



## Policy 10-VAT Refunds

**The following is the Guyana Revenue Authority's Value Added Tax (VAT) guiding principle in relation to application for refunds. Many taxpayers have been querying whether they are required to apply to the VAT Department each month for refunds in respect of their excess input tax credits.**

**A: Section 35 (1) of the Value Added Tax Act states that:**

“Where

- (a) the total amount of the input tax creditable by a taxable person under section 24 for a period exceeds the person's output tax for that period; or
- (b) the amount of tax paid by a person, other than in circumstances specified under paragraph (a), was in excess of the amount properly charged to tax under this Act, the amount of the excess shall be treated in the manner provided in this section.

**Section 35 (2) states-**

“Except as provided in subsection (5), the excess described in subsection (1) (a) is carried forward to the next tax period and treated as input tax creditable in that period.

It therefore means that if there is an excess amount owed by the Guyana Revenue Authority to a taxpayer, that amount will be carried over to the next tax period. However, if any of the excess for a tax period remains after being carried forward and used as input tax creditable in six consecutive tax periods, a taxpayer can file with the Commissioner to claim the refund as provided in **Section 35 (3)** which states-

“Subject to this section, if any, of the excess referred to in subsection (1) (a) for a tax period remains after being carried forward and used as input tax creditable in **six** consecutive tax periods, the taxable person may file with the Commissioner, a claim for refund for the amount remaining in the form and with the documentation specified in regulations.”

Conversely, subsection (5) states-

(5) “Where at least **fifty percent** of the amount of the taxable amount of the taxable supplies of a taxable person for the taxable period is taxed at a zero rate, and the person reports an excess described in subsection (1) (a) for a taxable period, the person may file with the Commissioner a claim for refund for the excess credits attributable to the zero-rated supplies in the form and with the documentation specified in regulations”

**Regulation 7 (1)** states-

“If a taxpayer in a credit position is entitled to reclaim a refund under section 35 of the Act, the claim shall be submitted in the form and with the documentation determined by the Commissioner, including the following information-

- (a) the legal name of the registered person making the claim, and the registered person’s trade name, if different from the legal name;
- (b) The VAT registration number of the registered person making the supply;
- (c) The amount of the refund claimed, the period or periods in which the credit arose, the periods, if any, to which the credit was carried and portions of it were claimed”.

Provided that a taxpayer exports over fifty percent of his taxable supplies, he may file a claim every month to the Guyana Revenue Authority for a refund of the excess credits attributable to the zero-rated supplies. The claim for refund will be filed in addition to the tax return. The application form for refunds can be uplifted at the VAT Department.

Persons who still have queries with respect to VAT are encouraged to write the Commissioner, VAT and Excise Tax Department, 210 ‘E’ Albert and Charlotte Streets, Bourda for clarification.