



Technical Advisory
White Paper # 3 (Volume 3; Issue 3; Issued 2003, August.)

Re: The Funeral Industry & GCT

Effective May 1, 2003 the services rendered by Funeral Homes and undertakers were made taxable.

Following is an advisory which explains the GCT liability with respect to;

- Funeral services
- Burials and cremation
- Goods and services connected with Burials
- Other goods and services connected with organising funerals

1.1 What has changed?

Prior to May 1, 2003 the GCT Act (1991) in the 3rd Schedule, Part 11 (Services), Item 3, specifically exempted “[Services rendered by an undertaker in relation to burial or cremation](#)” from GCT. With the 2003 Budget reading, Item 3 (see above) was deleted, making the services rendered by an Undertaker in relation to burials or cremation, subject to GCT.

1.2. Who should read this Notice?

This notice is applicable to the following persons:-:

- A Funeral Director
- An Undertaker
- The operator of a crematorium or
- Any other business that provides goods and services connected with the storage, transport, disposal of the remains of the dead.

2. Supplies made by Undertakers and Funeral Directors:

The following goods and services are taxable when provided as part of a funeral package which includes the disposal of the remains of the dead:

- Supply of a coffin, casket or urn
- Transportation of a corpse to the burial ground or crematorium
- Embalming services
- Provision of bearers
- Provision of a Vault* (see item # 2.3)
- Clothing/shrouds
- Transportation of Mourners in your vehicles or arranging for the transportation of mourners
- Music for the service
- Printing of Programmes etc
- Death announcements

2.1: The services listed above remain taxable even if they are not rendered as a part of funeral package.

2.2: Vaults*:

Where the construction of a vault is separately contracted and paid for, it will be exempt from tax. However, when a vault is made available as one component of packaged burial services, the consideration for the whole service, including that attributable to the vault, will be subject to the standard rate of tax. The GCT Act does not provide for the transaction to be dealt with in any other manner.

2.4. Transportation of the remains of the Dead:

Effective May 1, 2003 the transportation of goods was made taxable under the GCT Act. The GCT Act does not provide for the remains of the dead to be treated any differently. This means that the following transportation activities are taxable at the standard rate (15%):

- To the burial ground or crematorium as a part of a funeral service (irrespective of whether or not the service is rendered directly to a bereaved family, or another undertaker)
- To an undertaker or funeral director who will provide the funeral
- From the place of death to a morgue, an undertaker or funeral director.

2.5 Services rendered to the State:

The provision of funeral services to the State for poor or destitute persons, i.e. persons buried by the Parish Council are taxable at a rate of 0%. When payments are made a zero-rated purchase order **must** accompany these payments.

2.6 Other services:

The additional services listed below are also taxable at the standard rate (15%)

- Selling of coffins, urns, shrouds or embalming fluids unconnected with any funeral
- Flowers, wreaths, announcement cards and other commemorative items
- Catering
- Services rendered for obtaining certified copies of death certificates from the Registrar General’s Department for
- Digging, preparation and refilling of a grave
- the supply of memorial headstones
- erecting, repairing or maintaining memorial headstones
- inscribing services for headstones, plaques or other commemorative items
- Placing “*In Memoriam*” announcements in newspapers.

3. Accounting for GCT:

As per agreement reached with the Director General, approval will be given for tax on your services to be accounted for on the “*payments basis*” i.e. on the basis of the amounts actually collected from your customers, rather than on the basis of services supplied or invoices issued. Very simply under this method, the tax is to be reported and accounted for when payment is received or made for a supply.

Please note that where a Registered Taxpayer is accounting for tax on the payments basis and he has credit transactions, he will only be required to account for ***GCT when payment is received or made.***

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