

GST 301

**GENERAL SALES  
TAX  
AND  
THE  
CONSUMER**



# INTRODUCTION

*This Consumer Information Booklet explains the broad concepts of the General Sales Tax (GST). GST is a consumption tax to be implemented on 1<sup>st</sup> July 2006, at a standard rate of 10%.*



This Information Booklet is not a substitute for the Law.  
In case of conflict the Law takes precedence.

## VALUE FOR YOUR MONEY

## **GST AT A GLANCE**

- GST** is an expansion of
- Sales Tax
- GST** is applied at a rate of 10% on most goods and services. Some basic goods and services are Zero Rated, while some are Exempt.
- GST** can only be collected by Registered Businesses which have their Certificate of Registration prominently displayed in their place of business.
- GST** is included in the final price to the consumer, except on Zero Rated or Exempt goods.

## **SOME BENEFITS OF GST**

- GST** is a more equitable and efficient way of collecting revenue.
- GST** Everyone, including those who presently may not be paying their fair share, pays GST.
- GST** **will not discriminate against lower income groups because no tax will be charged on basic food items.**

## **TAX EQUITY FOR ALL!**

**Some medicines, rent on residential housing, water, public postal services, financial services and educational services are exempt from GST.**

## **HOW DOES GST WORK?**

GST is a consumer tax collected on the selling price of all taxable goods and services.

Any GST paid by a registered person will be reclaimed from Government at the end of every monthly accounting period.

Following is an example designed to show consumers how much GST they are paying and what they are paying it on. The percentages used in the example should be taken as a guide only.

In the example: *CIF* stands for *Cost, Insurance and Freight*. This is the value on which importers pay import duty.

*Import Duty* is what Customs charges the importer on the value of goods coming into the country. This is a very important source of revenue for Belize. The importer pays this duty on the CIF value of the imports.

*Mark-up* is the profit that the importer, wholesaler and retailer make from selling their goods to consumers.

## **VALUE FOR YOUR- MONEY!**



What the importer will pay to the Department of GST on the 15<sup>th</sup> of the following month is \$4.00, which is the difference of the \$10.00 collected from the wholesaler and the \$6.00 paid to Customs.

### **Wholesaler**

The wholesaler buys the item for \$110.00 but because he can claim the \$10.00 GST he paid to the importer as input tax, his markup should be on the \$100.00 rather than the \$110.00. If he marks up the item by \$20.00 his cost is \$120.00



upon selling to the retailer. The GST charged at 10% results in \$12.00 bringing the selling price to \$132.00.

The wholesaler's payment to the Department is \$2.00 which is the difference between the \$12.00 collected from the retailer and the \$10.00 he paid to the importer.

### **Retailer**

The retailer's buys the item for \$132.00, but because he can claim input tax credit he will mark up the item on the \$120.00 only. The retailer marks up the item by \$80.00, the cost is now \$200.00 and 10% GST charged to the consumer is \$20.00. Thus the selling price to the consumer is \$220.00



## **VALUE FOR YOUR MONEY!**

The retailer pays in to the Department of GST \$8.00, which is the difference between the \$20.00 collected from the consumer and the \$12.00 he paid to the wholesaler.

## **Consumer**

The consumer is the person who bears the ultimate tax of \$20.00 since the final cost of the item is \$220.00.

**Note** at the end of the distribution chain the total GST collected by Government from importer to consumer stage is \$20.00.



