



## VAT Policy Corner

### VAT Policy 39 - Sanitary Napkins & Diapers

The Guyana Revenue Authority continues to educate the general public on various aspects of VAT and seeks to address issues concerning Sanitary Napkins and Diapers.

Schedule I, Paragraph 2 (yy) of the VAT Act, zero rates a supply of sanitary napkins. Therefore, customers who purchase sanitary napkins including panty liners will not pay VAT regardless of the brand. However, customers will have to pay VAT on tampons which attract VAT at the standard rate of sixteen percent.

Further, paragraph 2A (v) zero rates a supply of diapers. Thus, all diapers including cloth diapers and pampers for babies and adults will attract VAT at the rate of zero percent; accordingly, consumers of these products will not pay VAT when purchases are made.

Registered businesses may file for a full refund of input tax credits on a monthly basis **if the zero rated items account for at least fifty percent of the amount of the taxable supplies.**

Moreover, registered businesses which are involved in the sale of mixed supplies, that is, exempt supplies and standard rated and/or zero rated supplies may file a claim **every month** to the Guyana Revenue Authority for a refund of the excess credits **attributable to the zero-rated supplies only.**

On the other hand, claims for refund relating to the standard rated supplies must be carried forward for six consecutive months before an application is filed.

Please note that Refund claims in the approved format must be filed in addition to the VAT return. The application form for refunds can be uplifted at the VAT Department.

If you require further information or assistance on VAT, feel free to contact the Value- Added Tax and Excise Tax Department situated at 210 'E' Albert and Charlotte Streets or by the telephone numbers 227- 7567, 227-7672 or 227- 3696.