



Q. What can I do if I had overpaid my Tax?

A. 1. As an employee:
1a. Complete and submit a Return (IT05) form and a P24 form (from your

employer)

1b. Apply for a refund.

2. As a self-employed:

2a. Prepare financial statements

2b. Complete the Return (SO4) form

2c. Submit the form to Tax Administration Jamaica

NB. If you have underpaid, you should file a Return showing the additional amount of tax due, otherwise an additional assessment will be raised by Tax Administration Jamaica.

Q. I am attending university full-time will I have to pay tax on my holiday earnings?

A. This depends on your total taxable income for the tax year. If this is likely to be less than the threshold, then apply to Tax Administration Jamaica through your employer for an exemption (P01 form) or refund (IT05 form along with the P24).

Any student grant or scholarship you receive is not treated as taxable income.

Q. Am I expected to file a Return as an employee?

A. No. Your employer is responsible for deducting the tax from your emoluments (salary, wages, fees, bonus, etc.), and paying it over to TAJ. However, if you have additional income, you are required to file an Income Tax Return every year by March 15.

Q. If I start my own business am I responsible for filing Returns?

A. Yes. All self-employed persons, companies and partnerships are responsible for filing their statutory returns; that is NIS, NHT, Education Tax, Income Tax and HEART; on or before their due dates each year.

NB. In order to transact business with any Revenue Service Centre or Tax Office (e.g. to obtain a driver's licence etc.) you will need to obtain a Taxpayer Registration Number (TRN). You may apply for a TRN at any Revenue Service Centre or Tax Office.

For more information contact :-

**Tax Administration Jamaica
Customer Care Centre**

1-888-TAX-HELP(829-4357) or

1-888-GO-JA-TAX (46-52-829) or

Fax: 902-9494



Tax Administration Jamaica
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Tax Administration Jamaica



INCOME TAX & SCHOOL LEAVERS



*'working together to serve you
EVEN better'*



Income Tax & School Leavers



"After graduation, what's next?"



So you've graduated, congratulations! What's the next step... further studies... a job? Well before you begin that all important first job there are some interesting facts that you will need to know about understanding your pay slip and how your salary will be calculated. One of your obligations as a citizen/resident of Jamaica and as an employee is that of paying taxes and contributions. This brochure will help you to understand what you need to know.



GENERAL INFORMATION

Q. What is Tax?

A. It is money charged by the Government to earn revenue for operating the country for example:

- Income Tax - *Individual Income Tax* or *PAYE (Pay As You Earn)* - *Company Income Tax*

- GCT (General Consumption Tax)
- Customs Duties and others.

The Tax collected is used to provide services such as :

- Health
- Welfare
- Education and Defense

Q. What is Income Tax?

A. It is money collected as tax from:

- Income
- Profit or gain

at the rate specified for each year of assessment.

Q. What income is taxable?

A. The most common forms of income are:

- Wages and salaries, other earnings from work including bonuses, commissions and overtime.
- Profits from a business or trade.
- Interest from savings and investment.
- Dividends from shares in companies.

Q. Do I pay tax on all I earn?

A. No. All residents are entitled to a tax-free amount which may vary from year to year. For the year 2016, the tax-free amount (*nil rate or threshold*) is \$796,536; this is called the *Income Tax threshold*. The income above this amount is taxable at a rate of 25% and 30% on *Statutory Income* in excess of \$6,000,000. July - December 2016 and from January 1, 2017 thereafter.

Companies do not receive a threshold and are taxed at a rate of 33 $\frac{1}{3}$ % if regulated and 25% if unregulated.

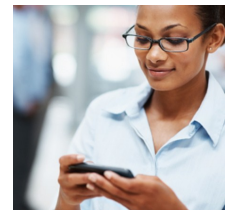
Q. As an employed individual, when do I start paying Income Tax?

A. Income Tax will be deducted from your salary/income if it exceeds the threshold on a weekly/fortnightly or monthly basis whenever you start earning an income.

Q. How do I know that I have paid the right amount of tax?

A. It is quite simple to check your own tax payment by subtracting:

- NIS
- Other allowable deductions (*e.g. ESOP and/or approved pension contribution*) and
- *The Income Tax threshold from your gross pay, the balance will be taxed at a rate of 25% and 30% on income in excess of \$6,000,000.*



Call 1-888-829-4357/TAX HELP