



INLAND REVENUE DEPARTMENT - ST. LUCIA

INCOME TAX RETURN GUIDE

INDIVIDUALS



*Produced by the Taxpayer Relations Unit,
Inland Revenue Department - St. Lucia*

OCTOBER 2000

Use this guide to help you work through the
Sections and calculations in your Tax Return

IMPORTANT INFORMATION INSIDE

File on time. Avoid late filing penalties

For further information, please contact us at our:



(1) Head Office in Castries

Telephone Number: 1-758-468-4700

Fax Number: 1-758-453-6072

(2) Tax Service Center in Vieux-Fort

Telephone Number: 1-758-454-6014

Fax Number: 1-758-454-9218

(3) Soufriere Sub-Office

Telephone Number: 1-758-459-7360 or

E-mail us at ird@candw.lc

You can write us our mailing address is:

The Comptroller
Inland Revenue Department
3rd Floor, Block 'B', NIS Buildings
Waterfront
Castries, St. Lucia

Use this space for your calculations



Use this space for your calculations



Mission Statement

*The Inland Revenue Department
stands committed in its impartial
treatment of its customers.*

*We aim to provide an efficient,
professional and courteous service,
while administering the relevant tax
laws on behalf of the
Government and people of
St. Lucia.*



Dear Taxpayer

We welcome you to the second edition of this Income Tax Return Guide. It's that time again when you are required to fulfill your obligations to give a true and correct return of your earnings for the year 2000. We really appreciated the feedback we received from you on our first edition and we endeavoured to incorporate your suggestions in this edition.

Before you start filing in your tax return, please check page 10 to ensure that you have in your possession all the relevant documents required to complete your Return. Use the Guide to help you work through each question and calculation. If you need assistance do not hesitate to call our Taxpayer Assistance Unit.

In keeping with our Mission to provide an efficient, professional and courteous service, we wish to inform our clients who reside in the south of the island that Returns should be submitted at our Tax Service Centre, Vieux Fort. The Centre is now fully automated and would be handling your tax affairs.

*In addition, we will be introducing a **TELETAX** Service during the months of February and March 2001. This service which would run from 4:30 p.m. to 8:30 p.m. Mondays through Fridays would provide answers to your questions, specific to the completion of your Tax Return.*

We are anxious at the Department to keep improving the service we provide to assist you in meeting your obligations, so we welcome any comments or suggestions you may wish to make. Please write to us at:-

*Taxpayer Relations Unit
Inland Revenue Department
Heraldine Rock Building
Waterfront
Castries*

You can also call us at 468-4700 or e-mail us at trd@candv.lc.

*Trevor Brathwaite
Comptroller of Inland Revenue*

Taxpayers Charter (Extract)

You are entitled to expect the Inland Revenue

To be fair

By settling your tax affairs impartially
By expecting you to pay only what is due under the law
By treating everyone with equal fairness

To help you

To get your tax affairs right
To understand your rights and obligations
By providing clear leaflets and forms
By giving you information and assistance at our enquiry offices
By being courteous at all times

To provide efficient service

By settling your tax affairs promptly and accurately
By keeping your private affairs strictly confidential
By using the information you give us only as allowed by the law
By keeping to a minimum your costs of complying with the law
By keeping our costs down

To be accountable for what we do

By setting standards for ourselves and publishing how well we live up to them

If you are not satisfied

We will tell you exactly how to appeal
You can ask for your tax affairs to be looked at again
You can appeal to the Appeal Commissioners

In return, we need you

To be honest
To give us accurate information
To pay your taxes on time

General Declaration

Section 6

Page 4

Are there any penalties?

