

**F50 Personal Income Tax
Monthly Instalment Guide (2006)
Individuals**



**Government of
Antigua & Barbuda
Inland Revenue Department**

Personal Income Tax – Monthly Instalment Guide for Individuals (2006)

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Before You Start

1. Introduction

All amounts referred to in this publication are expressed in Eastern Caribbean Currency (EC) dollars. Please note that this Guide is not a substitute for the Act or its Regulations and in the case of an inadvertent conflict; the Act and Regulations will prevail.

2. What are instalments?

Instalments are periodic payments of income tax that individuals are required to pay to the Inland Revenue Department to cover tax they would otherwise have to pay on March 31 of the following year.

All instalments paid throughout the year will be credited to your account and will be taken into consideration once your annual income tax return has been filed and processed by the Inland Revenue Department.

These instalments are not your ultimate tax liability but simply payments that are credited to your account.

Most employees pay their tax by having their employers withhold tax from their income throughout the year. However, if you are self-employed or have other sources of income from which no tax has been withheld, you will be required to pay monthly instalments. This can happen if you receive rental, or self-employment income, certain pension payments, or employment income from more than one source.

3. Who has to pay by instalments?

You have to pay your income tax by instalments for 2006 if your self-employment or other income for the month is more than \$3,000 and you:

- are self-employed or
- are a sole trader or
- derive income from various sources;

The instalment payment has to be paid whether your income is derived from or received in Antigua and Barbuda or elsewhere.

4. What are the types of income subject to monthly instalment payments?

The following types of income are subject to monthly instalment payments according to the Personal Income Tax Act 2006:

- gains or profits from any trade, business, profession or vocation;
- part of pension that exceeds \$60,000 per year;
- rent, royalties and other income, arising from property;
- other annual gains that do not fall under any of the above types; and
- gains or income derived from sources outside Antigua and Barbuda.

5. Paying your monthly instalments on various sources of income

If you derive your income from various sources and you have self-employment income and/or other income, your gross income for the remitting period should be a total of all incomes. If you also have employment income, the appropriate amount of income tax will be withheld by your employer and remitted on your behalf to the Inland Revenue Department.

6. When are your monthly instalment payments due?

Your instalment payments for 2005 are due no later than the last day of each month in respect of the previous month and should be accompanied by form F50 PIT Instalment – Monthly Remittance.

The Inland Revenue Department will send you a personalized F50 PIT Instalment – Monthly Remittance form in the mail each month. If you do not receive a F50 PIT Instalment – Monthly Remittance form in time for your next payment, send in the payment with a letter and be sure to indicate that you did not receive your personalised F50 PIT Instalment – Monthly Remittance form.

When your instalment payment date falls on a Saturday, Sunday, or statutory holiday, the payment due date is on the next business day.

The following table states the monthly deadlines for instalment payments for 2006.

2006	
Taxation month end	Filing deadline
January 31	February 28
February 28	March 31
March 31	May 01
April 30	May 31
May 31	June 30
June 30	July 31
July 31	August 31
August 31	October 01
September 30	October 31
October 31	November 30
November 30	January 01
December 31	January 31

7. How to calculate your monthly instalment payments?

If you have derived your self-employment or other income between January 1, 2006 and December 31, 2006 you are liable to tax at one percent (1%) of the gross income in excess of the personal allowance for each month. The personal allowance for 2006 is \$3,000 per month. In other words take your gross monthly income or turnover, subtract \$3,000 and multiply the balance by .01% to determine the amount to be remitted.

Note: if you started your self-employment after April 1, 2005, your monthly instalment payment may be determined by the Commissioner of the Inland Revenue Department.

8. What are your responsibilities as an individual?

If you are liable to monthly remittances as self-employed or if you derive income from other sources, you shall:

- register as an individual with the Inland Revenue Department and have a Tax Identification Number;
- create and maintain records and receipts that clearly illustrate all income and expenses in order to determine your liability to pay tax and the amount you should pay;

- remit your instalment payment on a monthly basis to the Inland Revenue Department;
- complete a F50 PIT Instalment – Monthly Remittance form;
- file an annual income tax return not later than March 31st of each year;
- determine the tax liability; and
- remit any outstanding amount of tax in respect of the preceding income year.

