



# Ministry Of Finance

## VAT Department

### VAT Rule 2015-002

### Charities



# VAT RULE

## 2015-002 - Charities

### 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:

Section 35(13), 58(1)(b)(i) and 58(4) of the Value Added Tax Regulations, 2014 in regards to refunds for charities.

### D. Application of Rule

The purpose of this Rule is to establish criteria for a refund of Value Added Tax paid on the acquisition of qualifying goods or services in respect to charities and should be used when determining the eligibility for registration of a Charity, when a refund should be issued and what procedures Charities should follow when applying for a VAT Refund.

### E. Comptroller's Rule

1. A charity that wishes to apply for a VAT refund shall be registered for a TIN only, and shall be recognized and approved Charity by the Ministry of Finance.



2. The inputs on which VAT can be refunded are as follows:
  - a) Utility services inclusive of electricity, water, and telecommunication services.
  - b. construction of and repairs to occupied premises
3. Applications for refunds shall be made using the Bahamas Online Tax Administration System
4. Applications for refunds shall not be for amounts less than \$500 and must be filed on a quarterly basis
5. Applications shall be accompanied by supporting schedule of purchases

**F. The period for which this Rule applies**

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, 2015 until it is withdrawn or replaced.