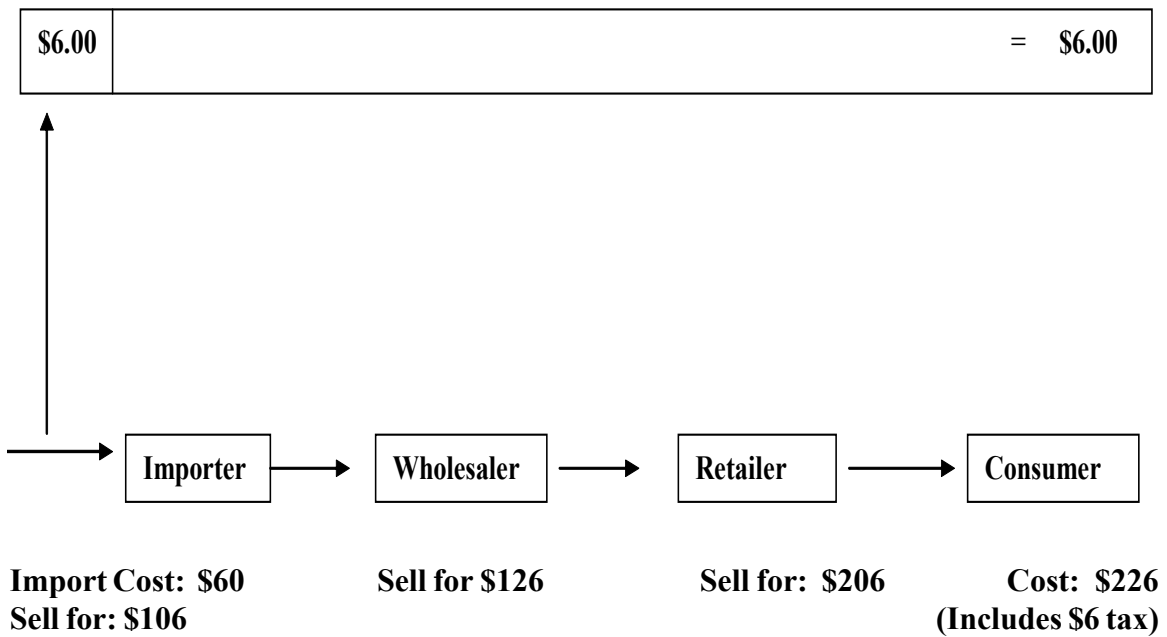
**VALUE FOR YOUR MONEY!**

***What if the Business is not registered?***

In this case, the Retailer must not collect GST from the Consumer. Since the Wholesaler collected GST from the Retailer, the GST paid, in this case only, becomes a part of the Retailer's cost. For the Non-Registered Retailer, the price to the consumer would be \$226.00.

**NON-REGISTERED BUSINESS**

To Customs



**ADDED BENEFIT TO ALL!**



## *Will anything be exempted from GST?*

Certain essential services are exempted from GST. “Exempted” means that a business person is not registered for GST and thus must not charge you GST on these services,

Some of these are some medicines, public transportation, education, residential accommodation, fruit concentrate and financial services. You must not pay GST on any of these Exempt Services.

These also include:

- Water and Sewerage
- Public Postal Services

For a complete listing  
of Exempt Services,  
please turn to  
page 11  
of this  
booklet.

# **VALUE FOR YOUR MONEY!**

***What will be taxed?***

Most goods and services imported into or supplied in Belize will be taxed at a standard rate of GST, ten per cent (10%).

***Will anything be taxed at a lower rate?***

Yes. To provide relief to lower income groups, basic food items are taxed at a rate of zero per cent or Zero Rated. GST must not be added to their selling price, and, therefore, GST must not be paid by the consumer on those items.-

These include:

- Chicken, Fresh Meat, Fish
- Fresh Milk
- Bread
- Flour
- Rice
- Eggs
- Lard
- Locally Produced

Fresh Fruits and Vegetables.



*Supplies Connected  
With Agriculture*



For a complete listing of Zero Rated goods, please turn to page 12 of this booklet.

**ADDED BENEFIT TO ALL!**

***Who pays GST to the Government?***

Those businesses that are registered with the GST Department, are responsible for the collection and payment of the tax directly to the GST Department or to the GST Offices or Sub-Treasuries in the Districts.

These registered businesses must have their registration certificates prominently displayed or the customer can refuse to pay GST.



The image shows a registration certificate form for the Government of Belize. At the top right, it is labeled 'GST 103'. The main title is 'GOVERNMENT OF BELIZE' in bold, followed by 'Department of General Sales Tax' and 'REGISTRATION CERTIFICATE'. A large watermark of the Belize coat of arms is centered in the background. To the right of the watermark, there are two input boxes: 'Tax Identification No.' and 'Certificate No.'. Below the watermark, the text reads 'This is to certify that' followed by a line for 'Name:' and another line for 'Address of Business:'. Below these lines, it states 'has been registered under the provisions of the GENERAL SALES TAX ACT, 2005' and 'Belize'. At the bottom, there is a box for 'Effective Date of Reg.' and a signature line for the 'Commissioner of General Sales Tax, Department of General Sales Tax'.

**VALUE FOR YOUR MONEY!**

### ***Who can charge GST?***

It is only those agents who are registered and who display a Certificate of Registration that are legally authorized to charge GST on the taxable goods and services that they sell.

On the other hand, those agents who are not registered will pay GST on the goods they buy, but are not legally authorized to charge GST on the goods they sell.

