



### INTRODUCTION

Consumers in St. Kitts & Nevis can purchase goods at a lower VAT rate on Discounted VAT Rate Day (DVRD) on the 16th of December 2016. Participating businesses will be allowed to charge VAT at a rate of 5%.

#### Eligible Items

Tangible items that are presently subject to 17% VAT will qualify for the discounted VAT Rate on DVR Day. **In relation to vehicle purchases, VAT will be exempt on the first \$50,000.00. Any cost in excess of the \$50,000 will attract the standard 17% VAT. Persons receiving Duty Free concession on vehicle will NOT be eligible for the DVR Day VAT exemption on the first \$50,000.00. Hence, persons receiving Duty Free concession on vehicle will be required to pay the standard rate of 17% VAT upon purchasing a vehicle at Duty Free on DVR Day 2016.**

Items eligible MUST also be available for sale and immediately available for issuance or delivery to the customer on DVR Day. Orders for items not in stock DO NOT qualify.

#### Non-Eligible Items

- Professional services (Ex. Legal fees)
- Rent & Tickets for game of chance (Ex. Lottery/Raffles)
- Top-ups & Phone cards
- Guns, Ammunition & Cigarettes,
- Alcoholic Beverages

Alcoholic Beverages NOT eligible include but are not limited to Wine, Brandy, Vodka, Whiskey, Gin, Rum, Liqueurs, cordials, Beer, Guinness, Royal Stout, Shandy Carib and Smirnoff Ice.

Goods and Services imported on the DVRD do not qualify for the reduced rate.

#### Be Vigilant:

Consumers should check their receipts to ensure that the reduced VAT rate of 5 % was actually charged. Ensure that you collect your receipt and review your purchases.

#### Need additional information on DVR Day?

Please visit our web site at [www.skniird.com](http://www.skniird.com) or [sknvat.com](http://sknvat.com).

A list of approved businesses authorized to take part in the Discounted VAT Rate Day is available on our web site at [www.skniird.com](http://www.skniird.com)



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**Are Items sold on Credit and Hire Purchase eligible for the reduced rate?**

YES! Eligible goods sold under a credit or hire purchase agreement will qualify for the reduced rate of 5% if the sale is concluded on the DVR Day. Businesses are reminded that the VAT on the sales under credit terms must be reported in its entirety whether or not payment has been made in full during that tax period.

**Rules governing returns and exchanges.**

If a customer buys a good at the special 5% rate during the DVR Day and exchanges it on the same day for another good, the 5% rate will still apply. The special rate will NOT apply if the exchange is done after DVR Day 2016.

If a customer buys a good during the DVR Day and returns the item after the Day for a credit on the purchase of a different item, the 17% VAT Rate would apply to the sale of the newly purchased item, even if it would have been eligible for the 5% Rate during DVR Day.

If a customer buys an item before the DVR Day, but returns the item during the DVR Day and receives credit on the purchase of a different item, the reduced rate shall NOT apply on the sale of the new item.

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**Contact Information**

**St. Kitts**

Inland Revenue Department  
3rd Floor, E. C. Daniel Building  
Cayon Street, Basseterre  
Tel: +1-869-465-8485

**Nevis**

Inland Revenue Department  
R G Solomon Arcade  
Main Street, Charlestown  
Tel: +1-869-469-5856

Email: inlandrevenue@sknird.com

Website: www.sknird.com or www.sknvat.com

St. Kitts and Nevis Inland Revenue Department - Building  
Our Nation Through Responsible Tax Administration

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