



NOTES AND INSTRUCTIONS

FOR COMPLETION OF

RETURNS OF INCOME AND TAX PAYABLE -

FORMS IT01 – IT05:

- IT01 : Individuals (Self-Employed)
- IT02 : Organizations (Bodies Corporate)
- IT03 : Organizations (Other Bodies)
- IT04 : Organizations (Life Assurance)
- IT05 : Individuals (PAYE, Pensioners, etc.)

PLEASE KEEP THIS BOOKLET FOR FUTURE REFERENCE

CONTENTS

| <u>Form No.</u> | | <u>Page</u> |
|---|--------|-------------|
| IT01 : Individuals (Self-Employed) | ... .. | 1 - 4 |
| IT02 : Organizations (Bodies Corporate) | ... .. | 5 - 8 |
| IT03 : Organizations (Other Bodies) | ... .. | 9 - 12 |
| IT04 : Organizations (Life Assurance) | ... .. | 13 - 15 |
| IT05 : Individuals (PAYE, Pensioners, etc.) | ... .. | 16 - 18 |

APPENDICES

Appendix

| | | | | |
|-------|---------------------|---|--------|---------|
| 1 ... | Schedule 1 : | Details of Trading | ... .. | 20 |
| | | : Adjustment Schedule | ... .. | 21 |
| 2 ... | Schedule 2 : | Capital Allowances Schedule – Business and Rental Assets Excluding Motor Vehicles | ... .. | 22 |
| | | : Motor Vehicle | ... .. | 23 |
| | | : Capital Allowances Rate Schedule | ... .. | 24 - 27 |
| 3 ... | Schedule 3 : | Employee Expenses Claim | ... .. | 28 |
| 4 ... | Schedule 4 : | Income Sources | ... .. | 29 - 30 |

NOTES AND INSTRUCTIONS FOR COMPLETION OF RETURNS OF
INCOME AND TAX PAYABLE : FORMS IT01 – IT05

FORM IT01

INDIVIDUALS (SELF-EMPLOYED)

These notes are for use as a guide to the correct completion of the form. Before any section is completed, the notes relating to it should be read. The notes have no binding force and do not affect your right of objection on matters affecting your own liability. If there are other points on which guidance is needed, please visit the nearest Collector of Taxes or call the Tax Help Unit at 1-888-TAX-HELP (toll free) (1-888-829-4357).

This form is to be completed by: (a) **Self-employed persons** and
(b) **Employees taxed under Pay As You Earn (PAYE) who have other sources of income in addition to their salaries or wages and must make an Annual Return, or who for any other reason is required by the Commissioner to make an Annual Return.**

The completed form is to be accompanied by a copy of the Balance Sheet and Profit and Loss Account (and such other subsidiary accounts as are necessary for a proper understanding of these accounts) and a copy of the individual's income tax computation. **Schedule 1, Details of Trading (see APPENDIX 1)**, available at the nearest tax office, may be used by businesses with Gross Receipts **under \$3 million** instead of Financial Statements. All other persons must submit proper Financial Statements.

Please type or print the required information. Do NOT use a pencil. Use blue or black ink pen only. All dollar value amounts in Sections B and C should be rounded to the nearest whole number. All sections MUST be completed.

SECTION A - GENERAL INFORMATION

Box 6: New Address

Please tick appropriate box if there has been a change of address since filing of the last Return.

Box 6: Revised Return

Please tick appropriate box if this is a revised Return, that is, changes are being made to a previously-submitted Return.

SECTION B – SUMMARY OF INCOME

Lines 7 – 10: Gross Receipts/Sales/Income, Cost of Sales/Operations, Gross/Operating Profit, Business Expenses

Include that information relating to trade, business, profession or vocation, or cultivation of farmland as shown in your financial statements. Should you carry out more than one (1) activity, **a breakdown showing gross receipts and the related expenses of each activity should be submitted.** The totals should be transferred to Lines 7-10.

Line 11: Adjustments

Adjustments should be made for items that could result in an increase or reduction to profit. Expenses not allowable for income tax purposes, for example, depreciation, donations, expenses not wholly and exclusively incurred for the purposes of acquiring the income and income tax paid are to be added back. Any capital gain should be deducted. The net adjustment should be taken to Line 11.

Line 14: Gross Rental from Land, House or other Property

Enter the total of the amounts received and **attach Schedule 1 – see APPENDIX 1.**

Line 15: Rental Expenses

A statement showing how the total of expenses is made up should be submitted. Normal repairs and replacements are allowable expenses. The cost of improvements, reconstructions or alterations is not repairs. Amounts payable by the tenant must not be included.

Line 21: Annual Value of Quarters or Residence

Where living or other accommodation is provided by your employer, the Annual Value of which is less than the emoluments shown at Line 20, the taxable Annual Value to be calculated is 15% of such emoluments. If the Annual Value is lower than the 15%, the Annual Value should be reported. Since 1996, if the Annual Value is greater than the emoluments shown at Line 20, the deemed value is 15% of the average of the Annual Value of the accommodation plus other emoluments including emoluments paid by connected persons. The amount calculated should be entered at Line 21. If you are in receipt of cash allowances for housing, Line 18 and not Line 21 will apply.

Line 24: Expenses Claimed

Actual expenses wholly and exclusively incurred in acquiring the income, which were not reimbursed by the employer, may be claimed here. **Attach Schedule 3 – Employee Expenses Claim (see APPENDIX 3).**

Line 29: Partnership Income

Enter the total income received from all Partnerships

Line 31: Dividends, Interest, Annuities, Discounts

In arriving at the amount, exclude Franked Dividends as the company making the initial distribution is deemed to have paid the underlying tax, and exclude Capital Distributions, as these are not subject to tax for income tax purposes. The gross amount of income arrived at should be entered. Any credit for income tax deducted will be given in Section D – Tax Computation. **Relevant certificates or warrants are to be attached.**

Line 32: Sources Outside the Island

The amount to be included is the amount arising or accruing, whether or not the whole of the income will be actually received in Jamaica. In arriving at the income, you are entitled to deduct any expense wholly and exclusively incurred in acquiring the income. Double Tax Credit is given in Section D for any tax deducted in countries with which a Double Taxation Agreement (DTA) exists. Countries with DTA: Canada, CARICOM, Peoples' Republic of China, Denmark, France, Germany, Israel, Norway, Sweden, Switzerland, United Kingdom, U.S.A. and Spain.

