

Responsibilities Of The Tax Withholding Entity

1. The Accounting Officer of the TWE shall be responsible for withholding the GCT and advising the Ministry of Finance of the amounts withheld
2. The Accounting Officer will delegate the following functions;
3. Deduct and withhold the tax due at the applicable rate;
4. Issue a WTC to the registered taxpayer within thirty (30) days of receipt of the invoice;
5. Prepare and file the GCT Remittance Return for TWEs (Form 4F) specified in Appendix 3 (stating the names and taxpayer registration numbers of the taxpayers from whom the tax was withheld and the amount of tax withheld in respect of each taxpayer)
6. Remit the tax payable on Form 4F by the end of the month following the taxable period for which a withholding tax certificate is issued.
7. The payment of the GCT on goods imported to the Commissioner of Customs
8. The payment of the GCT on taxable supplies acquired locally from non-warrant/non budgetary funds to the Commissioner General .

Responsibilities Of TWEs Who Are Also Registered Taxpayers

The MDAs and public bodies in this category are charged with the responsibilities listed above for the TWEs and the registered taxpayer and are required to file two (2) returns; the GCT Remittance Return for Tax Withholding Entities (Form 4F) and the GCT Standard Return (Form 4A).

The withholding tax certificate shall contain the following particulars –

1. The name of the tax withholding entity;
2. The name of the registered taxpayer supplying the goods or rendering the services to the tax withholding entity;
3. The taxpayer registration number of the tax withholding entity;
4. The tax registration number of the registered taxpayer supplying the goods or rendering the services to the tax withholding entity;
5. The value of the supply;
6. The number of the invoice issued by the registered taxpayer;
7. The date of the invoice;

Responsibilities Of Public Bodies

1. TWEs who prior to June 1, 2014 were paying GCT for their goods and service will continue to do so; however, effective June 1, 2014 they will pay the GCT directly to TAJ and not to their suppliers.
2. Provide their suppliers with a WTC for the GCT withheld on their behalf
3. The GCT withheld is to be remitted to TAJ by the end of the month following the tax period for which the withholding tax certificate was issued.
4. The GCT on invoices dated prior to June 1, 2014 and received after June 1, 2014 should be paid to the suppliers.
5. In addition to filing their monthly Form 4A they will now also file the Form 4F

Educational Institutions

Under Group 8 of the First Schedule of the Act, educational institutions approved by the Minister of Education will continue to have their invoices zero-rated for **goods** purchased.

In addition, Group 8 Item 5 of the First Schedule of the Act provides for the University of the West Indies, University of Technology, Jamaica, the Northern Caribbean University and the Council of Legal Education to acquire services at a zero rate of tax.

FOR MORE INFORMATION:
Call 1- 888 - TAX - HELP (829- 4357) or 1- 888 - GO-JA-TAX (465-2829)
Website: www.jamaicatax.gov.jm
Facebook: www.facebook.com/jamaicatax
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visit the Tax Office nearest you.

GCT on GOVERNMENT PURCHASES

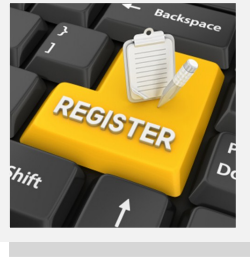


- **IMPORTATION**
- **CONTRACT**
- **PAYMENTS & OTHER PAYMENTS**
- **RESPONSIBILITIES**



Importation Of Goods By The Tax Withholding Entities

With effect from **June 1, 2014**, goods imported by MDAs and public bodies will generally be subject to the payment of the full amount of GCT. This must be paid to the Jamaica Customs Agency along with the customs duty and any other fees charged before the goods can be released. The 5% advance GCT will not apply if the TWE is the final user of the imported goods. However, where a government agency is a registered taxpayer and imported taxable goods for resale, the 5% GCT is applicable.



Contract Payments & Other Payments



General Rule: All invoices dated June 1, 2014 and after are subject to withholding of the GCT.

Contractual arrangement that commenced prior to June 1, 2014 will continue to be zero-rated for purposes of the GCT Act until the contract expires.

All contracts for goods and services signed on and after June 1, 2014 shall be subject to payment of GCT at the applicable rate.

Invoices for goods and services supplied on or after June 1, 2014 that are in relation to a contract signed before June 1, 2104 will continue to be zero - rated until the expiration of the contract.

Public bodies that were already paying GCT to their suppliers will now withhold and make the payments to TAJ.

Purchase Orders that were zero-rated prior to June 1, 2014 but not yet invoiced will be incorporated in the new withholding regime and therefore subject to GCT at the applicable rate. **The tax invoice must reflect the GCT.**

Contracts funded by foreign governments and multi-lateral agencies will continue to be zero rated by TAJ in accordance with Group 4 of the First Schedule of the GCT Act.



Cash Purchases

There are circumstances where a supplier does not issue a tax invoice until payment is received. In these cases where the purchase order was done prior to June 1, 2014 and payment is made on or after June 1, 2014 the GCT is to be withheld as per the new regime.

Ongoing Supplies

Where goods are supplied progressively or periodically under an agreement signed prior to June 1, 2014 for services that provide for the consideration to be paid from time to time, such as;

- ◆ The supply of electricity and telephone
- ◆ Rental of premises
- ◆ Security
- ◆ Insurance,

the payments are subject to withholding of GCT under the new regime, notwithstanding that the purchase order/ agreement was zero-rated prior to June 1, 2014.

Refund Of Excess Credit

A registered taxpayer is authorized to claim the GCT withheld on his GCT returns provided he is in possession of withholding GCT certificate (s). By having the 100% GCT payment withheld, the taxpayer may have excess credit and thus in a refund position. The taxpayer may request a refund to be paid directly to him or he can indicate that the excess credit should remain to pay future liability.



Responsibilities Of The Registered Taxpayer (Suppliers):

Under the new regime a registered taxpayer who supplies goods or renders services to a TWE is required to:

1. Charge GCT on all taxable supplies;
2. Issue a tax invoice;
3. Account for the GCT charged, as output tax, on the return for the period in which the supply was made (invoice basis); or
4. Account for GCT as output tax, when payments are received (payment basis);
5. Use the tax withholding certificate to claim the amount of GCT withheld as a tax credit in the taxable period in which the withholding tax certificate was issued or in another period.
6. E-file the monthly GCT return if claiming credit for tax withheld by a TWE

