

Frequently asked questions ABST

1. What does ABST stand for?

Ans: ABST means the Antigua and Barbuda Sales Tax.

2. What is ABST?

Ans: ABST is a value added tax; it is imposed on the selling price (cost price + mark-up) of goods and services.

3. When was ABST introduced in Antigua and Barbuda?

Ans: ABST was introduced on January 29, 2007

4. What is the rate for ABST?

Ans: The standard rate of ABST is 15%, there is a special rate of 14% for the hotel/accommodations sector, and some goods are also zero-rated.

5. Was the special rate always 14%?

Ans: No, the special rate has changed over the years

10.5% - January 29, 2007 to December 31, 2011

12.5% - January 1, 2012 to December 31, 2018

13% - January 1, 2019 to February 29, 2020

6. Are all goods and services taxable?

Ans: No, some goods and services are exempt in accordance with law; schedules 3 to 5 of the ABST Act specify what goods are exempt. Examples of these are financial services, medical services, prescription medicines, educational services and transportation around Antigua and Barbuda.

7. What is the difference between zero-rated and exempt?

Ans: Zero-rated means that the items or service is taxable but the tax rate assigned is zero-percent, this rate can be charged at any time. Exempt means not taxable

8. Do prices on the shelf or advertised include ABST or is it added at register?

Ans: Antigua and Barbuda has adopted the inclusive pricing policy meaning that prices displayed on shelves, in menus or advertised must include ABST.

9. Who can charge ABST?

Ans: Only businesses registered for ABST can charge the tax.

10. Are all businesses required to register for ABST?

Ans: No

11. Who is required to register for ABST?

Ans: a) A person in Antigua and Barbuda that has an annual turn-over of EC \$300,000 or more in taxable supplies.

b) A person who engages in taxable activity and sales for the first 4 months exceeds \$100,000 and it is expected that the taxable sales for the next 8 months will exceed \$200,000.

c) A person who expects his taxable turnover to rise above \$300,000 in the next 12 months.

d) Professionals including Lawyers, solicitors, accountants or auditors, architect, Land Surveyors, and Engineers must register whether or not they have an annual turn-over of \$300,000.

12. How will I know if a business is registered?

Ans: Registered businesses must display their certificate of registration in a noticeable place within their business.

13. What do I need to register for ABST?

Ans: Once you are registered with the Inland Revenue Department (IRD) simply complete the ABST registration form ABST003.

If you are not registered with IRD you must first complete the Unincorporated Business Tax (UBT) or Corporate Income Tax (CIT) registration process then complete the ABST registration form ABST003.

14. Is there a fee to register for ABST?

Ans: There is no registration fee for ABST.

15. What are my obligations as a registered taxpayer?

Ans: · Display registration certificate

· Keep proper books and records, books and records must be kept for seven years

· issue ABST receipts or invoices

· File and pay monthly

· Comply with inclusive pricing policy

16. What is a Taxpayer Identification Number (TIN)?

Ans: The Taxpayer Identification Number (TIN) is a number that is used to identify taxpayers in Antigua and Barbuda. With the introduction of the ABST the use of the TIN will be expanded significantly.

17. When do I file for ABST?

Ans: All businesses registered for ABST are expected to file monthly. An ABST remittance is due one calendar month after the end of the tax period. If the last day

falls on a weekend or a public holiday it is due on the next working day, for example the remittance for the tax period May 1, 2020 to May. 31 2020 is due on June 30, 2020.

18. If I was closed or had no sales do I still need to file?

Ans: Yes, you would be expected to file a nil return meaning that you put a zero or dash on all lines usually filled, sign and date the form then submit to the department.

19. If I file late will I be penalised?

Ans: In accordance with sections 54, 72, and 77 of the Tax Administration and Procedures Act 2018 any taxpayer who files and pays late will be subject to the late filing penalty, late payment penalty and interest

Late filing penalty– \$500.00 or 5% of the amount owing whichever one is greater.

Late Payment penalty– 10% of the amount owing

Interest – 1% per month or part of the month that the payment remains outstanding

20. What is an ABST receipt?

Ans: An ABST receipt is a document issued by an individual registered for ABST to a recipient not registered for ABST.

21. What information should an ABST receipt contain?

Ans: All registered businesses are required to issue ABST receipts to their customers.

These receipts must clearly state:

- The name and address of the business
- The tax identification number of the business
- A description of the goods or services purchased
- The cost of the item including ABST
- indication of which items are taxable
- The amount of ABST charged

22. What is an ABST invoice?

Ans: An ABST invoice is a document issued by an ABST registered person to another registered person indicating that a supply is made on which ABST is charged.

23. What is the importance for issuing an ABST invoice?

Ans: The invoice serves four main purposes:

1. Serving as a notice that the supplier is charging ABST
2. Serving as a notice of transacting business between two registered persons and how much ABST is charged
3. Serving as a reference for cross-checking, which is one of the main features of the tax credit method of a valued added tax
4. Serving as the principal evidence to support registered recipient's claims for a deduction of input tax

24. What information must be included on the ABST invoice?

Ans: The following information should be clearly stated on a Tax Invoice:

1. The supplier's TIN, name and address
2. Recipient's TIN, name and address
3. The serial number and date on which the ABST invoice is issued
4. Description of goods or services supplied, including the quantity, volume, or period, as applicable, and the date on which the supply was made
5. unit price of items
6. The consideration for the supply and
7. The amount of ABST charged

25. What is Input tax?

Input tax is tax paid on all purchases of the business. These include imports and local purchases.

26. What is output tax?

Output tax is tax paid by consumers on all goods and services supplied by a registered business.