### ***When does the Consumer pay GST?***

GST is payable when goods are sold or services are provided. However, GST is not payable on Zero Rated Goods or Exempt Services (see listings in this book).

### ***How do I know on what Items GST is charged?***

GST is not chargeable on any of the goods or services listed in the back of this Information Booklet. All other goods and services are subject to GST.

**Note:** It is in the interest of every Consumer to know which goods are Zero-Rated and which services are Exempt. Goods and services falling into either of these two categories will not be subject to GST, that is, 10% GST will not be charged.

## **VALUE FOR YOUR MONEY!**

## EXEMPT SERVICES



*Medicines  
Medical Supplies*



*Education within the meaning of  
the Education Act*



*Banking and Financial Services licensed  
under the Banks & Financial  
Institutions Act*



*Domestic Public Transportation  
International Travel*



*House Rent  
Public Postal Services  
Fruit Concentrate*



*Accommodation in a hotel, inn,  
Guesthouse, boarding house or lodging house.*



*Insurance Services licensed  
under the Insurance Act*

## VALUE FOR YOUR MONEY!

## **ZERO-RATED GOODS**

### **FRESH MEAT**

Carcasses and half - carcasses

Brisket

Other fresh/chilled cuts with bone in other than briskets

Tenderloin

Sirloin

Minced (ground)

Other fresh/chilled boneless cuts other than tenderloin, sirloin, minced. Other frozen cuts with bone in other than brisket

Other

Pork leg, shoulders and cuts thereof, with bone in (fresh)

Other fresh/chilled cuts with bone in than hams, shoulders

Carcasses and half-carcasses of lamb, fresh or chilled

Other meat of sheep, fresh or chilled

Carcasses and half-carcasses of Lamb frozen.

Other meat of sheep frozen

Meat of goats

Meat of horses, asses, mules or hinnies, fresh, chilled or frozen

Edible offals of bovine animals, fresh or chilled

Tongues, frozen

Livers, frozen

Frozen edible offals other than tongues and liver

Edible offals of swine, fresh or chilled

Pig trotters, frozen

Edible offals of swine other than livers and pig trotters

Other, fresh or chilled edible offals of swine

Other, frozen edible offals of swine

Poultry not cut in pieces, fresh or chilled

Fowls of the species Gallus domesticus, not cut in pieces, frozen

Turkeys, not cut in pieces, frozen

Ducks, geese and guinea fowls, not cut in pieces, frozen

Fatty livers of geese or ducks, fresh or chilled

## **VALUE FOR YOUR MONEY!**

Poultry cuts and offal other than fatty livers of geese or ducks, fresh or chilled  
 Backs and necks of fowls of the species Gallus Domesticus, frozen  
 Wings, frozen  
 Other poultry cuts, frozen  
 Backs, necks and wings of turkeys, frozen  
 Poultry cuts of ducks, geese or guinea fowls, frozen  
 Poultry livers, frozen  
 Edible meat offal, fresh, chilled or frozen  
 Other meat, fresh, chilled or frozen  
 Salmonidae, excluding livers and roes (including trout and salmon)  
 Flat fish, excluding livers and roes (including halibut, plaice & sole)  
 Tunas, excluding livers and roes, for processing  
 Other tunas, skipjack of stripe-bellied bonito, excluding livers and roes  
 Herrings, excluding livers and roes, for processing  
 Other herrings, excluding livers and roes  
 Cod, excluding livers and roes, for processing  
 Other cod, excluding livers and roes  
 Mackerel, excluding livers and roes, for processing  
 Snapper, shark, croaker, grouper, dolphin, bangamary and sea trout, excluding livers and roes  
 Flying fish, excluding livers and roes  
 Alewives, saithe, pollock, haddock and hake, excluding livers and roes, for processing  
 Other fish excluding livers and roes fresh or chilled  
 Livers and roes, fresh or chilled  
 Pacific salmon, excluding livers and roes, frozen  
 Other salmonidae, excl. livers and roes (incl. trout & other salmon), frozen  
 Flat fish, excl. livers and roes (including halibut, plaice and sole), frozen  
 Other fish, excluding livers and roes, frozen  
 Roes, frozen  
 Fillets of flying fish, fresh or chilled  
 . Other fillets, fresh or chilled  
 Flying fish, frozen  
 Frozen fish fillet other than of flying fish  
 Other fish meat, fresh, chilled or frozen  
 Shrimps and prawns, frozen  
 Lobsters, frozen  
 Other crustaceans, frozen  
 Other, crustaceans, fresh, chilled or dried