You may face penalties and prosecution if you :

- are required to put in a return but do not do so
- give false or misleading information (including not showing all your income)
- leave out details on purpose so that the information is misleading
- file your return late

What to do next :

- Remember
 - your last day for sending us your return is March 31, 2001.
- Remember
 - If you have tax to pay, you need to pay this by March 31, 2001 to avoid penalty and interest.
- The Remittance Form **MUST** be attached to your return.
- Clearly state your name and tax account number on all other papers attached to your return.
- Keep a copy of your return for your records.
- You must keep your records for six (6) years after the income year to which it relates.
- You must seek permission from the Department to destroy your records

CONTENTS

	Page
• What's new this year?	7
• When to use a TD Form IT-1	8
• We need to know	
Using this Guide	10
Use the Guide with your Return	11
<u>The front page of the Return</u>	
Section 1 - Identification	12
Personal Information	12
Section 2 - Calculation of Net Income	
• Your Income	13
• 100 - 101 Income (Public/Private Sector)	13
• 105 Pension	14
• 106 Interest	15
• 107 Other Taxable Income	15
• 108 Rental Income	16
• 109 Business/Professional Income	17
• 110 Total Income	17
• 111 Prior Years Loss	17
<u>Page 2 of the Return</u>	
• Section 3 - Computation of Allowances & Deductions	
• Personal Allowance	18
• Spouse Allowance	18
• Child & Education Allowance	18
• Dependent Relative Allowance	19
• Dependent Housekeeper Allowance	19
• Medical Allowance	20
Schedule B - Future Benefits	
• Individual Registered Retirement Savings Plan	20
• Approved Pension Fund	20
• Other Fund	20
• Life Insurance	21
• National Insurance	21

	Page
<u>Page 3 of the Return</u>	
Schedule C - Other Allowable Deductions	
• Registered Home Ownership Savings Plan	21
• Owner Occupied Residential Property	21
• Donations and Gifts for Approved Purposes	21
• Deduction for subscription for shares in Co-operatives or Building Society	22
• Student Loan Interest	22
• Alimony and Maintenance/Separation Payments	22
• Other Deductions	22
• Rental Information	23
<u>Page 4 of the Return</u>	
• Section 4 - Tax Calculation	24
• Total Allowances and Deductions	24
• Chargeable Income	24
• Tax Calculation Worksheet	24
• Examples	25
• Payments and Credits	26
• Overseas Tax Credits	26
• P.A.Y.E. Deductions	26
• Prepayments or Instalments	26
Section 5 - Payments and Refunds	27
Section 6 - General Declaration	28
Taxpayers Charter	29
Space for calculations	30

Payments & Refunds

Section 5

Page 4

Whether or not an extension of time has been granted to file your return, the amount on Line 135 must be paid no later than March 31, 2001.

If this amount remains outstanding after the due date, you will be charged a penalty of 10% and interest at a rate of 1.04% per month. This interest will keep accruing until all the tax owing is paid in full.

The Department will produce an assessment subsequent to your filing your return. The assessment will either confirm the details that you filed, indicate any additional tax that you have to pay or show a change in the amount to be refunded.

We advise that you pay the amount indicated as at March 31. If you are unable to pay the amount we will be happy to arrange a payment plan with you. Arrangements for a payment plan can be made when you file your return.

You may make cheques or money orders payable to the Accountant General.

DO NOT MAIL CASH DO NOT MAIL CASH

If you are entitled to a refund, you may :

- have it credited directly to your bank
- receive it as a cheque in the mail
- transfer all or part of it to cover someone else's income tax liability
- transfer all or part of it to pay any other tax type.

Please indicate in Section 5, Page 4 of your return.

Payments & Credits

Overseas Tax Credits - Line 130

If you paid tax overseas you may claim it as a credit against your tax. The amount of credit you receive is the lesser of the actual amount of tax paid on the overseas income, and the amount of tax you would pay in St. Lucia on the same amount.

Other Credits - Line 130

If you paid tax on contractual income you may claim this amount on [Line 130](#).

PAYE Deduction by Employer

If income tax is shown as having been deducted from your TD5, TD4 or P11 Certificate enter the amount on [Line 132](#).

Prepayments or Instalment Payments

If you paid instalments or taxes in advance towards your tax liability, enter the total amount on [Line 133](#).

Add [Lines 130](#) through [133](#) and enter amount on [Line 134](#).

Net Tax Payable

If [Line 129](#) exceeds [Line 134](#), enter the difference on [Line 135](#).

Refundable Amount

If [Line 134](#) exceeds [Line 129](#), enter the excess amount on [Line 136](#).

What's new this year.

1. Property Tax Payments

An individual who has taken advantage of the Property Tax Amnesty and has made payments towards his property tax arrears may claim this amount as a deduction.