If, however, you are a non-resident, the amount returned should be restricted to the amount of your actual income remitted into the Island during the year.

Line 33: Other Income

State the source. **Attach Schedule 4 – Income Sources (APPENDIX 4).**

SECTION C – DEDUCTIONS

Line 35: Capital Allowances

If you claim any capital allowances, you are required to complete and **attach Schedule 2 - Capital Allowances (APPENDIX 2)** and to enter the appropriate amount in Line 35.

Line 37: Covenanted Donations

Enter any amounts made in respect of annuities or other annual payments secured by deed of covenant in favour of the University of the West Indies, the University of Technology or any other approved institution. **(Attach proof).**

Line 38: Exemptions

- If **under 55 years**, the **pension income only** up to a **maximum of \$80,000** derived from a Statutory Pension Scheme or a Superannuation Scheme approved by the Commissioner is **exempt from tax**; OR, if **55 years or over**, **\$80,000 of income from pension and any other source** is exempt from tax.
- If **65 years or over** an additional **\$80,000 of income** derived from any source is **exempt**.
- If **permanently incapacitated**, the **total income from salary and pension is exempted**. Persons who are permanently incapacitated must be certified as being disabled by the Minister responsible for Social Security on the advice of the Chief Medical Officer, Ministry of Health.

Line 41: Donations

These are for amounts donated to charitable or educational institutions approved by the Minister of Finance by Order. The allowable deductions must not exceed five percent (5%) of the statutory income at Line 42. This is calculated as 5/105 or 1/21 of Line 40.

SECTION D - TAX COMPUTATION

Line 02: Tax Threshold

All individuals including pensioners resident in the island are entitled to the following tax-free amounts:

- 2001 - \$120,432
- 2002 - \$120,432
- 2003 - \$120,432
- 2004 - \$120,432
- 2005 - \$144,768
- 2006 - \$193,440
- 2007 - \$193,440
- 2008 - \$196,872 (NB: January 1 to June 30: Threshold $\$193,440/12 \times 6 = \$ 96,720$
July 1 to December 31: Threshold $\$200,304/12 \times 6 = \$100,152$)
- 2009 - \$270,504 (NB: January 1 to June 30: Threshold $\$220,272/12 \times 6 = \$ 110,136$
July 1 to December 31: Threshold $\$320,736/12 \times 6 = \$160,368$)
- 2010 – 2012 \$441,168

- 2013 - \$507,312

Non-resident persons and non-resident pensioners are not entitled to the tax-free amounts. Calculate tax at the appropriate rate on the balance of statutory income after applying the tax threshold to arrive at income tax on statutory income.

Line 45: Tax on Statutory Income

Apply appropriate rate (25%) for personal income tax after applying the threshold and deducting dividends received from companies resident in Jamaica.

Line 46: Tax on dividends received from Companies Resident in Jamaica

Apply appropriate rate to dividends received from companies resident in Jamaica.....

Effective January 1, 2009 - May 31, 2012: 0%

Effective June 1, 2012 - March 31, 2012 : 5%

Effective April 1, 2013 15%

Lines 48 - 52: Credits

All credits claimed are totalled and entered on Line 53. The amount is deducted from income tax calculated on statutory income in arriving at your net tax payable. All credit claims are to be substantiated by the **submission of the relevant certificates**, for example, Withholding Tax Certificate, Contractor's Levy Receipt.

Any estimated tax paid is to be set off against the net tax payable. Any balance payable should be remitted with your Return to the Collector of Taxes.

NB:

If it is not possible to make a Return to the nearest Collector of Taxes on or before **March 15** following the end of the Year of Assessment:

- Apply to the Commissioner General, Tax Administration Jamaica for an extension of time for delivery of the Return, stating the reason for not being able to deliver it on or before **March 15** following the end of the Year of Assessment, and when it will be possible to do so;
- Make a Declaration of Estimated Income and Tax Payable for the current Year of Assessment on or before **March 15** following the end of the Year of Assessment. There is no provision for an extension of the time of delivery of this declaration. In these circumstances, obtain a **Declaration of Estimated Income and Tax Payable (Form IT07)** for the purpose of making a provisional estimate and forward the completed **Form IT07** to the nearest Collector of Taxes on or before **March 15** following the end of the Year of Assessment.

- Make a revised Declaration of Estimated Income and Tax Payable (**Form IT07**) for the current year, if necessary, when the final Return for the preceding year is delivered. This will replace the provisional estimate.

FORM IT02

ORGANIZATIONS (BODIES CORPORATE)

These notes are for use as a guide to the correct completion of the form. Before any section is completed, the notes relating to it should be read. The notes have no binding force and do not affect the right of the company to object on matters affecting its liability. If there are other points on which guidance is needed, information can be obtained from the nearest Collector of Taxes or the Tax Help Unit (Call toll free: 1-888-829-4357).

This form is to be completed by **Bodies Corporate** subject to Income Tax.

The completed form is to be accompanied by a copy of the Balance Sheet and Profit and Loss Account (and such other subsidiary accounts as are necessary for a proper understanding of these accounts) and a copy of the income tax computation.

Please type or print the required information. Do NOT use a pencil. Use blue or black ink pen only. All dollar amounts in Sections B and C should be rounded to the nearest whole number. All relevant sections MUST be completed.

SECTION A - GENERAL INFORMATION

Box 5: Regulated Company

Please select if company is regulated by Financial Services Commission (FSC), Bank of Jamaica (BoJ), Offices of Utilities Regulation (OUR) or Ministry of Finance (MoF)

Box 5: Large Unregulated Company

Please select if company is NOT regulated by Financial Services Commission (FSC), Bank of Jamaica (BoJ), Offices of Utilities Regulation (OUR) or Ministry of Finance (MoF) AND has gross income above or equal to \$500m

Box 5: Unregulated Company (other than large)

Please select if company is NOT regulated by Financial Services Commission (FSC), Bank of Jamaica (BoJ), Offices of Utilities Regulation (OUR) or Ministry of Finance (MoF) AND has gross income below \$500m

Box 7: New Address

Please tick appropriate box if there has been a change of address since filing the last Return.

