



## Interpretations, Rulings & Opinions Committee IROC (Volume 1; Issue 3; Issued 2005, Jan.)

### Re: Sales Agents

In keeping with the Department's policy in relation to the administration of the PAYE system, the decision was taken to adjust the present coding method to enhance the system of allowing more relevant agreed expenses to various sales agents. The following explains the level of expenses to be considered for coding purposes based on gross emoluments.

#### **Sales Agents in receipt of Commissions equal to, or more than 50% of Gross emoluments:**

- 30 % agreed expenses of the first \$1,000,000.00
- 15 % agreed expenses of the second \$1,000,000.00
- 10 % agreed expenses of the third \$1,000,000.00
- 0 % agreed expenses on the balance of Gross emoluments

**All other employees whose basic emolument forms the major portion of Gross Emolument (more than 50 %), should seek approval for travelling allowances from :**

**Technical Specialist Unit,  
c/o Taxpayer Audit & Assessment Department (TAAD)  
11<sup>th</sup> Floor, South Tower,  
NCB Towers,  
2 Oxford Road, Kingston 5.**

**NB.**

1. Agreed Expenses are allowed for the **current year only**.
2. The application for coding must be submitted on or before **September 30<sup>th</sup> of each year**.

3. The above guidelines are for coding purposes only with effect from **January I, 2005**.
4. Sales Agents must **submit Returns (ITO1)** to support the expenses coded for each year.
5. Sales agents will be required to **support any claim for refund with** the relevant supporting documents for expenses claimed.
6. Subsequent application for coding will only be processed if the **return is properly filed**.
7. Failure to file return will result in **the denial of coding** for agreed expenses.

**DISCLAIMER:**

This Advisory is only a guide and is not a substitute for the Income Tax Act and any other relevant Legislation.