

Your Rights and Obligations

Record Keeping

You must keep all records used in relation to the entertainment activity. This includes records of any imports, ticket sales, passes or tickets provided for free or complimentary, purchases made whether taxable or non-taxable and any contractual agreements. You are required to keep these records for six years.

Filing Returns and Paying VAT

You must file a VAT Return and pay the tax due each month. You must submit your return and payment by the 15th of the month following the month in which the entertainment event(s) took place. For example, the return and payment for August 2011 are due by 15th September 2011.

An IRD issued Assessment

If you disagree with an Assessment we made, you may file an objection in writing to the Comptroller within thirty calendar days of the Notice of the Assessment. You may be represented by Counsel or an Accountant. We will make every effort to resolve the matter with you.

Confidentiality

Meeting your tax obligation means giving us accurate information so we can properly assess your liabilities and entitlements under the Acts we administer. Fees and penalties can be imposed if you don't.

You have a right to privacy, secrecy and confidentiality. Your information is important to us. At the Inland Revenue Department, all officers are bound by an Oath of Secrecy to keep your information private and confidential. Any divulgence of your information could result in prosecution of that officer.



We are here to listen, inform and assist you. Should you require more information, please do not hesitate to contact us.

Contact Information

St. Kitts

The Tax Reform Unit
3rd Floor, E. C. Daniel Building
Cayon Street, Basseterre
Tel: +1-869-467-1931

Nevis

Inland Revenue Department
Main Street, Charlestown
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Email: info@sknvat.com
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This leaflet is part of our new series of leaflets, to explain various aspects of this new tax system.

Each leaflet will cover one topic.

Other leaflets will be published over the next few months.

Value Added Tax and ENTERTAINMENT



VAT

A simpler

more

efficient tax

for

St. Kitts & Nevis

Basic Rules Governing Public Entertainment

INTRODUCTION

The purpose of this leaflet is to provide taxpayers with important information regarding Public Entertainment and Value Added Tax (VAT).

What is public Entertainment?

Public entertainment is defined as any musical entertainment, theatrical performance, comedy show, dance performance, circus show, any show connected with a festival, or a similar event to which the public is invited. *(Sec 2 VAT Act)*

Who is a Promoter of Public Entertainment?

A promoter of public entertainment is a person who arranges the staging of public entertainment.

This does not include entertainment organized by an approved educational institution, the board or management or a parent teacher association of an approved educational institution, a person who provides entertainment on a daily or weekly bases, a church incorporated by an Act of Parliament or an approved charitable organization. *(Sec 2 VAT Act)*

When must a Promoter of Public Entertainment Register for VAT?

There is no registration threshold for promoters of public entertainment. If you are a promoter of public entertainment, you are required to apply for registration no later than **seven (7) calendar days** before the public entertainment starts. *(Sec 12(13) VAT Act)*

You may also be required to give a security for the tax that may become due and payable by virtue of the entertainment event.

The time and amount of the security deposit will be specified by the Comptroller in a notice to the promoter. The promoter of public entertainment will not be permitted to host the event unless such security deposit has been paid and written approval issued by the Comptroller. *(Sec 54 VAT Act)*

What happens upon registration?

Once an application is submitted to the Inland Revenue Department, the promoter may be asked to provide some information which may include the following:

- The location of the event
- The capacity of the venue
- The expected number of attendees
- The number of tickets printed or expected to be printed including complimentary passes
- The value of tickets
- The arrangements relating to bars, concession stands and gate receipts etc.
- The names and addresses of persons other than the promoter who will be conducting taxable activities in relation to the promotion.
- All contractual agreements relating to the event.

All tickets and passes to be used during the event must be stamped by the IRD before being sold or issued.

Will Tax Officers be at every event?

While the Inland Revenue Department has the authority to attend any event to monitor the operations, Tax Officers will be periodically assigned on a random basis. Officers may be stationed at the entrance to the event, at the ticket booth and concession stand or bar or any other location deemed necessary by the Comptroller. Promoters must ensure the safety of these officers and cooperate fully.

Officers may check all tickets to ensure they are stamped by the IRD, and count tickets presented at the entrance and any unsold tickets at the end of the event. Promoters must also count all takings from the day/night of the event in the presence of the officers.

What should be included on VAT Returns?

Like every VAT registered business, the VAT return serves as your submission of the supplies made and VAT collected

(output tax) for a given tax period as well as expenses incurred and VAT claimed as a deduction (input tax).

Supplies for your activity includes any sale by which payment is received from attendees. This can be ticket sales, any fees paid in cash, merchandise sales and sale of food and beverages. The price printed on tickets or amounts collected on entrance fees from attendees will be deemed VAT inclusive. Additionally, any VAT paid on goods or services purchased for the event can be deducted from VAT collected. This may include furniture and equipment rentals, venue rental, or any items purchased for concession stands or bars.

Promoters are asked to submit a schedule of sales/collections and purchases which relate to the event when submitting the VAT Return. This will allow the IRD to quickly assess the accuracy of the Return and reduce the likelihood for a follow up review.

What Happens if the Promoter has no entertainment events in a given month or months?

If your entertainment activities are few throughout the year, you may contact the Inland Revenue Department to temporarily inactivate your tax account. However, if you do not wish to inactivate your account, you will be required to file your VAT return every month by the due date. Taxpayers with no activities during a tax period may file a nil return

What Happens if the Promoter does not apply for registration?

If you fail to apply for registration, the law provides for the imposition of penalties and fines. A person who is required to register and fails to do so commits an offence and shall be liable, on summary conviction, to a fine not exceeding thirty thousand dollars or to imprisonment for a term not exceeding two years or to both.

The promoter shall also be liable to pay a civil penalty equal to double the amount of output tax payable from the time the person is required to apply for registration until the person files an application for registration with the Comptroller. *(Sec 96 VAT Act)*