Box 7: Revised Return

Please tick appropriate box if this is a revised Return, that is, changes are being made to a previously-submitted Return.

SECTION B - SUMMARY OF INCOME

Lines 8- 11: Gross Receipt/Sales/Income, Cost of Sales/Operations, Gross Operating Profit, Business/Administrative Expenses

Include that information relating to trade, business, profession or vocation, farming or cultivation of land as shown in the financial statements. If more than one activity is carried on, **a breakdown showing gross receipts and the related expenses of each activity should be submitted.** The totals should be transferred to Lines 8-11.

Line 12: Adjustments

Adjustments should be made for items that could result in an increase or reduction to profit. Expenses not allowable for income tax purposes, for example, depreciation, donations, expenses not wholly and exclusively incurred for the purposes of acquiring the income, and tax paid are to be added back. Any capital profit should be deducted. The net adjustment should be taken to Line 12. **Attach Schedule 1 (see APPENDIX 1) - Details of Trading.**

Line 15: Gross Rental from Land, House or other Property

Enter the total of the amounts received and **attach details.**

Line 16: Rental Expenses

A statement showing how the total of expenses is made up should be submitted. Normal repairs and replacements are allowable expenses. The cost of improvements, reconstructions or alterations is not repairs. Amounts payable by the tenant must not be included. **Attach Schedule 1, (see APPENDIX 1) Details of Trading.**

Line 18: Dividends, Interest, Investment, Annuities and Discounts

The gross amount of income should be entered. Any credit for income tax deducted will be given in Section D – Tax Computation. **Relevant certificates or warrants are to be attached.**

Line 19: Partnership Income

Enter the total income received from all Partnerships

Line 20: Sources Outside the Island

The amount to be included is the amount arising or accruing whether or not the whole of the income will be actually received in Jamaica. In arriving at the income, you are entitled to deduct any expense wholly and exclusively incurred in acquiring the income. Double tax credit is given in Section D for any tax deducted in countries with which a Double Taxation Agreement (DTA) exists. Countries with DTA: Canada, CARICOM, Peoples' Republic of China, Denmark, France, Germany, Israel, Norway, Sweden, Switzerland, United Kingdom, U.S.A and Spain.

If, however, the Body Corporate is a non-resident, the amount returned should be restricted to the amount of actual income remitted into the Island during the year.

Line 21: Other Income

State the source.

Line 23: Total Gross Wages and Salaries Paid
Enter the total gross amount paid to all employees

SECTION C - DEDUCTIONS

Line 24: Capital Allowances
If capital allowances are claimed, **a completed Schedule 2, Capital Allowances (see APPENDIX 2) should be attached.** Enter the amount claimed in Line 24.

Line 26: Covenanted Donations
Enter any amounts made in respect of annuities or other annual payments secured by deed of covenant in favour of the University of the West Indies, the University of Technology or any other approved institution. **(Attach proof) Attach Schedule 4 – Income Sources (see APPENDIX 4).**

Line 30: Donations
These are amounts donated to charitable and educational institutions approved by the Minister of Finance by Order. The allowable deductions must not exceed five percent (5%) of the chargeable income at Line 31. This is calculated as 5/105 or 1/21 of Line 29.

SECTION D - TAX COMPUTATION

Calculate tax on **Chargeable Income** determined at Line 33 at the appropriate rate.

Lines 34: Tax on Chargeable Income
Apply appropriate rate for tax on chargeable income after deducting dividends received from companies resident in Jamaica.

Lines 35: Tax on dividends received from Companies Resident in Jamaica

| | |
|--|------------|
| Effective January 1, 2009 - May 31, 2012: | 0% |
| Effective June 1, 2012 - March 31, 2012 : | 5% |
| Effective April 1, 2013 - | 15% |

Lines 37 - 40: Credits
All credits claimed are totalled and deducted from the income tax calculated. All credit claims are to be substantiated by the submission of the relevant certificates and other relevant documents to support the claim.
N.B. Credits should not include refunds from previous years.

Line 43: Estimated Tax
Any estimated tax paid is to be set off against the tax payable at Line 35. Any balance payable is to be remitted along with the Return to the Collector of Taxes on or before March 15.

SECTION E - BENEFITS FOR PRINCIPAL MEMBERS

Where any sum has been paid or any expense has been incurred in providing benefits (in cash or otherwise) for a principal member or his relative, details of the expense or the payment must be stated indicating what amount has been deducted in arriving at the chargeable income declared.

NB:

If it is not possible to make a Return to the nearest Collector of Taxes on or before March 15 following the end of the Year of Assessment:

- Apply to the Commissioner General, Tax Administration Jamaica for an extension of time for delivery of the Return, stating the reason for not being able to deliver it on or before **March 15**, and when it will be possible to do so;
- Make a Declaration of Estimated Income and Tax Payable for the current Year of Assessment on or before **March 15**. There is no provision for an extension of the time of delivery of this declaration. In these circumstances, obtain a **Declaration of Estimated Income and Tax Payable (Form IT07)** for the purpose of making a provisional estimate and forward the completed **Form IT07** to the nearest Collector of Taxes on or before **March 15**;
- Make a revised Declaration of Estimated Income and Tax Payable (**Form IT07**) for the current year, if necessary, when the final Return for the preceding year is delivered. This will replace the provisional estimate.

FORM IT03
ORGANIZATIONS (OTHER THAN LIFE ASSURANCE),
UNINCORPORATED BODIES

These notes are for use as a guide to the correct completion of the form. Before any section is completed, the notes relating to it should be read. The notes have no binding force and do not affect the right of the company to object on matters affecting its liability. If there are other points on which guidance is needed, information can be obtained from the nearest Collector of Taxes or the Tax Help Unit (Call toll free: 1-888-TAX-HELP).

This form is to be completed by **Building Societies, Partnerships, Trusts or Deceased Estates And Societies Registered Under The Industrial And Provident Societies Law** which:

- (i) Are not investment companies, and
- (ii) Have at least fifty (50) members, and
- (iii) Have share capital all of one class, and
- (iv) Are societies of which the members and shareholders are required by the rules to be, and are in fact, substantially identical, or are societies of which each member, is or at some time was, employed by the same employer and which, apart from transactions between the society and its members, do not carry on any trade, business or profession.

