

Unincorporated Business Tax FAQ

1. When did the Unincorporated Business Tax (UBT) come into effect?

Ans: The Unincorporated Business Tax came into effect from July 1, 2016 after the abolition of the Personal Income Tax (April 2005-June 2016)

2. What income is subject to tax under UBT?

Ans: All self-employed business income (sole-proprietorships), partnership businesses and any other business deemed an unincorporated business.

3. What types of businesses are commonly registered as unincorporated businesses?

Ans: These include but are not limited to; persons involved in the rental of commercial and residential property, car rentals and used car dealers, hairdressers, barbers, food vendors, taxi operators, car rentals, entertainment operators (DJs, promoters), night club operators, photographers, tailors/seamstresses, online importers, retail businesses (home-based, online etc.), hucksters, landscapers and grass cutters, village shops, boat maintenance personnel and all other sole- traders and partnership businesses

4. What is the Unincorporated Business Tax charged on?

Ans: UBT is charged on the net income of the business; i.e. the sales minus expenses.

5. What kind of expenses am I allowed to claim when making my filing?

Ans: The general rule as outlined in the tax law is that a business owner can claim all expenses that are incurred in order for the business to earn income. No personal (expenses outside of the business) are allowed

6. What documents do I need to have when registering my unincorporated business at IRD?

Ans: Business owners must have the following:

- Both certificates from Intellectual Property
- Passport/Birth certificate and Social Security picture id
- Non-national: Passport along with work permit

7. What are filing obligations for an unincorporated business?

Ans: All businesses are required to file the following:

1. Registration Fee (R02) Form-due on or before January 31st each year.
2. Quarterly Forms (F14)-
March 31st due April 15th

June 30th due July 15th

September 30th due October 15th

December 31st due January 15th

3. Annual return (F15) – due March 31st each year

8. Is there a fee to register my unincorporated business?

Ans: There is no mandatory fee that is required in order to register a business. The registration fee form that must be filed by all registered businesses should be filed annually and is based on the gross income bracket of the business.

9. What are the tax rates for UBT?

Ans: The UBT rates are 0%, 8% and 25%

10. If I own and rent property in Antigua and Barbuda but I do not reside on island, how am I taxed?

Ans: Non-residents who earn rental income are taxed at a rate of 12.5% on every dollar earned (Withholding tax). The property owner is required to retain a property management agent who will be responsible for filing the return no later than fifteen (15) days after making the payment.

11. Will I be penalized not filing by the due date?

Ans: Yes you will be penalized for failure to submit your tax filing by the required due date.

Penalty is equal to the greater of:

- a. 5% of the amount of tax owing
- b. Penalty of \$500