writing, stating specifically the grounds for the objection and must be made within 15 days of service, of the notice of assessment. The Commissioner may accept a late objection, but only where he is satisfied that there were good reasons for the delay.

An objection will not be considered unless 50% of the amount assessed has been paid. The Commissioner may, in certain cases, accept security for the payment.

11.2 Appeals

An appeal may be made to the GST Appeal's Board if a person is dissatisfied with a decision of the Commissioner on an objection to the assessment.

Such an appeal must be filed within 60 days of the date of the assessment. The Appeal Board will hold informal sittings to determine the merit of the case and its decision shall be final on questions of fact. Either party may appeal to the Supreme Court on a question of law.

CHAPTER TWELVE

Obligations of a Registered Person

A registered person is legally charged with certain responsibilities under the GST Act and the Regulations. A summary of these responsibilities are:

12.1 Charging GST

A registered person is required by law, to charge GST on the taxable supplies made to customers and to ensure that the correct rate of tax is applied to these supplies.

12.2 Tax Invoices

A registered person is required to issue a “tax invoice” when goods and services are provided to a registered person. A registered person must issue a “sales receipt” when goods and services are provided to an unregistered taxpayer. The registered person should also retain original tax invoices received from suppliers as a claim for input tax will only be allowed where a proper tax invoice is produced.

12.3 Accounting for the GST

A registered person is liable to account for the GST on all taxable supplies made, including those taxable supplies on which no tax may have been charged.

12.4 Returns

The registered person is required to file a return by the 15th day of the month following the end of each tax period.

12.5 Payments

Where a registered person furnishes a return showing that there is a net tax liability, the full amount of this liability must be sent to the GST Office within 15 days of the end of the tax period in respect of which the payment is due.

12.6 Change of Status

Where any of the particulars given by the registered person in the application for registration form (GST 100) have changed, or where the registered person dies, or becomes bankrupt etc., the person responsible for his affairs, is required to notify the Commissioner in writing of the occurrence within 21 days using form GST 109.

12.7 Displaying the Certificate of Registration

The Certificate of Registration should be displayed in public view at the place of business or in each of its business location.

12.8 Returning the Certificate of Registration

The Certificate of Registration should be returned to the Commissioner within 15 days notice of cancellation of registration. When a person is deregistered, he is no longer allowed to charge GST on supplies.

6. Value of zero-rated supplies: if the supplies were zero-rated, then insert the total value of zero rated supplies from the invoice

7. Value of exempt supplies: if the supplies were exempt, then insert the total value of exempt supplies from the invoice

8. Value of standard rated supplies (sales to registered persons): if the supplies were provided to a registered taxpayer then insert the total value of standard rated supplies excluding GST; this is the base for calculating GST

9. GST (sales to registered persons): the amount of GST

10. Value of standard rated supplies (sales to non registered persons): if the supplies were provided to a non-registered person then insert the total value of standard rated supplies excluding GST; this is the base for calculating GST

11. GST (sales to non registered persons): the amount of GST

Completing your GST Return

At the end of each calendar month:

1. INSERT (TOTAL OF COLUMN 5 – (COLUMN 6 AND COLUMN 7)) AND REPORT ON LINE 100 OF THE GST RETURN
2. INSERT TOTAL OF COLUMN 6 AND REPORT ON LINE 110 OF THE GST RETURN
3. INSERT TOTAL OF COLUMN 7 AND REPORT ON LINE 120 OF THE GST RETURN
4. INSERT TOTAL OF COLUMN 5 AND REPORT ON LINE 130 OF THE GST RETURN
4. INSERT TOTAL OF COLUMN'S 9 and 11 AND REPORT ON LINE 140 OF THE GST RETURN
5. INSERT TOTAL FROM CREDIT/DEBIT NOTES AND REPORT ON LINE 150 OF THE RETURN

- 5. Total purchase price (GST inc):** indicate the total purchase price including the amount of GST paid
- 6. Value of zero-rated purchase:** if the goods purchased were zero-rated, then insert the total value zero rated from the invoice
- 7. Value of exempt purchase:** if the goods purchased were exempt, then insert the total value exempt from the invoice
- 8. Value of import:** if the goods purchased were imported, include the value of the goods imported, plus customs duties and excise (this is the base for calculating the amount of GST)
- 9. GST paid on imports at 10%:** the amount of GST paid at time of importation (“value of import” x “10%”)
- 10. Price without GST on local purchases:** if the goods were purchased locally, then insert the price without GST
- 11. GST Paid on local purchases at 10%:** the amount of GST paid on local purchases

Completing your GST Return

At the end of each calendar month:

1. INSERT TOTAL OF COLUMN 8 AND REPORT ON LINE 200 OF THE GST RETURN
2. INSERT TOTAL OF COLUMN 10 AND REPORT ON LINE 210 OF THE GST RETURN
3. INSERT TOTAL OF COLUMN 9 AND REPORT ON LINE 220 OF THE GST RETURN
4. INSERT TOTAL OF COLUMN 11 AND REPORT ON LINE 230 OF THE GST RETURN
5. INSERT TOTAL FROM CREDIT/DEBIT NOTES AND RPEORT ON LINE 240 OF THE RETURN