



# HURRICANE FAQs



Listed below are questions asked most often by charities and relief organizations as to their VAT obligations in connection with their donations/ contributions to the areas impacted by Hurricane Joaquin. These areas include the islands of

**ACKLINS, CAT ISLAND, CROOKED ISLAND, EXUMA, INAGUA, LONG CAY, LONG ISLAND, MAYAGUANA, RUM CAY, SAN SALVADOR AND SAMANA CAY.**

The VAT Department has provided answers to assist you in following correct procedures in each case.

## CHARITIES AND RELIEF OPERATIONS

### **? HOW DO I REGISTER MY ORGANISATION AS AN APPROVED CHARITY FOR VAT PURPOSES?**

Organizations that wish to be considered a charity for VAT purposes must register online to receive a TIN and then submit Form 46 for recognition as a charity. Form 46 which can be found on the Government's website [www.bahamas.gov.bs/VAT](http://www.bahamas.gov.bs/VAT)

### **? IF I AM A VAT REGISTRANT DO I NEED TO REGISTER FOR A SPECIFIC OR ANOTHER TIN FOR THE HURRICANE RELIEF?**

No. Your existing TIN remains valid for whatever activities

you conduct. However, if donations are made to any charitable organization be sure to maintain proper records of your contributions.

### **? HOW DO I CONFIRM IF AN AGENCY IS AN APPROVED CHARITABLE ENTITY?**

The Ministry of Finance has published a list of approved charities for the purposes of VAT. This list is published on the Government's website at [www.bahamas.gov.bs/VAT](http://www.bahamas.gov.bs/VAT).

### **? AM I ALLOWED TO EXEMPT THE VAT ON ITEMS SOLD TO CHARITIES?**

No. Output VAT is due on all sales, even if they are

discounted. You can, however, decide to pay the VAT yourself. In this case the output tax is calculated for reporting purposes as 3/43 multiplied by the value of the sale.

### **? IF I AM A VAT REGISTRANT AND MAKE CHARITABLE DONATIONS, HOW DO I DOCUMENT THESE?**

Charitable donations, given free of charge, are not sales. However, you should follow the same procedure of the VAT invoice and ensure that the TIN of your company and that of charitable entity are included on the invoice. Maintain summary records of your donations, so that you can

answer questions or queries in relation to audits by the VAT Office.

### **? HOW SHOULD AN APPROVED CHARITY OBTAIN A REFUND OF VAT PAID?**

A Schedule of Purchase (Form No. 15) should be submitted to the VAT Department by the charitable organization and VAT Form No. 14a Refund of Exempt Person which can be obtained from the government's website. Only your direct expenses for disaster relief assistance might qualify for refunds. The VAT Comptroller will advise if your organization qualifies for refunds on other expenses.



FOR MORE INFORMATION email [taxinquiries@bahamas.gov.bs](mailto:taxinquiries@bahamas.gov.bs) or contact The Department of Inland Revenue at (242) 225-7280 or (242) 461-8050.