When to use a TD Form IT -1

Use a TD Form IT-1 if between January 1, 2000 and December 31, 2000 you received income (gains or profits) from :

- * employment (wages, salary, leave pay, director's fees, commissions, bonus, gratuity)
- * self employment
- * pension
- * business
- * rents
- * royalties
- * interests/ discounts
- * premiums
- * fees
- * licenses
- * cash jobs or payments made "under the table"
- * bartering
- * an illegal enterprise

You also use a TD Form IT-1 if you :

- * made a net loss or are bringing a net loss forward from previous years.

If any of the criteria applied to you, you must fill in and send us a TD Form IT -1.

Send us your TD Form IT-1 by March 31, 2001.

Example 2.

If your chargeable income is \$16,500, do the following calculation:

LINE A : 16,500
 LINE B : 10,000
 LINE B1 : 1,000
 LINE C : 6,500
 Tax at : 15%
 LINE C1 : 975.00

Total tax on chargeable income Line B1 plus Line C1 = 1000 + 975 = 1975
 Enter amount on [Line 127](#)

Example 3.

If your chargeable income is \$25,000, then do the following calculation:

LINE A : 25,000
 LINE B : 20,000
 LINE B1 : 2500
 LINE C : Subtract LINE B from LINE A = 5000
 Tax at : 20%
 LINE C1 : 1000

Total tax on chargeable income LINE B1 plus LINE C1 = 2500 + 1000 = 3500
 Enter amount on [Line 127](#)

Example 4.

If your chargeable income is \$54,000, do the following calculation:

LINE A : 54,000
 LINE B : 30,000
 LINE B1 : 4,500
 LINE C : Subtract LINE B from LINE A = 24,000
 Tax at : 30%
 LINE C1 : 7,200

Total tax on chargeable income LINE B1 plus LINE C1 = 4,500 + 7,200 = 11,700
 Enter amount on [Line 127](#)

Late Filing Penalty - Line 128

If you file after 31 March or after an extension of time was granted you must multiply [Line 127](#) by 5%.

Enter the amount on [Line 128](#), Page 4.

Add [Line 127](#) & [Line 128](#) and enter the total on [Line 129](#).

We need to know

If you don't have to fill in a return at all and decide not to send one, please let Inland Revenue know. You can phone us at 468-4779/66/30 (Castries); 454-6014 (Vieux-Fort Tax Service Centre); or 459-7360 (Soufriere Office).

Using this guide

You save time if you do your return yourself. The sooner we process your return, the sooner we settle your taxes.

Please try filling your return. Do as much as you can. If you are unsure about any part please phone us at 468-4779/4729/4764/4730/4766 for help.

Before you start filling in the form make sure you have:

- * certificates showing your income and tax deducted - Part 1 of TD5
- * evidence in support of child attending university
- * original medical bills if amount is in excess of \$400.00
- * premium certificate in respect of individual registered retirement savings plan
- * life insurance statement
- * mortgage interest statement
- * registered home ownership savings plan certificate
- * house insurance receipt
- * house tax receipt
- * sewerage charge receipts
- * student loan interest statement
- * credit union share certificate
- * deed of separation, court order or decree
- * receipts - upkeep & maintenance of your house
- * supporting documents for any other claims made

Rental Information Schedule E Page 3

If between 1 January and 31 December, 2000, you paid rent for your home or business. Complete this Schedule.

In order that we can allow you your claims, you must provide supporting documentation for mortgage interest, house tax and insurance, receipts for home maintenance, life and medical insurance, student loan interest, registered retirement savings plan, relative attending university, registered home ownership plan, deed of covenant, deed of separation, court order or decree.

This helps us to process your return quickly.

You must staple these documents on the top of Page 3 under any TD5, TD4, or P11 certificates.

Keep all bills, receipts, cancelled cheques etc. in support of other deductions claimed with your records in case we ask to see them later.

Should your return be selected for audit, such documents **must** be produced to establish the validity of any claim.

In the event that you may require additional space when completing Schedules A, B, or C, on Page 2 & 3, please give details on a separate sheet.



- **Donations and Gifts**

You may claim payments to any religious, charitable, medical or educational institution or sporting body or fund of a public character **approved by Cabinet**, to the St. Lucia National Trust, to the loan fund established under the Further Education (Loan Fund) Act, 1969.

