



## VAT Policy Corner

### VAT Policy -Peas & Beans

The Guyana Revenue Authority continues to clarify various issues regarding the application of Value-Added Tax (VAT) to specific goods and services. Therefore, this policy seeks to address VAT and Peas and beans.

Schedule I of the VAT Act lists goods and services which are zero rated for VAT purposes. Accordingly, Paragraph 2 (q) (ix) zero rates a supply of dried split peas; Paragraph 2 (pp) zero rates a supply of dried black-eyed peas, but not including canned black-eyed peas and Paragraph 2(A) (s) (vi), (vii) and (viii) zero rates a supply of dried chick peas, not including canned chick peas; dried kidney beans, not including canned kidney beans and dried pigeon peas, not including canned pigeon peas.

Therefore, consumers will not pay VAT at the standard of sixteen percent when purchasing **dried split peas, dried black-eyed peas, dried chick peas, dried kidney beans** and **dried pigeon peas**, since businesses are required to charge VAT at the rate of 0% on these products.

Notwithstanding the above, if the products listed above are **packaged in a can, VAT at the standard rate of sixteen percent will apply.**

Furthermore, other peas and beans such as butter beans, red beans or red peas etc. will continue to attract VAT at the standard rate of sixteen percent whether or not these are canned.

Since zero-rating is a positive tax treatment, registered businesses which sell zero rated supplies are entitled to input tax credit paid on purchases related to the zero-rated supply.

As such, 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.**

Additionally, 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.**

If you require additional 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.