

We welcome your suggestions to improve our service to you.

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Services Provided:

- ◆ Information on filing of Employee Income Tax Returns, Business Tax Returns, Employer's Return
- ◆ Income Statement,
- ◆ Clearances for Exiting the Country,
- ◆ Foreign Exchange Remittance
- ◆ Work Permit

Thank you for completing the form. Please drop the feedback form at any of our offices in Belize City, Corozal, Belmopan, Orange Walk Town, Dangriga, and San Pedro. You can also mail it to our mailing address at:
Post Office Box 520,
Belize City, Belize

Or

Email Us: at incometax@itx.gov.bz



INCOME TAX DEPARTMENT BELIZE

**INCOME TAX SERVICES
AVAILABLE AT:**

Income Tax Department:

Mahogany Street, Belize City
Phone: 222-4776, 222-4956,
222-4005, 222-4780, 222-4029
Central Bank Clearance:
Fax: 222-5027

Corozal Town:

Income Tax Office
32-5th Avenue
Phone: 402-2417

Orange Walk Town:

Income Tax Office
Otro Benque Road
Phone: 328-5007

Dangriga:

Income Tax Office
St. Vincent Street
Phone: 522-2046 Fax: 522-3971

San Pedro:

Income Tax Office
Coconut Drive
Phone: 206-2841 Fax: 226-3071

Belmopan:

Income Tax Office
P.O. Box 145
Trinity Blvd.,
Phone: 802-2667 Fax: 802-2667

BUSINESS TAX

Income Tax Department



Frequently Asked Questions ????

Call Us !



Write Us !

Come See Us!

1. What is Business Tax?

Business Tax is a tax on TOTAL REVENUES or RECEIPTS;

- Whether in cash or 'in kind'
- Whether received or accrued/credited of a 'Persons' or 'Firm':

- ⇒ Carrying on a trade or business that receives \$75,000.00 or more per annum where such receipts are the only source of livelihood of the taxpayer;
- ⇒ Practicing a profession or vocation in receipt of \$20,000.00 or more per annum where such receipts are the only source of livelihood of the taxpayer;
- ⇒ Engaged in the business of investment or receipts from real or personal property;
- ⇒ Engaged in the provision of services, including Tour Operators, Travel Agents and other Commission Agents;
- ⇒ without any deduction except for specific relief granted under the Business Tax Act (see Section dealing with DEDUCTIONS - Page 14).

Note: Not for persons who are employed

2. Who should pay Business Tax?

Business Tax is payable by any person carrying on business in BELIZE, and includes:

- ⇒ Individuals
- ⇒ Partnerships
- ⇒ Companies/Corporations
- ⇒ Self-employed Consultants, both Local (Resident) and Foreign (Non Resident) Any other 'person' who is in the business of providing goods and services, and those organizations identified in (3) below on taxable receipts.

3. Who should not pay (or is exempt from) Business Tax? What income is exempt?

The Business Tax does NOT apply to:

- ⇒ Employees, on their employment income. 'Employees' include professionals and consultants who work for their employers for periods adding up to sixty days (60) or more in the year

- ⇒ Receipts of Export Processing Zone businesses.
- ⇒ Winnings from Boledo and Jackpot Lottery, or any other lottery where the winnings is less than \$1,500, and from slot machines and table games of less than \$1,000.
- ⇒ Interest from any notes or bonds issued by the Government of Belize.
- ⇒ Rental receipts of less than \$800 per month where rent forms the only 'source of livelihood of the taxpayer'.
- ⇒ Receipts that are not the proceeds from a trade or business carried on by the following organizations:

- a) Credit Unions
- b) Charitable Institutions of a Public Character
- c) Educational Institutions of a Public Character
- d) Friendly Societies
- e) Local Authorities
- f) Religious Bodies
- g) Statutory Boards

- ⇒ Interest on Savings and Term Deposits, where the interest is not the income of a financial institution or investment company or any other person whose business activity includes the investment of funds.

4. What if I have both Employment Income and Business Receipts? Should I combine them?

Employment income should not be combined with your business receipts for tax purposes. If you have both types of receipts, then you need to file TWO (2) types of returns and pay the taxes applicable to those returns.

5. If a 'consultant' works for one person for more than sixty days, which Tax to apply?

This person is considered an employee and should pay Income Tax under the Pay As You Earn (PAYE) system. Any business tax inadvertently paid for them may be refunded at the end of the basis year, on application by the taxpayer.

6. Business Tax is a tax on total revenues without any deduction for expenses. Should I still keep all my records, including those for purchases and expenses?

Record keeping is a very important tool for the businessperson. These records will tell whether or not the business is making a profit, what areas are best to invest in, what are the outstanding bills, who owes the

business and for what period, what are the assets of the business; just to name a few key areas of importance. Annual Financial Statements are not just for the Income Tax Department. Financial institutions and other persons doing business with that firm or company uses financial statements also, and may ask you to provide them.

Importantly, persons carrying on a profession or business in which charges are made for services rendered to members of the public is required by law to make a separate record of every service transaction made in the course of that profession or business (Sec. 32 (2))

In addition to the above important business uses, taxpayers are required by law to keep all records, as the sales records are not the only ones used by the Department for the determination of total revenues. More importantly, you may at some time sustain a business loss that you want to use for a tax credit, and that loss will have to be verified by the Department before the credit is approved.

Keep all records. (See Page13, Item8 of the Guide)

7. Am I still required to file an Income Tax return?

Yes. You are required to file an Income Tax return. However, this is a simple form, which will give you the option to accept the business tax paid as a final tax. (See Page 15 of the Guide)

8. If the Income Tax is more than the Business Tax, will I have an additional liability, that is, more tax to pay?

NO. If the Income Tax works out to be more than the Business Tax, then the difference is written off automatically. There is no additional liability. There is no additional tax to pay. (See Page 15 of the Guide)

9. What is the responsibility of a person who purchases an existing business?

The law requires that every person who purchases a business should first ensure that all taxes due from such business have been paid by obtaining a 'Certificate of Clearance' from the Commissioner to this effect.

Failure to obtain the certificate may result in the purchaser being responsible to pay all outstanding taxes.