The completed form is to be accompanied by a copy of the Balance Sheet and Profit and Loss Account (and such other subsidiary accounts as are necessary for a proper understanding of these accounts) and a copy of the income tax computation.

Please type or print the required information. Do NOT use a pencil. Use blue or black ink pen only. All dollar value amounts in Sections B and C should be rounded to the nearest whole number. All relevant sections MUST be completed.

SECTION A - GENERAL INFORMATION

Box 5: Regulated Company

Please select if company is regulated by Financial Services Commission (FSC), Bank of Jamaica (BoJ), Offices of Utilities Regulation (OUR) or Ministry of Finance (MoF)

Box 5: Large Unregulated Company

Please select if company is NOT regulated by Financial Services Commission (FSC), Bank of Jamaica (BoJ), Offices of Utilities Regulation (OUR) or Ministry of Finance (MoF) BUT gross income is above or equal to \$500m

Box 5: Unregulated Company (other than large)

Please select if company is NOT regulated by Financial Services Commission (FSC), Bank of Jamaica (BoJ), Offices of Utilities Regulation (OUR) or Ministry of Finance (MoF) and gross income is below \$500m

Box 7: New Address

Please tick appropriate box if there has been a change of address since filing of the last Return.

Box 7: Revised Return

Please tick appropriate box if this is a revised Return, that is, changes are being made to a previously-submitted Return.

SECTION B - SUMMARY OF INCOME

Lines 8- 11: Gross Receipts/Sales/Income, Cost of Sales/Operations, Gross /Operating Profit, Business/Administrative Expenses

Include that information relating to trade, business, profession or vocation, cultivation or farming of land as shown in the financial statements. If more than one activity is carried on, **a breakdown showing gross receipts and the related expenses of each activity should be submitted.** The totals should be transferred to Lines 8-11.

Line 12: Adjustments

Adjustments should be made for items that could result in an increase or reduction to profit. Expenses not allowable for income tax purposes, for example, depreciation, donations, expenses not wholly and exclusively incurred for the purposes of acquiring the income, income tax paid are to be added back. Any capital profit should be deducted. The net adjustment should be taken to Line 12.

Line 15: Gross Rental from Land House and other Properties

Enter the total of the amounts received and **attach schedule.**

Line 16: Rental Expenses

A statement showing how the total of expenses is made up should be submitted. Normal repairs and replacements are allowable expenses. The cost of improvements, reconstructions or alterations is not repairs. Amounts payable by the tenant must not be included.

Line 18: Dividends, Interest, Investment, Annuities and Discounts

The gross amount of income should be entered. Any credit for income tax deducted will be given in Section D-Tax Computation. **Relevant certificates or warrants are to be attached.**

Line 19: Sources Outside the Island

The amount to be included is the amount arising or accruing whether or not the whole of the income will be actually received in Jamaica, less any expenses wholly and exclusively incurred.

Line 20: Other Income

State the source.

SECTION C - DEDUCTIONS

Line 22: Capital Allowances

If capital allowances are claimed, **a completed Schedule 2, Capital Allowances (APPENDIX 2) should be attached.** Enter the amount claimed in Line 22.

Line 24: Covenanted Donations

Enter any amounts made in respect of annuities or other annual payments secured by deed of covenant in favour of the University of the West Indies, the University of Technology or any other approved institution. **(Attach proof)**

Line 26: Share Interest Paid [BS and IPS]

As provided for under Section 46 of the Income Tax Act. An account of this payment must be delivered to the Commissioner, Taxpayer Audit and Assessment.

Line 27: Discounts, Rebates, Dividends or Bonuses [BS and IPS]

As provided for under Section 45 (2)(a) of the Income Tax Act.

Line 28: Transfer to Reserves [BS]

As provided for under Section 47 of the Income Tax Act.

Line 31: Donations

These are amounts donated to charitable and educational institutions approved by the Minister of Finance by Order. The allowable deductions must not exceed five percent (5%) of chargeable income at Line 32. This is calculated as 5/105 or 1/21 of Line 30.

SECTION D - TAX COMPUTATION

Partnerships **are not required** to complete Section D. Calculate tax at the appropriate rate.

Line 33: Dividends Received from Companies resident in Jamaica

Effective January 1, 2009 - May 31, 2012: 0%

Effective June 1, 2012 - March 31, 2012 : 5%

Effective April 1, 2013 - 15%

Line 35: Tax on Chargeable Income

Apply appropriate rate for tax on chargeable income after deducting dividends received from companies resident in Jamaica.

Lines 38- 41: Credits

All credits claimed are totalled and deducted from the income tax calculated. All credit claims are to be substantiated by the submission of the relevant certificates. Credit should not include refunds from previous years.

Line 44: Estimated Tax Paid

Any Estimated Tax Paid is to be set off against the Net Tax Payable. Any balance payable is to be paid to the Collector of Taxes on or before March 15.

SECTION E - BENEFIT FOR PRINCIPAL MEMBERS OR PARTNERS

Where any sum has been paid or any expense has been incurred in providing benefits (in cash or otherwise) for a principal member or his relative, details of the expense or the payment must be stated indicating what amount has been deducted in arriving at the total chargeable income declared in Section C Line 32. ***Attach continuation sheet, if necessary.***

SECTION F – PARTNERSHIPS AND ESTATES

Complete the relevant sections. ***Attach continuation sheet, if necessary.***

NB:

If it is not possible to make a Return to the nearest Collector of Taxes on or before March 15 following the end of the Year of Assessment:

- Apply to the Commissioner of Inland Revenue for an extension of time for delivery of the Return, stating the reason for not being able to deliver it on or before **March 15**, and when it will be possible to do so;
- Make a Declaration of Estimated Income and Tax Payable for the current Year of Assessment on or before **March 15**. There is no provision for an extension of the time of delivery of this declaration. In these circumstances, obtain a **Declaration of Estimated Income and Tax Payable (Form IT07)** for the purpose of making a provisional estimate and forward the completed Form IT07 to the nearest Collector of Taxes on or before **March 15**.
- Make a revised Declaration of Estimated Income and Tax Payable for the current year, if necessary, when the final Return for the preceding year is delivered. This will replace the provisional estimate.