To qualify, the contribution made must be under a **deed of covenant for a period of not less than three years**. Your contribution is limited to 25% of your assessable income on **Line 112**.

Enter amount on **Line 18**.

- **Co-operative or Building Society**

You may claim payments by way of subscriptions for shares in any society. The maximum which you can claim is \$3600.

Enter amount on **Line 19**.

- **Student Loan Interest**

You may claim the interest on a loan to finance your tertiary education. The maximum amount of interest you can claim is \$3000.

Enter amount on **Line 20**.

- **Alimony/Maintenance/Separation Payments**

You may claim payments made by you to a former spouse. To qualify, the person receiving these amounts must be chargeable to tax in St. Lucia.

Enter amount on **Line 21**.

- **Other Deductions**

You may claim :
 any payment made for the preparation of your tax return.
 subscriptions to a professional association approved by the Comptroller.

Enter amount on **Line 22**.

Add up all your payments and contributions under this Schedule and enter the total amount on **Line 23** and **Line 124** of Page 4.

Use the Guide with your Return

Your income tax return is made up of six Sections and depending on the source of your income you may need to utilise all these Sections.

We explain each Section on the return step by step in the Guide, in the same order as they are placed.

We encourage you to read the information very carefully.

It is suggested that you **make a copy of your tax return** and keep a copy for record purposes or work with a pencil first so that you can erase any errors that you may have made.

Work on one copy of your return. When you have gone as far as you can, transfer the figures to the other copy.

If you misplace your return, or need any other information regarding any issue mentioned in this Guide, phone the Taxpayer Assistance Unit.



The front page of the return

Section 1 - Identification Personal information

The information in Section 1 helps us to identify you, it also makes it easier to contact you. Please make sure that we have your details exactly right and if you change your name or address, let us know immediately so we can update our records.



Mailing Address

If you use your tax consultant, accountant or agent's postal address leave the address panel blank. Your accountant or agent will let us know of any change of address when updating their client list.

If you don't use your tax accountant or agent's postal address, write your postal address if it is different from your home address.

Date of birth

It is important that you give the correct date of birth. This is especially important in the case where more than one person has the same name.

- **Life Insurance**
You may claim premiums paid on the life of yourself, spouse and/or children to local insurance companies.

In addition you may also claim premiums paid to insurance companies not doing business in St. Lucia. However the amount is limited to 50% of premiums paid, or 1/20 of assessable income or \$3000.00

- **National Insurance (N.I.S.)**
Claim **your** contributions paid.
Enter the amount in Schedule B (e)

The total of Life Insurance and N.I.S. is limited to the lesser of actual payments or 1/10 of assessable income or \$8,000.00.

Complete the relevant table and enter the total on Line 14.

Add up the figures from **Lines 13 and 14** and enter on **Line 15** and on **Line 123**, Page 4.

Other Allowable Deductions Schedule C Page 3

Did you make payments and/or contributions to any of the following? :

- **Registered Home Ownership Savings Plan (RHOS)**
Contributions made to an approved RHOS Plan up to a maximum of \$6000 may be claimed.
Enter amount on **Line 16**.
- **Owner Occupied Residential Property**
Payments for interest for the acquisition, construction or improvements to your home up to \$15000 may be claimed.
Enter amount on **Line 17a**.
- **Expenses reasonably incurred in the upkeep and maintenance of your home may be claimed.**
Enter on **Line 17b** amount paid for House Insurance Premiums
Enter on **Line 17c** amount paid for House Tax & Sewerage Charges
Enter on **Line 17d** expenses reasonably incurred for the upkeep and maintenance of your home.
Where two or more persons are entitled to relief from **Line 17** through **17d** the claim may be apportioned.

Medical Expenses for Self, Dependant Spouse, Children and Dependant Relative.

If between 1 January and 31 December, 2000, you incurred medical expenses including medical insurance premiums you may claim this expense. A minimum amount of \$400 is allowed.

Enter total amount on **Line 11**.

Add up the figures from **Lines 8, 9, 10 and 11** and enter total amount on **Line 12** and on **Line 122**, Page 4.

