



Guide to Completing a VAT Return Filing
Version 3: November 1, 2015



1 PURPOSE

The present guide is intended to provide step-by-step instructions on completing the VAT Return Form for both the Standard Method and the Flat-Rate Scheme. This guide should be used in conjunction with the Value Added Tax Act, 2014, as amended (“VAT Act or the Act”), the Value Added Tax Regulations 2014 (“VAT Regulations”), the VAT Rules and The Bahamas VAT Guide (“VAT Guide”), all of which can be found on the website of the Government of The Bahamas (“Government”).

2 INSTRUCTIONS FOR FILING USING THE STANDARD METHOD

Note on adjustments: If there were adjustments made during the current period, corresponding to sales/purchases that were reported in a previous period, then use the adjustments lines in the form to account for the adjustments. Otherwise, if both the sale/purchase as well as the corresponding adjustment occurred in the current period, incorporate the adjustment into the lines reserved for supplies (sales) and purchases.

Line 1: Zero-Rated Supplies

Enter the total amount of zero-rated sales that you have made during the period. Refer to the Bahamas VAT Guide and the relevant industry guide for more information.

Line 2: Exempt Supplies

Enter the total amount of exempt sales that you made during the period. If you are a hotel include any hotel (accommodation) supplies that were grandfathered into the transition from the hotel occupancy tax. Homeowners associations filing returns should state the amount collected for property tax separately on the exempt line as well.

Line 3: Bonded Supplies (fill in only if Grand Bahama Port Authority Licensee)

Enter the amount of sales/supplies to other Port Licensees on which VAT was not collected where the supplied goods were of a kind within Clause 2 of the Hawksbill Creek Agreement.

Line 4: Taxable Supplies at Standard Rate (7.5%) - Value inclusive of VAT

Enter the total amount of standard-rated taxable sales made during the period. Include VAT charged during the period.

Line 5: VAT collected on Standard Rate Supplies (7.5%) - VAT (L4 X (7.5/107.5))

Multiply line 4 by 7.5, and divide it by 107.5. If filling out the form online, this line is calculated automatically.

Line 6: Reverse Charge VAT on imported Services

If you have paid for imported services during the period (foreign-based contractors, consultants, accountants, IT specialists who provided services on site or where the benefit or advantage is received in The Bahamas, hosted software & software downloads), enter the amount of VAT calculated at the standard rate as a percentage of the total value of the services contracted that is payable by you.

Line 7: Adjustment for the period

Enter any adjustments that occurred in the current period, where the original sale or purchase was reported in a previous period:

- If you have issued a debit note to a client
- If you have received a credit note from your supplier
- If you use the accrual accounting scheme and have written off debt uncollected or recovered any amount of a bad debt previously written off.

Line 8: Supplies, excluding VAT - Taxable & Bonded Supplies (L1 + L3 + L4 - L5)

Enter the sum of your zero-rated sales, your standard-rated sales, excluding the VAT, and your bonded supplies, if applicable (Add lines 1,3 and 4, subtract line 5 from the total). If filling out the form online, this line is calculated automatically.

Line 9: Supplies, excluding VAT - Total Supplies, incl. Bonded Supplies (L2+ L8)

Enter the sum of all sales, including exempt, zero-rated and standard-rated sales, but excluding any VAT (Add lines 2 and 8). Include bonded supplies/sales if any (line 3). If filling out the form online, this line is calculated automatically.

Line 10: TOTAL OUTPUT TAX (L5 + L6 + L7)

Enter the Total Output Tax (Add lines 5, 6, and 7). If filling out the form online, this line is calculated automatically.

Line 11: Bonded inputs relating to imports and domestic purchases (fill in only if Grand Bahama Port Authority Licensee)

Enter any bonded purchases from other Port Licensees and any bonded imports (where no VAT was paid) during the period and where the purchased or imported goods are of a kind within Clause 2 of the Hawksbill Creek Agreement.

Line 12: Imports - Value of Imports of capital goods & services (exclusive of VAT)

Enter the total value of imports of goods and services related to capital expenditures acquired during the period but excluding the VAT. Include all imports that have been cleared, including exempt imports, regardless of whether duties and VAT have been charged on the imports. Also, include the value of any imported services related to capital expenditures; for example, the costs associated with the installation of machinery or imported construction services. However, if you are a construction company, do not indicate the value of imports of construction material on this line, as these relate to inventory and operations in your case; indicate them on line 13 instead.