## **VALUE FOR YOUR MONEY!**

Snails, other than sea snails, fresh, chilled, frozen or dried

Sea eggs

Other molluscs, fresh, chilled, frozen or dried

### **MILK**

Milk

In powder, granules or other solid forms, of a fat content, by weight not exceeding 1.5% Not containing added sugar or other sweetening matter

### **EGGS**

Hatching eggs, for breeder flock Hatching eggs, not for breeder flock Other fresh eggs

### **LOCALLY PRODUCED FARM FRESH VEGETABLES**

Potatoes, fresh or chilled

Tomatoes, fresh or chilled

Onions

Shallots (eschallots)

Garlic

Leeks and other alliaceous vegetables

Cabbages

Cauliflowers

Other edible brassicas

Lettuce

Chicory

Carrots

Beets

Other edible roots

Cucumbers

Gherkins

Pigeon peas

Blackeye peas

String beans

Bora (bodi) beans

Other leguminous vegetables, shelled or un shelled Aubergines (egg-plants)

Zucchini

Ochroes

Pumpkins

Sweet corn (corn on the cob)

# **TAX EQUITY FOR ALL!**



Sweet peppers  
Mushrooms and truffles  
Other fruits of the genus Capsicum or of the genus Pimenta Other

**BEANS**

Red kidney beans  
Other beans  
Pigeon peas  
Split peas  
Blackeye peas  
Chickpeas (garbanzos)  
Other peas  
Other dried leguminous vegetables, shelled, whether or not skinned or spilt

**LOCALLY PRODUCED FARM FRESH FRUITS**

Bananas, fresh  
Plantains, fresh  
Bananas and plantains, dried  
Dates  
Figs  
Pineapples  
Avocados  
Guavas  
Mangoes  
Mangosteens  
Oranges  
Ugli fruit  
Ortaniques  
Other citrus hybrids  
,Lemons  
Limes  
Grapefruit  
Other  
Fresh grapes  
Cantaloupes  
Watermelons  
Muskmelons

# **TAX EQUITY FOR ALL!**

Other melons  
Papaws [papaya]  
plums and sloes fresh  
Berries  
Sapodillas  
Soursop  
Breadfruit  
Carambolas  
Other fruit

**CORN**

Other

**RICE**

Rice in the husk (paddy or rough)

White rice (in packages for retail sale)

Other white rice

Semi-milled white rice in packages of not more than 10 kg Other semi-milled white rice

Wholly milled white rice in packages of not more than 10 kg Other wholly milled white rice

Broken rice in packages for retail sale

Other broken rice

**FLOUR**

Wheat or meslin flour Corn flour

**LARD**

Lard

**VALUE FOR YOUR MONEY!**

**MARGARINE**

Margarine, excluding liquid margarine

**SUGAR** Cane sugar Beet sugar Glucose

**BABY FORMULA**

Preparation for infant use put up for retail sale

**BREAD**

Other, corn and flour tortilla

**SALTS**

Table salt in retail packages of not more than 2.5 kg Other table salt

Rock salt

**ANY LIVE BIRD, FISH, CRUSTACEAN, MOLLUSC OR OTHER ANIMAL OF A KIND  
GENERALLY USED AS, OR YIELDING OR PRODUCING, FOOD FOR HUMAN  
CONSUMPTION**

Bulls

Cows

Bulls for breeding

Bulls for rearing, weighing not more than 270kg.

Other bulls

Cows, for breeding

Cows, for rearing, weighing not more than 270kg.

Other cows

. Pure bred breeding swine

Other swine for breeding

Other swine

Sheep for breeding

Sheep for rearing

Other sheep

Goats for breeding

Goats for rearing

Other goats

Live fowls of the Gallus domesticus species weighing not more than 185 kg. for breeding For rearing

Ducks, geese, turkeys, guinea fowls for breeding

# **ADDED BENEFIT TO ALL!**

Ducks, geese, turkeys, guinea fowls for rearing  
Cocks for breeding  
Cocks for rearing  
Hens for breeding  
Hens for rearing  
Other for breeding  
Other for rearing  
Bees for breeding  
Pigeons  
Turtles  
Other birds

**EGGS FOR HATCHING AND SEMEN FOR ARTIFICIAL INSEMINATION**

Hatching eggs for breeder flock  
Hatching eggs not for breeder flock  
Bovine semen  
Eggs of fish, crustacean, mollusc and aquatic invertebrates

**ADDED BENEFIT TO ALL!**