Future Benefits Schedule B Page 2

Did you contribute to any of the following? :

- Individual Registered Retirement Savings Plan.**
 To qualify, the retirement plan must be registered and approved by the Comptroller.
 You may claim the lower of the actual premiums paid or 1/10 of the assessable income or \$8000.00
 Enter total amount in Schedule B (a).
- Approved Pension Fund**
 For Funds established in St. Lucia - You may claim the entire amount of your contribution.
 Enter total amount in Schedule B (b).
- Other Funds**
 For Funds not established in St. Lucia and participation commenced before 1988 - 50% of your contribution may be claimed. If funds established after 1988 no deduction allowed.
 Enter the total amount in Schedule B (c).

Complete the relevant table.
 Add **Line a, b, and c** and enter the total on **Line 13**.

Section 2 - Calculation of Net Income Your Income

Line 100 - 105

Did you receive any of these types of income with tax deducted between January 1, 2000 and December 31, 2000?

- | | |
|-------------------|---|
| - salary | - bonus |
| - wages | - gratuity |
| - director's fees | - pension |
| - commissions | - benefits from employment
(travelling allowance, motor vehicle,
paid accommodation, housing) |

What to show in your return

From each certificate of remuneration (TD5, TD4, P11), copy to:
Line 100 - total wages & salary from public sector (government)
Line 101 - total wages, salary & benefits from private sector

Add up the amounts and enter the total on Line 102 of your return.
 If you are sixty years and older enter 6000 on Line 103. **Do not fill in if you receive a pension.**

Net Employment Income - Line 104.

If applicable deduct **Line 103** from **Line 102**. Enter difference on **Line 104**
 Enter total figure from **Line 102** here.

Pension Income - Line 105

Enter total pension income less \$6000.00 exemption.

N.B. The exemption is limited to the actual amount of pension income received if the pension income is \$6000 or less.

Staple all your certificates of remuneration (TD5, TD4, P11) to the top of Page 3 of your return, on top of any other documents. This helps us to process your return quickly.

Pensions

Do not include the following in your tax return :

- pensions which are completely tax free, such as war pensions, pensions to religious ministers, overseas pensions to retired persons.

More than one certificate

If you held more than one job in the same Sector within the period January 1, 2000 to December 31, 2000, enter the total income on [Line 100](#) or [Line 101](#).

Certificates arrived late

If you received a certificate of remuneration (TD5, TD4 or P11) after you have submitted your tax return, **do not send us another return**. You must send us the certificate with a short letter indicating you have already sent in your tax return. Please write your Tax Account Number on the letter.

Missing certificates

Your employer or payer must give you a certificate of remuneration (TD5, TD4, P11) by January 31, 2001, or within seven days after you leave a job.

If for any reason, you do not have your certificate, ask your employer to give you a signed/ stamped letter which tells us :

- that the original certificate is missing;
- the amounts that were shown on the original certificate;
- the period you were employed;
- your tax account number;
- employer tax account number;
- any benefits and allowances paid or enjoyed by you.

Dependant Relative

If between 1 January and 31 December, 2000, you maintained a dependant relative.

Claim \$350 for each dependant.

Complete the relevant table and enter total on [Line 9](#), Page 2.

“Dependent Relative” is a person who -

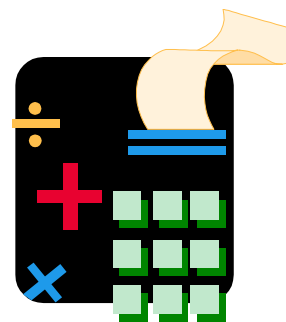
- whether incapacitated or not is the parent or other lineal ancestor or aunt or uncle of that individual or of his or her spouse and is unmarried, divorced, widowed or separated or
- is incapacitated by old age or infirmity or unemployable by reason of old age and is the child, brother or sister of that individual or of his or her spouse.

Housekeeper

If between 1 January and December 31, 2000 you maintained a relative who resided with you for the purpose of caring for your children.

This allowance may be claimed by a person who is a widower/ widow or is unmarried, divorced or separated. Claim \$200.

Complete the relevant table and enter amount on [Line 10](#).



Computation of Allowances & Deductions

Section 3

Personal Allowance

You may claim **\$10000** as personal allowance if you have been living in St. Lucia for more than 183 days (approximately 6 months).