FORM IT04

ORGANIZATIONS (LIFE ASSURANCE)

These notes are for use as a guide to the correct completion of the form. Before any section is completed, the notes relating to it should be read. The notes have no binding force and do not affect the right of the company to object on matters affecting its liability. If there are other points on which guidance is needed, information can be obtained from the nearest Collector of Taxes or the Tax Help Unit (Call toll free: 1-888-TAX-HELP).

This form is to be completed by **Life Assurance Organizations in respect of Life Assurance Funds only.**

The completed form is to be accompanied by a copy of the Balance Sheet and Profit and Loss Account (and such other subsidiary accounts as are necessary for a proper understanding of these accounts) and a copy of the income tax computation.

Please type or print the required information. Do NOT use a pencil. Use black or blue ink pen only. All dollar value amounts in Sections B and C should be rounded to the nearest whole number. All sections MUST be completed.

SECTION A - GENERAL INFORMATION

A regionalized company is defined as a company which:

- (a) is incorporated in any country of the CARICOM Region
- (b) is resident in any country of the CARICOM Region
- (c) has 51% or more of its paid-up capital, other than preference capital beneficially held by individuals domiciled in the Region or bodies corporate resident in the Region.

Box 7: New Address

Please tick appropriate box if there has been a change of address since filing of the last Return.

Box 7: Revised Return

Please tick box if this Return is a revised return, that is, changes are being made to a previously-submitted Return.

SECTION B – SUMMARY OF INCOME

Line 14: Management Expenses

The total Management Expenses deductible are the expenses wholly and exclusively incurred in acquiring the investment income. Not every management expense incurred in carrying on the business is necessarily an allowable management expense. ***A detailed statement of the expenses of management claimed as a deduction is to be attached.*** The total to be entered at Line 14 should include those deductions detailed at Section C.

Line 16: Gross Premium Income

Amount to include all payments received in respect of any assured (other than re-insurance premiums and premiums received as contributions to approved superannuation funds or approved retirement schemes or payment in respect of annuities purchased from the company by any such fund or scheme less any returned premiums), being payments received in or out of the Island in respect of an assured who was resident in the island both at the time of the payment and at the time of the policy contract.

NB: An excess of management expenses over investment income cannot be set off against Gross Premium Income.

SECTION C – DEDUCTIONS

See Section B Line 14.

Line 17: Capital Allowances

If capital allowances are claimed, complete and **attach Schedule 2, Capital Allowances (APPENDIX 2)** and enter the appropriate amount in Line 17.

Line 19: Covenanted Donations

Enter any amounts made in respect of annuities or other annual payments secured by deed of covenant in favour of the University of the West Indies, the University of Technology or any other approved institution (**Attach proof**).

SECTION D - TAX COMPUTATION

Line 22: Dividends Received from Companies resident in Jamaica

Effective January 1, 2009 - May 31, 2012: 0%

Effective June 1, 2012 - March 31, 2012 : 5%

Effective April 1, 2013 15%

Calculate tax on Net Investment Income determined at Line 15 at the appropriate rate.
Calculate tax on Premium Income for:

- (a) Regionalized Company and
- (b) other Companies at the appropriate rates and enter at Lines 26 and 27 respectively.

CREDITS:

All credits claimed in Lines 29 -32 are to be substantiated by the submission of the relevant certificates and the total subtracted from **TOTAL TAX PAYABLE** at Line 28.

Any **Estimated Tax Paid** at Line 35 is to be set off against the Net Tax Payable at Line 34 and the result entered at Line 36. Any balance payable is to be remitted with the Return to the Collector of Taxes on or before **March 15**.

NB: If it is not possible to make a Return to the nearest Collector of Taxes on or before **March 15** following the end of the Year of Assessment:

- Apply to the Commissioner of Inland Revenue for an extension of time for delivery of the Return, stating the reason for not being able to deliver it on or before **March 15**, and when it will be possible to do so;
- Make a Declaration of Estimated Income and Tax Payable for the current Year of Assessment on or before **March 15**. There is no provision for an extension of the time of delivery of this declaration. In these circumstances, obtain a **Declaration of Estimated Income and Tax Payable (Form IT07)** for the purpose of making a provisional estimate

and forward the completed Form IT07 to the nearest Collector of Taxes on or before **March 15**.

- Make a revised Declaration of Estimated Income and Tax Payable for the current year, if necessary, when the final Return for the preceding year is delivered. This will replace the provisional estimate.

FORM IT05

INDIVIDUALS (PAYE, PENSIONERS etc.)

These notes are for use as a guide to the correct completion of the form. Before any section is completed, the notes relating to it should be read. The notes have no binding force and do not affect your right of objection on matters affecting your own liability. If there are other points on which you need guidance, you should visit the nearest Collector of Taxes or call the Tax Help Unit at 1-888-TAX-HELP (toll free) (1-888-829-4357).

This form is to be completed by persons taxed under **Pay As You Earn** whose main source of income is from salaries or wages, pensions, dividends, bank interest and other income from which tax has been deducted at source in excess of their correct liability. PAYE persons in receipt of income from other sources should complete **Self-Employed Return Form IT01**.

Please type or print the required information. Do NOT use a pencil. Use blue or black ink pen only. All dollar value amounts in Sections B and C should be rounded to the nearest whole number. All sections MUST be completed.

SECTION A - GENERAL INFORMATION

Box 7: New Address

Please tick appropriate box if there has been a change of address since filing of the last Return.

Box 7: Revised Return

Please tick appropriate box if this Return is a revised Return, that is, changes are being made to a previously-submitted Return.

SECTION B – SUMMARY OF INCOME

Line 12: Annual Value of Quarters or Residence

Where living or other accommodation is provided by your employer, the Annual Value of which is less than the emoluments shown at Line 11, the taxable Annual Value to be calculated is 15% of such emoluments. If the Annual Value is lower than the 15%, the Annual Value should be returned. Since 1996, if the Annual Value is greater than the emoluments shown at Line 11, the deemed value is 15% of the average of the Annual Value of the accommodation plus other emoluments including emoluments paid by connected persons. The amount calculated should be entered at Line 12. If you are in receipt of cash allowances for housing, Line 9 and not Line 12 will apply.

