

ET01 Entertainment Tax Return Preparation Guide (2019)



**Government of
Antigua & Barbuda
Inland Revenue Department**

Entertainment Tax Return Guide (2019)

Table of Contents

NOTE:3

Before You Start..... 4

1. Who has to file an Entertainment Tax Return?4
2. What are the types of events subject to the Entertainment Tax?4
3. Losses4
4. When is the Entertainment Tax due?4
5. What are your responsibilities as a Promoter?4
6. Tax Identification Number.....4
7. How to register for a Tax Identification Number?4
8. In what format can you file the Entertainment Tax return (ET01)?.....4
9. Where do you have to file the Entertainment Tax return?5
10. What happens once the Entertainment Tax return has been filed?5
11. Filing reminders.....5

It is the responsibility of all persons liable to file or pay taxes on behalf of an event or business by the due date.5

12. Assessing the Entertainment Tax liability of a business .5
13. Tax penalties and interest5
14. Books and records5
15. Recovery of tax owing.....5
16. How to object to an Entertainment Tax assessment?5
17. Right to appeal.....6

Form ET01 Part 1: Taxpayer Identification 6

Form ET01 Part 2: Tax Return Calculation 6

- Line 1 – Total Ticket Revenue (From Lottery)6
- Line 2 – Tax Liability6
- Line 3 –Ticket Revenue (From Events) - \$100,000 or less..6
- Line 4 – Ticket Revenue- All-inclusive6
- Line 5 – Ticket Revenue- Non-inclusive **Error! Bookmark not defined.**
- Line 6 – Total Ticket Revenue.....6
- Line 7 – Tax Liability6
- Line 8 – Total Entertainment Tax Payable.....6
- Line 10 – Balance owing6

18. Do you need more information?6

Appendix F: Entertainment Tax Calculation**Error! Bookmark not defined.**

Example**Error! Bookmark not defined.**

NOTE:

This Guide is not a substitute for the Act or its Regulations and in the case of an inadvertent conflict; the Act and Regulations will prevail.

Before You Start

1. Who has to file an Entertainment Tax Return?

Please note that this Guide is not a substitute for the Act or its Regulations and in the case of an inadvertent conflict; the Entertainment Tax Act and its Regulations will prevail.

All persons or entities in Antigua and Barbuda that are:

- Responsible for organizing a ticketed event or paid entry event.

must file an Entertainment Tax return (ET01). The tax has to be paid for any event, admission to which is allowed to any person on payment.

2. What are the types of events subject to the Entertainment Tax?

Events subject to the Entertainment Tax includes:

- Fetes
- Birthday Bashes
- Public Dances
- Boat Cruises
- Club Events
- Street Jams (paid)

All ticket sales accrued or received for a particular event will be subject to the Entertainment Tax. All amounts are to be expressed in Eastern Caribbean Currency (EC Dollars).

3. Losses

If it happens that the event makes a loss, the promoter will receive a one-time waiver of the Entertainment Tax for a future event to be held within 1 year from the date of the event which made the loss.

4. When is the Entertainment Tax due?

The payment of any Entertainment Tax outstanding is due by the 15th of the month following the month in which the event was held and should be accompanied by the Entertainment Tax return.

When the 15th falls on a Saturday, Sunday, or statutory holiday, the return's due date is the next business day.

5. What are your responsibilities as a Promoter?

If you are liable to tax as a Promoter, you shall:

- register as an individual or as a company with the Inland Revenue Department and have a Tax Identification Number;
- register the event with the Inland Revenue Department and obtain an event certificate for the event.
- return the event certificate to the Inland Revenue Department in cases where your event is postponed or cancelled and obtain a new event certificate if necessary.

- show ticket prices inclusive of Entertainment Tax
- submit paper tickets to the IRD to be stamped.
- provide cut-off dates for different prices of tickets and summary of tickets sold after each cut-off date.
- facilitate IRD officers at the gate and/or ticket booth for your event and have an event representative available for counting
- create and maintain records that should determine the tax liability of the event and the amount of Entertainment Tax to be paid;
- return unsold tickets and unused complimentary tickets to the department.
- remit the amount of Entertainment Tax to be paid by the due date on behalf of the event to the Inland Revenue Department; and complete an Entertainment Tax Return.
- File the annual Unincorporated Business Tax return by March 31st of the following year.