Line 13: Imports - Value of Imports of operating inputs and other non-capital supplies (exclusive of VAT)

Enter the total value of imports of operating inputs and other non-capital supplies acquired during the period exclusive of VAT. Include all imports that have been cleared, including exempt imports, regardless of whether duties and VAT have been charged on the imports. Also, include the value of any services imported (foreign-based contractors, consultants, accountants, IT specialists who provided services on site or where the benefit or advantage is received in The Bahamas, hosted software & software downloads) that relate to current expenses.

Line 14: VAT paid on Imported Goods

Enter the amount of VAT that was paid at Customs on imported goods. Do not include any amounts of VAT that are due but have not been paid (deferred) during the period. Do not include any bonds posted, except if bond or part of it has been applied towards paying the outstanding VAT. Also, do not include any amounts paid as fines or interest.

Line 15: Deferred VAT on Imported Goods payable in period

If you imported goods during the period and you were granted a deferral of VAT, enter the amount that was deferred or a part thereof that is being paid in the current period. Refer to the Bahamas VAT Guide and the relevant industry guide for more information.

Line 16: VAT payable on Imported Services (copy L6)

If you have paid for imported services during the period (foreign-based contractors, consultants, accountants, IT specialists who provided services on site or where the benefit or advantage is received in The Bahamas, hosted software & software downloads), enter the amount of VAT that is payable by you on the services. The figure should match the figure entered in line 6. If filling out the form online, this line is calculated automatically.

Line 17: Domestic Purchases - Value of Domestic Purchases of capital goods & services (exclusive of VAT)

Enter the total value, exclusive of VAT of all domestic purchases relating to capital expenditures. Include the value of purchases that were VAT exempt. Include the value of any services related to capital expenditures; for example, the costs associated with the installation of machinery or imported construction services. However, if you are a construction company, do not indicate the value of domestic purchases of construction material on this line, as these relate to inventory and operations in your case; indicate them on line 18 instead.

Line 18: Domestic Purchases - Value of Domestic Purchases of operating inputs and other non-capital supplies (exclusive of VAT)

Enter the total value, exclusive of VAT of all domestic purchases relating to operating inputs (inventory) and other non-capital supplies. Include exempt purchases, if applicable.

Line 19: Domestic Purchases - VAT paid on Domestic Goods & Services, and deemed VAT if applicable

Enter the amount of VAT that was paid on all acquired domestic goods and services. If you operate a used car dealership, include the amount of deemed input VAT allowable under section 50(2)(e) of the VAT Act.

Line 20: Total VAT paid on Domestic Purchases & Imports, and Deemed Input VAT (L14 + L15 + L16 + L19)

Enter the total amount of VAT that was paid during the period on all purchases. Enter the sum of lines 14, 15, 16 and 19. If filling out the form online, this line is calculated automatically.

Line 21: SubAmount from L20 that is non-claimable (attributable to exempt supplies/sales, non-claimable - section 50(1) the VAT Bill, or section 32 (1) of the VAT Regulations)

Enter the SubAmount (portion) of VAT that was paid during the period, but which cannot be claimed because it is attributable to exempt supplies/sales or because it is non-claimable under section 50(1) of the VAT Act, or section 32 (1) of the VAT Regulations.

Line 22: SubAmount from L20 that is attributable to mixed supplies/sales (exempt, taxable and bonded) and is claimable in part (section 31 of the VAT Regulations)

Enter the SubAmount (portion) of VAT that was paid during the period and is attributable to mixed (exempt, taxable and bonded) supplies/sales. This amount can be claimed in part only.

NB: This line should not be used by Financial Institutions and Insurance Companies which have special apportionment formulae.

Line 23: Input VAT from Mixed Supplies - Refer to apportionment worksheet for details

Enter the portion of input VAT that is attributable to mixed supplies/sales, and which can be claimed. Refer to Form 32e for details on how to perform the calculation. If you are a financial institution or Insurance Company, enter 0. If filling out the form online, this line is calculated automatically.

Line 24: SubAmount from L20 that is directly attributable to taxable supplies or bonded supplies only & is fully claimable under the provisions of the VAT act

Enter the portion of VAT paid that was incurred during the period, and that is attributable wholly to taxable sales and/or bonded sales. This amount can be claimed in full. If a Financial Institution, also include any amount of VAT paid that is directly allocable to taxable supplies only and/or the amount arrived at when the apportionment formula for the Financial Institutions and Insurance Companies are used. Please refer to VAT Rule 2015-00x – Apportionment formula for Financial Institutions and VAT Guidance – Insurance Companies respectively for the formulae referred to.