Enter on **Line 120**, Section 4, Page 4.

Spouse Allowance

You may claim a spouse allowance of **\$1500** if you maintained your spouse during the year.

To qualify for this deduction you must be legally married and your spouse's income for the year must not exceed **\$3000**.

Enter amount on **Line 121**, Page 4.

Schedule A - Page 2

Dependant & Medical Allowance

Child & Education

If between 1 January and 31 December, 2000 you maintained a :

- Child who - irrespective of age was an invalid and/or under 10 years
Claim \$1000 per child
- Child who - attained the age of 10 years and over was a student child either in St. Lucia or elsewhere.
Claim \$ 2000 per child
- Relative who was a university student whether in St. Lucia or elsewhere.
Claim \$5000 per relative/child.
Proof of attendance at university is required.

Complete the relevant table and enter total on **Line 8**, Page 2.

Please wait until you have all your certificates of remuneration before you send in your return.

It is important that you get this information, so please remind your employer to furnish you with the information if you know it is late.

In the event that your employer does not provide you with this information, inform the Public Assistance Unit.

Interest

Line 106

Complete Schedule D, Page 3.

Add up all your income under this Schedule and enter total amount on **Line 4** and **Line 107** of Page 1.

Did you receive any interest other than bank interest between 1 January, 2000 and December 31, 2000 :

- * in cash or cheque?
- * compounded or added to your investment?

Show all the interest that you received from all sources and enter the total on line 106.

Other Taxable Income

Schedule D

Line 107

If you received other income between January 1, 2000 and December 31, 2000, show it on Line 107. This includes:

- alimony
- maintenance/separation payments
- other annuities
- commissions
- discounts
- fees
- license charges
- premiums
- cash jobs, payments made "under the table", bartering, or an illegal

Rental Income

Section 7

Line 108

Show income you received from rents between 1 January, 2000 and December 31, 2000 at Line 108 after completing Section 7 of your tax return.

Prepare a summary of the details for each rental property. You can use either:

- Schedule 7.1 - **Rents and Royalties Income or Loss Statement** which asks all the information we need or
- your own summary. However we recommend using Schedule 7.1 as this will speed up the processing of your return.

If you prepare your own summary we need the following details:

- the address of the property
- the number of months it was available for renting
- total rents before expenses
- rates
- insurance
- interest
- repairs and maintenance
- wear and tear on contents (if rented furnished)
- total rents after expenses (this is your net rents)

Ongoing Expenses

Claim ongoing expenses, such as rates, insurance and interest in proportion to the number of months the property was available for renting. For example, if the property was available for 10 months, you can claim 10/12ths of these expenses.

Repairs and Maintenance

You can claim property and plant repairs and maintenance but not additions or improvements.

What to show in your return

Add up the net rents (total rents after expenses) and enter the total on line 108; if it's a loss put it in brackets. Securely attach the Statement or your summary to the top of page 3 of your return, under any TD5, TD4 or P11 certificates.

Business / Professional Income

Section 8

Line 109

If you received any self employed income between 1 January 2000 and December 31, 2000 enter the total in Part 1 (Income) of Schedule 8.1 Claim expenses against this income in Part 11 (Deductions) of Schedule 8.1

Schedule 8.1: Profit or (Loss) from Business or Profession

This schedule sets out a general summary of information from the financial records. Using Schedule 8.1 speeds up the processing of your return. However, you still need to complete financial records and keep them in case we ask for them later

What to show in your return

From Schedule 8.2 Line 41, enter your profit on **Line 109**. If it is a loss put it in brackets.

Staple the following to the top of page 3 of your return under any TD5, TD4 or P11 certificates:

- your financial statements
 - a completed **Profit or (Loss) from Business or Profession Schedule**
- Keep your receipts with your records in case we ask to see them later.**

Total Income

Add **Lines 104** through **Line 109**. Enter total on **Line 110**.

Prior Years Loss

Did you have any loss available for carry forward from business or professional income. If so, you may claim up to 50% of your assessable income on **Line 111**, Page 1 of your return.

Assessable Income

Subtract **Line 111** from **Line 110** and enter the amount on **Line 112**, Page 1 and **Line 113** of Page 4.