



ADVANCE PAYMENT OF TAXES



WHEN ADVANCE PAYMENTS ARE DUE AND PAYABLE

The due dates for advance payments are – **March 25, June 25 and September 25.**

Any outstanding balance must be paid by the due date for filing the return which is three (3) months after the taxpayer's financial or income year.

UNDERPAYMENT OF ADVANCE PAYMENT OF TAX

Any underpayment of advance payment of tax will be subjected to late payment penalty (10%) and interest (1.06%) in accordance to Section 134(1) and Section 115 (1) of the ITA.

OUR MISSION

The Inland Revenue Department stands committed in its impartial treatment of its customers. We aim to provide an efficient, professional and courteous tax service, using modern tax administration techniques, while administering the relevant tax laws on behalf of the Government and people of Saint Lucia

CONTACT US

For further information, please contact us at:

Head Office in Castries

Tel.: **1 758 468 4730/35/66**

Fax: **1 758 453 6072**

E-mail: customerservice@ird.gov.lc

Tax Service Center in Vieux-Fort

Tel.: **1 758 468 4961/66**

Fax: **1 758 454 9218**

E-mail: vftaxservice@ird.gov.lc

Soufriere Sub-Office

Tel.: **1 758 459 7036**

Fax: **1 758 457 1596**

Website www.irdstlucia.gov.lc

Prepared by: Inland Revenue Department Taxpayer Services

Ministry of Finance

2016



ADVANCE PAYMENT OF TAXES (INSTALMENTS)

INTRODUCTION

Advance payment of income tax are payments made towards the estimated personal or corporate income tax payable for the current period, in accordance with Section 113 of the Income Tax Act (ITA) Cap 15.02.

WHO IS LIABLE TO MAKE ADVANCE PAYMENT OF TAX?

Every resident company, certain non-residents carrying on business in Saint Lucia, Self-employed individuals, landlords, and any other business venture may qualify for making payment in that manner. Some persons may have to make advance

payment of taxes if amounts being withheld from certain sources of income are inadequate.

e.g. Persons who are subject to 10% contract/withholding tax.

BASIS AND COMPUTATION FOR ADVANCE PAYMENT OF TAX

The chargeable income of the previous year is used as estimated chargeable income in order to determine advance payment for the current year.

Where incentives exist for the current year, the estimated chargeable income should be reduced by the value of the incentives.

The advance payment (instalment), is 1/3 of the tax on the estimated

chargeable income.

When calculating advance payments, provision must be made for possible changes in the business situation, other credits and for changes in the tax law.

If current year business activity changes, a projected income statement must be submitted to provide evidence of increased or reduced income. This new base is used for calculating the advance tax payment.

When credit exists by way of contract/withholding tax, PAYE or refunds, the advance payment can be adjusted.

