



Ministry Of Finance

VAT Department

VAT Rule 2015-024

Condominium and Homeowner

Associations



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Condominium and Homeowner
Associations

A. Authority

This Rule is made under section 17 of the Value Added Act, 2014

B. Legislation

All legislative references are to the Value Added Tax Act, 2014 and/or the Value Added Tax Regulations 2014, unless otherwise stated.

C. This Rule applies in respect of:

VAT Act - Section 5; 19 (2); 31 (9) and VAT Regulation 11

D. Application of Rule

The purpose of this Rule is to provide clarification of the VAT treatment of Condo and Homeowners' Association Fees. It is applicable where The Condominium and/or Homeowner Association that have exceeded the mandatory registration threshold of \$100,000 and are required to register for VAT. In the event, that the annual billing is below the threshold, the provision of property insurance and real property taxes can cause the annual turnover to exceed the threshold.



E. Comptroller's Rule

1. The Condominium and Homeowner's Associations are engaged in trade or business when it renders services to its members, and thus its Fees are subject to VAT.
2. Condominium and Homeowner's Associations are permitted to use the Cash Basis Accounting Scheme.
3. VAT should not be charged on any portion of fees that recover common real property taxes or any portion of association fees which recover insurance premium charges that are not subject to VAT
4. Associations should provide statements which group charges into their taxable and exempt components.

F. The period for which this Rule applies

This Rule shall apply for the period beginning on January 1, 2015 until it is withdrawn or replaced.