Line 15: Expenses Claimed

Actual expenses wholly and exclusively incurred in acquiring the income, which were not reimbursed by the employer, may be claimed here.

Lines 21 – 23: Dividends, Interest, Annuities etc.

The gross amount of income should be entered. Any credit for income tax deducted will be given in Section D – Tax Computation. ***Relevant certificates or warrants are to be attached.***

SECTION C – DEDUCTIONS

Line 25: Covenanted Donations

Enter any amounts made in respect of annuities or other annual payments secured by deed of covenant in favour of the University of the West Indies, the University of Technology or any other approved institution. (**Attach proof**)

Line 26: Exemptions

- \$80,000 of income derived from a Statutory Pension Scheme or a Superannuation Scheme approved by the Commissioner is exempt from tax.
- \$80,000 of income from pension and any other source is exempt from tax if fifty-five (55) years or over. If permanently incapacitated, the total income from salary and pension is exempted. Persons who are permanently incapacitated must be certified as being disabled by the Minister responsible for Social Security on the advice of the Chief Medical Officer, Ministry of Health.
- \$80,000 of income derived from any source is exempt if sixty-five (65) years or over.

Line 29: Donations

These are for amounts donated to charitable or educational institutions approved by the Minister of Finance by Order. The allowable deductions must not exceed five percent (5%) of the statutory income at Line 30. This is calculated as 5/105 or 1/21 of Line 28.

SECTION D -TAX COMPUTATION

Line 02: Tax Threshold

All individuals including pensioners resident in the island are entitled to the following tax-free amounts:

| | | | |
|---------------|---|-----------|--|
| ▪ 2001 | - | \$120,432 | |
| ▪ 2002 | - | \$120,432 | |
| ▪ 2003 | - | \$120,432 | |
| ▪ 2004 | - | \$120,432 | |
| ▪ 2005 | - | \$144,768 | |
| ▪ 2006 | - | \$193,440 | |
| ▪ 2007 | - | \$193,440 | |
| ▪ 2008 | - | \$196,872 | (NB: January 1 to June 30: Threshold \$193,440/12 x 6 = \$ 96,720 July 1 to December 31: Threshold \$200,304 /12 x 6 = \$100,152) |
| ▪ 2009 | - | \$270,504 | (NB: January 1 to June 30: Threshold \$220,272/12 x 6 = \$ 110,136 July 1 to December 31: Threshold \$320,736 /12 x 6 = \$160,368) |
| ▪ 2010 – 2012 | | \$441,168 | |
| ▪ 2013 | - | \$507,312 | |
| ▪ | | | |

Non-resident persons and non-resident pensioners are not entitled to the tax-free amounts. Calculate tax at the appropriate rate on the balance of statutory income after applying the tax threshold to arrive at income tax on statutory income.

Line 34: Tax on dividends received from companies resident in Jamaica

Effective January 1, 2009 - May 31, 2012: 0%

Effective June 1, 2012 - March 31, 2012 : 5%

Effective April 1, 2013 - 15%

Lines 36 - 38: Credits

All credits claimed are totaled and entered at Line 39. The amount is deducted from income tax calculated to arrive at your tax payable or refundable. All credit claims must be substantiated by the submission of the relevant certificates.

Any balance payable should be remitted with your Return to the Collector of Taxes on or before March 15.

A P P E N D I C E S



**SCHEDULE 1
DETAILS OF TRADING**

APPENDIX 1

IT01

Year of Assessment

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

Taxpayer Registration Number

| | | | | | | | | | |
|--|--|---|--|--|---|--|--|--|--|
| | | - | | | - | | | | |
|--|--|---|--|--|---|--|--|--|--|

| INCOME FROM TRADE, BUSINESS, PROFESSION, VOCATION FROM RECEIPTS LESS THAN OR EQUAL TO THREE MILLION DOLLARS (<=\$3,000,000). | |
|--|----|
| Gross Receipts/Sales/Income. (Transfer to Section B Line 7 of Form ITO1). | 1 |
| COST OF SALES/OPERATIONS: | |
| Opening Stock | 2 |
| Purchases (Business Purchases Only) | 3 |
| Total (Add Lines 2 and 3) | 4 |
| Closing Stock | 5 |
| Cost of Sales/Operations (Subtract Line 5 from 4 - Transfer to Section B Line 8 of Form ITO1). | 6 |
| Gross Operating Profit (Subtract Line 6 from 1 - Transfer to Section B Line 9 of Form ITO1) | 7 |
| BUSINESS/ADMINISTRATIVE EXPENSES: | |
| Rent | 8 |
| Salaries and Wages | 9 |
| Employers' Statutory NIS, NHT contribution | 10 |
| Motor Vehicle Expenses | 11 |
| Bank Charges | 12 |
| Interest Paid | 13 |
| Utilities (Light, Water & Telephone). | 14 |
| Legal Fees | 15 |
| Accounting Fees | 16 |
| Professional Fees | 17 |
| Trade Licence Fee | 18 |
| Entertainment | 19 |
| Travelling | 20 |
| Staff Welfare | 21 |
| Transportation | 22 |
| Advertising | 23 |
| Commission | 24 |
| Depreciation | 25 |
| Bad Debts | 26 |
| Other Expenses (List) | 27 |
| Total Expenses (Add Lines 8 to 27 inclusive) | 28 |
| Net Profit/(Loss) (Subtract Line 28 from Line 7). | 29 |

ADJUSTMENT SCHEDULE

Items Increasing Income for Tax Purposes

Add:

| | | |
|--|--|--|
| Depreciation | | |
| Donation | | |
| Interest Payable at End of Period | | |
| Personal Expenses | | |
| Expenses Incurred in Acquiring Fixed Assets..... | | |
| General Provision for Bad Debt | | |
| Loss on Sale of Fixed Assets | | |
| Other Items Not Allowable as Expenses | | |
| (that is, not wholly and exclusively incurred in earning the Income) | | |

Items Reducing Income

Less:

| | | |
|--|--|--|
| Interest Receivable at Beginning of Period | | |
| Profit on Sale of Fixed Assets | | |
| Other Items Not Taxable | | |

| | | |
|--|--|--|
| Net Adjustment (Transfer to Line 11 of Form IT01) | | |
| | | |

CAPITAL ALLOWANCES RATE SCHEDULE

In arriving at the adjusted profit or loss of any trade, business etc. carried on, add back depreciation charged in your accounts. If you claim any capital allowances, you are required to submit copies of your computation of these allowances and to enter the appropriate amounts in Section C.