9. Tax Identification Number

The Tax Identification Number is a number that simplifies and streamlines the way you deal with the Inland Revenue Department. All individuals and businesses get a TIN (a 6 digit number) when they register with the Inland Revenue Department.

If, as an individual, you are liable or become liable to tax, you are required to register with the Inland Revenue Department. The Inland Revenue Department will issue a Tax Identification Number. This TIN should be quoted in your correspondence with IRD.

10. Registration due dates

You should apply for registration:

- not later than **fifteen days after you become liable to tax** at any time after the commencement of the Act.

These provisions are stipulated in *Part II, Section 6, Subsection (b) of the Personal Income Tax Act*,

If you are already registered under *Section 75A of the Income Tax Act* you need not apply for registration and your Tax Identification Number under that Act will be regarded as your tax identification number for the purposes of the Personal Income Tax Act until you are notified of any change in the tax identification number.

For the purpose of the PIT Act, you are required to notify the IRD that you are self-employed or derive income from various sources.

11. How to register for a Tax Identification Number?

To obtain a Tax Identification Number, you must complete Form F14 “**Individual Enterprise Registration**” in case of an individual or Form F15 “**Non-Individual Enterprise Registration**” in case of a corporation or partnership and submit it to the Inland Revenue Department.

12. In what format can you file your F50 PIT Instalment – Monthly Declaration?

You use the form **F50 PIT Instalment - Monthly Remittance** form to file your monthly instalment payments,. This form is a personalised pre-printed form generated by the Inland Revenue Department and sent to you at the end of each month.

13. Where do you have to file your monthly instalment remittance?

You file your monthly remittance with the Inland Revenue Department, and all payments must be made payable to the “Commissioner of Inland Revenue” and may be made by mail or in person at:

Inland Revenue Department
Newgate Street,
St. John’s, Antigua

14. Assessing your monthly instalment tax liability

In case of non-filing, incomplete filing or underpayment of the tax, the Inland Revenue Department can determine and assess the amount of tax to be paid and send you a *Notice of Assessment* requiring you to remit the amount of tax due within 30 days after the date of the assessment notice.

15. What happens once you have filed your monthly instalment remittance?

Once the IRD receives your F50 PIT Instalment - Monthly Remittance form, it is reviewed for accuracy and captured into the automated system at the IRD and it will undergo further processing.

16. Instalment Reminders

If you do not send in your F50 PIT Instalment – Monthly Remittance form by the due date the Inland Revenue Department will be in a position to assess the amount of the instalment that should have been remitted along with a penalty of 10% of the amount deemed not to have been remitted and interest at a rate of 1% per month.

17. Filing an annual income tax return

An individual with self-employed and/or other income is required to file an annual income tax return not later than March 31st of each year, determine the tax liability and remit any outstanding amount of tax in respect of the preceding income year

If it happens that the amount of your monthly instalments exceeds the amount of tax that ought to have been paid, the Inland Revenue Department may, subject to audit and on reasonable grounds reimburse tax that has been overpaid to the individual.

The details regarding the completion of the annual personal income tax return along with an explanation of what elements are considered income as well as what elements are considered legitimate expenses to be deducted from income are included Personal Income Tax Return-Annual Return Preparation Guide which has been sent to you and is also available on the Government of Antigua and Barbuda’s web site (www.ab.gov.ag) an at the Inland Revenue Department.

18. Enforcement and Recovery of Tax

As per *Part III, Section 45 of the Personal Income Tax Act*, the Inland Revenue Department may sue for and recover tax as a civil debt due to the Government in a court of competent jurisdiction.

The Inland Revenue Department may require any individual liable to remit tax to provide a return to enable the IRD to compute or to determine the amount of tax to be remitted by that individual.

19. How to appeal an instalment assessment?

An individual has certain legal rights under the Act:

1. If an individual disputes a decision in relation to his assessment he may apply to the Commissioner, by notice of objection in writing, to review and revise the decision.
2. If an individual is aggrieved by a decision of the Commissioner in relation to his assessment he may appeal against the decision to the Appeal Board established under the Income Tax Act.
3. If an individual is aggrieved by a decision of the Appeal Board he may appeal to a Judge as provided in the Income Tax Act.

