



VAT Policy Corner

VAT Policy 55-Eggs

The Guyana Revenue Authority continues to provide guidance on the application of Value- Added Tax (VAT) to goods and services. As such, this policy seeks to address issues concerning the supply of eggs.

Paragraph 2(nn) zero rates a supply of **uncooked birds'** eggs, **excluding hatching eggs** with effect from January 27, 2007. Thus; VAT was applicable on **uncooked birds'** eggs at the standard rate of sixteen percent prior to that date.

As a result of the above, **birds' eggs** that are **uncooked or raw** will be subject to VAT at the zero rate.

Subsequently, the law was amended to zero rate a supply of **hatching eggs**, pursuant to Paragraph 2 A (ii) of the VAT Act, effective March 01, 2008.

Therefore, **all types of eggs** used for hatching/reproduction will not have monetary value attached as tax when these products are purchased.

However, birds' eggs which are boiled, fried or cooked in any other form, or dishes containing birds eggs such as egg nog, egg balls as an ingredient will attract VAT at the standard rate.

Furthermore, other eggs used for human consumption including turtle eggs and fish eggs such as, Roe and caviar etc. are also taxable at the standard rate of sixteen percent.

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.

Furthermore, 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 the zero rated items account for at least fifty percent of the amount of the taxable supplies.**

Therefore, if 50% or more of the taxable supplies of a registered person are taxed at 0%, that person can claim a refund of the credits attributable to the zero rated supplies each month.

On the other hand, if the input tax credit attributable to the zero rated items account for less than 50%, the excess credit which remains for a tax period, will be refunded after being carried forward and used as input tax creditable in six consecutive tax periods. However, the taxpayer must apply for the refund in the form and with the documentation specified in regulations.

Please be advised that businesses will be allowed to reclaim VAT paid on the supply of uncooked birds' eggs and hatching eggs before to the zero rating of these products.

Additionally, businesses will be required to account for and remit output tax (VAT charged to customers) to the GRA prior to eggs being zero-rated.

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.