



MINISTRY OF FINANCE
The Department of Inland Revenue



GUIDANCE FOR BUSINESSES QUALIFYING FOR THE

TAX CREDIT & TAX DEFFERAL

RELIEF UNDER THE EMPLOYMENT RETENTION PROGRAMME



APPLY ONLINE:
<http://www.atlas.revenue.gov.bs>



DEPARTMENT OF
INLAND REVENUE
Central Revenue Administration

**GUIDANCE FOR BUSINESSES QUALIFYING FOR TAX CREDIT AND TAX
DEFERRAL RELIEF UNDER THE PAYROLL SCHEME**

The Tax Credit and Tax Deferral Employment Retention Programme has been expanded to include all qualifying VAT registered businesses with a turnover in excess of 100K and hotels to provide payroll support and encourage employee retention.

(Special conditions may apply)

I. Meet eligibility Requirements:

To be eligible, enterprises would be required to:

- Be a current Business License holder and VAT registrant.
- Be in good standing in VAT or BL payments as at February 2020 (***not including BL due for current 2020 cycle***);
- Commit to retaining 80 percent of staff levels as at February 29th 2020 levels, though to October, 31st 2020;
- Make application on the prescribed form for this concession
- Commit to the utilization of tax credits solely for purposes of covering non- Executive payroll. Executive payroll will be the payroll of persons who hold positions of a Proprietor, President or Vice-President, Director or similar Job Title level.
- This concession is not available to businesses in the following sectors:
 - Food stores and food wholesalers
 - Pharmacies and related wholesalers
 - Gaming Houses
 - Banks and Financial Entities
 - Insurance Companies
 - Regulated Telecommunications Sector

II. Provide payroll cost which will determine the amount for Approved Tax Relief (ATR) for the months July, August & September 2020, the qualifying period (**QP**). To accomplish this the taxpayer must provide:

- A copy of their non- management payrolls for the month of February, 2020.
- A copy of banking information in support of their payroll costs.
- A copy of NIB returns for the relevant month.
- A payroll register showing the breakdown by employee categories.
- A declaration that they will retain 80% of the workforce that existed at 29th February, 2020, through to 31st October, 2020. (***Declaration included with the application form***)

III. The relief provisions will apply as follows:

PHASE II APPROVED TAX RELIEF (ATR)

NO. OF ELIGIBLE NON-EXECUTIVE STAFF	MAXIMUM CREDIT THAT WILL BE ALLOWED	MAXIMUM DEFERRAL THAT WILL BE ALLOWED	MAXIMUM 3 MONTH VALUE
1 to 25	\$150,000	\$150,000	\$300,000
26 to 300	\$300,000	\$300,000	\$600,000
301 to 600	\$600,000	\$600,000	\$1,200,000
600 to 1500	\$1,500,000	\$1,500,000	\$3,000,000
1501 and over (assuming a max of 2500 employees)	\$2,500,000	\$2,500,000	\$5,000,000

IV. Qualifying businesses will be allowed to:

- Apply the tax credit as a non-reimbursable credit (NTC) to outstanding taxes.
- Apply the tax deferral approved to any unpaid taxes or taxes in excess of the NTC.
- Apply the full amount of the NTC firstly to any outstanding Business License Fees where applicable and the remaining portion to any unpaid VAT balances,
- Pay the deferred tax over a twelve month period in equal installments starting January, 2021 free of interest or fees.
- Where there are no Business License Fees outstanding, the full amount of the NTC will be applied to the VAT outstanding balance.
- Use any unapplied remaining balance of the NTC, to offset any future VAT liability that may materialize in the qualifying period cumulatively.
- All NTC allowed must be utilized against outstanding taxes arising through to 31st December, 2020.
- Unused credits will no longer be available after 31st December, 2020

V. Business Continuity:

- The taxpayer will conduct business in the usual manner and withhold VAT payable (*output VAT less Input VAT*) to the limit of the available NTC.
- Taxpayers will be required to upload with their filing in the usual manner schedules and copies of all Input and Output VAT supporting documents.
- In rare cases a taxpayer might find themselves in a receivable position the amount so available will be utilized against future tax liability but will not be available as a cash refund.

VI. Department of Inland Revenue

- Will acknowledge receipt of application within 24 hours
- Will advise of approval of application and the value of any ATR within 48 hours of receipt of the relevant payroll cost and supporting documentation.
- Will reverse finance charges arising during the program and deferral periods.