Allowances are given in respect of assets acquired and used in earning your income. There are Investment Allowances, Initial Allowances, Annual Allowances and Balancing Allowances and Balancing Charges which are designed to ensure that over the life of the asset the total allowed by way of Initial and Annual Allowances does not exceed the original cost less the selling price on disposal.

Not all capital expenditure qualifies for Capital Allowances. The types of expenditure for which relief is given are:

- ❖ Industrial Buildings and Structures
- ❖ Non-residential Buildings
- ❖ Plant and Machinery
- ❖ Mines, Oil Wells, etc.
- ❖ Scientific Research
- ❖ Patents

Initial and Annual Allowances

- (a) Initial Allowances at the rate of 20% of cost is given on the following assets in the year of purchase:
- (i) Industrial Buildings
 - (ii) Plant and Machinery
- (b) Annual allowance at the rates shown overleaf is given on the cost or written-down value of the following assets as long as the asset continues to be used for the purposes of your business.

| Asset | Rate % | Asset | Rate % |
|--|--------|---|--------|
| Adding Machines | 10 | Pipe lines (water) and tanks | 2½ |
| Agricultural Machines: | | Plant and machinery | 7½ |
| - Operated by gasoline | 20 | Ploughs (<i>operated by gasoline</i>) | 20 |
| - Other (<i>not including loose tools</i>) | 10 | Pumps: | |
| Boats and Launches (<i>on prime cost</i>) | 4 | - Electric | 10 |
| Buildings: | | - Other | 7½ |
| - Housing Machinery (industrial) | 5 | Railway Rolling Stock: | |
| - Reinforced Concrete | 2½ | Engines: - Diesel | 10 |
| - All Other | 3 | - Steam | 5 |
| Cash Registers | 10 | Wagons | 6¼ |
| Compressors and Air Compressors: | | Railway Lines | 4 |
| - Electric | 10 | Scales | 10 |
| - Other | 7½ | Ships (on prime cost) | 4 |
| Computers | 22½ | Spraying Machines: | |
| Cranes and Hoists | 7½ | - Gasoline | 20 |
| Dipping Tanks | 2½ | - Others | 7½ |
| Drilling Machines (<i>Wells, etc.</i>) | 25 | Tanks (<i>water</i>) and Pipe Lines | 2½ |
| Dry Dock (<i>underwater section</i>) | 10 | Tractors – Gasoline | 20 |
| Electrical Appliances | 10 | Trailers | 10 |
| Furniture and Fixtures | 10 | Wells: | |
| Generators (<i>steam</i>) | 5 | - Concrete | 2½ |
| Gyrotilers (<i>operated by gasoline</i>) | 20 | - Perforated pipes | 2 |
| Hoists and Cranes | 7½ | Wharves and Pipes: | |
| Lighting Plant: | | - Wood | 5 |
| - Electric | 10 | - Concrete | 2½ |
| - Other | 7½ | | |
| Machinery and Plant | 7½ | | |

(c) Motor Vehicles - Motor Vehicles are divided into two groups:

(i) Private Motor Vehicles

- (ii) Trade Vehicles - Vehicles of a type not commonly used as private vehicles and which are unsuitable to be so used, for example: buses, taxis, vans and lorries for transporting of goods and other burdens, vehicles fitted with dual controls and used for the business of a driving school.

The rates of allowances are:

| | Private Vehicles | Trade Vehicles |
|--------------------------|--|-----------------------|
| Initial Allowances | NIL | 12½ % |
| Annual Allowances | 12½% Limited to \$400 in any one (1) year and an aggregate Allowance of \$3,200 | 12½ % |

Balancing Allowance

This is given when the asset is sold or ceases to be used for the purposes of your business and the proceeds are less than the written-down value of the asset.

Balancing Charge

This is, in effect, allowances taken back when the asset is disposed of, if the selling price is more than the written-down value at the time of disposal. This charge is restricted to the allowances already given.

Investment Allowances

Investment Allowances apply only in the case of certain specific industries, namely:

- | | | | |
|-------|---|-------|-----|
| (i) | Basic Industries listed in the Appendix to First Schedule, Part 1V, The Income Tax Act | ..... | 20% |
| (ii) | Ships | ..... | 40% |
| (iii) | Sugar Manufacturers and Cane Farmers | ..... | 40% |
| (iv) | Farmers | ..... | 40% |

Investment Allowance is in lieu of Initial Allowance and is not taken into account in arriving at the written-down value of an asset. The amount of the Investment Allowance is an allowance in excess of the net cost of the asset. No Investment Allowance is to be given in respect of an expenditure if, when it comes to be used, it is not for the purposes of the qualifying industry. No Investment Allowance is to be given in respect of expenditure on second-hand machinery or plant unless it is imported into the Island.

If you think you are entitled to Investment Allowances and have not previously been in receipt of them, you should contact the Taxpayer Audit and Assessment Department.

Example:

| Year | Asset | Cost or WDV b/f | Investment Allowance | Rate % | Initial Allowance | Rate % | Annual Allowance | Rate % | Total Allowances | WDV c/f |
|------|---------|-----------------|----------------------|--------|-------------------|--------|------------------|--------|------------------|---------|
| 1995 | Machine | 19,000 | 3,800 | 20 | | 20 | 1,900 | 10 | 1,900 | 17,100 |
| 1996 | | 17,100 | | | | | 1,710 | 10 | 1,710 | 15,390 |
| 1997 | | 15,390 | | | | | 1,539 | 10 | 1,539 | 13,851 |
| 1999 | | 13,851 | | | | | 1,385 | 10 | 1,385 | 12,466 |

Annual allowances given on the asset up to 1999 totalled \$6,534. The asset qualifies for Investment Allowance. In preparing your Return of Income and Tax Payable include this allowance; however, in arriving at the written-down value of the asset, do not take this into account.