6. Tax Identification Number

The Tax Identification Number (TIN) is a number that simplifies and streamlines the way you deal with the Inland Revenue Department. All individuals and businesses get a TIN when they register with the Inland Revenue Department.

If you are engaged in any business, profession, trade, venture or undertaking for the provision of personal services or technical and managerial skills, or become engaged in any business, profession, trade, venture or undertaking for the provision of personal services or technical and managerial skills as an individual, you are liable or become liable to tax, you are required to register with the Inland Revenue Department for the Unincorporated Business Tax. The Inland Revenue Department will issue a Tax Identification Number. This TIN should be quoted in all your correspondence with IRD.

7. How to register for a Tax Identification Number?

To obtain a Tax Identification Number as a sole trader or partnership for a business, you must complete Form UBT001 "Unincorporated Enterprise Registration" and submit to the Inland Revenue Department. Businesses can only have one TIN.

An F16 is to be completed by a shareholder, or partner of an enterprise

To obtain a Tax Identification Number for a company, you must complete an F15 "Non-Individual Enterprise Registration" and submit to the Inland Revenue Department.

8. In what format can you file the Entertainment Tax return (ET01)?

The Entertainment Tax return can be filed by completing form ET01 and appendix F. The ET01 is a personalized pre-printed form generated by the Inland Revenue Department.

The Entertainment Tax return (ET01) may be accompanied by a guide outlining the steps required to complete the return.

9. Where do you have to file the Entertainment Tax return?

The return is filed with the Inland Revenue Department, and all payments must be made payable to the “Commissioner of Inland Revenue” and may be sent by mail or delivered in person to:

Inland Revenue Department
Woods Centre, Friars Hill Road
St. John’s, Antigua

Ensure that you retain a copy of the return for your records.

10. What happens once the Entertainment Tax return has been filed?

After the IRD receives the completed return, it will be reviewed for completeness and accuracy. Once the review is completed the return will be captured into the automated system at the IRD.

When the return is captured, the assessment process is activated. If there is a tax liability, an assessment notice will be mailed to the business along with an explanatory note. Please be advised that all returns may be subject to audit to verify the amounts claimed.

As soon as the Notice of Assessment is received, compare it to the copy of the Entertainment Tax return. Should you require an explanation or clarification regarding the assessment, contact the Inland Revenue Department. If you wish to file an objection, see section 17 of this guide.

If you would like the IRD to release details regarding the Entertainment Tax return to an independent representative, such as an accountant, send us a signed letter of authorization specifying the taxation period and the person or people authorized to receive the information. To cancel a previously given authorization, notify the IRD in writing immediately. You should submit a separate authorization each time you give or cancel a third party authorization. In the letter, you can ask that this authorization not only apply to prior taxation periods, but also to the periods after the one for which the letter is dated.

11. Filing reminders

It is the responsibility of all persons liable to file or pay taxes on behalf of an event or business by the due date.

12. Assessing the Entertainment Tax liability of a business

In the case of non-filing, the Inland Revenue Department can determine the amount of tax to be paid and send a *Notice of Assessment* requiring you to remit the amount of tax due within 30 days after the date of the assessment notice. Penalties and interest will be applied.

In case of incomplete or incorrectly filed return, the Inland Revenue Department can correct the return and send you a *Notice of Re-Assessment* requiring you to remit the outstanding amount of tax due within 30 days after the date of the re-assessment notice. Penalty and interest will be applied on the outstanding tax due.

13. Tax penalties and interest

Penalties and interest may be applied by the IRD to any non filing, late filing or late paying taxpayer. These penalties are detailed in the Tax Administration Procedures Act 2018, *Part VII and Part IX, Sections 53 to 57, 72 and 77* and they are briefly summarized below:

- A penalty of \$500 or 5% of the tax due applies when a person fails to file a tax return by the due date.
- An NSF cheque is considered to be a failure to remit tax and a penalty of 10% of the tax not paid by the due date is automatically applied, along with an interest rate of 1% per month on the amount outstanding.
- A fine of \$100,000 or imprisonment for a term of 5 years or both in the case of tax evasion.