The provisions of the Income Tax Act relating to objections and appeals will similarly apply to objections and appeals under the Personal Income Tax Act.

20. Determination of Personal Allowance

Personal allowance means the amount of income not liable to tax. For 2006, in the case of tax paid on a monthly instalment basis, the amount of personal allowance that is not liable to tax is set to \$3,000.

21. Books and records

As an individual, you have to keep books and records in case we need to verify the income or loss you reported on the return.

These documents and related vouchers should be kept for at least 7 (seven) years from the end of the last taxation year to which they relate.

Keep all receipts and documents that you do not have to file with your instalment remittance in an orderly manner, for use when completing your personal income tax return and in case we need to see them when auditing your return. All books and accounts must be kept in the English language.

22. Completion of F50 PIT Instalment – Monthly Declaration

Part 1 - Taxpayer and Tax Identification

Taxpayer’s Receipt

The top part of the form is entitled “Taxpayer’s Receipt” and will be completed by the Inland Revenue Department when your **F50 PIT Instalment – Monthly Declaration** form is processed. You will be given the receipt.

When you complete the **F50 PIT Instalment – Monthly Declaration** form, ensure that the following information is correct:

TAXPAYER AND TAX IDENTIFICATION

Be sure to validate Part 1 of your declaration, so that the IRD can properly identify you, keep up-to-date information in the system about you (as an individual) and process the declaration quickly and accurately.

Do not write in the Taxpayer and Tax Identification section except in case the information is not correct. If any of the information is incorrect, cross it out and print the correct information next to it. Please ensure that that the new information is legible and accurate.

It is important that you notify the IRD as soon as possible of any changes in the name of the business, address, mailing address, etc. You may be required to fill in registration form F14 or F15 depending on the type of your business or enterprise.

Part 2 - TAX DECLARATION AND CALCULATION

Line 010 – Gross income for the remitting period

On line 010, enter your gross income for the remitting period. If you derive income from various sources, add up the total of each income for the month.

Line 020 – Personal monthly allowance

On line 020, personal monthly allowance for 2006 is set by the Personal Income Tax Act and is \$3,000 for all individuals. This amount is already printed on your instalment remittance form, so you do not need to enter any amount on this line.

Line 030 – Taxable Income for the remitting period (line 010 minus line 020)

Subtract the amount on 020 from the amount on line 010 and enter the result in line 030. This is your taxable income for the period that exceeds \$3,000. The amount of tax to be paid should be calculated using this amount.

Line 040 – Instalment tax rate

On line 040, the tax rate is determined by the PIT Act and is set to one percent (1%) of the gross income in excess of personal allowance for 2006. Therefore, you do not have to enter any figure in this line.

Line 050 – Total amount of instalment to be paid for the remitting period (line 30 x 1%)

On line 050, multiply the result of line 030 by 1% and enter the total instalment amount that you have to pay for the remitting period.

Certification

The individual registered must sign, date and enter his/her position on the bottom of the form in the area provided.

Examples

Monthly Turnover	Monthly Allowance	Taxable Income	Tax Rate %	Monthly Tax
\$3000	\$3000	\$0	1%	
\$10000	\$3000	\$7000	1%	\$70
\$50000	\$3000	\$47000	1%	\$470
\$100000	\$3000	\$97000	1%	\$970
\$500000	\$3000	\$497000	1%	\$4970
\$1000000	\$3000	\$997000	1%	\$9970

23. Amount due is nil

If you have completed your F50 PIT Instalment – Monthly Declaration form and the amount entered in line (50) is zero (Gross income for the period less than \$3000) you are still required to submit the F50 PIT Instalment – Monthly Declaration form to the Inland Revenue Department by the due date.

24. Do you need more information?

This guide uses plain language to explain the most common instalment tax situations according to the provisions of the Personal Income Tax Act, April 2005. Should you need more help after you read this guide, please refer to the Government of Antigua's web site at www.antigua.gov.ag or contact:

Inland Revenue Department

Newgate Street,

St. John's, Antigua

Tel: 462-4142/3 or 462-0396

Fax: 462-3175

E-mail: Revenue@antigua.gov.ag

