

AN INTRODUCTION TO GUYANA'S EXCISE TAX

This leaflet is one of a series produced by the Guyana Revenue Authority dealing with various aspects of Value Added Tax and Excise Tax. It provides an overview of the Excise Tax legislation and the implications for businesses.

As such, it is not legally binding. Whilst care has been taken in its preparation, readers are advised to consult the Guyana Excise Act # 11, 2005 and Excise Regulations for authoritative text. In cases of conflicting interpretation, the legislation takes precedence.

Excise Tax

An Excise Tax (ET) is a tax imposed on specific imported or home-produced goods. It is being introduced in Guyana, together with Value Added Tax (VAT), with effect from 1st January, 2007, as part of the Government's modernization and streamlining of Guyana's tax system.

ET and VAT replace six existing taxes. -

- Consumption Tax
- Hotel Tax
- Purchase Tax
- Telephone Tax
- Service Tax and
- Entertainment Tax.

Application of the Tax

Guyana's Excise Tax will be administered by the Guyana Revenue Authority (GRA) and will be levied on. -

- Petroleum products
- Tobacco products
- Alcoholic beverages and
- Motor vehicles

The amount of tax will be calculated on a sum referred to as the 'chargeable value.' For imported goods this will be their total value, as determined under the Customs Act, inclusive of freight insurance, Customs duties, fees and other charges that are payable upon entry to Guyana. For goods manufactured in Guyana the chargeable value will be its selling price, less any amount of VAT.

Petroleum products will be taxed at a rate of 50 per cent on motor spirit (gasoline) and on diesel oil and gas oil; tobacco products at a rate of 100 per cent; alcoholic beverages at 40 per cent and motor vehicles at various rates according to age, engine capacity, type and usage. A few goods will be taxed at a flat rate instead of according to value. For details

please see the Excise Tax Regulations, which may be viewed on the Guyana Revenue Authority's website - see below.

Note: The rates for motor vehicles have been set at such a level to ensure there is no increase in the level of tax applied before the introduction of Value Added Tax and Excise Tax. For details please see the Excise Tax Regulations, which may be viewed on the Guyana Revenue Authority's website, or contact the Guyana Revenue Authority's Help Desk - see below.

Goods that attract ET will also be subject to VAT, which will be applied to their Excise Tax-inclusive value.

Registration

Any person who carries on business as an importer of excisable goods, or who is a Guyana-based manufacturer of excisable goods that are for consumption in Guyana, must apply to the Commissioner General of the GRA to be registered for Excise Tax before 1st January 2007, or as soon thereafter business is commenced as an importer or manufacturer of excisable goods.

Before registering, a Taxpayer Identification Number must be obtained from the GRA. (The GRA's information leaflet "The Taxpayer Identification Number" gives details. See below).

Excise Tax and the importer

An importer of excisable goods must pay the tax before the goods are cleared for use within Guyana.

Where goods are imported and not warehoused, payment to the GRA must be made upon importation. Where goods are imported, warehoused and later removed from the warehouse, payment must be made on removal from the warehouse.

The Commissioner General of the GRA may grant permission for the temporary importation of taxable goods without payment of tax on being satisfied that the goods are for a temporary use, or will be exported within three months, subject to the payment of a deposit or security.

Excise Tax and the manufacturer

Where taxable goods are manufactured in Guyana and removed from a warehouse, or manufactured and sold in Guyana, payment of the tax to the Guyana Revenue Authority (GRA) must be made no later than fifteen days after the end of the month during which they were removed or sold.

No Excise Tax will be paid on goods which are exported. However, if a manufacturer cannot account for any taxable goods, those goods will be deemed to have been removed from a warehouse or made available for consumption in Guyana during the month that the deficiency occurred.

Excise Tax returns

Once registered, importers and manufacturers must make an accurate monthly Excise Tax return, no later than 15 days after the end of each month.

Refunds

A refund of Excise Tax may be made if.

- Tax has been paid in excess of what is properly due, or
- The excisable imported goods are subsequently exported, or put on a foreign-going ship or aircraft.

How can I find out more about Excise Tax?

Copies of the Excise Tax Act and Excise Regulations may be obtained from The Parliament Office, Brickdam, Stabroek, Georgetown, or viewed on the Guyana Revenue Authority website **www.revenuegy.org**

The Guyana Revenue Authority has also published a series of information leaflets to assist the business community and the general public. Among those that might be of particular interest are:

- A guide to the Guyana Excise Tax legislation
- A guide to the Guyana VAT legislation
- A beginner's guide to VAT for businesses
- VAT and Excise Tax registration
- Value Added Tax, Excise Tax and exports
- The Taxpayer Identification Number

These can be obtained from: The VAT & Excise Department, Guyana Revenue Authority, 210E Albert and Charlotte Streets, Bourda, Georgetown, or from your local VAT office, or they can be viewed and downloaded from our website **www.revenuegy.org**

The GRA welcomes direct approaches from the business community and the general public. We have therefore established a VAT Help Desk to provide an information service for everyone. It is available from 8.00 am to 5.00 pm Monday to Friday.

You can contact our Help Desk officers by letter, e-mail, telephone, or by visiting the VAT Department Headquarters at the above address in Georgetown. They will be pleased to answer any general questions you may have about any aspect of VAT, or arrange for an official response to be provided on a specific issue. They will also be able to arrange for an individual appointment, during office hours, if necessary, to give you the opportunity to discuss your particular business query with a specialist tax official.

The Help Desk telephone number is 227 7924

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