

**St. Kitts & Nevis Inland Revenue Department  
VAT Guidance Series**

**Tax-Inclusive Pricing**

EFFECTIVE DATE: NOVEMBER 1, 2010

**Overview** This Guidance Series describes the requirements by a business for displaying, advertising and quoting prices inclusive of VAT under Section 111 of the *VAT Act, No.3 of 2010*.

**Disclaimer** The information in this memorandum does not replace the law found in the *VAT Act, No.3 of 2010* and its Regulations. As it may not completely address your particular operation, you may wish to refer to the Act or appropriate Regulation, or contact the St. Kitts & Nevis Inland Revenue Department (SKN-IRD) VAT Unit for more information

If you wish to make a technical enquiry on VAT by telephone, please call 1-869-467-1931/1933 or 1-869-469-5856.

- (1) Where a registered person offers goods for retail sale
  - (a) the person must comply with the pricing methods set out in this Guidance Series and
  - (b) if some of the goods are taxable at the standard rate, while others are zero-rates, not taxable, or only partly taxable, the person must clearly indicate to customers how much tax is included in the price of the goods.
- (2) For the purposes of paragraph (1) above:
  - a. if it is feasible, where goods are taxed at the standard rate the person shall indicate on price tags, tickets, or other price marks that the price is tax-inclusive;
  - b. if it is not feasible to include the information required by paragraph (a), the person may choose some other method of identifying how goods are taxed, including—
    - (i) using colour coding price tickets for taxable, zero-rated, and other supplies, or
    - (ii) by asterisking taxable supplies,so long as a clear explanation of the method used is displayed prominently at such places as are necessary to enable customers to identify, before they enter into a transaction, whether tax has been included in the price of the goods;
  - c. In the case of supermarkets, department stores, and other stores selling directly to the public, it is sufficient for the purposes of paragraph (b) to state the total price (including any tax) on price tags, and to identify taxed items on a till receipt, by placing a distinctive mark such as an asterisk next to each taxed item and including a statement on the receipt that the marked items include tax;
  - d. the following pricing methods are not acceptable for price tags, tickets, price marks, or other pricing information, or for the purposes of advertising prices:
    - (i) a statement of the tax-exclusive price alone, or
    - (ii) a statement of the tax-exclusive price and a statement that the price is tax-exclusive; or
    - (iii) a statement of the tax-exclusive price and a statement that tax will be added, even if the amount of tax or the rate of tax is specified.

- (3) Where a registered person (the supplier) quotes a price to another registered person (the recipient) for a supply of goods or services that would be taxable, the supplier may, if the recipient agrees, quote on the basis of the tax-exclusive value of the supply, provided that the quote clearly states that tax will be payable on the supply and states either the tax-inclusive price of the supply or the applicable rate of tax and the amount of tax that will be payable.
- (4) Sub-regulation (3) does not authorise a registered person to advertise its prices exclusive of tax, irrespective of whether some or all of the likely purchasers of its goods or services would be registered persons.
- (5) A registered person who supplies services must advertise, market, and quote its prices inclusive of tax in a manner consistent with the rules for goods in paragraphs (1) to (4).
- (6) Notwithstanding anything else in this Guidance Series, if a supply includes a number of items bundled together for a single price, some of which are taxable at the standard rate and some of which are not, any price tag, ticket, or other price mark, or any advertisement, letter, quote or other document notifying the price for which the supply is offered, shall state the amount of tax included in the price.
- (7) A registered person who, during the first month after the VAT commencement date, does not comply with paragraphs (1), (2), (3), or (6), other than paragraph (2) (d), of this Guidance Series is not liable for a penalty under section 104 of the Act in relation to the non-compliance during that first month, but may be liable to both an initial and further penalty under that section if the non-compliance continues beyond that month.