



TECHNICAL ADVISORY

TAXPAYER AUDIT AND ASSESSMENT DEPARTMENT

INTERPRETATIONS, RULINGS & OPINIONS COMMITTEE (IROC)
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GCT

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GCT Tax Credit & Motor Vehicles

Regulation 14(5)(b)(1)

Pursuant to Regulation 14(5)(b) a tax credit is allowed and not input tax. A "Tax Credit" means a credit for GCT, while an input tax credit is the amount of input tax, which is allowable.

A tax credit of 6.5% of the total cost inclusive of the cost is allowed

A motor car is defined as a vehicle that has less than ten (10) seats (including the driver's seat) and is in respect of all those vehicles as defined in Section 11 (l) (C) of the Road Traffic Act – i.e. sedans, station wagons, estate cars, sports utility vehicles (SUVs), jeeps and small buses with less than 10 seats.

The amount of GCT – Input tax Credit recoverable is 6.5% of the total cost of the vehicle

The total cost is defined as the CIF Value (Cost + Insurance+ Freight) + Customs Duty + Dealer's Mark-up + GCT but restricted to a maximum value of \$US35, 000.00

TRUCK, BUSES AND PICK-UPS

Buses – 10 seats and over
Pickups – open back vehicles

The GCT recoverable is 13% of total cost. There is no maximum 'total cost' in respect of these vehicles.

METHOD OF RECOVERY OF THE INPUT TAX CREDIT

The allowable tax credit can be recovered in the month of purchase.

