

NOTE
This Pamphlet provides only basic information.



**SAINT LUCIA
INLAND REVENUE DEPARTMENT**

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 Saint Lucia.



TAX FACTS

ISSUE 2

Corporation Tax Tips

Inland Revenue Department,

Revised JUNE 2011

GENERAL

On the formation of a new company a copy of the Articles of Incorporation **MUST** be presented to the Registrar of Companies and a Certificate of Incorporation will be issued.

The Company should then register with the Tax Roll Unit of the Inland Revenue Department by submitting a copy of the aforementioned documents. A Tax Account Number will be issued to the company.

The company's Tax Account Number must be used on all correspondence to the Inland Revenue Department including remittances for P.A.Y.E., Instalments and any other tax type.



For further information, please contact us at our

Customer Service Unit

Castries

Telephone Nos.: 1 758 468 4735/30/66

E-mail: |

Vieux-Fort Tax Service Center

Vieux-Fort

Telephone No.: 1 758 468 4969

E-mail:

Soufriere Sub-Office

Soufriere

Telephone No.: 1 758 459 7036

Web-site: www.irdstlucia.gov.lc

ALLOWABLE DEDUCTIONS

The expenses allowed as deductions when computing income on which an assessment will be made must be wholly and exclusively incurred in the production of the income. There are, however, restrictions to certain deductions e.g. management charges and certain payments by controlled companies to shareholders.

SUBMISSION OF TAX RETURN

The Company Tax Return must be submitted to the Inland Revenue Department within three months after the end of the income year.

All companies are advised to collect a Return Form at any one of the Department's offices.

When submitting a Tax Return please ensure that all the relevant schedules are completed and the declaration is duly signed. **This is essential for the easy processing of the Return.**

In the event that you are unable to submit the Tax return when due, the company should request in writing, an extension of time. The extension **MUST** be requested prior to the deadline date for submission..

TAXATION

A company is resident in St.Lucia for tax purposes if it is:

1. Registered in St. Lucia ; and
2. Managed and controlled in St. Lucia.

Corporation Tax is chargeable on all the profits of a resident company. Profits that accrue directly or indirectly to a non-resident company carrying on a business through a permanent establishment are subject to corporation tax. Where income accrues to a non-resident company from a source other than from the carrying on of business through a permanent establishment the gross amount of such income is liable to withholding tax .

All companies are required to pay to the Department on or before March 25, June 25 and September 25 respectively, in each income year, an amount equal to one third (1/3) of the estimated tax for the year. The estimated tax is calculated as 33 1/3% of the chargeable income for the preceding income year. The remainder of tax as estimated by the company must be paid by March 31 of the following year. In the case of a company whose financial year does not commence in the month of January this outstanding amount must be paid within three months of the end of its financial year.

Any balance of tax which remains unpaid will result in the imposition of a late-payment penalty of ten percent (10%). Interest of 12.5% per annum will also accrue on the outstanding balance.





P.A.Y.E.

Employers are charged with the responsibility of deducting tax from the remuneration of their employees in accordance with the prescribed Tax Deduction Tables. Tax Deduction Tables will be issued to the employer upon the registration of the company.

Under the P.A.Y.E. system the employer is required to use both the Tax Code and the Tax Deduction Tables to deduct taxes, if any, at each pay period from the emoluments of their employees. These amounts are to be paid to the Inland Revenue Department by the 15th day of the following month in which the taxes were deducted. The prescribed P.A.Y.E. Monthly Remittance Form should be used when making those payments.

The employer must retain records of emoluments paid and taxes deducted. These must be kept and made available for examination by officers of the Department as and when required for any period not exceeding six years.

With respect to each calendar year the employer must submit to the Inland Revenue Department no later than January 31 of the following year, a P.A.Y.E. Annual Remittance Form and Certificate of Remuneration (TD5).

The original and duplicate copies of the TD5 Certificate should be issued to the employee within one month of the end of the calendar year.

Employers who fail to deduct PAYE from the wages and salaries of their employees will not be allowed the expenses as a deduction on their Financial Statement.

TAX RATE

Income Year 2003	-	33%
Income Year 2004	-	32%
Income Year 2005 & subsequent years		30%

The rates above are applicable to companies who prior to income year 2003-

- (1) have no arrears of income or any other tax administered by the Inland Revenue Department and
- (2) have complied with the requirements of any enactment administered by the Department.

WITHHOLDING TAX

Payments made to non-residents are subject to tax at a rate of twenty-five percent (25%). In the case of companies within CARICOM a rate of fifteen percent (15%) is applied. A fifteen percent rate (15%) of tax is applicable to both non resident and CARICOM companies which are in receipt of Interest payments.

Employers who fail to deduct withholding tax will not be allowed this expense as a deduction in their Financial Statement.

PAYMENTS TO CONTRACTORS

Payments made either directly or indirectly through a financial institution to a contractor, for the supply of labour and/or the hiring of equipment are subject to tax at the rate of ten percent (10%).