Balancing Charge

If, in the year 2000, the asset is sold for \$14,000, it will result in a Balancing Charge of \$1,534. This is arrived at by deducting the written-down value of the asset from the selling price.

If the asset were sold for \$20,000, the balancing charge would be restricted to \$6,534 (the total allowances already given).

Balancing Allowance

If the selling price of the asset were \$8,000, there would be a balancing allowance of \$4,466.

An alternative method may be claimed for writing off on a fixed basis annual allowance based on the estimated useful life of plant and machinery. Rates usually granted – 22 ½ % - 5 years write-off / 11 ¼ % - 10 years write-off.

Under Part IVA of The First Schedule to The Income Tax Act, qualifying industries in which the shift system is used in a factory may get an additional special annual allowance on certain plant and machinery.

Under Part IVB of The First Schedule to The Income Tax Act, a qualifying business may write off expenditure on machinery in two (2) years.

APPENDIX 3



**SCHEDULE 3
EMPLOYEE EXPENSES CLAIM**

Year of Assessment

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|---|---|--|--|--|--|--|--|--|--|--|--|
| 1. Name | 2. Taxpayer Registration Number <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; height: 15px;"></td> <td style="width: 10%; height: 15px;"></td> <td style="width: 10%; height: 15px;"></td> <td style="width: 10%; height: 15px;"></td> <td style="width: 10%; height: 15px;"></td> <td style="width: 10%; height: 15px;"></td> <td style="width: 10%; height: 15px;"></td> <td style="width: 10%; height: 15px;"></td> <td style="width: 10%; height: 15px;"></td> <td style="width: 10%; height: 15px;"></td> </tr> </table> | | | | | | | | | | |
| | | | | | | | | | | | |
| 3) List parishes travelled to and frequency of visits. (that is, daily/ weekly/ monthly/ annually) | | | | | | | | | | | |
| 4) If you use your own transport for business purposes, please state: Type, make and year: _____ cc rating: _____ Average km. per litre: _____ Cost to you: \$ _____ Date of purchase: _____ <small>(year / month / day)</small> | | | | | | | | | | | |
| 5) Approximate total mileage usage of the car during the year: _____ kilometres | | | | | | | | | | | |
| 6) Approximate total mileage used for private purposes during the year: _____ kilometres | | | | | | | | | | | |
| 7) Is vehicle still in use? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | | | | | | | |
| 8) If no, how was vehicle disposed of? <input type="checkbox"/> Sold <input type="checkbox"/> Scrapped <input type="checkbox"/> Stolen <input type="checkbox"/> Other, please state: | | | | | | | | | | | |
| 9) If sold or scrapped, please state: Amount realised: \$ _____ Date of sale: _____ <small>(year / month / day)</small> | | | | | | | | | | | |
| Particulars of Expenses Claimed <small>(Where an item is estimated, it should be so described and the basis of estimation stated. Receipted bills for items may be requested.)</small> | | | | | | | | | | | |
| Motor Vehicle Expenses: | | | | | | | | | | | |
| Petrol: _____ Litres at \$ _____ per Litre | 10 | | | | | | | | | | |
| Oil: _____ Litres at \$ _____ per Litre | 11 | | | | | | | | | | |
| Repairs, tyres, etc. | 12 | | | | | | | | | | |
| Motor Vehicle insurance | 13 | | | | | | | | | | |
| Motor Vehicle Fitness & Registration | 14 | | | | | | | | | | |
| Total Motor Vehicle Expenses(Add Lines 10, 11, 12, 13 and 14) | 15 | | | | | | | | | | |
| Less Motor Vehicle Expns relating to private purposes(Divide Line 6 by line 5 & multiply by Line 15) | 16 | | | | | | | | | | |
| Net Motor Vehicle Expenses relating to business purposes(Subject Line 16 from Line 15). | 17 | | | | | | | | | | |
| Indirect Expenses: | | | | | | | | | | | |
| Hotel expenses for the year: | | | | | | | | | | | |
| _____ nights at \$ _____ average per night | 18 | | | | | | | | | | |
| Less estimated cost of living at home for the same period: | | | | | | | | | | | |
| _____ nights at \$ _____ average per night | 19 | | | | | | | | | | |
| Net hotel expenses (Subject Line 19 from Line 18) | 20 | | | | | | | | | | |
| Other expenses | 21 | | | | | | | | | | |
| Reimbursed Amounts: | | | | | | | | | | | |
| Amounts received from your employer(s) for: | | | | | | | | | | | |
| Subsistence | 22 | | | | | | | | | | |
| Car allowance | 23 | | | | | | | | | | |
| | 24 | | | | | | | | | | |
| Total Reimbursements | 25 | | | | | | | | | | |
| Net Amount Claimed(Add Lines 17, 20 & 21& subject Line 25) | 26 | | | | | | | | | | |



SCHEDULE 4

IT01/02/03/04/05

Year of Assessment
 [][][][][]

Attach ALL Certificates

Taxpayer Registration Number
 [][][][][] - [][][][][] - [][][][][]

| DIVIDENDS, INTEREST, ANNUITIES, DISCOUNTS, ESTATES OR TRUSTS Etc. | | | | |
|--|---------------------------|--------------|--------------|--------|
| Type of Income | Name and Address of Payer | Amount | Tax Withheld | |
| | | | | |
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| | | | | |
| Total (Transfer to Section B) | | | | |
| INCOME ARISING FROM ANY SOURCE OUTSIDE THE ISLAND | | | | |
| Type of Income | Name and Address of Payer | Gross Amount | Expenses | Amount |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total (Transfer to Section B) | | | | |
| <i>(Income from Alimony, Partnership and other Income not shown Elsewhere)</i> | | | | |
| Type of Income | Name and Address of Payer | Amount | | |
| | | | | |
| | | | | |
| | | | | |
| Total (Transfer to Section B) | | | | |

| COVENANTED ANNUITIES & ANNUAL PAYMENTS TO UWI, UTECH AND OTHER APPROVED INSTITUTIONS | | |
|---|------------------|--------|
| To Whom Paid | Address of Payee | Amount |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total (Transfer to Section) | | |
| Donations (<i>Donations must be to an Approved Organization and should not exceed 1/20 th of Statutory Income</i>) | | |
| To Whom Paid | Address of Payee | Amount |
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