14. Books and records

As an individual or company carrying on a business liable to this tax, you are required to keep books and records in case the IRD needs to verify the income you reported on the Entertainment Tax return. These documents and related vouchers should be kept for at least 7 (seven) years from the end of the taxation period to which they relate.

Keep all receipts and documents that you do not have to file with your Entertainment Tax return in an orderly manner, in case the IRD needs to see them to support a claim, or in case the return is selected for further review or audit. All books and records must be kept in the English language.

Any person failing to create, maintain or retain records as required by the Act will be liable to a tax penalty of \$50 per day for each day the failure continues.

15. Recovery of tax owing

All taxpayers are expected to pay their taxes when they are due and payable as noted on the dates in this guide. The Inland Revenue Department considers a debt to be in default if it is not paid within 30 days of the date due. In addition to the IRD taking action to recover the tax in arrears, penalty and or interest may be charged on unpaid arrears. It is the taxpayer’s responsibility to contact the IRD and ensure that there are no outstanding debts. If a debt is still outstanding, the taxpayer can seek assistance to make a payment arrangement by providing financial information to demonstrate ability to pay. Non-cooperation by a taxpayer to pay their outstanding debt can result in collection enforcement action. If routine arrears collection actions to recover the debt outstanding are unsuccessful, the Department has the power to seize and sell a tax debtor’s assets.

16. How to object to an Entertainment Tax assessment?

Should you disagree with the assessment notice, you must advise the Commissioner of Inland Revenue in writing within 30 days of the date the notice of assessment was served. You should clearly outline the reasons for your disagreement (including documentary evidence) and the Commissioner or representative will contact you to deal with your disagreement.

17. Right to appeal

If you disagree with the Commissioner’s decision, you can appeal to the Tax Appeal Board. You must file your appeal in writing within 30 days of receipt of the Commissioner’s decision.

Form ET01 Part 1: Taxpayer Identification

Be sure to verify the information in Part 1 of the return, so the IRD can properly identify the business, keep up-to-date information in the computer system about the business and process the return more quickly.

It is important that you notify the IRD as soon as possible of any changes in the name of the business, head office address, mailing address, etc. You may be required to fill in registration form UBT 001 or F15. If required, please contact the IRD for further instructions.

Form ET01 Part 2: Tax Return Calculation

Line 1 – Total Ticket Revenue (From Lottery)

Enter the total revenue collected from the sale of lottery tickets. If you are not engaged in the lottery business, enter 0.

Line 2 – Tax Liability - Lottery

Please enter the tax liability calculated from the sale of lottery tickets. If you are not engaged in the lottery business, enter 0.

Line 3 –Ticket Revenue All-inclusive (App I Col A L4)

Enter the total ticket revenue collected from the sale of all-inclusive tickets. If you are not engaged in the organization of events, enter 0.

Line 4 – Ticket Revenue- Non-inclusive (App I Col B L4)

Enter the total ticket revenue collected from the sale of non-inclusive tickets. If you are not engaged in the organization of events, enter 0.

Line 5 – Total Ticket Revenue

Enter the sum of Line 3 plus Line 4. If you are not engaged in the organization of events, enter 0.

Line 6 – Tax Liability Event (L3*0.02)+(L4*0.02)

Use appendix I to calculate your tax liability. If you are not engaged in the organization of events, enter 0.

Line 7 – Total Entertainment Tax Payable

If you are engaged in the lottery business, enter the amount on Line 2. If you are engaged in the organization of events, enter the amount on Line 6.

Line 8 – Amount paid on filing

Enter the amount you are paying when submitting your tax return.

Line 9 – Balance Owing


Enter the difference between Line 8 minus Line 9. Your balance owing will attract penalties and interest.

18. Do you need more information?

This guide explains the process for individuals to complete and file the Entertainment Tax returns according to the provisions of the Entertainment Tax Act. Should you need more assistance after you read this guide, please contact:

Inland Revenue Department
Woods Centre, Friars Hill Road
St. John’s, Antigua
Tel: 468-9473/9471.
Fax: 462-3175
E-mail:

Revenue@antigua.gov.ag

 TAXPAYER'S RECEIPT ANTIGUA & BARBUDA - Inland Revenue Department			Tax Centre:		
ET01 Entertainment			Document No. :		Due date:
Tax Account No.:	Tax Period:	Assessment Period date:	For Official use		Payment Date:
			Amount	DUE	PAID
			Tax		
			Penalty		
			Interest		
			Total		
Revenue Officer for Commissioner					

PART 1 - TAXPAYER AND TAX IDENTIFICATION				
Tax Account No.:	Document No. :	Filing number:	Tax Period:	
Assessment Period date:		Date Issued :	Due Date:	

PART 2 - TAX DECLARATION AND CALCULATION

In accordance with CAP 154 of the Laws of Antigua and Barbuda, I now make payment of Entertainment tax for the period indicated.