Line 25: Adjustment for the period

Enter any adjustments that occurred in the current period, where the original sale or purchase was reported in a previous period:

- If you have received a debit note from your supplier
- If you have issued a credit note to your client

- If you have written off an amount of bad debt, provided that you have already reported that amount as output VAT in a previous period.

Line 26: TOTAL INPUT TAX (L23 + L24 +25)

Enter the total amount of input VAT that is claimable for the period (add lines 23, 24 and 25). If filling out the form online, this line is calculated automatically.

Line 27: VAT Payable or VAT Credit (L10 – L26. Can be negative)

Enter the amount of VAT payable or VAT credit resulting for the period (subtract line 26 from line 10). You may enter a negative figure for this line, indicating a credit. This line does not take into account any VAT credit that you may have available from previous periods. If filling out the form online, this line is calculated automatically.

Line 28: Deferred VAT payable during period

If you imported goods during the period and you were granted a deferral of VAT, enter the amount that was deferred and is due in the current period. If filling out the form online, this line is filled automatically.

Line 29: Total VAT payable (L27 + L28)

Enter the amount of Total VAT payable this period or net VAT credit resulting in this period (add lines 27 and 28). If filling out the form online, this line is filled automatically.

Line 30: VAT credit carried over from prior taxable period (Max up to Amount on L29)

Enter the amount of VAT credit carried over from previous periods that is available for use in this period, up to the amount on line 29, if applicable. If filling out the form online, this line is filled automatically.

Line 31: Net VAT Payable or VAT Credit (L29 – L30)

Enter the net VAT payable or VAT credit available (subtract line 30 from line 29). The result may be negative, indicating a credit. If the result is a credit (negative), you may carry this amount forward in whole or in part to line 29 of the next return you submit, or you may request a refund in certain situations. Refer to the Bahamas VAT Guide and the relevant industry guide for more information. If the result is a payable (positive), remit the amount to the VAT department by the due date. If filling out the form online, this line is filled automatically.

3 INSTRUCTIONS FOR FILING USING THE FLAT-RATE SCHEME

Important Note – You cannot use the flat-rate scheme unless you are given permission to do so first by the VAT Department.

Note on adjustments: Adjustments to input VAT are not allowed using the flat-rate scheme. If you have any adjustments to the sales/supplies reporting in previous periods, for example because you refunded clients for returned goods, deduct them from line 1 in this form. The adjustments cannot exceed the sales/supplies for the period; if they do, deduct only up to the sales/supplies for the period and then include the remaining adjustment in subsequent periods.

Line 1: Total of sales/supplies for the period and adjustments

Enter the sum of all sales, including exempt, bonded supplies, zero-rated and standard-rated sales, and including VAT. If there are adjustments to output from previous periods (such as refunds or rebates to clients), deduct them from the Total of sales/supplies.

Line 2: Applicable rate (as a percentage)

Enter the rate that is applicable to the flat-rate scheme. If filling out the form online, this line is filled automatically.

Line 3: VAT Payable (L1 X L2)

Enter the amount of VAT payable (multiply line 1 by the rate on line 2). If filling out the form online, this line is calculated automatically.

Line 4: Output VAT from the sale of capital assets

If you have sold any capital assets during the period, enter the amount of VAT that is chargeable on the sale.

Line 5: Input VAT on the purchase of capital assets

If you have purchased any capital assets during the period, enter the amount of VAT that you have paid on the purchase.

Line 6: Total VAT for period (L3+ L4 - L5)

Enter the amount of Total VAT due for this period (add lines 3, and 4, then subtract line 5 from the sum).

Line 7: VAT credit carried over from prior taxable period (Max up to Amount on L6)

Enter the amount of VAT credit carried over from previous periods that is available for use in this period, up to the amount on line 6, if applicable..

Line 9: Net VAT to remit / Credit for period (L6 - L7)

Enter the net VAT payable or VAT credit available (subtract line 7 from line 6). The result may be negative, indicating a credit. If the result is a credit (negative), you may carry this amount forward in whole or in part to line 7 of the next return you submit, or you may request a refund in certain situations. Refer to the Bahamas VAT Guide and the relevant industry guide for more

information. If the result is a payable (positive), remit the amount to the VAT department by the due date.

Contact Us

Further information can be obtained from the Taxpayers Services help desk: 1 (242) 225 7280

Or you can contact us by email: taxinquiries@bahamas.gov.bs

Or you can write to:

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