A person who fails to pay the Entertainment Tax that is due for a tax period, by the due date, is liable to a Late Payment Penalty of 10% of the amount of Entertainment Tax due but not paid (Section 77 of TAPA 2018) As of January 1, 2019.

Interest will be charged at a rate of 1% per month or part thereof for the period during which it remains unpaid (Section 54 of TAPA 2018) As of January 1, 2019.

A person who fails to file an Entertainment Tax Return by the due date is liable for a Late Filing Penalty equal to the greater of \$500.00 or 5% of the Entertainment Tax payable for the period to which the return relates (Section 72 of TAPA 2018) As of January 1, 2019.

This form should be submitted to the IRD on or before close of business by the due date.

(1)	Total Ticket Revenue (From Lottery)	(1)	_____
(2)	Tax Liability - Lottery	(2)	_____
(3)	Ticket Revenue - All-inclusive (Appx I Colm B L4)	(3)	_____
(4)	Ticket Revenue - Non-inclusive (Appx I Colm C L4)	(4)	_____
(5)	Total Ticket Revenue (L3 + L4)	(5)	_____
(6)	Tax Liability - Event (L3X2%)+(L4X4%)	(6)	_____
(7)	Total Entertainment Tax Payable (Enter L2 - Lottery or L6 - Event)	(7)	_____
(8)	Amount Paid on filing	(8)	_____
(9)	Balance Owing (L8-L9)	(9)	_____

I certify that the information provided on this return and any documents attached are correct, complete and fully discloses all income of the related tax to the best of my knowledge. **It is a serious offence to submit a false return.**

Name: _____ Signature: _____ Date: _____
 (Please **Print Name**)

Title: _____ Address: _____ Phone: _____
 (If form is completed by someone other than taxpayer)

Appendix I: Entertainment Tax Calculation

Use this appendix to calculate the total Entertainment Tax to be paid. Attach this appendix to the return.

N.B: VIP tickets are considered as All-inclusive tickets.

No.	Type of ticket:	(A) All-inclusive	(B) Non-inclusive
(1)	Early Bird Tickets (# of tickets sold * price of ticket)		
(2)	Regular Tickets (# of tickets sold * price of ticket)		
(3)	Gate Tickets (# of tickets sold * price of ticket)		
(4)	Total Ticket Revenue (L1+L2+L3)		
(5)	Entertainment Tax Rate	0.02	0.04
(6)	Multiply the amount on Line 4 by the rate on Line 5.		

Report the amount in Column A Line 4 on Line 3 of the return.

Report the amount in Column B Line 4 on Line 4 of the return.

Report the Sum of Column A Line 6 and Column B Line 6 on Line 6 of the return.

Example

Use this appendix to calculate the total Entertainment Tax to be paid. Attach this appendix to the return.

N.B: VIP tickets are considered as All-inclusive tickets.

No.	Type of ticket:	(A) All-inclusive	(B) Non-inclusive
(1)	Early Bird Tickets (# of tickets sold * price of ticket)	7,500.00	\$ 15,000.00
(2)	Regular Tickets (# of tickets sold * price of ticket)	21,000.00	\$ 112,500.00
(3)	Gate Tickets (# of tickets sold * price of ticket)	-	\$ 20,000.00
(4)	Total Ticket Revenue (L1+L2+L3)	28,500.00	147,500.00
(5)	Entertainment Tax Rate	0.02	0.04
(6)	Multiply the amount on Line 4 by the rate on Line 5.	\$ 570.00	\$ 5,900.00

Report the amount in Column A Line 4 on Line 3 of the return.

Report the amount in Column B Line 6 on Line 4 of the return.

Report the Sum of Column A Line 6 and Column B Line 6 on Line 6 of the return.